



Sen. Andy Manar

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1 AMENDMENT TO SENATE BILL 16

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 16 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 Primary State Aid Continuing Appropriation Act.

6 Section 5. Annual budget; recommendation. The Governor  
7 shall include a Common School Fund recommendation to the State  
8 Board of Education in the annual budgets for fiscal years 2016  
9 through 2018 sufficient to fund the primary State aid formula  
10 set forth in subsection (e) of Section 18-8.15 of the School  
11 Code and supplemental grants set forth in subsection (h) of  
12 Section 18-8.15 of the School Code.

13 Section 10. Primary State aid formula; funding. The General  
14 Assembly shall annually make Common School Fund appropriations  
15 to the State Board of Education in fiscal years 2016 through

1 2018 sufficient to fund the primary State aid formula set forth  
2 in subsection (e) of Section 18-8.15 of the School Code and  
3 supplemental grants set forth in subsection (h) of Section  
4 18-8.15 of the School Code.

5 Section 15. Continuing appropriation. If the General  
6 Assembly fails to make Common School Fund appropriations to the  
7 State Board of Education in fiscal years 2016 through 2018  
8 sufficient to fund the primary State aid formula set forth in  
9 subsection (e) of Section 18-8.15 of the School Code and  
10 supplemental grants set forth in subsection (h) of Section  
11 18-8.15 of the School Code, this Act shall constitute an  
12 irrevocable and continuing appropriation from the Common  
13 School Fund of all amounts necessary for that purpose.

14 Section 90. Repeal. This Act is repealed on June 30, 2018.

15 Section 905. The Economic Development Area Tax Increment  
16 Allocation Act is amended by changing Section 7 as follows:

17 (20 ILCS 620/7) (from Ch. 67 1/2, par. 1007)

18 Sec. 7. Creation of special tax allocation fund. If a  
19 municipality has adopted tax increment allocation financing  
20 for an economic development project area by ordinance, the  
21 county clerk has thereafter certified the "total initial  
22 equalized assessed value" of the taxable real property within

1 such economic development project area in the manner provided  
2 in Section 6 of this Act, and the Department has approved and  
3 certified the economic development project area, each year  
4 after the date of the certification by the county clerk of the  
5 "total initial equalized assessed value" until economic  
6 development project costs and all municipal obligations  
7 financing economic development project costs have been paid,  
8 the ad valorem taxes, if any, arising from the levies upon the  
9 taxable real property in the economic development project area  
10 by taxing districts and tax rates determined in the manner  
11 provided in subsection (b) of Section 6 of this Act shall be  
12 divided as follows:

13 (1) That portion of the taxes levied upon each taxable lot,  
14 block, tract or parcel of real property which is attributable  
15 to the lower of the current equalized assessed value or the  
16 initial equalized assessed value of each such taxable lot,  
17 block, tract, or parcel of real property existing at the time  
18 tax increment allocation financing was adopted, shall be  
19 allocated to and when collected shall be paid by the county  
20 collector to the respective affected taxing districts in the  
21 manner required by law in the absence of the adoption of tax  
22 increment allocation financing.

23 (2) That portion, if any, of those taxes which is  
24 attributable to the increase in the current equalized assessed  
25 valuation of each taxable lot, block, tract, or parcel of real  
26 property in the economic development project area, over and

1 above the initial equalized assessed value of each property  
2 existing at the time tax increment allocation financing was  
3 adopted, shall be allocated to and when collected shall be paid  
4 to the municipal treasurer, who shall deposit those taxes into  
5 a special fund called the special tax allocation fund of the  
6 municipality for the purpose of paying economic development  
7 project costs and obligations incurred in the payment thereof.

8 The municipality, by an ordinance adopting tax increment  
9 allocation financing, may pledge the funds in and to be  
10 deposited in the special tax allocation fund for the payment of  
11 obligations issued under this Act and for the payment of  
12 economic development project costs. No part of the current  
13 equalized assessed valuation of each property in the economic  
14 development project area attributable to any increase above the  
15 total initial equalized assessed value, of such properties  
16 shall be used in calculating the general State school aid  
17 formula, provided for in Section 18-8 of the School Code, or  
18 the primary State aid formula, provided for in Section 18-8.15  
19 of the School Code, until such time as all economic development  
20 projects costs have been paid as provided for in this Section.

21 When the economic development project costs, including  
22 without limitation all municipal obligations financing  
23 economic development project costs incurred under this Act,  
24 have been paid, all surplus funds then remaining in the special  
25 tax allocation fund shall be distributed by being paid by the  
26 municipal treasurer to the county collector, who shall

1 immediately thereafter pay those funds to the taxing districts  
2 having taxable property in the economic development project  
3 area in the same manner and proportion as the most recent  
4 distribution by the county collector to those taxing districts  
5 of real property taxes from real property in the economic  
6 development project area.

7       Upon the payment of all economic development project costs,  
8 retirement of obligations and the distribution of any excess  
9 monies pursuant to this Section the municipality shall adopt an  
10 ordinance dissolving the special tax allocation fund for the  
11 economic development project area, terminating the economic  
12 development project area, and terminating the use of tax  
13 increment allocation financing for the economic development  
14 project area. Thereafter the rates of the taxing districts  
15 shall be extended and taxes levied, collected and distributed  
16 in the manner applicable in the absence of the adoption of tax  
17 increment allocation financing.

18       Nothing in this Section shall be construed as relieving  
19 property in economic development project areas from being  
20 assessed as provided in the Property Tax Code, or as relieving  
21 owners of that property from paying a uniform rate of taxes, as  
22 required by Section 4 of Article IX of the Illinois  
23 Constitution.

24 (Source: P.A. 98-463, eff. 8-16-13.)

25       Section 910. The State Finance Act is amended by changing

1 Section 13.2 as follows:

2 (30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

3 Sec. 13.2. Transfers among line item appropriations.

4 (a) Transfers among line item appropriations from the same  
5 treasury fund for the objects specified in this Section may be  
6 made in the manner provided in this Section when the balance  
7 remaining in one or more such line item appropriations is  
8 insufficient for the purpose for which the appropriation was  
9 made.

10 (a-1) No transfers may be made from one agency to another  
11 agency, nor may transfers be made from one institution of  
12 higher education to another institution of higher education  
13 except as provided by subsection (a-4).

14 (a-2) Except as otherwise provided in this Section,  
15 transfers may be made only among the objects of expenditure  
16 enumerated in this Section, except that no funds may be  
17 transferred from any appropriation for personal services, from  
18 any appropriation for State contributions to the State  
19 Employees' Retirement System, from any separate appropriation  
20 for employee retirement contributions paid by the employer, nor  
21 from any appropriation for State contribution for employee  
22 group insurance. During State fiscal year 2005, an agency may  
23 transfer amounts among its appropriations within the same  
24 treasury fund for personal services, employee retirement  
25 contributions paid by employer, and State Contributions to

1 retirement systems; notwithstanding and in addition to the  
2 transfers authorized in subsection (c) of this Section, the  
3 fiscal year 2005 transfers authorized in this sentence may be  
4 made in an amount not to exceed 2% of the aggregate amount  
5 appropriated to an agency within the same treasury fund. During  
6 State fiscal year 2007, the Departments of Children and Family  
7 Services, Corrections, Human Services, and Juvenile Justice  
8 may transfer amounts among their respective appropriations  
9 within the same treasury fund for personal services, employee  
10 retirement contributions paid by employer, and State  
11 contributions to retirement systems. During State fiscal year  
12 2010, the Department of Transportation may transfer amounts  
13 among their respective appropriations within the same treasury  
14 fund for personal services, employee retirement contributions  
15 paid by employer, and State contributions to retirement  
16 systems. During State fiscal years 2010 and 2014 only, an  
17 agency may transfer amounts among its respective  
18 appropriations within the same treasury fund for personal  
19 services, employee retirement contributions paid by employer,  
20 and State contributions to retirement systems.  
21 Notwithstanding, and in addition to, the transfers authorized  
22 in subsection (c) of this Section, these transfers may be made  
23 in an amount not to exceed 2% of the aggregate amount  
24 appropriated to an agency within the same treasury fund.

25 (a-3) Further, if an agency receives a separate  
26 appropriation for employee retirement contributions paid by

1 the employer, any transfer by that agency into an appropriation  
2 for personal services must be accompanied by a corresponding  
3 transfer into the appropriation for employee retirement  
4 contributions paid by the employer, in an amount sufficient to  
5 meet the employer share of the employee contributions required  
6 to be remitted to the retirement system.

7 (a-4) Long-Term Care Rebalancing. The Governor may  
8 designate amounts set aside for institutional services  
9 appropriated from the General Revenue Fund or any other State  
10 fund that receives monies for long-term care services to be  
11 transferred to all State agencies responsible for the  
12 administration of community-based long-term care programs,  
13 including, but not limited to, community-based long-term care  
14 programs administered by the Department of Healthcare and  
15 Family Services, the Department of Human Services, and the  
16 Department on Aging, provided that the Director of Healthcare  
17 and Family Services first certifies that the amounts being  
18 transferred are necessary for the purpose of assisting persons  
19 in or at risk of being in institutional care to transition to  
20 community-based settings, including the financial data needed  
21 to prove the need for the transfer of funds. The total amounts  
22 transferred shall not exceed 4% in total of the amounts  
23 appropriated from the General Revenue Fund or any other State  
24 fund that receives monies for long-term care services for each  
25 fiscal year. A notice of the fund transfer must be made to the  
26 General Assembly and posted at a minimum on the Department of



1 Healthcare and Family Services website, the Governor's Office  
2 of Management and Budget website, and any other website the  
3 Governor sees fit. These postings shall serve as notice to the  
4 General Assembly of the amounts to be transferred. Notice shall  
5 be given at least 30 days prior to transfer.

6 (b) In addition to the general transfer authority provided  
7 under subsection (c), the following agencies have the specific  
8 transfer authority granted in this subsection:

9 The Department of Healthcare and Family Services is  
10 authorized to make transfers representing savings attributable  
11 to not increasing grants due to the births of additional  
12 children from line items for payments of cash grants to line  
13 items for payments for employment and social services for the  
14 purposes outlined in subsection (f) of Section 4-2 of the  
15 Illinois Public Aid Code.

16 The Department of Children and Family Services is  
17 authorized to make transfers not exceeding 2% of the aggregate  
18 amount appropriated to it within the same treasury fund for the  
19 following line items among these same line items: Foster Home  
20 and Specialized Foster Care and Prevention, Institutions and  
21 Group Homes and Prevention, and Purchase of Adoption and  
22 Guardianship Services.

23 The Department on Aging is authorized to make transfers not  
24 exceeding 2% of the aggregate amount appropriated to it within  
25 the same treasury fund for the following Community Care Program  
26 line items among these same line items: purchase of services

1 covered by the Community Care Program and Comprehensive Case  
2 Coordination.

3 The State Treasurer is authorized to make transfers among  
4 line item appropriations from the Capital Litigation Trust  
5 Fund, with respect to costs incurred in fiscal years 2002 and  
6 2003 only, when the balance remaining in one or more such line  
7 item appropriations is insufficient for the purpose for which  
8 the appropriation was made, provided that no such transfer may  
9 be made unless the amount transferred is no longer required for  
10 the purpose for which that appropriation was made.

11 The State Board of Education is authorized to make  
12 transfers from line item appropriations within the same  
13 treasury fund for General State Aid, ~~and~~ General State Aid -  
14 Hold Harmless, Primary State Aid, and Hold Harmless State  
15 Funding, provided that no such transfer may be made unless the  
16 amount transferred is no longer required for the purpose for  
17 which that appropriation was made, to the line item  
18 appropriation for Transitional Assistance when the balance  
19 remaining in such line item appropriation is insufficient for  
20 the purpose for which the appropriation was made.

21 The State Board of Education is authorized to make  
22 transfers between the following line item appropriations  
23 within the same treasury fund: Disabled Student  
24 Services/Materials (Section 14-13.01 of the School Code),  
25 Disabled Student Transportation Reimbursement (Section  
26 14-13.01 of the School Code), Disabled Student Tuition -

1 Private Tuition (Section 14-7.02 of the School Code),  
2 Extraordinary Special Education (Section 14-7.02b of the  
3 School Code), Reimbursement for Free Lunch/Breakfast Program,  
4 Summer School Payments (Section 18-4.3 of the School Code), and  
5 Transportation - Regular/Vocational Reimbursement (Section  
6 29-5 of the School Code). Such transfers shall be made only  
7 when the balance remaining in one or more such line item  
8 appropriations is insufficient for the purpose for which the  
9 appropriation was made and provided that no such transfer may  
10 be made unless the amount transferred is no longer required for  
11 the purpose for which that appropriation was made.

12 The Department of Healthcare and Family Services is  
13 authorized to make transfers not exceeding 4% of the aggregate  
14 amount appropriated to it, within the same treasury fund, among  
15 the various line items appropriated for Medical Assistance.

16 (c) The sum of such transfers for an agency in a fiscal  
17 year shall not exceed 2% of the aggregate amount appropriated  
18 to it within the same treasury fund for the following objects:  
19 Personal Services; Extra Help; Student and Inmate  
20 Compensation; State Contributions to Retirement Systems; State  
21 Contributions to Social Security; State Contribution for  
22 Employee Group Insurance; Contractual Services; Travel;  
23 Commodities; Printing; Equipment; Electronic Data Processing;  
24 Operation of Automotive Equipment; Telecommunications  
25 Services; Travel and Allowance for Committed, Paroled and  
26 Discharged Prisoners; Library Books; Federal Matching Grants

1 for Student Loans; Refunds; Workers' Compensation,  
2 Occupational Disease, and Tort Claims; and, in appropriations  
3 to institutions of higher education, Awards and Grants.  
4 Notwithstanding the above, any amounts appropriated for  
5 payment of workers' compensation claims to an agency to which  
6 the authority to evaluate, administer and pay such claims has  
7 been delegated by the Department of Central Management Services  
8 may be transferred to any other expenditure object where such  
9 amounts exceed the amount necessary for the payment of such  
10 claims.

11 (c-1) Special provisions for State fiscal year 2003.  
12 Notwithstanding any other provision of this Section to the  
13 contrary, for State fiscal year 2003 only, transfers among line  
14 item appropriations to an agency from the same treasury fund  
15 may be made provided that the sum of such transfers for an  
16 agency in State fiscal year 2003 shall not exceed 3% of the  
17 aggregate amount appropriated to that State agency for State  
18 fiscal year 2003 for the following objects: personal services,  
19 except that no transfer may be approved which reduces the  
20 aggregate appropriations for personal services within an  
21 agency; extra help; student and inmate compensation; State  
22 contributions to retirement systems; State contributions to  
23 social security; State contributions for employee group  
24 insurance; contractual services; travel; commodities;  
25 printing; equipment; electronic data processing; operation of  
26 automotive equipment; telecommunications services; travel and

1 allowance for committed, paroled, and discharged prisoners;  
2 library books; federal matching grants for student loans;  
3 refunds; workers' compensation, occupational disease, and tort  
4 claims; and, in appropriations to institutions of higher  
5 education, awards and grants.

6 (c-2) Special provisions for State fiscal year 2005.  
7 Notwithstanding subsections (a), (a-2), and (c), for State  
8 fiscal year 2005 only, transfers may be made among any line  
9 item appropriations from the same or any other treasury fund  
10 for any objects or purposes, without limitation, when the  
11 balance remaining in one or more such line item appropriations  
12 is insufficient for the purpose for which the appropriation was  
13 made, provided that the sum of those transfers by a State  
14 agency shall not exceed 4% of the aggregate amount appropriated  
15 to that State agency for fiscal year 2005.

16 (d) Transfers among appropriations made to agencies of the  
17 Legislative and Judicial departments and to the  
18 constitutionally elected officers in the Executive branch  
19 require the approval of the officer authorized in Section 10 of  
20 this Act to approve and certify vouchers. Transfers among  
21 appropriations made to the University of Illinois, Southern  
22 Illinois University, Chicago State University, Eastern  
23 Illinois University, Governors State University, Illinois  
24 State University, Northeastern Illinois University, Northern  
25 Illinois University, Western Illinois University, the Illinois  
26 Mathematics and Science Academy and the Board of Higher

1 Education require the approval of the Board of Higher Education  
2 and the Governor. Transfers among appropriations to all other  
3 agencies require the approval of the Governor.

4 The officer responsible for approval shall certify that the  
5 transfer is necessary to carry out the programs and purposes  
6 for which the appropriations were made by the General Assembly  
7 and shall transmit to the State Comptroller a certified copy of  
8 the approval which shall set forth the specific amounts  
9 transferred so that the Comptroller may change his records  
10 accordingly. The Comptroller shall furnish the Governor with  
11 information copies of all transfers approved for agencies of  
12 the Legislative and Judicial departments and transfers  
13 approved by the constitutionally elected officials of the  
14 Executive branch other than the Governor, showing the amounts  
15 transferred and indicating the dates such changes were entered  
16 on the Comptroller's records.

17 (e) The State Board of Education, in consultation with the  
18 State Comptroller, may transfer line item appropriations for  
19 General State Aid or Primary State Aid between the Common  
20 School Fund and the Education Assistance Fund. With the advice  
21 and consent of the Governor's Office of Management and Budget,  
22 the State Board of Education, in consultation with the State  
23 Comptroller, may transfer line item appropriations between the  
24 General Revenue Fund and the Education Assistance Fund for the  
25 following programs:

26 (1) Disabled Student Personnel Reimbursement (Section

- 1 14-13.01 of the School Code);
- 2 (2) Disabled Student Transportation Reimbursement
- 3 (subsection (b) of Section 14-13.01 of the School Code);
- 4 (3) Disabled Student Tuition - Private Tuition
- 5 (Section 14-7.02 of the School Code);
- 6 (4) Extraordinary Special Education (Section 14-7.02b
- 7 of the School Code);
- 8 (5) Reimbursement for Free Lunch/Breakfast Programs;
- 9 (6) Summer School Payments (Section 18-4.3 of the
- 10 School Code);
- 11 (7) Transportation - Regular/Vocational Reimbursement
- 12 (Section 29-5 of the School Code);
- 13 (8) Regular Education Reimbursement (Section 18-3 of
- 14 the School Code); and
- 15 (9) Special Education Reimbursement (Section 14-7.03
- 16 of the School Code).
- 17 (Source: P.A. 97-689, eff. 7-1-12; 98-24, eff. 6-19-13.)

18 Section 915. The Property Tax Code is amended by changing

19 Sections 18-200 and 18-249 as follows:

20 (35 ILCS 200/18-200)

21 Sec. 18-200. School Code. A school district's State aid

22 shall not be reduced under the computation under subsections

23 5(a) through 5(h) of Part A of Section 18-8 of the School Code

24 or under subsection (e) of Section 18-8.15 of the School Code

1 due to the operating tax rate falling from above the minimum  
2 requirement of that Section of the School Code to below the  
3 minimum requirement of that Section of the School Code due to  
4 the operation of this Law.

5 (Source: P.A. 87-17; 88-455.)

6 (35 ILCS 200/18-249)

7 Sec. 18-249. Miscellaneous provisions.

8 (a) Certification of new property. For the 1994 levy year,  
9 the chief county assessment officer shall certify to the county  
10 clerk, after all changes by the board of review or board of  
11 appeals, as the case may be, the assessed value of new property  
12 by taxing district for the 1994 levy year under rules  
13 promulgated by the Department.

14 (b) School Code. A school district's State aid shall not be  
15 reduced under the computation under subsections 5(a) through  
16 5(h) of Part A of Section 18-8 of the School Code or under  
17 subsection (e) of Section 18-8.15 of the School Code due to the  
18 operating tax rate falling from above the minimum requirement  
19 of that Section of the School Code to below the minimum  
20 requirement of that Section of the School Code due to the  
21 operation of this Law.

22 (c) Rules. The Department shall make and promulgate  
23 reasonable rules relating to the administration of the purposes  
24 and provisions of Sections 18-246 through 18-249 as may be  
25 necessary or appropriate.



1 (Source: P.A. 89-1, eff. 2-12-95.)

2 Section 920. The Innovation Development and Economy Act is  
3 amended by changing Section 33 as follows:

4 (50 ILCS 470/33)

5 Sec. 33. STAR Bonds School Improvement and Operations Trust  
6 Fund.

7 (a) The STAR Bonds School Improvement and Operations Trust  
8 Fund is created as a trust fund in the State treasury. Deposits  
9 into the Trust Fund shall be made as provided under this  
10 Section. Moneys in the Trust Fund shall be used by the  
11 Department of Revenue only for the purpose of making payments  
12 to school districts in educational service regions that include  
13 or are adjacent to the STAR bond district. Moneys in the Trust  
14 Fund are not subject to appropriation and shall be used solely  
15 as provided in this Section. All deposits into the Trust Fund  
16 shall be held in the Trust Fund by the State Treasurer as ex  
17 officio custodian separate and apart from all public moneys or  
18 funds of this State and shall be administered by the Department  
19 exclusively for the purposes set forth in this Section. All  
20 moneys in the Trust Fund shall be invested and reinvested by  
21 the State Treasurer. All interest accruing from these  
22 investments shall be deposited in the Trust Fund.

23 (b) Upon approval of a STAR bond district, the political  
24 subdivision shall immediately transmit to the county clerk of

1 the county in which the district is located a certified copy of  
2 the ordinance creating the district, a legal description of the  
3 district, a map of the district, identification of the year  
4 that the county clerk shall use for determining the total  
5 initial equalized assessed value of the district consistent  
6 with subsection (c), and a list of the parcel or tax  
7 identification number of each parcel of property included in  
8 the district.

9 (c) Upon approval of a STAR bond district, the county clerk  
10 immediately thereafter shall determine (i) the most recently  
11 ascertained equalized assessed value of each lot, block, tract,  
12 or parcel of real property within the STAR bond district, from  
13 which shall be deducted the homestead exemptions under Article  
14 15 of the Property Tax Code, which value shall be the initial  
15 equalized assessed value of each such piece of property, and  
16 (ii) the total equalized assessed value of all taxable real  
17 property within the district by adding together the most  
18 recently ascertained equalized assessed value of each taxable  
19 lot, block, tract, or parcel of real property within the  
20 district, from which shall be deducted the homestead exemptions  
21 under Article 15 of the Property Tax Code, and shall certify  
22 that amount as the total initial equalized assessed value of  
23 the taxable real property within the STAR bond district.

24 (d) In reference to any STAR bond district created within  
25 any political subdivision, and in respect to which the county  
26 clerk has certified the total initial equalized assessed value

1 of the property in the area, the political subdivision may  
2 thereafter request the clerk in writing to adjust the initial  
3 equalized value of all taxable real property within the STAR  
4 bond district by deducting therefrom the exemptions under  
5 Article 15 of the Property Tax Code applicable to each lot,  
6 block, tract, or parcel of real property within the STAR bond  
7 district. The county clerk shall immediately, after the written  
8 request to adjust the total initial equalized value is  
9 received, determine the total homestead exemptions in the STAR  
10 bond district as provided under Article 15 of the Property Tax  
11 Code by adding together the homestead exemptions provided by  
12 said Article on each lot, block, tract, or parcel of real  
13 property within the STAR bond district and then shall deduct  
14 the total of said exemptions from the total initial equalized  
15 assessed value. The county clerk shall then promptly certify  
16 that amount as the total initial equalized assessed value as  
17 adjusted of the taxable real property within the STAR bond  
18 district.

19 (e) The county clerk or other person authorized by law  
20 shall compute the tax rates for each taxing district with all  
21 or a portion of its equalized assessed value located in the  
22 STAR bond district. The rate per cent of tax determined shall  
23 be extended to the current equalized assessed value of all  
24 property in the district in the same manner as the rate per  
25 cent of tax is extended to all other taxable property in the  
26 taxing district.

1           (f) Beginning with the assessment year in which the first  
2 destination user in the first STAR bond project in a STAR bond  
3 district makes its first retail sales and for each assessment  
4 year thereafter until final maturity of the last STAR bonds  
5 issued in the district, the county clerk or other person  
6 authorized by law shall determine the increase in equalized  
7 assessed value of all real property within the STAR bond  
8 district by subtracting the initial equalized assessed value of  
9 all property in the district certified under subsection (c)  
10 from the current equalized assessed value of all property in  
11 the district. Each year, the property taxes arising from the  
12 increase in equalized assessed value in the STAR bond district  
13 shall be determined for each taxing district and shall be  
14 certified to the county collector.

15           (g) Beginning with the year in which taxes are collected  
16 based on the assessment year in which the first destination  
17 user in the first STAR bond project in a STAR bond district  
18 makes its first retail sales and for each year thereafter until  
19 final maturity of the last STAR bonds issued in the district,  
20 the county collector shall, within 30 days after receipt of  
21 property taxes, transmit to the Department to be deposited into  
22 the STAR Bonds School Improvement and Operations Trust Fund 15%  
23 of property taxes attributable to the increase in equalized  
24 assessed value within the STAR bond district from each taxing  
25 district as certified in subsection (f).

26           (h) The Department shall pay to the regional superintendent

1 of schools whose educational service region includes Franklin  
2 and Williamson Counties, for each year for which money is  
3 remitted to the Department and paid into the STAR Bonds School  
4 Improvement and Operations Trust Fund, the money in the Fund as  
5 provided in this Section. The amount paid to each school  
6 district shall be allocated proportionately, based on each  
7 qualifying school district's fall enrollment for the  
8 then-current school year, such that the school district with  
9 the largest fall enrollment receives the largest proportionate  
10 share of money paid out of the Fund or by any other method or  
11 formula that the regional superintendent of schools deems fit,  
12 equitable, and in the public interest. The regional  
13 superintendent may allocate moneys to school districts that are  
14 outside of his or her educational service region or to other  
15 regional superintendents.

16 The Department shall determine the distributions under  
17 this Section using its best judgment and information. The  
18 Department shall be held harmless for the distributions made  
19 under this Section and all distributions shall be final.

20 (i) In any year that an assessment appeal is filed, the  
21 extension of taxes on any assessment so appealed shall not be  
22 delayed. In the case of an assessment that is altered, any  
23 taxes extended upon the unauthorized assessment or part thereof  
24 shall be abated, or, if already paid, shall be refunded with  
25 interest as provided in Section 23-20 of the Property Tax Code.  
26 In the case of an assessment appeal, the county collector shall

1 notify the Department that an assessment appeal has been filed  
2 and the amount of the tax that would have been deposited in the  
3 STAR Bonds School Improvement and Operations Trust Fund. The  
4 county collector shall hold that amount in a separate fund  
5 until the appeal process is final. After the appeal process is  
6 finalized, the county collector shall transmit to the  
7 Department the amount of tax that remains, if any, after all  
8 required refunds are made. The Department shall pay any amount  
9 deposited into the Trust Fund under this Section in the same  
10 proportion as determined for payments for that taxable year  
11 under subsection (h).

12 (j) In any year that ad valorem taxes are allocated to the  
13 STAR Bonds School Improvement and Operations Trust Fund, that  
14 allocation shall not reduce or otherwise impact the school aid  
15 provided to any school district under the general State school  
16 aid formula provided for in Section 18-8.05 of the School Code  
17 or the primary State aid formula provided for in Section  
18 18-8.15 of the School Code.

19 (Source: P.A. 96-939, eff. 6-24-10.)

20 Section 925. The County Economic Development Project Area  
21 Property Tax Allocation Act is amended by changing Section 7 as  
22 follows:

23 (55 ILCS 85/7) (from Ch. 34, par. 7007)

24 Sec. 7. Creation of special tax allocation fund. If a

1 county has adopted property tax allocation financing by  
2 ordinance for an economic development project area, the  
3 Department has approved and certified the economic development  
4 project area, and the county clerk has thereafter certified the  
5 "total initial equalized value" of the taxable real property  
6 within such economic development project area in the manner  
7 provided in subsection (b) of Section 6 of this Act, each year  
8 after the date of the certification by the county clerk of the  
9 "initial equalized assessed value" until economic development  
10 project costs and all county obligations financing economic  
11 development project costs have been paid, the ad valorem taxes,  
12 if any, arising from the levies upon the taxable real property  
13 in the economic development project area by taxing districts  
14 and tax rates determined in the manner provided in subsection  
15 (b) of Section 6 of this Act shall be divided as follows:

16 (1) That portion of the taxes levied upon each taxable  
17 lot, block, tract or parcel of real property which is  
18 attributable to the lower of the current equalized assessed  
19 value or the initial equalized assessed value of each such  
20 taxable lot, block, tract, or parcel of real property  
21 existing at the time property tax allocation financing was  
22 adopted shall be allocated and when collected shall be paid  
23 by the county collector to the respective affected taxing  
24 districts in the manner required by the law in the absence  
25 of the adoption of property tax allocation financing.

26 (2) That portion, if any, of those taxes which is

1       attributable to the increase in the current equalized  
2       assessed valuation of each taxable lot, block, tract, or  
3       parcel of real property in the economic development project  
4       are, over and above the initial equalized assessed value of  
5       each property existing at the time property tax allocation  
6       financing was adopted shall be allocated to and when  
7       collected shall be paid to the county treasurer, who shall  
8       deposit those taxes into a special fund called the special  
9       tax allocation fund of the county for the purpose of paying  
10      economic development project costs and obligations  
11      incurred in the payment thereof.

12      The county, by an ordinance adopting property tax  
13      allocation financing, may pledge the funds in and to be  
14      deposited in the special tax allocation fund for the payment of  
15      obligations issued under this Act and for the payment of  
16      economic development project costs. No part of the current  
17      equalized assessed valuation of each property in the economic  
18      development project area attributable to any increase above the  
19      total initial equalized assessed value of such properties shall  
20      be used in calculating the general State school aid formula,  
21      provided for in Section 18-8 of the School Code, or the primary  
22      State aid formula, provided for in Section 18-8.15 of the  
23      School Code, until such time as all economic development  
24      projects costs have been paid as provided for in this Section.

25      Whenever a county issues bonds for the purpose of financing  
26      economic development project costs, the county may provide by



1 ordinance for the appointment of a trustee, which may be any  
2 trust company within the State, and for the establishment of  
3 the funds or accounts to be maintained by such trustee as the  
4 county shall deem necessary to provide for the security and  
5 payment of the bonds. If the county provides for the  
6 appointment of a trustee, the trustee shall be considered the  
7 assignee of any payments assigned by the county pursuant to the  
8 ordinance and this Section. Any amounts paid to the trustee as  
9 assignee shall be deposited in the funds or accounts  
10 established pursuant to the trust agreement, and shall be held  
11 by the trustee in trust for the benefit of the holders of the  
12 bonds, and the holders shall have a lien on and a security  
13 interest in those bonds or accounts so long as the bonds remain  
14 outstanding and unpaid. Upon retirement of the bonds, the  
15 trustee shall pay over any excess amounts held to the county  
16 for deposit in the special tax allocation fund.

17 When the economic development project costs, including  
18 without limitation all county obligations financing economic  
19 development project costs incurred under this Act, have been  
20 paid, all surplus funds then remaining in the special tax  
21 allocation funds shall be distributed by being paid by the  
22 county treasurer to the county collector, who shall immediately  
23 thereafter pay those funds to the taxing districts having  
24 taxable property in the economic development project area in  
25 the same manner and proportion as the most recent distribution  
26 by the county collector to those taxing districts of real

1 property taxes from real property in the economic development  
2 project area.

3       Upon the payment of all economic development project costs,  
4 retirement of obligations and the distribution of any excess  
5 monies pursuant to this Section and not later than 23 years  
6 from the date of adoption of the ordinance adopting property  
7 tax allocation financing, the county shall adopt an ordinance  
8 dissolving the special tax allocation fund for the economic  
9 development project area and terminating the designation of the  
10 economic development project area as an economic development  
11 project area. Thereafter the rates of the taxing districts  
12 shall be extended and taxes levied, collected and distributed  
13 in the manner applicable in the absence of the adoption of  
14 property tax allocation financing.

15       Nothing in this Section shall be construed as relieving  
16 property in economic development project areas from being  
17 assessed as provided in the Property Tax Code or as relieving  
18 owners of that property from paying a uniform rate of taxes, as  
19 required by Section 4 of Article IX of the Illinois  
20 Constitution of 1970.

21 (Source: P.A. 98-463, eff. 8-16-13.)

22       Section 930. The County Economic Development Project Area  
23 Tax Increment Allocation Act of 1991 is amended by changing  
24 Section 50 as follows:

1 (55 ILCS 90/50) (from Ch. 34, par. 8050)

2 Sec. 50. Special tax allocation fund.

3 (a) If a county clerk has certified the "total initial  
4 equalized assessed value" of the taxable real property within  
5 an economic development project area in the manner provided in  
6 Section 45, each year after the date of the certification by  
7 the county clerk of the "total initial equalized assessed  
8 value", until economic development project costs and all county  
9 obligations financing economic development project costs have  
10 been paid, the ad valorem taxes, if any, arising from the  
11 levies upon the taxable real property in the economic  
12 development project area by taxing districts and tax rates  
13 determined in the manner provided in subsection (b) of Section  
14 45 shall be divided as follows:

15 (1) That portion of the taxes levied upon each taxable  
16 lot, block, tract, or parcel of real property that is  
17 attributable to the lower of the current equalized assessed  
18 value or the initial equalized assessed value of each  
19 taxable lot, block, tract, or parcel of real property  
20 existing at the time tax increment financing was adopted  
21 shall be allocated to (and when collected shall be paid by  
22 the county collector to) the respective affected taxing  
23 districts in the manner required by law in the absence of  
24 the adoption of tax increment allocation financing.

25 (2) That portion, if any, of the taxes that is  
26 attributable to the increase in the current equalized

1        assessed valuation of each taxable lot, block, tract, or  
2        parcel of real property in the economic development project  
3        area, over and above the initial equalized assessed value  
4        of each property existing at the time tax increment  
5        financing was adopted, shall be allocated to (and when  
6        collected shall be paid to) the county treasurer, who shall  
7        deposit the taxes into a special fund (called the special  
8        tax allocation fund of the county) for the purpose of  
9        paying economic development project costs and obligations  
10       incurred in the payment of those costs.

11       (b) The county, by an ordinance adopting tax increment  
12       allocation financing, may pledge the monies in and to be  
13       deposited into the special tax allocation fund for the payment  
14       of obligations issued under this Act and for the payment of  
15       economic development project costs. No part of the current  
16       equalized assessed valuation of each property in the economic  
17       development project area attributable to any increase above the  
18       total initial equalized assessed value of those properties  
19       shall be used in calculating the general State ~~school~~ aid  
20       formula under Section 18-8 of the School Code or the primary  
21       State aid formula under Section 18-8.15 of the School Code  
22       until all economic development projects costs have been paid as  
23       provided for in this Section.

24       (c) When the economic development projects costs,  
25       including without limitation all county obligations financing  
26       economic development project costs incurred under this Act,

1 have been paid, all surplus monies then remaining in the  
2 special tax allocation fund shall be distributed by being paid  
3 by the county treasurer to the county collector, who shall  
4 immediately pay the monies to the taxing districts having  
5 taxable property in the economic development project area in  
6 the same manner and proportion as the most recent distribution  
7 by the county collector to those taxing districts of real  
8 property taxes from real property in the economic development  
9 project area.

10 (d) Upon the payment of all economic development project  
11 costs, retirement of obligations, and distribution of any  
12 excess monies under this Section, the county shall adopt an  
13 ordinance dissolving the special tax allocation fund for the  
14 economic development project area and terminating the  
15 designation of the economic development project area as an  
16 economic development project area. Thereafter, the rates of the  
17 taxing districts shall be extended and taxes shall be levied,  
18 collected, and distributed in the manner applicable in the  
19 absence of the adoption of tax increment allocation financing.

20 (e) Nothing in this Section shall be construed as relieving  
21 property in the economic development project areas from being  
22 assessed as provided in the Property Tax Code or as relieving  
23 owners of that property from paying a uniform rate of taxes as  
24 required by Section 4 of Article IX of the Illinois  
25 Constitution.

26 (Source: P.A. 98-463, eff. 8-16-13.)

1           Section 935. The Illinois Municipal Code is amended by  
2 changing Sections 11-74.4-3, 11-74.4-8, and 11-74.6-35 as  
3 follows:

4           (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

5           Sec. 11-74.4-3. Definitions. The following terms, wherever  
6 used or referred to in this Division 74.4 shall have the  
7 following respective meanings, unless in any case a different  
8 meaning clearly appears from the context.

9           (a) For any redevelopment project area that has been  
10 designated pursuant to this Section by an ordinance adopted  
11 prior to November 1, 1999 (the effective date of Public Act  
12 91-478), "blighted area" shall have the meaning set forth in  
13 this Section prior to that date.

14           On and after November 1, 1999, "blighted area" means any  
15 improved or vacant area within the boundaries of a  
16 redevelopment project area located within the territorial  
17 limits of the municipality where:

18           (1) If improved, industrial, commercial, and  
19 residential buildings or improvements are detrimental to  
20 the public safety, health, or welfare because of a  
21 combination of 5 or more of the following factors, each of  
22 which is (i) present, with that presence documented, to a  
23 meaningful extent so that a municipality may reasonably  
24 find that the factor is clearly present within the intent

1 of the Act and (ii) reasonably distributed throughout the  
2 improved part of the redevelopment project area:

3 (A) Dilapidation. An advanced state of disrepair  
4 or neglect of necessary repairs to the primary  
5 structural components of buildings or improvements in  
6 such a combination that a documented building  
7 condition analysis determines that major repair is  
8 required or the defects are so serious and so extensive  
9 that the buildings must be removed.

10 (B) Obsolescence. The condition or process of  
11 falling into disuse. Structures have become ill-suited  
12 for the original use.

13 (C) Deterioration. With respect to buildings,  
14 defects including, but not limited to, major defects in  
15 the secondary building components such as doors,  
16 windows, porches, gutters and downspouts, and fascia.  
17 With respect to surface improvements, that the  
18 condition of roadways, alleys, curbs, gutters,  
19 sidewalks, off-street parking, and surface storage  
20 areas evidence deterioration, including, but not  
21 limited to, surface cracking, crumbling, potholes,  
22 depressions, loose paving material, and weeds  
23 protruding through paved surfaces.

24 (D) Presence of structures below minimum code  
25 standards. All structures that do not meet the  
26 standards of zoning, subdivision, building, fire, and

1 other governmental codes applicable to property, but  
2 not including housing and property maintenance codes.

3 (E) Illegal use of individual structures. The use  
4 of structures in violation of applicable federal,  
5 State, or local laws, exclusive of those applicable to  
6 the presence of structures below minimum code  
7 standards.

8 (F) Excessive vacancies. The presence of buildings  
9 that are unoccupied or under-utilized and that  
10 represent an adverse influence on the area because of  
11 the frequency, extent, or duration of the vacancies.

12 (G) Lack of ventilation, light, or sanitary  
13 facilities. The absence of adequate ventilation for  
14 light or air circulation in spaces or rooms without  
15 windows, or that require the removal of dust, odor,  
16 gas, smoke, or other noxious airborne materials.  
17 Inadequate natural light and ventilation means the  
18 absence of skylights or windows for interior spaces or  
19 rooms and improper window sizes and amounts by room  
20 area to window area ratios. Inadequate sanitary  
21 facilities refers to the absence or inadequacy of  
22 garbage storage and enclosure, bathroom facilities,  
23 hot water and kitchens, and structural inadequacies  
24 preventing ingress and egress to and from all rooms and  
25 units within a building.

26 (H) Inadequate utilities. Underground and overhead



1 utilities such as storm sewers and storm drainage,  
2 sanitary sewers, water lines, and gas, telephone, and  
3 electrical services that are shown to be inadequate.  
4 Inadequate utilities are those that are: (i) of  
5 insufficient capacity to serve the uses in the  
6 redevelopment project area, (ii) deteriorated,  
7 antiquated, obsolete, or in disrepair, or (iii)  
8 lacking within the redevelopment project area.

9 (I) Excessive land coverage and overcrowding of  
10 structures and community facilities. The  
11 over-intensive use of property and the crowding of  
12 buildings and accessory facilities onto a site.  
13 Examples of problem conditions warranting the  
14 designation of an area as one exhibiting excessive land  
15 coverage are: (i) the presence of buildings either  
16 improperly situated on parcels or located on parcels of  
17 inadequate size and shape in relation to present-day  
18 standards of development for health and safety and (ii)  
19 the presence of multiple buildings on a single parcel.  
20 For there to be a finding of excessive land coverage,  
21 these parcels must exhibit one or more of the following  
22 conditions: insufficient provision for light and air  
23 within or around buildings, increased threat of spread  
24 of fire due to the close proximity of buildings, lack  
25 of adequate or proper access to a public right-of-way,  
26 lack of reasonably required off-street parking, or

1           inadequate provision for loading and service.

2           (J) Deleterious land use or layout. The existence  
3 of incompatible land-use relationships, buildings  
4 occupied by inappropriate mixed-uses, or uses  
5 considered to be noxious, offensive, or unsuitable for  
6 the surrounding area.

7           (K) Environmental clean-up. The proposed  
8 redevelopment project area has incurred Illinois  
9 Environmental Protection Agency or United States  
10 Environmental Protection Agency remediation costs for,  
11 or a study conducted by an independent consultant  
12 recognized as having expertise in environmental  
13 remediation has determined a need for, the clean-up of  
14 hazardous waste, hazardous substances, or underground  
15 storage tanks required by State or federal law,  
16 provided that the remediation costs constitute a  
17 material impediment to the development or  
18 redevelopment of the redevelopment project area.

19           (L) Lack of community planning. The proposed  
20 redevelopment project area was developed prior to or  
21 without the benefit or guidance of a community plan.  
22 This means that the development occurred prior to the  
23 adoption by the municipality of a comprehensive or  
24 other community plan or that the plan was not followed  
25 at the time of the area's development. This factor must  
26 be documented by evidence of adverse or incompatible

1 land-use relationships, inadequate street layout,  
2 improper subdivision, parcels of inadequate shape and  
3 size to meet contemporary development standards, or  
4 other evidence demonstrating an absence of effective  
5 community planning.

6 (M) The total equalized assessed value of the  
7 proposed redevelopment project area has declined for 3  
8 of the last 5 calendar years prior to the year in which  
9 the redevelopment project area is designated or is  
10 increasing at an annual rate that is less than the  
11 balance of the municipality for 3 of the last 5  
12 calendar years for which information is available or is  
13 increasing at an annual rate that is less than the  
14 Consumer Price Index for All Urban Consumers published  
15 by the United States Department of Labor or successor  
16 agency for 3 of the last 5 calendar years prior to the  
17 year in which the redevelopment project area is  
18 designated.

19 (2) If vacant, the sound growth of the redevelopment  
20 project area is impaired by a combination of 2 or more of  
21 the following factors, each of which is (i) present, with  
22 that presence documented, to a meaningful extent so that a  
23 municipality may reasonably find that the factor is clearly  
24 present within the intent of the Act and (ii) reasonably  
25 distributed throughout the vacant part of the  
26 redevelopment project area to which it pertains:

1 (A) Obsolete platting of vacant land that results  
2 in parcels of limited or narrow size or configurations  
3 of parcels of irregular size or shape that would be  
4 difficult to develop on a planned basis and in a manner  
5 compatible with contemporary standards and  
6 requirements, or platting that failed to create  
7 rights-of-ways for streets or alleys or that created  
8 inadequate right-of-way widths for streets, alleys, or  
9 other public rights-of-way or that omitted easements  
10 for public utilities.

11 (B) Diversity of ownership of parcels of vacant  
12 land sufficient in number to retard or impede the  
13 ability to assemble the land for development.

14 (C) Tax and special assessment delinquencies exist  
15 or the property has been the subject of tax sales under  
16 the Property Tax Code within the last 5 years.

17 (D) Deterioration of structures or site  
18 improvements in neighboring areas adjacent to the  
19 vacant land.

20 (E) The area has incurred Illinois Environmental  
21 Protection Agency or United States Environmental  
22 Protection Agency remediation costs for, or a study  
23 conducted by an independent consultant recognized as  
24 having expertise in environmental remediation has  
25 determined a need for, the clean-up of hazardous waste,  
26 hazardous substances, or underground storage tanks

1 required by State or federal law, provided that the  
2 remediation costs constitute a material impediment to  
3 the development or redevelopment of the redevelopment  
4 project area.

5 (F) The total equalized assessed value of the  
6 proposed redevelopment project area has declined for 3  
7 of the last 5 calendar years prior to the year in which  
8 the redevelopment project area is designated or is  
9 increasing at an annual rate that is less than the  
10 balance of the municipality for 3 of the last 5  
11 calendar years for which information is available or is  
12 increasing at an annual rate that is less than the  
13 Consumer Price Index for All Urban Consumers published  
14 by the United States Department of Labor or successor  
15 agency for 3 of the last 5 calendar years prior to the  
16 year in which the redevelopment project area is  
17 designated.

18 (3) If vacant, the sound growth of the redevelopment  
19 project area is impaired by one of the following factors  
20 that (i) is present, with that presence documented, to a  
21 meaningful extent so that a municipality may reasonably  
22 find that the factor is clearly present within the intent  
23 of the Act and (ii) is reasonably distributed throughout  
24 the vacant part of the redevelopment project area to which  
25 it pertains:

26 (A) The area consists of one or more unused

1 quarries, mines, or strip mine ponds.

2 (B) The area consists of unused rail yards, rail  
3 tracks, or railroad rights-of-way.

4 (C) The area, prior to its designation, is subject  
5 to (i) chronic flooding that adversely impacts on real  
6 property in the area as certified by a registered  
7 professional engineer or appropriate regulatory agency  
8 or (ii) surface water that discharges from all or a  
9 part of the area and contributes to flooding within the  
10 same watershed, but only if the redevelopment project  
11 provides for facilities or improvements to contribute  
12 to the alleviation of all or part of the flooding.

13 (D) The area consists of an unused or illegal  
14 disposal site containing earth, stone, building  
15 debris, or similar materials that were removed from  
16 construction, demolition, excavation, or dredge sites.

17 (E) Prior to November 1, 1999, the area is not less  
18 than 50 nor more than 100 acres and 75% of which is  
19 vacant (notwithstanding that the area has been used for  
20 commercial agricultural purposes within 5 years prior  
21 to the designation of the redevelopment project area),  
22 and the area meets at least one of the factors itemized  
23 in paragraph (1) of this subsection, the area has been  
24 designated as a town or village center by ordinance or  
25 comprehensive plan adopted prior to January 1, 1982,  
26 and the area has not been developed for that designated

1           purpose.

2                   (F) The area qualified as a blighted improved area  
3           immediately prior to becoming vacant, unless there has  
4           been substantial private investment in the immediately  
5           surrounding area.

6           (b) For any redevelopment project area that has been  
7           designated pursuant to this Section by an ordinance adopted  
8           prior to November 1, 1999 (the effective date of Public Act  
9           91-478), "conservation area" shall have the meaning set forth  
10          in this Section prior to that date.

11          On and after November 1, 1999, "conservation area" means  
12          any improved area within the boundaries of a redevelopment  
13          project area located within the territorial limits of the  
14          municipality in which 50% or more of the structures in the area  
15          have an age of 35 years or more. Such an area is not yet a  
16          blighted area but because of a combination of 3 or more of the  
17          following factors is detrimental to the public safety, health,  
18          morals or welfare and such an area may become a blighted area:

19                  (1) Dilapidation. An advanced state of disrepair or  
20                  neglect of necessary repairs to the primary structural  
21                  components of buildings or improvements in such a  
22                  combination that a documented building condition analysis  
23                  determines that major repair is required or the defects are  
24                  so serious and so extensive that the buildings must be  
25                  removed.

26                  (2) Obsolescence. The condition or process of falling

1           into disuse. Structures have become ill-suited for the  
2           original use.

3           (3) Deterioration. With respect to buildings, defects  
4           including, but not limited to, major defects in the  
5           secondary building components such as doors, windows,  
6           porches, gutters and downspouts, and fascia. With respect  
7           to surface improvements, that the condition of roadways,  
8           alleys, curbs, gutters, sidewalks, off-street parking, and  
9           surface storage areas evidence deterioration, including,  
10          but not limited to, surface cracking, crumbling, potholes,  
11          depressions, loose paving material, and weeds protruding  
12          through paved surfaces.

13          (4) Presence of structures below minimum code  
14          standards. All structures that do not meet the standards of  
15          zoning, subdivision, building, fire, and other  
16          governmental codes applicable to property, but not  
17          including housing and property maintenance codes.

18          (5) Illegal use of individual structures. The use of  
19          structures in violation of applicable federal, State, or  
20          local laws, exclusive of those applicable to the presence  
21          of structures below minimum code standards.

22          (6) Excessive vacancies. The presence of buildings  
23          that are unoccupied or under-utilized and that represent an  
24          adverse influence on the area because of the frequency,  
25          extent, or duration of the vacancies.

26          (7) Lack of ventilation, light, or sanitary



1 facilities. The absence of adequate ventilation for light  
2 or air circulation in spaces or rooms without windows, or  
3 that require the removal of dust, odor, gas, smoke, or  
4 other noxious airborne materials. Inadequate natural light  
5 and ventilation means the absence or inadequacy of  
6 skylights or windows for interior spaces or rooms and  
7 improper window sizes and amounts by room area to window  
8 area ratios. Inadequate sanitary facilities refers to the  
9 absence or inadequacy of garbage storage and enclosure,  
10 bathroom facilities, hot water and kitchens, and  
11 structural inadequacies preventing ingress and egress to  
12 and from all rooms and units within a building.

13 (8) Inadequate utilities. Underground and overhead  
14 utilities such as storm sewers and storm drainage, sanitary  
15 sewers, water lines, and gas, telephone, and electrical  
16 services that are shown to be inadequate. Inadequate  
17 utilities are those that are: (i) of insufficient capacity  
18 to serve the uses in the redevelopment project area, (ii)  
19 deteriorated, antiquated, obsolete, or in disrepair, or  
20 (iii) lacking within the redevelopment project area.

21 (9) Excessive land coverage and overcrowding of  
22 structures and community facilities. The over-intensive  
23 use of property and the crowding of buildings and accessory  
24 facilities onto a site. Examples of problem conditions  
25 warranting the designation of an area as one exhibiting  
26 excessive land coverage are: the presence of buildings

1       either improperly situated on parcels or located on parcels  
2       of inadequate size and shape in relation to present-day  
3       standards of development for health and safety and the  
4       presence of multiple buildings on a single parcel. For  
5       there to be a finding of excessive land coverage, these  
6       parcels must exhibit one or more of the following  
7       conditions: insufficient provision for light and air  
8       within or around buildings, increased threat of spread of  
9       fire due to the close proximity of buildings, lack of  
10      adequate or proper access to a public right-of-way, lack of  
11      reasonably required off-street parking, or inadequate  
12      provision for loading and service.

13           (10) Deleterious land use or layout. The existence of  
14      incompatible land-use relationships, buildings occupied by  
15      inappropriate mixed-uses, or uses considered to be  
16      noxious, offensive, or unsuitable for the surrounding  
17      area.

18           (11) Lack of community planning. The proposed  
19      redevelopment project area was developed prior to or  
20      without the benefit or guidance of a community plan. This  
21      means that the development occurred prior to the adoption  
22      by the municipality of a comprehensive or other community  
23      plan or that the plan was not followed at the time of the  
24      area's development. This factor must be documented by  
25      evidence of adverse or incompatible land-use  
26      relationships, inadequate street layout, improper

1 subdivision, parcels of inadequate shape and size to meet  
2 contemporary development standards, or other evidence  
3 demonstrating an absence of effective community planning.

4 (12) The area has incurred Illinois Environmental  
5 Protection Agency or United States Environmental  
6 Protection Agency remediation costs for, or a study  
7 conducted by an independent consultant recognized as  
8 having expertise in environmental remediation has  
9 determined a need for, the clean-up of hazardous waste,  
10 hazardous substances, or underground storage tanks  
11 required by State or federal law, provided that the  
12 remediation costs constitute a material impediment to the  
13 development or redevelopment of the redevelopment project  
14 area.

15 (13) The total equalized assessed value of the proposed  
16 redevelopment project area has declined for 3 of the last 5  
17 calendar years for which information is available or is  
18 increasing at an annual rate that is less than the balance  
19 of the municipality for 3 of the last 5 calendar years for  
20 which information is available or is increasing at an  
21 annual rate that is less than the Consumer Price Index for  
22 All Urban Consumers published by the United States  
23 Department of Labor or successor agency for 3 of the last 5  
24 calendar years for which information is available.

25 (c) "Industrial park" means an area in a blighted or  
26 conservation area suitable for use by any manufacturing,

1 industrial, research or transportation enterprise, of  
2 facilities to include but not be limited to factories, mills,  
3 processing plants, assembly plants, packing plants,  
4 fabricating plants, industrial distribution centers,  
5 warehouses, repair overhaul or service facilities, freight  
6 terminals, research facilities, test facilities or railroad  
7 facilities.

8 (d) "Industrial park conservation area" means an area  
9 within the boundaries of a redevelopment project area located  
10 within the territorial limits of a municipality that is a labor  
11 surplus municipality or within 1 1/2 miles of the territorial  
12 limits of a municipality that is a labor surplus municipality  
13 if the area is annexed to the municipality; which area is zoned  
14 as industrial no later than at the time the municipality by  
15 ordinance designates the redevelopment project area, and which  
16 area includes both vacant land suitable for use as an  
17 industrial park and a blighted area or conservation area  
18 contiguous to such vacant land.

19 (e) "Labor surplus municipality" means a municipality in  
20 which, at any time during the 6 months before the municipality  
21 by ordinance designates an industrial park conservation area,  
22 the unemployment rate was over 6% and was also 100% or more of  
23 the national average unemployment rate for that same time as  
24 published in the United States Department of Labor Bureau of  
25 Labor Statistics publication entitled "The Employment  
26 Situation" or its successor publication. For the purpose of

1 this subsection, if unemployment rate statistics for the  
2 municipality are not available, the unemployment rate in the  
3 municipality shall be deemed to be the same as the unemployment  
4 rate in the principal county in which the municipality is  
5 located.

6 (f) "Municipality" shall mean a city, village,  
7 incorporated town, or a township that is located in the  
8 unincorporated portion of a county with 3 million or more  
9 inhabitants, if the county adopted an ordinance that approved  
10 the township's redevelopment plan.

11 (g) "Initial Sales Tax Amounts" means the amount of taxes  
12 paid under the Retailers' Occupation Tax Act, Use Tax Act,  
13 Service Use Tax Act, the Service Occupation Tax Act, the  
14 Municipal Retailers' Occupation Tax Act, and the Municipal  
15 Service Occupation Tax Act by retailers and servicemen on  
16 transactions at places located in a State Sales Tax Boundary  
17 during the calendar year 1985.

18 (g-1) "Revised Initial Sales Tax Amounts" means the amount  
19 of taxes paid under the Retailers' Occupation Tax Act, Use Tax  
20 Act, Service Use Tax Act, the Service Occupation Tax Act, the  
21 Municipal Retailers' Occupation Tax Act, and the Municipal  
22 Service Occupation Tax Act by retailers and servicemen on  
23 transactions at places located within the State Sales Tax  
24 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

25 (h) "Municipal Sales Tax Increment" means an amount equal  
26 to the increase in the aggregate amount of taxes paid to a

1 municipality from the Local Government Tax Fund arising from  
2 sales by retailers and servicemen within the redevelopment  
3 project area or State Sales Tax Boundary, as the case may be,  
4 for as long as the redevelopment project area or State Sales  
5 Tax Boundary, as the case may be, exist over and above the  
6 aggregate amount of taxes as certified by the Illinois  
7 Department of Revenue and paid under the Municipal Retailers'  
8 Occupation Tax Act and the Municipal Service Occupation Tax Act  
9 by retailers and servicemen, on transactions at places of  
10 business located in the redevelopment project area or State  
11 Sales Tax Boundary, as the case may be, during the base year  
12 which shall be the calendar year immediately prior to the year  
13 in which the municipality adopted tax increment allocation  
14 financing. For purposes of computing the aggregate amount of  
15 such taxes for base years occurring prior to 1985, the  
16 Department of Revenue shall determine the Initial Sales Tax  
17 Amounts for such taxes and deduct therefrom an amount equal to  
18 4% of the aggregate amount of taxes per year for each year the  
19 base year is prior to 1985, but not to exceed a total deduction  
20 of 12%. The amount so determined shall be known as the  
21 "Adjusted Initial Sales Tax Amounts". For purposes of  
22 determining the Municipal Sales Tax Increment, the Department  
23 of Revenue shall for each period subtract from the amount paid  
24 to the municipality from the Local Government Tax Fund arising  
25 from sales by retailers and servicemen on transactions located  
26 in the redevelopment project area or the State Sales Tax

1 Boundary, as the case may be, the certified Initial Sales Tax  
2 Amounts, the Adjusted Initial Sales Tax Amounts or the Revised  
3 Initial Sales Tax Amounts for the Municipal Retailers'  
4 Occupation Tax Act and the Municipal Service Occupation Tax  
5 Act. For the State Fiscal Year 1989, this calculation shall be  
6 made by utilizing the calendar year 1987 to determine the tax  
7 amounts received. For the State Fiscal Year 1990, this  
8 calculation shall be made by utilizing the period from January  
9 1, 1988, until September 30, 1988, to determine the tax amounts  
10 received from retailers and servicemen pursuant to the  
11 Municipal Retailers' Occupation Tax and the Municipal Service  
12 Occupation Tax Act, which shall have deducted therefrom  
13 nine-twelfths of the certified Initial Sales Tax Amounts, the  
14 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
15 Tax Amounts as appropriate. For the State Fiscal Year 1991,  
16 this calculation shall be made by utilizing the period from  
17 October 1, 1988, to June 30, 1989, to determine the tax amounts  
18 received from retailers and servicemen pursuant to the  
19 Municipal Retailers' Occupation Tax and the Municipal Service  
20 Occupation Tax Act which shall have deducted therefrom  
21 nine-twelfths of the certified Initial Sales Tax Amounts,  
22 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
23 Tax Amounts as appropriate. For every State Fiscal Year  
24 thereafter, the applicable period shall be the 12 months  
25 beginning July 1 and ending June 30 to determine the tax  
26 amounts received which shall have deducted therefrom the

1 certified Initial Sales Tax Amounts, the Adjusted Initial Sales  
2 Tax Amounts or the Revised Initial Sales Tax Amounts, as the  
3 case may be.

4 (i) "Net State Sales Tax Increment" means the sum of the  
5 following: (a) 80% of the first \$100,000 of State Sales Tax  
6 Increment annually generated within a State Sales Tax Boundary;  
7 (b) 60% of the amount in excess of \$100,000 but not exceeding  
8 \$500,000 of State Sales Tax Increment annually generated within  
9 a State Sales Tax Boundary; and (c) 40% of all amounts in  
10 excess of \$500,000 of State Sales Tax Increment annually  
11 generated within a State Sales Tax Boundary. If, however, a  
12 municipality established a tax increment financing district in  
13 a county with a population in excess of 3,000,000 before  
14 January 1, 1986, and the municipality entered into a contract  
15 or issued bonds after January 1, 1986, but before December 31,  
16 1986, to finance redevelopment project costs within a State  
17 Sales Tax Boundary, then the Net State Sales Tax Increment  
18 means, for the fiscal years beginning July 1, 1990, and July 1,  
19 1991, 100% of the State Sales Tax Increment annually generated  
20 within a State Sales Tax Boundary; and notwithstanding any  
21 other provision of this Act, for those fiscal years the  
22 Department of Revenue shall distribute to those municipalities  
23 100% of their Net State Sales Tax Increment before any  
24 distribution to any other municipality and regardless of  
25 whether or not those other municipalities will receive 100% of  
26 their Net State Sales Tax Increment. For Fiscal Year 1999, and



1 every year thereafter until the year 2007, for any municipality  
2 that has not entered into a contract or has not issued bonds  
3 prior to June 1, 1988 to finance redevelopment project costs  
4 within a State Sales Tax Boundary, the Net State Sales Tax  
5 Increment shall be calculated as follows: By multiplying the  
6 Net State Sales Tax Increment by 90% in the State Fiscal Year  
7 1999; 80% in the State Fiscal Year 2000; 70% in the State  
8 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the  
9 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%  
10 in the State Fiscal Year 2005; 20% in the State Fiscal Year  
11 2006; and 10% in the State Fiscal Year 2007. No payment shall  
12 be made for State Fiscal Year 2008 and thereafter.

13 Municipalities that issued bonds in connection with a  
14 redevelopment project in a redevelopment project area within  
15 the State Sales Tax Boundary prior to July 29, 1991, or that  
16 entered into contracts in connection with a redevelopment  
17 project in a redevelopment project area before June 1, 1988,  
18 shall continue to receive their proportional share of the  
19 Illinois Tax Increment Fund distribution until the date on  
20 which the redevelopment project is completed or terminated. If,  
21 however, a municipality that issued bonds in connection with a  
22 redevelopment project in a redevelopment project area within  
23 the State Sales Tax Boundary prior to July 29, 1991 retires the  
24 bonds prior to June 30, 2007 or a municipality that entered  
25 into contracts in connection with a redevelopment project in a  
26 redevelopment project area before June 1, 1988 completes the

1 contracts prior to June 30, 2007, then so long as the  
2 redevelopment project is not completed or is not terminated,  
3 the Net State Sales Tax Increment shall be calculated,  
4 beginning on the date on which the bonds are retired or the  
5 contracts are completed, as follows: By multiplying the Net  
6 State Sales Tax Increment by 60% in the State Fiscal Year 2002;  
7 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year  
8 2004; 30% in the State Fiscal Year 2005; 20% in the State  
9 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No  
10 payment shall be made for State Fiscal Year 2008 and  
11 thereafter. Refunding of any bonds issued prior to July 29,  
12 1991, shall not alter the Net State Sales Tax Increment.

13 (j) "State Utility Tax Increment Amount" means an amount  
14 equal to the aggregate increase in State electric and gas tax  
15 charges imposed on owners and tenants, other than residential  
16 customers, of properties located within the redevelopment  
17 project area under Section 9-222 of the Public Utilities Act,  
18 over and above the aggregate of such charges as certified by  
19 the Department of Revenue and paid by owners and tenants, other  
20 than residential customers, of properties within the  
21 redevelopment project area during the base year, which shall be  
22 the calendar year immediately prior to the year of the adoption  
23 of the ordinance authorizing tax increment allocation  
24 financing.

25 (k) "Net State Utility Tax Increment" means the sum of the  
26 following: (a) 80% of the first \$100,000 of State Utility Tax

1 Increment annually generated by a redevelopment project area;  
2 (b) 60% of the amount in excess of \$100,000 but not exceeding  
3 \$500,000 of the State Utility Tax Increment annually generated  
4 by a redevelopment project area; and (c) 40% of all amounts in  
5 excess of \$500,000 of State Utility Tax Increment annually  
6 generated by a redevelopment project area. For the State Fiscal  
7 Year 1999, and every year thereafter until the year 2007, for  
8 any municipality that has not entered into a contract or has  
9 not issued bonds prior to June 1, 1988 to finance redevelopment  
10 project costs within a redevelopment project area, the Net  
11 State Utility Tax Increment shall be calculated as follows: By  
12 multiplying the Net State Utility Tax Increment by 90% in the  
13 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%  
14 in the State Fiscal Year 2001; 60% in the State Fiscal Year  
15 2002; 50% in the State Fiscal Year 2003; 40% in the State  
16 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the  
17 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.  
18 No payment shall be made for the State Fiscal Year 2008 and  
19 thereafter.

20 Municipalities that issue bonds in connection with the  
21 redevelopment project during the period from June 1, 1988 until  
22 3 years after the effective date of this Amendatory Act of 1988  
23 shall receive the Net State Utility Tax Increment, subject to  
24 appropriation, for 15 State Fiscal Years after the issuance of  
25 such bonds. For the 16th through the 20th State Fiscal Years  
26 after issuance of the bonds, the Net State Utility Tax

1 Increment shall be calculated as follows: By multiplying the  
2 Net State Utility Tax Increment by 90% in year 16; 80% in year  
3 17; 70% in year 18; 60% in year 19; and 50% in year 20.  
4 Refunding of any bonds issued prior to June 1, 1988, shall not  
5 alter the revised Net State Utility Tax Increment payments set  
6 forth above.

7 (l) "Obligations" mean bonds, loans, debentures, notes,  
8 special certificates or other evidence of indebtedness issued  
9 by the municipality to carry out a redevelopment project or to  
10 refund outstanding obligations.

11 (m) "Payment in lieu of taxes" means those estimated tax  
12 revenues from real property in a redevelopment project area  
13 derived from real property that has been acquired by a  
14 municipality which according to the redevelopment project or  
15 plan is to be used for a private use which taxing districts  
16 would have received had a municipality not acquired the real  
17 property and adopted tax increment allocation financing and  
18 which would result from levies made after the time of the  
19 adoption of tax increment allocation financing to the time the  
20 current equalized value of real property in the redevelopment  
21 project area exceeds the total initial equalized value of real  
22 property in said area.

23 (n) "Redevelopment plan" means the comprehensive program  
24 of the municipality for development or redevelopment intended  
25 by the payment of redevelopment project costs to reduce or  
26 eliminate those conditions the existence of which qualified the

1 redevelopment project area as a "blighted area" or  
2 "conservation area" or combination thereof or "industrial park  
3 conservation area," and thereby to enhance the tax bases of the  
4 taxing districts which extend into the redevelopment project  
5 area. On and after November 1, 1999 (the effective date of  
6 Public Act 91-478), no redevelopment plan may be approved or  
7 amended that includes the development of vacant land (i) with a  
8 golf course and related clubhouse and other facilities or (ii)  
9 designated by federal, State, county, or municipal government  
10 as public land for outdoor recreational activities or for  
11 nature preserves and used for that purpose within 5 years prior  
12 to the adoption of the redevelopment plan. For the purpose of  
13 this subsection, "recreational activities" is limited to mean  
14 camping and hunting. Each redevelopment plan shall set forth in  
15 writing the program to be undertaken to accomplish the  
16 objectives and shall include but not be limited to:

17 (A) an itemized list of estimated redevelopment  
18 project costs;

19 (B) evidence indicating that the redevelopment project  
20 area on the whole has not been subject to growth and  
21 development through investment by private enterprise;

22 (C) an assessment of any financial impact of the  
23 redevelopment project area on or any increased demand for  
24 services from any taxing district affected by the plan and  
25 any program to address such financial impact or increased  
26 demand;

1 (D) the sources of funds to pay costs;

2 (E) the nature and term of the obligations to be  
3 issued;

4 (F) the most recent equalized assessed valuation of the  
5 redevelopment project area;

6 (G) an estimate as to the equalized assessed valuation  
7 after redevelopment and the general land uses to apply in  
8 the redevelopment project area;

9 (H) a commitment to fair employment practices and an  
10 affirmative action plan;

11 (I) if it concerns an industrial park conservation  
12 area, the plan shall also include a general description of  
13 any proposed developer, user and tenant of any property, a  
14 description of the type, structure and general character of  
15 the facilities to be developed, a description of the type,  
16 class and number of new employees to be employed in the  
17 operation of the facilities to be developed; and

18 (J) if property is to be annexed to the municipality,  
19 the plan shall include the terms of the annexation  
20 agreement.

21 The provisions of items (B) and (C) of this subsection (n)  
22 shall not apply to a municipality that before March 14, 1994  
23 (the effective date of Public Act 88-537) had fixed, either by  
24 its corporate authorities or by a commission designated under  
25 subsection (k) of Section 11-74.4-4, a time and place for a  
26 public hearing as required by subsection (a) of Section

1 11-74.4-5. No redevelopment plan shall be adopted unless a  
2 municipality complies with all of the following requirements:

3 (1) The municipality finds that the redevelopment  
4 project area on the whole has not been subject to growth  
5 and development through investment by private enterprise  
6 and would not reasonably be anticipated to be developed  
7 without the adoption of the redevelopment plan.

8 (2) The municipality finds that the redevelopment plan  
9 and project conform to the comprehensive plan for the  
10 development of the municipality as a whole, or, for  
11 municipalities with a population of 100,000 or more,  
12 regardless of when the redevelopment plan and project was  
13 adopted, the redevelopment plan and project either: (i)  
14 conforms to the strategic economic development or  
15 redevelopment plan issued by the designated planning  
16 authority of the municipality, or (ii) includes land uses  
17 that have been approved by the planning commission of the  
18 municipality.

19 (3) The redevelopment plan establishes the estimated  
20 dates of completion of the redevelopment project and  
21 retirement of obligations issued to finance redevelopment  
22 project costs. Those dates may not be later than the dates  
23 set forth under Section 11-74.4-3.5.

24 A municipality may by municipal ordinance amend an  
25 existing redevelopment plan to conform to this paragraph  
26 (3) as amended by Public Act 91-478, which municipal

1 ordinance may be adopted without further hearing or notice  
2 and without complying with the procedures provided in this  
3 Act pertaining to an amendment to or the initial approval  
4 of a redevelopment plan and project and designation of a  
5 redevelopment project area.

6 (3.5) The municipality finds, in the case of an  
7 industrial park conservation area, also that the  
8 municipality is a labor surplus municipality and that the  
9 implementation of the redevelopment plan will reduce  
10 unemployment, create new jobs and by the provision of new  
11 facilities enhance the tax base of the taxing districts  
12 that extend into the redevelopment project area.

13 (4) If any incremental revenues are being utilized  
14 under Section 8(a)(1) or 8(a)(2) of this Act in  
15 redevelopment project areas approved by ordinance after  
16 January 1, 1986, the municipality finds: (a) that the  
17 redevelopment project area would not reasonably be  
18 developed without the use of such incremental revenues, and  
19 (b) that such incremental revenues will be exclusively  
20 utilized for the development of the redevelopment project  
21 area.

22 (5) If the redevelopment plan will not result in  
23 displacement of residents from 10 or more inhabited  
24 residential units, and the municipality certifies in the  
25 plan that such displacement will not result from the plan,  
26 a housing impact study need not be performed. If, however,



1 the redevelopment plan would result in the displacement of  
2 residents from 10 or more inhabited residential units, or  
3 if the redevelopment project area contains 75 or more  
4 inhabited residential units and no certification is made,  
5 then the municipality shall prepare, as part of the  
6 separate feasibility report required by subsection (a) of  
7 Section 11-74.4-5, a housing impact study.

8 Part I of the housing impact study shall include (i)  
9 data as to whether the residential units are single family  
10 or multi-family units, (ii) the number and type of rooms  
11 within the units, if that information is available, (iii)  
12 whether the units are inhabited or uninhabited, as  
13 determined not less than 45 days before the date that the  
14 ordinance or resolution required by subsection (a) of  
15 Section 11-74.4-5 is passed, and (iv) data as to the racial  
16 and ethnic composition of the residents in the inhabited  
17 residential units. The data requirement as to the racial  
18 and ethnic composition of the residents in the inhabited  
19 residential units shall be deemed to be fully satisfied by  
20 data from the most recent federal census.

21 Part II of the housing impact study shall identify the  
22 inhabited residential units in the proposed redevelopment  
23 project area that are to be or may be removed. If inhabited  
24 residential units are to be removed, then the housing  
25 impact study shall identify (i) the number and location of  
26 those units that will or may be removed, (ii) the

1 municipality's plans for relocation assistance for those  
2 residents in the proposed redevelopment project area whose  
3 residences are to be removed, (iii) the availability of  
4 replacement housing for those residents whose residences  
5 are to be removed, and shall identify the type, location,  
6 and cost of the housing, and (iv) the type and extent of  
7 relocation assistance to be provided.

8 (6) On and after November 1, 1999, the housing impact  
9 study required by paragraph (5) shall be incorporated in  
10 the redevelopment plan for the redevelopment project area.

11 (7) On and after November 1, 1999, no redevelopment  
12 plan shall be adopted, nor an existing plan amended, nor  
13 shall residential housing that is occupied by households of  
14 low-income and very low-income persons in currently  
15 existing redevelopment project areas be removed after  
16 November 1, 1999 unless the redevelopment plan provides,  
17 with respect to inhabited housing units that are to be  
18 removed for households of low-income and very low-income  
19 persons, affordable housing and relocation assistance not  
20 less than that which would be provided under the federal  
21 Uniform Relocation Assistance and Real Property  
22 Acquisition Policies Act of 1970 and the regulations under  
23 that Act, including the eligibility criteria. Affordable  
24 housing may be either existing or newly constructed  
25 housing. For purposes of this paragraph (7), "low-income  
26 households", "very low-income households", and "affordable

1 housing" have the meanings set forth in the Illinois  
2 Affordable Housing Act. The municipality shall make a good  
3 faith effort to ensure that this affordable housing is  
4 located in or near the redevelopment project area within  
5 the municipality.

6 (8) On and after November 1, 1999, if, after the  
7 adoption of the redevelopment plan for the redevelopment  
8 project area, any municipality desires to amend its  
9 redevelopment plan to remove more inhabited residential  
10 units than specified in its original redevelopment plan,  
11 that change shall be made in accordance with the procedures  
12 in subsection (c) of Section 11-74.4-5.

13 (9) For redevelopment project areas designated prior  
14 to November 1, 1999, the redevelopment plan may be amended  
15 without further joint review board meeting or hearing,  
16 provided that the municipality shall give notice of any  
17 such changes by mail to each affected taxing district and  
18 registrant on the interested party registry, to authorize  
19 the municipality to expend tax increment revenues for  
20 redevelopment project costs defined by paragraphs (5) and  
21 (7.5), subparagraphs (E) and (F) of paragraph (11), and  
22 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so  
23 long as the changes do not increase the total estimated  
24 redevelopment project costs set out in the redevelopment  
25 plan by more than 5% after adjustment for inflation from  
26 the date the plan was adopted.

1           (o) "Redevelopment project" means any public and private  
2 development project in furtherance of the objectives of a  
3 redevelopment plan. On and after November 1, 1999 (the  
4 effective date of Public Act 91-478), no redevelopment plan may  
5 be approved or amended that includes the development of vacant  
6 land (i) with a golf course and related clubhouse and other  
7 facilities or (ii) designated by federal, State, county, or  
8 municipal government as public land for outdoor recreational  
9 activities or for nature preserves and used for that purpose  
10 within 5 years prior to the adoption of the redevelopment plan.  
11 For the purpose of this subsection, "recreational activities"  
12 is limited to mean camping and hunting.

13           (p) "Redevelopment project area" means an area designated  
14 by the municipality, which is not less in the aggregate than 1  
15 1/2 acres and in respect to which the municipality has made a  
16 finding that there exist conditions which cause the area to be  
17 classified as an industrial park conservation area or a  
18 blighted area or a conservation area, or a combination of both  
19 blighted areas and conservation areas.

20           (p-1) Notwithstanding any provision of this Act to the  
21 contrary, on and after August 25, 2009 (the effective date of  
22 Public Act 96-680), a redevelopment project area may include  
23 areas within a one-half mile radius of an existing or proposed  
24 Regional Transportation Authority Suburban Transit Access  
25 Route (STAR Line) station without a finding that the area is  
26 classified as an industrial park conservation area, a blighted

1 area, a conservation area, or a combination thereof, but only  
2 if the municipality receives unanimous consent from the joint  
3 review board created to review the proposed redevelopment  
4 project area.

5 (q) "Redevelopment project costs", except for  
6 redevelopment project areas created pursuant to subsection  
7 (p-1), means and includes the sum total of all reasonable or  
8 necessary costs incurred or estimated to be incurred, and any  
9 such costs incidental to a redevelopment plan and a  
10 redevelopment project. Such costs include, without limitation,  
11 the following:

12 (1) Costs of studies, surveys, development of plans,  
13 and specifications, implementation and administration of  
14 the redevelopment plan including but not limited to staff  
15 and professional service costs for architectural,  
16 engineering, legal, financial, planning or other services,  
17 provided however that no charges for professional services  
18 may be based on a percentage of the tax increment  
19 collected; except that on and after November 1, 1999 (the  
20 effective date of Public Act 91-478), no contracts for  
21 professional services, excluding architectural and  
22 engineering services, may be entered into if the terms of  
23 the contract extend beyond a period of 3 years. In  
24 addition, "redevelopment project costs" shall not include  
25 lobbying expenses. After consultation with the  
26 municipality, each tax increment consultant or advisor to a

1 municipality that plans to designate or has designated a  
2 redevelopment project area shall inform the municipality  
3 in writing of any contracts that the consultant or advisor  
4 has entered into with entities or individuals that have  
5 received, or are receiving, payments financed by tax  
6 increment revenues produced by the redevelopment project  
7 area with respect to which the consultant or advisor has  
8 performed, or will be performing, service for the  
9 municipality. This requirement shall be satisfied by the  
10 consultant or advisor before the commencement of services  
11 for the municipality and thereafter whenever any other  
12 contracts with those individuals or entities are executed  
13 by the consultant or advisor;

14 (1.5) After July 1, 1999, annual administrative costs  
15 shall not include general overhead or administrative costs  
16 of the municipality that would still have been incurred by  
17 the municipality if the municipality had not designated a  
18 redevelopment project area or approved a redevelopment  
19 plan;

20 (1.6) The cost of marketing sites within the  
21 redevelopment project area to prospective businesses,  
22 developers, and investors;

23 (2) Property assembly costs, including but not limited  
24 to acquisition of land and other property, real or  
25 personal, or rights or interests therein, demolition of  
26 buildings, site preparation, site improvements that serve

1 as an engineered barrier addressing ground level or below  
2 ground environmental contamination, including, but not  
3 limited to parking lots and other concrete or asphalt  
4 barriers, and the clearing and grading of land;

5 (3) Costs of rehabilitation, reconstruction or repair  
6 or remodeling of existing public or private buildings,  
7 fixtures, and leasehold improvements; and the cost of  
8 replacing an existing public building if pursuant to the  
9 implementation of a redevelopment project the existing  
10 public building is to be demolished to use the site for  
11 private investment or devoted to a different use requiring  
12 private investment; including any direct or indirect costs  
13 relating to Green Globes or LEED certified construction  
14 elements or construction elements with an equivalent  
15 certification;

16 (4) Costs of the construction of public works or  
17 improvements, including any direct or indirect costs  
18 relating to Green Globes or LEED certified construction  
19 elements or construction elements with an equivalent  
20 certification, except that on and after November 1, 1999,  
21 redevelopment project costs shall not include the cost of  
22 constructing a new municipal public building principally  
23 used to provide offices, storage space, or conference  
24 facilities or vehicle storage, maintenance, or repair for  
25 administrative, public safety, or public works personnel  
26 and that is not intended to replace an existing public

1 building as provided under paragraph (3) of subsection (q)  
2 of Section 11-74.4-3 unless either (i) the construction of  
3 the new municipal building implements a redevelopment  
4 project that was included in a redevelopment plan that was  
5 adopted by the municipality prior to November 1, 1999 or  
6 (ii) the municipality makes a reasonable determination in  
7 the redevelopment plan, supported by information that  
8 provides the basis for that determination, that the new  
9 municipal building is required to meet an increase in the  
10 need for public safety purposes anticipated to result from  
11 the implementation of the redevelopment plan;

12 (5) Costs of job training and retraining projects,  
13 including the cost of "welfare to work" programs  
14 implemented by businesses located within the redevelopment  
15 project area;

16 (6) Financing costs, including but not limited to all  
17 necessary and incidental expenses related to the issuance  
18 of obligations and which may include payment of interest on  
19 any obligations issued hereunder including interest  
20 accruing during the estimated period of construction of any  
21 redevelopment project for which such obligations are  
22 issued and for not exceeding 36 months thereafter and  
23 including reasonable reserves related thereto;

24 (7) To the extent the municipality by written agreement  
25 accepts and approves the same, all or a portion of a taxing  
26 district's capital costs resulting from the redevelopment



1 project necessarily incurred or to be incurred within a  
2 taxing district in furtherance of the objectives of the  
3 redevelopment plan and project.

4 (7.5) For redevelopment project areas designated (or  
5 redevelopment project areas amended to add or increase the  
6 number of tax-increment-financing assisted housing units)  
7 on or after November 1, 1999, an elementary, secondary, or  
8 unit school district's increased costs attributable to  
9 assisted housing units located within the redevelopment  
10 project area for which the developer or redeveloper  
11 receives financial assistance through an agreement with  
12 the municipality or because the municipality incurs the  
13 cost of necessary infrastructure improvements within the  
14 boundaries of the assisted housing sites necessary for the  
15 completion of that housing as authorized by this Act, and  
16 which costs shall be paid by the municipality from the  
17 Special Tax Allocation Fund when the tax increment revenue  
18 is received as a result of the assisted housing units and  
19 shall be calculated annually as follows:

20 (A) for foundation districts, excluding any school  
21 district in a municipality with a population in excess  
22 of 1,000,000, by multiplying the district's increase  
23 in attendance resulting from the net increase in new  
24 students enrolled in that school district who reside in  
25 housing units within the redevelopment project area  
26 that have received financial assistance through an

1 agreement with the municipality or because the  
2 municipality incurs the cost of necessary  
3 infrastructure improvements within the boundaries of  
4 the housing sites necessary for the completion of that  
5 housing as authorized by this Act since the designation  
6 of the redevelopment project area by the most recently  
7 available per capita tuition cost as defined in Section  
8 10-20.12a of the School Code less any increase in  
9 general State aid as defined in Section 18-8.05 of the  
10 School Code or primary State aid as defined in Section  
11 18-8.15 of the School Code attributable to these added  
12 new students subject to the following annual  
13 limitations:

14 (i) for unit school districts with a district  
15 average 1995-96 Per Capita Tuition Charge of less  
16 than \$5,900, no more than 25% of the total amount  
17 of property tax increment revenue produced by  
18 those housing units that have received tax  
19 increment finance assistance under this Act;

20 (ii) for elementary school districts with a  
21 district average 1995-96 Per Capita Tuition Charge  
22 of less than \$5,900, no more than 17% of the total  
23 amount of property tax increment revenue produced  
24 by those housing units that have received tax  
25 increment finance assistance under this Act; and

26 (iii) for secondary school districts with a

1 district average 1995-96 Per Capita Tuition Charge  
2 of less than \$5,900, no more than 8% of the total  
3 amount of property tax increment revenue produced  
4 by those housing units that have received tax  
5 increment finance assistance under this Act.

6 (B) For alternate method districts, flat grant  
7 districts, and foundation districts with a district  
8 average 1995-96 Per Capita Tuition Charge equal to or  
9 more than \$5,900, excluding any school district with a  
10 population in excess of 1,000,000, by multiplying the  
11 district's increase in attendance resulting from the  
12 net increase in new students enrolled in that school  
13 district who reside in housing units within the  
14 redevelopment project area that have received  
15 financial assistance through an agreement with the  
16 municipality or because the municipality incurs the  
17 cost of necessary infrastructure improvements within  
18 the boundaries of the housing sites necessary for the  
19 completion of that housing as authorized by this Act  
20 since the designation of the redevelopment project  
21 area by the most recently available per capita tuition  
22 cost as defined in Section 10-20.12a of the School Code  
23 less any increase in general state aid as defined in  
24 Section 18-8.05 of the School Code or primary State aid  
25 as defined in Section 18-8.15 of the School Code  
26 attributable to these added new students subject to the

1 following annual limitations:

2 (i) for unit school districts, no more than 40%  
3 of the total amount of property tax increment  
4 revenue produced by those housing units that have  
5 received tax increment finance assistance under  
6 this Act;

7 (ii) for elementary school districts, no more  
8 than 27% of the total amount of property tax  
9 increment revenue produced by those housing units  
10 that have received tax increment finance  
11 assistance under this Act; and

12 (iii) for secondary school districts, no more  
13 than 13% of the total amount of property tax  
14 increment revenue produced by those housing units  
15 that have received tax increment finance  
16 assistance under this Act.

17 (C) For any school district in a municipality with  
18 a population in excess of 1,000,000, the following  
19 restrictions shall apply to the reimbursement of  
20 increased costs under this paragraph (7.5):

21 (i) no increased costs shall be reimbursed  
22 unless the school district certifies that each of  
23 the schools affected by the assisted housing  
24 project is at or over its student capacity;

25 (ii) the amount reimbursable shall be reduced  
26 by the value of any land donated to the school

1 district by the municipality or developer, and by  
2 the value of any physical improvements made to the  
3 schools by the municipality or developer; and

4 (iii) the amount reimbursed may not affect  
5 amounts otherwise obligated by the terms of any  
6 bonds, notes, or other funding instruments, or the  
7 terms of any redevelopment agreement.

8 Any school district seeking payment under this  
9 paragraph (7.5) shall, after July 1 and before  
10 September 30 of each year, provide the municipality  
11 with reasonable evidence to support its claim for  
12 reimbursement before the municipality shall be  
13 required to approve or make the payment to the school  
14 district. If the school district fails to provide the  
15 information during this period in any year, it shall  
16 forfeit any claim to reimbursement for that year.  
17 School districts may adopt a resolution waiving the  
18 right to all or a portion of the reimbursement  
19 otherwise required by this paragraph (7.5). By  
20 acceptance of this reimbursement the school district  
21 waives the right to directly or indirectly set aside,  
22 modify, or contest in any manner the establishment of  
23 the redevelopment project area or projects;

24 (7.7) For redevelopment project areas designated (or  
25 redevelopment project areas amended to add or increase the  
26 number of tax-increment-financing assisted housing units)

1 on or after January 1, 2005 (the effective date of Public  
2 Act 93-961), a public library district's increased costs  
3 attributable to assisted housing units located within the  
4 redevelopment project area for which the developer or  
5 redeveloper receives financial assistance through an  
6 agreement with the municipality or because the  
7 municipality incurs the cost of necessary infrastructure  
8 improvements within the boundaries of the assisted housing  
9 sites necessary for the completion of that housing as  
10 authorized by this Act shall be paid to the library  
11 district by the municipality from the Special Tax  
12 Allocation Fund when the tax increment revenue is received  
13 as a result of the assisted housing units. This paragraph  
14 (7.7) applies only if (i) the library district is located  
15 in a county that is subject to the Property Tax Extension  
16 Limitation Law or (ii) the library district is not located  
17 in a county that is subject to the Property Tax Extension  
18 Limitation Law but the district is prohibited by any other  
19 law from increasing its tax levy rate without a prior voter  
20 referendum.

21 The amount paid to a library district under this  
22 paragraph (7.7) shall be calculated by multiplying (i) the  
23 net increase in the number of persons eligible to obtain a  
24 library card in that district who reside in housing units  
25 within the redevelopment project area that have received  
26 financial assistance through an agreement with the

1 municipality or because the municipality incurs the cost of  
2 necessary infrastructure improvements within the  
3 boundaries of the housing sites necessary for the  
4 completion of that housing as authorized by this Act since  
5 the designation of the redevelopment project area by (ii)  
6 the per-patron cost of providing library services so long  
7 as it does not exceed \$120. The per-patron cost shall be  
8 the Total Operating Expenditures Per Capita for the library  
9 in the previous fiscal year. The municipality may deduct  
10 from the amount that it must pay to a library district  
11 under this paragraph any amount that it has voluntarily  
12 paid to the library district from the tax increment  
13 revenue. The amount paid to a library district under this  
14 paragraph (7.7) shall be no more than 2% of the amount  
15 produced by the assisted housing units and deposited into  
16 the Special Tax Allocation Fund.

17 A library district is not eligible for any payment  
18 under this paragraph (7.7) unless the library district has  
19 experienced an increase in the number of patrons from the  
20 municipality that created the tax-increment-financing  
21 district since the designation of the redevelopment  
22 project area.

23 Any library district seeking payment under this  
24 paragraph (7.7) shall, after July 1 and before September 30  
25 of each year, provide the municipality with convincing  
26 evidence to support its claim for reimbursement before the

1 municipality shall be required to approve or make the  
2 payment to the library district. If the library district  
3 fails to provide the information during this period in any  
4 year, it shall forfeit any claim to reimbursement for that  
5 year. Library districts may adopt a resolution waiving the  
6 right to all or a portion of the reimbursement otherwise  
7 required by this paragraph (7.7). By acceptance of such  
8 reimbursement, the library district shall forfeit any  
9 right to directly or indirectly set aside, modify, or  
10 contest in any manner whatsoever the establishment of the  
11 redevelopment project area or projects;

12 (8) Relocation costs to the extent that a municipality  
13 determines that relocation costs shall be paid or is  
14 required to make payment of relocation costs by federal or  
15 State law or in order to satisfy subparagraph (7) of  
16 subsection (n);

17 (9) Payment in lieu of taxes;

18 (10) Costs of job training, retraining, advanced  
19 vocational education or career education, including but  
20 not limited to courses in occupational, semi-technical or  
21 technical fields leading directly to employment, incurred  
22 by one or more taxing districts, provided that such costs  
23 (i) are related to the establishment and maintenance of  
24 additional job training, advanced vocational education or  
25 career education programs for persons employed or to be  
26 employed by employers located in a redevelopment project



1 area; and (ii) when incurred by a taxing district or taxing  
2 districts other than the municipality, are set forth in a  
3 written agreement by or among the municipality and the  
4 taxing district or taxing districts, which agreement  
5 describes the program to be undertaken, including but not  
6 limited to the number of employees to be trained, a  
7 description of the training and services to be provided,  
8 the number and type of positions available or to be  
9 available, itemized costs of the program and sources of  
10 funds to pay for the same, and the term of the agreement.  
11 Such costs include, specifically, the payment by community  
12 college districts of costs pursuant to Sections 3-37, 3-38,  
13 3-40 and 3-40.1 of the Public Community College Act and by  
14 school districts of costs pursuant to Sections 10-22.20a  
15 and 10-23.3a of The School Code;

16 (11) Interest cost incurred by a redeveloper related to  
17 the construction, renovation or rehabilitation of a  
18 redevelopment project provided that:

19 (A) such costs are to be paid directly from the  
20 special tax allocation fund established pursuant to  
21 this Act;

22 (B) such payments in any one year may not exceed  
23 30% of the annual interest costs incurred by the  
24 redeveloper with regard to the redevelopment project  
25 during that year;

26 (C) if there are not sufficient funds available in

1 the special tax allocation fund to make the payment  
2 pursuant to this paragraph (11) then the amounts so due  
3 shall accrue and be payable when sufficient funds are  
4 available in the special tax allocation fund;

5 (D) the total of such interest payments paid  
6 pursuant to this Act may not exceed 30% of the total  
7 (i) cost paid or incurred by the redeveloper for the  
8 redevelopment project plus (ii) redevelopment project  
9 costs excluding any property assembly costs and any  
10 relocation costs incurred by a municipality pursuant  
11 to this Act; and

12 (E) the cost limits set forth in subparagraphs (B)  
13 and (D) of paragraph (11) shall be modified for the  
14 financing of rehabilitated or new housing units for  
15 low-income households and very low-income households,  
16 as defined in Section 3 of the Illinois Affordable  
17 Housing Act. The percentage of 75% shall be substituted  
18 for 30% in subparagraphs (B) and (D) of paragraph (11).

19 (F) Instead of the eligible costs provided by  
20 subparagraphs (B) and (D) of paragraph (11), as  
21 modified by this subparagraph, and notwithstanding any  
22 other provisions of this Act to the contrary, the  
23 municipality may pay from tax increment revenues up to  
24 50% of the cost of construction of new housing units to  
25 be occupied by low-income households and very  
26 low-income households as defined in Section 3 of the

1 Illinois Affordable Housing Act. The cost of  
2 construction of those units may be derived from the  
3 proceeds of bonds issued by the municipality under this  
4 Act or other constitutional or statutory authority or  
5 from other sources of municipal revenue that may be  
6 reimbursed from tax increment revenues or the proceeds  
7 of bonds issued to finance the construction of that  
8 housing.

9 The eligible costs provided under this  
10 subparagraph (F) of paragraph (11) shall be an eligible  
11 cost for the construction, renovation, and  
12 rehabilitation of all low and very low-income housing  
13 units, as defined in Section 3 of the Illinois  
14 Affordable Housing Act, within the redevelopment  
15 project area. If the low and very low-income units are  
16 part of a residential redevelopment project that  
17 includes units not affordable to low and very  
18 low-income households, only the low and very  
19 low-income units shall be eligible for benefits under  
20 subparagraph (F) of paragraph (11). The standards for  
21 maintaining the occupancy by low-income households and  
22 very low-income households, as defined in Section 3 of  
23 the Illinois Affordable Housing Act, of those units  
24 constructed with eligible costs made available under  
25 the provisions of this subparagraph (F) of paragraph  
26 (11) shall be established by guidelines adopted by the

1           municipality. The responsibility for annually  
2           documenting the initial occupancy of the units by  
3           low-income households and very low-income households,  
4           as defined in Section 3 of the Illinois Affordable  
5           Housing Act, shall be that of the then current owner of  
6           the property. For ownership units, the guidelines will  
7           provide, at a minimum, for a reasonable recapture of  
8           funds, or other appropriate methods designed to  
9           preserve the original affordability of the ownership  
10          units. For rental units, the guidelines will provide,  
11          at a minimum, for the affordability of rent to low and  
12          very low-income households. As units become available,  
13          they shall be rented to income-eligible tenants. The  
14          municipality may modify these guidelines from time to  
15          time; the guidelines, however, shall be in effect for  
16          as long as tax increment revenue is being used to pay  
17          for costs associated with the units or for the  
18          retirement of bonds issued to finance the units or for  
19          the life of the redevelopment project area, whichever  
20          is later.

21          (11.5) If the redevelopment project area is located  
22          within a municipality with a population of more than  
23          100,000, the cost of day care services for children of  
24          employees from low-income families working for businesses  
25          located within the redevelopment project area and all or a  
26          portion of the cost of operation of day care centers

1 established by redevelopment project area businesses to  
2 serve employees from low-income families working in  
3 businesses located in the redevelopment project area. For  
4 the purposes of this paragraph, "low-income families"  
5 means families whose annual income does not exceed 80% of  
6 the municipal, county, or regional median income, adjusted  
7 for family size, as the annual income and municipal,  
8 county, or regional median income are determined from time  
9 to time by the United States Department of Housing and  
10 Urban Development.

11 (12) Unless explicitly stated herein the cost of  
12 construction of new privately-owned buildings shall not be  
13 an eligible redevelopment project cost.

14 (13) After November 1, 1999 (the effective date of  
15 Public Act 91-478), none of the redevelopment project costs  
16 enumerated in this subsection shall be eligible  
17 redevelopment project costs if those costs would provide  
18 direct financial support to a retail entity initiating  
19 operations in the redevelopment project area while  
20 terminating operations at another Illinois location within  
21 10 miles of the redevelopment project area but outside the  
22 boundaries of the redevelopment project area municipality.  
23 For purposes of this paragraph, termination means a closing  
24 of a retail operation that is directly related to the  
25 opening of the same operation or like retail entity owned  
26 or operated by more than 50% of the original ownership in a

1 redevelopment project area, but it does not mean closing an  
2 operation for reasons beyond the control of the retail  
3 entity, as documented by the retail entity, subject to a  
4 reasonable finding by the municipality that the current  
5 location contained inadequate space, had become  
6 economically obsolete, or was no longer a viable location  
7 for the retailer or serviceman.

8 (14) No cost shall be a redevelopment project cost in a  
9 redevelopment project area if used to demolish, remove, or  
10 substantially modify a historic resource, after August 26,  
11 2008 (the effective date of Public Act 95-934), unless no  
12 prudent and feasible alternative exists. "Historic  
13 resource" for the purpose of this item (14) means (i) a  
14 place or structure that is included or eligible for  
15 inclusion on the National Register of Historic Places or  
16 (ii) a contributing structure in a district on the National  
17 Register of Historic Places. This item (14) does not apply  
18 to a place or structure for which demolition, removal, or  
19 modification is subject to review by the preservation  
20 agency of a Certified Local Government designated as such  
21 by the National Park Service of the United States  
22 Department of the Interior.

23 If a special service area has been established pursuant to  
24 the Special Service Area Tax Act or Special Service Area Tax  
25 Law, then any tax increment revenues derived from the tax  
26 imposed pursuant to the Special Service Area Tax Act or Special

1 Service Area Tax Law may be used within the redevelopment  
2 project area for the purposes permitted by that Act or Law as  
3 well as the purposes permitted by this Act.

4 (q-1) For redevelopment project areas created pursuant to  
5 subsection (p-1), redevelopment project costs are limited to  
6 those costs in paragraph (q) that are related to the existing  
7 or proposed Regional Transportation Authority Suburban Transit  
8 Access Route (STAR Line) station.

9 (r) "State Sales Tax Boundary" means the redevelopment  
10 project area or the amended redevelopment project area  
11 boundaries which are determined pursuant to subsection (9) of  
12 Section 11-74.4-8a of this Act. The Department of Revenue shall  
13 certify pursuant to subsection (9) of Section 11-74.4-8a the  
14 appropriate boundaries eligible for the determination of State  
15 Sales Tax Increment.

16 (s) "State Sales Tax Increment" means an amount equal to  
17 the increase in the aggregate amount of taxes paid by retailers  
18 and servicemen, other than retailers and servicemen subject to  
19 the Public Utilities Act, on transactions at places of business  
20 located within a State Sales Tax Boundary pursuant to the  
21 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use  
22 Tax Act, and the Service Occupation Tax Act, except such  
23 portion of such increase that is paid into the State and Local  
24 Sales Tax Reform Fund, the Local Government Distributive Fund,  
25 the Local Government Tax Fund and the County and Mass Transit  
26 District Fund, for as long as State participation exists, over

1 and above the Initial Sales Tax Amounts, Adjusted Initial Sales  
2 Tax Amounts or the Revised Initial Sales Tax Amounts for such  
3 taxes as certified by the Department of Revenue and paid under  
4 those Acts by retailers and servicemen on transactions at  
5 places of business located within the State Sales Tax Boundary  
6 during the base year which shall be the calendar year  
7 immediately prior to the year in which the municipality adopted  
8 tax increment allocation financing, less 3.0% of such amounts  
9 generated under the Retailers' Occupation Tax Act, Use Tax Act  
10 and Service Use Tax Act and the Service Occupation Tax Act,  
11 which sum shall be appropriated to the Department of Revenue to  
12 cover its costs of administering and enforcing this Section.  
13 For purposes of computing the aggregate amount of such taxes  
14 for base years occurring prior to 1985, the Department of  
15 Revenue shall compute the Initial Sales Tax Amount for such  
16 taxes and deduct therefrom an amount equal to 4% of the  
17 aggregate amount of taxes per year for each year the base year  
18 is prior to 1985, but not to exceed a total deduction of 12%.  
19 The amount so determined shall be known as the "Adjusted  
20 Initial Sales Tax Amount". For purposes of determining the  
21 State Sales Tax Increment the Department of Revenue shall for  
22 each period subtract from the tax amounts received from  
23 retailers and servicemen on transactions located in the State  
24 Sales Tax Boundary, the certified Initial Sales Tax Amounts,  
25 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax  
26 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,



1 the Service Use Tax Act and the Service Occupation Tax Act. For  
2 the State Fiscal Year 1989 this calculation shall be made by  
3 utilizing the calendar year 1987 to determine the tax amounts  
4 received. For the State Fiscal Year 1990, this calculation  
5 shall be made by utilizing the period from January 1, 1988,  
6 until September 30, 1988, to determine the tax amounts received  
7 from retailers and servicemen, which shall have deducted  
8 therefrom nine-twelfths of the certified Initial Sales Tax  
9 Amounts, Adjusted Initial Sales Tax Amounts or the Revised  
10 Initial Sales Tax Amounts as appropriate. For the State Fiscal  
11 Year 1991, this calculation shall be made by utilizing the  
12 period from October 1, 1988, until June 30, 1989, to determine  
13 the tax amounts received from retailers and servicemen, which  
14 shall have deducted therefrom nine-twelfths of the certified  
15 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax  
16 Amounts or the Revised Initial Sales Tax Amounts as  
17 appropriate. For every State Fiscal Year thereafter, the  
18 applicable period shall be the 12 months beginning July 1 and  
19 ending on June 30, to determine the tax amounts received which  
20 shall have deducted therefrom the certified Initial Sales Tax  
21 Amounts, Adjusted Initial Sales Tax Amounts or the Revised  
22 Initial Sales Tax Amounts. Municipalities intending to receive  
23 a distribution of State Sales Tax Increment must report a list  
24 of retailers to the Department of Revenue by October 31, 1988  
25 and by July 31, of each year thereafter.

26 (t) "Taxing districts" means counties, townships, cities

1 and incorporated towns and villages, school, road, park,  
2 sanitary, mosquito abatement, forest preserve, public health,  
3 fire protection, river conservancy, tuberculosis sanitarium  
4 and any other municipal corporations or districts with the  
5 power to levy taxes.

6 (u) "Taxing districts' capital costs" means those costs of  
7 taxing districts for capital improvements that are found by the  
8 municipal corporate authorities to be necessary and directly  
9 result from the redevelopment project.

10 (v) As used in subsection (a) of Section 11-74.4-3 of this  
11 Act, "vacant land" means any parcel or combination of parcels  
12 of real property without industrial, commercial, and  
13 residential buildings which has not been used for commercial  
14 agricultural purposes within 5 years prior to the designation  
15 of the redevelopment project area, unless the parcel is  
16 included in an industrial park conservation area or the parcel  
17 has been subdivided; provided that if the parcel was part of a  
18 larger tract that has been divided into 3 or more smaller  
19 tracts that were accepted for recording during the period from  
20 1950 to 1990, then the parcel shall be deemed to have been  
21 subdivided, and all proceedings and actions of the municipality  
22 taken in that connection with respect to any previously  
23 approved or designated redevelopment project area or amended  
24 redevelopment project area are hereby validated and hereby  
25 declared to be legally sufficient for all purposes of this Act.  
26 For purposes of this Section and only for land subject to the

1 subdivision requirements of the Plat Act, land is subdivided  
2 when the original plat of the proposed Redevelopment Project  
3 Area or relevant portion thereof has been properly certified,  
4 acknowledged, approved, and recorded or filed in accordance  
5 with the Plat Act and a preliminary plat, if any, for any  
6 subsequent phases of the proposed Redevelopment Project Area or  
7 relevant portion thereof has been properly approved and filed  
8 in accordance with the applicable ordinance of the  
9 municipality.

10 (w) "Annual Total Increment" means the sum of each  
11 municipality's annual Net Sales Tax Increment and each  
12 municipality's annual Net Utility Tax Increment. The ratio of  
13 the Annual Total Increment of each municipality to the Annual  
14 Total Increment for all municipalities, as most recently  
15 calculated by the Department, shall determine the proportional  
16 shares of the Illinois Tax Increment Fund to be distributed to  
17 each municipality.

18 (x) "LEED certified" means any certification level of  
19 construction elements by a qualified Leadership in Energy and  
20 Environmental Design Accredited Professional as determined by  
21 the U.S. Green Building Council.

22 (y) "Green Globes certified" means any certification level  
23 of construction elements by a qualified Green Globes  
24 Professional as determined by the Green Building Initiative.

25 (Source: P.A. 96-328, eff. 8-11-09; 96-630, eff. 1-1-10;  
26 96-680, eff. 8-25-09; 96-1000, eff. 7-2-10; 97-101, eff.

1 1-1-12.)

2 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

3 Sec. 11-74.4-8. Tax increment allocation financing. A  
4 municipality may not adopt tax increment financing in a  
5 redevelopment project area after the effective date of this  
6 amendatory Act of 1997 that will encompass an area that is  
7 currently included in an enterprise zone created under the  
8 Illinois Enterprise Zone Act unless that municipality,  
9 pursuant to Section 5.4 of the Illinois Enterprise Zone Act,  
10 amends the enterprise zone designating ordinance to limit the  
11 eligibility for tax abatements as provided in Section 5.4.1 of  
12 the Illinois Enterprise Zone Act. A municipality, at the time a  
13 redevelopment project area is designated, may adopt tax  
14 increment allocation financing by passing an ordinance  
15 providing that the ad valorem taxes, if any, arising from the  
16 levies upon taxable real property in such redevelopment project  
17 area by taxing districts and tax rates determined in the manner  
18 provided in paragraph (c) of Section 11-74.4-9 each year after  
19 the effective date of the ordinance until redevelopment project  
20 costs and all municipal obligations financing redevelopment  
21 project costs incurred under this Division have been paid shall  
22 be divided as follows:

23 (a) That portion of taxes levied upon each taxable lot,  
24 block, tract or parcel of real property which is attributable  
25 to the lower of the current equalized assessed value or the

1 initial equalized assessed value of each such taxable lot,  
2 block, tract or parcel of real property in the redevelopment  
3 project area shall be allocated to and when collected shall be  
4 paid by the county collector to the respective affected taxing  
5 districts in the manner required by law in the absence of the  
6 adoption of tax increment allocation financing.

7 (b) Except from a tax levied by a township to retire bonds  
8 issued to satisfy court-ordered damages, that portion, if any,  
9 of such taxes which is attributable to the increase in the  
10 current equalized assessed valuation of each taxable lot,  
11 block, tract or parcel of real property in the redevelopment  
12 project area over and above the initial equalized assessed  
13 value of each property in the project area shall be allocated  
14 to and when collected shall be paid to the municipal treasurer  
15 who shall deposit said taxes into a special fund called the  
16 special tax allocation fund of the municipality for the purpose  
17 of paying redevelopment project costs and obligations incurred  
18 in the payment thereof. In any county with a population of  
19 3,000,000 or more that has adopted a procedure for collecting  
20 taxes that provides for one or more of the installments of the  
21 taxes to be billed and collected on an estimated basis, the  
22 municipal treasurer shall be paid for deposit in the special  
23 tax allocation fund of the municipality, from the taxes  
24 collected from estimated bills issued for property in the  
25 redevelopment project area, the difference between the amount  
26 actually collected from each taxable lot, block, tract, or

1 parcel of real property within the redevelopment project area  
2 and an amount determined by multiplying the rate at which taxes  
3 were last extended against the taxable lot, block, track, or  
4 parcel of real property in the manner provided in subsection  
5 (c) of Section 11-74.4-9 by the initial equalized assessed  
6 value of the property divided by the number of installments in  
7 which real estate taxes are billed and collected within the  
8 county; provided that the payments on or before December 31,  
9 1999 to a municipal treasurer shall be made only if each of the  
10 following conditions are met:

11 (1) The total equalized assessed value of the  
12 redevelopment project area as last determined was not less  
13 than 175% of the total initial equalized assessed value.

14 (2) Not more than 50% of the total equalized assessed  
15 value of the redevelopment project area as last determined  
16 is attributable to a piece of property assigned a single  
17 real estate index number.

18 (3) The municipal clerk has certified to the county  
19 clerk that the municipality has issued its obligations to  
20 which there has been pledged the incremental property taxes  
21 of the redevelopment project area or taxes levied and  
22 collected on any or all property in the municipality or the  
23 full faith and credit of the municipality to pay or secure  
24 payment for all or a portion of the redevelopment project  
25 costs. The certification shall be filed annually no later  
26 than September 1 for the estimated taxes to be distributed

1           in the following year; however, for the year 1992 the  
2           certification shall be made at any time on or before March  
3           31, 1992.

4           (4) The municipality has not requested that the total  
5           initial equalized assessed value of real property be  
6           adjusted as provided in subsection (b) of Section  
7           11-74.4-9.

8           The conditions of paragraphs (1) through (4) do not apply  
9           after December 31, 1999 to payments to a municipal treasurer  
10          made by a county with 3,000,000 or more inhabitants that has  
11          adopted an estimated billing procedure for collecting taxes. If  
12          a county that has adopted the estimated billing procedure makes  
13          an erroneous overpayment of tax revenue to the municipal  
14          treasurer, then the county may seek a refund of that  
15          overpayment. The county shall send the municipal treasurer a  
16          notice of liability for the overpayment on or before the  
17          mailing date of the next real estate tax bill within the  
18          county. The refund shall be limited to the amount of the  
19          overpayment.

20          It is the intent of this Division that after the effective  
21          date of this amendatory Act of 1988 a municipality's own ad  
22          valorem tax arising from levies on taxable real property be  
23          included in the determination of incremental revenue in the  
24          manner provided in paragraph (c) of Section 11-74.4-9. If the  
25          municipality does not extend such a tax, it shall annually  
26          deposit in the municipality's Special Tax Increment Fund an

1 amount equal to 10% of the total contributions to the fund from  
2 all other taxing districts in that year. The annual 10% deposit  
3 required by this paragraph shall be limited to the actual  
4 amount of municipally produced incremental tax revenues  
5 available to the municipality from taxpayers located in the  
6 redevelopment project area in that year if: (a) the plan for  
7 the area restricts the use of the property primarily to  
8 industrial purposes, (b) the municipality establishing the  
9 redevelopment project area is a home-rule community with a 1990  
10 population of between 25,000 and 50,000, (c) the municipality  
11 is wholly located within a county with a 1990 population of  
12 over 750,000 and (d) the redevelopment project area was  
13 established by the municipality prior to June 1, 1990. This  
14 payment shall be in lieu of a contribution of ad valorem taxes  
15 on real property. If no such payment is made, any redevelopment  
16 project area of the municipality shall be dissolved.

17 If a municipality has adopted tax increment allocation  
18 financing by ordinance and the County Clerk thereafter  
19 certifies the "total initial equalized assessed value as  
20 adjusted" of the taxable real property within such  
21 redevelopment project area in the manner provided in paragraph  
22 (b) of Section 11-74.4-9, each year after the date of the  
23 certification of the total initial equalized assessed value as  
24 adjusted until redevelopment project costs and all municipal  
25 obligations financing redevelopment project costs have been  
26 paid the ad valorem taxes, if any, arising from the levies upon



1 the taxable real property in such redevelopment project area by  
2 taxing districts and tax rates determined in the manner  
3 provided in paragraph (c) of Section 11-74.4-9 shall be divided  
4 as follows:

5 (1) That portion of the taxes levied upon each taxable  
6 lot, block, tract or parcel of real property which is  
7 attributable to the lower of the current equalized assessed  
8 value or "current equalized assessed value as adjusted" or  
9 the initial equalized assessed value of each such taxable  
10 lot, block, tract, or parcel of real property existing at  
11 the time tax increment financing was adopted, minus the  
12 total current homestead exemptions under Article 15 of the  
13 Property Tax Code in the redevelopment project area shall  
14 be allocated to and when collected shall be paid by the  
15 county collector to the respective affected taxing  
16 districts in the manner required by law in the absence of  
17 the adoption of tax increment allocation financing.

18 (2) That portion, if any, of such taxes which is  
19 attributable to the increase in the current equalized  
20 assessed valuation of each taxable lot, block, tract, or  
21 parcel of real property in the redevelopment project area,  
22 over and above the initial equalized assessed value of each  
23 property existing at the time tax increment financing was  
24 adopted, minus the total current homestead exemptions  
25 pertaining to each piece of property provided by Article 15  
26 of the Property Tax Code in the redevelopment project area,

1 shall be allocated to and when collected shall be paid to  
2 the municipal Treasurer, who shall deposit said taxes into  
3 a special fund called the special tax allocation fund of  
4 the municipality for the purpose of paying redevelopment  
5 project costs and obligations incurred in the payment  
6 thereof.

7 The municipality may pledge in the ordinance the funds in  
8 and to be deposited in the special tax allocation fund for the  
9 payment of such costs and obligations. No part of the current  
10 equalized assessed valuation of each property in the  
11 redevelopment project area attributable to any increase above  
12 the total initial equalized assessed value, or the total  
13 initial equalized assessed value as adjusted, of such  
14 properties shall be used in calculating the general State  
15 ~~school~~ aid formula, provided for in Section 18-8 of the School  
16 Code, or the primary State aid formula, provided for in Section  
17 18-8.15 of the School Code, until such time as all  
18 redevelopment project costs have been paid as provided for in  
19 this Section.

20 Whenever a municipality issues bonds for the purpose of  
21 financing redevelopment project costs, such municipality may  
22 provide by ordinance for the appointment of a trustee, which  
23 may be any trust company within the State, and for the  
24 establishment of such funds or accounts to be maintained by  
25 such trustee as the municipality shall deem necessary to  
26 provide for the security and payment of the bonds. If such

1 municipality provides for the appointment of a trustee, such  
2 trustee shall be considered the assignee of any payments  
3 assigned by the municipality pursuant to such ordinance and  
4 this Section. Any amounts paid to such trustee as assignee  
5 shall be deposited in the funds or accounts established  
6 pursuant to such trust agreement, and shall be held by such  
7 trustee in trust for the benefit of the holders of the bonds,  
8 and such holders shall have a lien on and a security interest  
9 in such funds or accounts so long as the bonds remain  
10 outstanding and unpaid. Upon retirement of the bonds, the  
11 trustee shall pay over any excess amounts held to the  
12 municipality for deposit in the special tax allocation fund.

13 When such redevelopment projects costs, including without  
14 limitation all municipal obligations financing redevelopment  
15 project costs incurred under this Division, have been paid, all  
16 surplus funds then remaining in the special tax allocation fund  
17 shall be distributed by being paid by the municipal treasurer  
18 to the Department of Revenue, the municipality and the county  
19 collector; first to the Department of Revenue and the  
20 municipality in direct proportion to the tax incremental  
21 revenue received from the State and the municipality, but not  
22 to exceed the total incremental revenue received from the State  
23 or the municipality less any annual surplus distribution of  
24 incremental revenue previously made; with any remaining funds  
25 to be paid to the County Collector who shall immediately  
26 thereafter pay said funds to the taxing districts in the

1 redevelopment project area in the same manner and proportion as  
2 the most recent distribution by the county collector to the  
3 affected districts of real property taxes from real property in  
4 the redevelopment project area.

5 Upon the payment of all redevelopment project costs, the  
6 retirement of obligations, the distribution of any excess  
7 monies pursuant to this Section, and final closing of the books  
8 and records of the redevelopment project area, the municipality  
9 shall adopt an ordinance dissolving the special tax allocation  
10 fund for the redevelopment project area and terminating the  
11 designation of the redevelopment project area as a  
12 redevelopment project area. Title to real or personal property  
13 and public improvements acquired by or for the municipality as  
14 a result of the redevelopment project and plan shall vest in  
15 the municipality when acquired and shall continue to be held by  
16 the municipality after the redevelopment project area has been  
17 terminated. Municipalities shall notify affected taxing  
18 districts prior to November 1 if the redevelopment project area  
19 is to be terminated by December 31 of that same year. If a  
20 municipality extends estimated dates of completion of a  
21 redevelopment project and retirement of obligations to finance  
22 a redevelopment project, as allowed by this amendatory Act of  
23 1993, that extension shall not extend the property tax  
24 increment allocation financing authorized by this Section.  
25 Thereafter the rates of the taxing districts shall be extended  
26 and taxes levied, collected and distributed in the manner

1 applicable in the absence of the adoption of tax increment  
2 allocation financing.

3 Nothing in this Section shall be construed as relieving  
4 property in such redevelopment project areas from being  
5 assessed as provided in the Property Tax Code or as relieving  
6 owners of such property from paying a uniform rate of taxes, as  
7 required by Section 4 of Article IX of the Illinois  
8 Constitution.

9 (Source: P.A. 98-463, eff. 8-16-13.)

10 (65 ILCS 5/11-74.6-35)

11 Sec. 11-74.6-35. Ordinance for tax increment allocation  
12 financing.

13 (a) A municipality, at the time a redevelopment project  
14 area is designated, may adopt tax increment allocation  
15 financing by passing an ordinance providing that the ad valorem  
16 taxes, if any, arising from the levies upon taxable real  
17 property within the redevelopment project area by taxing  
18 districts and tax rates determined in the manner provided in  
19 subsection (b) of Section 11-74.6-40 each year after the  
20 effective date of the ordinance until redevelopment project  
21 costs and all municipal obligations financing redevelopment  
22 project costs incurred under this Act have been paid shall be  
23 divided as follows:

24 (1) That portion of the taxes levied upon each taxable  
25 lot, block, tract or parcel of real property that is

1       attributable to the lower of the current equalized assessed  
2       value or the initial equalized assessed value or the  
3       updated initial equalized assessed value of each taxable  
4       lot, block, tract or parcel of real property in the  
5       redevelopment project area shall be allocated to and when  
6       collected shall be paid by the county collector to the  
7       respective affected taxing districts in the manner  
8       required by law without regard to the adoption of tax  
9       increment allocation financing.

10       (2) That portion, if any, of those taxes that is  
11       attributable to the increase in the current equalized  
12       assessed value of each taxable lot, block, tract or parcel  
13       of real property in the redevelopment project area, over  
14       and above the initial equalized assessed value or the  
15       updated initial equalized assessed value of each property  
16       in the project area, shall be allocated to and when  
17       collected shall be paid by the county collector to the  
18       municipal treasurer who shall deposit that portion of those  
19       taxes into a special fund called the special tax allocation  
20       fund of the municipality for the purpose of paying  
21       redevelopment project costs and obligations incurred in  
22       the payment of those costs and obligations. In any county  
23       with a population of 3,000,000 or more that has adopted a  
24       procedure for collecting taxes that provides for one or  
25       more of the installments of the taxes to be billed and  
26       collected on an estimated basis, the municipal treasurer

1 shall be paid for deposit in the special tax allocation  
2 fund of the municipality, from the taxes collected from  
3 estimated bills issued for property in the redevelopment  
4 project area, the difference between the amount actually  
5 collected from each taxable lot, block, tract, or parcel of  
6 real property within the redevelopment project area and an  
7 amount determined by multiplying the rate at which taxes  
8 were last extended against the taxable lot, block, track,  
9 or parcel of real property in the manner provided in  
10 subsection (b) of Section 11-74.6-40 by the initial  
11 equalized assessed value or the updated initial equalized  
12 assessed value of the property divided by the number of  
13 installments in which real estate taxes are billed and  
14 collected within the county, provided that the payments on  
15 or before December 31, 1999 to a municipal treasurer shall  
16 be made only if each of the following conditions are met:

17 (A) The total equalized assessed value of the  
18 redevelopment project area as last determined was not  
19 less than 175% of the total initial equalized assessed  
20 value.

21 (B) Not more than 50% of the total equalized  
22 assessed value of the redevelopment project area as  
23 last determined is attributable to a piece of property  
24 assigned a single real estate index number.

25 (C) The municipal clerk has certified to the county  
26 clerk that the municipality has issued its obligations

1 to which there has been pledged the incremental  
2 property taxes of the redevelopment project area or  
3 taxes levied and collected on any or all property in  
4 the municipality or the full faith and credit of the  
5 municipality to pay or secure payment for all or a  
6 portion of the redevelopment project costs. The  
7 certification shall be filed annually no later than  
8 September 1 for the estimated taxes to be distributed  
9 in the following year.

10 The conditions of paragraphs (A) through (C) do not apply  
11 after December 31, 1999 to payments to a municipal treasurer  
12 made by a county with 3,000,000 or more inhabitants that has  
13 adopted an estimated billing procedure for collecting taxes. If  
14 a county that has adopted the estimated billing procedure makes  
15 an erroneous overpayment of tax revenue to the municipal  
16 treasurer, then the county may seek a refund of that  
17 overpayment. The county shall send the municipal treasurer a  
18 notice of liability for the overpayment on or before the  
19 mailing date of the next real estate tax bill within the  
20 county. The refund shall be limited to the amount of the  
21 overpayment.

22 (b) It is the intent of this Act that a municipality's own  
23 ad valorem tax arising from levies on taxable real property be  
24 included in the determination of incremental revenue in the  
25 manner provided in paragraph (b) of Section 11-74.6-40.

26 (c) If a municipality has adopted tax increment allocation



1 financing for a redevelopment project area by ordinance and the  
2 county clerk thereafter certifies the total initial equalized  
3 assessed value or the total updated initial equalized assessed  
4 value of the taxable real property within such redevelopment  
5 project area in the manner provided in paragraph (a) or (b) of  
6 Section 11-74.6-40, each year after the date of the  
7 certification of the total initial equalized assessed value or  
8 the total updated initial equalized assessed value until  
9 redevelopment project costs and all municipal obligations  
10 financing redevelopment project costs have been paid, the ad  
11 valorem taxes, if any, arising from the levies upon the taxable  
12 real property in the redevelopment project area by taxing  
13 districts and tax rates determined in the manner provided in  
14 paragraph (b) of Section 11-74.6-40 shall be divided as  
15 follows:

16 (1) That portion of the taxes levied upon each taxable  
17 lot, block, tract or parcel of real property that is  
18 attributable to the lower of the current equalized assessed  
19 value or the initial equalized assessed value, or the  
20 updated initial equalized assessed value of each parcel if  
21 the updated initial equalized assessed value of that parcel  
22 has been certified in accordance with Section 11-74.6-40,  
23 whichever has been most recently certified, of each taxable  
24 lot, block, tract, or parcel of real property existing at  
25 the time tax increment allocation financing was adopted in  
26 the redevelopment project area, shall be allocated to and

1 when collected shall be paid by the county collector to the  
2 respective affected taxing districts in the manner  
3 required by law without regard to the adoption of tax  
4 increment allocation financing.

5 (2) That portion, if any, of those taxes that is  
6 attributable to the increase in the current equalized  
7 assessed value of each taxable lot, block, tract, or parcel  
8 of real property in the redevelopment project area, over  
9 and above the initial equalized assessed value of each  
10 property existing at the time tax increment allocation  
11 financing was adopted in the redevelopment project area, or  
12 the updated initial equalized assessed value of each parcel  
13 if the updated initial equalized assessed value of that  
14 parcel has been certified in accordance with Section  
15 11-74.6-40, shall be allocated to and when collected shall  
16 be paid to the municipal treasurer, who shall deposit those  
17 taxes into a special fund called the special tax allocation  
18 fund of the municipality for the purpose of paying  
19 redevelopment project costs and obligations incurred in  
20 the payment thereof.

21 (d) The municipality may pledge in the ordinance the funds  
22 in and to be deposited in the special tax allocation fund for  
23 the payment of redevelopment project costs and obligations. No  
24 part of the current equalized assessed value of each property  
25 in the redevelopment project area attributable to any increase  
26 above the total initial equalized assessed value or the total

1 initial updated equalized assessed value of the property, shall  
2 be used in calculating the general ~~General~~ State aid formula  
3 ~~School Aid Formula~~, provided for in Section 18-8 of the School  
4 Code, or the primary State aid formula, provided for in Section  
5 18-8.15 of the School Code, until all redevelopment project  
6 costs have been paid as provided for in this Section.

7 Whenever a municipality issues bonds for the purpose of  
8 financing redevelopment project costs, that municipality may  
9 provide by ordinance for the appointment of a trustee, which  
10 may be any trust company within the State, and for the  
11 establishment of any funds or accounts to be maintained by that  
12 trustee, as the municipality deems necessary to provide for the  
13 security and payment of the bonds. If the municipality provides  
14 for the appointment of a trustee, the trustee shall be  
15 considered the assignee of any payments assigned by the  
16 municipality under that ordinance and this Section. Any amounts  
17 paid to the trustee as assignee shall be deposited into the  
18 funds or accounts established under the trust agreement, and  
19 shall be held by the trustee in trust for the benefit of the  
20 holders of the bonds. The holders of those bonds shall have a  
21 lien on and a security interest in those funds or accounts  
22 while the bonds remain outstanding and unpaid. Upon retirement  
23 of the bonds, the trustee shall pay over any excess amounts  
24 held to the municipality for deposit in the special tax  
25 allocation fund.

26 When the redevelopment projects costs, including without

1 limitation all municipal obligations financing redevelopment  
2 project costs incurred under this Law, have been paid, all  
3 surplus funds then remaining in the special tax allocation fund  
4 shall be distributed by being paid by the municipal treasurer  
5 to the municipality and the county collector; first to the  
6 municipality in direct proportion to the tax incremental  
7 revenue received from the municipality, but not to exceed the  
8 total incremental revenue received from the municipality,  
9 minus any annual surplus distribution of incremental revenue  
10 previously made. Any remaining funds shall be paid to the  
11 county collector who shall immediately distribute that payment  
12 to the taxing districts in the redevelopment project area in  
13 the same manner and proportion as the most recent distribution  
14 by the county collector to the affected districts of real  
15 property taxes from real property situated in the redevelopment  
16 project area.

17 Upon the payment of all redevelopment project costs,  
18 retirement of obligations and the distribution of any excess  
19 moneys under this Section, the municipality shall adopt an  
20 ordinance dissolving the special tax allocation fund for the  
21 redevelopment project area and terminating the designation of  
22 the redevelopment project area as a redevelopment project area.  
23 Thereafter the tax levies of taxing districts shall be  
24 extended, collected and distributed in the same manner  
25 applicable before the adoption of tax increment allocation  
26 financing. Municipality shall notify affected taxing districts

1 prior to November if the redevelopment project area is to be  
2 terminated by December 31 of that same year.

3 Nothing in this Section shall be construed as relieving  
4 property in a redevelopment project area from being assessed as  
5 provided in the Property Tax Code or as relieving owners of  
6 that property from paying a uniform rate of taxes, as required  
7 by Section 4 of Article IX of the Illinois Constitution.

8 (Source: P.A. 91-474, eff. 11-1-99.)

9 Section 940. The Economic Development Project Area Tax  
10 Increment Allocation Act of 1995 is amended by changing Section  
11 50 as follows:

12 (65 ILCS 110/50)

13 Sec. 50. Special tax allocation fund.

14 (a) If a county clerk has certified the "total initial  
15 equalized assessed value" of the taxable real property within  
16 an economic development project area in the manner provided in  
17 Section 45, each year after the date of the certification by  
18 the county clerk of the "total initial equalized assessed  
19 value", until economic development project costs and all  
20 municipal obligations financing economic development project  
21 costs have been paid, the ad valorem taxes, if any, arising  
22 from the levies upon the taxable real property in the economic  
23 development project area by taxing districts and tax rates  
24 determined in the manner provided in subsection (b) of Section

1 45 shall be divided as follows:

2 (1) That portion of the taxes levied upon each taxable  
3 lot, block, tract, or parcel of real property that is  
4 attributable to the lower of the current equalized assessed  
5 value or the initial equalized assessed value of each  
6 taxable lot, block, tract, or parcel of real property  
7 existing at the time tax increment financing was adopted  
8 shall be allocated to (and when collected shall be paid by  
9 the county collector to) the respective affected taxing  
10 districts in the manner required by law in the absence of  
11 the adoption of tax increment allocation financing.

12 (2) That portion, if any, of the taxes that is  
13 attributable to the increase in the current equalized  
14 assessed valuation of each taxable lot, block, tract, or  
15 parcel of real property in the economic development project  
16 area, over and above the initial equalized assessed value  
17 of each property existing at the time tax increment  
18 financing was adopted, shall be allocated to (and when  
19 collected shall be paid to) the municipal treasurer, who  
20 shall deposit the taxes into a special fund (called the  
21 special tax allocation fund of the municipality) for the  
22 purpose of paying economic development project costs and  
23 obligations incurred in the payment of those costs.

24 (b) The municipality, by an ordinance adopting tax  
25 increment allocation financing, may pledge the monies in and to  
26 be deposited into the special tax allocation fund for the

1 payment of obligations issued under this Act and for the  
2 payment of economic development project costs. No part of the  
3 current equalized assessed valuation of each property in the  
4 economic development project area attributable to any increase  
5 above the total initial equalized assessed value of those  
6 properties shall be used in calculating the general State  
7 ~~school~~ aid formula under Section 18-8 of the School Code or the  
8 primary State aid formula under Section 18-8.15 of the School  
9 Code, until all economic development projects costs have been  
10 paid as provided for in this Section.

11 (c) When the economic development projects costs,  
12 including without limitation all municipal obligations  
13 financing economic development project costs incurred under  
14 this Act, have been paid, all surplus monies then remaining in  
15 the special tax allocation fund shall be distributed by being  
16 paid by the municipal treasurer to the county collector, who  
17 shall immediately pay the monies to the taxing districts having  
18 taxable property in the economic development project area in  
19 the same manner and proportion as the most recent distribution  
20 by the county collector to those taxing districts of real  
21 property taxes from real property in the economic development  
22 project area.

23 (d) Upon the payment of all economic development project  
24 costs, retirement of obligations, and distribution of any  
25 excess monies under this Section and not later than 23 years  
26 from the date of the adoption of the ordinance establishing the

1 economic development project area, the municipality shall  
2 adopt an ordinance dissolving the special tax allocation fund  
3 for the economic development project area and terminating the  
4 designation of the economic development project area as an  
5 economic development project area. Thereafter, the rates of the  
6 taxing districts shall be extended and taxes shall be levied,  
7 collected, and distributed in the manner applicable in the  
8 absence of the adoption of tax increment allocation financing.

9 (e) Nothing in this Section shall be construed as relieving  
10 property in the economic development project areas from being  
11 assessed as provided in the Property Tax Code or as relieving  
12 owners or lessees of that property from paying a uniform rate  
13 of taxes as required by Section 4 of Article IX of the Illinois  
14 Constitution.

15 (Source: P.A. 98-463, eff. 8-16-13.)

16 Section 945. The School Code is amended by changing  
17 Sections 1A-8, 1B-5, 1B-6, 1B-7, 1B-8, 1C-1, 1D-1, 1E-20,  
18 1F-20, 1F-62, 1H-20, 1H-70, 2-3.28, 2-3.33, 2-3.51.5, 2-3.66,  
19 2-3.66b, 2-3.84, 2-3.109a, 3-14.21, 7-14A, 10-19, 10-22.5a,  
20 10-22.20, 10-29, 11E-135, 13A-8, 13B-20.20, 13B-45, 13B-50,  
21 13B-50.10, 13B-50.15, 14-7.02, 14-7.02b, 14-7.03, 14-13.01,  
22 14C-12, 17-1, 17-1.2, 17-1.5, 18-4.3, 18-8.05, 18-8.10, 18-9,  
23 18-12, 26-16, 27-8.1, 27A-9, 27A-11, 29-5, 34-2.3, 34-8.4,  
24 34-18, 34-18.30, and 34-43.1 and by adding Sections 14-7.02c  
25 and 18-8.15 as follows:



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

2 Sec. 1A-8. Powers of the Board in Assisting Districts  
3 Deemed in Financial Difficulties. To promote the financial  
4 integrity of school districts, the State Board of Education  
5 shall be provided the necessary powers to promote sound  
6 financial management and continue operation of the public  
7 schools.

8 (a) The State Superintendent of Education may require a  
9 school district, including any district subject to Article 34A  
10 of this Code, to share financial information relevant to a  
11 proper investigation of the district's financial condition and  
12 the delivery of appropriate State financial, technical, and  
13 consulting services to the district if the district (i) has  
14 been designated, through the State Board of Education's School  
15 District Financial Profile System, as on financial warning or  
16 financial watch status, (ii) has failed to file an annual  
17 financial report, annual budget, deficit reduction plan, or  
18 other financial information as required by law, (iii) has been  
19 identified, through the district's annual audit or other  
20 financial and management information, as in serious financial  
21 difficulty in the current or next school year, or (iv) is  
22 determined to be likely to fail to fully meet any regularly  
23 scheduled, payroll-period obligations when due or any debt  
24 service payments when due or both. In addition to financial,  
25 technical, and consulting services provided by the State Board

1 of Education, at the request of a school district, the State  
2 Superintendent may provide for an independent financial  
3 consultant to assist the district review its financial  
4 condition and options.

5 (b) The State Board of Education, after proper  
6 investigation of a district's financial condition, may certify  
7 that a district, including any district subject to Article 34A,  
8 is in financial difficulty when any of the following conditions  
9 occur:

10 (1) The district has issued school or teacher orders  
11 for wages as permitted in Sections 8-16, 32-7.2 and 34-76  
12 of this Code.

13 (2) The district has issued tax anticipation warrants  
14 or tax anticipation notes in anticipation of a second  
15 year's taxes when warrants or notes in anticipation of  
16 current year taxes are still outstanding, as authorized by  
17 Sections 17-16, 34-23, 34-59 and 34-63 of this Code, or has  
18 issued short-term debt against 2 future revenue sources,  
19 such as, but not limited to, tax anticipation warrants and  
20 general State aid or primary State aid ~~Aid~~ certificates or  
21 tax anticipation warrants and revenue anticipation notes.

22 (3) The district has for 2 consecutive years shown an  
23 excess of expenditures and other financing uses over  
24 revenues and other financing sources and beginning fund  
25 balances on its annual financial report for the aggregate  
26 totals of the Educational, Operations and Maintenance,

1           Transportation, and Working Cash Funds.

2           (4) The district refuses to provide financial  
3 information or cooperate with the State Superintendent in  
4 an investigation of the district's financial condition.

5           (5) The district is likely to fail to fully meet any  
6 regularly scheduled, payroll-period obligations when due  
7 or any debt service payments when due or both.

8           No school district shall be certified by the State Board of  
9 Education to be in financial difficulty solely by reason of any  
10 of the above circumstances arising as a result of (i) the  
11 failure of the county to make any distribution of property tax  
12 money due the district at the time such distribution is due or  
13 (ii) the failure of this State to make timely payments of  
14 general State aid, primary State aid, or any of the mandated  
15 categoricals; or if the district clearly demonstrates to the  
16 satisfaction of the State Board of Education at the time of its  
17 determination that such condition no longer exists. If the  
18 State Board of Education certifies that a district in a city  
19 with 500,000 inhabitants or more is in financial difficulty,  
20 the State Board shall so notify the Governor and the Mayor of  
21 the city in which the district is located. The State Board of  
22 Education may require school districts certified in financial  
23 difficulty, except those districts subject to Article 34A, to  
24 develop, adopt and submit a financial plan within 45 days after  
25 certification of financial difficulty. The financial plan  
26 shall be developed according to guidelines presented to the

1 district by the State Board of Education within 14 days of  
2 certification. Such guidelines shall address the specific  
3 nature of each district's financial difficulties. Any proposed  
4 budget of the district shall be consistent with the financial  
5 plan submitted to and approved by the State Board of Education.

6 A district certified to be in financial difficulty, other  
7 than a district subject to Article 34A, shall report to the  
8 State Board of Education at such times and in such manner as  
9 the State Board may direct, concerning the district's  
10 compliance with each financial plan. The State Board may review  
11 the district's operations, obtain budgetary data and financial  
12 statements, require the district to produce reports, and have  
13 access to any other information in the possession of the  
14 district that it deems relevant. The State Board may issue  
15 recommendations or directives within its powers to the district  
16 to assist in compliance with the financial plan. The district  
17 shall produce such budgetary data, financial statements,  
18 reports and other information and comply with such directives.  
19 If the State Board of Education determines that a district has  
20 failed to comply with its financial plan, the State Board of  
21 Education may rescind approval of the plan and appoint a  
22 Financial Oversight Panel for the district as provided in  
23 Section 1B-4. This action shall be taken only after the  
24 district has been given notice and an opportunity to appear  
25 before the State Board of Education to discuss its failure to  
26 comply with its financial plan.

1           No bonds, notes, teachers orders, tax anticipation  
2 warrants or other evidences of indebtedness shall be issued or  
3 sold by a school district or be legally binding upon or  
4 enforceable against a local board of education of a district  
5 certified to be in financial difficulty unless and until the  
6 financial plan required under this Section has been approved by  
7 the State Board of Education.

8           Any financial profile compiled and distributed by the State  
9 Board of Education in Fiscal Year 2009 or any fiscal year  
10 thereafter shall incorporate such adjustments as may be needed  
11 in the profile scores to reflect the financial effects of the  
12 inability or refusal of the State of Illinois to make timely  
13 disbursements of any general State aid, primary State aid, or  
14 mandated categorical aid payments due school districts or to  
15 fully reimburse school districts for mandated categorical  
16 programs pursuant to reimbursement formulas provided in this  
17 School Code.

18           (Source: P.A. 96-668, eff. 8-25-09; 96-1423, eff. 8-3-10;  
19 97-429, eff. 8-16-11.)

20           (105 ILCS 5/1B-5) (from Ch. 122, par. 1B-5)

21           Sec. 1B-5. When a petition for emergency financial  
22 assistance for a school district is allowed by the State Board  
23 under Section 1B-4, the State Superintendent shall within 10  
24 days thereafter appoint 3 members to serve at the State  
25 Superintendent's pleasure on a Financial Oversight Panel for

1 the district. The State Superintendent shall designate one of  
2 the members of the Panel to serve as its Chairman. In the event  
3 of vacancy or resignation the State Superintendent shall  
4 appoint a successor within 10 days of receiving notice thereof.

5 Members of the Panel shall be selected primarily on the  
6 basis of their experience and education in financial  
7 management, with consideration given to persons knowledgeable  
8 in education finance. A member of the Panel may not be a board  
9 member or employee of the district for which the Panel is  
10 constituted, nor may a member have a direct financial interest  
11 in that district.

12 Panel members shall serve without compensation, but may be  
13 reimbursed for travel and other necessary expenses incurred in  
14 the performance of their official duties by the State Board.  
15 The amount reimbursed Panel members for their expenses shall be  
16 charged to the school district as part of any emergency  
17 financial assistance and incorporated as a part of the terms  
18 and conditions for repayment of such assistance or shall be  
19 deducted from the district's general State aid or primary State  
20 aid as provided in Section 1B-8.

21 The first meeting of the Panel shall be held at the call of  
22 the Chairman. The Panel may elect such other officers as it  
23 deems appropriate. The Panel shall prescribe the times and  
24 places for its meetings and the manner in which regular and  
25 special meetings may be called, and shall comply with the Open  
26 Meetings Act.

1 Two members of the Panel shall constitute a quorum, and the  
2 affirmative vote of 2 members shall be necessary for any  
3 decision or action to be taken by the Panel.

4 The Panel and the State Superintendent shall cooperate with  
5 each other in the exercise of their respective powers. The  
6 Panel shall report not later than September 1 annually to the  
7 State Board and the State Superintendent with respect to its  
8 activities and the condition of the school district for the  
9 previous fiscal year.

10 Any Financial Oversight Panel established under this  
11 Article shall remain in existence for not less than 3 years nor  
12 more than 10 years from the date the State Board grants the  
13 petition under Section 1B-4. If after 3 years the school  
14 district has repaid all of its obligations resulting from  
15 emergency State financial assistance provided under this  
16 Article and has improved its financial situation, the board of  
17 education may, not more frequently than once in any 12 month  
18 period, petition the State Board to dissolve the Financial  
19 Oversight Panel, terminate the oversight responsibility, and  
20 remove the district's certification under Section 1A-8 as a  
21 district in financial difficulty. In acting on such a petition  
22 the State Board shall give additional weight to the  
23 recommendations of the State Superintendent and the Financial  
24 Oversight Panel.

25 (Source: P.A. 88-618, eff. 9-9-94.)

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

2 Sec. 1B-6. General powers. The purpose of the Financial  
3 Oversight Panel shall be to exercise financial control over the  
4 board of education, and, when approved by the State Board and  
5 the State Superintendent of Education, to furnish financial  
6 assistance so that the board can provide public education  
7 within the board's jurisdiction while permitting the board to  
8 meet its obligations to its creditors and the holders of its  
9 notes and bonds. Except as expressly limited by this Article,  
10 the Panel shall have all powers necessary to meet its  
11 responsibilities and to carry out its purposes and the purposes  
12 of this Article, including, but not limited to, the following  
13 powers:

14 (a) to sue and be sued;

15 (b) to provide for its organization and internal  
16 management;

17 (c) to appoint a Financial Administrator to serve as the  
18 chief executive officer of the Panel. The Financial  
19 Administrator may be an individual, partnership, corporation,  
20 including an accounting firm, or other entity determined by the  
21 Panel to be qualified to serve; and to appoint other officers,  
22 agents, and employees of the Panel, define their duties and  
23 qualifications and fix their compensation and employee  
24 benefits;

25 (d) to approve the local board of education appointments to  
26 the positions of treasurer in a Class I county school unit and



1 in each school district which forms a part of a Class II county  
2 school unit but which no longer is subject to the jurisdiction  
3 and authority of a township treasurer or trustees of schools of  
4 a township because the district has withdrawn from the  
5 jurisdiction and authority of the township treasurer and the  
6 trustees of schools of the township or because those offices  
7 have been abolished as provided in subsection (b) or (c) of  
8 Section 5-1, and chief school business official, if such  
9 official is not the superintendent of the district. Either the  
10 board or the Panel may remove such treasurer or chief school  
11 business official;

12 (e) to approve any and all bonds, notes, teachers orders,  
13 tax anticipation warrants, and other evidences of indebtedness  
14 prior to issuance or sale by the school district; and  
15 notwithstanding any other provision of The School Code, as now  
16 or hereafter amended, no bonds, notes, teachers orders, tax  
17 anticipation warrants or other evidences of indebtedness shall  
18 be issued or sold by the school district or be legally binding  
19 upon or enforceable against the local board of education unless  
20 and until the approval of the Panel has been received;

21 (f) to approve all property tax levies of the school  
22 district and require adjustments thereto as the Panel deems  
23 necessary or advisable;

24 (g) to require and approve a school district financial  
25 plan;

26 (h) to approve and require revisions of the school district

1 budget;

2 (i) to approve all contracts and other obligations as the  
3 Panel deems necessary and appropriate;

4 (j) to authorize emergency State financial assistance,  
5 including requirements regarding the terms and conditions of  
6 repayment of such assistance, and to require the board of  
7 education to levy a separate local property tax, subject to the  
8 limitations of Section 1B-8, sufficient to repay such  
9 assistance consistent with the terms and conditions of  
10 repayment and the district's approved financial plan and  
11 budget;

12 (k) to request the regional superintendent to make  
13 appointments to fill all vacancies on the local school board as  
14 provided in Section 10-10;

15 (l) to recommend dissolution or reorganization of the  
16 school district to the General Assembly if in the Panel's  
17 judgment the circumstances so require;

18 (m) to direct a phased reduction in the oversight  
19 responsibilities of the Financial Administrator and of the  
20 Panel as the circumstances permit;

21 (n) to determine the amount of emergency State financial  
22 assistance to be made available to the school district, and to  
23 establish an operating budget for the Panel to be supported by  
24 funds available from such assistance, with the assistance and  
25 the budget required to be approved by the State Superintendent;

26 (o) to procure insurance against any loss in such amounts

1 and from such insurers as it deems necessary;

2 (p) to engage the services of consultants for rendering  
3 professional and technical assistance and advice on matters  
4 within the Panel's power;

5 (q) to contract for and to accept any gifts, grants or  
6 loans of funds or property or financial or other aid in any  
7 form from the federal government, State government, unit of  
8 local government, school district or any agency or  
9 instrumentality thereof, or from any other private or public  
10 source, and to comply with the terms and conditions thereof;

11 (r) to pay the expenses of its operations based on the  
12 Panel's budget as approved by the State Superintendent from  
13 emergency financial assistance funds available to the district  
14 or from deductions from the district's general State aid or  
15 primary State aid;

16 (s) to do any and all things necessary or convenient to  
17 carry out its purposes and exercise the powers given to the  
18 Panel by this Article; and

19 (t) to recommend the creation of a school finance authority  
20 pursuant to Article 1F of this Code.

21 (Source: P.A. 91-357, eff. 7-29-99; 92-855, eff. 12-6-02.)

22 (105 ILCS 5/1B-7) (from Ch. 122, par. 1B-7)

23 Sec. 1B-7. Financial Administrator; Powers and Duties. The  
24 Financial Administrator appointed by the Financial Oversight  
25 Panel shall serve as the Panel's chief executive officer. The

1 Financial Administrator shall exercise the powers and duties  
2 required by the Panel, including but not limited to the  
3 following:

4 (a) to provide guidance and recommendations to the local  
5 board and officials of the school district in developing the  
6 district's financial plan and budget prior to board action;

7 (b) to direct the local board to reorganize its financial  
8 accounts, budgetary systems, and internal accounting and  
9 financial controls, in whatever manner the Panel deems  
10 appropriate to achieve greater financial responsibility and to  
11 reduce financial inefficiency, and to provide technical  
12 assistance to aid the district in accomplishing the  
13 reorganization;

14 (c) to make recommendations to the Financial Oversight  
15 Panel concerning the school district's financial plan and  
16 budget, and all other matters within the scope of the Panel's  
17 authority;

18 (d) to prepare and recommend to the Panel a proposal for  
19 emergency State financial assistance for the district,  
20 including recommended terms and conditions of repayment, and an  
21 operations budget for the Panel to be funded from the emergency  
22 assistance or from deductions from the district's general State  
23 aid or primary State aid;

24 (e) to require the local board to prepare and submit  
25 preliminary staffing and budgetary analyses annually prior to  
26 February 1 in such manner and form as the Financial

1 Administrator shall prescribe; and

2 (f) subject to the direction of the Panel, to do all other  
3 things necessary or convenient to carry out its purposes and  
4 exercise the powers given to the Panel under this Article.

5 (Source: P.A. 88-618, eff. 9-9-94.)

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

7 Sec. 1B-8. There is created in the State Treasury a special  
8 fund to be known as the School District Emergency Financial  
9 Assistance Fund (the "Fund"). The School District Emergency  
10 Financial Assistance Fund shall consist of appropriations,  
11 loan repayments, grants from the federal government, and  
12 donations from any public or private source. Moneys in the Fund  
13 may be appropriated only to the Illinois Finance Authority and  
14 the State Board for those purposes authorized under this  
15 Article and Articles 1F and 1H of this Code. The appropriation  
16 may be allocated and expended by the State Board for  
17 contractual services to provide technical assistance or  
18 consultation to school districts to assess their financial  
19 condition and to Financial Oversight Panels that petition for  
20 emergency financial assistance grants. The Illinois Finance  
21 Authority may provide loans to school districts which are the  
22 subject of an approved petition for emergency financial  
23 assistance under Section 1B-4, 1F-62, or 1H-65 of this Code.  
24 Neither the State Board of Education nor the Illinois Finance  
25 Authority may collect any fees for providing these services.

1           From the amount allocated to each such school district  
2 under this Article the State Board shall identify a sum  
3 sufficient to cover all approved costs of the Financial  
4 Oversight Panel established for the respective school  
5 district. If the State Board and State Superintendent of  
6 Education have not approved emergency financial assistance in  
7 conjunction with the appointment of a Financial Oversight  
8 Panel, the Panel's approved costs shall be paid from deductions  
9 from the district's general State aid or primary State aid.

10           The Financial Oversight Panel may prepare and file with the  
11 State Superintendent a proposal for emergency financial  
12 assistance for the school district and for its operations  
13 budget. No expenditures from the Fund shall be authorized by  
14 the State Superintendent until he or she has approved the  
15 request of the Panel, either as submitted or in such lesser  
16 amount determined by the State Superintendent.

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

1 loan and a grant.

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

11 Any emergency financial assistance grant proposed by the  
12 Financial Oversight Panel and approved by the State  
13 Superintendent may be paid in its entirety during the initial  
14 year of the Panel's existence or spread in equal or declining  
15 amounts over a period of years not to exceed the period of the  
16 Panel's existence. An emergency financial assistance loan  
17 proposed by the Financial Oversight Panel and approved by the  
18 Illinois Finance Authority may be paid in its entirety during  
19 the initial year of the Panel's existence or spread in equal or  
20 declining amounts over a period of years not to exceed the  
21 period of the Panel's existence. All loans made by the Illinois  
22 Finance Authority for a school district shall be required to be  
23 repaid, with simple interest over the term of the loan at a  
24 rate equal to 50% of the one-year Constant Maturity Treasury  
25 (CMT) yield as last published by the Board of Governors of the  
26 Federal Reserve System before the date on which the district's

1 loan is approved by the Illinois Finance Authority, not later  
2 than the date the Financial Oversight Panel ceases to exist.  
3 The Panel shall establish and the Illinois Finance Authority  
4 shall approve the terms and conditions, including the schedule,  
5 of repayments. The schedule shall provide for repayments  
6 commencing July 1 of each year or upon each fiscal year's  
7 receipt of moneys from a tax levy for emergency financial  
8 assistance. Repayment shall be incorporated into the annual  
9 budget of the school district and may be made from any fund or  
10 funds of the district in which there are moneys available. An  
11 emergency financial assistance loan to the Panel or district  
12 shall not be considered part of the calculation of a district's  
13 debt for purposes of the limitation specified in Section 19-1  
14 of this Code. Default on repayment is subject to the Illinois  
15 Grant Funds Recovery Act. When moneys are repaid as provided  
16 herein they shall not be made available to the local board for  
17 further use as emergency financial assistance under this  
18 Article at any time thereafter. All repayments required to be  
19 made by a school district shall be received by the State Board  
20 and deposited in the School District Emergency Financial  
21 Assistance Fund.

22 In establishing the terms and conditions for the repayment  
23 obligation of the school district the Panel shall annually  
24 determine whether a separate local property tax levy is  
25 required. The board of any school district with a tax rate for  
26 educational purposes for the prior year of less than 120% of



1 the maximum rate for educational purposes authorized by Section  
2 17-2 shall provide for a separate tax levy for emergency  
3 financial assistance repayment purposes. Such tax levy shall  
4 not be subject to referendum approval. The amount of the levy  
5 shall be equal to the amount necessary to meet the annual  
6 repayment obligations of the district as established by the  
7 Panel, or 20% of the amount levied for educational purposes for  
8 the prior year, whichever is less. However, no district shall  
9 be required to levy the tax if the district's operating tax  
10 rate as determined under Section 18-8, ~~or~~ 18-8.05, or 18-8.15  
11 exceeds 200% of the district's tax rate for educational  
12 purposes for the prior year.

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

14 (105 ILCS 5/1C-1)

15 Sec. 1C-1. Purpose. The purpose of this Article is to  
16 permit greater flexibility and efficiency in the distribution  
17 and use of certain State funds available to local education  
18 agencies for the improvement of the quality of educational  
19 services pursuant to locally established priorities.

20 Through fiscal year 2014, this ~~This~~ Article does not apply  
21 to school districts having a population in excess of 500,000  
22 inhabitants.

23 (Source: P.A. 88-555, eff. 7-27-94; 89-15, eff. 5-30-95;  
24 89-397, eff. 8-20-95; 89-626, eff. 8-9-96.)

1 (105 ILCS 5/1D-1)

2 Sec. 1D-1. Block grant funding.

3 (a) For fiscal year 1996 through fiscal year 2014 ~~and each~~  
4 ~~fiscal year thereafter~~, the State Board of Education shall  
5 award to a school district having a population exceeding  
6 500,000 inhabitants a general education block grant and an  
7 educational services block grant, determined as provided in  
8 this Section, in lieu of distributing to the district separate  
9 State funding for the programs described in subsections (b) and  
10 (c). The provisions of this Section, however, do not apply to  
11 any federal funds that the district is entitled to receive. In  
12 accordance with Section 2-3.32, all block grants are subject to  
13 an audit. Therefore, block grant receipts and block grant  
14 expenditures shall be recorded to the appropriate fund code for  
15 the designated block grant.

16 (b) The general education block grant shall include the  
17 following programs: REI Initiative, Summer Bridges, Preschool  
18 At Risk, K-6 Comprehensive Arts, School Improvement Support,  
19 Urban Education, Scientific Literacy, Substance Abuse  
20 Prevention, Second Language Planning, Staff Development,  
21 Outcomes and Assessment, K-6 Reading Improvement, 7-12  
22 Continued Reading Improvement, Truants' Optional Education,  
23 Hispanic Programs, Agriculture Education, Parental Education,  
24 Prevention Initiative, Report Cards, and Criminal Background  
25 Investigations. Notwithstanding any other provision of law,  
26 all amounts paid under the general education block grant from

1 State appropriations to a school district in a city having a  
2 population exceeding 500,000 inhabitants shall be appropriated  
3 and expended by the board of that district for any of the  
4 programs included in the block grant or any of the board's  
5 lawful purposes.

6 (c) The educational services block grant shall include the  
7 following programs: Regular and Vocational Transportation,  
8 State Lunch and Free Breakfast Program, Special Education  
9 (Personnel, Transportation, Orphanage, Private Tuition),  
10 funding for children requiring special education services,  
11 Summer School, Educational Service Centers, and  
12 Administrator's Academy. This subsection (c) does not relieve  
13 the district of its obligation to provide the services required  
14 under a program that is included within the educational  
15 services block grant. It is the intention of the General  
16 Assembly in enacting the provisions of this subsection (c) to  
17 relieve the district of the administrative burdens that impede  
18 efficiency and accompany single-program funding. The General  
19 Assembly encourages the board to pursue mandate waivers  
20 pursuant to Section 2-3.25g.

21 The funding program included in the educational services  
22 block grant for funding for children requiring special  
23 education services in each fiscal year shall be treated in that  
24 fiscal year as a payment to the school district in respect of  
25 services provided or costs incurred in the prior fiscal year,  
26 calculated in each case as provided in this Section. Nothing in

1 this Section shall change the nature of payments for any  
2 program that, apart from this Section, would be or, prior to  
3 adoption or amendment of this Section, was on the basis of a  
4 payment in a fiscal year in respect of services provided or  
5 costs incurred in the prior fiscal year, calculated in each  
6 case as provided in this Section.

7 (d) For fiscal year 1996 through fiscal year 2014 ~~and each~~  
8 ~~fiscal year thereafter~~, the amount of the district's block  
9 grants shall be determined as follows: (i) with respect to each  
10 program that is included within each block grant, the district  
11 shall receive an amount equal to the same percentage of the  
12 current fiscal year appropriation made for that program as the  
13 percentage of the appropriation received by the district from  
14 the 1995 fiscal year appropriation made for that program, and  
15 (ii) the total amount that is due the district under the block  
16 grant shall be the aggregate of the amounts that the district  
17 is entitled to receive for the fiscal year with respect to each  
18 program that is included within the block grant that the State  
19 Board of Education shall award the district under this Section  
20 for that fiscal year. In the case of the Summer Bridges  
21 program, the amount of the district's block grant shall be  
22 equal to 44% of the amount of the current fiscal year  
23 appropriation made for that program.

24 (e) The district is not required to file any application or  
25 other claim in order to receive the block grants to which it is  
26 entitled under this Section. The State Board of Education shall

1 make payments to the district of amounts due under the  
2 district's block grants on a schedule determined by the State  
3 Board of Education.

4 (f) A school district to which this Section applies shall  
5 report to the State Board of Education on its use of the block  
6 grants in such form and detail as the State Board of Education  
7 may specify. In addition, the report must include the following  
8 description for the district, which must also be reported to  
9 the General Assembly: block grant allocation and expenditures  
10 by program; population and service levels by program; and  
11 administrative expenditures by program. The State Board of  
12 Education shall ensure that the reporting requirements for the  
13 district are the same as for all other school districts in this  
14 State.

15 (g) Through fiscal year 2014, this ~~This~~ paragraph provides  
16 for the treatment of block grants under Article 1C for purposes  
17 of calculating the amount of block grants for a district under  
18 this Section. Those block grants under Article 1C are, for this  
19 purpose, treated as included in the amount of appropriation for  
20 the various programs set forth in paragraph (b) above. The  
21 appropriation in each current fiscal year for each block grant  
22 under Article 1C shall be treated for these purposes as  
23 appropriations for the individual program included in that  
24 block grant. The proportion of each block grant so allocated to  
25 each such program included in it shall be the proportion which  
26 the appropriation for that program was of all appropriations

1 for such purposes now in that block grant, in fiscal 1995.

2 Payments to the school district under this Section with  
3 respect to each program for which payments to school districts  
4 generally, as of the date of this amendatory Act of the 92nd  
5 General Assembly, are on a reimbursement basis shall continue  
6 to be made to the district on a reimbursement basis, pursuant  
7 to the provisions of this Code governing those programs.

8 (h) Notwithstanding any other provision of law, any school  
9 district receiving a block grant under this Section may  
10 classify all or a portion of the funds that it receives in a  
11 particular fiscal year from any block grant authorized under  
12 this Code or from general State aid pursuant to Section 18-8.05  
13 of this Code (other than supplemental general State aid) as  
14 funds received in connection with any funding program for which  
15 it is entitled to receive funds from the State in that fiscal  
16 year (including, without limitation, any funding program  
17 referred to in subsection (c) of this Section), regardless of  
18 the source or timing of the receipt. The district may not  
19 classify more funds as funds received in connection with the  
20 funding program than the district is entitled to receive in  
21 that fiscal year for that program. Any classification by a  
22 district must be made by a resolution of its board of  
23 education. The resolution must identify the amount of any block  
24 grant or general State aid to be classified under this  
25 subsection (h) and must specify the funding program to which  
26 the funds are to be treated as received in connection

1 therewith. This resolution is controlling as to the  
2 classification of funds referenced therein. A certified copy of  
3 the resolution must be sent to the State Superintendent of  
4 Education. The resolution shall still take effect even though a  
5 copy of the resolution has not been sent to the State  
6 Superintendent of Education in a timely manner. No  
7 classification under this subsection (h) by a district shall  
8 affect the total amount or timing of money the district is  
9 entitled to receive under this Code. No classification under  
10 this subsection (h) by a district shall in any way relieve the  
11 district from or affect any requirements that otherwise would  
12 apply with respect to the block grant as provided in this  
13 Section, including any accounting of funds by source, reporting  
14 expenditures by original source and purpose, reporting  
15 requirements, or requirements of provision of services.

16 (Source: P.A. 97-238, eff. 8-2-11; 97-324, eff. 8-12-11;  
17 97-813, eff. 7-13-12.)

18 (105 ILCS 5/1E-20)

19 (This Section scheduled to be repealed in accordance with  
20 105 ILCS 5/1E-165)

21 Sec. 1E-20. Members of Authority; meetings.

22 (a) When a petition for a School Finance Authority is  
23 allowed by the State Board under Section 1E-15 of this Code,  
24 the State Superintendent shall within 10 days thereafter  
25 appoint 5 members to serve on a School Finance Authority for

1 the district. Of the initial members, 2 shall be appointed to  
2 serve a term of 2 years and 3 shall be appointed to serve a term  
3 of 3 years. Thereafter, each member shall serve for a term of 3  
4 years and until his or her successor has been appointed. The  
5 State Superintendent shall designate one of the members of the  
6 Authority to serve as its Chairperson. In the event of vacancy  
7 or resignation, the State Superintendent shall, within 10 days  
8 after receiving notice, appoint a successor to serve out that  
9 member's term. The State Superintendent may remove a member for  
10 incompetence, malfeasance, neglect of duty, or other just  
11 cause.

12 Members of the Authority shall be selected primarily on the  
13 basis of their experience and education in financial  
14 management, with consideration given to persons knowledgeable  
15 in education finance. Two members of the Authority shall be  
16 residents of the school district that the Authority serves. A  
17 member of the Authority may not be a member of the district's  
18 school board or an employee of the district nor may a member  
19 have a direct financial interest in the district.

20 Authority members shall serve without compensation, but  
21 may be reimbursed by the State Board for travel and other  
22 necessary expenses incurred in the performance of their  
23 official duties. Unless paid from bonds issued under Section  
24 1E-65 of this Code, the amount reimbursed members for their  
25 expenses shall be charged to the school district as part of any  
26 emergency financial assistance and incorporated as a part of



1 the terms and conditions for repayment of the assistance or  
2 shall be deducted from the district's general State aid or  
3 primary State aid as provided in Section 1B-8 of this Code.

4 The Authority may elect such officers as it deems  
5 appropriate.

6 (b) The first meeting of the Authority shall be held at the  
7 call of the Chairperson. The Authority shall prescribe the  
8 times and places for its meetings and the manner in which  
9 regular and special meetings may be called and shall comply  
10 with the Open Meetings Act.

11 Three members of the Authority shall constitute a quorum.  
12 When a vote is taken upon any measure before the Authority, a  
13 quorum being present, a majority of the votes of the members  
14 voting on the measure shall determine the outcome.

15 (Source: P.A. 92-547, eff. 6-13-02.)

16 (105 ILCS 5/1F-20)

17 (This Section scheduled to be repealed in accordance with 105  
18 ILCS 5/1F-165)

19 Sec. 1F-20. Members of Authority; meetings.

20 (a) Upon establishment of a School Finance Authority under  
21 Section 1F-15 of this Code, the State Superintendent shall  
22 within 15 days thereafter appoint 5 members to serve on a  
23 School Finance Authority for the district. Of the initial  
24 members, 2 shall be appointed to serve a term of 2 years and 3  
25 shall be appointed to serve a term of 3 years. Thereafter, each

1 member shall serve for a term of 3 years and until his or her  
2 successor has been appointed. The State Superintendent shall  
3 designate one of the members of the Authority to serve as its  
4 Chairperson. In the event of vacancy or resignation, the State  
5 Superintendent shall, within 10 days after receiving notice,  
6 appoint a successor to serve out that member's term. The State  
7 Superintendent may remove a member for incompetence,  
8 malfeasance, neglect of duty, or other just cause.

9 Members of the Authority shall be selected primarily on the  
10 basis of their experience and education in financial  
11 management, with consideration given to persons knowledgeable  
12 in education finance. Two members of the Authority shall be  
13 residents of the school district that the Authority serves. A  
14 member of the Authority may not be a member of the district's  
15 school board or an employee of the district nor may a member  
16 have a direct financial interest in the district.

17 Authority members shall be paid a stipend approved by the  
18 State Superintendent of not more than \$100 per meeting and may  
19 be reimbursed by the State Board for travel and other necessary  
20 expenses incurred in the performance of their official duties.  
21 Unless paid from bonds issued under Section 1F-65 of this Code,  
22 the amount reimbursed members for their expenses shall be  
23 charged to the school district as part of any emergency  
24 financial assistance and incorporated as a part of the terms  
25 and conditions for repayment of the assistance or shall be  
26 deducted from the district's general State aid or primary State

1 aid as provided in Section 1B-8 of this Code.

2 The Authority may elect such officers as it deems  
3 appropriate.

4 (b) The first meeting of the Authority shall be held at the  
5 call of the Chairperson. The Authority shall prescribe the  
6 times and places for its meetings and the manner in which  
7 regular and special meetings may be called and shall comply  
8 with the Open Meetings Act.

9 Three members of the Authority shall constitute a quorum.  
10 When a vote is taken upon any measure before the Authority, a  
11 quorum being present, a majority of the votes of the members  
12 voting on the measure shall determine the outcome.

13 (Source: P.A. 94-234, eff. 7-1-06.)

14 (105 ILCS 5/1F-62)

15 (This Section scheduled to be repealed in accordance with 105  
16 ILCS 5/1F-165)

17 Sec. 1F-62. School District Emergency Financial Assistance  
18 Fund; grants and loans.

19 (a) Moneys in the School District Emergency Financial  
20 Assistance Fund established under Section 1B-8 of this Code may  
21 be allocated and expended by the State Board as grants to  
22 provide technical and consulting services to school districts  
23 to assess their financial condition and by the Illinois Finance  
24 Authority for emergency financial assistance loans to a School  
25 Finance Authority that petitions for emergency financial

1 assistance. An emergency financial assistance loan to a School  
2 Finance Authority or borrowing from sources other than the  
3 State shall not be considered as part of the calculation of a  
4 district's debt for purposes of the limitation specified in  
5 Section 19-1 of this Code. From the amount allocated to each  
6 School Finance Authority, the State Board shall identify a sum  
7 sufficient to cover all approved costs of the School Finance  
8 Authority. If the State Board and State Superintendent have not  
9 approved emergency financial assistance in conjunction with  
10 the appointment of a School Finance Authority, the Authority's  
11 approved costs shall be paid from deductions from the  
12 district's general State aid or primary State aid.

13 The School Finance Authority may prepare and file with the  
14 State Superintendent a proposal for emergency financial  
15 assistance for the school district and for its operations  
16 budget. No expenditures shall be authorized by the State  
17 Superintendent until he or she has approved the proposal of the  
18 School Finance Authority, either as submitted or in such lesser  
19 amount determined by the State Superintendent.

20 (b) The amount of an emergency financial assistance loan  
21 that may be allocated to a School Finance Authority under this  
22 Article, including moneys necessary for the operations of the  
23 School Finance Authority, and borrowing from sources other than  
24 the State shall not exceed, in the aggregate, \$4,000 times the  
25 number of pupils enrolled in the district during the school  
26 year ending June 30 prior to the date of approval by the State

1 Board of the petition for emergency financial assistance, as  
2 certified to the school board and the School Finance Authority  
3 by the State Superintendent. However, this limitation does not  
4 apply to borrowing by the district secured by amounts levied by  
5 the district prior to establishment of the School Finance  
6 Authority. An emergency financial assistance grant shall not  
7 exceed \$1,000 times the number of such pupils. A district may  
8 receive both a loan and a grant.

9 (c) The payment of a State emergency financial assistance  
10 grant or loan shall be subject to appropriation by the General  
11 Assembly. State emergency financial assistance allocated and  
12 paid to a School Finance Authority under this Article may be  
13 applied to any fund or funds from which the School Finance  
14 Authority is authorized to make expenditures by law.

15 (d) Any State emergency financial assistance proposed by  
16 the School Finance Authority and approved by the State  
17 Superintendent may be paid in its entirety during the initial  
18 year of the School Finance Authority's existence or spread in  
19 equal or declining amounts over a period of years not to exceed  
20 the period of the School Finance Authority's existence. The  
21 State Superintendent shall not approve any loan to the School  
22 Finance Authority unless the School Finance Authority has been  
23 unable to borrow sufficient funds to operate the district.

24 All loan payments made from the School District Emergency  
25 Financial Assistance Fund to a School Finance Authority shall  
26 be required to be repaid not later than the date the School

1 Finance Authority ceases to exist, with simple interest over  
2 the term of the loan at a rate equal to 50% of the one-year  
3 Constant Maturity Treasury (CMT) yield as last published by the  
4 Board of Governors of the Federal Reserve System before the  
5 date on which the School Finance Authority's loan is approved  
6 by the State Board.

7 The School Finance Authority shall establish and the  
8 Illinois Finance Authority shall approve the terms and  
9 conditions of the loan, including the schedule of repayments.  
10 The schedule shall provide for repayments commencing July 1 of  
11 each year or upon each fiscal year's receipt of moneys from a  
12 tax levy for emergency financial assistance. Repayment shall be  
13 incorporated into the annual budget of the district and may be  
14 made from any fund or funds of the district in which there are  
15 moneys available. Default on repayment is subject to the  
16 Illinois Grant Funds Recovery Act. When moneys are repaid as  
17 provided in this Section, they shall not be made available to  
18 the School Finance Authority for further use as emergency  
19 financial assistance under this Article at any time thereafter.  
20 All repayments required to be made by a School Finance  
21 Authority shall be received by the State Board and deposited in  
22 the School District Emergency Financial Assistance Fund.

23 In establishing the terms and conditions for the repayment  
24 obligation of the School Finance Authority, the School Finance  
25 Authority shall annually determine whether a separate local  
26 property tax levy is required to meet that obligation. The

1 School Finance Authority shall provide for a separate tax levy  
2 for emergency financial assistance repayment purposes. This  
3 tax levy shall not be subject to referendum approval. The  
4 amount of the levy shall not exceed the amount necessary to  
5 meet the annual emergency financial repayment obligations of  
6 the district, including principal and interest, as established  
7 by the School Finance Authority.

8 (Source: P.A. 94-234, eff. 7-1-06.)

9 (105 ILCS 5/1H-20)

10 Sec. 1H-20. Members of Panel; meetings.

11 (a) Upon establishment of a Financial Oversight Panel under  
12 Section 1H-15 of this Code, the State Superintendent shall  
13 within 15 working days thereafter appoint 5 members to serve on  
14 a Financial Oversight Panel for the district. Members appointed  
15 to the Panel shall serve at the pleasure of the State  
16 Superintendent. The State Superintendent shall designate one  
17 of the members of the Panel to serve as its Chairperson. In the  
18 event of vacancy or resignation, the State Superintendent  
19 shall, within 10 days after receiving notice, appoint a  
20 successor to serve out that member's term.

21 (b) Members of the Panel shall be selected primarily on the  
22 basis of their experience and education in financial  
23 management, with consideration given to persons knowledgeable  
24 in education finance. Two members of the Panel shall be  
25 residents of the school district that the Panel serves. A

1 member of the Panel may not be a member of the district's  
2 school board or an employee of the district nor may a member  
3 have a direct financial interest in the district.

4 (c) Panel members may be reimbursed by the State Board for  
5 travel and other necessary expenses incurred in the performance  
6 of their official duties. The amount reimbursed members for  
7 their expenses shall be charged to the school district as part  
8 of any emergency financial assistance and incorporated as a  
9 part of the terms and conditions for repayment of the  
10 assistance or shall be deducted from the district's general  
11 State aid or primary State aid as provided in Section 1H-65 of  
12 this Code.

13 (d) With the exception of the chairperson, who shall be  
14 designated as provided in subsection (a) of this Section, the  
15 Panel may elect such officers as it deems appropriate.

16 (e) The first meeting of the Panel shall be held at the  
17 call of the Chairperson. The Panel shall prescribe the times  
18 and places for its meetings and the manner in which regular and  
19 special meetings may be called and shall comply with the Open  
20 Meetings Act. The Panel shall also comply with the Freedom of  
21 Information Act.

22 (f) Three members of the Panel shall constitute a quorum. A  
23 majority of members present is required to pass a measure.

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



1           Sec. 1H-70. Tax anticipation warrants, tax anticipation  
2 notes, revenue anticipation certificates or notes, general  
3 State aid or primary State aid anticipation certificates, and  
4 lines of credit. With the approval of the State Superintendent  
5 and provided that the district is unable to secure short-term  
6 financing after 3 attempts, a Panel shall have the same power  
7 as a district to do the following:

8           (1) issue tax anticipation warrants under the  
9 provisions of Section 17-16 of this Code against taxes  
10 levied by either the school board or the Panel pursuant to  
11 Section 1H-25 of this Code;

12           (2) issue tax anticipation notes under the provisions  
13 of the Tax Anticipation Note Act against taxes levied by  
14 either the school board or the Panel pursuant to Section  
15 1H-25 of this Code;

16           (3) issue revenue anticipation certificates or notes  
17 under the provisions of the Revenue Anticipation Act;

18           (4) issue general State aid or primary State aid  
19 anticipation certificates under the provisions of Section  
20 18-18 of this Code; and

21           (5) establish and utilize lines of credit under the  
22 provisions of Section 17-17 of this Code.

23           Tax anticipation warrants, tax anticipation notes, revenue  
24 anticipation certificates or notes, general State aid or  
25 primary State aid anticipation certificates, and lines of  
26 credit are considered borrowing from sources other than the

1 State and are subject to Section 1H-65 of this Code.

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

3 (105 ILCS 5/2-3.28) (from Ch. 122, par. 2-3.28)

4 Sec. 2-3.28. Rules and regulations of budget and accounting  
5 systems. To prescribe rules and regulations defining what shall  
6 constitute a budget and accounting system required under this  
7 Act. The rules and regulations shall prescribe the minimum  
8 extent of verification, the type of audit, the extent of the  
9 audit report and shall require compliance with statutory  
10 requirements and standards and such requirements as the State  
11 Board of Education deems necessary for an adequate budget and  
12 accounting system. For the 2015-2016 school year and  
13 thereafter, the rules and regulations shall prescribe a system  
14 for accounting for revenues and expenditures at the individual  
15 school level that includes without limitation the following:

16 (1) accounting for expenditures for school  
17 administration, regular instruction, special education  
18 instruction, instructional support services, and pupil  
19 support services;

20 (2) salary expenditures reflecting actual staff  
21 salaries at each school;

22 (3) accounting for operations, including  
23 non-instructional pupil services, facilities, and business  
24 services; and

25 (4) such other requirements as the State Board of

1       Education deems necessary to provide for a uniform and  
2       transparent system of accounting at the school level.

3       (Source: P.A. 81-1508.)

4           (105 ILCS 5/2-3.33) (from Ch. 122, par. 2-3.33)

5       Sec. 2-3.33. Recomputation of claims. To recompute within  
6       3 years from the final date for filing of a claim any claim for  
7       reimbursement to any school district if the claim has been  
8       found to be incorrect and to adjust subsequent claims  
9       accordingly, and to recompute and adjust any such claims within  
10      6 years from the final date for filing when there has been an  
11      adverse court or administrative agency decision on the merits  
12      affecting the tax revenues of the school district. However, no  
13      such adjustment shall be made regarding equalized assessed  
14      valuation unless the district's equalized assessed valuation  
15      is changed by greater than \$250,000 or 2%.

16      Except in the case of an adverse court or administrative  
17      agency decision, no recomputation of a State aid claim shall be  
18      made pursuant to this Section as a result of a reduction in the  
19      assessed valuation of a school district from the assessed  
20      valuation of the district reported to the State Board of  
21      Education by the Department of Revenue under Section 18-8.05 or  
22      18-8.15 of this Code unless the requirements of Section 16-15  
23      of the Property Tax Code and Section 2-3.84 of this Code are  
24      complied with in all respects.

25      This paragraph applies to all requests for recomputation of

1 a general State aid or primary State aid claim received after  
2 June 30, 2003. In recomputing a general State aid or primary  
3 State aid claim that was originally calculated using an  
4 extension limitation equalized assessed valuation under  
5 paragraph (3) of subsection (G) of Section 18-8.05 of this Code  
6 or paragraph (3) of subsection (h) of Section 18-8.15 of this  
7 Code, a qualifying reduction in equalized assessed valuation  
8 shall be deducted from the extension limitation equalized  
9 assessed valuation that was used in calculating the original  
10 claim.

11 From the total amount of general State aid or primary State  
12 aid to be provided to districts, adjustments as a result of  
13 recomputation under this Section together with adjustments  
14 under Section 2-3.84 must not exceed \$25 million, in the  
15 aggregate for all districts under both Sections combined, of  
16 the general State aid or primary State aid appropriation in any  
17 fiscal year; if necessary, amounts shall be prorated among  
18 districts. If it is necessary to prorate claims under this  
19 paragraph, then that portion of each prorated claim that is  
20 approved but not paid in the current fiscal year may be  
21 resubmitted as a valid claim in the following fiscal year.

22 (Source: P.A. 93-845, eff. 7-30-04.)

23 (105 ILCS 5/2-3.51.5)

24 Sec. 2-3.51.5. School Safety and Educational Improvement  
25 Block Grant Program. To improve the level of education and

1 safety of students from kindergarten through grade 12 in school  
2 districts and State-recognized, non-public schools. The State  
3 Board of Education is authorized to fund a School Safety and  
4 Educational Improvement Block Grant Program.

5 (1) For school districts, the program shall provide funding  
6 for school safety, textbooks and software, electronic  
7 textbooks and the technological equipment necessary to gain  
8 access to and use electronic textbooks, teacher training and  
9 curriculum development, school improvements, remediation  
10 programs under subsection (a) of Section 2-3.64, school report  
11 cards under Section 10-17a, and criminal history records checks  
12 under Sections 10-21.9 and 34-18.5. For State-recognized,  
13 non-public schools, the program shall provide funding for  
14 secular textbooks and software, criminal history records  
15 checks, and health and safety mandates to the extent that the  
16 funds are expended for purely secular purposes. A school  
17 district or laboratory school as defined in Section 18-8, ~~or~~  
18 18-8.05, or 18-8.15 is not required to file an application in  
19 order to receive the categorical funding to which it is  
20 entitled under this Section. Funds for the School Safety and  
21 Educational Improvement Block Grant Program shall be  
22 distributed to school districts and laboratory schools based on  
23 the prior year's best 3 months average daily attendance. Funds  
24 for the School Safety and Educational Improvement Block Grant  
25 Program shall be distributed to State-recognized, non-public  
26 schools based on the average daily attendance figure for the

1 previous school year provided to the State Board of Education.  
2 The State Board of Education shall develop an application that  
3 requires State-recognized, non-public schools to submit  
4 average daily attendance figures. A State-recognized,  
5 non-public school must submit the application and average daily  
6 attendance figure prior to receiving funds under this Section.  
7 The State Board of Education shall promulgate rules and  
8 regulations necessary for the implementation of this program.

9 (2) Distribution of moneys to school districts and  
10 State-recognized, non-public schools shall be made in 2  
11 semi-annual installments, one payment on or before October 30,  
12 and one payment prior to April 30, of each fiscal year.

13 (3) Grants under the School Safety and Educational  
14 Improvement Block Grant Program shall be awarded provided there  
15 is an appropriation for the program, and funding levels for  
16 each district shall be prorated according to the amount of the  
17 appropriation.

18 (4) The provisions of this Section are in the public  
19 interest, are for the public benefit, and serve secular public  
20 purposes.

21 (Source: P.A. 95-707, eff. 1-11-08; 96-1403, eff. 7-29-10.)

22 (105 ILCS 5/2-3.66) (from Ch. 122, par. 2-3.66)

23 Sec. 2-3.66. Truants' alternative and optional education  
24 programs. To establish projects to offer modified  
25 instructional programs or other services designed to prevent

1 students from dropping out of school, including programs  
2 pursuant to Section 2-3.41, and to serve as a part time or full  
3 time option in lieu of regular school attendance and to award  
4 grants to local school districts, educational service regions  
5 or community college districts from appropriated funds to  
6 assist districts in establishing such projects. The education  
7 agency may operate its own program or enter into a contract  
8 with another not-for-profit entity to implement the program.  
9 The projects shall allow dropouts, up to and including age 21,  
10 potential dropouts, including truants, uninvolved, unmotivated  
11 and disaffected students, as defined by State Board of  
12 Education rules and regulations, to enroll, as an alternative  
13 to regular school attendance, in an optional education program  
14 which may be established by school board policy and is in  
15 conformance with rules adopted by the State Board of Education.  
16 Truants' Alternative and Optional Education programs funded  
17 pursuant to this Section shall be planned by a student, the  
18 student's parents or legal guardians, unless the student is 18  
19 years or older, and school officials and shall culminate in an  
20 individualized optional education plan. Such plan shall focus  
21 on academic or vocational skills, or both, and may include, but  
22 not be limited to, evening school, summer school, community  
23 college courses, adult education, preparation courses for the  
24 high school level test of General Educational Development,  
25 vocational training, work experience, programs to enhance self  
26 concept and parenting courses. School districts which are

1 awarded grants pursuant to this Section shall be authorized to  
2 provide day care services to children of students who are  
3 eligible and desire to enroll in programs established and  
4 funded under this Section, but only if and to the extent that  
5 such day care is necessary to enable those eligible students to  
6 attend and participate in the programs and courses which are  
7 conducted pursuant to this Section. School districts and  
8 regional offices of education may claim general State aid under  
9 Section 18-8.05 or primary State aid under Section 18-8.15 for  
10 students enrolled in truants' alternative and optional  
11 education programs, provided that such students are receiving  
12 services that are supplemental to a program leading to a high  
13 school diploma and are otherwise eligible to be claimed for  
14 general State aid under Section 18-8.05 or primary State aid  
15 under Section 18-8.15, as applicable.

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

17 (105 ILCS 5/2-3.66b)

18 Sec. 2-3.66b. IHOPE Program.

19 (a) There is established the Illinois Hope and Opportunity  
20 Pathways through Education (IHOPE) Program. The State Board of  
21 Education shall implement and administer the IHOPE Program. The  
22 goal of the IHOPE Program is to develop a comprehensive system  
23 in this State to re-enroll significant numbers of high school  
24 dropouts in programs that will enable them to earn their high  
25 school diploma.



1 (b) The IHOPE Program shall award grants, subject to  
2 appropriation for this purpose, to educational service regions  
3 and a school district organized under Article 34 of this Code  
4 from appropriated funds to assist in establishing  
5 instructional programs and other services designed to  
6 re-enroll high school dropouts. From any funds appropriated for  
7 the IHOPE Program, the State Board of Education may use up to  
8 5% for administrative costs, including the performance of a  
9 program evaluation and the hiring of staff to implement and  
10 administer the program.

11 The IHOPE Program shall provide incentive grant funds for  
12 regional offices of education and a school district organized  
13 under Article 34 of this Code to develop partnerships with  
14 school districts, public community colleges, and community  
15 groups to build comprehensive plans to re-enroll high school  
16 dropouts in their regions or districts.

17 Programs funded through the IHOPE Program shall allow high  
18 school dropouts, up to and including age 21 notwithstanding  
19 Section 26-2 of this Code, to re-enroll in an educational  
20 program in conformance with rules adopted by the State Board of  
21 Education. Programs may include without limitation  
22 comprehensive year-round programming, evening school, summer  
23 school, community college courses, adult education, vocational  
24 training, work experience, programs to enhance self-concept,  
25 and parenting courses. Any student in the IHOPE Program who  
26 wishes to earn a high school diploma must meet the

1 prerequisites to receiving a high school diploma specified in  
2 Section 27-22 of this Code and any other graduation  
3 requirements of the student's district of residence. Any  
4 student who successfully completes the requirements for his or  
5 her graduation shall receive a diploma identifying the student  
6 as graduating from his or her district of residence.

7 (c) In order to be eligible for funding under the IHOPE  
8 Program, an interested regional office of education or a school  
9 district organized under Article 34 of this Code shall develop  
10 an IHOPE Plan to be approved by the State Board of Education.  
11 The State Board of Education shall develop rules for the IHOPE  
12 Program that shall set forth the requirements for the  
13 development of the IHOPE Plan. Each Plan shall involve school  
14 districts, public community colleges, and key community  
15 programs that work with high school dropouts located in an  
16 educational service region or the City of Chicago before the  
17 Plan is sent to the State Board for approval. No funds may be  
18 distributed to a regional office of education or a school  
19 district organized under Article 34 of this Code until the  
20 State Board has approved the Plan.

21 (d) A regional office of education or a school district  
22 organized under Article 34 of this Code may operate its own  
23 program funded by the IHOPE Program or enter into a contract  
24 with other not-for-profit entities, including school  
25 districts, public community colleges, and not-for-profit  
26 community-based organizations, to operate a program.

1           A regional office of education or a school district  
2 organized under Article 34 of this Code that receives an IHOPE  
3 grant from the State Board of Education may provide funds under  
4 a sub-grant, as specified in the IHOPE Plan, to other  
5 not-for-profit entities to provide services according to the  
6 IHOPE Plan that was developed. These other entities may include  
7 school districts, public community colleges, or not-for-profit  
8 community-based organizations or a cooperative partnership  
9 among these entities.

10           (e) In order to distribute funding based upon the need to  
11 ensure delivery of programs that will have the greatest impact,  
12 IHOPE Program funding must be distributed based upon the  
13 proportion of dropouts in the educational service region or  
14 school district, in the case of a school district organized  
15 under Article 34 of this Code, to the total number of dropouts  
16 in this State. This formula shall employ the dropout data  
17 provided by school districts to the State Board of Education.

18           A regional office of education or a school district  
19 organized under Article 34 of this Code may claim State aid  
20 under Section 18-8.05 or 18-8.15 of this Code for students  
21 enrolled in a program funded by the IHOPE Program, provided  
22 that the State Board of Education has approved the IHOPE Plan  
23 and that these students are receiving services that are meeting  
24 the requirements of Section 27-22 of this Code for receipt of a  
25 high school diploma and are otherwise eligible to be claimed  
26 for general State aid under Section 18-8.05 of this Code or

1 primary State aid under Section 18-8.15 of this Code, including  
2 provisions related to the minimum number of days of pupil  
3 attendance pursuant to Section 10-19 of this Code and the  
4 minimum number of daily hours of school work and any exceptions  
5 thereto as defined by the State Board of Education in rules.

6 (f) IHOPE categories of programming may include the  
7 following:

8 (1) Full-time programs that are comprehensive,  
9 year-round programs.

10 (2) Part-time programs combining work and study  
11 scheduled at various times that are flexible to the needs  
12 of students.

13 (3) Online programs and courses in which students take  
14 courses and complete on-site, supervised tests that  
15 measure the student's mastery of a specific course needed  
16 for graduation. Students may take courses online and earn  
17 credit or students may prepare to take supervised tests for  
18 specific courses for credit leading to receipt of a high  
19 school diploma.

20 (4) Dual enrollment in which students attend high  
21 school classes in combination with community college  
22 classes or students attend community college classes while  
23 simultaneously earning high school credit and eventually a  
24 high school diploma.

25 (g) In order to have successful comprehensive programs  
26 re-enrolling and graduating low-skilled high school dropouts,

1 programs funded through the IHOPE Program shall include all of  
2 the following components:

3 (1) Small programs (70 to 100 students) at a separate  
4 school site with a distinct identity. Programs may be  
5 larger with specific need and justification, keeping in  
6 mind that it is crucial to keep programs small to be  
7 effective.

8 (2) Specific performance-based goals and outcomes and  
9 measures of enrollment, attendance, skills, credits,  
10 graduation, and the transition to college, training, and  
11 employment.

12 (3) Strong, experienced leadership and teaching staff  
13 who are provided with ongoing professional development.

14 (4) Voluntary enrollment.

15 (5) High standards for student learning, integrating  
16 work experience, and education, including during the  
17 school year and after school, and summer school programs  
18 that link internships, work, and learning.

19 (6) Comprehensive programs providing extensive support  
20 services.

21 (7) Small teams of students supported by full-time paid  
22 mentors who work to retain and help those students  
23 graduate.

24 (8) A comprehensive technology learning center with  
25 Internet access and broad-based curriculum focusing on  
26 academic and career subject areas.

1           (9) Learning opportunities that incorporate action  
2           into study.

3           (h) Programs funded through the IHOPE Program must report  
4           data to the State Board of Education as requested. This  
5           information shall include, but is not limited to, student  
6           enrollment figures, attendance information, course completion  
7           data, graduation information, and post-graduation information,  
8           as available.

9           (i) Rules must be developed by the State Board of Education  
10          to set forth the fund distribution process to regional offices  
11          of education and a school district organized under Article 34  
12          of this Code, the planning and the conditions upon which an  
13          IHOPE Plan would be approved by State Board, and other rules to  
14          develop the IHOPE Program.

15          (Source: P.A. 96-106, eff. 7-30-09.)

16                 (105 ILCS 5/2-3.84) (from Ch. 122, par. 2-3.84)

17          Sec. 2-3.84. In calculating the amount of State aid to be  
18          apportioned to the various school districts in this State, the  
19          State Board of Education shall incorporate and deduct the total  
20          aggregate adjustments to assessments made by the State Property  
21          Tax Appeal Board or Cook County Board of Appeals, as reported  
22          pursuant to Section 16-15 of the Property Tax Code or Section  
23          129.1 of the Revenue Act of 1939 by the Department of Revenue,  
24          from the equalized assessed valuation that is otherwise to be  
25          utilized in the initial calculation.

1           From the total amount of general State aid or primary State  
2 aid to be provided to districts, adjustments under this Section  
3 together with adjustments as a result of recomputation under  
4 Section 2-3.33 must not exceed \$25 million, in the aggregate  
5 for all districts under both Sections combined, of the general  
6 State aid or primary State aid appropriation in any fiscal  
7 year; if necessary, amounts shall be prorated among districts.  
8 If it is necessary to prorate claims under this paragraph, then  
9 that portion of each prorated claim that is approved but not  
10 paid in the current fiscal year may be resubmitted as a valid  
11 claim in the following fiscal year.

12       (Source: P.A. 93-845, eff. 7-30-04.)

13           (105 ILCS 5/2-3.109a)

14           Sec. 2-3.109a. Laboratory schools grant eligibility. A  
15 laboratory school as defined in Section 18-8 or 18-8.15 may  
16 apply for and be eligible to receive, subject to the same  
17 restrictions applicable to school districts, any grant  
18 administered by the State Board of Education that is available  
19 for school districts.

20       (Source: P.A. 90-566, eff. 1-2-98.)

21           (105 ILCS 5/3-14.21) (from Ch. 122, par. 3-14.21)

22           Sec. 3-14.21. Inspection of schools.

23           (a) The regional superintendent shall inspect and survey  
24 all public schools under his or her supervision and notify the

1 board of education, or the trustees of schools in a district  
2 with trustees, in writing before July 30, whether or not the  
3 several schools in their district have been kept as required by  
4 law, using forms provided by the State Board of Education which  
5 are based on the Health/Life Safety Code for Public Schools  
6 adopted under Section 2-3.12. The regional superintendent  
7 shall report his or her findings to the State Board of  
8 Education on forms provided by the State Board of Education.

9 (b) If the regional superintendent determines that a school  
10 board has failed in a timely manner to correct urgent items  
11 identified in a previous life-safety report completed under  
12 Section 2-3.12 or as otherwise previously ordered by the  
13 regional superintendent, the regional superintendent shall  
14 order the school board to adopt and submit to the regional  
15 superintendent a plan for the immediate correction of the  
16 building violations. This plan shall be adopted following a  
17 public hearing that is conducted by the school board on the  
18 violations and the plan and that is preceded by at least 7  
19 days' prior notice of the hearing published in a newspaper of  
20 general circulation within the school district. If the regional  
21 superintendent determines in the next annual inspection that  
22 the plan has not been completed and that the violations have  
23 not been corrected, the regional superintendent shall submit a  
24 report to the State Board of Education with a recommendation  
25 that the State Board withhold from payments of general State  
26 aid or primary State aid due to the district an amount



1 necessary to correct the outstanding violations. The State  
2 Board, upon notice to the school board and to the regional  
3 superintendent, shall consider the report at a meeting of the  
4 State Board, and may order that a sufficient amount of general  
5 State aid or primary State aid be withheld from payments due to  
6 the district to correct the violations. This amount shall be  
7 paid to the regional superintendent who shall contract on  
8 behalf of the school board for the correction of the  
9 outstanding violations.

10 (c) The Office of the State Fire Marshal or a qualified  
11 fire official, as defined in Section 2-3.12 of this Code, to  
12 whom the State Fire Marshal has delegated his or her authority  
13 shall conduct an annual fire safety inspection of each school  
14 building in this State. The State Fire Marshal or the fire  
15 official shall coordinate its inspections with the regional  
16 superintendent. The inspection shall be based on the fire  
17 safety code authorized in Section 2-3.12 of this Code. Any  
18 violations shall be reported in writing to the regional  
19 superintendent and shall reference the specific code sections  
20 where a discrepancy has been identified within 15 days after  
21 the inspection has been conducted. The regional superintendent  
22 shall address those violations that are not corrected in a  
23 timely manner pursuant to subsection (b) of this Section. The  
24 inspection must be at no cost to the school district.

25 (d) If a municipality or, in the case of an unincorporated  
26 area, a county or, if applicable, a fire protection district

1 wishes to perform new construction inspections under the  
2 jurisdiction of a regional superintendent, then the entity must  
3 register this wish with the regional superintendent. These  
4 inspections must be based on the building code authorized in  
5 Section 2-3.12 of this Code. The inspections must be at no cost  
6 to the school district.

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

8 (105 ILCS 5/7-14A) (from Ch. 122, par. 7-14A)

9 Sec. 7-14A. Annexation Compensation. There shall be no  
10 accounting made after a mere change in boundaries when no new  
11 district is created, except that those districts whose  
12 enrollment increases by 90% or more as a result of annexing  
13 territory detached from another district pursuant to this  
14 Article are eligible for supplementary State aid payments in  
15 accordance with Section 11E-135 of this Code. Eligible annexing  
16 districts shall apply to the State Board of Education for  
17 supplementary State aid payments by submitting enrollment  
18 figures for the year immediately preceding and the year  
19 immediately following the effective date of the boundary change  
20 for both the district gaining territory and the district losing  
21 territory. Copies of any intergovernmental agreements between  
22 the district gaining territory and the district losing  
23 territory detailing any transfer of fund balances and staff  
24 must also be submitted. In all instances of changes in  
25 boundaries, the district losing territory shall not count the

1 average daily attendance of pupils living in the territory  
2 during the year preceding the effective date of the boundary  
3 change in its claim for reimbursement under Section 18-8 or  
4 18-8.15 for the school year following the effective date of the  
5 change in boundaries and the district receiving the territory  
6 shall count the average daily attendance of pupils living in  
7 the territory during the year preceding the effective date of  
8 the boundary change in its claim for reimbursement under  
9 Section 18-8 or 18-8.15 for the school year following the  
10 effective date of the change in boundaries. The changes to this  
11 Section made by this amendatory Act of the 95th General  
12 Assembly are intended to be retroactive and applicable to any  
13 annexation taking effect on or after July 1, 2004.

14 (Source: P.A. 95-707, eff. 1-11-08.)

15 (105 ILCS 5/10-19) (from Ch. 122, par. 10-19)

16 Sec. 10-19. Length of school term - experimental programs.  
17 Each school board shall annually prepare a calendar for the  
18 school term, specifying the opening and closing dates and  
19 providing a minimum term of at least 185 days to insure 176  
20 days of actual pupil attendance, computable under Section  
21 18-8.05 or 18-8.15, except that for the 1980-1981 school year  
22 only 175 days of actual pupil attendance shall be required  
23 because of the closing of schools pursuant to Section 24-2 on  
24 January 29, 1981 upon the appointment by the President of that  
25 day as a day of thanksgiving for the freedom of the Americans

1 who had been held hostage in Iran. Any days allowed by law for  
2 teachers' institutes ~~institute~~ but not used as such or used as  
3 parental institutes as provided in Section 10-22.18d shall  
4 increase the minimum term by the school days not so used.  
5 Except as provided in Section 10-19.1, the board may not extend  
6 the school term beyond such closing date unless that extension  
7 of term is necessary to provide the minimum number of  
8 computable days. In case of such necessary extension school  
9 employees shall be paid for such additional time on the basis  
10 of their regular contracts. A school board may specify a  
11 closing date earlier than that set on the annual calendar when  
12 the schools of the district have provided the minimum number of  
13 computable days under this Section. Nothing in this Section  
14 prevents the board from employing superintendents of schools,  
15 principals and other nonteaching personnel for a period of 12  
16 months, or in the case of superintendents for a period in  
17 accordance with Section 10-23.8, or prevents the board from  
18 employing other personnel before or after the regular school  
19 term with payment of salary proportionate to that received for  
20 comparable work during the school term.

21 A school board may make such changes in its calendar for  
22 the school term as may be required by any changes in the legal  
23 school holidays prescribed in Section 24-2. A school board may  
24 make changes in its calendar for the school term as may be  
25 necessary to reflect the utilization of teachers' institute  
26 days as parental institute days as provided in Section

1 10-22.18d.

2 The calendar for the school term and any changes must be  
3 submitted to and approved by the regional superintendent of  
4 schools before the calendar or changes may take effect.

5 With the prior approval of the State Board of Education and  
6 subject to review by the State Board of Education every 3  
7 years, any school board may, by resolution of its board and in  
8 agreement with affected exclusive collective bargaining  
9 agents, establish experimental educational programs, including  
10 but not limited to programs for self-directed learning or  
11 outside of formal class periods, which programs when so  
12 approved shall be considered to comply with the requirements of  
13 this Section as respects numbers of days of actual pupil  
14 attendance and with the other requirements of this Act as  
15 respects courses of instruction.

16 (Source: P.A. 93-1036, eff. 9-14-04; revised 11-12-13.)

17 (105 ILCS 5/10-22.5a) (from Ch. 122, par. 10-22.5a)

18 Sec. 10-22.5a. Attendance by dependents of United States  
19 military personnel, foreign exchange students, and certain  
20 nonresident pupils.

21 (a) To enter into written agreements with cultural exchange  
22 organizations, or with nationally recognized eleemosynary  
23 institutions that promote excellence in the arts, mathematics,  
24 or science. The written agreements may provide for tuition free  
25 attendance at the local district school by foreign exchange

1 students, or by nonresident pupils of eleemosynary  
2 institutions. The local board of education, as part of the  
3 agreement, may require that the cultural exchange program or  
4 the eleemosynary institutions provide services to the district  
5 in exchange for the waiver of nonresident tuition.

6 To enter into written agreements with adjacent school  
7 districts to provide for tuition free attendance by a student  
8 of the adjacent district when requested for the student's  
9 health and safety by the student or parent and both districts  
10 determine that the student's health or safety will be served by  
11 such attendance. Districts shall not be required to enter into  
12 such agreements nor be required to alter existing  
13 transportation services due to the attendance of such  
14 non-resident pupils.

15 (a-5) If, at the time of enrollment, a dependent of United  
16 States military personnel is housed in temporary housing  
17 located outside of a school district, but will be living within  
18 the district within 60 days after the time of initial  
19 enrollment, the dependent must be allowed to enroll, subject to  
20 the requirements of this subsection (a-5), and must not be  
21 charged tuition. Any United States military personnel  
22 attempting to enroll a dependent under this subsection (a-5)  
23 shall provide proof that the dependent will be living within  
24 the district within 60 days after the time of initial  
25 enrollment. Proof of residency may include, but is not limited  
26 to, postmarked mail addressed to the military personnel and

1 sent to an address located within the district, a lease  
2 agreement for occupancy of a residence located within the  
3 district, or proof of ownership of a residence located within  
4 the district.

5 (b) Nonresident pupils and foreign exchange students  
6 attending school on a tuition free basis under such agreements  
7 and nonresident dependents of United States military personnel  
8 attending school on a tuition free basis may be counted for the  
9 purposes of determining the apportionment of State aid provided  
10 under Section 18-8.05 or 18-8.15 of this Code, provided that  
11 any cultural exchange organization or eleemosynary  
12 institutions wishing to participate in an agreement authorized  
13 under this Section must be approved in writing by the State  
14 Board of Education. The State Board of Education may establish  
15 reasonable rules to determine the eligibility of cultural  
16 exchange organizations or eleemosynary institutions wishing to  
17 participate in agreements authorized under this Section. No  
18 organization or institution participating in agreements  
19 authorized under this Section may exclude any individual for  
20 participation in its program on account of the person's race,  
21 color, sex, religion or nationality.

22 (Source: P.A. 93-740, eff. 7-15-04.)

23 (105 ILCS 5/10-22.20) (from Ch. 122, par. 10-22.20)

24 Sec. 10-22.20. Classes for adults and youths whose  
25 schooling has been interrupted; conditions for State

1 reimbursement; use of child care facilities.

2 (a) To establish special classes for the instruction (1) of  
3 persons of age 21 years or over, and (2) of persons less than  
4 age 21 and not otherwise in attendance in public school, for  
5 the purpose of providing adults in the community, and youths  
6 whose schooling has been interrupted, with such additional  
7 basic education, vocational skill training, and other  
8 instruction as may be necessary to increase their  
9 qualifications for employment or other means of self-support  
10 and their ability to meet their responsibilities as citizens  
11 including courses of instruction regularly accepted for  
12 graduation from elementary or high schools and for  
13 Americanization and General Educational Development Review  
14 classes.

15 The board shall pay the necessary expenses of such classes  
16 out of school funds of the district, including costs of student  
17 transportation and such facilities or provision for child-care  
18 as may be necessary in the judgment of the board to permit  
19 maximum utilization of the courses by students with children,  
20 and other special needs of the students directly related to  
21 such instruction. The expenses thus incurred shall be subject  
22 to State reimbursement, as provided in this Section. The board  
23 may make a tuition charge for persons taking instruction who  
24 are not subject to State reimbursement, such tuition charge not  
25 to exceed the per capita cost of such classes.

26 The cost of such instruction, including the additional



1 expenses herein authorized, incurred for recipients of  
2 financial aid under the Illinois Public Aid Code, or for  
3 persons for whom education and training aid has been authorized  
4 under Section 9-8 of that Code, shall be assumed in its  
5 entirety from funds appropriated by the State to the Illinois  
6 Community College Board.

7 (b) The Illinois Community College Board shall establish  
8 the standards for the courses of instruction reimbursed under  
9 this Section. The Illinois Community College Board shall  
10 supervise the administration of the programs. The Illinois  
11 Community College Board shall determine the cost of instruction  
12 in accordance with standards established by the Illinois  
13 Community College Board, including therein other incidental  
14 costs as herein authorized, which shall serve as the basis of  
15 State reimbursement in accordance with the provisions of this  
16 Section. In the approval of programs and the determination of  
17 the cost of instruction, the Illinois Community College Board  
18 shall provide for the maximum utilization of federal funds for  
19 such programs. The Illinois Community College Board shall also  
20 provide for:

21 (1) the development of an index of need for program  
22 planning and for area funding allocations, as defined by  
23 the Illinois Community College Board;

24 (2) the method for calculating hours of instruction, as  
25 defined by the Illinois Community College Board, claimable  
26 for reimbursement and a method to phase in the calculation

1 and for adjusting the calculations in cases where the  
2 services of a program are interrupted due to circumstances  
3 beyond the control of the program provider;

4 (3) a plan for the reallocation of funds to increase  
5 the amount allocated for grants based upon program  
6 performance as set forth in subsection (d) below; and

7 (4) the development of standards for determining  
8 grants based upon performance as set forth in subsection  
9 (d) below and a plan for the phased-in implementation of  
10 those standards.

11 For instruction provided by school districts and community  
12 college districts beginning July 1, 1996 and thereafter,  
13 reimbursement provided by the Illinois Community College Board  
14 for classes authorized by this Section shall be provided from  
15 funds appropriated for the reimbursement criteria set forth in  
16 subsection (c) below.

17 (c) Upon the annual approval of the Illinois Community  
18 College Board, reimbursement shall be first provided for  
19 transportation, child care services, and other special needs of  
20 the students directly related to instruction and then from the  
21 funds remaining an amount equal to the product of the total  
22 credit hours or units of instruction approved by the Illinois  
23 Community College Board, multiplied by the following:

24 (1) For adult basic education, the maximum  
25 reimbursement per credit hour or per unit of instruction  
26 shall be equal to (i) through fiscal year 2014, the general

1 state aid per pupil foundation level established in  
2 subsection (B) of Section 18-8.05, divided by 60, or (ii)  
3 in fiscal year 2015 and thereafter, the foundation level  
4 established pursuant to subsection (b) of Section 18-8.15  
5 of this Code, divided by 60;

6 (2) The maximum reimbursement per credit hour or per  
7 unit of instruction in subparagraph (1) above shall be  
8 weighted for students enrolled in classes defined as  
9 vocational skills and approved by the Illinois Community  
10 College Board by 1.25;

11 (3) The maximum reimbursement per credit hour or per  
12 unit of instruction in subparagraph (1) above shall be  
13 multiplied by .90 for students enrolled in classes defined  
14 as adult secondary education programs and approved by the  
15 Illinois Community College Board;

16 (4) (Blank); and

17 (5) Funding for program years after 1999-2000 shall be  
18 determined by the Illinois Community College Board.

19 (d) Upon its annual approval, the Illinois Community  
20 College Board shall provide grants to eligible programs for  
21 supplemental activities to improve or expand services under the  
22 Adult Education Act. Eligible programs shall be determined  
23 based upon performance outcomes of students in the programs as  
24 set by the Illinois Community College Board.

25 (e) Reimbursement under this Section shall not exceed the  
26 actual costs of the approved program.

1           If the amount appropriated to the Illinois Community  
2 College Board for reimbursement under this Section is less than  
3 the amount required under this Act, the apportionment shall be  
4 proportionately reduced.

5           School districts and community college districts may  
6 assess students up to \$3.00 per credit hour, for classes other  
7 than Adult Basic Education level programs, if needed to meet  
8 program costs.

9           (f) An education plan shall be established for each adult  
10 or youth whose schooling has been interrupted and who is  
11 participating in the instructional programs provided under  
12 this Section.

13           Each school board and community college shall keep an  
14 accurate and detailed account of the students assigned to and  
15 receiving instruction under this Section who are subject to  
16 State reimbursement and shall submit reports of services  
17 provided commencing with fiscal year 1997 as required by the  
18 Illinois Community College Board.

19           For classes authorized under this Section, a credit hour or  
20 unit of instruction is equal to 15 hours of direct instruction  
21 for students enrolled in approved adult education programs at  
22 midterm and making satisfactory progress, in accordance with  
23 standards established by the Illinois Community College Board.

24           (g) Upon proof submitted to the Illinois Department of  
25 Human Services of the payment of all claims submitted under  
26 this Section, that Department shall apply for federal funds

1 made available therefor and any federal funds so received shall  
2 be paid into the General Revenue Fund in the State Treasury.

3 School districts or community colleges providing classes  
4 under this Section shall submit applications to the Illinois  
5 Community College Board for preapproval in accordance with the  
6 standards established by the Illinois Community College Board.  
7 Payments shall be made by the Illinois Community College Board  
8 based upon approved programs. Interim expenditure reports may  
9 be required by the Illinois Community College Board. Final  
10 claims for the school year shall be submitted to the regional  
11 superintendents for transmittal to the Illinois Community  
12 College Board. Final adjusted payments shall be made by  
13 September 30.

14 If a school district or community college district fails to  
15 provide, or is providing unsatisfactory or insufficient  
16 classes under this Section, the Illinois Community College  
17 Board may enter into agreements with public or private  
18 educational or other agencies other than the public schools for  
19 the establishment of such classes.

20 (h) If a school district or community college district  
21 establishes child-care facilities for the children of  
22 participants in classes established under this Section, it may  
23 extend the use of these facilities to students who have  
24 obtained employment and to other persons in the community whose  
25 children require care and supervision while the parent or other  
26 person in charge of the children is employed or otherwise

1 absent from the home during all or part of the day. It may make  
2 the facilities available before and after as well as during  
3 regular school hours to school age and preschool age children  
4 who may benefit thereby, including children who require care  
5 and supervision pending the return of their parent or other  
6 person in charge of their care from employment or other  
7 activity requiring absence from the home.

8 The Illinois Community College Board shall pay to the board  
9 the cost of care in the facilities for any child who is a  
10 recipient of financial aid under the Illinois Public Aid Code.

11 The board may charge for care of children for whom it  
12 cannot make claim under the provisions of this Section. The  
13 charge shall not exceed per capita cost, and to the extent  
14 feasible, shall be fixed at a level which will permit  
15 utilization by employed parents of low or moderate income. It  
16 may also permit any other State or local governmental agency or  
17 private agency providing care for children to purchase care.

18 After July 1, 1970 when the provisions of Section 10-20.20  
19 become operative in the district, children in a child-care  
20 facility shall be transferred to the kindergarten established  
21 under that Section for such portion of the day as may be  
22 required for the kindergarten program, and only the prorated  
23 costs of care and training provided in the Center for the  
24 remaining period shall be charged to the Illinois Department of  
25 Human Services or other persons or agencies paying for such  
26 care.

1 (i) The provisions of this Section shall also apply to  
2 school districts having a population exceeding 500,000.

3 (j) In addition to claiming reimbursement under this  
4 Section, a school district may claim general State aid under  
5 Section 18-8.05 or primary State aid under Section 18-8.15 for  
6 any student under age 21 who is enrolled in courses accepted  
7 for graduation from elementary or high school and who otherwise  
8 meets the requirements of Section 18-8.05 or 18-8.15, as  
9 applicable.

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

11 (105 ILCS 5/10-29)

12 Sec. 10-29. Remote educational programs.

13 (a) For purposes of this Section, "remote educational  
14 program" means an educational program delivered to students in  
15 the home or other location outside of a school building that  
16 meets all of the following criteria:

17 (1) A student may participate in the program only after  
18 the school district, pursuant to adopted school board  
19 policy, and a person authorized to enroll the student under  
20 Section 10-20.12b of this Code determine that a remote  
21 educational program will best serve the student's  
22 individual learning needs. The adopted school board policy  
23 shall include, but not be limited to, all of the following:

24 (A) Criteria for determining that a remote  
25 educational program will best serve a student's

1 individual learning needs. The criteria must include  
2 consideration of, at a minimum, a student's prior  
3 attendance, disciplinary record, and academic history.

4 (B) Any limitations on the number of students or  
5 grade levels that may participate in a remote  
6 educational program.

7 (C) A description of the process that the school  
8 district will use to approve participation in the  
9 remote educational program. The process must include  
10 without limitation a requirement that, for any student  
11 who qualifies to receive services pursuant to the  
12 federal Individuals with Disabilities Education  
13 Improvement Act of 2004, the student's participation  
14 in a remote educational program receive prior approval  
15 from the student's individualized education program  
16 team.

17 (D) A description of the process the school  
18 district will use to develop and approve a written  
19 remote educational plan that meets the requirements of  
20 subdivision (5) of this subsection (a).

21 (E) A description of the system the school district  
22 will establish to calculate the number of clock hours a  
23 student is participating in instruction in accordance  
24 with the remote educational program.

25 (F) A description of the process for renewing a  
26 remote educational program at the expiration of its



1 term.

2 (G) Such other terms and provisions as the school  
3 district deems necessary to provide for the  
4 establishment and delivery of a remote educational  
5 program.

6 (2) The school district has determined that the remote  
7 educational program's curriculum is aligned to State  
8 learning standards and that the program offers instruction  
9 and educational experiences consistent with those given to  
10 students at the same grade level in the district.

11 (3) The remote educational program is delivered by  
12 instructors that meet the following qualifications:

13 (A) they are certificated under Article 21 of this  
14 Code;

15 (B) they meet applicable highly qualified criteria  
16 under the federal No Child Left Behind Act of 2001; and

17 (C) they have responsibility for all of the  
18 following elements of the program: planning  
19 instruction, diagnosing learning needs, prescribing  
20 content delivery through class activities, assessing  
21 learning, reporting outcomes to administrators and  
22 parents and guardians, and evaluating the effects of  
23 instruction.

24 (4) During the period of time from and including the  
25 opening date to the closing date of the regular school term  
26 of the school district established pursuant to Section

1 10-19 of this Code, participation in a remote educational  
2 program may be claimed for general State aid purposes under  
3 Section 18-8.05 of this Code or primary State aid purposes  
4 under Section 18-8.15 of this Code on any calendar day,  
5 notwithstanding whether the day is a day of pupil  
6 attendance or institute day on the school district's  
7 calendar or any other provision of law restricting  
8 instruction on that day. If the district holds year-round  
9 classes in some buildings, the district shall classify each  
10 student's participation in a remote educational program as  
11 either on a year-round or a non-year-round schedule for  
12 purposes of claiming general State aid or primary State  
13 aid. Outside of the regular school term of the district,  
14 the remote educational program may be offered as part of  
15 any summer school program authorized by this Code.

16 (5) Each student participating in a remote educational  
17 program must have a written remote educational plan that  
18 has been approved by the school district and a person  
19 authorized to enroll the student under Section 10-20.12b of  
20 this Code. The school district and a person authorized to  
21 enroll the student under Section 10-20.12b of this Code  
22 must approve any amendment to a remote educational plan.  
23 The remote educational plan must include, but is not  
24 limited to, all of the following:

25 (A) Specific achievement goals for the student  
26 aligned to State learning standards.

1           (B) A description of all assessments that will be  
2 used to measure student progress, which description  
3 shall indicate the assessments that will be  
4 administered at an attendance center within the school  
5 district.

6           (C) A description of the progress reports that will  
7 be provided to the school district and the person or  
8 persons authorized to enroll the student under Section  
9 10-20.12b of this Code.

10          (D) Expectations, processes, and schedules for  
11 interaction between a teacher and student.

12          (E) A description of the specific responsibilities  
13 of the student's family and the school district with  
14 respect to equipment, materials, phone and Internet  
15 service, and any other requirements applicable to the  
16 home or other location outside of a school building  
17 necessary for the delivery of the remote educational  
18 program.

19          (F) If applicable, a description of how the remote  
20 educational program will be delivered in a manner  
21 consistent with the student's individualized education  
22 program required by Section 614(d) of the federal  
23 Individuals with Disabilities Education Improvement  
24 Act of 2004 or plan to ensure compliance with Section  
25 504 of the federal Rehabilitation Act of 1973.

26          (G) A description of the procedures and

1 opportunities for participation in academic and  
2 extra-curricular activities and programs within the  
3 school district.

4 (H) The identification of a parent, guardian, or  
5 other responsible adult who will provide direct  
6 supervision of the program. The plan must include an  
7 acknowledgment by the parent, guardian, or other  
8 responsible adult that he or she may engage only in  
9 non-teaching duties not requiring instructional  
10 judgment or the evaluation of a student. The plan shall  
11 designate the parent, guardian, or other responsible  
12 adult as non-teaching personnel or volunteer personnel  
13 under subsection (a) of Section 10-22.34 of this Code.

14 (I) The identification of a school district  
15 administrator who will oversee the remote educational  
16 program on behalf of the school district and who may be  
17 contacted by the student's parents with respect to any  
18 issues or concerns with the program.

19 (J) The term of the student's participation in the  
20 remote educational program, which may not extend for  
21 longer than 12 months, unless the term is renewed by  
22 the district in accordance with subdivision (7) of this  
23 subsection (a).

24 (K) A description of the specific location or  
25 locations in which the program will be delivered. If  
26 the remote educational program is to be delivered to a

1 student in any location other than the student's home,  
2 the plan must include a written determination by the  
3 school district that the location will provide a  
4 learning environment appropriate for the delivery of  
5 the program. The location or locations in which the  
6 program will be delivered shall be deemed a long  
7 distance teaching reception area under subsection (a)  
8 of Section 10-22.34 of this Code.

9 (L) Certification by the school district that the  
10 plan meets all other requirements of this Section.

11 (6) Students participating in a remote educational  
12 program must be enrolled in a school district attendance  
13 center pursuant to the school district's enrollment policy  
14 or policies. A student participating in a remote  
15 educational program must be tested as part of all  
16 assessments administered by the school district pursuant  
17 to Section 2-3.64 of this Code at the attendance center in  
18 which the student is enrolled and in accordance with the  
19 attendance center's assessment policies and schedule. The  
20 student must be included within all adequate yearly  
21 progress and other accountability determinations for the  
22 school district and attendance center under State and  
23 federal law.

24 (7) The term of a student's participation in a remote  
25 educational program may not extend for longer than 12  
26 months, unless the term is renewed by the school district.

1           The district may only renew a student's participation in a  
2           remote educational program following an evaluation of the  
3           student's progress in the program, a determination that the  
4           student's continuation in the program will best serve the  
5           student's individual learning needs, and an amendment to  
6           the student's written remote educational plan addressing  
7           any changes for the upcoming term of the program.

8           (b) A school district may, by resolution of its school  
9           board, establish a remote educational program.

10          (c) Clock hours of instruction by students in a remote  
11          educational program meeting the requirements of this Section  
12          may be claimed by the school district and shall be counted as  
13          school work for general State aid purposes in accordance with  
14          and subject to the limitations of Section 18-8.05 of this Code  
15          or primary State aid purposes in accordance with and subject to  
16          the limitations of Section 18-8.15 of this Code.

17          (d) The impact of remote educational programs on wages,  
18          hours, and terms and conditions of employment of educational  
19          employees within the school district shall be subject to local  
20          collective bargaining agreements.

21          (e) The use of a home or other location outside of a school  
22          building for a remote educational program shall not cause the  
23          home or other location to be deemed a public school facility.

24          (f) A remote educational program may be used, but is not  
25          required, for instruction delivered to a student in the home or  
26          other location outside of a school building that is not claimed

1 for general State aid purposes under Section 18-8.05 of this  
2 Code or primary State aid purposes under Section 18-8.15 of  
3 this Code.

4 (g) School districts that, pursuant to this Section, adopt  
5 a policy for a remote educational program must submit to the  
6 State Board of Education a copy of the policy and any  
7 amendments thereto, as well as data on student participation in  
8 a format specified by the State Board of Education. The State  
9 Board of Education may perform or contract with an outside  
10 entity to perform an evaluation of remote educational programs  
11 in this State.

12 (h) The State Board of Education may adopt any rules  
13 necessary to ensure compliance by remote educational programs  
14 with the requirements of this Section and other applicable  
15 legal requirements.

16 (Source: P.A. 96-684, eff. 8-25-09; 97-339, eff. 8-12-11.)

17 (105 ILCS 5/11E-135)

18 Sec. 11E-135. Incentives. For districts reorganizing under  
19 this Article and for a district or districts that annex all of  
20 the territory of one or more entire other school districts in  
21 accordance with Article 7 of this Code, the following payments  
22 shall be made from appropriations made for these purposes:

23 (a) (1) For a combined school district, as defined in  
24 Section 11E-20 of this Code, or for a unit district, as defined  
25 in Section 11E-25 of this Code, for its first year of

1 existence, the general State aid and supplemental general State  
2 aid calculated under Section 18-8.05 of this Code or the  
3 primary State aid and supplemental grants calculated under  
4 Section 18-8.15 of this Code, as applicable, shall be computed  
5 for the new district and for the previously existing districts  
6 for which property is totally included within the new district.  
7 If the computation on the basis of the previously existing  
8 districts is greater, a supplementary payment equal to the  
9 difference shall be made for the first 4 years of existence of  
10 the new district.

11 (2) For a school district that annexes all of the territory  
12 of one or more entire other school districts as defined in  
13 Article 7 of this Code, for the first year during which the  
14 change of boundaries attributable to the annexation becomes  
15 effective for all purposes, as determined under Section 7-9 of  
16 this Code, the general State aid and supplemental general State  
17 aid calculated under Section 18-8.05 of this Code or the  
18 primary State aid and supplemental grants calculated under  
19 Section 18-8.15 of this Code, as applicable, shall be computed  
20 for the annexing district as constituted after the annexation  
21 and for the annexing and each annexed district as constituted  
22 prior to the annexation; and if the computation on the basis of  
23 the annexing and annexed districts as constituted prior to the  
24 annexation is greater, then a supplementary payment equal to  
25 the difference shall be made for the first 4 years of existence  
26 of the annexing school district as constituted upon the



1 annexation.

2 (3) For 2 or more school districts that annex all of the  
3 territory of one or more entire other school districts, as  
4 defined in Article 7 of this Code, for the first year during  
5 which the change of boundaries attributable to the annexation  
6 becomes effective for all purposes, as determined under Section  
7 7-9 of this Code, the general State aid and supplemental  
8 general State aid calculated under Section 18-8.05 of this Code  
9 or the primary State aid and supplemental grants calculated  
10 under Section 18-8.15 of this Code, as applicable, shall be  
11 computed for each annexing district as constituted after the  
12 annexation and for each annexing and annexed district as  
13 constituted prior to the annexation; and if the aggregate of  
14 the general State aid and supplemental general State aid or  
15 primary State aid and supplemental grants, as applicable, as so  
16 computed for the annexing districts as constituted after the  
17 annexation is less than the aggregate of the general State aid  
18 and supplemental general State aid or primary State aid and  
19 supplemental grants, as applicable, as so computed for the  
20 annexing and annexed districts, as constituted prior to the  
21 annexation, then a supplementary payment equal to the  
22 difference shall be made and allocated between or among the  
23 annexing districts, as constituted upon the annexation, for the  
24 first 4 years of their existence. The total difference payment  
25 shall be allocated between or among the annexing districts in  
26 the same ratio as the pupil enrollment from that portion of the

1 annexed district or districts that is annexed to each annexing  
2 district bears to the total pupil enrollment from the entire  
3 annexed district or districts, as such pupil enrollment is  
4 determined for the school year last ending prior to the date  
5 when the change of boundaries attributable to the annexation  
6 becomes effective for all purposes. The amount of the total  
7 difference payment and the amount thereof to be allocated to  
8 the annexing districts shall be computed by the State Board of  
9 Education on the basis of pupil enrollment and other data that  
10 shall be certified to the State Board of Education, on forms  
11 that it shall provide for that purpose, by the regional  
12 superintendent of schools for each educational service region  
13 in which the annexing and annexed districts are located.

14 (4) For a school district conversion, as defined in Section  
15 11E-15 of this Code, or a multi-unit conversion, as defined in  
16 subsection (b) of Section 11E-30 of this Code, if in their  
17 first year of existence the newly created elementary districts  
18 and the newly created high school district, from a school  
19 district conversion, or the newly created elementary district  
20 or districts and newly created combined high school - unit  
21 district, from a multi-unit conversion, qualify for less  
22 general State aid under Section 18-8.05 of this Code or primary  
23 State aid under Section 18-8.15 of this Code than would have  
24 been payable under Section 18-8.05 or 18-8.15, as applicable,  
25 for that same year to the previously existing districts, then a  
26 supplementary payment equal to that difference shall be made

1 for the first 4 years of existence of the newly created  
2 districts. The aggregate amount of each supplementary payment  
3 shall be allocated among the newly created districts in the  
4 proportion that the deemed pupil enrollment in each district  
5 during its first year of existence bears to the actual  
6 aggregate pupil enrollment in all of the districts during their  
7 first year of existence. For purposes of each allocation:

8 (A) the deemed pupil enrollment of the newly created  
9 high school district from a school district conversion  
10 shall be an amount equal to its actual pupil enrollment for  
11 its first year of existence multiplied by 1.25;

12 (B) the deemed pupil enrollment of each newly created  
13 elementary district from a school district conversion  
14 shall be an amount equal to its actual pupil enrollment for  
15 its first year of existence reduced by an amount equal to  
16 the product obtained when the amount by which the newly  
17 created high school district's deemed pupil enrollment  
18 exceeds its actual pupil enrollment for its first year of  
19 existence is multiplied by a fraction, the numerator of  
20 which is the actual pupil enrollment of the newly created  
21 elementary district for its first year of existence and the  
22 denominator of which is the actual aggregate pupil  
23 enrollment of all of the newly created elementary districts  
24 for their first year of existence;

25 (C) the deemed high school pupil enrollment of the  
26 newly created combined high school - unit district from a

1 multi-unit conversion shall be an amount equal to its  
2 actual grades 9 through 12 pupil enrollment for its first  
3 year of existence multiplied by 1.25; and

4 (D) the deemed elementary pupil enrollment of each  
5 newly created district from a multi-unit conversion shall  
6 be an amount equal to each district's actual grade K  
7 through 8 pupil enrollment for its first year of existence,  
8 reduced by an amount equal to the product obtained when the  
9 amount by which the newly created combined high school -  
10 unit district's deemed high school pupil enrollment  
11 exceeds its actual grade 9 through 12 pupil enrollment for  
12 its first year of existence is multiplied by a fraction,  
13 the numerator of which is the actual grade K through 8  
14 pupil enrollment of each newly created district for its  
15 first year of existence and the denominator of which is the  
16 actual aggregate grade K through 8 pupil enrollment of all  
17 such newly created districts for their first year of  
18 existence.

19 The aggregate amount of each supplementary payment under  
20 this subdivision (4) and the amount thereof to be allocated to  
21 the newly created districts shall be computed by the State  
22 Board of Education on the basis of pupil enrollment and other  
23 data, which shall be certified to the State Board of Education,  
24 on forms that it shall provide for that purpose, by the  
25 regional superintendent of schools for each educational  
26 service region in which the newly created districts are

1 located.

2 (5) For a partial elementary unit district, as defined in  
3 subsection (a) or (c) of Section 11E-30 of this Code, if, in  
4 the first year of existence, the newly created partial  
5 elementary unit district qualifies for less general State aid  
6 and supplemental general State aid under Section 18-8.05 of  
7 this Code or less primary State aid and supplemental grants  
8 under Section 18-8.15 of this Code, as applicable, than would  
9 have been payable under those Sections ~~that Section~~ for that  
10 same year to the previously existing districts that formed the  
11 partial elementary unit district, then a supplementary payment  
12 equal to that difference shall be made to the partial  
13 elementary unit district for the first 4 years of existence of  
14 that newly created district.

15 (6) For an elementary opt-in, as described in subsection  
16 (d) of Section 11E-30 of this Code, the general State aid or  
17 primary State aid difference shall be computed in accordance  
18 with paragraph (5) of this subsection (a) as if the elementary  
19 opt-in was included in an optional elementary unit district at  
20 the optional elementary unit district's original effective  
21 date. If the calculation in this paragraph (6) is less than  
22 that calculated in paragraph (5) of this subsection (a) at the  
23 optional elementary unit district's original effective date,  
24 then no adjustments may be made. If the calculation in this  
25 paragraph (6) is more than that calculated in paragraph (5) of  
26 this subsection (a) at the optional elementary unit district's

1 original effective date, then the excess must be paid as  
2 follows:

3 (A) If the effective date for the elementary opt-in is  
4 one year after the effective date for the optional  
5 elementary unit district, 100% of the calculated excess  
6 shall be paid to the optional elementary unit district in  
7 each of the first 4 years after the effective date of the  
8 elementary opt-in.

9 (B) If the effective date for the elementary opt-in is  
10 2 years after the effective date for the optional  
11 elementary unit district, 75% of the calculated excess  
12 shall be paid to the optional elementary unit district in  
13 each of the first 4 years after the effective date of the  
14 elementary opt-in.

15 (C) If the effective date for the elementary opt-in is  
16 3 years after the effective date for the optional  
17 elementary unit district, 50% of the calculated excess  
18 shall be paid to the optional elementary unit district in  
19 each of the first 4 years after the effective date of the  
20 elementary opt-in.

21 (D) If the effective date for the elementary opt-in is  
22 4 years after the effective date for the optional  
23 elementary unit district, 25% of the calculated excess  
24 shall be paid to the optional elementary unit district in  
25 each of the first 4 years after the effective date of the  
26 elementary opt-in.

1           (E) If the effective date for the elementary opt-in is  
2           5 years after the effective date for the optional  
3           elementary unit district, the optional elementary unit  
4           district is not eligible for any additional incentives due  
5           to the elementary opt-in.

6           (6.5) For a school district that annexes territory detached  
7           from another school district whereby the enrollment of the  
8           annexing district increases by 90% or more as a result of the  
9           annexation, for the first year during which the change of  
10          boundaries attributable to the annexation becomes effective  
11          for all purposes as determined under Section 7-9 of this Code,  
12          the general State aid and supplemental general State aid or  
13          primary State aid and supplemental grants, as applicable,  
14          calculated under this Section shall be computed for the  
15          district gaining territory and the district losing territory as  
16          constituted after the annexation and for the same districts as  
17          constituted prior to the annexation; and if the aggregate of  
18          the general State aid and supplemental general State aid or  
19          primary State aid and supplemental grants, as applicable, as so  
20          computed for the district gaining territory and the district  
21          losing territory as constituted after the annexation is less  
22          than the aggregate of the general State aid and supplemental  
23          general State aid or primary State aid and supplemental grants,  
24          as applicable, as so computed for the district gaining  
25          territory and the district losing territory as constituted  
26          prior to the annexation, then a supplementary payment shall be

1 made to the annexing district for the first 4 years of  
2 existence after the annexation, equal to the difference  
3 multiplied by the ratio of student enrollment in the territory  
4 detached to the total student enrollment in the district losing  
5 territory for the year prior to the effective date of the  
6 annexation. The amount of the total difference and the  
7 proportion paid to the annexing district shall be computed by  
8 the State Board of Education on the basis of pupil enrollment  
9 and other data that must be submitted to the State Board of  
10 Education in accordance with Section 7-14A of this Code. The  
11 changes to this Section made by Public Act 95-707 are intended  
12 to be retroactive and applicable to any annexation taking  
13 effect on or after July 1, 2004. For annexations that are  
14 eligible for payments under this paragraph (6.5) and that are  
15 effective on or after July 1, 2004, but before January 11, 2008  
16 (the effective date of Public Act 95-707), the first required  
17 yearly payment under this paragraph (6.5) shall be paid in the  
18 fiscal year of January 11, 2008 (the effective date of Public  
19 Act 95-707). Subsequent required yearly payments shall be paid  
20 in subsequent fiscal years until the payment obligation under  
21 this paragraph (6.5) is complete.

22 (7) Claims for financial assistance under this subsection  
23 (a) may not be recomputed except as expressly provided under  
24 Section 18-8.05 or 18-8.15 of this Code.

25 (8) Any supplementary payment made under this subsection  
26 (a) must be treated as separate from all other payments made



1 pursuant to Section 18-8.05 or 18-8.15 of this Code.

2 (b) (1) After the formation of a combined school district,  
3 as defined in Section 11E-20 of this Code, or a unit district,  
4 as defined in Section 11E-25 of this Code, a computation shall  
5 be made to determine the difference between the salaries  
6 effective in each of the previously existing districts on June  
7 30, prior to the creation of the new district. For the first 4  
8 years after the formation of the new district, a supplementary  
9 State aid reimbursement shall be paid to the new district equal  
10 to the difference between the sum of the salaries earned by  
11 each of the certificated members of the new district, while  
12 employed in one of the previously existing districts during the  
13 year immediately preceding the formation of the new district,  
14 and the sum of the salaries those certificated members would  
15 have been paid during the year immediately prior to the  
16 formation of the new district if placed on the salary schedule  
17 of the previously existing district with the highest salary  
18 schedule.

19 (2) After the territory of one or more school districts is  
20 annexed by one or more other school districts as defined in  
21 Article 7 of this Code, a computation shall be made to  
22 determine the difference between the salaries effective in each  
23 annexed district and in the annexing district or districts as  
24 they were each constituted on June 30 preceding the date when  
25 the change of boundaries attributable to the annexation became  
26 effective for all purposes, as determined under Section 7-9 of

1 this Code. For the first 4 years after the annexation, a  
2 supplementary State aid reimbursement shall be paid to each  
3 annexing district as constituted after the annexation equal to  
4 the difference between the sum of the salaries earned by each  
5 of the certificated members of the annexing district as  
6 constituted after the annexation, while employed in an annexed  
7 or annexing district during the year immediately preceding the  
8 annexation, and the sum of the salaries those certificated  
9 members would have been paid during the immediately preceding  
10 year if placed on the salary schedule of whichever of the  
11 annexing or annexed districts had the highest salary schedule  
12 during the immediately preceding year.

13 (3) For each new high school district formed under a school  
14 district conversion, as defined in Section 11E-15 of this Code,  
15 the State shall make a supplementary payment for 4 years equal  
16 to the difference between the sum of the salaries earned by  
17 each certified member of the new high school district, while  
18 employed in one of the previously existing districts, and the  
19 sum of the salaries those certified members would have been  
20 paid if placed on the salary schedule of the previously  
21 existing district with the highest salary schedule.

22 (4) For each newly created partial elementary unit  
23 district, the State shall make a supplementary payment for 4  
24 years equal to the difference between the sum of the salaries  
25 earned by each certified member of the newly created partial  
26 elementary unit district, while employed in one of the

1 previously existing districts that formed the partial  
2 elementary unit district, and the sum of the salaries those  
3 certified members would have been paid if placed on the salary  
4 schedule of the previously existing district with the highest  
5 salary schedule. The salary schedules used in the calculation  
6 shall be those in effect in the previously existing districts  
7 for the school year prior to the creation of the new partial  
8 elementary unit district.

9 (5) For an elementary district opt-in, as described in  
10 subsection (d) of Section 11E-30 of this Code, the salary  
11 difference incentive shall be computed in accordance with  
12 paragraph (4) of this subsection (b) as if the opted-in  
13 elementary district was included in the optional elementary  
14 unit district at the optional elementary unit district's  
15 original effective date. If the calculation in this paragraph  
16 (5) is less than that calculated in paragraph (4) of this  
17 subsection (b) at the optional elementary unit district's  
18 original effective date, then no adjustments may be made. If  
19 the calculation in this paragraph (5) is more than that  
20 calculated in paragraph (4) of this subsection (b) at the  
21 optional elementary unit district's original effective date,  
22 then the excess must be paid as follows:

23 (A) If the effective date for the elementary opt-in is  
24 one year after the effective date for the optional  
25 elementary unit district, 100% of the calculated excess  
26 shall be paid to the optional elementary unit district in

1 each of the first 4 years after the effective date of the  
2 elementary opt-in.

3 (B) If the effective date for the elementary opt-in is  
4 2 years after the effective date for the optional  
5 elementary unit district, 75% of the calculated excess  
6 shall be paid to the optional elementary unit district in  
7 each of the first 4 years after the effective date of the  
8 elementary opt-in.

9 (C) If the effective date for the elementary opt-in is  
10 3 years after the effective date for the optional  
11 elementary unit district, 50% of the calculated excess  
12 shall be paid to the optional elementary unit district in  
13 each of the first 4 years after the effective date of the  
14 elementary opt-in.

15 (D) If the effective date for the elementary opt-in is  
16 4 years after the effective date for the partial elementary  
17 unit district, 25% of the calculated excess shall be paid  
18 to the optional elementary unit district in each of the  
19 first 4 years after the effective date of the elementary  
20 opt-in.

21 (E) If the effective date for the elementary opt-in is  
22 5 years after the effective date for the optional  
23 elementary unit district, the optional elementary unit  
24 district is not eligible for any additional incentives due  
25 to the elementary opt-in.

26 (5.5) After the formation of a cooperative high school by 2

1 or more school districts under Section 10-22.22c of this Code,  
2 a computation shall be made to determine the difference between  
3 the salaries effective in each of the previously existing high  
4 schools on June 30 prior to the formation of the cooperative  
5 high school. For the first 4 years after the formation of the  
6 cooperative high school, a supplementary State aid  
7 reimbursement shall be paid to the cooperative high school  
8 equal to the difference between the sum of the salaries earned  
9 by each of the certificated members of the cooperative high  
10 school while employed in one of the previously existing high  
11 schools during the year immediately preceding the formation of  
12 the cooperative high school and the sum of the salaries those  
13 certificated members would have been paid during the year  
14 immediately prior to the formation of the cooperative high  
15 school if placed on the salary schedule of the previously  
16 existing high school with the highest salary schedule.

17 (5.10) After the annexation of territory detached from  
18 another school district whereby the enrollment of the annexing  
19 district increases by 90% or more as a result of the  
20 annexation, a computation shall be made to determine the  
21 difference between the salaries effective in the district  
22 gaining territory and the district losing territory as they  
23 each were constituted on June 30 preceding the date when the  
24 change of boundaries attributable to the annexation became  
25 effective for all purposes as determined under Section 7-9 of  
26 this Code. For the first 4 years after the annexation, a

1 supplementary State aid reimbursement shall be paid to the  
2 annexing district equal to the difference between the sum of  
3 the salaries earned by each of the certificated members of the  
4 annexing district as constituted after the annexation while  
5 employed in the district gaining territory or the district  
6 losing territory during the year immediately preceding the  
7 annexation and the sum of the salaries those certificated  
8 members would have been paid during such immediately preceding  
9 year if placed on the salary schedule of whichever of the  
10 district gaining territory or district losing territory had the  
11 highest salary schedule during the immediately preceding year.  
12 To be eligible for supplementary State aid reimbursement under  
13 this Section, the intergovernmental agreement to be submitted  
14 pursuant to Section 7-14A of this Code must show that staff  
15 members were transferred from the control of the district  
16 losing territory to the control of the district gaining  
17 territory in the annexation. The changes to this Section made  
18 by Public Act 95-707 are intended to be retroactive and  
19 applicable to any annexation taking effect on or after July 1,  
20 2004. For annexations that are eligible for payments under this  
21 paragraph (5.10) and that are effective on or after July 1,  
22 2004, but before January 11, 2008 (the effective date of Public  
23 Act 95-707), the first required yearly payment under this  
24 paragraph (5.10) shall be paid in the fiscal year of January  
25 11, 2008 (the effective date of Public Act 95-707). Subsequent  
26 required yearly payments shall be paid in subsequent fiscal

1 years until the payment obligation under this paragraph (5.10)  
2 is complete.

3 (5.15) After the deactivation of a school facility in  
4 accordance with Section 10-22.22b of this Code, a computation  
5 shall be made to determine the difference between the salaries  
6 effective in the sending school district and each receiving  
7 school district on June 30 prior to the deactivation of the  
8 school facility. For the lesser of the first 4 years after the  
9 deactivation of the school facility or the length of the  
10 deactivation agreement, including any renewals of the original  
11 deactivation agreement, a supplementary State aid  
12 reimbursement shall be paid to each receiving district equal to  
13 the difference between the sum of the salaries earned by each  
14 of the certificated members transferred to that receiving  
15 district as a result of the deactivation while employed in the  
16 sending district during the year immediately preceding the  
17 deactivation and the sum of the salaries those certificated  
18 members would have been paid during the year immediately  
19 preceding the deactivation if placed on the salary schedule of  
20 the sending or receiving district with the highest salary  
21 schedule.

22 (6) The supplementary State aid reimbursement under this  
23 subsection (b) shall be treated as separate from all other  
24 payments made pursuant to Section 18-8.05 of this Code. In the  
25 case of the formation of a new district or cooperative high  
26 school or a deactivation, reimbursement shall begin during the

1 first year of operation of the new district or cooperative high  
2 school or the first year of the deactivation, and in the case  
3 of an annexation of the territory of one or more school  
4 districts by one or more other school districts or the  
5 annexation of territory detached from a school district whereby  
6 the enrollment of the annexing district increases by 90% or  
7 more as a result of the annexation, reimbursement shall begin  
8 during the first year when the change in boundaries  
9 attributable to the annexation becomes effective for all  
10 purposes as determined pursuant to Section 7-9 of this Code,  
11 except that for an annexation of territory detached from a  
12 school district that is effective on or after July 1, 2004, but  
13 before January 11, 2008 (the effective date of Public Act  
14 95-707), whereby the enrollment of the annexing district  
15 increases by 90% or more as a result of the annexation,  
16 reimbursement shall begin during the fiscal year of January 11,  
17 2008 (the effective date of Public Act 95-707). Each year that  
18 the new, annexing, or receiving district or cooperative high  
19 school, as the case may be, is entitled to receive  
20 reimbursement, the number of eligible certified members who are  
21 employed on October 1 in the district or cooperative high  
22 school shall be certified to the State Board of Education on  
23 prescribed forms by October 15 and payment shall be made on or  
24 before November 15 of that year.

25 (c) (1) For the first year after the formation of a combined  
26 school district, as defined in Section 11E-20 of this Code or a



1 unit district, as defined in Section 11E-25 of this Code, a  
2 computation shall be made totaling each previously existing  
3 district's audited fund balances in the educational fund,  
4 working cash fund, operations and maintenance fund, and  
5 transportation fund for the year ending June 30 prior to the  
6 referendum for the creation of the new district. The new  
7 district shall be paid supplementary State aid equal to the sum  
8 of the differences between the deficit of the previously  
9 existing district with the smallest deficit and the deficits of  
10 each of the other previously existing districts.

11 (2) For the first year after the annexation of all of the  
12 territory of one or more entire school districts by another  
13 school district, as defined in Article 7 of this Code,  
14 computations shall be made, for the year ending June 30 prior  
15 to the date that the change of boundaries attributable to the  
16 annexation is allowed by the affirmative decision issued by the  
17 regional board of school trustees under Section 7-6 of this  
18 Code, notwithstanding any effort to seek administrative review  
19 of the decision, totaling the annexing district's and totaling  
20 each annexed district's audited fund balances in their  
21 respective educational, working cash, operations and  
22 maintenance, and transportation funds. The annexing district  
23 as constituted after the annexation shall be paid supplementary  
24 State aid equal to the sum of the differences between the  
25 deficit of whichever of the annexing or annexed districts as  
26 constituted prior to the annexation had the smallest deficit

1 and the deficits of each of the other districts as constituted  
2 prior to the annexation.

3 (3) For the first year after the annexation of all of the  
4 territory of one or more entire school districts by 2 or more  
5 other school districts, as defined by Article 7 of this Code,  
6 computations shall be made, for the year ending June 30 prior  
7 to the date that the change of boundaries attributable to the  
8 annexation is allowed by the affirmative decision of the  
9 regional board of school trustees under Section 7-6 of this  
10 Code, notwithstanding any action for administrative review of  
11 the decision, totaling each annexing and annexed district's  
12 audited fund balances in their respective educational, working  
13 cash, operations and maintenance, and transportation funds.  
14 The annexing districts as constituted after the annexation  
15 shall be paid supplementary State aid, allocated as provided in  
16 this paragraph (3), in an aggregate amount equal to the sum of  
17 the differences between the deficit of whichever of the  
18 annexing or annexed districts as constituted prior to the  
19 annexation had the smallest deficit and the deficits of each of  
20 the other districts as constituted prior to the annexation. The  
21 aggregate amount of the supplementary State aid payable under  
22 this paragraph (3) shall be allocated between or among the  
23 annexing districts as follows:

24 (A) the regional superintendent of schools for each  
25 educational service region in which an annexed district is  
26 located prior to the annexation shall certify to the State

1 Board of Education, on forms that it shall provide for that  
2 purpose, the value of all taxable property in each annexed  
3 district, as last equalized or assessed by the Department  
4 of Revenue prior to the annexation, and the equalized  
5 assessed value of each part of the annexed district that  
6 was annexed to or included as a part of an annexing  
7 district;

8 (B) using equalized assessed values as certified by the  
9 regional superintendent of schools under clause (A) of this  
10 paragraph (3), the combined audited fund balance deficit of  
11 each annexed district as determined under this Section  
12 shall be apportioned between or among the annexing  
13 districts in the same ratio as the equalized assessed value  
14 of that part of the annexed district that was annexed to or  
15 included as a part of an annexing district bears to the  
16 total equalized assessed value of the annexed district; and

17 (C) the aggregate supplementary State aid payment  
18 under this paragraph (3) shall be allocated between or  
19 among, and shall be paid to, the annexing districts in the  
20 same ratio as the sum of the combined audited fund balance  
21 deficit of each annexing district as constituted prior to  
22 the annexation, plus all combined audited fund balance  
23 deficit amounts apportioned to that annexing district  
24 under clause (B) of this subsection, bears to the aggregate  
25 of the combined audited fund balance deficits of all of the  
26 annexing and annexed districts as constituted prior to the

1 annexation.

2 (4) For the new elementary districts and new high school  
3 district formed through a school district conversion, as  
4 defined in Section 11E-15 of this Code or the new elementary  
5 district or districts and new combined high school - unit  
6 district formed through a multi-unit conversion, as defined in  
7 subsection (b) of Section 11E-30 of this Code, a computation  
8 shall be made totaling each previously existing district's  
9 audited fund balances in the educational fund, working cash  
10 fund, operations and maintenance fund, and transportation fund  
11 for the year ending June 30 prior to the referendum  
12 establishing the new districts. In the first year of the new  
13 districts, the State shall make a one-time supplementary  
14 payment equal to the sum of the differences between the deficit  
15 of the previously existing district with the smallest deficit  
16 and the deficits of each of the other previously existing  
17 districts. A district with a combined balance among the 4 funds  
18 that is positive shall be considered to have a deficit of zero.  
19 The supplementary payment shall be allocated among the newly  
20 formed high school and elementary districts in the manner  
21 provided by the petition for the formation of the districts, in  
22 the form in which the petition is approved by the regional  
23 superintendent of schools or State Superintendent of Education  
24 under Section 11E-50 of this Code.

25 (5) For each newly created partial elementary unit  
26 district, as defined in subsection (a) or (c) of Section 11E-30

1 of this Code, a computation shall be made totaling the audited  
2 fund balances of each previously existing district that formed  
3 the new partial elementary unit district in the educational  
4 fund, working cash fund, operations and maintenance fund, and  
5 transportation fund for the year ending June 30 prior to the  
6 referendum for the formation of the partial elementary unit  
7 district. In the first year of the new partial elementary unit  
8 district, the State shall make a one-time supplementary payment  
9 to the new district equal to the sum of the differences between  
10 the deficit of the previously existing district with the  
11 smallest deficit and the deficits of each of the other  
12 previously existing districts. A district with a combined  
13 balance among the 4 funds that is positive shall be considered  
14 to have a deficit of zero.

15 (6) For an elementary opt-in as defined in subsection (d)  
16 of Section 11E-30 of this Code, the deficit fund balance  
17 incentive shall be computed in accordance with paragraph (5) of  
18 this subsection (c) as if the opted-in elementary was included  
19 in the optional elementary unit district at the optional  
20 elementary unit district's original effective date. If the  
21 calculation in this paragraph (6) is less than that calculated  
22 in paragraph (5) of this subsection (c) at the optional  
23 elementary unit district's original effective date, then no  
24 adjustments may be made. If the calculation in this paragraph  
25 (6) is more than that calculated in paragraph (5) of this  
26 subsection (c) at the optional elementary unit district's

1 original effective date, then the excess must be paid as  
2 follows:

3 (A) If the effective date for the elementary opt-in is  
4 one year after the effective date for the optional  
5 elementary unit district, 100% of the calculated excess  
6 shall be paid to the optional elementary unit district in  
7 the first year after the effective date of the elementary  
8 opt-in.

9 (B) If the effective date for the elementary opt-in is  
10 2 years after the effective date for the optional  
11 elementary unit district, 75% of the calculated excess  
12 shall be paid to the optional elementary unit district in  
13 the first year after the effective date of the elementary  
14 opt-in.

15 (C) If the effective date for the elementary opt-in is  
16 3 years after the effective date for the optional  
17 elementary unit district, 50% of the calculated excess  
18 shall be paid to the optional elementary unit district in  
19 the first year after the effective date of the elementary  
20 opt-in.

21 (D) If the effective date for the elementary opt-in is  
22 4 years after the effective date for the optional  
23 elementary unit district, 25% of the calculated excess  
24 shall be paid to the optional elementary unit district in  
25 the first year after the effective date of the elementary  
26 opt-in.

1           (E) If the effective date for the elementary opt-in is  
2           5 years after the effective date for the optional  
3           elementary unit district, the optional elementary unit  
4           district is not eligible for any additional incentives due  
5           to the elementary opt-in.

6           (6.5) For the first year after the annexation of territory  
7           detached from another school district whereby the enrollment of  
8           the annexing district increases by 90% or more as a result of  
9           the annexation, a computation shall be made totaling the  
10          audited fund balances of the district gaining territory and the  
11          audited fund balances of the district losing territory in the  
12          educational fund, working cash fund, operations and  
13          maintenance fund, and transportation fund for the year ending  
14          June 30 prior to the date that the change of boundaries  
15          attributable to the annexation is allowed by the affirmative  
16          decision of the regional board of school trustees under Section  
17          7-6 of this Code, notwithstanding any action for administrative  
18          review of the decision. The annexing district as constituted  
19          after the annexation shall be paid supplementary State aid  
20          equal to the difference between the deficit of whichever  
21          district included in this calculation as constituted prior to  
22          the annexation had the smallest deficit and the deficit of each  
23          other district included in this calculation as constituted  
24          prior to the annexation, multiplied by the ratio of equalized  
25          assessed value of the territory detached to the total equalized  
26          assessed value of the district losing territory. The regional

1 superintendent of schools for the educational service region in  
2 which a district losing territory is located prior to the  
3 annexation shall certify to the State Board of Education the  
4 value of all taxable property in the district losing territory  
5 and the value of all taxable property in the territory being  
6 detached, as last equalized or assessed by the Department of  
7 Revenue prior to the annexation. To be eligible for  
8 supplementary State aid reimbursement under this Section, the  
9 intergovernmental agreement to be submitted pursuant to  
10 Section 7-14A of this Code must show that fund balances were  
11 transferred from the district losing territory to the district  
12 gaining territory in the annexation. The changes to this  
13 Section made by Public Act 95-707 are intended to be  
14 retroactive and applicable to any annexation taking effect on  
15 or after July 1, 2004. For annexations that are eligible for  
16 payments under this paragraph (6.5) and that are effective on  
17 or after July 1, 2004, but before January 11, 2008 (the  
18 effective date of Public Act 95-707), the required payment  
19 under this paragraph (6.5) shall be paid in the fiscal year of  
20 January 11, 2008 (the effective date of Public Act 95-707).

21 (7) For purposes of any calculation required under  
22 paragraph (1), (2), (3), (4), (5), (6), or (6.5) of this  
23 subsection (c), a district with a combined fund balance that is  
24 positive shall be considered to have a deficit of zero. For  
25 purposes of determining each district's audited fund balances  
26 in its educational fund, working cash fund, operations and



1 maintenance fund, and transportation fund for the specified  
2 year ending June 30, as provided in paragraphs (1), (2), (3),  
3 (4), (5), (6), and (6.5) of this subsection (c), the balance of  
4 each fund shall be deemed decreased by an amount equal to the  
5 amount of the annual property tax theretofore levied in the  
6 fund by the district for collection and payment to the district  
7 during the calendar year in which the June 30 fell, but only to  
8 the extent that the tax so levied in the fund actually was  
9 received by the district on or before or comprised a part of  
10 the fund on such June 30. For purposes of determining each  
11 district's audited fund balances, a calculation shall be made  
12 for each fund to determine the average for the 3 years prior to  
13 the specified year ending June 30, as provided in paragraphs  
14 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c),  
15 of the district's expenditures in the categories "purchased  
16 services", "supplies and materials", and "capital outlay", as  
17 those categories are defined in rules of the State Board of  
18 Education. If this 3-year average is less than the district's  
19 expenditures in these categories for the specified year ending  
20 June 30, as provided in paragraphs (1), (2), (3), (4), (5),  
21 (6), and (6.5) of this subsection (c), then the 3-year average  
22 shall be used in calculating the amounts payable under this  
23 Section in place of the amounts shown in these categories for  
24 the specified year ending June 30, as provided in paragraphs  
25 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c).  
26 Any deficit because of State aid not yet received may not be

1 considered in determining the June 30 deficits. The same basis  
2 of accounting shall be used by all previously existing  
3 districts and by all annexing or annexed districts, as  
4 constituted prior to the annexation, in making any computation  
5 required under paragraphs (1), (2), (3), (4), (5), (6), and  
6 (6.5) of this subsection (c).

7 (8) The supplementary State aid payments under this  
8 subsection (c) shall be treated as separate from all other  
9 payments made pursuant to Section 18-8.05 of this Code.

10 (d)(1) Following the formation of a combined school  
11 district, as defined in Section 11E-20 of this Code, a new unit  
12 district, as defined in Section 11E-25 of this Code, a new  
13 elementary district or districts and a new high school district  
14 formed through a school district conversion, as defined in  
15 Section 11E-15 of this Code, a new partial elementary unit  
16 district, as defined in Section 11E-30 of this Code, or a new  
17 elementary district or districts formed through a multi-unit  
18 conversion, as defined in subsection (b) of Section 11E-30 of  
19 this Code, or the annexation of all of the territory of one or  
20 more entire school districts by one or more other school  
21 districts, as defined in Article 7 of this Code, a  
22 supplementary State aid reimbursement shall be paid for the  
23 number of school years determined under the following table to  
24 each new or annexing district equal to the sum of \$4,000 for  
25 each certified employee who is employed by the district on a  
26 full-time basis for the regular term of the school year:

1	Reorganized District's Rank	Reorganized District's Rank		
2	by type of district (unit,	in Average Daily Attendance		
3	high school, elementary)	By Quintile		
4	in Equalized Assessed Value			
5	Per Pupil by Quintile			
6				3rd, 4th,
7		1st	2nd	or 5th
8		Quintile	Quintile	Quintile
9	1st Quintile	1 year	1 year	1 year
10	2nd Quintile	1 year	2 years	2 years
11	3rd Quintile	2 years	3 years	3 years
12	4th Quintile	2 years	3 years	3 years
13	5th Quintile	2 years	3 years	3 years

14 The State Board of Education shall make a one-time calculation  
15 of a reorganized district's quintile ranks. The average daily  
16 attendance used in this calculation shall be the best 3 months'  
17 average daily attendance for the district's first year. The  
18 equalized assessed value per pupil shall be the district's real  
19 property equalized assessed value used in calculating the  
20 district's first-year general State aid claim, under Section  
21 18-8.05 of this Code, or first-year primary State aid claim,  
22 under Section 18-8.15 of this Code, as applicable, divided by  
23 the best 3 months' average daily attendance.

24 No annexing or resulting school district shall be entitled

1 to supplementary State aid under this subsection (d) unless the  
2 district acquires at least 30% of the average daily attendance  
3 of the district from which the territory is being detached or  
4 divided.

5 If a district results from multiple reorganizations that  
6 would otherwise qualify the district for multiple payments  
7 under this subsection (d) in any year, then the district shall  
8 receive a single payment only for that year based solely on the  
9 most recent reorganization.

10 (2) For an elementary opt-in, as defined in subsection (d)  
11 of Section 11E-30 of this Code, the full-time certified staff  
12 incentive shall be computed in accordance with paragraph (1) of  
13 this subsection (d), equal to the sum of \$4,000 for each  
14 certified employee of the elementary district that opts-in who  
15 is employed by the optional elementary unit district on a  
16 full-time basis for the regular term of the school year. The  
17 calculation from this paragraph (2) must be paid as follows:

18 (A) If the effective date for the elementary opt-in is  
19 one year after the effective date for the optional  
20 elementary unit district, 100% of the amount calculated in  
21 this paragraph (2) shall be paid to the optional elementary  
22 unit district for the number of years calculated in  
23 paragraph (1) of this subsection (d) at the optional  
24 elementary unit district's original effective date,  
25 starting in the second year after the effective date of the  
26 elementary opt-in.

1           (B) If the effective date for the elementary opt-in is  
2           2 years after the effective date for the optional  
3           elementary unit district, 75% of the amount calculated in  
4           this paragraph (2) shall be paid to the optional elementary  
5           unit district for the number of years calculated in  
6           paragraph (1) of this subsection (d) at the optional  
7           elementary unit district's original effective date,  
8           starting in the second year after the effective date of the  
9           elementary opt-in.

10          (C) If the effective date for the elementary opt-in is  
11          3 years after the effective date for the optional  
12          elementary unit district, 50% of the amount calculated in  
13          this paragraph (2) shall be paid to the optional elementary  
14          unit district for the number of years calculated in  
15          paragraph (1) of this subsection (d) at the optional  
16          elementary unit district's original effective date,  
17          starting in the second year after the effective date of the  
18          elementary opt-in.

19          (D) If the effective date for the elementary opt-in is  
20          4 years after the effective date for the optional  
21          elementary unit district, 25% of the amount calculated in  
22          this paragraph (2) shall be paid to the optional elementary  
23          unit district for the number of years calculated in  
24          paragraph (1) of this subsection (d) at the optional  
25          elementary unit district's original effective date,  
26          starting in the second year after the effective date of the

1 elementary opt-in.

2 (E) If the effective date for the elementary opt-in is  
3 5 years after the effective date for the optional  
4 elementary unit district, the optional elementary unit  
5 district is not eligible for any additional incentives due  
6 to the elementary opt-in.

7 (2.5) Following the formation of a cooperative high school  
8 by 2 or more school districts under Section 10-22.22c of this  
9 Code, a supplementary State aid reimbursement shall be paid for  
10 3 school years to the cooperative high school equal to the sum  
11 of \$4,000 for each certified employee who is employed by the  
12 cooperative high school on a full-time basis for the regular  
13 term of any such school year. If a cooperative high school  
14 results from multiple agreements that would otherwise qualify  
15 the cooperative high school for multiple payments under this  
16 Section in any year, the cooperative high school shall receive  
17 a single payment for that year based solely on the most recent  
18 agreement.

19 (2.10) Following the annexation of territory detached from  
20 another school district whereby the enrollment of the annexing  
21 district increases 90% or more as a result of the annexation, a  
22 supplementary State aid reimbursement shall be paid to the  
23 annexing district equal to the sum of \$4,000 for each certified  
24 employee who is employed by the annexing district on a  
25 full-time basis and shall be calculated in accordance with  
26 subsection (a) of this Section. To be eligible for

1 supplementary State aid reimbursement under this Section, the  
2 intergovernmental agreement to be submitted pursuant to  
3 Section 7-14A of this Code must show that certified staff  
4 members were transferred from the control of the district  
5 losing territory to the control of the district gaining  
6 territory in the annexation. The changes to this Section made  
7 by Public Act 95-707 are intended to be retroactive and  
8 applicable to any annexation taking effect on or after July 1,  
9 2004. For annexations that are eligible for payments under this  
10 paragraph (2.10) and that are effective on or after July 1,  
11 2004, but before January 11, 2008 (the effective date of Public  
12 Act 95-707), the first required yearly payment under this  
13 paragraph (2.10) shall be paid in the second fiscal year after  
14 January 11, 2008 (the effective date of Public Act 95-707). Any  
15 subsequent required yearly payments shall be paid in subsequent  
16 fiscal years until the payment obligation under this paragraph  
17 (2.10) is complete.

18 (2.15) Following the deactivation of a school facility in  
19 accordance with Section 10-22.22b of this Code, a supplementary  
20 State aid reimbursement shall be paid for the lesser of 3  
21 school years or the length of the deactivation agreement,  
22 including any renewals of the original deactivation agreement,  
23 to each receiving school district equal to the sum of \$4,000  
24 for each certified employee who is employed by that receiving  
25 district on a full-time basis for the regular term of any such  
26 school year who was originally transferred to the control of

1 that receiving district as a result of the deactivation.  
2 Receiving districts are eligible for payments under this  
3 paragraph (2.15) based on the certified employees transferred  
4 to that receiving district as a result of the deactivation and  
5 are not required to receive at least 30% of the deactivating  
6 district's average daily attendance as required under  
7 paragraph (1) of this subsection (d) to be eligible for  
8 payments.

9 (3) The supplementary State aid reimbursement payable  
10 under this subsection (d) shall be separate from and in  
11 addition to all other payments made to the district pursuant to  
12 any other Section of this Article.

13 (4) During May of each school year for which a  
14 supplementary State aid reimbursement is to be paid to a new,  
15 annexing, or receiving school district or cooperative high  
16 school pursuant to this subsection (d), the school board or  
17 governing board shall certify to the State Board of Education,  
18 on forms furnished to the school board or governing board by  
19 the State Board of Education for purposes of this subsection  
20 (d), the number of certified employees for which the district  
21 or cooperative high school is entitled to reimbursement under  
22 this Section, together with the names, certificate numbers, and  
23 positions held by the certified employees.

24 (5) Upon certification by the State Board of Education to  
25 the State Comptroller of the amount of the supplementary State  
26 aid reimbursement to which a school district or cooperative



1 high school is entitled under this subsection (d), the State  
2 Comptroller shall draw his or her warrant upon the State  
3 Treasurer for the payment thereof to the school district or  
4 cooperative high school and shall promptly transmit the payment  
5 to the school district or cooperative high school through the  
6 appropriate school treasurer.

7 (Source: P.A. 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;  
8 95-903, eff. 8-25-08; 96-328, eff. 8-11-09.)

9 (105 ILCS 5/13A-8)

10 Sec. 13A-8. Funding.

11 (a) The State of Illinois shall provide funding for the  
12 alternative school programs within each educational service  
13 region and within the Chicago public school system by line item  
14 appropriation made to the State Board of Education for that  
15 purpose. This money, when appropriated, shall be provided to  
16 the regional superintendent and to the Chicago Board of  
17 Education, who shall establish a budget, including salaries,  
18 for their alternative school programs. Each program shall  
19 receive funding in the amount of \$30,000 plus an amount based  
20 on the ratio of the region's or Chicago's best 3 months'  
21 average daily attendance in grades pre-kindergarten through 12  
22 to the statewide totals of these amounts. For purposes of this  
23 calculation, the best 3 months' average daily attendance for  
24 each region or Chicago shall be calculated by adding to the  
25 best 3 months' average daily attendance the number of

1 low-income students identified in the most recently available  
2 federal census multiplied by one-half times the percentage of  
3 the region's or Chicago's low-income students to the State's  
4 total low-income students. The State Board of Education shall  
5 retain up to 1.1% of the appropriation to be used to provide  
6 technical assistance, professional development, and  
7 evaluations for the programs.

8 (a-5) Notwithstanding any other provisions of this  
9 Section, for the 1998-1999 fiscal year, the total amount  
10 distributed under subsection (a) for an alternative school  
11 program shall be not less than the total amount that was  
12 distributed under that subsection for that alternative school  
13 program for the 1997-1998 fiscal year. If an alternative school  
14 program is to receive a total distribution under subsection (a)  
15 for the 1998-1999 fiscal year that is less than the total  
16 distribution that the program received under that subsection  
17 for the 1997-1998 fiscal year, that alternative school program  
18 shall also receive, from a separate appropriation made for  
19 purposes of this subsection (a-5), a supplementary payment  
20 equal to the amount by which its total distribution under  
21 subsection (a) for the 1997-1998 fiscal year exceeds the amount  
22 of the total distribution that the alternative school program  
23 receives under that subsection for the 1998-1999 fiscal year.  
24 If the amount appropriated for supplementary payments to  
25 alternative school programs under this subsection (a-5) is  
26 insufficient for that purpose, those supplementary payments

1 shall be prorated among the alternative school programs  
2 entitled to receive those supplementary payments according to  
3 the aggregate amount of the appropriation made for purposes of  
4 this subsection (a-5).

5 (b) An alternative school program shall be entitled to  
6 receive general State aid as calculated in subsection (K) of  
7 Section 18-8.05 or primary State aid as calculated in  
8 subsection (i) of Section 18-8.15 upon filing a claim as  
9 provided therein. Any time that a student who is enrolled in an  
10 alternative school program spends in work-based learning,  
11 community service, or a similar alternative educational  
12 setting shall be included in determining the student's minimum  
13 number of clock hours of daily school work that constitute a  
14 day of attendance for purposes of calculating general State aid  
15 or primary State aid.

16 (c) An alternative school program may receive additional  
17 funding from its school districts in such amount as may be  
18 agreed upon by the parties and necessary to support the  
19 program. In addition, an alternative school program is  
20 authorized to accept and expend gifts, legacies, and grants,  
21 including but not limited to federal grants, from any source  
22 for purposes directly related to the conduct and operation of  
23 the program.

24 (Source: P.A. 89-383, eff. 8-18-95; 89-629, eff. 8-9-96;  
25 89-636, eff. 8-9-96; 90-14, eff. 7-1-97; 90-283, eff. 7-31-97;  
26 90-802, eff. 12-15-98.)

1 (105 ILCS 5/13B-20.20)

2 Sec. 13B-20.20. Enrollment in other programs. General  
3 Educational Development preparation programs are not eligible  
4 for funding under this Article. A student may enroll in a  
5 program approved under Section 18-8.05 or 18-8.15 of this Code,  
6 as appropriate, or attend both the alternative learning  
7 opportunities program and the regular school program to enhance  
8 student performance and facilitate on-time graduation.

9 (Source: P.A. 92-42, eff. 1-1-02.)

10 (105 ILCS 5/13B-45)

11 Sec. 13B-45. Days and hours of attendance. An alternative  
12 learning opportunities program shall provide students with at  
13 least the minimum number of days of pupil attendance required  
14 under Section 10-19 of this Code and the minimum number of  
15 daily hours of school work required under Section 18-8.05 or  
16 18-8.15 of this Code, provided that the State Board may approve  
17 exceptions to these requirements if the program meets all of  
18 the following conditions:

19 (1) The district plan submitted under Section  
20 13B-25.15 of this Code establishes that a program providing  
21 the required minimum number of days of attendance or daily  
22 hours of school work would not serve the needs of the  
23 program's students.

24 (2) Each day of attendance shall provide no fewer than

1 3 clock hours of school work, as defined under paragraph  
2 (1) of subsection (F) of Section 18-8.05 or subsection (f)  
3 of Section 18-8.15 of this Code.

4 (3) Each day of attendance that provides fewer than 5  
5 clock hours of school work shall also provide supplementary  
6 services, including without limitation work-based  
7 learning, student assistance programs, counseling, case  
8 management, health and fitness programs, or life-skills or  
9 conflict resolution training, in order to provide a total  
10 daily program to the student of 5 clock hours. A program  
11 may claim general State aid or primary State aid for up to  
12 2 hours of the time each day that a student is receiving  
13 supplementary services.

14 (4) Each program shall provide no fewer than 174 days  
15 of actual pupil attendance during the school term; however,  
16 approved evening programs that meet the requirements of  
17 Section 13B-45 of this Code may offer less than 174 days of  
18 actual pupil attendance during the school term.

19 (Source: P.A. 92-42, eff. 1-1-02.)

20 (105 ILCS 5/13B-50)

21 Sec. 13B-50. Eligibility to receive general State aid or  
22 primary State aid. In order to receive general State aid or  
23 primary State aid, alternative learning opportunities programs  
24 must meet the requirements for claiming general State aid as  
25 specified in Section 18-8.05 of this Code or primary State aid

1 as specified in Section 18-8.15 of this Code, as applicable,  
2 with the exception of the length of the instructional day,  
3 which may be less than 5 hours of school work if the program  
4 meets the criteria set forth under Sections 13B-50.5 and  
5 13B-50.10 of this Code and if the program is approved by the  
6 State Board.

7 (Source: P.A. 92-42, eff. 1-1-02.)

8 (105 ILCS 5/13B-50.10)

9 Sec. 13B-50.10. Additional criteria for general State aid  
10 or primary State aid. In order to claim general State aid or  
11 primary State aid, an alternative learning opportunities  
12 program must meet the following criteria:

13 (1) Teacher professional development plans should include  
14 education in the instruction of at-risk students.

15 (2) Facilities must meet the health, life, and safety  
16 requirements in this Code.

17 (3) The program must comply with all other State and  
18 federal laws applicable to education providers.

19 (Source: P.A. 92-42, eff. 1-1-02.)

20 (105 ILCS 5/13B-50.15)

21 Sec. 13B-50.15. Level of funding. Approved alternative  
22 learning opportunities programs are entitled to claim general  
23 State aid or primary State aid, subject to Sections 13B-50,  
24 13B-50.5, and 13B-50.10 of this Code. Approved programs

1 operated by regional offices of education are entitled to  
2 receive general State aid or primary State aid at the  
3 foundation level of support. A school district or consortium  
4 must ensure that an approved program receives supplemental  
5 general State aid, transportation reimbursements, and special  
6 education resources, if appropriate, for students enrolled in  
7 the program.

8 (Source: P.A. 92-42, eff. 1-1-02.)

9 (105 ILCS 5/14-7.02) (from Ch. 122, par. 14-7.02)

10 Sec. 14-7.02. Children attending ~~private schools,~~ public  
11 out-of-state schools, ~~public school residential facilities~~ or  
12 nonpublic ~~private~~ special education facilities. The General  
13 Assembly recognizes that nonpublic ~~non public schools or~~  
14 special education facilities provide an important service in  
15 the educational system in Illinois.

16 If because of his or her disability the special education  
17 program of a district is unable to meet the needs of a child  
18 and the child attends a nonpublic ~~non public school or~~ special  
19 education facility, a public out-of-state school, or a special  
20 education facility owned and operated by a county government  
21 unit that provides special educational services required by the  
22 child and is in compliance with the appropriate rules and  
23 regulations of the State Superintendent of Education, the  
24 school district in which the child is a resident shall pay the  
25 actual cost of tuition for special education and related

1 services provided during the regular school term and during the  
2 summer school term if the child's educational needs so require,  
3 excluding room and board charged by the, ~~board and~~  
4 ~~transportation costs charged the child by that non-public~~  
5 ~~school or~~ special education facility, public out-of-state  
6 school or county special education facility, or \$4,500 per  
7 year, whichever is less, and shall provide him any necessary  
8 transportation. "Nonpublic special education facility" shall  
9 include a residential facility, within or outside ~~without~~ the  
10 State of Illinois, which provides special education and related  
11 services to meet the needs of the child by utilizing private  
12 schools or public schools, whether located on the site or off  
13 the site of the residential facility.

14 The State Board of Education shall promulgate rules and  
15 regulations for determining when placement in a private special  
16 education facility is appropriate. Such rules and regulations  
17 shall take into account the various types of services needed by  
18 a child and the availability of such services to the particular  
19 child in the public school. In developing these rules and  
20 regulations the State Board of Education shall consult with the  
21 Advisory Council on Education of Children with Disabilities and  
22 hold public hearings to secure recommendations from parents,  
23 school personnel, and others concerned about this matter.

24 The State Board of Education shall also promulgate rules  
25 and regulations for transportation to and from a residential  
26 school. Transportation to and from home to a residential school



1 more than once each school term shall be subject to prior  
2 approval by the State Superintendent in accordance with the  
3 rules and regulations of the State Board.

4 A school district making tuition payments pursuant to this  
5 Section is eligible for reimbursement from the State in  
6 accordance with Section 14-7.02c of this Code. ~~for the amount~~  
7 ~~of such payments actually made in excess of the district per~~  
8 ~~capita tuition charge for students not receiving special~~  
9 ~~education services. Such reimbursement shall be approved in~~  
10 ~~accordance with Section 14-12.01 and each district shall file~~  
11 ~~its claims, computed in accordance with rules prescribed by the~~  
12 ~~State Board of Education, on forms prescribed by the State~~  
13 ~~Superintendent of Education. Data used as a basis of~~  
14 ~~reimbursement claims shall be for the preceding regular school~~  
15 ~~term and summer school term. Each school district shall~~  
16 ~~transmit its claims to the State Board of Education on or~~  
17 ~~before August 15. The State Board of Education, before~~  
18 ~~approving any such claims, shall determine their accuracy and~~  
19 ~~whether they are based upon services and facilities provided~~  
20 ~~under approved programs. Upon approval the State Board shall~~  
21 ~~cause vouchers to be prepared showing the amount due for~~  
22 ~~payment of reimbursement claims to school districts, for~~  
23 ~~transmittal to the State Comptroller on the 30th day of~~  
24 ~~September, December, and March, respectively, and the final~~  
25 ~~voucher, no later than June 20. If the money appropriated by~~  
26 ~~the General Assembly for such purpose for any year is~~

1 ~~insufficient, it shall be apportioned on the basis of the~~  
2 ~~claims approved.~~

3 No child shall be placed in a special education program  
4 pursuant to this Section unless ~~if~~ the tuition cost for special  
5 education and related services has ~~increases more than 10~~  
6 ~~percent over the tuition cost for the previous school year or~~  
7 ~~exceeds \$4,500 per year unless such costs have~~ been approved by  
8 the Illinois Purchased Care Review Board. The Illinois  
9 Purchased Care Review Board shall consist of the following  
10 persons, or their designees: the Directors of Children and  
11 Family Services, Healthcare and Family Services ~~Public Health,~~  
12 Public Aid, and the Governor's Office of Management and Budget;  
13 the Secretary of Human Services; the State Superintendent of  
14 Education; and such other persons as the Governor may  
15 designate. The Review Board shall establish rules and  
16 regulations for its determination of allowable costs and  
17 payments made by local school districts for special education,  
18 room and board, and other related services provided by  
19 nonpublic ~~non public schools or~~ special education facilities  
20 and shall establish uniform standards and criteria which it  
21 shall follow.

22 The Review Board shall establish uniform definitions and  
23 criteria for accounting separately by special education, room  
24 and board and other related services costs. The Board shall  
25 also establish guidelines for the coordination of services and  
26 financial assistance provided by all State agencies to assure

1 that no otherwise qualified disabled child receiving services  
2 under Article 14 shall be excluded from participation in, be  
3 denied the benefits of or be subjected to discrimination under  
4 any program or activity provided by any State agency.

5 The Review Board shall review the costs for special  
6 education and related services provided by nonpublic  
7 ~~non public schools or~~ special education facilities and shall  
8 approve or disapprove such facilities in accordance with the  
9 rules and regulations established by it with respect to  
10 allowable costs.

11 The State Board of Education shall provide administrative  
12 and staff support for the Review Board as deemed reasonable by  
13 the State Superintendent of Education. This support shall not  
14 include travel expenses or other compensation for any Review  
15 Board member other than the State Superintendent of Education.

16 The Review Board shall seek the advice of the Advisory  
17 Council on Education of Children with Disabilities on the rules  
18 and regulations to be promulgated by it relative to providing  
19 special education services.

20 If a child has been placed in a program in which the actual  
21 per pupil costs of tuition for special education and related  
22 services based on program enrollment, ~~excluding room, board and~~  
23 ~~transportation costs, exceed \$4,500 and such costs~~ have been  
24 approved by the Review Board, the district shall pay such total  
25 costs ~~which exceed \$4,500. A district making such tuition~~  
26 ~~payments in excess of \$4,500 pursuant to this Section shall be~~

1 ~~responsible for an amount in excess of \$4,500 equal to the~~  
2 ~~district per capita tuition charge and shall be eligible for~~  
3 ~~reimbursement from the State for the amount of such payments~~  
4 ~~actually made in excess of the districts per capita tuition~~  
5 ~~charge for students not receiving special education services.~~

6 If a child has been placed in an approved individual  
7 program and the tuition costs including room and board costs  
8 have been approved by the Review Board, then such room and  
9 board costs shall be paid by the appropriate State agency  
10 subject to the provisions of Section 14-8.01 of this Act. Room  
11 and board costs not provided by a State agency other than the  
12 State Board of Education shall be provided by the State Board  
13 of Education on a current basis. In no event, however, shall  
14 the State's liability for funding of the ~~these~~ tuition costs,  
15 including room and board costs, begin until after the legal  
16 obligations of third party payees ~~payors~~ have been subtracted  
17 from such costs. If the money appropriated by the General  
18 Assembly for such purpose for any year is insufficient, it  
19 shall be apportioned on the basis of the claims approved. Each  
20 district shall submit room and board ~~estimated~~ claims to the  
21 State Superintendent of Education. Upon approval of such  
22 claims, the State Superintendent of Education shall direct the  
23 State Comptroller to make payments on submitted claims ~~a~~  
24 ~~monthly basis~~. The frequency for submitting ~~estimated~~ claims  
25 and the method of determining payment shall be prescribed in  
26 rules and regulations adopted by the State Board of Education.

1 Such current state reimbursement shall be reduced by an amount  
2 equal to the proceeds which the child or child's parents or  
3 legal guardian are eligible to receive under any public or  
4 private insurance or assistance program. Nothing in this  
5 Section shall be construed as relieving an insurer or similar  
6 third party from an otherwise valid obligation to provide or to  
7 pay for services provided to a disabled child.

8 If it otherwise qualifies, a school district is eligible  
9 for the transportation reimbursement under Section 14-13.01  
10 and for the reimbursement of tuition payments ~~under this~~  
11 ~~Section~~ whether the ~~non-public school or~~ special education  
12 facility, public out-of-state school, or county special  
13 education facility, attended by a child who resides in that  
14 district and requires special educational services, is within  
15 or outside of the State of Illinois. However, a district is not  
16 eligible to claim transportation reimbursement under this  
17 Section unless the district certifies to the State  
18 Superintendent of Education that the district is unable to  
19 provide special educational services required by the child for  
20 the current school year.

21 Nothing in this Section authorizes the reimbursement of a  
22 school district for the amount paid for tuition of a child  
23 attending a nonpublic ~~non-public school or~~ special education  
24 facility, public out-of-state school, or county special  
25 education facility unless the school district certifies to the  
26 State Superintendent of Education that the special education

1 program of that district is unable to meet the needs of that  
2 child because of his disability and the State Superintendent of  
3 Education finds that the school district is in substantial  
4 compliance with Section 14-4.01. However, if a child is  
5 unilaterally placed by a State agency or any court in a  
6 nonpublic ~~non public school~~ or special education facility,  
7 public out-of-state school, or county special education  
8 facility, a school district shall not be required to certify to  
9 the State Superintendent of Education, for the purpose of  
10 tuition reimbursement, that the special education program of  
11 that district is unable to meet the needs of a child because of  
12 his or her disability.

13 Any educational or related services provided, pursuant to  
14 this Section in a nonpublic ~~non public school~~ or special  
15 education facility or a special education facility owned and  
16 operated by a county government unit shall be at no cost to the  
17 parent or guardian of the child. However, current law and  
18 practices relative to contributions by parents or guardians for  
19 costs other than educational or related services are not  
20 affected by this amendatory Act of 1978.

21 ~~Reimbursement for children attending public school~~  
22 ~~residential facilities shall be made in accordance with the~~  
23 ~~provisions of this Section.~~

24 ~~Notwithstanding any other provision of law, any school~~  
25 ~~district receiving a payment under this Section or under~~  
26 ~~Section 14 7.02b, 14 13.01, or 29 5 of this Code may classify~~

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

1 ~~program, including any accounting of funds by source, reporting~~  
2 ~~expenditures by original source and purpose, reporting~~  
3 ~~requirements, or requirements of providing services.~~

4 (Source: P.A. 93-1022, eff. 8-24-04; 94-177, eff. 7-12-05.)

5 (105 ILCS 5/14-7.02b)

6 Sec. 14-7.02b. Funding for children requiring special  
7 education services. Payments to school districts for children  
8 requiring special education services documented in their  
9 individualized education program regardless of the program  
10 from which these services are received, excluding children  
11 claimed under Sections 14-7.02 and 14-7.03 of this Code, shall  
12 be made in accordance with this Section. Funds received under  
13 this Section may be used only for the provision of special  
14 educational facilities and services as defined in Section  
15 14-1.08 of this Code.

16 The appropriation for fiscal year 2005 through fiscal year  
17 2014 ~~and thereafter~~ shall be based upon the IDEA child count of  
18 all students in the State, excluding students claimed under  
19 Sections 14-7.02 and 14-7.03 of this Code, on December 1 of the  
20 fiscal year 2 years preceding, multiplied by 17.5% of the  
21 general State aid foundation level of support established for  
22 that fiscal year under Section 18-8.05 of this Code.

23 Beginning with fiscal year 2005 and through fiscal year  
24 2007, individual school districts shall not receive payments  
25 under this Section totaling less than they received under the



1 funding authorized under Section 14-7.02a of this Code during  
2 fiscal year 2004, pursuant to the provisions of Section  
3 14-7.02a as they were in effect before the effective date of  
4 this amendatory Act of the 93rd General Assembly. This base  
5 level funding shall be computed first.

6 Beginning with fiscal year 2008 through fiscal year 2014  
7 ~~and each fiscal year thereafter~~, individual school districts  
8 must not receive payments under this Section totaling less than  
9 they received in fiscal year 2007. This funding shall be  
10 computed last and shall be a separate calculation from any  
11 other calculation set forth in this Section. This amount is  
12 exempt from the requirements of Section 1D-1 of this Code.

13 Through fiscal year 2014, an ~~An~~ amount equal to 85% of the  
14 funds remaining in the appropriation shall be allocated to  
15 school districts based upon the district's average daily  
16 attendance reported for purposes of Section 18-8.05 of this  
17 Code for the preceding school year. Fifteen percent of the  
18 funds remaining in the appropriation shall be allocated to  
19 school districts based upon the district's low income eligible  
20 pupil count used in the calculation of general State aid under  
21 Section 18-8.05 of this Code for the same fiscal year. One  
22 hundred percent of the funds computed and allocated to  
23 districts under this Section shall be distributed and paid to  
24 school districts.

25 Through fiscal year 2014, for ~~For~~ individual students with  
26 disabilities whose program costs exceed 4 times the district's

1 per capita tuition rate as calculated under Section 10-20.12a  
2 of this Code, the costs in excess of 4 times the district's per  
3 capita tuition rate shall be paid by the State Board of  
4 Education from unexpended IDEA discretionary funds originally  
5 designated for room and board reimbursement pursuant to Section  
6 14-8.01 of this Code. The amount of tuition for these children  
7 shall be determined by the actual cost of maintaining classes  
8 for these children, using the per capita cost formula set forth  
9 in Section 14-7.01 of this Code, with the program and cost  
10 being pre-approved by the State Superintendent of Education.  
11 Reimbursement for individual students with disabilities whose  
12 program costs exceed 4 times the district's per capita tuition  
13 rate shall be claimed beginning with costs encumbered for the  
14 2004-2005 school year through the 2013-2014 school year ~~and~~  
15 ~~thereafter.~~

16 Through fiscal year 2014, the ~~The~~ State Board of Education  
17 shall prepare vouchers equal to one-fourth the amount allocated  
18 to districts, for transmittal to the State Comptroller on the  
19 30th day of September, December, and March, respectively, and  
20 the final voucher, no later than June 20. Through fiscal year  
21 2014, the ~~The~~ Comptroller shall make payments pursuant to this  
22 Section to school districts as soon as possible after receipt  
23 of vouchers. If the money appropriated from the General  
24 Assembly for such purposes for any year is insufficient, it  
25 shall be apportioned on the basis of the payments due to school  
26 districts.

1           Nothing in this Section shall be construed to decrease or  
2 increase the percentage of all special education funds that are  
3 allocated annually under Article 1D of this Code or to alter  
4 the requirement that a school district provide special  
5 education services.

6           Nothing in this amendatory Act of the 93rd General Assembly  
7 shall eliminate any reimbursement obligation owed as of the  
8 effective date of this amendatory Act of the 93rd General  
9 Assembly to a school district with in excess of 500,000  
10 inhabitants.

11           No funding shall be provided to school districts under this  
12 Section after fiscal year 2014.

13 (Source: P.A. 93-1022, eff. 8-24-08. 95-705, eff. 1-8-08.)

14 (105 ILCS 5/14-7.02c new)

15 Sec. 14-7.02c. Funding for children with excess cost.

16 (a) Payments to school districts and State-authorized  
17 charter schools for children requiring special education  
18 services as documented in their individualized educational  
19 programs, regardless of the program from which these services  
20 are received, excluding children claimed under Section 14-7.03  
21 of this Code, shall be made in accordance with this Section.  
22 Funds received under this Section may be used only for the  
23 provision of special educational facilities and services, as  
24 defined in Section 14-1.08 of this Code, and tuition payments  
25 to nonpublic special education facilities, as defined in

1 Section 14-7.02 of this Code.

2 (b) Each school district and State-authorized charter  
3 school shall keep an accurate, detailed, and separate account  
4 of all expenditures for the maintenance of each of the types of  
5 facilities, classes, and schools authorized by this Article for  
6 the instruction and care of pupils attending them and for the  
7 cost of their transportation. Such account of expenditures  
8 shall conform to any administrative rules adopted by the State  
9 Board of Education.

10 (c) The amount of tuition for children, excluding children  
11 designated under Section 14-7.02 of this Code, shall be  
12 determined using the per capita cost formula set forth in  
13 Section 14-7.01 of this Code and rules adopted by the State  
14 Board of Education.

15 (d) The amount of tuition for children attending public  
16 out-of-state schools or nonpublic special education facilities  
17 designated under Section 14-7.02 of this Code shall be  
18 determined in accordance with the costs approved by the  
19 Illinois Purchased Care Review Board in Section 14-7.02 of this  
20 Code, with the program being pre-approved by the State  
21 Superintendent of Education.

22 (e) Each school district or State-authorized charter  
23 school shall transmit its claims in a manner prescribed by the  
24 State Superintendent of Education on or before August 15 of  
25 each year. Tuition payments shall be claimed for the preceding  
26 regular school term and summer term following. The State Board

1 of Education shall determine the accuracy of the claims and  
2 whether they are based upon services and facilities provided  
3 under approved programs as defined in this Code.

4 (f) For children identified under Section 14-7.02 of this  
5 Code, the State Board of Education shall reimburse each school  
6 district the tuition amount approved by the Illinois Purchased  
7 Care Review Board and paid for the regular and following summer  
8 term, less (i) the amount of primary State aid paid to the  
9 school district attributable to the additional weight for  
10 children with disabilities for the period claimed and (ii) 2.33  
11 times the per capita tuition charge of the resident district  
12 for claims transmitted for the 2014-2015 school year, 2.66  
13 times the per capita tuition charge for claims transmitted for  
14 the 2015-2016 school year, and 3 times the per capita tuition  
15 charge for claims transmitted in the 2016-2017 school year and  
16 every school year thereafter.

17 (g) For children, excluding those children identified  
18 under Sections 14-7.02 and 14-7.03 of this Code, the State  
19 Board of Education shall reimburse each school district the  
20 education costs for each child, plus a maximum of 20% of  
21 transportation costs if approved as a related service in the  
22 individualized educational program, for the regular and  
23 following summer term, less (i) the amount of primary State aid  
24 paid to the school district attributable to the additional  
25 weight for children with disabilities for the period claimed  
26 and (ii) 3.66 times the per capita tuition charge of the

1 resident district for claims transmitted in the 2014-2015  
2 school year, 3.33 times the per capita tuition charge for  
3 claims transmitted in the 2015-2016 school year, and 3 times  
4 the per capita tuition charge for claims transmitted in the  
5 2016-2017 school year and every school year thereafter.

6 (h) The per capita tuition charge under this Section shall  
7 be set in accordance with the calculation set forth in Section  
8 18-3 of this Code. The maximum State reimbursement for children  
9 claimed under this Section is \$100,000.

10 (i) The State Board of Education shall prepare vouchers for  
11 the amount due to each school district and transmit them to the  
12 Office of the Comptroller on or before September 30, December  
13 31, and March 31, respectively, and the final voucher no later  
14 than June 20. If, after preparation and transmission of the  
15 September 30 vouchers, any claim has been adjusted by the State  
16 Superintendent of Education, then subsequent vouchers shall be  
17 recomputed to compensate for any overpayment or underpayment  
18 previously made. If the money appropriated by the General  
19 Assembly for such purpose for any year is insufficient, it  
20 shall be apportioned on the basis of the claims approved.

21 (j) Notwithstanding any other provision of law, any school  
22 district receiving a payment under this Section may classify  
23 all or a portion of the funds that it receives in a particular  
24 fiscal year or from primary State aid under Section 18-8.15 of  
25 this Code as funds received in connection with any funding  
26 program for which it is entitled to receive funds from this

1 State in that fiscal year (including without limitation any  
2 funding program referenced in this Section), regardless of the  
3 source or timing of the receipt. The school district may not  
4 classify more funds as funds received in connection with the  
5 funding program than the school district is entitled to receive  
6 in that fiscal year for that program. Any classification by a  
7 school district shall be made by resolution of its school  
8 board. The resolution shall identify the amount of any payments  
9 or primary State aid to be classified under this Section and  
10 shall specify the funding program to which the funds are to be  
11 treated as received. The resolution shall control the  
12 classification of referenced funds. A certified copy of the  
13 resolution shall be sent to the State Superintendent of  
14 Education. The resolution shall take effect without regard to  
15 whether a copy of the resolution has been sent to the State  
16 Superintendent of Education in a timely manner. No  
17 classification under this Section by a school district shall  
18 affect the total amount or timing of money the school district  
19 is entitled to receive under this Code. No classification under  
20 this Section by a school district shall in any way relieve the  
21 school district from or affect any requirements that otherwise  
22 would apply with respect to that funding program, including any  
23 accounting of funds by source, reporting expenditures by  
24 original source and purpose, reporting requirements, or  
25 requirements of providing services.

1 (105 ILCS 5/14-7.03) (from Ch. 122, par. 14-7.03)

2 Sec. 14-7.03. Special Education Classes for Children from  
3 Orphanages, ~~Foster Family Homes~~, Children's Homes, or in State  
4 Housing Units. If a school district maintains special education  
5 classes on the site of orphanages and children's homes, or if  
6 children from the orphanages, children's homes, ~~foster family~~  
7 ~~homes~~, other State agencies, or State residential units for  
8 children attend classes for children with disabilities in which  
9 the school district is a participating member of a joint  
10 agreement, or if the children from the orphanages, children's  
11 homes, ~~foster family homes~~, other State agencies, or State  
12 residential units attend classes for the children with  
13 disabilities maintained by the school district, then  
14 reimbursement shall be paid to eligible districts in accordance  
15 with the provisions of this Section by the Comptroller as  
16 directed by the State Superintendent of Education.

17 The amount of tuition for such children shall be determined  
18 by the actual cost of maintaining such classes, using the per  
19 capita cost formula set forth in Section 14-7.01, such program  
20 and cost to be pre-approved by the State Superintendent of  
21 Education.

22 On forms prepared by the State Superintendent of Education,  
23 the district shall certify to the regional superintendent the  
24 following:

- 25 (1) The name of the home or State residential unit with  
26 the name of the owner or proprietor and address of those



1 maintaining it;

2 (2) That no service charges or other payments  
3 authorized by law were collected in lieu of taxes therefrom  
4 or on account thereof during either of the calendar years  
5 included in the school year for which claim is being made;

6 (3) The number of children qualifying under this Act in  
7 special education classes for instruction on the site of  
8 the orphanages and children's homes;

9 (4) The number of children attending special education  
10 classes for children with disabilities in which the  
11 district is a participating member of a special education  
12 joint agreement;

13 (5) The number of children attending special education  
14 classes for children with disabilities maintained by the  
15 district;

16 (6) The computed amount of tuition payment claimed as  
17 due, as approved by the State Superintendent of Education,  
18 for maintaining these classes.

19 If a school district makes a claim for reimbursement under  
20 Section 18-3 or 18-4 of this Act it shall not include in any  
21 claim filed under this Section a claim for such children.  
22 Payments authorized by law, including State or federal grants  
23 for education of children included in this Section, shall be  
24 deducted in determining the tuition amount.

25 Nothing in this Act shall be construed so as to prohibit  
26 reimbursement for the tuition of children placed in for profit

1 facilities. Private facilities shall provide adequate space at  
2 the facility for special education classes provided by a school  
3 district or joint agreement for children with disabilities who  
4 are residents of the facility at no cost to the school district  
5 or joint agreement upon request of the school district or joint  
6 agreement. If such a private facility provides space at no cost  
7 to the district or joint agreement for special education  
8 classes provided to children with disabilities who are  
9 residents of the facility, the district or joint agreement  
10 shall not include any costs for the use of those facilities in  
11 its claim for reimbursement.

12 Reimbursement for tuition may include the cost of providing  
13 summer school programs for children with severe and profound  
14 disabilities served under this Section. Claims for that  
15 reimbursement shall be filed by November 1 and shall be paid on  
16 or before December 15 from appropriations made for the purposes  
17 of this Section.

18 The State Board of Education shall establish such rules and  
19 regulations as may be necessary to implement the provisions of  
20 this Section.

21 Claims filed on behalf of programs operated under this  
22 Section housed in a jail, detention center, or county-owned  
23 shelter care facility shall be on an individual student basis  
24 only for eligible students with disabilities. These claims  
25 shall be in accordance with applicable rules.

26 Each district claiming reimbursement for a program

1 operated as a group program shall have an approved budget on  
2 file with the State Board of Education prior to the initiation  
3 of the program's operation. On September 30, December 31, and  
4 March 31, the State Board of Education shall voucher payments  
5 to group programs based upon the approved budget during the  
6 year of operation. Final claims for group payments shall be  
7 filed on or before July 15. Final claims for group programs  
8 received at the State Board of Education on or before June 15  
9 shall be vouchered by June 30. Final claims received at the  
10 State Board of Education between June 16 and July 15 shall be  
11 vouchered by August 30. Claims for group programs received  
12 after July 15 shall not be honored.

13 Each district claiming reimbursement for individual  
14 students shall have the eligibility of those students verified  
15 by the State Board of Education. On September 30, December 31,  
16 and March 31, the State Board of Education shall voucher  
17 payments for individual students based upon an estimated cost  
18 calculated from the prior year's claim. Final claims for  
19 individual students for the regular school term must be  
20 received at the State Board of Education by July 15. Claims for  
21 individual students received after July 15 shall not be  
22 honored. Final claims for individual students shall be  
23 vouchered by August 30.

24 Reimbursement shall be made based upon approved group  
25 programs or individual students. The State Superintendent of  
26 Education shall direct the Comptroller to pay a specified

1 amount to the district by the 30th day of September, December,  
2 March, June, or August, respectively. However, notwithstanding  
3 any other provisions of this Section or the School Code,  
4 beginning with fiscal year 1994 and each fiscal year  
5 thereafter, if the amount appropriated for any fiscal year is  
6 less than the amount required for purposes of this Section, the  
7 amount required to eliminate any insufficient reimbursement  
8 for each district claim under this Section shall be reimbursed  
9 on August 30 of the next fiscal year. Payments required to  
10 eliminate any insufficiency for prior fiscal year claims shall  
11 be made before any claims are paid for the current fiscal year.

12 The claim of a school district otherwise eligible to be  
13 reimbursed in accordance with Section 14-12.01 for the 1976-77  
14 school year but for this amendatory Act of 1977 shall not be  
15 paid unless the district ceases to maintain such classes for  
16 one entire school year.

17 If a school district's current reimbursement payment for  
18 the 1977-78 school year only is less than the prior year's  
19 reimbursement payment owed, the district shall be paid the  
20 amount of the difference between the payments in addition to  
21 the current reimbursement payment, and the amount so paid shall  
22 be subtracted from the amount of prior year's reimbursement  
23 payment owed to the district.

24 Regional superintendents may operate special education  
25 classes for children from orphanages, ~~foster family homes,~~  
26 children's homes, or State housing units located within the

1 educational services region upon consent of the school board  
2 otherwise so obligated. In electing to assume the powers and  
3 duties of a school district in providing and maintaining such a  
4 special education program, the regional superintendent may  
5 enter into joint agreements with other districts and may  
6 contract with public or private schools or the orphanage,  
7 ~~foster family home,~~ children's home, or State housing unit for  
8 provision of the special education program. The regional  
9 superintendent exercising the powers granted under this  
10 Section shall claim the reimbursement authorized by this  
11 Section directly from the State Board of Education.

12 Any child who is not a resident of Illinois who is placed  
13 in a child welfare institution, private facility, ~~foster family~~  
14 ~~home,~~ State operated program, orphanage, or children's home  
15 shall have the payment for his educational tuition and any  
16 related services assured by the placing agent.

17 For each disabled student who is placed in a residential  
18 facility by an Illinois public agency or by any court in this  
19 State, the costs for educating the student are eligible for  
20 reimbursement under this Section.

21 The district of residence of the disabled student as  
22 defined in Section 14-1.11a is responsible for the actual costs  
23 of the student's special education program and is eligible for  
24 reimbursement under this Section when placement is made by a  
25 State agency or the courts.

26 When a dispute arises over the determination of the

1 district of residence under this Section, the district or  
2 districts may appeal the decision in writing to the State  
3 Superintendent of Education, who, upon review of materials  
4 submitted and any other items or information he or she may  
5 request for submission, shall issue a written decision on the  
6 matter. The decision of the State Superintendent of Education  
7 shall be final.

8 In the event a district does not make a tuition payment to  
9 another district that is providing the special education  
10 program and services, the State Board of Education shall  
11 immediately withhold 125% of the then remaining annual tuition  
12 cost from the State aid or categorical aid payment due to the  
13 school district that is determined to be the resident school  
14 district. All funds withheld by the State Board of Education  
15 shall immediately be forwarded to the school district where the  
16 student is being served.

17 When a child eligible for services under this Section  
18 14-7.03 must be placed in a nonpublic facility, that facility  
19 shall meet the programmatic requirements of Section 14-7.02 and  
20 its regulations, and the educational services shall be funded  
21 only in accordance with this Section 14-7.03.

22 (Source: P.A. 95-313, eff. 8-20-07; 95-844, eff. 8-15-08.)

23 (105 ILCS 5/14-13.01) (from Ch. 122, par. 14-13.01)

24 Sec. 14-13.01. Reimbursement payable by State; amounts for  
25 personnel and transportation.

1           (a) Through fiscal year 2014, for ~~For~~ staff working on  
2 behalf of children who have not been identified as eligible for  
3 special education and for eligible children with physical  
4 disabilities, including all eligible children whose placement  
5 has been determined under Section 14-8.02 in hospital or home  
6 instruction, 1/2 of the teacher's salary but not more than  
7 \$1,000 annually per child or \$9,000 per teacher, whichever is  
8 less.

9           (a-5) A child qualifies for home or hospital instruction if  
10 it is anticipated that, due to a medical condition, the child  
11 will be unable to attend school, and instead must be instructed  
12 at home or in the hospital, for a period of 2 or more  
13 consecutive weeks or on an ongoing intermittent basis. For  
14 purposes of this Section, "ongoing intermittent basis" means  
15 that the child's medical condition is of such a nature or  
16 severity that it is anticipated that the child will be absent  
17 from school due to the medical condition for periods of at  
18 least 2 days at a time multiple times during the school year  
19 totaling at least 10 days or more of absences. There shall be  
20 no requirement that a child be absent from school a minimum  
21 number of days before the child qualifies for home or hospital  
22 instruction. In order to establish eligibility for home or  
23 hospital services, a student's parent or guardian must submit  
24 to the child's school district of residence a written statement  
25 from a physician licensed to practice medicine in all of its  
26 branches stating the existence of such medical condition, the

1 impact on the child's ability to participate in education, and  
2 the anticipated duration or nature of the child's absence from  
3 school. Home or hospital instruction may commence upon receipt  
4 of a written physician's statement in accordance with this  
5 Section, but instruction shall commence not later than 5 school  
6 days after the school district receives the physician's  
7 statement. Special education and related services required by  
8 the child's IEP or services and accommodations required by the  
9 child's federal Section 504 plan must be implemented as part of  
10 the child's home or hospital instruction, unless the IEP team  
11 or federal Section 504 plan team determines that modifications  
12 are necessary during the home or hospital instruction due to  
13 the child's condition.

14 (a-10) Through fiscal year 2014, eligible ~~Eligible~~  
15 children to be included in any reimbursement under this  
16 paragraph must regularly receive a minimum of one hour of  
17 instruction each school day, or in lieu thereof of a minimum of  
18 5 hours of instruction in each school week in order to qualify  
19 for full reimbursement under this Section. If the attending  
20 physician for such a child has certified that the child should  
21 not receive as many as 5 hours of instruction in a school week,  
22 however, reimbursement under this paragraph on account of that  
23 child shall be computed proportionate to the actual hours of  
24 instruction per week for that child divided by 5.

25 (a-15) The State Board of Education shall establish rules  
26 governing the required qualifications of staff providing home



1 or hospital instruction.

2 (b) For children described in Section 14-1.02, 80% of the  
3 cost of transportation approved as a related service in the  
4 Individualized Education Program for each student in order to  
5 take advantage of special educational facilities.  
6 Transportation costs shall be determined in the same fashion as  
7 provided in Section 29-5. For purposes of this subsection (b),  
8 the dates for processing claims specified in Section 29-5 shall  
9 apply.

10 (c) Through fiscal year 2014, for ~~For~~ each qualified  
11 worker, the annual sum of \$9,000.

12 (d) Through fiscal year 2014, for ~~For~~ one full time  
13 qualified director of the special education program of each  
14 school district which maintains a fully approved program of  
15 special education the annual sum of \$9,000. Districts  
16 participating in a joint agreement special education program  
17 shall not receive such reimbursement if reimbursement is made  
18 for a director of the joint agreement program.

19 (e) (Blank).

20 (f) (Blank).

21 (g) Through fiscal year 2014, for ~~For~~ readers, working with  
22 blind or partially seeing children 1/2 of their salary but not  
23 more than \$400 annually per child. Readers may be employed to  
24 assist such children and shall not be required to be certified  
25 but prior to employment shall meet standards set up by the  
26 State Board of Education.

1           (h) Through fiscal year 2014, for ~~For~~ non-certified  
2 employees, as defined by rules promulgated by the State Board  
3 of Education, who deliver services to students with IEPs, 1/2  
4 of the salary paid or \$3,500 per employee, whichever is less.

5           (i) The State Board of Education shall set standards and  
6 prescribe rules for determining the allocation of  
7 reimbursement under this section on less than a full time basis  
8 and for less than a school year.

9           When any school district eligible for reimbursement under  
10 this Section operates a school or program approved by the State  
11 Superintendent of Education for a number of days in excess of  
12 the adopted school calendar but not to exceed 235 school days,  
13 such reimbursement shall be increased by 1/180 of the amount or  
14 rate paid hereunder for each day such school is operated in  
15 excess of 180 days per calendar year.

16           Notwithstanding any other provision of law, any school  
17 district receiving a payment under this Section or under  
18 Section 14-7.02, ~~14-7.02b,~~ or 14-7.02c ~~29-5~~ of this Code may  
19 classify all or a portion of the funds that it receives in a  
20 particular fiscal year or from primary ~~general~~ State aid  
21 pursuant to Section 18-8.15 ~~18-8.05~~ of this Code as funds  
22 received in connection with any funding program for which it is  
23 entitled to receive funds from the State in that fiscal year  
24 (including, without limitation, any funding program referenced  
25 in this Section), regardless of the source or timing of the  
26 receipt. The district may not classify more funds as funds

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

23 (Source: P.A. 96-257, eff. 8-11-09; 97-123, eff. 7-14-11.)

24 (105 ILCS 5/14C-12) (from Ch. 122, par. 14C-12)

25 Sec. 14C-12. Account of expenditures; Cost report;

1 Reimbursement. Each school district shall keep an accurate,  
2 detailed and separate account of all monies paid out by it for  
3 the programs in transitional bilingual education required or  
4 permitted by this Article, including transportation costs, and  
5 shall annually report thereon for the school year ending June  
6 30 indicating the average per pupil expenditure. Through fiscal  
7 year 2014, each ~~Each~~ school district shall be reimbursed for  
8 the amount by which such costs exceed the average per pupil  
9 expenditure by such school district for the education of  
10 children of comparable age who are not in any special education  
11 program. Through fiscal year 2014, at ~~At~~ least 60% of  
12 transitional bilingual education funding received from the  
13 State must be used for the instructional costs of transitional  
14 bilingual education.

15 Through fiscal year 2014, applications ~~Applications~~ for  
16 preapproval for reimbursement for costs of transitional  
17 bilingual education programs must be submitted to the State  
18 Superintendent of Education at least 60 days before a  
19 transitional bilingual education program is started, unless a  
20 justifiable exception is granted by the State Superintendent of  
21 Education. Applications shall set forth a plan for transitional  
22 bilingual education established and maintained in accordance  
23 with this Article.

24 Through fiscal year 2014, reimbursement ~~Reimbursement~~  
25 claims for transitional bilingual education programs shall be  
26 made as follows:

1           Each school district shall claim reimbursement on a current  
2 basis for the first 3 quarters of the fiscal year and file a  
3 final adjusted claim for the school year ended June 30  
4 preceding computed in accordance with rules prescribed by the  
5 State Superintendent's Office. The State Superintendent of  
6 Education before approving any such claims shall determine  
7 their accuracy and whether they are based upon services and  
8 facilities provided under approved programs. Upon approval he  
9 shall transmit to the Comptroller the vouchers showing the  
10 amounts due for school district reimbursement claims. Upon  
11 receipt of the final adjusted claims the State Superintendent  
12 of Education shall make a final determination of the accuracy  
13 of such claims. If the money appropriated by the General  
14 Assembly for such purpose for any year is insufficient, it  
15 shall be apportioned on the basis of the claims approved.

16           Failure on the part of the school district to prepare and  
17 certify the final adjusted claims due under this Section may  
18 constitute a forfeiture by the school district of its right to  
19 be reimbursed by the State under this Section.

20           (Source: P.A. 96-1170, eff. 1-1-11.)

21           (105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

22           Sec. 17-1. Annual Budget. The board of education of each  
23 school district under 500,000 inhabitants shall, within or  
24 before the first quarter of each fiscal year, adopt and file  
25 with the State Board of Education an annual balanced budget

1 which it deems necessary to defray all necessary expenses and  
2 liabilities of the district, and in such annual budget shall  
3 specify the objects and purposes of each item and amount needed  
4 for each object or purpose.

5 The budget shall be entered upon a School District Budget  
6 form prepared and provided by the State Board of Education and  
7 therein shall contain a statement of the cash on hand at the  
8 beginning of the fiscal year, an estimate of the cash expected  
9 to be received during such fiscal year from all sources, an  
10 estimate of the expenditures contemplated for such fiscal year,  
11 and a statement of the estimated cash expected to be on hand at  
12 the end of such year. The estimate of taxes to be received may  
13 be based upon the amount of actual cash receipts that may  
14 reasonably be expected by the district during such fiscal year,  
15 estimated from the experience of the district in prior years  
16 and with due regard for other circumstances that may  
17 substantially affect such receipts. Nothing in this Section  
18 shall be construed as requiring any district to change or  
19 preventing any district from changing from a cash basis of  
20 financing to a surplus or deficit basis of financing; or as  
21 requiring any district to change or preventing any district  
22 from changing its system of accounting. For the 2015-2016  
23 school year and thereafter, the budget shall conform to the  
24 school level accounting requirements adopted by the State Board  
25 of Education pursuant to Section 2-3.28 of this Code.

26 To the extent that a school district's budget is not

1 balanced, the district shall also adopt and file with the State  
2 Board of Education a deficit reduction plan to balance the  
3 district's budget within 3 years. The deficit reduction plan  
4 must be filed at the same time as the budget, but the State  
5 Superintendent of Education may extend this deadline if the  
6 situation warrants.

7 If, as the result of an audit performed in compliance with  
8 Section 3-7 of this Code, the resulting Annual Financial Report  
9 required to be submitted pursuant to Section 3-15.1 of this  
10 Code reflects a deficit as defined for purposes of the  
11 preceding paragraph, then the district shall, within 30 days  
12 after acceptance of such audit report, submit a deficit  
13 reduction plan.

14 The board of education of each district shall fix a fiscal  
15 year therefor. If the beginning of the fiscal year of a  
16 district is subsequent to the time that the tax levy due to be  
17 made in such fiscal year shall be made, then such annual budget  
18 shall be adopted prior to the time such tax levy shall be made.  
19 The failure by a board of education of any district to adopt an  
20 annual budget, or to comply in any respect with the provisions  
21 of this Section, shall not affect the validity of any tax levy  
22 of the district otherwise in conformity with the law. With  
23 respect to taxes levied either before, on, or after the  
24 effective date of this amendatory Act of the 91st General  
25 Assembly, (i) a tax levy is made for the fiscal year in which  
26 the levy is due to be made regardless of which fiscal year the

1 proceeds of the levy are expended or are intended to be  
2 expended, and (ii) except as otherwise provided by law, a board  
3 of education's adoption of an annual budget in conformity with  
4 this Section is not a prerequisite to the adoption of a valid  
5 tax levy and is not a limit on the amount of the levy.

6 Such budget shall be prepared in tentative form by some  
7 person or persons designated by the board, and in such  
8 tentative form shall be made conveniently available to public  
9 inspection for at least 30 days prior to final action thereon.  
10 At least 1 public hearing shall be held as to such budget prior  
11 to final action thereon. Notice of availability for public  
12 inspection and of such public hearing shall be given by  
13 publication in a newspaper published in such district, at least  
14 30 days prior to the time of such hearing. If there is no  
15 newspaper published in such district, notice of such public  
16 hearing shall be given by posting notices thereof in 5 of the  
17 most public places in such district. It shall be the duty of  
18 the secretary of such board to make such tentative budget  
19 available to public inspection, and to arrange for such public  
20 hearing. The board may from time to time make transfers between  
21 the various items in any fund not exceeding in the aggregate  
22 10% of the total of such fund as set forth in the budget. The  
23 board may from time to time amend such budget by the same  
24 procedure as is herein provided for its original adoption.

25 Beginning July 1, 1976, the board of education, or regional  
26 superintendent, or governing board responsible for the



1 administration of a joint agreement shall, by September 1 of  
2 each fiscal year thereafter, adopt an annual budget for the  
3 joint agreement in the same manner and subject to the same  
4 requirements as are provided in this Section.

5 The State Board of Education shall exercise powers and  
6 duties relating to budgets as provided in Section 2-3.27 of  
7 this Code and shall require school districts to submit their  
8 annual budgets, deficit reduction plans, and other financial  
9 information, including revenue and expenditure reports and  
10 borrowing and interfund transfer plans, in such form and within  
11 the timelines designated by the State Board of Education.

12 By fiscal year 1982 all school districts shall use the  
13 Program Budget Accounting System.

14 In the case of a school district receiving emergency State  
15 financial assistance under Article 1B, the school board shall  
16 also be subject to the requirements established under Article  
17 1B with respect to the annual budget.

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

19 (105 ILCS 5/17-1.2)

20 Sec. 17-1.2. Post annual budget on web site. If a school  
21 district has an Internet web site, the school district shall  
22 post its current annual budget, itemized by receipts and  
23 expenditures, on the district's Internet web site. For the  
24 2015-2016 school year and thereafter, the budget shall include  
25 school level information conforming to the rules adopted by the

1 State Board of Education pursuant to Section 2-3.28 of this  
2 Code. The school district shall notify the parents or guardians  
3 of its students that the budget has been posted on the  
4 district's web site and what the web site's address is.

5 (Source: P.A. 92-438, eff. 1-1-02.)

6 (105 ILCS 5/17-1.5)

7 Sec. 17-1.5. Limitation of administrative costs.

8 (a) It is the purpose of this Section to establish  
9 limitations on the growth of administrative expenditures in  
10 order to maximize the proportion of school district resources  
11 available for the instructional program, building maintenance,  
12 and safety services for the students of each district.

13 (b) Definitions. For the purposes of this Section:

14 "Administrative expenditures" mean the annual expenditures  
15 of school districts properly attributable to expenditure  
16 functions defined by the rules of the State Board of Education  
17 as: 2320 (Executive Administration Services); 2330 (Special  
18 Area Administration Services); 2490 (Other Support Services -  
19 School Administration); 2510 (Direction of Business Support  
20 Services); 2570 (Internal Services); and 2610 (Direction of  
21 Central Support Services); provided, however, that  
22 "administrative expenditures" shall not include early  
23 retirement or other pension system obligations required by  
24 State law.

25 "School district" means all school districts having a

1 population of less than 500,000.

2 (c) For the 1998-99 school year and each school year  
3 thereafter, each school district shall undertake budgetary and  
4 expenditure control actions so that the increase in  
5 administrative expenditures for that school year over the prior  
6 school year does not exceed 5%. School districts with  
7 administrative expenditures per pupil in the 25th percentile  
8 and below for all districts of the same type, as defined by the  
9 State Board of Education, may waive the limitation imposed  
10 under this Section for any year following a public hearing and  
11 with the affirmative vote of at least two-thirds of the members  
12 of the school board of the district. Any district waiving the  
13 limitation shall notify the State Board within 45 days of such  
14 action.

15 (d) School districts shall file with the State Board of  
16 Education by November 15, 1998 and by each November 15th  
17 thereafter a one-page report that lists (i) the actual  
18 administrative expenditures for the prior year from the  
19 district's audited Annual Financial Report, and (ii) the  
20 projected administrative expenditures for the current year  
21 from the budget adopted by the school board pursuant to Section  
22 17-1 of this Code.

23 If a school district that is ineligible to waive the  
24 limitation imposed by subsection (c) of this Section by board  
25 action exceeds the limitation solely because of circumstances  
26 beyond the control of the district and the district has

1 exhausted all available and reasonable remedies to comply with  
2 the limitation, the district may request a waiver pursuant to  
3 Section 2-3.25g. The waiver application shall specify the  
4 amount, nature, and reason for the relief requested, as well as  
5 all remedies the district has exhausted to comply with the  
6 limitation. Any emergency relief so requested shall apply only  
7 to the specific school year for which the request is made. The  
8 State Board of Education shall analyze all such waivers  
9 submitted and shall recommend that the General Assembly  
10 disapprove any such waiver requested that is not due solely to  
11 circumstances beyond the control of the district and for which  
12 the district has not exhausted all available and reasonable  
13 remedies to comply with the limitation. The State  
14 Superintendent shall have no authority to impose any sanctions  
15 pursuant to this Section for any expenditures for which a  
16 waiver has been requested until such waiver has been reviewed  
17 by the General Assembly.

18 If the report and information required under this  
19 subsection (d) are not provided by the school district in a  
20 timely manner, or are subsequently determined by the State  
21 Superintendent of Education to be incomplete or inaccurate, the  
22 State Superintendent shall notify the district in writing of  
23 reporting deficiencies. The school district shall, within 60  
24 days of the notice, address the reporting deficiencies  
25 identified.

26 (e) If the State Superintendent determines that a school

1 district has failed to comply with the administrative  
2 expenditure limitation imposed in subsection (c) of this  
3 Section, the State Superintendent shall notify the district of  
4 the violation and direct the district to undertake corrective  
5 action to bring the district's budget into compliance with the  
6 administrative expenditure limitation. The district shall,  
7 within 60 days of the notice, provide adequate assurance to the  
8 State Superintendent that appropriate corrective actions have  
9 been or will be taken. If the district fails to provide  
10 adequate assurance or fails to undertake the necessary  
11 corrective actions, the State Superintendent may impose  
12 progressive sanctions against the district that may culminate  
13 in withholding all subsequent payments of general State aid due  
14 the district under Section 18-8.05 of this Code or primary  
15 State aid due the district under Section 18-8.15 of this Code  
16 until the assurance is provided or the corrective actions  
17 taken.

18 (f) The State Superintendent shall publish a list each year  
19 of the school districts that violate the limitation imposed by  
20 subsection (c) of this Section and a list of the districts that  
21 waive the limitation by board action as provided in subsection  
22 (c) of this Section.

23 (Source: P.A. 90-548, eff. 1-1-98; 90-653, eff. 7-29-98.)

24 (105 ILCS 5/18-4.3) (from Ch. 122, par. 18-4.3)

25 Sec. 18-4.3. Summer school grants. Through fiscal year

1 2014, grants ~~Grants~~ shall be determined for pupil attendance in  
2 summer schools conducted under Sections 10-22.33A and 34-18 and  
3 approved under Section 2-3.25 in the following manner.

4 The amount of grant for each accredited summer school  
5 attendance pupil shall be obtained by dividing the total amount  
6 of apportionments determined under Section 18-8.05 by the  
7 actual number of pupils in average daily attendance used for  
8 such apportionments. The number of credited summer school  
9 attendance pupils shall be determined (a) by counting clock  
10 hours of class instruction by pupils enrolled in grades 1  
11 through 12 in approved courses conducted at least 60 clock  
12 hours in summer sessions; (b) by dividing such total of clock  
13 hours of class instruction by 4 to produce days of credited  
14 pupil attendance; (c) by dividing such days of credited pupil  
15 attendance by the actual number of days in the regular term as  
16 used in computation in the general apportionment in Section  
17 18-8.05; and (d) by multiplying by 1.25.

18 The amount of the grant for a summer school program  
19 approved by the State Superintendent of Education for children  
20 with disabilities, as defined in Sections 14-1.02 through  
21 14-1.07, shall be determined in the manner contained above  
22 except that average daily membership shall be utilized in lieu  
23 of average daily attendance.

24 In the case of an apportionment based on summer school  
25 attendance or membership pupils, the claim therefor shall be  
26 presented as a separate claim for the particular school year in

1 which such summer school session ends. On or before November 1  
2 of each year the superintendent of each eligible school  
3 district shall certify to the State Superintendent of Education  
4 the claim of the district for the summer session just ended.  
5 Failure on the part of the school board to so certify shall  
6 constitute a forfeiture of its right to such payment. The State  
7 Superintendent of Education shall transmit to the Comptroller  
8 no later than December 15th of each year vouchers for payment  
9 of amounts due school districts for summer school. The State  
10 Superintendent of Education shall direct the Comptroller to  
11 draw his warrants for payments thereof by the 30th day of  
12 December. If the money appropriated by the General Assembly for  
13 such purpose for any year is insufficient, it shall be  
14 apportioned on the basis of claims approved.

15 However, notwithstanding the foregoing provisions, for  
16 each fiscal year the money appropriated by the General Assembly  
17 for the purposes of this Section shall only be used for grants  
18 for approved summer school programs for those children with  
19 disabilities served pursuant to Section 14-7.02 or 14-7.02b of  
20 this Code.

21 No funding shall be provided to school districts under this  
22 Section after fiscal year 2014.

23 (Source: P.A. 93-1022, eff. 8-24-04.)

24 (105 ILCS 5/18-8.05)

25 Sec. 18-8.05. Basis for apportionment of general State

1 financial aid and supplemental general State aid to the common  
2 schools for the 1998-1999 through the 2013-2014 ~~and subsequent~~  
3 school years.

4 (A) General Provisions.

5 (1) The provisions of this Section relating to the  
6 calculation and apportionment of general State financial aid  
7 and supplemental general State aid apply to the 1998-1999  
8 through the 2013-2014 ~~and subsequent~~ school years. The system  
9 of general State financial aid provided for in this Section is  
10 designed to assure that, through a combination of State  
11 financial aid and required local resources, the financial  
12 support provided each pupil in Average Daily Attendance equals  
13 or exceeds a prescribed per pupil Foundation Level. This  
14 formula approach imputes a level of per pupil Available Local  
15 Resources and provides for the basis to calculate a per pupil  
16 level of general State financial aid that, when added to  
17 Available Local Resources, equals or exceeds the Foundation  
18 Level. The amount of per pupil general State financial aid for  
19 school districts, in general, varies in inverse relation to  
20 Available Local Resources. Per pupil amounts are based upon  
21 each school district's Average Daily Attendance as that term is  
22 defined in this Section.

23 (2) In addition to general State financial aid, school  
24 districts with specified levels or concentrations of pupils  
25 from low income households are eligible to receive supplemental



1 general State financial aid grants as provided pursuant to  
2 subsection (H). The supplemental State aid grants provided for  
3 school districts under subsection (H) shall be appropriated for  
4 distribution to school districts as part of the same line item  
5 in which the general State financial aid of school districts is  
6 appropriated under this Section.

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

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

26 (b) School district claims filed under this Section are

1 subject to Sections 18-9 and 18-12, except as otherwise  
2 provided in this Section.

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

8 (d) (Blank).

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

13 School districts are not required to exert a minimum  
14 Operating Tax Rate in order to qualify for assistance under  
15 this Section.

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

18 (a) "Average Daily Attendance": A count of pupil  
19 attendance in school, averaged as provided for in  
20 subsection (C) and utilized in deriving per pupil financial  
21 support levels.

22 (b) "Available Local Resources": A computation of  
23 local financial support, calculated on the basis of Average  
24 Daily Attendance and derived as provided pursuant to  
25 subsection (D).

26 (c) "Corporate Personal Property Replacement Taxes":

1 Funds paid to local school districts pursuant to "An Act in  
2 relation to the abolition of ad valorem personal property  
3 tax and the replacement of revenues lost thereby, and  
4 amending and repealing certain Acts and parts of Acts in  
5 connection therewith", certified August 14, 1979, as  
6 amended (Public Act 81-1st S.S.-1).

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

9 (e) "Operating Tax Rate": All school district property  
10 taxes extended for all purposes, except Bond and Interest,  
11 Summer School, Rent, Capital Improvement, and Vocational  
12 Education Building purposes.

13 (B) Foundation Level.

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

24 (2) For the 1998-1999 school year, the Foundation Level of  
25 support is \$4,225. For the 1999-2000 school year, the

1 Foundation Level of support is \$4,325. For the 2000-2001 school  
2 year, the Foundation Level of support is \$4,425. For the  
3 2001-2002 school year and 2002-2003 school year, the Foundation  
4 Level of support is \$4,560. For the 2003-2004 school year, the  
5 Foundation Level of support is \$4,810. For the 2004-2005 school  
6 year, the Foundation Level of support is \$4,964. For the  
7 2005-2006 school year, the Foundation Level of support is  
8 \$5,164. For the 2006-2007 school year, the Foundation Level of  
9 support is \$5,334. For the 2007-2008 school year, the  
10 Foundation Level of support is \$5,734. For the 2008-2009 school  
11 year, the Foundation Level of support is \$5,959.

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

16 (C) Average Daily Attendance.

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

1 conform attendance figures to the requirements of subsection  
2 (F).

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

12 (D) Available Local Resources.

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

23 (2) In determining a school district's revenue from local  
24 property taxes, the State Board of Education shall utilize the  
25 equalized assessed valuation of all taxable property of each

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

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

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

1 in Article 11E of this Code, multiplied by 0.94% and divided by  
2 the district's Average Daily Attendance figure.

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

13 (E) Computation of General State Aid.

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

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

23 (3) For any school district for which Available Local  
24 Resources per pupil is equal to or greater than the product of  
25 0.93 times the Foundation Level and less than the product of

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

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

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



1 This amount shall be deemed a one time increase, and shall not  
2 affect any future general State aid allocations.

3 (F) Compilation of Average Daily Attendance.

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

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

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

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

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

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

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

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

24 (a) Pupils regularly enrolled in a public school for  
25 only a part of the school day may be counted on the basis  
26 of 1/6 day for every class hour of instruction of 40

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

7 (b) (Blank).

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

13 (d) A session of 3 or more clock hours may be counted  
14 as a day of attendance (1) when the remainder of the school  
15 day or at least 2 hours in the evening of that day is  
16 utilized for an in-service training program for teachers,  
17 up to a maximum of 5 days per school year, provided a  
18 district conducts an in-service training program for  
19 teachers in accordance with Section 10-22.39 of this Code;  
20 or, in lieu of 4 such days, 2 full days may be used, in  
21 which event each such day may be counted as a day required  
22 for a legal school calendar pursuant to Section 10-19 of  
23 this Code; (1.5) when, of the 5 days allowed under item  
24 (1), a maximum of 4 days are used for parent-teacher  
25 conferences, or, in lieu of 4 such days, 2 full days are  
26 used, in which case each such day may be counted as a

1 calendar day required under Section 10-19 of this Code,  
2 provided that the full-day, parent-teacher conference  
3 consists of (i) a minimum of 5 clock hours of  
4 parent-teacher conferences, (ii) both a minimum of 2 clock  
5 hours of parent-teacher conferences held in the evening  
6 following a full day of student attendance, as specified in  
7 subsection (F)(1)(c), and a minimum of 3 clock hours of  
8 parent-teacher conferences held on the day immediately  
9 following evening parent-teacher conferences, or (iii)  
10 multiple parent-teacher conferences held in the evenings  
11 following full days of student attendance, as specified in  
12 subsection (F)(1)(c), in which the time used for the  
13 parent-teacher conferences is equivalent to a minimum of 5  
14 clock hours; and (2) when days in addition to those  
15 provided in items (1) and (1.5) are scheduled by a school  
16 pursuant to its school improvement plan adopted under  
17 Article 34 or its revised or amended school improvement  
18 plan adopted under Article 2, provided that (i) such  
19 sessions of 3 or more clock hours are scheduled to occur at  
20 regular intervals, (ii) the remainder of the school days in  
21 which such sessions occur are utilized for in-service  
22 training programs or other staff development activities  
23 for teachers, and (iii) a sufficient number of minutes of  
24 school work under the direct supervision of teachers are  
25 added to the school days between such regularly scheduled  
26 sessions to accumulate not less than the number of minutes

1 by which such sessions of 3 or more clock hours fall short  
2 of 5 clock hours. Any full days used for the purposes of  
3 this paragraph shall not be considered for computing  
4 average daily attendance. Days scheduled for in-service  
5 training programs, staff development activities, or  
6 parent-teacher conferences may be scheduled separately for  
7 different grade levels and different attendance centers of  
8 the district.

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

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

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

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

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

1 school days to compensate for the loss of school work on  
2 the examination days.

3 (j) Pupils enrolled in a remote educational program  
4 established under Section 10-29 of this Code may be counted  
5 on the basis of one-fifth day of attendance for every clock  
6 hour of instruction attended in the remote educational  
7 program, provided that, in any month, the school district  
8 may not claim for a student enrolled in a remote  
9 educational program more days of attendance than the  
10 maximum number of days of attendance the district can claim

11 (i) for students enrolled in a building holding year-round  
12 classes if the student is classified as participating in  
13 the remote educational program on a year-round schedule or  
14 (ii) for students enrolled in a building not holding  
15 year-round classes if the student is not classified as  
16 participating in the remote educational program on a  
17 year-round schedule.

18 (G) Equalized Assessed Valuation Data.

19 (1) For purposes of the calculation of Available Local  
20 Resources required pursuant to subsection (D), the State Board  
21 of Education shall secure from the Department of Revenue the  
22 value as equalized or assessed by the Department of Revenue of  
23 all taxable property of every school district, together with  
24 (i) the applicable tax rate used in extending taxes for the  
25 funds of the district as of September 30 of the previous year

1 and (ii) the limiting rate for all school districts subject to  
2 property tax extension limitations as imposed under the  
3 Property Tax Extension Limitation Law.

4 The Department of Revenue shall add to the equalized  
5 assessed value of all taxable property of each school district  
6 situated entirely or partially within a county that is or was  
7 subject to the provisions of Section 15-176 or 15-177 of the  
8 Property Tax Code (a) an amount equal to the total amount by  
9 which the homestead exemption allowed under Section 15-176 or  
10 15-177 of the Property Tax Code for real property situated in  
11 that school district exceeds the total amount that would have  
12 been allowed in that school district if the maximum reduction  
13 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in  
14 all other counties in tax year 2003 or (ii) \$5,000 in all  
15 counties in tax year 2004 and thereafter and (b) an amount  
16 equal to the aggregate amount for the taxable year of all  
17 additional exemptions under Section 15-175 of the Property Tax  
18 Code for owners with a household income of \$30,000 or less. The  
19 county clerk of any county that is or was subject to the  
20 provisions of Section 15-176 or 15-177 of the Property Tax Code  
21 shall annually calculate and certify to the Department of  
22 Revenue for each school district all homestead exemption  
23 amounts under Section 15-176 or 15-177 of the Property Tax Code  
24 and all amounts of additional exemptions under Section 15-175  
25 of the Property Tax Code for owners with a household income of  
26 \$30,000 or less. It is the intent of this paragraph that if the



1 general homestead exemption for a parcel of property is  
2 determined under Section 15-176 or 15-177 of the Property Tax  
3 Code rather than Section 15-175, then the calculation of  
4 Available Local Resources shall not be affected by the  
5 difference, if any, between the amount of the general homestead  
6 exemption allowed for that parcel of property under Section  
7 15-176 or 15-177 of the Property Tax Code and the amount that  
8 would have been allowed had the general homestead exemption for  
9 that parcel of property been determined under Section 15-175 of  
10 the Property Tax Code. It is further the intent of this  
11 paragraph that if additional exemptions are allowed under  
12 Section 15-175 of the Property Tax Code for owners with a  
13 household income of less than \$30,000, then the calculation of  
14 Available Local Resources shall not be affected by the  
15 difference, if any, because of those additional exemptions.

16 This equalized assessed valuation, as adjusted further by  
17 the requirements of this subsection, shall be utilized in the  
18 calculation of Available Local Resources.

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

21 (a) For the purposes of calculating State aid under  
22 this Section, with respect to any part of a school district  
23 within a redevelopment project area in respect to which a  
24 municipality has adopted tax increment allocation  
25 financing pursuant to the Tax Increment Allocation  
26 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11

1 of the Illinois Municipal Code or the Industrial Jobs  
2 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the  
3 Illinois Municipal Code, no part of the current equalized  
4 assessed valuation of real property located in any such  
5 project area which is attributable to an increase above the  
6 total initial equalized assessed valuation of such  
7 property shall be used as part of the equalized assessed  
8 valuation of the district, until such time as all  
9 redevelopment project costs have been paid, as provided in  
10 Section 11-74.4-8 of the Tax Increment Allocation  
11 Redevelopment Act or in Section 11-74.6-35 of the  
12 Industrial Jobs Recovery Law. For the purpose of the  
13 equalized assessed valuation of the district, the total  
14 initial equalized assessed valuation or the current  
15 equalized assessed valuation, whichever is lower, shall be  
16 used until such time as all redevelopment project costs  
17 have been paid.

18 (b) The real property equalized assessed valuation for  
19 a school district shall be adjusted by subtracting from the  
20 real property value as equalized or assessed by the  
21 Department of Revenue for the district an amount computed  
22 by dividing the amount of any abatement of taxes under  
23 Section 18-170 of the Property Tax Code by 3.00% for a  
24 district maintaining grades kindergarten through 12, by  
25 2.30% for a district maintaining grades kindergarten  
26 through 8, or by 1.05% for a district maintaining grades 9

1 through 12 and adjusted by an amount computed by dividing  
2 the amount of any abatement of taxes under subsection (a)  
3 of Section 18-165 of the Property Tax Code by the same  
4 percentage rates for district type as specified in this  
5 subparagraph (b).

6 (3) For the 1999-2000 school year and each school year  
7 thereafter, if a school district meets all of the criteria of  
8 this subsection (G) (3), the school district's Available Local  
9 Resources shall be calculated under subsection (D) using the  
10 district's Extension Limitation Equalized Assessed Valuation  
11 as calculated under this subsection (G) (3).

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

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

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

18 "Preceding Tax Year": The property tax levy year  
19 immediately preceding the Base Tax Year.

20 "Base Tax Year's Tax Extension": The product of the  
21 equalized assessed valuation utilized by the County Clerk  
22 in the Base Tax Year multiplied by the limiting rate as  
23 calculated by the County Clerk and defined in the Property  
24 Tax Extension Limitation Law.

25 "Preceding Tax Year's Tax Extension": The product of  
26 the equalized assessed valuation utilized by the County

1 Clerk in the Preceding Tax Year multiplied by the Operating  
2 Tax Rate as defined in subsection (A).

3 "Extension Limitation Ratio": A numerical ratio,  
4 certified by the County Clerk, in which the numerator is  
5 the Base Tax Year's Tax Extension and the denominator is  
6 the Preceding Tax Year's Tax Extension.

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

9 If a school district is subject to property tax extension  
10 limitations as imposed under the Property Tax Extension  
11 Limitation Law, the State Board of Education shall calculate  
12 the Extension Limitation Equalized Assessed Valuation of that  
13 district. For the 1999-2000 school year, the Extension  
14 Limitation Equalized Assessed Valuation of a school district as  
15 calculated by the State Board of Education shall be equal to  
16 the product of the district's 1996 Equalized Assessed Valuation  
17 and the district's Extension Limitation Ratio. Except as  
18 otherwise provided in this paragraph for a school district that  
19 has approved or does approve an increase in its limiting rate,  
20 for the 2000-2001 school year and each school year thereafter,  
21 the Extension Limitation Equalized Assessed Valuation of a  
22 school district as calculated by the State Board of Education  
23 shall be equal to the product of the Equalized Assessed  
24 Valuation last used in the calculation of general State aid and  
25 the district's Extension Limitation Ratio. If the Extension  
26 Limitation Equalized Assessed Valuation of a school district as

1 calculated under this subsection (G)(3) is less than the  
2 district's equalized assessed valuation as calculated pursuant  
3 to subsections (G)(1) and (G)(2), then for purposes of  
4 calculating the district's general State aid for the Budget  
5 Year pursuant to subsection (E), that Extension Limitation  
6 Equalized Assessed Valuation shall be utilized to calculate the  
7 district's Available Local Resources under subsection (D). For  
8 the 2009-2010 school year and each school year thereafter, if a  
9 school district has approved or does approve an increase in its  
10 limiting rate, pursuant to Section 18-190 of the Property Tax  
11 Code, affecting the Base Tax Year, the Extension Limitation  
12 Equalized Assessed Valuation of the school district, as  
13 calculated by the State Board of Education, shall be equal to  
14 the product of the Equalized Assessed Valuation last used in  
15 the calculation of general State aid times an amount equal to  
16 one plus the percentage increase, if any, in the Consumer Price  
17 Index for all Urban Consumers for all items published by the  
18 United States Department of Labor for the 12-month calendar  
19 year preceding the Base Tax Year, plus the Equalized Assessed  
20 Valuation of new property, annexed property, and recovered tax  
21 increment value and minus the Equalized Assessed Valuation of  
22 disconnected property. New property and recovered tax  
23 increment value shall have the meanings set forth in the  
24 Property Tax Extension Limitation Law.

25 Partial elementary unit districts created in accordance  
26 with Article 11E of this Code shall not be eligible for the

1 adjustment in this subsection (G)(3) until the fifth year  
2 following the effective date of the reorganization.

3 (3.5) For the 2010-2011 school year and each school year  
4 thereafter, if a school district's boundaries span multiple  
5 counties, then the Department of Revenue shall send to the  
6 State Board of Education, for the purpose of calculating  
7 general State aid, the limiting rate and individual rates by  
8 purpose for the county that contains the majority of the school  
9 district's Equalized Assessed Valuation.

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

1 that Extension Limitation Equalized Assessed Valuation shall  
2 be utilized to calculate the district's Available Local  
3 Resources.

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

16 (H) Supplemental General State Aid.

17 (1) In addition to the general State aid a school district  
18 is allotted pursuant to subsection (E), qualifying school  
19 districts shall receive a grant, paid in conjunction with a  
20 district's payments of general State aid, for supplemental  
21 general State aid based upon the concentration level of  
22 children from low-income households within the school  
23 district. Supplemental State aid grants provided for school  
24 districts under this subsection shall be appropriated for  
25 distribution to school districts as part of the same line item

1 in which the general State financial aid of school districts is  
2 appropriated under this Section.

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



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

11 (1.10) This paragraph (1.10) applies to the 2003-2004  
12 school year and each school year thereafter through the  
13 2013-2014 school year. For purposes of this subsection (H), the  
14 term "Low-Income Concentration Level" shall, for each fiscal  
15 year, be the low-income eligible pupil count as of July 1 of  
16 the immediately preceding fiscal year (as determined by the  
17 Department of Human Services based on the number of pupils who  
18 are eligible for at least one of the following low income  
19 programs: Medicaid, the Children's Health Insurance Program,  
20 TANF, or Food Stamps, excluding pupils who are eligible for  
21 services provided by the Department of Children and Family  
22 Services, averaged over the 2 immediately preceding fiscal  
23 years for fiscal year 2004 and over the 3 immediately preceding  
24 fiscal years for each fiscal year thereafter) divided by the  
25 Average Daily Attendance of the school district.

26 (2) Supplemental general State aid pursuant to this

1 subsection (H) shall be provided as follows for the 1998-1999,  
2 1999-2000, and 2000-2001 school years only:

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

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

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

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

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

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

1           (2.5) Supplemental general State aid pursuant to this  
2 subsection (H) shall be provided as follows for the 2002-2003  
3 school year:

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

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

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

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

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

24           (f) For any school district with a Low Income  
25 Concentration Level of 60% or more, the grant for each  
26 school year shall be \$2,080 multiplied by the low income

1 eligible pupil count.

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

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

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

15 For the 2003-2004 school year and each school year  
16 thereafter through the 2008-2009 school year only, the grant  
17 shall be no less than the grant for the 2002-2003 school year.  
18 For the 2009-2010 school year only, the grant shall be no less  
19 than the grant for the 2002-2003 school year multiplied by  
20 0.66. For the 2010-2011 school year only, the grant shall be no  
21 less than the grant for the 2002-2003 school year multiplied by  
22 0.33. Notwithstanding the provisions of this paragraph to the  
23 contrary, if for any school year supplemental general State aid  
24 grants are prorated as provided in paragraph (1) of this  
25 subsection (H), then the grants under this paragraph shall be  
26 prorated.

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

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

1 plan shall be submitted in accordance with rules and  
2 regulations promulgated by the State Board of Education.

3 (4) School districts with an Average Daily Attendance of  
4 50,000 or more that qualify for supplemental general State aid  
5 pursuant to this subsection shall be required to distribute  
6 from funds available pursuant to this Section, no less than  
7 \$261,000,000 in accordance with the following requirements:

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

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

23 (c) Each attendance center shall be provided by the  
24 school district a distribution of noncategorical funds and  
25 other categorical funds to which an attendance center is  
26 entitled under law in order that the general State aid and

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

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

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

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

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

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

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

26 For purposes of determining compliance with this



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

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

1 (I) (Blank).

2 (J) (Blank).

3 (K) Grants to Laboratory and Alternative Schools.

4 In calculating the amount to be paid to the governing board  
5 of a public university that operates a laboratory school under  
6 this Section or to any alternative school that is operated by a  
7 regional superintendent of schools, the State Board of  
8 Education shall require by rule such reporting requirements as  
9 it deems necessary.

10 As used in this Section, "laboratory school" means a public  
11 school which is created and operated by a public university and  
12 approved by the State Board of Education. The governing board  
13 of a public university which receives funds from the State  
14 Board under this subsection (K) or subsection (i) of Section  
15 18-8.15 of this Code may not increase the number of students  
16 enrolled in its laboratory school from a single district, if  
17 that district is already sending 50 or more students, except  
18 under a mutual agreement between the school board of a  
19 student's district of residence and the university which  
20 operates the laboratory school. A laboratory school may not  
21 have more than 1,000 students, excluding students with  
22 disabilities in a special education program.

23 As used in this Section, "alternative school" means a  
24 public school which is created and operated by a Regional

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

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

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

24 (1) For a school district operating under the financial  
25 supervision of an Authority created under Article 34A, the

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

12 (2) (Blank).

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

15 (M) Education Funding Advisory Board.

16 The Education Funding Advisory Board, hereinafter in this  
17 subsection (M) referred to as the "Board", is hereby created.  
18 The Board shall consist of 5 members who are appointed by the  
19 Governor, by and with the advice and consent of the Senate. The  
20 members appointed shall include representatives of education,  
21 business, and the general public. One of the members so  
22 appointed shall be designated by the Governor at the time the  
23 appointment is made as the chairperson of the Board. The  
24 initial members of the Board may be appointed any time after  
25 the effective date of this amendatory Act of 1997. The regular

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

26 The Education Funding Advisory Board shall be deemed

1 established, and the initial members appointed by the Governor  
2 to serve as members of the Board shall take office, on the date  
3 that the Governor makes his or her appointment of the fifth  
4 initial member of the Board, whether those initial members are  
5 then serving pursuant to appointment and confirmation or  
6 pursuant to temporary appointments that are made by the  
7 Governor as in the case of vacancies.

8 The State Board of Education shall provide such staff  
9 assistance to the Education Funding Advisory Board as is  
10 reasonably required for the proper performance by the Board of  
11 its responsibilities.

12 For school years after the 2000-2001 school year through  
13 the 2013-2014 school year, the Education Funding Advisory  
14 Board, in consultation with the State Board of Education, shall  
15 make recommendations as provided in this subsection (M) to the  
16 General Assembly for the foundation level under subdivision  
17 (B) (3) of this Section and for the supplemental general State  
18 aid grant level under subsection (H) of this Section for  
19 districts with high concentrations of children from poverty.  
20 The recommended foundation level shall be determined based on a  
21 methodology which incorporates the basic education  
22 expenditures of low-spending schools exhibiting high academic  
23 performance. The Education Funding Advisory Board shall make  
24 such recommendations to the General Assembly on January 1 of  
25 odd numbered years, beginning January 1, 2001. After the  
26 2013-2014 school year, the Education Funding Advisory Board

1 shall make recommendations pursuant to subsection (k) of  
2 Section 18-8.15 of this Code.

3 (N) (Blank).

4 (O) References.

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

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

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

19 (Source: P.A. 96-45, eff. 7-15-09; 96-152, eff. 8-7-09; 96-300,  
20 eff. 8-11-09; 96-328, eff. 8-11-09; 96-640, eff. 8-24-09;  
21 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1480, eff.  
22 11-18-10; 97-339, eff. 8-12-11; 97-351, eff. 8-12-11; 97-742,  
23 eff. 6-30-13; 97-813, eff. 7-13-12.)

1 (105 ILCS 5/18-8.10)

2 Sec. 18-8.10. Fast growth grants.

3 (a) If there has been an increase in a school district's  
4 student population over the most recent 2 school years of (i)  
5 over 1.5% in a district with over 10,000 pupils in average  
6 daily attendance (as defined in Section 18-8.05 or 18-8.15 of  
7 this Code) or (ii) over 7.5% in any other district, then the  
8 district is eligible for a grant under this Section, subject to  
9 appropriation.

10 (b) The State Board of Education shall determine a per  
11 pupil grant amount for each school district. The total grant  
12 amount for a district for any given school year shall equal the  
13 per pupil grant amount multiplied by the difference between the  
14 number of pupils in average daily attendance for the 2 most  
15 recent school years.

16 (c) Funds for grants under this Section must be  
17 appropriated to the State Board of Education in a separate line  
18 item for this purpose. If the amount appropriated in any fiscal  
19 year is insufficient to pay all grants for a school year, then  
20 the amount appropriated shall be prorated among eligible  
21 districts. As soon as possible after funds have been  
22 appropriated to the State Board of Education, the State Board  
23 of Education shall distribute the grants to eligible districts.

24 (d) If a school district intentionally reports incorrect  
25 average daily attendance numbers to receive a grant under this



1 Section, then the district shall be denied State aid in the  
2 same manner as State aid is denied for intentional incorrect  
3 reporting of average daily attendance numbers under Section  
4 18-8.05 or 18-8.15 of this Code.

5 (Source: P.A. 93-1042, eff. 10-8-04.)

6 (105 ILCS 5/18-8.15 new)

7 Sec. 18-8.15. Basis for apportionment of primary State  
8 financial aid to the common schools for the 2014-2015 and  
9 subsequent school years.

10 (a) General provisions.

11 (1) The provisions of this Section apply to the 2014-2015  
12 and subsequent school years. The system of primary State  
13 financial aid provided for in this Section is designed to  
14 ensure that, through a combination of State financial aid and  
15 required local resources, the financial support provided each  
16 pupil in attendance equals or exceeds a prescribed per pupil  
17 Foundation Level, with adjustments to the Foundation Level  
18 based on each school district's pupil characteristics. This  
19 formula approach imputes a level of per pupil Available Local  
20 Resources and provides for the basis to calculate a per pupil  
21 level of primary State financial aid that, when added to  
22 Available Local Resources, equals or exceeds the Foundation  
23 Level. The amount of per pupil primary State financial aid for  
24 school districts, in general, varies in inverse relation to  
25 Available Local Resources.

1       (2) To address increases and decreases in State funding  
2 resulting from this amendatory Act of the 98th General  
3 Assembly, the amount of primary State aid provided to a school  
4 district shall be subject to adjustment through the 2024-2025  
5 school year as provided in subsection (h) of this Section. Any  
6 supplemental grants provided for school districts under  
7 subsection (h) of this Section shall be appropriated for  
8 distribution to school districts as part of the same line item  
9 in which the primary State financial aid of school districts is  
10 appropriated under this Section.

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

14       (A) Any school district that fails, for any given  
15 school year, to maintain school as required by law or to  
16 maintain a recognized school is not eligible to receive  
17 financial assistance under this Section. In case of  
18 non-recognition of one or more attendance centers in a  
19 school district otherwise operating recognized schools,  
20 the claim of the district shall be reduced in the  
21 proportion that the enrollment in the attendance center or  
22 centers bears to the enrollment in the school district. A  
23 "recognized school" means any public school that meets the  
24 standards established for recognition by the State Board of  
25 Education. A school district or attendance center not  
26 having recognition status at the end of a school term is

1 entitled to receive State aid payments due upon a legal  
2 claim that was filed while it was recognized.

3 (B) School district claims filed under this Section are  
4 subject to Sections 18-9 and 18-12 of this Code, except as  
5 otherwise provided in this Section.

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

11 (4) Subject to the requirements of subsection (j) of this  
12 Section, the school board of any district receiving any of the  
13 grants provided for in this Section may apply those funds to  
14 any fund so received for which that school board is authorized  
15 to make expenditures by law.

16 (5) As used in this Section, the following terms, when  
17 capitalized, shall have the meanings ascribed in this paragraph  
18 (5):

19 "Additional Weight" means a number added to 1.0 to  
20 calculate the District Weighted Average in accordance with  
21 subsection (b) of this Section. Each Additional Weight is  
22 calculated using the Weighting Factors and Weighting  
23 Percentages in paragraph (5) of subsection (b) of this Section.

24 "Adjusted Flat Grant Level" means, for each school district  
25 not subject to property tax extension limitations as imposed  
26 under the Property Tax Extension Limitation Law, the Flat Grant

1 Level multiplied by the percentage, if any, by which the school  
2 district's combined tax rate for educational and operations and  
3 maintenance purposes is less than the maximum combined tax  
4 rates for educational and operations and maintenance purposes  
5 specified for that type of school district under Section 17-2  
6 of this Code. For a school district subject to property tax  
7 extension limitations as imposed under the Property Tax  
8 Extension Limitation Law or a school district whose combined  
9 tax rate for educational and operations and maintenance  
10 purposes is at least the maximum combined tax rates for  
11 educational and operations and maintenance purposes specified  
12 for that type of school district under Section 17-2 of this  
13 Code, the Adjusted Flat Grant Level is equal to the Flat Grant  
14 Level.

15 "Advanced Standing Pupil" means a pupil in grades 9 through  
16 12, other than a pupil counted as a Career Pathway Completer,  
17 that has completed (i) one or more Advanced Placement courses  
18 and received a score of 3 or higher on an Advanced Placement  
19 examination or (ii) a course providing dual credit through an  
20 Illinois public community college or university in which the  
21 student was awarded at least 3 credit hours of postsecondary  
22 education credit.

23 "Alternative School" means a public school that is created  
24 and operated by a regional superintendent of schools and  
25 approved by the State Board of Education.

26 "Available Local Resources Per Pupil" means a computation

1 of local financial support, calculated on the basis of Average  
2 Daily Attendance and derived as provided pursuant to subsection  
3 (d) of this Section.

4 "Average Daily Attendance" or "ADA" means the count of  
5 pupils in attendance derived as provided pursuant to subsection  
6 (c) of this Section.

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

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

14 "Budget Year" means the school year for which primary State  
15 aid is calculated and awarded under subsection (e) of this  
16 Section.

17 "Career Pathway Completer" means a pupil that has graduated  
18 from high school and completed a series of connected education  
19 and training strategies and support services meeting the  
20 requirements of this definition and other requirements  
21 established by the State Board of Education that enable  
22 individuals to secure industry-relevant credentials and  
23 degrees and obtain employment within an occupational area and  
24 to advance to higher levels of future education and employment  
25 in that area. Career pathway programs must incorporate (i)  
26 rigorous academics that prepare students for success in

1 community colleges and universities, as well as in  
2 apprenticeship and other postsecondary programs; (ii)  
3 career-based learning through a cluster of 3 or more courses  
4 emphasizing the practical application of academic learning and  
5 preparing students for employment in high skill occupational  
6 areas; (iii) professional learning, via job shadowing,  
7 apprenticeships, internships, or other professional  
8 skill-building opportunities; (iv) support services that  
9 include academic and career counseling; and (v) opportunities  
10 for attainment of stackable, industry-relevant credentials and  
11 degrees.

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

19 "District Weighted Average" means a figure used to derive a  
20 school district's Per-pupil Aid level, calculated pursuant to  
21 subsection (b) of this Section.

22 "Extension Limitation Equalized Assessed Valuation" means  
23 a figure calculated by the State Board of Education pursuant to  
24 paragraph (3) of subsection (h) of this Section for school  
25 districts subject to property tax extension limitations as  
26 imposed under the Property Tax Extension Limitation Law.

1       "Extension Limitation Ratio" means a numerical ratio in  
2 which the numerator is the Base Tax Year's Extension and the  
3 denominator is the Preceding Tax Year's Tax Extension.

4       "Flat Grant Level" means a dollar amount equal to 3.5% of  
5 the Foundation Level.

6       "Foundation Level" means a prescribed level of per pupil  
7 financial support, as provided for in subsection (b) of this  
8 Section.

9       "Gifted Pupil" means a pupil in kindergarten through grade  
10 8 receiving services through a program for gifted and talented  
11 children that has been approved by a school board and that is  
12 described on a school district's Internet website.

13       "Hold Harmless State Funding" means the amount of State  
14 funds allotted to a school district during the 2013-2014 school  
15 year pursuant to the following Sections of this Code, as  
16 calculated by the State Board of Education: Sections 18-8.05;  
17 14-7.02b; 14-13.01, except for reimbursement of the cost of  
18 transportation pursuant to that Section; 14C-12; 18-4.3; and  
19 29-5.

20       "Laboratory School" means a public school that is created  
21 and operated by a public university and approved by the State  
22 Board of Education.

23       "Low-income Pupil" means a pupil from a household with a  
24 household income level at or below 185% of the poverty  
25 guidelines updated periodically in the Federal Register by the  
26 U.S. Department of Health and Human Services under the

1 authority of 42 U.S.C. 9902(2).

2 "Normal Pension Costs" means the present value of pension  
3 plan benefits and expenses allocated to a valuation year by an  
4 actuarial cost method for the Public School Teachers' Pension  
5 and Retirement Fund of Chicago.

6 "Operating Tax Rate" means all school district property  
7 taxes extended for all purposes, except bond and interest,  
8 summer school, rent, capital improvement, and vocational  
9 education building purposes.

10 "Per-pupil Aid" means a school district's Weighted  
11 Foundation Level less its Available Local Resources Per Pupil.

12 "Preceding Tax Year" means the property tax levy year  
13 immediately preceding the Base Tax Year.

14 "Preceding Tax Year's Tax Extension" means the product of  
15 the equalized assessed valuation utilized by the county clerk  
16 in the Preceding Tax Year multiplied by the Operating Tax Rate.

17 "Prior Year ADA" means the number of pupils within the  
18 count of pupils in attendance used for Average Daily Attendance  
19 calculations for the school year immediately preceding the  
20 school year for which primary State aid is calculated and  
21 awarded under subsection (e) of this Section.

22 "PTELL PSA Adjustment" means the amount of primary State  
23 aid a school district would receive under subsection (e) of  
24 this Section if the Extension Limitation Equalized Assessed  
25 Valuation was used for calculating the school district's  
26 primary State aid for the Budget Year instead of the district's



1 equalized assessed valuation as calculated pursuant to  
2 paragraphs (1) and (2) of subsection (g) of this Section.

3 "Pupil of Limited English-speaking Ability" means a child  
4 of limited English-speaking ability, as defined in Section  
5 14C-2 of this Code, participating in a program of transitional  
6 bilingual education or a transitional program of instruction  
7 meeting the requirements of Article 14C of this Code.

8 "Regular Transportation Eligible Pupil" means a pupil,  
9 other than a Vocational Transportation Pupil, meeting the  
10 fiscal year 2014 eligibility requirements for reimbursement of  
11 transportation costs under Section 29-5 of this Code.

12 "Special Education Summer School Pupil" means a child with  
13 disabilities participating in a summer school program meeting  
14 the fiscal year 2014 eligibility requirements for a summer  
15 school grant under Section 18-4.3 of this Code.

16 "Total Primary State Aid" means the amount of primary State  
17 aid allotted to a school district pursuant to subsection (e) of  
18 this Section and any supplemental grant allotted pursuant to  
19 paragraph (3) of subsection (h) of this Section.

20 "Vocational Transportation Pupil" means a pupil  
21 transported to an area vocational school or another school  
22 district's vocational program meeting the fiscal year 2014  
23 eligibility requirements for reimbursement of transportation  
24 costs under Section 29-5 of this Code.

25 "Weighted Foundation Level" means the Foundation Level  
26 multiplied by the District Weighted Average.

1       "Weighted Foundation Level Budget" means, for a particular  
2 school district, the Weighted Foundation Level multiplied by  
3 the Prior Year ADA.

4       "Weighting Factor" means, for each Additional Weight  
5 classification in paragraph (5) of subsection (b) of this  
6 Section, the amount multiplied by the Weighting Percentage to  
7 calculate the Additional Weight figure.

8       "Weighting Percentage" means, for each Additional Weight  
9 classification in paragraph (5) of subsection (b) of this  
10 Section, the amount multiplied by the Weighting Factor to  
11 calculate the Additional Weight figure.

12       (b) Foundation Level; weighting for district pupil  
13 characteristics.

14       (1) The Foundation Level is a figure established by this  
15 State representing the minimum level of per pupil financial  
16 support that should be available to provide for the basic  
17 education of each pupil in Average Daily Attendance in a public  
18 school in this State. Then, for each school district, the  
19 Foundation Level is weighted in accordance with the Additional  
20 Weights set forth in paragraph (5) of this subsection (b) to  
21 account for the pupil characteristics within that school  
22 district. As set forth in this Section, each school district is  
23 assumed to exert a sufficient local taxing effort such that, in  
24 combination with the aggregate of primary State financial aid  
25 provided the district, an aggregate of State and local  
26 resources are available to meet the basic education needs of

1 pupils in the district.

2 (2) Subject to paragraph (3) of this subsection (b), for  
3 the 2014-2015 school year and each school year thereafter, the  
4 Foundation Level of support is \$6,119 or such greater amount as  
5 may be established by law by the General Assembly.

6 (3) If the appropriation in any fiscal year for primary  
7 State aid, including supplemental grants pursuant to  
8 subsection (h) of this Section, is insufficient to pay the  
9 amounts required under the calculations set forth in this  
10 Section, then the State Board of Education shall adjust the  
11 Foundation Level to an amount so that the appropriation is  
12 sufficient to pay all primary State aid and supplemental grants  
13 required by this Section.

14 (4) For each school district, the Foundation Level shall be  
15 adjusted by multiplying the Foundation Level by a District  
16 Weighted Average figure, resulting in the school district's  
17 Weighted Foundation Level. The District Weighted Average  
18 figure for a particular school district shall be a number equal  
19 to 1.0 plus each of the Additional Weights described in  
20 paragraph (5) of this subsection (b) applicable to that  
21 district. For each Additional Weight, the figure included in  
22 the District Weighted Average is the product of the Weighting  
23 Factor multiplied by the Weighting Percentage, as both are  
24 specified in paragraph (5) of this subsection (b). For each  
25 school district, the State Board of Education shall publicly  
26 report the district's District Weighted Average, Weighted

1 Foundation Level, Additional Weights, and amount of primary  
2 State aid received attributable to each Additional Weight.

3 (5) Additional Weights:

4 (A) Pupils of Limited English-speaking Ability:

5 (i) Weighting Factor of 0.20; and

6 (ii) Weighting Percentage equal to the Prior Year  
7 ADA of Pupils of Limited English-speaking Ability,  
8 divided by the Prior Year ADA for all pupils.

9 (B) Low-Income Pupils: The higher of the weights  
10 determined through the following 2 methods:

11 (i) Regular low-income method:

12 (I) Weighting Factor of 0.25; and

13 (II) Weighting Percentage equal to the Prior  
14 Year ADA of Low-income Pupils, divided by the Prior  
15 Year ADA for all pupils.

16 (ii) Low-income concentration method:

17 (I) Weighting Factor of 0.85 multiplied by the  
18 Weighting Percentage for Low-income Pupils as  
19 calculated in accordance with the regular  
20 low-income method; and

21 (II) Weighting Percentage equal to the  
22 Weighting Percentage for Low-income Pupils as  
23 calculated in accordance with the regular  
24 low-income method.

25 (C) Children with disabilities:

26 (i) Weighting Factor of 1.0; and

1           (ii) Weighting Percentage of 13.8% in the  
2           2014-2015 and 2015-2016 school years and, in  
3           subsequent school years, a Weighting Percentage  
4           periodically established by the State Board of  
5           Education, but not less frequently than once every 5  
6           years, representative of the statewide average  
7           population of students with disabilities in grades  
8           kindergarten through 12 public education.

9           (D) Special Education Summer School Pupils:

10           (i) Weighting Factor of 0.03; and

11           (ii) Weighting Percentage equal to the Prior Year  
12           ADA of Special Education Summer School Pupils, divided  
13           by the Prior Year ADA for all pupils.

14           (E) Gifted Pupils:

15           (i) Weighting Factor of 0.01; and

16           (ii) Weighting Percentage equal to the Prior Year  
17           ADA of Gifted Pupils, divided by the Prior Year ADA,  
18           provided that the Prior Year ADA of Gifted Pupils used  
19           for such calculation shall not exceed 5% of the Prior  
20           Year ADA for pupils in kindergarten through grade 8.

21           (F) Regular Transportation Eligible Pupils:

22           (i) Weighting Factor of 0.06 for school districts  
23           in the most dense quintile of school districts in this  
24           State; for purposes of this subdivision (F), density  
25           shall be calculated by the State Board of Education  
26           based on pupils per square mile;

1           (ii) Weighting Factor 0.07 for school districts in  
2           the next to most dense quintile of school districts in  
3           this State;

4           (iii) Weighting Factor of 0.08 for school  
5           districts in the median density quintile of school  
6           districts in this State;

7           (iv) Weighting Factor of 0.09 for school districts  
8           in the next to least dense quintile of school districts  
9           in this State;

10           (v) Weighting Factor of 0.10 for school districts  
11           in the least dense quintile of school districts in this  
12           State; and

13           (vi) Weighting Percentage equal to the Prior Year  
14           ADA of Regular Transportation Eligible Pupils, divided  
15           by the Prior Year ADA for all pupils.

16           (G) Vocational Transportation Pupils:

17           (i) Weighting Factor of 0.12; and

18           (ii) Weighting Percentage equal to the Prior Year  
19           ADA of Vocational Transportation Pupils, divided by  
20           the Prior Year ADA for all pupils.

21           (H) In the 2016-2017 school year and subsequent school  
22           years, Advanced Standing Pupils and Career Pathway  
23           Completers:

24           (i) For Advanced Standing Pupils:

25           (I) Weighting Factor of 0.02; and

26           (II) Weighting Percentage equal to the Prior

1           Year ADA of Advanced Standing Pupils, divided by  
2           the Prior Year ADA for all pupils.

3           (ii) For Career Pathway Completers:

4                 (I) Weighting Factor of 0.03; and

5                 (II) Weighting Percentage equal to the Prior  
6           Year ADA of Career Pathway Completers, divided by  
7           the Prior Year ADA for all pupils.

8           (iii) For any school district, the combined Prior  
9           Year ADA of both Advanced Standing Pupils and Career  
10          Pathway Completers used for the Weighting Percentage  
11          calculations under this subdivision (H) shall not  
12          exceed 50% of the Prior Year ADA of all pupils in  
13          grades 9 through 12.

14          (c) Average Daily Attendance.

15                 (1) For purposes of calculating primary State aid pursuant  
16          to subsection (e) of this Section, an Average Daily Attendance  
17          figure shall be utilized. The Average Daily Attendance figure  
18          for formula calculation purposes shall be the monthly average  
19          of the total number of pupils in attendance for each school  
20          district, as further averaged for the best 3 months of pupil  
21          attendance for each school district. In compiling the figures  
22          for the number of pupils in attendance, school districts and  
23          the State Board of Education shall, for purposes of primary  
24          State aid funding, conform attendance figures to the  
25          requirements of subsection (f) of this Section.

26                 (2) The Average Daily Attendance figures utilized in

1 subsection (e) of this Section shall be the requisite  
2 attendance data for the school year immediately preceding the  
3 school year for which primary State aid is being calculated or  
4 the average of the attendance data for the 3 preceding school  
5 years, whichever is greater.

6 (d) Available Local Resources Per Pupil.

7 (1) For purposes of calculating primary State aid pursuant  
8 to subsection (e) of this Section, a representation of  
9 Available Local Resources Per Pupil, as that term is defined  
10 and determined in this subsection (d), shall be utilized.  
11 Available Local Resources Per Pupil shall include a calculated  
12 dollar amount representing school district revenues from local  
13 property taxes and from Corporate Personal Property  
14 Replacement Taxes, expressed on the basis of pupils in Average  
15 Daily Attendance. Calculation of Available Local Resources  
16 shall exclude any tax amnesty funds received as a result of  
17 Public Act 93-26. For a school district organized under Article  
18 34 of this Code, calculation of Available Local Resources shall  
19 exclude any amounts actually paid by the board of education  
20 into a Public School Teachers' Pension and Retirement Fund  
21 created pursuant to Article 17 of the Illinois Pension Code for  
22 Normal Pension Costs during the fiscal year immediately  
23 preceding the fiscal year for which primary State aid is being  
24 calculated.

25 (2) In determining a school district's revenue from local  
26 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) of this Section.

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 3.07%, 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 2.36%, 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 1.10%, 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 2.10% 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 0.97% 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 paragraph (3) of this subsection  
10 (d). The sum of these per pupil figures for each school  
11 district shall constitute Available Local Resources Per Pupil  
12 as that term is utilized in subsection (e) of this Section in  
13 the calculation of primary State aid.

14 (e) Computation of Primary State Aid.

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

18 (2) Subject to paragraph (4) of this subsection (e), for  
19 any school district for which the Per-pupil Aid is more than  
20 the Flat Grant Level, primary State aid for that district shall  
21 be in an amount equal to its Per-pupil Aid multiplied by its  
22 Average Daily Attendance figure.

23 (3) Subject to paragraph (4) of this subsection (e), for  
24 any school district for which the Per-pupil Aid is equal to or  
25 less than the Flat Grant Level, primary State aid for that  
26 district shall be in an amount equal to the Adjusted Flat Grant

1 Level multiplied by the district's Average Daily Attendance  
2 figure.

3 (4) From financial assistance provided to school districts  
4 under this Section, the State Board of Education shall withhold  
5 the following amounts for the following purposes:

6 (A) For each school district with an Additional Weight  
7 for Pupils of Limited English-speaking Ability, the State  
8 Board of Education shall withhold an amount equal to one  
9 and one-half percent of the district's Weighted Foundation  
10 Level Budget attributable to Pupils of Limited  
11 English-speaking Ability for State Board of Education  
12 staff and contractual services for administration,  
13 professional development, and support to school districts  
14 for services for such pupils.

15 (B) The State Board of Education shall withhold an  
16 amount equal to one-half percent of each school district's  
17 Weighted Foundation Level Budget attributable to children  
18 with disabilities and Special Education Summer School  
19 Pupils for State Board of Education staff and contractual  
20 services for administration, professional development, and  
21 support to school districts for services for children with  
22 disabilities. The State Board of Education shall use a  
23 portion of the withheld amounts for developing or  
24 supporting electronic individualized educational programs.

25 (f) Compilation of Average Daily Attendance.

26 (1) Each school district shall, on or before July 1 of each

1 year, submit to the State Board of Education, in a manner  
2 prescribed by the State Board of Education, attendance figures  
3 for the school year that began in the preceding calendar year.  
4 The attendance information so transmitted shall identify the  
5 Average Daily Attendance figures for each month of the school  
6 year. School districts shall calculate Average Daily  
7 Attendance as provided in subdivisions (A), (B), and (C) of  
8 this paragraph (1).

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

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

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

1 buildings for each month and added to the monthly  
2 attendance of the non-year-round buildings.

3 (2) For the 2014-2015 school year, days of attendance by  
4 pupils shall be counted in accordance with paragraph (2) of  
5 subsection (F) of Section 18-8.05 of this Code. For the  
6 2015-2016 and subsequent school years, days of attendance by  
7 pupils shall be counted in accordance with administrative rules  
8 adopted by the State Board of Education that address, without  
9 limitation, days of partial attendance, days utilized for  
10 in-service training and parent-teacher conferences,  
11 partial-day kindergarten, hospitalized or homebound students,  
12 days when assessments are administered, remote educational  
13 programs, virtual learning, work-based learning, dual credit  
14 programs, and competency-based education. Such rules shall be  
15 adopted by the State Board of Education by no later than April  
16 1, 2015.

17 (g) Equalized assessed valuation data.

18 (1) For purposes of the calculation of Available Local  
19 Resources Per Pupil required pursuant to subsection (d) of this  
20 Section, the State Board of Education shall secure from the  
21 Department of Revenue the value as equalized or assessed by the  
22 Department of Revenue of all taxable property of every school  
23 district, together with (i) the applicable tax rate used in  
24 extending taxes for the funds of the district as of September  
25 30 of the previous year and (ii) the limiting rate for all  
26 school districts subject to property tax extension limitations

1 as imposed under the Property Tax Extension Limitation Law.

2 The Department of Revenue shall add to the equalized  
3 assessed value of all taxable property of each school district  
4 situated entirely or partially within a county that is or was  
5 subject to the provisions of Section 15-176 or 15-177 of the  
6 Property Tax Code (A) an amount equal to the total amount by  
7 which the homestead exemption allowed under Section 15-176 or  
8 15-177 of the Property Tax Code for real property situated in  
9 that school district exceeds the total amount that would have  
10 been allowed in that school district if the maximum reduction  
11 under Section 15-176 was \$5,000 and (B) an amount equal to the  
12 aggregate amount for the taxable year of all additional  
13 exemptions under Section 15-175 of the Property Tax Code for  
14 owners with a household income of \$30,000 or less. The county  
15 clerk of any county that is or was subject to the provisions of  
16 Section 15-176 or 15-177 of the Property Tax Code shall  
17 annually calculate and certify to the Department of Revenue for  
18 each school district all homestead exemption amounts under  
19 Section 15-176 or 15-177 of the Property Tax Code and all  
20 amounts of additional exemptions under Section 15-175 of the  
21 Property Tax Code for owners with a household income of \$30,000  
22 or less. It is the intent of this paragraph that if the general  
23 homestead exemption for a parcel of property is determined  
24 under Section 15-176 or 15-177 of the Property Tax Code rather  
25 than Section 15-175, then the calculation of Available Local  
26 Resources Per Pupil shall not be affected by the difference, if

1 any, between the amount of the general homestead exemption  
2 allowed for that parcel of property under Section 15-176 or  
3 15-177 of the Property Tax Code and the amount that would have  
4 been allowed had the general homestead exemption for that  
5 parcel of property been determined under Section 15-175 of the  
6 Property Tax Code. It is further the intent of this paragraph  
7 that if additional exemptions are allowed under Section 15-175  
8 of the Property Tax Code for owners with a household income of  
9 less than \$30,000, then the calculation of Available Local  
10 Resources Per Pupil shall not be affected by the difference, if  
11 any, because of those additional exemptions.

12 This equalized assessed valuation, as adjusted further by  
13 the requirements of this subsection (g), shall be utilized in  
14 the calculation of Available Local Resources Per Pupil.

15 (2) The equalized assessed valuation in paragraph (1) of  
16 this subsection (g) shall be adjusted, as applicable, in the  
17 following manner:

18 (A) For the purposes of calculating primary State aid  
19 under this Section, with respect to any part of a school  
20 district within a redevelopment project area in respect to  
21 which a municipality has adopted tax increment allocation  
22 financing pursuant to the Tax Increment Allocation  
23 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11  
24 of the Illinois Municipal Code, or the Industrial Jobs  
25 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the  
26 Illinois Municipal Code, no part of the current equalized

1 assessed valuation of real property located in any such  
2 project area that is attributable to an increase above the  
3 total initial equalized assessed valuation of such  
4 property shall be used as part of the equalized assessed  
5 valuation of the district, until such time as all  
6 redevelopment project costs have been paid, as provided in  
7 Section 11-74.4-8 of the Tax Increment Allocation  
8 Redevelopment Act or in Section 11-74.6-35 of the  
9 Industrial Jobs Recovery Law. For the purpose of the  
10 equalized assessed valuation of the district, the total  
11 initial equalized assessed valuation or the current  
12 equalized assessed valuation, whichever is lower, shall be  
13 used until such time as all redevelopment project costs  
14 have been paid.

15 (B) The real property equalized assessed valuation for  
16 a school district shall be adjusted by subtracting from the  
17 real property value as equalized or assessed by the  
18 Department of Revenue for the district an amount computed  
19 by dividing the amount of any abatement of taxes under  
20 Section 18-170 of the Property Tax Code by 3.07% for a  
21 district maintaining grades kindergarten through 12, by  
22 2.36% for a district maintaining grades kindergarten  
23 through 8, or by 1.10% for a district maintaining grades 9  
24 through 12 and adjusted by an amount computed by dividing  
25 the amount of any abatement of taxes under subsection (a)  
26 of Section 18-165 of the Property Tax Code by the same



1 percentage rates for district type as specified in this  
2 subdivision (B).

3 (3) If a school district's boundaries span multiple  
4 counties, then the Department of Revenue shall send to the  
5 State Board of Education, for the purpose of calculating  
6 primary State aid, the limiting rate and individual rates by  
7 purpose for the county that contains the majority of the school  
8 district's Equalized Assessed Valuation.

9 (h) Hold harmless and PTELL adjustments.

10 (1) Through the 2024-2025 school year, the Total Primary  
11 State Aid a school district is allotted pursuant to this  
12 Section shall be subject to adjustment as provided in this  
13 subsection (h). A supplemental grant allotted to a school  
14 district pursuant to this subsection (h) shall be paid in  
15 conjunction with the school district's payments of primary  
16 State aid.

17 (2) Notwithstanding anything to the contrary contained in  
18 this Section, the Total Primary State Aid allotted to a school  
19 district for the 2014-2015 through the 2016-2017 school years  
20 shall be adjusted as follows:

21 (A) If, for the 2014-2015 school year, the Total  
22 Primary State Aid is less than Hold Harmless State Funding,  
23 then the amount of primary State aid allotted to the school  
24 district shall be increased by a supplemental grant in the  
25 amount of 85% of the difference between Hold Harmless State  
26 Funding and Total Primary State Aid. If, for the 2015-2016

1 school year, the Total Primary State Aid remains less than  
2 Hold Harmless State Funding, then the amount of primary  
3 State aid allotted to the school district shall be  
4 increased by a supplemental grant in the amount of 60% of  
5 the difference between Hold Harmless State Funding and  
6 Total Primary State Aid. If, for the 2016-2017 school year,  
7 the Total Primary State Aid remains less than Hold Harmless  
8 State Funding, then the amount of primary State aid  
9 allotted to the school district shall be increased by a  
10 supplemental grant in the amount of 30% of the difference  
11 between Hold Harmless State Funding and Total Primary State  
12 Aid.

13 (B) If, for the 2014-2015 school year, the Total  
14 Primary State Aid is more than Hold Harmless State Funding,  
15 then the amount of primary State aid allotted to the school  
16 district shall be decreased by 85% of the difference  
17 between Hold Harmless State Funding and Total Primary State  
18 Aid. If, for the 2015-2016 school year, the Total Primary  
19 State Aid is more than Hold Harmless State Funding, then  
20 the amount of primary State aid allotted to the school  
21 district shall be decreased by 60% of the difference  
22 between Hold Harmless State Funding and Total Primary State  
23 Aid. If, for the 2016-2017 school year, the Total Primary  
24 State Aid is more than Hold Harmless State Funding, then  
25 the amount of primary State aid allotted to the school  
26 district shall be decreased by 30% of the difference

1 between Hold Harmless State Funding and Total Primary State  
2 Aid.

3 (3) If a school district is subject to property tax  
4 extension limitations as imposed under the Property Tax  
5 Extension Limitation Law, a school district shall receive a  
6 supplemental grant pursuant to this paragraph (3) to account  
7 for the difference between its Extension Limitation Equalized  
8 Assessed Valuation and the school district's equalized  
9 assessed valuation as calculated under paragraphs (1) and (2)  
10 of subsection (g) of this Section. The State Board of Education  
11 shall calculate the Extension Limitation Equalized Assessed  
12 Valuation of each district subject to property tax extension  
13 limitations as imposed under the Property Tax Extension  
14 Limitation Law. Except as otherwise provided in this paragraph  
15 (3), for a school district that has approved or does approve an  
16 increase in its limiting rate, the "Extension Limitation  
17 Equalized Assessed Valuation" of a school district as  
18 calculated by the State Board of Education shall be equal to  
19 the product of the equalized assessed valuation last used in  
20 the calculation of general State aid under Section 18-8.05 of  
21 this Code or primary State aid under this Section and the  
22 district's Extension Limitation Ratio. If a school district has  
23 approved or does approve an increase in its limiting rate,  
24 pursuant to Section 18-190 of the Property Tax Code, affecting  
25 the Base Tax Year, the Extension Limitation Equalized Assessed  
26 Valuation of the school district, as calculated by the State

1 Board of Education, shall be equal to the product of the  
2 equalized assessed valuation last used in the calculation of  
3 general State aid pursuant to Section 18-8.05 of this Code or  
4 primary State aid pursuant to this Section times an amount  
5 equal to one plus the percentage increase, if any, in the  
6 Consumer Price Index for all Urban Consumers for all items  
7 published by the United States Department of Labor for the  
8 12-month calendar year preceding the Base Tax Year, plus the  
9 equalized assessed valuation of new property, annexed  
10 property, and recovered tax increment value and minus the  
11 equalized assessed valuation of disconnected property. New  
12 property and recovered tax increment value shall have the  
13 meanings set forth in the Property Tax Extension Limitation  
14 Law.

15 If the Extension Limitation Equalized Assessed Valuation  
16 of a school district as calculated under this paragraph (3) is  
17 less than the district's equalized assessed valuation as  
18 calculated pursuant to paragraphs (1) and (2) of subsection (g)  
19 of this Section, then the school district shall receive a  
20 supplemental grant equal to its PTELL PSA Adjustment as  
21 calculated by the State Board of Education.

22 (i) Grants to Laboratory and Alternative Schools. In  
23 calculating the amount to be paid to the governing board of a  
24 public university that operates a Laboratory School or to any  
25 Alternative School that is operated by a regional  
26 superintendent of schools, the State Board of Education shall

1 require, by rule, such reporting requirements as it deems  
2 necessary. Each Laboratory and Alternative School shall file,  
3 on forms provided by the State Superintendent of Education, an  
4 annual State aid claim that states the Average Daily Attendance  
5 of the school's students by month. The best 3 months' Average  
6 Daily Attendance shall be computed for each school. The primary  
7 State aid entitlement shall be computed by multiplying the  
8 applicable Average Daily Attendance by a Weighted Foundation  
9 Level figure derived by calculating a District Weighted Average  
10 for the school.

11 (j) District improvement plans and attendance center  
12 distributions.

13 (1) Each school district required to submit a district  
14 improvement plan under Section 2-3.25d of this Code shall  
15 demonstrate, in accordance with requirements adopted by the  
16 State Board of Education, how local and State funds will be  
17 used for strategies that give priority to meeting the  
18 educational needs of Low-income Pupils, Pupils of Limited  
19 English-speaking Ability, and children with disabilities. For  
20 each such category of pupils, budget information submitted with  
21 the plan must demonstrate that the combined amount of local  
22 funds and primary State aid funds budgeted for strategies that  
23 give priority to that category of pupils is proportionate or  
24 higher, on either an aggregate or per-pupil basis, to the  
25 proportion of the Weighted Foundation Level Budget  
26 attributable to that category of pupils. The State Board of

1 Education may adopt exceptions to the requirement for  
2 proportionate or higher budgeting to address small pupil  
3 subgroup populations, changes in pupil enrollment, or  
4 extraordinary expenditures required for any school year. The  
5 State Board of Education may also adopt exceptions to the  
6 requirement for proportionate or higher budgeting for any  
7 school district to implement district-wide or school-wide  
8 strategies if the school district or school has a high  
9 percentage of pupils in any particular category relative to  
10 statewide averages and the district can demonstrate in its plan  
11 that a district-wide or school-wide strategy is more likely to  
12 achieve the district's educational objectives for a category of  
13 pupils than a targeted strategy. If a school district fails to  
14 adhere to proportionate or higher budgeting in accordance with  
15 this paragraph (1), the school district must take corrective  
16 action in accordance with requirements adopted by the State  
17 Board of Education. If corrective action is not taken, the  
18 State Board of Education shall deduct, from primary State aid  
19 payments otherwise due the district, an amount equal to the  
20 amount by which the district failed to adhere to the  
21 proportionate or higher requirement.

22 (2) School districts with an Average Daily Attendance of  
23 50,000 or more shall be required to distribute, from funds  
24 available pursuant to this Section, no less than \$261,000,000  
25 in accordance with the following requirements:

26 (A) The required amounts shall be distributed to the

1       attendance centers within the district in proportion to the  
2       number of Low-income Pupils enrolled at each attendance  
3       center during the current school year.

4       (B) The distribution of these portions of primary State  
5       aid among attendance centers according to these  
6       requirements shall not be compensated for or contravened by  
7       adjustments of the total of other funds appropriated to any  
8       attendance centers, and the board of education shall  
9       utilize funding from one or several sources in order to  
10       fully implement this paragraph (2) annually prior to the  
11       opening of school.

12       (C) Each attendance center shall be provided, by the  
13       school district, with a distribution of other funds to  
14       which the attendance center is entitled under law in order  
15       that the primary State aid provided by application of this  
16       paragraph (2) supplements rather than supplants the other  
17       funds provided by the school district to the attendance  
18       centers.

19       (D) Funds received by an attendance center pursuant to  
20       this paragraph (2) shall be used by the attendance center  
21       at the discretion of the principal and local school council  
22       for programs to improve educational opportunities at  
23       qualifying schools through the following programs and  
24       services: early childhood education, reduced class size or  
25       improved adult to student classroom ratios, enrichment  
26       programs, remedial assistance, attendance improvement, and

1 other educationally beneficial expenditures that  
2 supplement the regular and basic programs as determined by  
3 the State Board of Education. Funds provided shall not be  
4 expended for any political or lobbying purposes as defined  
5 by rule of the State Board.

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

22 Upon notification by the State Board of Education that  
23 the district has not submitted a plan prior to July 15 or a  
24 modified plan within the time period specified in this  
25 subdivision (E), the State aid funds affected by that plan  
26 or modified plan shall be withheld by the State Board of



1 Education until a plan or modified plan is submitted.

2 If the district fails to distribute State aid to  
3 attendance centers in accordance with an approved plan, the  
4 plan for the following year shall allocate funds, in  
5 addition to the funds otherwise required by this paragraph  
6 (2), to those attendance centers that were underfunded  
7 during the previous year in amounts equal to such  
8 underfunding.

9 For purposes of determining compliance with this paragraph  
10 (2) in relation to the requirements of attendance center  
11 funding, each district subject to the provisions of this  
12 paragraph (2) shall submit as a separate document, on or before  
13 December 1 of each year, a report of expenditure data for the  
14 prior year in addition to any modification of its current plan.  
15 If it is determined that there has been a failure to comply  
16 with the expenditure provisions of this paragraph (2) regarding  
17 contravention or supplanting, the State Superintendent of  
18 Education shall, within 60 days after receipt of the report,  
19 notify the district and any affected local school council. The  
20 district shall, within 45 days after receipt of that  
21 notification, inform the State Superintendent of Education of  
22 the remedial or corrective action to be taken, whether by  
23 amendment of the current plan, if feasible, or by adjustment in  
24 the plan for the following year. Failure to provide the  
25 expenditure report or the notification of remedial or  
26 corrective action in a timely manner shall result in a

1 withholding of the affected funds.

2 The State Board of Education shall adopt rules to implement  
3 the provisions of this paragraph (2). No funds shall be  
4 released under this paragraph (2) to any district that has not  
5 submitted a plan that has been approved by the State Board of  
6 Education.

7 (k) Education Funding Advisory Board. For the 2017-2018 and  
8 subsequent school years, the Education Funding Advisory Board  
9 established pursuant to subsection (M) of Section 18-8.05 of  
10 this Code, in consultation with the State Board of Education,  
11 shall make recommendations as provided in this subsection (k)  
12 to the General Assembly for the Foundation Level under  
13 paragraph (2) of subsection (b) of this Section. The  
14 recommended foundation level shall be determined based on  
15 consideration of 2 separate methodologies:

16 (1) a methodology that incorporates the basic  
17 education expenditures of low-spending schools exhibiting  
18 high academic performance; and

19 (2) an evidence-based methodology that identifies an  
20 educational program that includes research-based  
21 educational strategies and uses the cost of that program to  
22 determine the cost of education.

23 The Education Funding Advisory Board shall make its  
24 recommendations to the General Assembly on or before January 31  
25 of odd-numbered years, beginning on or before January 31, 2017.

26 (l) Primary State Aid Review Committee. The State

1 Superintendent of Education shall appoint a committee of no  
2 more than 20 members, consisting of school administrators,  
3 school business officials, school financing experts, parents,  
4 teachers, and concerned citizens to review the administration  
5 of primary State aid in this State and the impact on school  
6 district finances of this amendatory Act of the 98th General  
7 Assembly. The Committee shall make periodic recommendations to  
8 the State Superintendent of Education and the General Assembly  
9 concerning the administration of primary State aid, any  
10 administrative rules needed for the implementation of this  
11 Section, and suggestions for amending this Section or other  
12 Sections of this Code to achieve a school funding system that  
13 provides adequate, equitable, transparent, and accountable  
14 distribution of funds to school districts that will prepare  
15 students for success after high school. By no later than  
16 January 31, 2017 and January 31 of each odd-numbered year  
17 thereafter, the Committee shall submit a report with  
18 recommendations to the State Superintendent and General  
19 Assembly. The report submitted by no later than January 31,  
20 2017 must address the following:

21 (1) whether to relate funding through the primary State  
22 aid formula to district accountability or accreditation  
23 status;

24 (2) whether to include State career and technical  
25 education funding within the primary State aid formula;

26 (3) whether to account for extraordinary regular

1 transportation costs resulting from school district  
2 consolidations or students who live a significant distance  
3 from their assigned attendance center;

4 (4) whether regionalization factors should be  
5 incorporated into the primary State aid formula; and

6 (5) methods for reducing State liability for PTELL PSA  
7 Adjustments.

8 (m) Adequacy study. Subject to the availability of funding  
9 through appropriations made specifically for this purpose, by  
10 no later than January 31, 2019, the State Board of Education  
11 shall contract with a public or private entity to conduct a  
12 study of the adequacy of education funding in this State. At a  
13 minimum, the adequacy study shall:

14 (1) identify a base funding level for students without  
15 special needs necessary to meet adequate growth;

16 (2) include per pupil weights for students with special  
17 needs to be applied to the base funding level;

18 (3) include an analysis of the effect of concentrations  
19 of poverty on adequacy targets; and

20 (4) include an analysis of the assumed school district  
21 tax rates that should be included within the funding  
22 formula.

23 (n) References. On and after July 1, 2014, references in  
24 other laws to general State aid funds or calculations under  
25 Section 18-8.05 of this Code shall be deemed to be references  
26 to primary State aid funds or calculations under this Section.

1 (105 ILCS 5/18-9) (from Ch. 122, par. 18-9)

2 Sec. 18-9. Requirement for special equalization and  
3 supplementary State aid. If property comprising an aggregate  
4 assessed valuation equal to 6% or more of the total assessed  
5 valuation of all taxable property in a school district is owned  
6 by a person or corporation that is the subject of bankruptcy  
7 proceedings or that has been adjudged bankrupt and, as a result  
8 thereof, has not paid taxes on the property, then the district  
9 may amend its general State aid or primary State aid claim (i)  
10 back to the inception of the bankruptcy, not to exceed 6 years,  
11 in which time those taxes were not paid and (ii) for each  
12 succeeding year that those taxes remain unpaid, by adding to  
13 the claim an amount determined by multiplying the assessed  
14 valuation of the property on which taxes have not been paid due  
15 to the bankruptcy by the lesser of the total tax rate for the  
16 district for the tax year for which the taxes are unpaid or the  
17 applicable rate used in calculating the district's general  
18 State aid under paragraph (3) of subsection (D) of Section  
19 18-8.05 of this Code or primary State aid under paragraph (3)  
20 of subsection (d) of Section 18-8.15 of this Code, as  
21 applicable. If at any time a district that receives additional  
22 State aid under this Section receives tax revenue from the  
23 property for the years that taxes were not paid, the district's  
24 next claim for State aid shall be reduced in an amount equal to  
25 the taxes paid on the property, not to exceed the additional

1 State aid received under this Section. Claims under this  
2 Section shall be filed on forms prescribed by the State  
3 Superintendent of Education, and the State Superintendent of  
4 Education, upon receipt of a claim, shall adjust the claim in  
5 accordance with the provisions of this Section. Supplementary  
6 State aid for each succeeding year under this Section shall be  
7 paid beginning with the first general State aid or primary  
8 State aid claim paid after the district has filed a completed  
9 claim in accordance with this Section.

10 (Source: P.A. 95-496, eff. 8-28-07.)

11 (105 ILCS 5/18-12) (from Ch. 122, par. 18-12)

12 Sec. 18-12. Dates for filing State aid claims. The school  
13 board of each school district shall require teachers,  
14 principals, or superintendents to furnish from records kept by  
15 them such data as it needs in preparing and certifying to the  
16 regional superintendent its school district report of claims  
17 provided in Sections 18-8.05 through 18-9 as required by the  
18 State Superintendent of Education. The district claim shall be  
19 based on the latest available equalized assessed valuation and  
20 tax rates, as provided in Section 18-8.05 or 18-8.15 and shall  
21 use the average daily attendance as determined by the method  
22 outlined in Section 18-8.05 or 18-8.15 and shall be certified  
23 and filed with the regional superintendent by June 21 for  
24 districts with an official school calendar end date before June  
25 15 or within 2 weeks following the official school calendar end

1 date for districts with a school year end date of June 15 or  
2 later. The regional superintendent shall certify and file with  
3 the State Superintendent of Education district State aid claims  
4 by July 1 for districts with an official school calendar end  
5 date before June 15 or no later than July 15 for districts with  
6 an official school calendar end date of June 15 or later.  
7 Failure to so file by these deadlines constitutes a forfeiture  
8 of the right to receive payment by the State until such claim  
9 is filed and vouchered for payment. The regional superintendent  
10 of schools shall certify the county report of claims by July  
11 15; and the State Superintendent of Education shall voucher for  
12 payment those claims to the State Comptroller as provided in  
13 Section 18-11.

14 Except as otherwise provided in this Section, if any school  
15 district fails to provide the minimum school term specified in  
16 Section 10-19, the State aid claim for that year shall be  
17 reduced by the State Superintendent of Education in an amount  
18 equivalent to 1/176 or .56818% for each day less than the  
19 number of days required by this Code.

20 If the State Superintendent of Education determines that  
21 the failure to provide the minimum school term was occasioned  
22 by an act or acts of God, or was occasioned by conditions  
23 beyond the control of the school district which posed a  
24 hazardous threat to the health and safety of pupils, the State  
25 aid claim need not be reduced.

26 If a school district is precluded from providing the

1 minimum hours of instruction required for a full day of  
2 attendance due to an adverse weather condition or a condition  
3 beyond the control of the school district that poses a  
4 hazardous threat to the health and safety of students, then the  
5 partial day of attendance may be counted if (i) the school  
6 district has provided at least one hour of instruction prior to  
7 the closure of the school district, (ii) a school building has  
8 provided at least one hour of instruction prior to the closure  
9 of the school building, or (iii) the normal start time of the  
10 school district is delayed.

11 If, prior to providing any instruction, a school district  
12 must close one or more but not all school buildings after  
13 consultation with a local emergency response agency or due to a  
14 condition beyond the control of the school district, then the  
15 school district may claim attendance for up to 2 school days  
16 based on the average attendance of the 3 school days  
17 immediately preceding the closure of the affected school  
18 building. The partial or no day of attendance described in this  
19 Section and the reasons therefore shall be certified within a  
20 month of the closing or delayed start by the school district  
21 superintendent to the regional superintendent of schools for  
22 forwarding to the State Superintendent of Education for  
23 approval.

24 No exception to the requirement of providing a minimum  
25 school term may be approved by the State Superintendent of  
26 Education pursuant to this Section unless a school district has



1 first used all emergency days provided for in its regular  
2 calendar.

3 If the State Superintendent of Education declares that an  
4 energy shortage exists during any part of the school year for  
5 the State or a designated portion of the State, a district may  
6 operate the school attendance centers within the district 4  
7 days of the week during the time of the shortage by extending  
8 each existing school day by one clock hour of school work, and  
9 the State aid claim shall not be reduced, nor shall the  
10 employees of that district suffer any reduction in salary or  
11 benefits as a result thereof. A district may operate all  
12 attendance centers on this revised schedule, or may apply the  
13 schedule to selected attendance centers, taking into  
14 consideration such factors as pupil transportation schedules  
15 and patterns and sources of energy for individual attendance  
16 centers.

17 Electronically submitted State aid claims shall be  
18 submitted by duly authorized district or regional individuals  
19 over a secure network that is password protected. The  
20 electronic submission of a State aid claim must be accompanied  
21 with an affirmation that all of the provisions of Sections  
22 18-8.05 through 18-9, 10-22.5, and 24-4 of this Code are met in  
23 all respects.

24 (Source: P.A. 95-152, eff. 8-14-07; 95-811, eff. 8-13-08;  
25 95-876, eff. 8-21-08; 96-734, eff. 8-25-09.)

1 (105 ILCS 5/26-16)

2 Sec. 26-16. Graduation incentives program.

3 (a) The General Assembly finds that it is critical to  
4 provide options for children to succeed in school. The purpose  
5 of this Section is to provide incentives for and encourage all  
6 Illinois students who have experienced or are experiencing  
7 difficulty in the traditional education system to enroll in  
8 alternative programs.

9 (b) Any student who is below the age of 20 years is  
10 eligible to enroll in a graduation incentives program if he or  
11 she:

12 (1) is considered a dropout pursuant to Section 26-2a  
13 of this Code;

14 (2) has been suspended or expelled pursuant to Section  
15 10-22.6 or 34-19 of this Code;

16 (3) is pregnant or is a parent;

17 (4) has been assessed as chemically dependent; or

18 (5) is enrolled in a bilingual education or LEP  
19 program.

20 (c) The following programs qualify as graduation  
21 incentives programs for students meeting the criteria  
22 established in this Section:

23 (1) Any public elementary or secondary education  
24 graduation incentives program established by a school  
25 district or by a regional office of education.

26 (2) Any alternative learning opportunities program

1 established pursuant to Article 13B of this Code.

2 (3) Vocational or job training courses approved by the  
3 State Superintendent of Education that are available  
4 through the Illinois public community college system.  
5 Students may apply for reimbursement of 50% of tuition  
6 costs for one course per semester or a maximum of 3 courses  
7 per school year. Subject to available funds, students may  
8 apply for reimbursement of up to 100% of tuition costs upon  
9 a showing of employment within 6 months after completion of  
10 a vocational or job training program. The qualifications  
11 for reimbursement shall be established by the State  
12 Superintendent of Education by rule.

13 (4) Job and career programs approved by the State  
14 Superintendent of Education that are available through  
15 Illinois-accredited private business and vocational  
16 schools. Subject to available funds, pupils may apply for  
17 reimbursement of up to 100% of tuition costs upon a showing  
18 of employment within 6 months after completion of a job or  
19 career program. The State Superintendent of Education  
20 shall establish, by rule, the qualifications for  
21 reimbursement, criteria for determining reimbursement  
22 amounts, and limits on reimbursement.

23 (5) Adult education courses that offer preparation for  
24 the General Educational Development Test.

25 (d) Graduation incentives programs established by school  
26 districts are entitled to claim general State aid and primary

1 State aid, subject to Sections 13B-50, 13B-50.5, and 13B-50.10  
2 of this Code. Graduation incentives programs operated by  
3 regional offices of education are entitled to receive general  
4 State aid and primary State aid at the foundation level of  
5 support per pupil enrolled. A school district must ensure that  
6 its graduation incentives program receives supplemental  
7 general State aid, transportation reimbursements, and special  
8 education resources, if appropriate, for students enrolled in  
9 the program.

10 (Source: P.A. 93-858, eff. 1-1-05; 93-1079, eff. 1-21-05.)

11 (105 ILCS 5/27-8.1) (from Ch. 122, par. 27-8.1)

12 Sec. 27-8.1. Health examinations and immunizations.

13 (1) In compliance with rules and regulations which the  
14 Department of Public Health shall promulgate, and except as  
15 hereinafter provided, all children in Illinois shall have a  
16 health examination as follows: within one year prior to  
17 entering kindergarten or the first grade of any public,  
18 private, or parochial elementary school; upon entering the  
19 sixth and ninth grades of any public, private, or parochial  
20 school; prior to entrance into any public, private, or  
21 parochial nursery school; and, irrespective of grade,  
22 immediately prior to or upon entrance into any public, private,  
23 or parochial school or nursery school, each child shall present  
24 proof of having been examined in accordance with this Section  
25 and the rules and regulations promulgated hereunder. Any child

1 who received a health examination within one year prior to  
2 entering the fifth grade for the 2007-2008 school year is not  
3 required to receive an additional health examination in order  
4 to comply with the provisions of Public Act 95-422 when he or  
5 she attends school for the 2008-2009 school year, unless the  
6 child is attending school for the first time as provided in  
7 this paragraph.

8 A tuberculosis skin test screening shall be included as a  
9 required part of each health examination included under this  
10 Section if the child resides in an area designated by the  
11 Department of Public Health as having a high incidence of  
12 tuberculosis. Additional health examinations of pupils,  
13 including eye examinations, may be required when deemed  
14 necessary by school authorities. Parents are encouraged to have  
15 their children undergo eye examinations at the same points in  
16 time required for health examinations.

17 (1.5) In compliance with rules adopted by the Department of  
18 Public Health and except as otherwise provided in this Section,  
19 all children in kindergarten and the second and sixth grades of  
20 any public, private, or parochial school shall have a dental  
21 examination. Each of these children shall present proof of  
22 having been examined by a dentist in accordance with this  
23 Section and rules adopted under this Section before May 15th of  
24 the school year. If a child in the second or sixth grade fails  
25 to present proof by May 15th, the school may hold the child's  
26 report card until one of the following occurs: (i) the child

1 presents proof of a completed dental examination or (ii) the  
2 child presents proof that a dental examination will take place  
3 within 60 days after May 15th. The Department of Public Health  
4 shall establish, by rule, a waiver for children who show an  
5 undue burden or a lack of access to a dentist. Each public,  
6 private, and parochial school must give notice of this dental  
7 examination requirement to the parents and guardians of  
8 students at least 60 days before May 15th of each school year.

9 (1.10) Except as otherwise provided in this Section, all  
10 children enrolling in kindergarten in a public, private, or  
11 parochial school on or after the effective date of this  
12 amendatory Act of the 95th General Assembly and any student  
13 enrolling for the first time in a public, private, or parochial  
14 school on or after the effective date of this amendatory Act of  
15 the 95th General Assembly shall have an eye examination. Each  
16 of these children shall present proof of having been examined  
17 by a physician licensed to practice medicine in all of its  
18 branches or a licensed optometrist within the previous year, in  
19 accordance with this Section and rules adopted under this  
20 Section, before October 15th of the school year. If the child  
21 fails to present proof by October 15th, the school may hold the  
22 child's report card until one of the following occurs: (i) the  
23 child presents proof of a completed eye examination or (ii) the  
24 child presents proof that an eye examination will take place  
25 within 60 days after October 15th. The Department of Public  
26 Health shall establish, by rule, a waiver for children who show

1 an undue burden or a lack of access to a physician licensed to  
2 practice medicine in all of its branches who provides eye  
3 examinations or to a licensed optometrist. Each public,  
4 private, and parochial school must give notice of this eye  
5 examination requirement to the parents and guardians of  
6 students in compliance with rules of the Department of Public  
7 Health. Nothing in this Section shall be construed to allow a  
8 school to exclude a child from attending because of a parent's  
9 or guardian's failure to obtain an eye examination for the  
10 child.

11 (2) The Department of Public Health shall promulgate rules  
12 and regulations specifying the examinations and procedures  
13 that constitute a health examination, which shall include the  
14 collection of data relating to obesity (including at a minimum,  
15 date of birth, gender, height, weight, blood pressure, and date  
16 of exam), and a dental examination and may recommend by rule  
17 that certain additional examinations be performed. The rules  
18 and regulations of the Department of Public Health shall  
19 specify that a tuberculosis skin test screening shall be  
20 included as a required part of each health examination included  
21 under this Section if the child resides in an area designated  
22 by the Department of Public Health as having a high incidence  
23 of tuberculosis. The Department of Public Health shall specify  
24 that a diabetes screening as defined by rule shall be included  
25 as a required part of each health examination. Diabetes testing  
26 is not required.

1           Physicians licensed to practice medicine in all of its  
2 branches, advanced practice nurses who have a written  
3 collaborative agreement with a collaborating physician which  
4 authorizes them to perform health examinations, or physician  
5 assistants who have been delegated the performance of health  
6 examinations by their supervising physician shall be  
7 responsible for the performance of the health examinations,  
8 other than dental examinations, eye examinations, and vision  
9 and hearing screening, and shall sign all report forms required  
10 by subsection (4) of this Section that pertain to those  
11 portions of the health examination for which the physician,  
12 advanced practice nurse, or physician assistant is  
13 responsible. If a registered nurse performs any part of a  
14 health examination, then a physician licensed to practice  
15 medicine in all of its branches must review and sign all  
16 required report forms. Licensed dentists shall perform all  
17 dental examinations and shall sign all report forms required by  
18 subsection (4) of this Section that pertain to the dental  
19 examinations. Physicians licensed to practice medicine in all  
20 its branches or licensed optometrists shall perform all eye  
21 examinations required by this Section and shall sign all report  
22 forms required by subsection (4) of this Section that pertain  
23 to the eye examination. For purposes of this Section, an eye  
24 examination shall at a minimum include history, visual acuity,  
25 subjective refraction to best visual acuity near and far,  
26 internal and external examination, and a glaucoma evaluation,



1 as well as any other tests or observations that in the  
2 professional judgment of the doctor are necessary. Vision and  
3 hearing screening tests, which shall not be considered  
4 examinations as that term is used in this Section, shall be  
5 conducted in accordance with rules and regulations of the  
6 Department of Public Health, and by individuals whom the  
7 Department of Public Health has certified. In these rules and  
8 regulations, the Department of Public Health shall require that  
9 individuals conducting vision screening tests give a child's  
10 parent or guardian written notification, before the vision  
11 screening is conducted, that states, "Vision screening is not a  
12 substitute for a complete eye and vision evaluation by an eye  
13 doctor. Your child is not required to undergo this vision  
14 screening if an optometrist or ophthalmologist has completed  
15 and signed a report form indicating that an examination has  
16 been administered within the previous 12 months."

17 (3) Every child shall, at or about the same time as he or  
18 she receives a health examination required by subsection (1) of  
19 this Section, present to the local school proof of having  
20 received such immunizations against preventable communicable  
21 diseases as the Department of Public Health shall require by  
22 rules and regulations promulgated pursuant to this Section and  
23 the Communicable Disease Prevention Act.

24 (4) The individuals conducting the health examination,  
25 dental examination, or eye examination shall record the fact of  
26 having conducted the examination, and such additional

1 information as required, including for a health examination  
2 data relating to obesity (including at a minimum, date of  
3 birth, gender, height, weight, blood pressure, and date of  
4 exam), on uniform forms which the Department of Public Health  
5 and the State Board of Education shall prescribe for statewide  
6 use. The examiner shall summarize on the report form any  
7 condition that he or she suspects indicates a need for special  
8 services, including for a health examination factors relating  
9 to obesity. The individuals confirming the administration of  
10 required immunizations shall record as indicated on the form  
11 that the immunizations were administered.

12 (5) If a child does not submit proof of having had either  
13 the health examination or the immunization as required, then  
14 the child shall be examined or receive the immunization, as the  
15 case may be, and present proof by October 15 of the current  
16 school year, or by an earlier date of the current school year  
17 established by a school district. To establish a date before  
18 October 15 of the current school year for the health  
19 examination or immunization as required, a school district must  
20 give notice of the requirements of this Section 60 days prior  
21 to the earlier established date. If for medical reasons one or  
22 more of the required immunizations must be given after October  
23 15 of the current school year, or after an earlier established  
24 date of the current school year, then the child shall present,  
25 by October 15, or by the earlier established date, a schedule  
26 for the administration of the immunizations and a statement of

1 the medical reasons causing the delay, both the schedule and  
2 the statement being issued by the physician, advanced practice  
3 nurse, physician assistant, registered nurse, or local health  
4 department that will be responsible for administration of the  
5 remaining required immunizations. If a child does not comply by  
6 October 15, or by the earlier established date of the current  
7 school year, with the requirements of this subsection, then the  
8 local school authority shall exclude that child from school  
9 until such time as the child presents proof of having had the  
10 health examination as required and presents proof of having  
11 received those required immunizations which are medically  
12 possible to receive immediately. During a child's exclusion  
13 from school for noncompliance with this subsection, the child's  
14 parents or legal guardian shall be considered in violation of  
15 Section 26-1 and subject to any penalty imposed by Section  
16 26-10. This subsection (5) does not apply to dental  
17 examinations and eye examinations. Until June 30, 2015, if the  
18 student is an out-of-state transfer student and does not have  
19 the proof required under this subsection (5) before October 15  
20 of the current year or whatever date is set by the school  
21 district, then he or she may only attend classes (i) if he or  
22 she has proof that an appointment for the required vaccinations  
23 has been scheduled with a party authorized to submit proof of  
24 the required vaccinations. If the proof of vaccination required  
25 under this subsection (5) is not submitted within 30 days after  
26 the student is permitted to attend classes, then the student is

1 not to be permitted to attend classes until proof of the  
2 vaccinations has been properly submitted. No school district or  
3 employee of a school district shall be held liable for any  
4 injury or illness to another person that results from admitting  
5 an out-of-state transfer student to class that has an  
6 appointment scheduled pursuant to this subsection (5).

7 (6) Every school shall report to the State Board of  
8 Education by November 15, in the manner which that agency shall  
9 require, the number of children who have received the necessary  
10 immunizations and the health examination (other than a dental  
11 examination or eye examination) as required, indicating, of  
12 those who have not received the immunizations and examination  
13 as required, the number of children who are exempt from health  
14 examination and immunization requirements on religious or  
15 medical grounds as provided in subsection (8). On or before  
16 December 1 of each year, every public school district and  
17 registered nonpublic school shall make publicly available the  
18 immunization data they are required to submit to the State  
19 Board of Education by November 15. The immunization data made  
20 publicly available must be identical to the data the school  
21 district or school has reported to the State Board of  
22 Education.

23 Every school shall report to the State Board of Education  
24 by June 30, in the manner that the State Board requires, the  
25 number of children who have received the required dental  
26 examination, indicating, of those who have not received the

1 required dental examination, the number of children who are  
2 exempt from the dental examination on religious grounds as  
3 provided in subsection (8) of this Section and the number of  
4 children who have received a waiver under subsection (1.5) of  
5 this Section.

6 Every school shall report to the State Board of Education  
7 by June 30, in the manner that the State Board requires, the  
8 number of children who have received the required eye  
9 examination, indicating, of those who have not received the  
10 required eye examination, the number of children who are exempt  
11 from the eye examination as provided in subsection (8) of this  
12 Section, the number of children who have received a waiver  
13 under subsection (1.10) of this Section, and the total number  
14 of children in noncompliance with the eye examination  
15 requirement.

16 The reported information under this subsection (6) shall be  
17 provided to the Department of Public Health by the State Board  
18 of Education.

19 (7) Upon determining that the number of pupils who are  
20 required to be in compliance with subsection (5) of this  
21 Section is below 90% of the number of pupils enrolled in the  
22 school district, 10% of each State aid payment made pursuant to  
23 Section 18-8.05 or 18-8.15 to the school district for such year  
24 may be withheld by the State Board of Education until the  
25 number of students in compliance with subsection (5) is the  
26 applicable specified percentage or higher.

1           (8) Parents or legal guardians who object to health,  
2 dental, or eye examinations or any part thereof, or to  
3 immunizations, on religious grounds shall not be required to  
4 submit their children or wards to the examinations or  
5 immunizations to which they so object if such parents or legal  
6 guardians present to the appropriate local school authority a  
7 signed statement of objection, detailing the grounds for the  
8 objection. If the physical condition of the child is such that  
9 any one or more of the immunizing agents should not be  
10 administered, the examining physician, advanced practice  
11 nurse, or physician assistant responsible for the performance  
12 of the health examination shall endorse that fact upon the  
13 health examination form. Exempting a child from the health,  
14 dental, or eye examination does not exempt the child from  
15 participation in the program of physical education training  
16 provided in Sections 27-5 through 27-7 of this Code.

17           (9) For the purposes of this Section, "nursery schools"  
18 means those nursery schools operated by elementary school  
19 systems or secondary level school units or institutions of  
20 higher learning.

21           (Source: P.A. 96-953, eff. 6-28-10; 97-216, eff. 1-1-12;  
22 97-910, eff. 1-1-13.)

23           (105 ILCS 5/27A-9)

24           Sec. 27A-9. Term of charter; renewal.

25           (a) A charter may be granted for a period not less than 5

1 and not more than 10 school years. A charter may be renewed in  
2 incremental periods not to exceed 5 school years.

3 (b) A charter school renewal proposal submitted to the  
4 local school board or the Commission, as the chartering entity,  
5 shall contain:

6 (1) A report on the progress of the charter school in  
7 achieving the goals, objectives, pupil performance  
8 standards, content standards, and other terms of the  
9 initial approved charter proposal; and

10 (2) A financial statement that discloses the costs of  
11 administration, instruction, and other spending categories  
12 for the charter school that is understandable to the  
13 general public and that will allow comparison of those  
14 costs to other schools or other comparable organizations,  
15 in a format required by the State Board.

16 (c) A charter may be revoked or not renewed if the local  
17 school board or the Commission, as the chartering entity,  
18 clearly demonstrates that the charter school did any of the  
19 following, or otherwise failed to comply with the requirements  
20 of this law:

21 (1) Committed a material violation of any of the  
22 conditions, standards, or procedures set forth in the  
23 charter.

24 (2) Failed to meet or make reasonable progress toward  
25 achievement of the content standards or pupil performance  
26 standards identified in the charter.

1           (3) Failed to meet generally accepted standards of  
2           fiscal management.

3           (4) Violated any provision of law from which the  
4           charter school was not exempted.

5           In the case of revocation, the local school board or the  
6           Commission, as the chartering entity, shall notify the charter  
7           school in writing of the reason why the charter is subject to  
8           revocation. The charter school shall submit a written plan to  
9           the local school board or the Commission, whichever is  
10          applicable, to rectify the problem. The plan shall include a  
11          timeline for implementation, which shall not exceed 2 years or  
12          the date of the charter's expiration, whichever is earlier. If  
13          the local school board or the Commission, as the chartering  
14          entity, finds that the charter school has failed to implement  
15          the plan of remediation and adhere to the timeline, then the  
16          chartering entity shall revoke the charter. Except in  
17          situations of an emergency where the health, safety, or  
18          education of the charter school's students is at risk, the  
19          revocation shall take place at the end of a school year.  
20          Nothing in this amendatory Act of the 96th General Assembly  
21          shall be construed to prohibit an implementation timetable that  
22          is less than 2 years in duration.

23          (d) (Blank).

24          (e) Notice of a local school board's decision to deny,  
25          revoke or not to renew a charter shall be provided to the  
26          Commission and the State Board. The Commission may reverse a



1 local board's decision if the Commission finds that the charter  
2 school or charter school proposal (i) is in compliance with  
3 this Article, and (ii) is in the best interests of the students  
4 it is designed to serve. The State Board may condition the  
5 granting of an appeal on the acceptance by the charter school  
6 of funding in an amount less than that requested in the  
7 proposal submitted to the local school board. Final decisions  
8 of the Commission shall be subject to judicial review under the  
9 Administrative Review Law.

10 (f) Notwithstanding other provisions of this Article, if  
11 the Commission on appeal reverses a local board's decision or  
12 if a charter school is approved by referendum, the Commission  
13 shall act as the authorized chartering entity for the charter  
14 school. The Commission shall approve the charter and shall  
15 perform all functions under this Article otherwise performed by  
16 the local school board. The State Board shall determine whether  
17 the charter proposal approved by the Commission is consistent  
18 with the provisions of this Article and, if the approved  
19 proposal complies, certify the proposal pursuant to this  
20 Article. The State Board shall report the aggregate number of  
21 charter school pupils resident in a school district to that  
22 district and shall notify the district of the amount of funding  
23 to be paid by the Commission to the charter school enrolling  
24 such students. The Commission shall require the charter school  
25 to maintain accurate records of daily attendance that shall be  
26 deemed sufficient to file claims under Section 18-8.05 or

1 18-8.15 notwithstanding any other requirements of that Section  
2 regarding hours of instruction and teacher certification. The  
3 State Board shall withhold from funds otherwise due the  
4 district the funds authorized by this Article to be paid to the  
5 charter school and shall pay such amounts to the charter  
6 school.

7 (g) For charter schools authorized by the Commission, the  
8 Commission shall quarterly certify to the State Board the  
9 student enrollment for each of its charter schools.

10 (h) For charter schools authorized by the Commission, the  
11 State Board shall pay directly to a charter school any federal  
12 or State aid attributable to a student with a disability  
13 attending the school.

14 (Source: P.A. 96-105, eff. 7-30-09; 97-152, eff. 7-20-11.)

15 (105 ILCS 5/27A-11)

16 Sec. 27A-11. Local financing.

17 (a) For purposes of the School Code, pupils enrolled in a  
18 charter school shall be included in the pupil enrollment of the  
19 school district within which the pupil resides. Each charter  
20 school (i) shall determine the school district in which each  
21 pupil who is enrolled in the charter school resides, (ii) shall  
22 report the aggregate number of pupils resident of a school  
23 district who are enrolled in the charter school to the school  
24 district in which those pupils reside, and (iii) shall maintain  
25 accurate records of daily attendance that shall be deemed

1 sufficient to file claims under Section 18-8 or 18-8.15  
2 notwithstanding any other requirements of that Section  
3 regarding hours of instruction and teacher certification.

4 (b) Except for a charter school established by referendum  
5 under Section 27A-6.5, as part of a charter school contract,  
6 the charter school and the local school board shall agree on  
7 funding and any services to be provided by the school district  
8 to the charter school. Agreed funding that a charter school is  
9 to receive from the local school board for a school year shall  
10 be paid in equal quarterly installments with the payment of the  
11 installment for the first quarter being made not later than  
12 July 1, unless the charter establishes a different payment  
13 schedule.

14 All services centrally or otherwise provided by the school  
15 district including, but not limited to, rent, food services,  
16 custodial services, maintenance, curriculum, media services,  
17 libraries, transportation, and warehousing shall be subject to  
18 negotiation between a charter school and the local school board  
19 and paid for out of the revenues negotiated pursuant to this  
20 subsection (b); provided that the local school board shall not  
21 attempt, by negotiation or otherwise, to obligate a charter  
22 school to provide pupil transportation for pupils for whom a  
23 district is not required to provide transportation under the  
24 criteria set forth in subsection (a) (13) of Section 27A-7.

25 In no event shall the funding be less than 75% or more than  
26 125% of the school district's per capita student tuition

1 multiplied by the number of students residing in the district  
2 who are enrolled in the charter school.

3 It is the intent of the General Assembly that funding and  
4 service agreements under this subsection (b) shall be neither a  
5 financial incentive nor a financial disincentive to the  
6 establishment of a charter school.

7 The charter school may set and collect reasonable fees.  
8 Fees collected from students enrolled at a charter school shall  
9 be retained by the charter school.

10 (c) Notwithstanding subsection (b) of this Section, the  
11 proportionate share of State and federal resources generated by  
12 students with disabilities or staff serving them shall be  
13 directed to charter schools enrolling those students by their  
14 school districts or administrative units. The proportionate  
15 share of moneys generated under other federal or State  
16 categorical aid programs shall be directed to charter schools  
17 serving students eligible for that aid.

18 (d) The governing body of a charter school is authorized to  
19 accept gifts, donations, or grants of any kind made to the  
20 charter school and to expend or use gifts, donations, or grants  
21 in accordance with the conditions prescribed by the donor;  
22 however, a gift, donation, or grant may not be accepted by the  
23 governing body if it is subject to any condition contrary to  
24 applicable law or contrary to the terms of the contract between  
25 the charter school and the local school board. Charter schools  
26 shall be encouraged to solicit and utilize community volunteer

1 speakers and other instructional resources when providing  
2 instruction on the Holocaust and other historical events.

3 (e) (Blank).

4 (f) The State Board shall provide technical assistance to  
5 persons and groups preparing or revising charter applications.

6 (g) At the non-renewal or revocation of its charter, each  
7 charter school shall refund to the local board of education all  
8 unspent funds.

9 (h) A charter school is authorized to incur temporary,  
10 short term debt to pay operating expenses in anticipation of  
11 receipt of funds from the local school board.

12 (Source: P.A. 90-548, eff. 1-1-98; 90-757, eff. 8-14-98;  
13 91-407, eff. 8-3-99.)

14 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

15 Sec. 29-5. Reimbursement by State for transportation. Any  
16 school district, maintaining a school, transporting resident  
17 pupils to another school district's vocational program,  
18 offered through a joint agreement approved by the State Board  
19 of Education, as provided in Section 10-22.22 or transporting  
20 its resident pupils to a school which meets the standards for  
21 recognition as established by the State Board of Education  
22 which provides transportation meeting the standards of safety,  
23 comfort, convenience, efficiency and operation prescribed by  
24 the State Board of Education for resident pupils in  
25 kindergarten or any of grades 1 through 12 who: (a) reside at

1 least 1 1/2 miles as measured by the customary route of travel,  
2 from the school attended; or (b) reside in areas where  
3 conditions are such that walking constitutes a hazard to the  
4 safety of the child when determined under Section 29-3; and (c)  
5 are transported to the school attended from pick-up points at  
6 the beginning of the school day and back again at the close of  
7 the school day or transported to and from their assigned  
8 attendance centers during the school day, shall be reimbursed  
9 by the State as hereinafter provided in this Section through  
10 fiscal year 2014.

11 Through fiscal year 2014, the ~~The~~ State will pay the cost  
12 of transporting eligible pupils less the assessed valuation in  
13 a dual school district maintaining secondary grades 9 to 12  
14 inclusive times a qualifying rate of .05%; in elementary school  
15 districts maintaining grades K to 8 times a qualifying rate of  
16 .06%; and in unit districts maintaining grades K to 12,  
17 including optional elementary unit districts and combined high  
18 school - unit districts, times a qualifying rate of .07%;  
19 provided that for optional elementary unit districts and  
20 combined high school - unit districts, assessed valuation for  
21 high school purposes, as defined in Article 11E of this Code,  
22 must be used. To be eligible to receive reimbursement in excess  
23 of 4/5 of the cost to transport eligible pupils, a school  
24 district shall have a Transportation Fund tax rate of at least  
25 .12%. If a school district does not have a .12% Transportation  
26 Fund tax rate, the amount of its claim in excess of 4/5 of the

1 cost of transporting pupils shall be reduced by the sum arrived  
2 at by subtracting the Transportation Fund tax rate from .12%  
3 and multiplying that amount by the districts equalized or  
4 assessed valuation, provided, that in no case shall said  
5 reduction result in reimbursement of less than 4/5 of the cost  
6 to transport eligible pupils.

7 Through fiscal year 2014, the ~~The~~ minimum amount to be  
8 received by a district is \$16 times the number of eligible  
9 pupils transported.

10 When calculating the reimbursement for transportation  
11 costs, the State Board of Education may not deduct the number  
12 of pupils enrolled in early education programs from the number  
13 of pupils eligible for reimbursement if the pupils enrolled in  
14 the early education programs are transported at the same time  
15 as other eligible pupils.

16 Through fiscal year 2014, any ~~Any~~ such district  
17 transporting resident pupils during the school day to an area  
18 vocational school or another school district's vocational  
19 program more than 1 1/2 miles from the school attended, as  
20 provided in Sections 10-22.20a and 10-22.22, shall be  
21 reimbursed by the State for 4/5 of the cost of transporting  
22 eligible pupils.

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

25 If a pupil is at a location within the school district  
26 other than his residence for child care purposes at the time

1 for transportation to school, that location may be considered  
2 for purposes of determining the 1 1/2 miles from the school  
3 attended.

4 Claims for reimbursement that include children who attend  
5 any school other than a public school shall show the number of  
6 such children transported.

7 Claims for reimbursement under this Section shall not be  
8 paid for the transportation of pupils for whom transportation  
9 costs are claimed for payment under other Sections of this Act.

10 The allowable direct cost of transporting pupils for  
11 regular, vocational, and special education pupil  
12 transportation shall be limited to the sum of the cost of  
13 physical examinations required for employment as a school bus  
14 driver; the salaries of full or part-time drivers and school  
15 bus maintenance personnel; employee benefits excluding  
16 Illinois municipal retirement payments, social security  
17 payments, unemployment insurance payments and workers'  
18 compensation insurance premiums; expenditures to independent  
19 carriers who operate school buses; payments to other school  
20 districts for pupil transportation services; pre-approved  
21 contractual expenditures for computerized bus scheduling; the  
22 cost of gasoline, oil, tires, and other supplies necessary for  
23 the operation of school buses; the cost of converting buses'  
24 gasoline engines to more fuel efficient engines or to engines  
25 which use alternative energy sources; the cost of travel to  
26 meetings and workshops conducted by the regional



1 superintendent or the State Superintendent of Education  
2 pursuant to the standards established by the Secretary of State  
3 under Section 6-106 of the Illinois Vehicle Code to improve the  
4 driving skills of school bus drivers; the cost of maintenance  
5 of school buses including parts and materials used;  
6 expenditures for leasing transportation vehicles, except  
7 interest and service charges; the cost of insurance and  
8 licenses for transportation vehicles; expenditures for the  
9 rental of transportation equipment; plus a depreciation  
10 allowance of 20% for 5 years for school buses and vehicles  
11 approved for transporting pupils to and from school and a  
12 depreciation allowance of 10% for 10 years for other  
13 transportation equipment so used. Each school year, if a school  
14 district has made expenditures to the Regional Transportation  
15 Authority or any of its service boards, a mass transit  
16 district, or an urban transportation district under an  
17 intergovernmental agreement with the district to provide for  
18 the transportation of pupils and if the public transit carrier  
19 received direct payment for services or passes from a school  
20 district within its service area during the 2000-2001 school  
21 year, then the allowable direct cost of transporting pupils for  
22 regular, vocational, and special education pupil  
23 transportation shall also include the expenditures that the  
24 district has made to the public transit carrier. In addition to  
25 the above allowable costs school districts shall also claim all  
26 transportation supervisory salary costs, including Illinois

1 municipal retirement payments, and all transportation related  
2 building and building maintenance costs without limitation.

3 Special education allowable costs shall also include  
4 expenditures for the salaries of attendants or aides for that  
5 portion of the time they assist special education pupils while  
6 in transit and expenditures for parents and public carriers for  
7 transporting special education pupils when pre-approved by the  
8 State Superintendent of Education.

9 Indirect costs shall be included in the reimbursement claim  
10 for districts which own and operate their own school buses.  
11 Such indirect costs shall include administrative costs, or any  
12 costs attributable to transporting pupils from their  
13 attendance centers to another school building for  
14 instructional purposes. No school district which owns and  
15 operates its own school buses may claim reimbursement for  
16 indirect costs which exceed 5% of the total allowable direct  
17 costs for pupil transportation.

18 The State Board of Education shall prescribe uniform  
19 regulations for determining the above standards and shall  
20 prescribe forms of cost accounting and standards of determining  
21 reasonable depreciation. Such depreciation shall include the  
22 cost of equipping school buses with the safety features  
23 required by law or by the rules, regulations and standards  
24 promulgated by the State Board of Education, and the Department  
25 of Transportation for the safety and construction of school  
26 buses provided, however, any equipment cost reimbursed by the

1 Department of Transportation for equipping school buses with  
2 such safety equipment shall be deducted from the allowable cost  
3 in the computation of reimbursement under this Section in the  
4 same percentage as the cost of the equipment is depreciated.

5 On or before August 15, annually, through August 15, 2013,  
6 the chief school administrator for the district shall certify  
7 to the State Superintendent of Education the district's claim  
8 for reimbursement for the school year ending on June 30 next  
9 preceding. The State Superintendent of Education shall check  
10 and approve the claims and prepare the vouchers showing the  
11 amounts due for district reimbursement claims. Each fiscal year  
12 through fiscal year 2014, the State Superintendent of Education  
13 shall prepare and transmit the first 3 vouchers to the  
14 Comptroller on the 30th day of September, December and March,  
15 respectively, and the final voucher, no later than June 20.

16 If the amount appropriated for transportation  
17 reimbursement is insufficient to fund total claims for any  
18 fiscal year, the State Board of Education shall reduce each  
19 school district's allowable costs and flat grant amount  
20 proportionately to make total adjusted claims equal the total  
21 amount appropriated.

22 For purposes of calculating claims for reimbursement under  
23 this Section for any school year beginning July 1, 1998, or  
24 thereafter, the equalized assessed valuation for a school  
25 district used to compute reimbursement shall be computed in the  
26 same manner as it is computed under paragraph (2) of subsection

1 (G) of Section 18-8.05.

2 All reimbursements received from the State shall be  
3 deposited into the district's transportation fund or into the  
4 fund from which the allowable expenditures were made.

5 Notwithstanding any other provision of law, any school  
6 district receiving a payment under this Section or under  
7 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may  
8 classify all or a portion of the funds that it receives in a  
9 particular fiscal year or from general State aid pursuant to  
10 Section 18-8.05 of this Code as funds received in connection  
11 with any funding program for which it is entitled to receive  
12 funds from the State in that fiscal year (including, without  
13 limitation, any funding program referenced in this Section),  
14 regardless of the source or timing of the receipt. The district  
15 may not classify more funds as funds received in connection  
16 with the funding program than the district is entitled to  
17 receive in that fiscal year for that program. Any  
18 classification by a district must be made by a resolution of  
19 its board of education. The resolution must identify the amount  
20 of any payments or general State aid to be classified under  
21 this paragraph and must specify the funding program to which  
22 the funds are to be treated as received in connection  
23 therewith. This resolution is controlling as to the  
24 classification of funds referenced therein. A certified copy of  
25 the resolution must be sent to the State Superintendent of  
26 Education. The resolution shall still take effect even though a

1 copy of the resolution has not been sent to the State  
2 Superintendent of Education in a timely manner. No  
3 classification under this paragraph by a district shall affect  
4 the total amount or timing of money the district is entitled to  
5 receive under this Code. No classification under this paragraph  
6 by a district shall in any way relieve the district from or  
7 affect any requirements that otherwise would apply with respect  
8 to that funding program, including any accounting of funds by  
9 source, reporting expenditures by original source and purpose,  
10 reporting requirements, or requirements of providing services.

11 Any school district with a population of not more than  
12 500,000 must deposit all funds received under this Article into  
13 the transportation fund and use those funds for the provision  
14 of transportation services.

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

16 (105 ILCS 5/34-2.3) (from Ch. 122, par. 34-2.3)

17 Sec. 34-2.3. Local school councils - Powers and duties.  
18 Each local school council shall have and exercise, consistent  
19 with the provisions of this Article and the powers and duties  
20 of the board of education, the following powers and duties:

21 1. (A) To annually evaluate the performance of the  
22 principal of the attendance center using a Board approved  
23 principal evaluation form, which shall include the evaluation  
24 of (i) student academic improvement, as defined by the school  
25 improvement plan, (ii) student absenteeism rates at the school,

1 (iii) instructional leadership, (iv) the effective  
2 implementation of programs, policies, or strategies to improve  
3 student academic achievement, (v) school management, and (vi)  
4 any other factors deemed relevant by the local school council,  
5 including, without limitation, the principal's communication  
6 skills and ability to create and maintain a student-centered  
7 learning environment, to develop opportunities for  
8 professional development, and to encourage parental  
9 involvement and community partnerships to achieve school  
10 improvement;

11 (B) to determine in the manner provided by subsection (c)  
12 of Section 34-2.2 and subdivision 1.5 of this Section whether  
13 the performance contract of the principal shall be renewed; and

14 (C) to directly select, in the manner provided by  
15 subsection (c) of Section 34-2.2, a new principal (including a  
16 new principal to fill a vacancy) -- without submitting any list  
17 of candidates for that position to the general superintendent  
18 as provided in paragraph 2 of this Section -- to serve under a  
19 4 year performance contract; provided that (i) the  
20 determination of whether the principal's performance contract  
21 is to be renewed, based upon the evaluation required by  
22 subdivision 1.5 of this Section, shall be made no later than  
23 150 days prior to the expiration of the current  
24 performance-based contract of the principal, (ii) in cases  
25 where such performance contract is not renewed -- a direct  
26 selection of a new principal -- to serve under a 4 year

1 performance contract shall be made by the local school council  
2 no later than 45 days prior to the expiration of the current  
3 performance contract of the principal, and (iii) a selection by  
4 the local school council of a new principal to fill a vacancy  
5 under a 4 year performance contract shall be made within 90  
6 days after the date such vacancy occurs. A Council shall be  
7 required, if requested by the principal, to provide in writing  
8 the reasons for the council's not renewing the principal's  
9 contract.

10 1.5. The local school council's determination of whether to  
11 renew the principal's contract shall be based on an evaluation  
12 to assess the educational and administrative progress made at  
13 the school during the principal's current performance-based  
14 contract. The local school council shall base its evaluation on  
15 (i) student academic improvement, as defined by the school  
16 improvement plan, (ii) student absenteeism rates at the school,  
17 (iii) instructional leadership, (iv) the effective  
18 implementation of programs, policies, or strategies to improve  
19 student academic achievement, (v) school management, and (vi)  
20 any other factors deemed relevant by the local school council,  
21 including, without limitation, the principal's communication  
22 skills and ability to create and maintain a student-centered  
23 learning environment, to develop opportunities for  
24 professional development, and to encourage parental  
25 involvement and community partnerships to achieve school  
26 improvement. If a local school council fails to renew the

1 performance contract of a principal rated by the general  
2 superintendent, or his or her designee, in the previous years'  
3 evaluations as meeting or exceeding expectations, the  
4 principal, within 15 days after the local school council's  
5 decision not to renew the contract, may request a review of the  
6 local school council's principal non-retention decision by a  
7 hearing officer appointed by the American Arbitration  
8 Association. A local school council member or members or the  
9 general superintendent may support the principal's request for  
10 review. During the period of the hearing officer's review of  
11 the local school council's decision on whether or not to retain  
12 the principal, the local school council shall maintain all  
13 authority to search for and contract with a person to serve as  
14 interim or acting principal, or as the principal of the  
15 attendance center under a 4-year performance contract,  
16 provided that any performance contract entered into by the  
17 local school council shall be voidable or modified in  
18 accordance with the decision of the hearing officer. The  
19 principal may request review only once while at that attendance  
20 center. If a local school council renews the contract of a  
21 principal who failed to obtain a rating of "meets" or "exceeds  
22 expectations" in the general superintendent's evaluation for  
23 the previous year, the general superintendent, within 15 days  
24 after the local school council's decision to renew the  
25 contract, may request a review of the local school council's  
26 principal retention decision by a hearing officer appointed by



1 the American Arbitration Association. The general  
2 superintendent may request a review only once for that  
3 principal at that attendance center. All requests to review the  
4 retention or non-retention of a principal shall be submitted to  
5 the general superintendent, who shall, in turn, forward such  
6 requests, within 14 days of receipt, to the American  
7 Arbitration Association. The general superintendent shall send  
8 a contemporaneous copy of the request that was forwarded to the  
9 American Arbitration Association to the principal and to each  
10 local school council member and shall inform the local school  
11 council of its rights and responsibilities under the  
12 arbitration process, including the local school council's  
13 right to representation and the manner and process by which the  
14 Board shall pay the costs of the council's representation. If  
15 the local school council retains the principal and the general  
16 superintendent requests a review of the retention decision, the  
17 local school council and the general superintendent shall be  
18 considered parties to the arbitration, a hearing officer shall  
19 be chosen between those 2 parties pursuant to procedures  
20 promulgated by the State Board of Education, and the principal  
21 may retain counsel and participate in the arbitration. If the  
22 local school council does not retain the principal and the  
23 principal requests a review of the retention decision, the  
24 local school council and the principal shall be considered  
25 parties to the arbitration and a hearing officer shall be  
26 chosen between those 2 parties pursuant to procedures

1 promulgated by the State Board of Education. The hearing shall  
2 begin (i) within 45 days after the initial request for review  
3 is submitted by the principal to the general superintendent or  
4 (ii) if the initial request for review is made by the general  
5 superintendent, within 45 days after that request is mailed to  
6 the American Arbitration Association. The hearing officer  
7 shall render a decision within 45 days after the hearing begins  
8 and within 90 days after the initial request for review. The  
9 Board shall contract with the American Arbitration Association  
10 for all of the hearing officer's reasonable and necessary  
11 costs. In addition, the Board shall pay any reasonable costs  
12 incurred by a local school council for representation before a  
13 hearing officer.

14 1.10. The hearing officer shall conduct a hearing, which  
15 shall include (i) a review of the principal's performance,  
16 evaluations, and other evidence of the principal's service at  
17 the school, (ii) reasons provided by the local school council  
18 for its decision, and (iii) documentation evidencing views of  
19 interested persons, including, without limitation, students,  
20 parents, local school council members, school faculty and  
21 staff, the principal, the general superintendent or his or her  
22 designee, and members of the community. The burden of proof in  
23 establishing that the local school council's decision was  
24 arbitrary and capricious shall be on the party requesting the  
25 arbitration, and this party shall sustain the burden by a  
26 preponderance of the evidence. The hearing officer shall set

1 the local school council decision aside if that decision, in  
2 light of the record developed at the hearing, is arbitrary and  
3 capricious. The decision of the hearing officer may not be  
4 appealed to the Board or the State Board of Education. If the  
5 hearing officer decides that the principal shall be retained,  
6 the retention period shall not exceed 2 years.

7 2. In the event (i) the local school council does not renew  
8 the performance contract of the principal, or the principal  
9 fails to receive a satisfactory rating as provided in  
10 subsection (h) of Section 34-8.3, or the principal is removed  
11 for cause during the term of his or her performance contract in  
12 the manner provided by Section 34-85, or a vacancy in the  
13 position of principal otherwise occurs prior to the expiration  
14 of the term of a principal's performance contract, and (ii) the  
15 local school council fails to directly select a new principal  
16 to serve under a 4 year performance contract, the local school  
17 council in such event shall submit to the general  
18 superintendent a list of 3 candidates -- listed in the local  
19 school council's order of preference -- for the position of  
20 principal, one of which shall be selected by the general  
21 superintendent to serve as principal of the attendance center.  
22 If the general superintendent fails or refuses to select one of  
23 the candidates on the list to serve as principal within 30 days  
24 after being furnished with the candidate list, the general  
25 superintendent shall select and place a principal on an interim  
26 basis (i) for a period not to exceed one year or (ii) until the

1 local school council selects a new principal with 7 affirmative  
2 votes as provided in subsection (c) of Section 34-2.2,  
3 whichever occurs first. If the local school council fails or  
4 refuses to select and appoint a new principal, as specified by  
5 subsection (c) of Section 34-2.2, the general superintendent  
6 may select and appoint a new principal on an interim basis for  
7 an additional year or until a new contract principal is  
8 selected by the local school council. There shall be no  
9 discrimination on the basis of race, sex, creed, color or  
10 disability unrelated to ability to perform in connection with  
11 the submission of candidates for, and the selection of a  
12 candidate to serve as principal of an attendance center. No  
13 person shall be directly selected, listed as a candidate for,  
14 or selected to serve as principal of an attendance center (i)  
15 if such person has been removed for cause from employment by  
16 the Board or (ii) if such person does not hold a valid  
17 administrative certificate issued or exchanged under Article  
18 21 and endorsed as required by that Article for the position of  
19 principal. A principal whose performance contract is not  
20 renewed as provided under subsection (c) of Section 34-2.2 may  
21 nevertheless, if otherwise qualified and certified as herein  
22 provided and if he or she has received a satisfactory rating as  
23 provided in subsection (h) of Section 34-8.3, be included by a  
24 local school council as one of the 3 candidates listed in order  
25 of preference on any candidate list from which one person is to  
26 be selected to serve as principal of the attendance center

1 under a new performance contract. The initial candidate list  
2 required to be submitted by a local school council to the  
3 general superintendent in cases where the local school council  
4 does not renew the performance contract of its principal and  
5 does not directly select a new principal to serve under a 4  
6 year performance contract shall be submitted not later than 30  
7 days prior to the expiration of the current performance  
8 contract. In cases where the local school council fails or  
9 refuses to submit the candidate list to the general  
10 superintendent no later than 30 days prior to the expiration of  
11 the incumbent principal's contract, the general superintendent  
12 may appoint a principal on an interim basis for a period not to  
13 exceed one year, during which time the local school council  
14 shall be able to select a new principal with 7 affirmative  
15 votes as provided in subsection (c) of Section 34-2.2. In cases  
16 where a principal is removed for cause or a vacancy otherwise  
17 occurs in the position of principal and the vacancy is not  
18 filled by direct selection by the local school council, the  
19 candidate list shall be submitted by the local school council  
20 to the general superintendent within 90 days after the date  
21 such removal or vacancy occurs. In cases where the local school  
22 council fails or refuses to submit the candidate list to the  
23 general superintendent within 90 days after the date of the  
24 vacancy, the general superintendent may appoint a principal on  
25 an interim basis for a period of one year, during which time  
26 the local school council shall be able to select a new

1 principal with 7 affirmative votes as provided in subsection  
2 (c) of Section 34-2.2.

3 2.5. Whenever a vacancy in the office of a principal occurs  
4 for any reason, the vacancy shall be filled in the manner  
5 provided by this Section by the selection of a new principal to  
6 serve under a 4 year performance contract.

7 3. To establish additional criteria to be included as part  
8 of the performance contract of its principal, provided that  
9 such additional criteria shall not discriminate on the basis of  
10 race, sex, creed, color or disability unrelated to ability to  
11 perform, and shall not be inconsistent with the uniform 4 year  
12 performance contract for principals developed by the board as  
13 provided in Section 34-8.1 of the School Code or with other  
14 provisions of this Article governing the authority and  
15 responsibility of principals.

16 4. To approve the expenditure plan prepared by the  
17 principal with respect to all funds allocated and distributed  
18 to the attendance center by the Board. The expenditure plan  
19 shall be administered by the principal. Notwithstanding any  
20 other provision of this Act or any other law, any expenditure  
21 plan approved and administered under this Section 34-2.3 shall  
22 be consistent with and subject to the terms of any contract for  
23 services with a third party entered into by the Chicago School  
24 Reform Board of Trustees or the board under this Act.

25 Via a supermajority vote of 7 members of the local school  
26 council or 8 members of a high school local school council, the

1 Council may transfer allocations pursuant to Section 34-2.3  
2 within funds; provided that such a transfer is consistent with  
3 applicable law and collective bargaining agreements.

4 Beginning in fiscal year 1991 and in each fiscal year  
5 thereafter, the Board may reserve up to 1% of its total fiscal  
6 year budget for distribution on a prioritized basis to schools  
7 throughout the school system in order to assure adequate  
8 programs to meet the needs of special student populations as  
9 determined by the Board. This distribution shall take into  
10 account the needs catalogued in the Systemwide Plan and the  
11 various local school improvement plans of the local school  
12 councils. Information about these centrally funded programs  
13 shall be distributed to the local school councils so that their  
14 subsequent planning and programming will account for these  
15 provisions.

16 Beginning in fiscal year 1991 and in each fiscal year  
17 thereafter, from other amounts available in the applicable  
18 fiscal year budget, the board shall allocate a lump sum amount  
19 to each local school based upon such formula as the board shall  
20 determine taking into account the special needs of the student  
21 body. The local school principal shall develop an expenditure  
22 plan in consultation with the local school council, the  
23 professional personnel leadership committee and with all other  
24 school personnel, which reflects the priorities and activities  
25 as described in the school's local school improvement plan and  
26 is consistent with applicable law and collective bargaining

1 agreements and with board policies and standards; however, the  
2 local school council shall have the right to request waivers of  
3 board policy from the board of education and waivers of  
4 employee collective bargaining agreements pursuant to Section  
5 34-8.1a.

6 The expenditure plan developed by the principal with  
7 respect to amounts available from the fund for prioritized  
8 special needs programs and the allocated lump sum amount must  
9 be approved by the local school council.

10 The lump sum allocation shall take into account the  
11 following principles:

12 a. Teachers: Each school shall be allocated funds equal  
13 to the amount appropriated in the previous school year for  
14 compensation for teachers (regular grades kindergarten  
15 through 12th grade) plus whatever increases in  
16 compensation have been negotiated contractually or through  
17 longevity as provided in the negotiated agreement.  
18 Adjustments shall be made due to layoff or reduction in  
19 force, lack of funds or work, change in subject  
20 requirements, enrollment changes, or contracts with third  
21 parties for the performance of services or to rectify any  
22 inconsistencies with system-wide allocation formulas or  
23 for other legitimate reasons.

24 b. Other personnel: Funds for other teacher  
25 certificated and uncertificated personnel paid through  
26 non-categorical funds shall be provided according to



1 system-wide formulas based on student enrollment and the  
2 special needs of the school as determined by the Board.

3 c. Non-compensation items: Appropriations for all  
4 non-compensation items shall be based on system-wide  
5 formulas based on student enrollment and on the special  
6 needs of the school or factors related to the physical  
7 plant, including but not limited to textbooks, electronic  
8 textbooks and the technological equipment necessary to  
9 gain access to and use electronic textbooks, supplies,  
10 electricity, equipment, and routine maintenance.

11 d. Funds for categorical programs: Schools shall  
12 receive personnel and funds based on, and shall use such  
13 personnel and funds in accordance with State and Federal  
14 requirements applicable to each categorical program  
15 provided to meet the special needs of the student body  
16 (including but not limited to, Federal Chapter I,  
17 Bilingual, and Special Education).

18 d.1. Funds for State Title I: Each school shall receive  
19 funds based on State and Board requirements applicable to  
20 each State Title I pupil provided to meet the special needs  
21 of the student body. Each school shall receive the  
22 proportion of funds as provided in Section 18-8 or 18-8.15  
23 to which they are entitled. These funds shall be spent only  
24 with the budgetary approval of the Local School Council as  
25 provided in Section 34-2.3.

26 e. The Local School Council shall have the right to

1 request the principal to close positions and open new ones  
2 consistent with the provisions of the local school  
3 improvement plan provided that these decisions are  
4 consistent with applicable law and collective bargaining  
5 agreements. If a position is closed, pursuant to this  
6 paragraph, the local school shall have for its use the  
7 system-wide average compensation for the closed position.

8 f. Operating within existing laws and collective  
9 bargaining agreements, the local school council shall have  
10 the right to direct the principal to shift expenditures  
11 within funds.

12 g. (Blank).

13 Any funds unexpended at the end of the fiscal year shall be  
14 available to the board of education for use as part of its  
15 budget for the following fiscal year.

16 5. To make recommendations to the principal concerning  
17 textbook selection and concerning curriculum developed  
18 pursuant to the school improvement plan which is consistent  
19 with systemwide curriculum objectives in accordance with  
20 Sections 34-8 and 34-18 of the School Code and in conformity  
21 with the collective bargaining agreement.

22 6. To advise the principal concerning the attendance and  
23 disciplinary policies for the attendance center, subject to the  
24 provisions of this Article and Article 26, and consistent with  
25 the uniform system of discipline established by the board  
26 pursuant to Section 34-19.

1           7. To approve a school improvement plan developed as  
2 provided in Section 34-2.4. The process and schedule for plan  
3 development shall be publicized to the entire school community,  
4 and the community shall be afforded the opportunity to make  
5 recommendations concerning the plan. At least twice a year the  
6 principal and local school council shall report publicly on  
7 progress and problems with respect to plan implementation.

8           8. To evaluate the allocation of teaching resources and  
9 other certificated and uncertificated staff to the attendance  
10 center to determine whether such allocation is consistent with  
11 and in furtherance of instructional objectives and school  
12 programs reflective of the school improvement plan adopted for  
13 the attendance center; and to make recommendations to the  
14 board, the general superintendent and the principal concerning  
15 any reallocation of teaching resources or other staff whenever  
16 the council determines that any such reallocation is  
17 appropriate because the qualifications of any existing staff at  
18 the attendance center do not adequately match or support  
19 instructional objectives or school programs which reflect the  
20 school improvement plan.

21           9. To make recommendations to the principal and the general  
22 superintendent concerning their respective appointments, after  
23 August 31, 1989, and in the manner provided by Section 34-8 and  
24 Section 34-8.1, of persons to fill any vacant, additional or  
25 newly created positions for teachers at the attendance center  
26 or at attendance centers which include the attendance center

1 served by the local school council.

2 10. To request of the Board the manner in which training  
3 and assistance shall be provided to the local school council.  
4 Pursuant to Board guidelines a local school council is  
5 authorized to direct the Board of Education to contract with  
6 personnel or not-for-profit organizations not associated with  
7 the school district to train or assist council members. If  
8 training or assistance is provided by contract with personnel  
9 or organizations not associated with the school district, the  
10 period of training or assistance shall not exceed 30 hours  
11 during a given school year; person shall not be employed on a  
12 continuous basis longer than said period and shall not have  
13 been employed by the Chicago Board of Education within the  
14 preceding six months. Council members shall receive training in  
15 at least the following areas:

16 1. school budgets;

17 2. educational theory pertinent to the attendance  
18 center's particular needs, including the development of  
19 the school improvement plan and the principal's  
20 performance contract; and

21 3. personnel selection.

22 Council members shall, to the greatest extent possible,  
23 complete such training within 90 days of election.

24 11. In accordance with systemwide guidelines contained in  
25 the System-Wide Educational Reform Goals and Objectives Plan,  
26 criteria for evaluation of performance shall be established for

1 local school councils and local school council members. If a  
2 local school council persists in noncompliance with systemwide  
3 requirements, the Board may impose sanctions and take necessary  
4 corrective action, consistent with Section 34-8.3.

5 12. Each local school council shall comply with the Open  
6 Meetings Act and the Freedom of Information Act. Each local  
7 school council shall issue and transmit to its school community  
8 a detailed annual report accounting for its activities  
9 programmatically and financially. Each local school council  
10 shall convene at least 2 well-publicized meetings annually with  
11 its entire school community. These meetings shall include  
12 presentation of the proposed local school improvement plan, of  
13 the proposed school expenditure plan, and the annual report,  
14 and shall provide an opportunity for public comment.

15 13. Each local school council is encouraged to involve  
16 additional non-voting members of the school community in  
17 facilitating the council's exercise of its responsibilities.

18 14. The local school council may adopt a school uniform or  
19 dress code policy that governs the attendance center and that  
20 is necessary to maintain the orderly process of a school  
21 function or prevent endangerment of student health or safety,  
22 consistent with the policies and rules of the Board of  
23 Education. A school uniform or dress code policy adopted by a  
24 local school council: (i) shall not be applied in such manner  
25 as to discipline or deny attendance to a transfer student or  
26 any other student for noncompliance with that policy during

1 such period of time as is reasonably necessary to enable the  
2 student to acquire a school uniform or otherwise comply with  
3 the dress code policy that is in effect at the attendance  
4 center into which the student's enrollment is transferred; and  
5 (ii) shall include criteria and procedures under which the  
6 local school council will accommodate the needs of or otherwise  
7 provide appropriate resources to assist a student from an  
8 indigent family in complying with an applicable school uniform  
9 or dress code policy. A student whose parents or legal  
10 guardians object on religious grounds to the student's  
11 compliance with an applicable school uniform or dress code  
12 policy shall not be required to comply with that policy if the  
13 student's parents or legal guardians present to the local  
14 school council a signed statement of objection detailing the  
15 grounds for the objection.

16 15. All decisions made and actions taken by the local  
17 school council in the exercise of its powers and duties shall  
18 comply with State and federal laws, all applicable collective  
19 bargaining agreements, court orders and rules properly  
20 promulgated by the Board.

21 15a. To grant, in accordance with board rules and policies,  
22 the use of assembly halls and classrooms when not otherwise  
23 needed, including lighting, heat, and attendants, for public  
24 lectures, concerts, and other educational and social  
25 activities.

26 15b. To approve, in accordance with board rules and

1 policies, receipts and expenditures for all internal accounts  
2 of the attendance center, and to approve all fund-raising  
3 activities by nonschool organizations that use the school  
4 building.

5 16. (Blank).

6 17. Names and addresses of local school council members  
7 shall be a matter of public record.

8 (Source: P.A. 96-1403, eff. 7-29-10.)

9 (105 ILCS 5/34-8.4)

10 Sec. 34-8.4. Intervention. The Chicago Schools Academic  
11 Accountability Council may recommend to the Chicago School  
12 Reform Board of Trustees that any school placed on remediation  
13 or probation under Section 34-8.3 or schools that for the 3  
14 consecutive school years of 1992-1993, 1993-1994, and  
15 1994-1995 have met the State Board of Education's category of  
16 "does not meet expectations" be made subject to intervention  
17 under this Section 34-8.4. In addition to any powers created  
18 under this Section, the Trustees shall have all powers created  
19 under Section 34-8.3 with respect to schools subjected to  
20 intervention.

21 Prior to subjecting a school to intervention, the Trustees  
22 shall conduct a public hearing and make findings of facts  
23 concerning the recommendation of the Chicago Schools Academic  
24 Accountability Council and the factors causing the failure of  
25 the school to adequately perform. The Trustees shall afford an

1 opportunity at the hearing for interested persons to comment  
2 about the intervention recommendation. After the hearing has  
3 been held and completion of findings of fact, the Trustees  
4 shall make a determination whether to subject the school to  
5 intervention.

6 If the Trustees determine that a school shall be subject to  
7 intervention under this Section, the Trustees shall develop an  
8 intervention implementation plan and shall cause a performance  
9 evaluation to be made of each employee at the school. Upon  
10 consideration of such evaluations, and consistent with the  
11 intervention implementation plan, the Trustees may reassign,  
12 layoff, or dismiss any employees at the attendance center,  
13 notwithstanding the provisions of Sections 24A-5 and 34-85.

14 The chief educational officer shall appoint a principal for  
15 the school and shall set the terms and conditions of the  
16 principal's contract, which in no case may be longer than 2  
17 years. The principal shall select all teachers and  
18 non-certified personnel for the school as may be necessary. Any  
19 provision of Section 34-8.1 that conflicts with this Section  
20 shall not apply to a school subjected to intervention under  
21 this Section.

22 If pursuant to this Section, the general superintendent,  
23 with the approval of the board, orders new local school council  
24 elections, the general superintendent shall carry out the  
25 responsibilities of the local school council for a school  
26 subject to intervention until the new local school council



1 members are elected and trained.

2 Each school year, 5% of the supplemental general State aid  
3 or supplemental grant funds distributed to a school subject to  
4 intervention during that school year under subsection  
5 5(i)(1)(a) of part A of Section 18-8, ~~or~~ subsection (H) of  
6 Section 18-8.05, or subsection (h) of Section 18-8.15 shall be  
7 used for employee performance incentives. The Trustees shall  
8 prepare a report evaluating the results of any interventions  
9 undertaken pursuant to this Section and shall make  
10 recommendations concerning implementation of special programs  
11 for dealing with underperforming schools on an ongoing basis.  
12 This report shall be submitted to the State Superintendent of  
13 Education and Mayor of the City of Chicago by January 1, 1999.  
14 (Source: P.A. 89-15, eff. 5-30-95; 89-698, eff. 1-14-97;  
15 90-548, eff. 1-1-98.)

16 (105 ILCS 5/34-18) (from Ch. 122, par. 34-18)

17 Sec. 34-18. Powers of the board. The board shall exercise  
18 general supervision and jurisdiction over the public education  
19 and the public school system of the city, and, except as  
20 otherwise provided by this Article, shall have power:

21 1. To make suitable provision for the establishment and  
22 maintenance throughout the year or for such portion thereof  
23 as it may direct, not less than 9 months, of schools of all  
24 grades and kinds, including normal schools, high schools,  
25 night schools, schools for defectives and delinquents,

1 parental and truant schools, schools for the blind, the  
2 deaf and the physically disabled, schools or classes in  
3 manual training, constructural and vocational teaching,  
4 domestic arts and physical culture, vocation and extension  
5 schools and lecture courses, and all other educational  
6 courses and facilities, including establishing, equipping,  
7 maintaining and operating playgrounds and recreational  
8 programs, when such programs are conducted in, adjacent to,  
9 or connected with any public school under the general  
10 supervision and jurisdiction of the board; provided that  
11 the calendar for the school term and any changes must be  
12 submitted to and approved by the State Board of Education  
13 before the calendar or changes may take effect, and  
14 provided that in allocating funds from year to year for the  
15 operation of all attendance centers within the district,  
16 the board shall ensure that supplemental general State aid  
17 or supplemental grant funds are allocated and applied in  
18 accordance with Section 18-8, ~~or~~ 18-8.05, or 18-8.15. To  
19 admit to such schools without charge foreign exchange  
20 students who are participants in an organized exchange  
21 student program which is authorized by the board. The board  
22 shall permit all students to enroll in apprenticeship  
23 programs in trade schools operated by the board, whether  
24 those programs are union-sponsored or not. No student shall  
25 be refused admission into or be excluded from any course of  
26 instruction offered in the common schools by reason of that

1 student's sex. No student shall be denied equal access to  
2 physical education and interscholastic athletic programs  
3 supported from school district funds or denied  
4 participation in comparable physical education and  
5 athletic programs solely by reason of the student's sex.  
6 Equal access to programs supported from school district  
7 funds and comparable programs will be defined in rules  
8 promulgated by the State Board of Education in consultation  
9 with the Illinois High School Association. Notwithstanding  
10 any other provision of this Article, neither the board of  
11 education nor any local school council or other school  
12 official shall recommend that children with disabilities  
13 be placed into regular education classrooms unless those  
14 children with disabilities are provided with supplementary  
15 services to assist them so that they benefit from the  
16 regular classroom instruction and are included on the  
17 teacher's regular education class register;

18 2. To furnish lunches to pupils, to make a reasonable  
19 charge therefor, and to use school funds for the payment of  
20 such expenses as the board may determine are necessary in  
21 conducting the school lunch program;

22 3. To co-operate with the circuit court;

23 4. To make arrangements with the public or quasi-public  
24 libraries and museums for the use of their facilities by  
25 teachers and pupils of the public schools;

26 5. To employ dentists and prescribe their duties for

1 the purpose of treating the pupils in the schools, but  
2 accepting such treatment shall be optional with parents or  
3 guardians;

4 6. To grant the use of assembly halls and classrooms  
5 when not otherwise needed, including light, heat, and  
6 attendants, for free public lectures, concerts, and other  
7 educational and social interests, free of charge, under  
8 such provisions and control as the principal of the  
9 affected attendance center may prescribe;

10 7. To apportion the pupils to the several schools;  
11 provided that no pupil shall be excluded from or segregated  
12 in any such school on account of his color, race, sex, or  
13 nationality. The board shall take into consideration the  
14 prevention of segregation and the elimination of  
15 separation of children in public schools because of color,  
16 race, sex, or nationality. Except that children may be  
17 committed to or attend parental and social adjustment  
18 schools established and maintained either for boys or girls  
19 only. All records pertaining to the creation, alteration or  
20 revision of attendance areas shall be open to the public.  
21 Nothing herein shall limit the board's authority to  
22 establish multi-area attendance centers or other student  
23 assignment systems for desegregation purposes or  
24 otherwise, and to apportion the pupils to the several  
25 schools. Furthermore, beginning in school year 1994-95,  
26 pursuant to a board plan adopted by October 1, 1993, the

1 board shall offer, commencing on a phased-in basis, the  
2 opportunity for families within the school district to  
3 apply for enrollment of their children in any attendance  
4 center within the school district which does not have  
5 selective admission requirements approved by the board.  
6 The appropriate geographical area in which such open  
7 enrollment may be exercised shall be determined by the  
8 board of education. Such children may be admitted to any  
9 such attendance center on a space available basis after all  
10 children residing within such attendance center's area  
11 have been accommodated. If the number of applicants from  
12 outside the attendance area exceed the space available,  
13 then successful applicants shall be selected by lottery.  
14 The board of education's open enrollment plan must include  
15 provisions that allow low income students to have access to  
16 transportation needed to exercise school choice. Open  
17 enrollment shall be in compliance with the provisions of  
18 the Consent Decree and Desegregation Plan cited in Section  
19 34-1.01;

20 8. To approve programs and policies for providing  
21 transportation services to students. Nothing herein shall  
22 be construed to permit or empower the State Board of  
23 Education to order, mandate, or require busing or other  
24 transportation of pupils for the purpose of achieving  
25 racial balance in any school;

26 9. Subject to the limitations in this Article, to

1 establish and approve system-wide curriculum objectives  
2 and standards, including graduation standards, which  
3 reflect the multi-cultural diversity in the city and are  
4 consistent with State law, provided that for all purposes  
5 of this Article courses or proficiency in American Sign  
6 Language shall be deemed to constitute courses or  
7 proficiency in a foreign language; and to employ principals  
8 and teachers, appointed as provided in this Article, and  
9 fix their compensation. The board shall prepare such  
10 reports related to minimal competency testing as may be  
11 requested by the State Board of Education, and in addition  
12 shall monitor and approve special education and bilingual  
13 education programs and policies within the district to  
14 assure that appropriate services are provided in  
15 accordance with applicable State and federal laws to  
16 children requiring services and education in those areas;

17 10. To employ non-teaching personnel or utilize  
18 volunteer personnel for: (i) non-teaching duties not  
19 requiring instructional judgment or evaluation of pupils,  
20 including library duties; and (ii) supervising study  
21 halls, long distance teaching reception areas used  
22 incident to instructional programs transmitted by  
23 electronic media such as computers, video, and audio,  
24 detention and discipline areas, and school-sponsored  
25 extracurricular activities. The board may further utilize  
26 volunteer non-certificated personnel or employ

1 non-certificated personnel to assist in the instruction of  
2 pupils under the immediate supervision of a teacher holding  
3 a valid certificate, directly engaged in teaching subject  
4 matter or conducting activities; provided that the teacher  
5 shall be continuously aware of the non-certificated  
6 persons' activities and shall be able to control or modify  
7 them. The general superintendent shall determine  
8 qualifications of such personnel and shall prescribe rules  
9 for determining the duties and activities to be assigned to  
10 such personnel;

11 10.5. To utilize volunteer personnel from a regional  
12 School Crisis Assistance Team (S.C.A.T.), created as part  
13 of the Safe to Learn Program established pursuant to  
14 Section 25 of the Illinois Violence Prevention Act of 1995,  
15 to provide assistance to schools in times of violence or  
16 other traumatic incidents within a school community by  
17 providing crisis intervention services to lessen the  
18 effects of emotional trauma on individuals and the  
19 community; the School Crisis Assistance Team Steering  
20 Committee shall determine the qualifications for  
21 volunteers;

22 11. To provide television studio facilities in not to  
23 exceed one school building and to provide programs for  
24 educational purposes, provided, however, that the board  
25 shall not construct, acquire, operate, or maintain a  
26 television transmitter; to grant the use of its studio

1 facilities to a licensed television station located in the  
2 school district; and to maintain and operate not to exceed  
3 one school radio transmitting station and provide programs  
4 for educational purposes;

5 12. To offer, if deemed appropriate, outdoor education  
6 courses, including field trips within the State of  
7 Illinois, or adjacent states, and to use school educational  
8 funds for the expense of the said outdoor educational  
9 programs, whether within the school district or not;

10 13. During that period of the calendar year not  
11 embraced within the regular school term, to provide and  
12 conduct courses in subject matters normally embraced in the  
13 program of the schools during the regular school term and  
14 to give regular school credit for satisfactory completion  
15 by the student of such courses as may be approved for  
16 credit by the State Board of Education;

17 14. To insure against any loss or liability of the  
18 board, the former School Board Nominating Commission,  
19 Local School Councils, the Chicago Schools Academic  
20 Accountability Council, or the former Subdistrict Councils  
21 or of any member, officer, agent or employee thereof,  
22 resulting from alleged violations of civil rights arising  
23 from incidents occurring on or after September 5, 1967 or  
24 from the wrongful or negligent act or omission of any such  
25 person whether occurring within or without the school  
26 premises, provided the officer, agent or employee was, at



1 the time of the alleged violation of civil rights or  
2 wrongful act or omission, acting within the scope of his  
3 employment or under direction of the board, the former  
4 School Board Nominating Commission, the Chicago Schools  
5 Academic Accountability Council, Local School Councils, or  
6 the former Subdistrict Councils; and to provide for or  
7 participate in insurance plans for its officers and  
8 employees, including but not limited to retirement  
9 annuities, medical, surgical and hospitalization benefits  
10 in such types and amounts as may be determined by the  
11 board; provided, however, that the board shall contract for  
12 such insurance only with an insurance company authorized to  
13 do business in this State. Such insurance may include  
14 provision for employees who rely on treatment by prayer or  
15 spiritual means alone for healing, in accordance with the  
16 tenets and practice of a recognized religious  
17 denomination;

18 15. To contract with the corporate authorities of any  
19 municipality or the county board of any county, as the case  
20 may be, to provide for the regulation of traffic in parking  
21 areas of property used for school purposes, in such manner  
22 as is provided by Section 11-209 of The Illinois Vehicle  
23 Code, approved September 29, 1969, as amended;

24 16. (a) To provide, on an equal basis, access to a high  
25 school campus and student directory information to the  
26 official recruiting representatives of the armed forces of

1 Illinois and the United States for the purposes of  
2 informing students of the educational and career  
3 opportunities available in the military if the board has  
4 provided such access to persons or groups whose purpose is  
5 to acquaint students with educational or occupational  
6 opportunities available to them. The board is not required  
7 to give greater notice regarding the right of access to  
8 recruiting representatives than is given to other persons  
9 and groups. In this paragraph 16, "directory information"  
10 means a high school student's name, address, and telephone  
11 number.

12 (b) If a student or his or her parent or guardian  
13 submits a signed, written request to the high school before  
14 the end of the student's sophomore year (or if the student  
15 is a transfer student, by another time set by the high  
16 school) that indicates that the student or his or her  
17 parent or guardian does not want the student's directory  
18 information to be provided to official recruiting  
19 representatives under subsection (a) of this Section, the  
20 high school may not provide access to the student's  
21 directory information to these recruiting representatives.  
22 The high school shall notify its students and their parents  
23 or guardians of the provisions of this subsection (b).

24 (c) A high school may require official recruiting  
25 representatives of the armed forces of Illinois and the  
26 United States to pay a fee for copying and mailing a

1 student's directory information in an amount that is not  
2 more than the actual costs incurred by the high school.

3 (d) Information received by an official recruiting  
4 representative under this Section may be used only to  
5 provide information to students concerning educational and  
6 career opportunities available in the military and may not  
7 be released to a person who is not involved in recruiting  
8 students for the armed forces of Illinois or the United  
9 States;

10 17. (a) To sell or market any computer program  
11 developed by an employee of the school district, provided  
12 that such employee developed the computer program as a  
13 direct result of his or her duties with the school district  
14 or through the utilization of the school district resources  
15 or facilities. The employee who developed the computer  
16 program shall be entitled to share in the proceeds of such  
17 sale or marketing of the computer program. The distribution  
18 of such proceeds between the employee and the school  
19 district shall be as agreed upon by the employee and the  
20 school district, except that neither the employee nor the  
21 school district may receive more than 90% of such proceeds.  
22 The negotiation for an employee who is represented by an  
23 exclusive bargaining representative may be conducted by  
24 such bargaining representative at the employee's request.

25 (b) For the purpose of this paragraph 17:

26 (1) "Computer" means an internally programmed,

1           general    purpose    digital    device    capable    of  
2           automatically    accepting    data,    processing    data    and  
3           supplying    the    results    of    the    operation.

4           (2)    "Computer    program"    means    a    series    of    coded  
5           instructions    or    statements    in    a    form    acceptable    to    a  
6           computer,    which    causes    the    computer    to    process    data    in  
7           order    to    achieve    a    certain    result.

8           (3)    "Proceeds"    means    profits    derived    from  
9           marketing    or    sale    of    a    product    after    deducting    the  
10          expenses    of    developing    and    marketing    such    product;

11          18.    To    delegate    to    the    general    superintendent    of  
12          schools,    by    resolution,    the    authority    to    approve    contracts  
13          and    expenditures    in    amounts    of    \$10,000    or    less;

14          19.    Upon    the    written    request    of    an    employee,    to  
15          withhold    from    the    compensation    of    that    employee    any    dues,  
16          payments    or    contributions    payable    by    such    employee    to    any  
17          labor    organization    as    defined    in    the    Illinois    Educational  
18          Labor    Relations    Act.    Under    such    arrangement,    an    amount  
19          shall    be    withheld    from    each    regular    payroll    period    which    is  
20          equal    to    the    pro    rata    share    of    the    annual    dues    plus    any  
21          payments    or    contributions,    and    the    board    shall    transmit  
22          such    withholdings    to    the    specified    labor    organization  
23          within    10    working    days    from    the    time    of    the    withholding;

24          19a.    Upon    receipt    of    notice    from    the    comptroller    of    a  
25          municipality    with    a    population    of    500,000    or    more,    a    county  
26          with    a    population    of    3,000,000    or    more,    the    Cook    County

1 Forest Preserve District, the Chicago Park District, the  
2 Metropolitan Water Reclamation District, the Chicago  
3 Transit Authority, or a housing authority of a municipality  
4 with a population of 500,000 or more that a debt is due and  
5 owing the municipality, the county, the Cook County Forest  
6 Preserve District, the Chicago Park District, the  
7 Metropolitan Water Reclamation District, the Chicago  
8 Transit Authority, or the housing authority by an employee  
9 of the Chicago Board of Education, to withhold, from the  
10 compensation of that employee, the amount of the debt that  
11 is due and owing and pay the amount withheld to the  
12 municipality, the county, the Cook County Forest Preserve  
13 District, the Chicago Park District, the Metropolitan  
14 Water Reclamation District, the Chicago Transit Authority,  
15 or the housing authority; provided, however, that the  
16 amount deducted from any one salary or wage payment shall  
17 not exceed 25% of the net amount of the payment. Before the  
18 Board deducts any amount from any salary or wage of an  
19 employee under this paragraph, the municipality, the  
20 county, the Cook County Forest Preserve District, the  
21 Chicago Park District, the Metropolitan Water Reclamation  
22 District, the Chicago Transit Authority, or the housing  
23 authority shall certify that (i) the employee has been  
24 afforded an opportunity for a hearing to dispute the debt  
25 that is due and owing the municipality, the county, the  
26 Cook County Forest Preserve District, the Chicago Park

1 District, the Metropolitan Water Reclamation District, the  
2 Chicago Transit Authority, or the housing authority and  
3 (ii) the employee has received notice of a wage deduction  
4 order and has been afforded an opportunity for a hearing to  
5 object to the order. For purposes of this paragraph, "net  
6 amount" means that part of the salary or wage payment  
7 remaining after the deduction of any amounts required by  
8 law to be deducted and "debt due and owing" means (i) a  
9 specified sum of money owed to the municipality, the  
10 county, the Cook County Forest Preserve District, the  
11 Chicago Park District, the Metropolitan Water Reclamation  
12 District, the Chicago Transit Authority, or the housing  
13 authority for services, work, or goods, after the period  
14 granted for payment has expired, or (ii) a specified sum of  
15 money owed to the municipality, the county, the Cook County  
16 Forest Preserve District, the Chicago Park District, the  
17 Metropolitan Water Reclamation District, the Chicago  
18 Transit Authority, or the housing authority pursuant to a  
19 court order or order of an administrative hearing officer  
20 after the exhaustion of, or the failure to exhaust,  
21 judicial review;

22 20. The board is encouraged to employ a sufficient  
23 number of certified school counselors to maintain a  
24 student/counselor ratio of 250 to 1 by July 1, 1990. Each  
25 counselor shall spend at least 75% of his work time in  
26 direct contact with students and shall maintain a record of

1 such time;

2 21. To make available to students vocational and career  
3 counseling and to establish 5 special career counseling  
4 days for students and parents. On these days  
5 representatives of local businesses and industries shall  
6 be invited to the school campus and shall inform students  
7 of career opportunities available to them in the various  
8 businesses and industries. Special consideration shall be  
9 given to counseling minority students as to career  
10 opportunities available to them in various fields. For the  
11 purposes of this paragraph, minority student means a person  
12 who is any of the following:

13 (a) American Indian or Alaska Native (a person having  
14 origins in any of the original peoples of North and South  
15 America, including Central America, and who maintains  
16 tribal affiliation or community attachment).

17 (b) Asian (a person having origins in any of the  
18 original peoples of the Far East, Southeast Asia, or the  
19 Indian subcontinent, including, but not limited to,  
20 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,  
21 the Philippine Islands, Thailand, and Vietnam).

22 (c) Black or African American (a person having origins  
23 in any of the black racial groups of Africa). Terms such as  
24 "Haitian" or "Negro" can be used in addition to "Black or  
25 African American".

26 (d) Hispanic or Latino (a person of Cuban, Mexican,

1 Puerto Rican, South or Central American, or other Spanish  
2 culture or origin, regardless of race).

3 (e) Native Hawaiian or Other Pacific Islander (a person  
4 having origins in any of the original peoples of Hawaii,  
5 Guam, Samoa, or other Pacific Islands).

6 Counseling days shall not be in lieu of regular school  
7 days;

8 22. To report to the State Board of Education the  
9 annual student dropout rate and number of students who  
10 graduate from, transfer from or otherwise leave bilingual  
11 programs;

12 23. Except as otherwise provided in the Abused and  
13 Neglected Child Reporting Act or other applicable State or  
14 federal law, to permit school officials to withhold, from  
15 any person, information on the whereabouts of any child  
16 removed from school premises when the child has been taken  
17 into protective custody as a victim of suspected child  
18 abuse. School officials shall direct such person to the  
19 Department of Children and Family Services, or to the local  
20 law enforcement agency if appropriate;

21 24. To develop a policy, based on the current state of  
22 existing school facilities, projected enrollment and  
23 efficient utilization of available resources, for capital  
24 improvement of schools and school buildings within the  
25 district, addressing in that policy both the relative  
26 priority for major repairs, renovations and additions to



1 school facilities, and the advisability or necessity of  
2 building new school facilities or closing existing schools  
3 to meet current or projected demographic patterns within  
4 the district;

5 25. To make available to the students in every high  
6 school attendance center the ability to take all courses  
7 necessary to comply with the Board of Higher Education's  
8 college entrance criteria effective in 1993;

9 26. To encourage mid-career changes into the teaching  
10 profession, whereby qualified professionals become  
11 certified teachers, by allowing credit for professional  
12 employment in related fields when determining point of  
13 entry on teacher pay scale;

14 27. To provide or contract out training programs for  
15 administrative personnel and principals with revised or  
16 expanded duties pursuant to this Act in order to assure  
17 they have the knowledge and skills to perform their duties;

18 28. To establish a fund for the prioritized special  
19 needs programs, and to allocate such funds and other lump  
20 sum amounts to each attendance center in a manner  
21 consistent with the provisions of part 4 of Section 34-2.3.  
22 Nothing in this paragraph shall be construed to require any  
23 additional appropriations of State funds for this purpose;

24 29. (Blank);

25 30. Notwithstanding any other provision of this Act or  
26 any other law to the contrary, to contract with third

1 parties for services otherwise performed by employees,  
2 including those in a bargaining unit, and to layoff those  
3 employees upon 14 days written notice to the affected  
4 employees. Those contracts may be for a period not to  
5 exceed 5 years and may be awarded on a system-wide basis.  
6 The board may not operate more than 30 contract schools,  
7 provided that the board may operate an additional 5  
8 contract turnaround schools pursuant to item (5.5) of  
9 subsection (d) of Section 34-8.3 of this Code;

10 31. To promulgate rules establishing procedures  
11 governing the layoff or reduction in force of employees and  
12 the recall of such employees, including, but not limited  
13 to, criteria for such layoffs, reductions in force or  
14 recall rights of such employees and the weight to be given  
15 to any particular criterion. Such criteria shall take into  
16 account factors including, but not be limited to,  
17 qualifications, certifications, experience, performance  
18 ratings or evaluations, and any other factors relating to  
19 an employee's job performance;

20 32. To develop a policy to prevent nepotism in the  
21 hiring of personnel or the selection of contractors;

22 33. To enter into a partnership agreement, as required  
23 by Section 34-3.5 of this Code, and, notwithstanding any  
24 other provision of law to the contrary, to promulgate  
25 policies, enter into contracts, and take any other action  
26 necessary to accomplish the objectives and implement the

1 requirements of that agreement; and

2 34. To establish a Labor Management Council to the  
3 board comprised of representatives of the board, the chief  
4 executive officer, and those labor organizations that are  
5 the exclusive representatives of employees of the board and  
6 to promulgate policies and procedures for the operation of  
7 the Council.

8 The specifications of the powers herein granted are not to  
9 be construed as exclusive but the board shall also exercise all  
10 other powers that they may be requisite or proper for the  
11 maintenance and the development of a public school system, not  
12 inconsistent with the other provisions of this Article or  
13 provisions of this Code which apply to all school districts.

14 In addition to the powers herein granted and authorized to  
15 be exercised by the board, it shall be the duty of the board to  
16 review or to direct independent reviews of special education  
17 expenditures and services. The board shall file a report of  
18 such review with the General Assembly on or before May 1, 1990.

19 (Source: P.A. 96-105, eff. 7-30-09; 97-227, eff. 1-1-12;  
20 97-396, eff. 1-1-12; 97-813, eff. 7-13-12.)

21 (105 ILCS 5/34-18.30)

22 Sec. 34-18.30. Dependents of military personnel; no  
23 tuition charge. If, at the time of enrollment, a dependent of  
24 United States military personnel is housed in temporary housing  
25 located outside of the school district, but will be living

1 within the district within 60 days after the time of initial  
2 enrollment, the dependent must be allowed to enroll, subject to  
3 the requirements of this Section, and must not be charged  
4 tuition. Any United States military personnel attempting to  
5 enroll a dependent under this Section shall provide proof that  
6 the dependent will be living within the district within 60 days  
7 after the time of initial enrollment. Proof of residency may  
8 include, but is not limited to, postmarked mail addressed to  
9 the military personnel and sent to an address located within  
10 the district, a lease agreement for occupancy of a residence  
11 located within the district, or proof of ownership of a  
12 residence located within the district. Non-resident dependents  
13 of United States military personnel attending school on a  
14 tuition-free basis may be counted for the purposes of  
15 determining the apportionment of State aid provided under  
16 Section 18-8.05 or 18-8.15 of this Code.

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

18 (105 ILCS 5/34-43.1) (from Ch. 122, par. 34-43.1)

19 Sec. 34-43.1. (A) Limitation of noninstructional costs. It  
20 is the purpose of this Section to establish for the Board of  
21 Education and the general superintendent of schools  
22 requirements and standards which maximize the proportion of  
23 school district resources in direct support of educational,  
24 program, and building maintenance and safety services for the  
25 pupils of the district, and which correspondingly minimize the

1 amount and proportion of such resources associated with  
2 centralized administration, administrative support services,  
3 and other noninstructional services.

4 For the 1989-90 school year and for all subsequent school  
5 years, the Board of Education shall undertake budgetary and  
6 expenditure control actions which limit the administrative  
7 expenditures of the Board of Education to levels, as provided  
8 for in this Section, which represent an average of the  
9 administrative expenses of all school districts in this State  
10 not subject to Article 34.

11 (B) Certification of expenses by the State Superintendent  
12 of Education. The State Superintendent of Education shall  
13 annually certify, on or before May 1, to the Board of Education  
14 and the School Finance Authority, for the applicable school  
15 year, the following information:

16 (1) the annual expenditures of all school districts of  
17 the State not subject to Article 34 properly attributable  
18 to expenditure functions defined by the rules and  
19 regulations of the State Board of Education as: 2210  
20 (Improvement of Instructional Services); 2300 (Support  
21 Services - General Administration) excluding, however,  
22 2320 (Executive Administrative Services); 2490 (Other  
23 Support Services - School Administration); 2500 (Support  
24 Services - Business); 2600 (Support Services - Central);

25 (2) the total annual expenditures of all school  
26 districts not subject to Article 34 attributable to the

1 Education Fund, the Operations, Building and Maintenance  
2 Fund, the Transportation Fund and the Illinois Municipal  
3 Retirement Fund of the several districts, as defined by the  
4 rules and regulations of the State Board of Education; and

5 (3) a ratio, to be called the statewide average of  
6 administrative expenditures, derived by dividing the  
7 expenditures certified pursuant to paragraph (B)(1) by the  
8 expenditures certified pursuant to paragraph (B)(2).

9 For purposes of the annual certification of expenditures  
10 and ratios required by this Section, the "applicable year" of  
11 certification shall initially be the 1986-87 school year and,  
12 in sequent years, each succeeding school year.

13 The State Superintendent of Education shall consult with  
14 the Board of Education to ascertain whether particular  
15 expenditure items allocable to the administrative functions  
16 enumerated in paragraph (B)(1) are appropriately or  
17 necessarily higher in the applicable school district than in  
18 the rest of the State due to noncomparable factors. The State  
19 Superintendent shall also review the relevant cost proportions  
20 in other large urban school districts. The State Superintendent  
21 shall also review the expenditure categories in paragraph  
22 (B)(1) to ascertain whether they contain school-level  
23 expenses. If he or she finds that adjustments to the formula  
24 are appropriate or necessary to establish a more fair and  
25 comparable standard for administrative cost for the Board of  
26 Education or to exclude school-level expenses, the State

1 Superintendent shall recommend to the School Finance Authority  
2 rules and regulations adjusting particular subcategories in  
3 this subsection (B) or adjusting certain costs in determining  
4 the budget and expenditure items properly attributable to the  
5 functions or otherwise adjust the formula.

6 (C) Administrative expenditure limitations. The annual  
7 budget of the Board of Education, as adopted and implemented,  
8 and the related annual expenditures for the school year, shall  
9 reflect a limitation on administrative outlays as required by  
10 the following provisions, taking into account any adjustments  
11 established by the State Superintendent of Education: (1) the  
12 budget and expenditures of the Board of Education for the  
13 1989-90 school year shall reflect a ratio of administrative  
14 expenditures to total expenditures equal to or less than the  
15 statewide average of administrative expenditures for the  
16 1986-87 school year as certified by the State Superintendent of  
17 Education pursuant to paragraph (B)(3); (2) for the 1990-91  
18 school year and for all subsequent school years, the budget and  
19 expenditures of the Board of Education shall reflect a ratio of  
20 administrative expenditures to total expenditures equal to or  
21 less than the statewide average of administrative expenditures  
22 certified by the State Superintendent of Education for the  
23 applicable year pursuant to paragraph (B)(3); (3) if for any  
24 school year the budget of the Board of Education reflects a  
25 ratio of administrative expenditures to total expenditures  
26 which exceeds the applicable statewide average, the Board of

1 Education shall reduce expenditure items allocable to the  
2 administrative functions enumerated in paragraph (B)(1) such  
3 that the Board of Education's ratio of administrative  
4 expenditures to total expenditures is equal to or less than the  
5 applicable statewide average ratio.

6 For purposes of this Section, the ratio of administrative  
7 expenditures to the total expenditures of the Board of  
8 Education, as applied to the budget of the Board of Education,  
9 shall mean: the budgeted expenditure items of the Board of  
10 Education properly attributable to the expenditure functions  
11 identified in paragraph (B)(1) divided by the total budgeted  
12 expenditures of the Board of Education properly attributable to  
13 the Board of Education funds corresponding to those funds  
14 identified in paragraph (B)(2), exclusive of any monies  
15 budgeted for payment to the Public School Teachers' Pension and  
16 Retirement System, attributable to payments due from the  
17 General Funds of the State of Illinois.

18 The annual expenditure of the Board of Education for 2320  
19 (Executive Administrative Services) for the 1989-90 school  
20 year shall be no greater than the 2320 expenditure for the  
21 1988-89 school year. The annual expenditure of the Board of  
22 Education for 2320 for the 1990-91 school year and each  
23 subsequent school year shall be no greater than the 2320  
24 expenditure for the immediately preceding school year or the  
25 1988-89 school year, whichever is less. This annual expenditure  
26 limitation may be adjusted in each year in an amount not to



1 exceed any change effective during the applicable school year  
2 in salary to be paid under the collective bargaining agreement  
3 with instructional personnel to which the Board is a party and  
4 in benefit costs either required by law or such collective  
5 bargaining agreement.

6 (D) Cost control measures. In undertaking actions to  
7 control or reduce expenditure items necessitated by the  
8 administrative expenditure limitations of this Section, the  
9 Board of Education shall give priority consideration to  
10 reductions or cost controls with the least effect upon direct  
11 services to students or instructional services for pupils, and  
12 upon the safety and well-being of pupils, and, as applicable,  
13 with the particular costs or functions to which the Board of  
14 Education is higher than the statewide average.

15 For purposes of assuring that the cost control priorities  
16 of this subsection (D) are met, the State Superintendent of  
17 Education shall, with the assistance of the Board of Education,  
18 review the cost allocation practices of the Board of Education,  
19 and the State Superintendent of Education shall thereafter  
20 recommend to the School Finance Authority rules and regulations  
21 which define administrative areas which most impact upon the  
22 direct and instructional needs of students and upon the safety  
23 and well-being of the pupils of the district. No position  
24 closed shall be reopened using State or federal categorical  
25 funds.

26 (E) Report of Audited Information. For the 1988-89 school

1 year and for all subsequent school years, the Board of  
2 Education shall file with the State Board of Education the  
3 Annual Financial Report and its audit, as required by the rules  
4 of the State Board of Education. Such reports shall be filed no  
5 later than February 15 following the end of the school year of  
6 the Board of Education, beginning with the report to be filed  
7 no later than February 15, 1990 for the 1988-89 school year.

8 As part of the required Annual Financial Report, the Board  
9 of Education shall provide a detailed accounting of the central  
10 level, district, bureau and department costs and personnel  
11 included within expenditure functions included in paragraph  
12 (B)(1). The nature and detail of the reporting required for  
13 these functions shall be prescribed by the State Board of  
14 Education in rules and regulations. A copy of this detailed  
15 accounting shall also be provided annually to the School  
16 Finance Authority and the public. This report shall contain a  
17 reconciliation to the board of education's adopted budget for  
18 that fiscal year, specifically delineating administrative  
19 functions.

20 If the information required under this Section is not  
21 provided by the Board of Education in a timely manner, or is  
22 initially or subsequently determined by the State  
23 Superintendent of Education to be incomplete or inaccurate, the  
24 State Superintendent shall, in writing, notify the Board of  
25 Education of reporting deficiencies. The Board of Education  
26 shall, within 60 days of such notice, address the reporting

1 deficiencies identified. If the State Superintendent of  
2 Education does not receive satisfactory response to these  
3 reporting deficiencies within 60 days, the next payment of  
4 general State aid or primary State aid due the Board of  
5 Education under Section 18-8, and all subsequent payments,  
6 shall be withheld by the State Superintendent of Education  
7 until the enumerated deficiencies have been addressed.

8 Utilizing the Annual Financial Report, the State  
9 Superintendent of Education shall certify on or before May 1 to  
10 the School Finance Authority the Board of Education's ratio of  
11 administrative expenditures to total expenditures for the  
12 1988-89 school year and for each succeeding school year. Such  
13 certification shall indicate the extent to which the  
14 administrative expenditure ratio of the Board of Education  
15 conformed to the limitations required in subsection (C) of this  
16 Section, taking into account any adjustments of the limitations  
17 which may have been recommended by the State Superintendent of  
18 Education to the School Finance Authority. In deriving the  
19 administrative expenditure ratio of the Chicago Board of  
20 Education, the State Superintendent of Education shall utilize  
21 the definition of this ratio prescribed in subsection (C) of  
22 this Section, except that the actual expenditures of the Board  
23 of Education shall be substituted for budgeted expenditure  
24 items.

25 (F) Approval and adjustments to administrative expenditure  
26 limitations. The School Finance Authority organized under

1 Article 34A shall monitor the Board of Education's adherence to  
2 the requirements of this Section. As part of its responsibility  
3 the School Finance Authority shall determine whether the Board  
4 of Education's budget for the next school year, and the  
5 expenditures for a prior school year, comply with the  
6 limitation of administrative expenditures required by this  
7 Section. The Board of Education and the State Board of  
8 Education shall provide such information as is required by the  
9 School Finance Authority in order for the Authority to  
10 determine compliance with the provisions of this Section. If  
11 the Authority determines that the budget proposed by the Board  
12 of Education does not meet the cost control requirements of  
13 this Section, the Board of Education shall undertake budgetary  
14 reductions, consistent with the requirements of this Section,  
15 to bring the proposed budget into compliance with such cost  
16 control limitations.

17 If, in formulating cost control and cost reduction  
18 alternatives, the Board of Education believes that meeting the  
19 cost control requirements of this Section related to the budget  
20 for the ensuing year would impair the education, safety, or  
21 well-being of the pupils of the school district, the Board of  
22 Education may request that the School Finance Authority make  
23 adjustments to the limitations required by this Section. The  
24 Board of Education shall specify the amount, nature, and  
25 reasons for the relief required and shall also identify cost  
26 reductions which can be made in expenditure functions not

1 enumerated in paragraph (B) (1), which would serve the purposes  
2 of this Section.

3 The School Finance Authority shall consult with the State  
4 Superintendent of Education concerning the reasonableness from  
5 an educational administration perspective of the adjustments  
6 sought by the Board of Education. The School Finance Authority  
7 shall provide an opportunity for the public to comment upon the  
8 reasonableness of the Board's request. If, after such  
9 consultation, the School Finance Authority determines that all  
10 or a portion of the adjustments sought by the Board of  
11 Education are reasonably appropriate or necessary, the  
12 Authority may grant such relief from the provisions of this  
13 Section which the Authority deems appropriate. Adjustments so  
14 granted apply only to the specific school year for which the  
15 request was made.

16 In the event that the School Finance Authority determines  
17 that the Board of Education has failed to achieve the required  
18 administrative expenditure limitations for a prior school  
19 year, or if the Authority determines that the Board of  
20 Education has not met the requirements of subsection (F), the  
21 Authority shall make recommendations to the Board of Education  
22 concerning appropriate corrective actions. If the Board of  
23 Education fails to provide adequate assurance to the Authority  
24 that appropriate corrective actions have been or will be taken,  
25 the Authority may, within 60 days thereafter, require the board  
26 to adjust its current budget to correct for the prior year's

1 shortage or may recommend to the members of the General  
2 Assembly and the Governor such sanctions or remedial actions as  
3 will serve to deter any further such failures on the part of  
4 the Board of Education.

5 To assist the Authority in its monitoring  
6 responsibilities, the Board of Education shall provide such  
7 reports and information as are from time to time required by  
8 the Authority.

9 (G) Independent reviews of administrative expenditures.  
10 The School Finance Authority may direct independent reviews of  
11 the administrative and administrative support expenditures and  
12 services and other non-instructional expenditure functions of  
13 the Board of Education. The Board of Education shall afford  
14 full cooperation to the School Finance Authority in such review  
15 activity. The purpose of such reviews shall be to verify  
16 specific targets for improved operating efficiencies of the  
17 Board of Education, to identify other areas of potential  
18 efficiencies, and to assure full and proper compliance by the  
19 Board of Education with all requirements of this Section.

20 In the conduct of reviews under this subsection, the  
21 Authority may request the assistance and consultation of the  
22 State Superintendent of Education with regard to questions of  
23 efficiency and effectiveness in educational administration.

24 (H) Reports to Governor and General Assembly. On or before  
25 May 1, 1991 and no less frequently than yearly thereafter, the  
26 School Finance Authority shall provide to the Governor, the

1 State Board of Education, and the members of the General  
2 Assembly an annual report, as outlined in Section 34A-606,  
3 which includes the following information: (1) documenting the  
4 compliance or non-compliance of the Board of Education with the  
5 requirements of this Section; (2) summarizing the costs,  
6 findings, and recommendations of any reviews directed by the  
7 School Finance Authority, and the response to such  
8 recommendations made by the Board of Education; and (3)  
9 recommending sanctions or legislation necessary to fulfill the  
10 intent of this Section.

11 (Source: P.A. 86-124; 86-1477.)

12 Section 950. The Educational Opportunity for Military  
13 Children Act is amended by changing Section 25 as follows:

14 (105 ILCS 70/25)

15 (Section scheduled to be repealed on June 30, 2015)

16 Sec. 25. Tuition for transfer students.

17 (a) For purposes of this Section, "non-custodial parent"  
18 means a person who has temporary custody of the child of active  
19 duty military personnel and who is responsible for making  
20 decisions for that child.

21 (b) If a student who is a child of active duty military  
22 personnel is (i) placed with a non-custodial parent and (ii) as  
23 a result of placement, must attend a non-resident school  
24 district, then the student must not be charged the tuition of

1 the school that the student attends as a result of placement  
2 with the non-custodial parent and the student must be counted  
3 in the calculation of average daily attendance under Section  
4 18-8.05 or 18-8.15 of the School Code.

5 (Source: P.A. 96-953, eff. 6-28-10.)

6 Section 955. The Illinois Public Aid Code is amended by  
7 changing Section 5-16.4 as follows:

8 (305 ILCS 5/5-16.4)

9 Sec. 5-16.4. Medical Assistance Provider Payment Fund.

10 (a) There is created in the State treasury the Medical  
11 Assistance Provider Payment Fund. Interest earned by the Fund  
12 shall be credited to the Fund.

13 (b) The Fund is created for the purpose of disbursing  
14 moneys as follows:

15 (1) For medical services provided to recipients of aid  
16 under Articles V, VI, and XII.

17 (2) For payment of administrative expenses incurred by  
18 the Illinois Department or its agent in performing the  
19 activities authorized by this Section.

20 (3) For making transfers to the General Obligation Bond  
21 Retirement and Interest Fund, as those transfers are  
22 authorized in the proceedings authorizing debt under the  
23 Medicaid Liability Liquidity Borrowing Act, but transfers  
24 made under this paragraph (3) may not exceed the principal



1 amount of debt issued under that Act.

2 Disbursements from the Fund, other than transfers to the  
3 General Obligation Bond Retirement and Interest Fund (which  
4 shall be made in accordance with the provisions of the Medicaid  
5 Liability Liquidity Borrowing Act), shall be by warrants drawn  
6 by the State Comptroller upon receipt of vouchers duly executed  
7 and certified by the Illinois Department.

8 (c) The Fund shall consist of the following:

9 (1) All federal matching funds received by the Illinois  
10 Department as a result of expenditures made by the Illinois  
11 Department that are attributable to moneys deposited into  
12 the Fund.

13 (2) Proceeds from any short-term borrowing directed to  
14 the Fund by the Governor pursuant to the Medicaid Liability  
15 Liquidity Borrowing Act.

16 (3) Amounts transferred into the Fund under subsection  
17 (d) of this Section.

18 (4) All other moneys received for the Fund from any  
19 other source, including interest earned on those moneys.

20 (d) Beginning July 1, 1995, on the 13th and 26th days of  
21 each month the State Comptroller and Treasurer shall transfer  
22 from the General Revenue Fund to the Medical Assistance  
23 Provider Payment Fund an amount equal to 1/48th of the annual  
24 Medical Assistance appropriation to the Department of  
25 Healthcare and Family Services (formerly Illinois Department  
26 of Public Aid) from the Medical Assistance Provider Payment

1 Fund, plus cumulative deficiencies from those prior transfers.  
2 In addition to those transfers, the State Comptroller and  
3 Treasurer may transfer from the General Revenue Fund to the  
4 Medical Assistance Provider Payment Fund as much as is  
5 necessary to pay claims pursuant to the new twice-monthly  
6 payment schedule established in Section 5-16.5 and to avoid  
7 interest liabilities under the State Prompt Payment Act. No  
8 transfers made pursuant to this subsection shall interfere with  
9 the timely payment of the general State aid or primary State  
10 aid payment made pursuant to Section 18-11 of the School Code.  
11 (Source: P.A. 95-331, eff. 8-21-07.)

12 Section 995. Savings clause. Any repeal or amendment made  
13 by this Act shall not affect or impair any of the following:  
14 suits pending or rights existing at the time this Act takes  
15 effect; any grant or conveyance made or right acquired or cause  
16 of action now existing under any Section, Article, or Act  
17 repealed or amended by this Act; the validity of any bonds or  
18 other obligations issued or sold and constituting valid  
19 obligations of the issuing authority at the time this Act takes  
20 effect; the validity of any contract; the validity of any tax  
21 levied under any law in effect prior to the effective date of  
22 this Act; or any offense committed, act done, penalty,  
23 punishment, or forfeiture incurred or any claim, right, power,  
24 or remedy accrued under any law in effect prior to the  
25 effective date of this Act.

1           Section 999. Effective date. This Act takes effect upon  
2    becoming law.".