



Sen. Andy Manar

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1 AMENDMENT TO SENATE BILL 16

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 16 as follows:

3 on page 1, line 1, after "education", by inserting ", which may  
4 be referred to as the School Funding Reform Act of 2014"; and

5 on page 1, by replacing lines 4 through 15 with the following:

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

8 (20 ILCS 620/7) (from Ch. 67 1/2, par. 1007)

9 Sec. 7. Creation of special tax allocation fund. If a  
10 municipality has adopted tax increment allocation financing  
11 for an economic development project area by ordinance, the  
12 county clerk has thereafter certified the "total initial  
13 equalized assessed value" of the taxable real property within  
14 such economic development project area in the manner provided

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

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

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

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

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

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

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

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

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

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

24 Section 910. The State Finance Act is amended by changing  
25 Section 13.2 as follows:

1 (30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

2 Sec. 13.2. Transfers among line item appropriations.

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

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

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

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

24 (a-3) Further, if an agency receives a separate  
25 appropriation for employee retirement contributions paid by  
26 the employer, any transfer by that agency into an appropriation

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

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

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

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

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

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

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



1 Coordination.

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

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

20 The State Board of Education is authorized to make  
21 transfers between the following line item appropriations  
22 within the same treasury fund: Disabled Student  
23 Services/Materials (Section 14-13.01 of the School Code),  
24 Disabled Student Transportation Reimbursement (Section  
25 14-13.01 of the School Code), Disabled Student Tuition -  
26 Private Tuition (Section 14-7.02 of the School Code),

1 Extraordinary Special Education (Section 14-7.02b of the  
2 School Code), Reimbursement for Free Lunch/Breakfast Program,  
3 Summer School Payments (Section 18-4.3 of the School Code), and  
4 Transportation - Regular/Vocational Reimbursement (Section  
5 29-5 of the School Code). Such transfers shall be made only  
6 when the balance remaining in one or more such line item  
7 appropriations is insufficient for the purpose for which the  
8 appropriation was made and 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 Department of Healthcare and Family Services is  
12 authorized to make transfers not exceeding 4% of the aggregate  
13 amount appropriated to it, within the same treasury fund, among  
14 the various line items appropriated for Medical Assistance.

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

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

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

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

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

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

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

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

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

25 (1) Disabled Student Personnel Reimbursement (Section  
26 14-13.01 of the School Code);

1 (2) Disabled Student Transportation Reimbursement  
2 (subsection (b) of Section 14-13.01 of the School Code);

3 (3) Disabled Student Tuition - Private Tuition  
4 (Section 14-7.02 of the School Code);

5 (4) Extraordinary Special Education (Section 14-7.02b  
6 of the School Code);

7 (5) Reimbursement for Free Lunch/Breakfast Programs;

8 (6) Summer School Payments (Section 18-4.3 of the  
9 School Code);

10 (7) Transportation - Regular/Vocational Reimbursement  
11 (Section 29-5 of the School Code);

12 (8) Regular Education Reimbursement (Section 18-3 of  
13 the School Code); and

14 (9) Special Education Reimbursement (Section 14-7.03  
15 of the School Code).

16 (Source: P.A. 97-689, eff. 7-1-12; 98-24, eff. 6-19-13.)

17 Section 915. The Property Tax Code is amended by changing  
18 Sections 18-200 and 18-249 as follows:

19 (35 ILCS 200/18-200)

20 Sec. 18-200. School Code. A school district's State aid  
21 shall not be reduced under the computation under subsections  
22 5(a) through 5(h) of Part A of Section 18-8 of the School Code  
23 or under subsection (e) of Section 18-8.15 of the School Code  
24 due to the operating tax rate falling from above the minimum

1 requirement of that Section of the School Code to below the  
2 minimum requirement of that Section of the School Code due to  
3 the operation of this Law.

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

5 (35 ILCS 200/18-249)

6 Sec. 18-249. Miscellaneous provisions.

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

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

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

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

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

3           (50 ILCS 470/33)

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

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

22           (b) Upon approval of a STAR bond district, the political  
23 subdivision shall immediately transmit to the county clerk of  
24 the county in which the district is located a certified copy of



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

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

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

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

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

26 (f) Beginning with the assessment year in which the first

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

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

25 (h) The Department shall pay to the regional superintendent  
26 of schools whose educational service region includes Franklin

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

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

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

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

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

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

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

22 (55 ILCS 85/7) (from Ch. 34, par. 7007)

23 Sec. 7. Creation of special tax allocation fund. If a  
24 county has adopted property tax allocation financing by

1 ordinance for an economic development project area, the  
2 Department has approved and certified the economic development  
3 project area, and the county clerk has thereafter certified the  
4 "total initial equalized value" of the taxable real property  
5 within such economic development project area in the manner  
6 provided in subsection (b) of Section 6 of this Act, each year  
7 after the date of the certification by the county clerk of the  
8 "initial equalized assessed value" until economic development  
9 project costs and all county obligations financing economic  
10 development project costs have been paid, the ad valorem taxes,  
11 if any, arising from the levies upon the taxable real property  
12 in the economic development project area by taxing districts  
13 and tax rates determined in the manner provided in subsection  
14 (b) of Section 6 of this Act 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 which is  
17 attributable to the lower of the current equalized assessed  
18 value or the initial equalized assessed value of each such  
19 taxable lot, block, tract, or parcel of real property  
20 existing at the time property tax allocation financing was  
21 adopted shall be allocated and when collected shall be paid  
22 by the county collector to the respective affected taxing  
23 districts in the manner required by the law in the absence  
24 of the adoption of property tax allocation financing.

25 (2) That portion, if any, of those taxes which 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        are, over and above the initial equalized assessed value of  
4        each property existing at the time property tax allocation  
5        financing was adopted shall be allocated to and when  
6        collected shall be paid to the county treasurer, who shall  
7        deposit those taxes into a special fund called the special  
8        tax allocation fund of the county for the purpose of paying  
9        economic development project costs and obligations  
10       incurred in the payment thereof.

11       The county, by an ordinance adopting property tax  
12       allocation financing, may pledge the funds in and to be  
13       deposited in the special tax allocation fund for the payment of  
14       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 such properties shall  
19       be used in calculating the general State school aid formula,  
20       provided for in Section 18-8 of the School Code, or the primary  
21       State aid formula, provided for in Section 18-8.15 of the  
22       School Code, until such time as all economic development  
23       projects costs have been paid as provided for in this Section.

24       Whenever a county issues bonds for the purpose of financing  
25       economic development project costs, the county may provide by  
26       ordinance for the appointment of a trustee, which may be any

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

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



1 project area.

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

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

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

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

24       (55 ILCS 90/50) (from Ch. 34, par. 8050)

1           Sec. 50. Special tax allocation fund.

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

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

24           (2) That portion, if any, of the taxes that is  
25 attributable to the increase in the current equalized  
26 assessed valuation of each taxable lot, block, tract, or

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

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

23 (c) When the economic development projects costs,  
24 including without limitation all county obligations financing  
25 economic development project costs incurred under this Act,  
26 have been paid, all surplus monies then remaining in the

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

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

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

25 (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  
25 of the Act and (ii) reasonably distributed throughout the

1 improved part of the redevelopment project area:

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

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

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

23 (D) Presence of structures below minimum code  
24 standards. All structures that do not meet the  
25 standards of zoning, subdivision, building, fire, and  
26 other governmental codes applicable to property, but

1 not including housing and property maintenance codes.

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

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

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

25 (H) Inadequate utilities. Underground and overhead  
26 utilities such as storm sewers and storm drainage,

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

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



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

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

18 (L) 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.  
21 This means that the development occurred prior to the  
22 adoption by the municipality of a comprehensive or  
23 other community plan or that the plan was not followed  
24 at the time of the area's development. This factor must  
25 be documented by evidence of adverse or incompatible  
26 land-use relationships, inadequate street layout,

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

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

26                (A) Obsolete platting of vacant land that results

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

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

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

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

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

1 remediation costs constitute a material impediment to  
2 the development or redevelopment of the redevelopment  
3 project area.

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

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

25 (A) The area consists of one or more unused  
26 quarries, mines, or strip mine ponds.

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

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

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

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

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

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

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

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

25           (2) Obsolescence. The condition or process of falling  
26           into disuse. Structures have become ill-suited for the

1 original use.

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

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

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

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

25 (7) Lack of ventilation, light, or sanitary  
26 facilities. The absence of adequate ventilation for light

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

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

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



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

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

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

1 contemporary development standards, or other evidence  
2 demonstrating an absence of effective community planning.

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

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

24 (c) "Industrial park" means an area in a blighted or  
25 conservation area suitable for use by any manufacturing,  
26 industrial, research or transportation enterprise, of

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

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

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

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

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

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

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

24 (h) "Municipal Sales Tax Increment" means an amount equal  
25 to the increase in the aggregate amount of taxes paid to a  
26 municipality from the Local Government Tax Fund arising from

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

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

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

3 (i) "Net State Sales Tax Increment" means the sum of the  
4 following: (a) 80% of the first \$100,000 of State Sales Tax  
5 Increment annually generated within a State Sales Tax Boundary;  
6 (b) 60% of the amount in excess of \$100,000 but not exceeding  
7 \$500,000 of State Sales Tax Increment annually generated within  
8 a State Sales Tax Boundary; and (c) 40% of all amounts in  
9 excess of \$500,000 of State Sales Tax Increment annually  
10 generated within a State Sales Tax Boundary. If, however, a  
11 municipality established a tax increment financing district in  
12 a county with a population in excess of 3,000,000 before  
13 January 1, 1986, and the municipality entered into a contract  
14 or issued bonds after January 1, 1986, but before December 31,  
15 1986, to finance redevelopment project costs within a State  
16 Sales Tax Boundary, then the Net State Sales Tax Increment  
17 means, for the fiscal years beginning July 1, 1990, and July 1,  
18 1991, 100% of the State Sales Tax Increment annually generated  
19 within a State Sales Tax Boundary; and notwithstanding any  
20 other provision of this Act, for those fiscal years the  
21 Department of Revenue shall distribute to those municipalities  
22 100% of their Net State Sales Tax Increment before any  
23 distribution to any other municipality and regardless of  
24 whether or not those other municipalities will receive 100% of  
25 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
26 every year thereafter until the year 2007, for any municipality

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

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



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

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

24 (k) "Net State Utility Tax Increment" means the sum of the  
25 following: (a) 80% of the first \$100,000 of State Utility Tax  
26 Increment annually generated by a redevelopment project area;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20           The provisions of items (B) and (C) of this subsection (n)  
21 shall not apply to a municipality that before March 14, 1994  
22 (the effective date of Public Act 88-537) had fixed, either by  
23 its corporate authorities or by a commission designated under  
24 subsection (k) of Section 11-74.4-4, a time and place for a  
25 public hearing as required by subsection (a) of Section  
26 11-74.4-5. No redevelopment plan shall be adopted unless a

1 municipality complies with all of the following requirements:

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

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

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

23 A municipality may by municipal ordinance amend an  
24 existing redevelopment plan to conform to this paragraph  
25 (3) as amended by Public Act 91-478, which municipal  
26 ordinance may be adopted without further hearing or notice

1 and without complying with the procedures provided in this  
2 Act pertaining to an amendment to or the initial approval  
3 of a redevelopment plan and project and designation of a  
4 redevelopment project area.

5 (3.5) The municipality finds, in the case of an  
6 industrial park conservation area, also that the  
7 municipality is a labor surplus municipality and that the  
8 implementation of the redevelopment plan will reduce  
9 unemployment, create new jobs and by the provision of new  
10 facilities enhance the tax base of the taxing districts  
11 that extend into the redevelopment project area.

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

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

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

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

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



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

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

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

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

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

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

26 (o) "Redevelopment project" means any public and private

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

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

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

1 if the municipality receives unanimous consent from the joint  
2 review board created to review the proposed redevelopment  
3 project area.

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

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

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

13 (1.5) After July 1, 1999, annual administrative costs  
14 shall not include general overhead or administrative costs  
15 of the municipality that would still have been incurred by  
16 the municipality if the municipality had not designated a  
17 redevelopment project area or approved a redevelopment  
18 plan;

19 (1.6) The cost of marketing sites within the  
20 redevelopment project area to prospective businesses,  
21 developers, and investors;

22 (2) Property assembly costs, including but not limited  
23 to acquisition of land and other property, real or  
24 personal, or rights or interests therein, demolition of  
25 buildings, site preparation, site improvements that serve  
26 as an engineered barrier addressing ground level or below

1 ground environmental contamination, including, but not  
2 limited to parking lots and other concrete or asphalt  
3 barriers, and the clearing and grading of land;

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

15 (4) Costs of the construction of public works or  
16 improvements, including any direct or indirect costs  
17 relating to Green Globes or LEED certified construction  
18 elements or construction elements with an equivalent  
19 certification, except that on and after November 1, 1999,  
20 redevelopment project costs shall not include the cost of  
21 constructing a new municipal public building principally  
22 used to provide offices, storage space, or conference  
23 facilities or vehicle storage, maintenance, or repair for  
24 administrative, public safety, or public works personnel  
25 and that is not intended to replace an existing public  
26 building as provided under paragraph (3) of subsection (q)

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

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

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

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

1 taxing district in furtherance of the objectives of the  
2 redevelopment plan and project.

3 (7.5) For redevelopment project areas designated (or  
4 redevelopment project areas amended to add or increase the  
5 number of tax-increment-financing assisted housing units)  
6 on or after November 1, 1999, an elementary, secondary, or  
7 unit school district's increased costs attributable to  
8 assisted housing units located within the redevelopment  
9 project area for which the developer or redeveloper  
10 receives financial assistance through an agreement with  
11 the municipality or because the municipality incurs the  
12 cost of necessary infrastructure improvements within the  
13 boundaries of the assisted housing sites necessary for the  
14 completion of that housing as authorized by this Act, and  
15 which costs shall be paid by the municipality from the  
16 Special Tax Allocation Fund when the tax increment revenue  
17 is received as a result of the assisted housing units and  
18 shall be calculated annually as follows:

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



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

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

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

25                   (iii) for secondary school districts with a  
26                   district average 1995-96 Per Capita Tuition Charge

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

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

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

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

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

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

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

24 (ii) the amount reimbursable shall be reduced  
25 by the value of any land donated to the school  
26 district by the municipality or developer, and by

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

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

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

23          (7.7) For redevelopment project areas designated (or  
24          redevelopment project areas amended to add or increase the  
25          number of tax-increment-financing assisted housing units)  
26          on or after January 1, 2005 (the effective date of Public

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

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

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

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

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

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

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

16 (9) Payment in lieu of taxes;

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

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

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

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

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

25 (C) if there are not sufficient funds available in  
26 the special tax allocation fund to make the payment



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

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

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

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

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

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

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

20          (11.5) If the redevelopment project area is located  
21          within a municipality with a population of more than  
22          100,000, the cost of day care services for children of  
23          employees from low-income families working for businesses  
24          located within the redevelopment project area and all or a  
25          portion of the cost of operation of day care centers  
26          established by redevelopment project area businesses to

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

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

13       (13) After November 1, 1999 (the effective date of  
14       Public Act 91-478), none of the redevelopment project costs  
15       enumerated in this subsection shall be eligible  
16       redevelopment project costs if those costs would provide  
17       direct financial support to a retail entity initiating  
18       operations in the redevelopment project area while  
19       terminating operations at another Illinois location within  
20       10 miles of the redevelopment project area but outside the  
21       boundaries of the redevelopment project area municipality.  
22       For purposes of this paragraph, termination means a closing  
23       of a retail operation that is directly related to the  
24       opening of the same operation or like retail entity owned  
25       or operated by more than 50% of the original ownership in a  
26       redevelopment project area, but it does not mean closing an

1 operation for reasons beyond the control of the retail  
2 entity, as documented by the retail entity, subject to a  
3 reasonable finding by the municipality that the current  
4 location contained inadequate space, had become  
5 economically obsolete, or was no longer a viable location  
6 for the retailer or serviceman.

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

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

1 project area for the purposes permitted by that Act or Law as  
2 well as the purposes permitted by this Act.

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

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

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

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

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

25 (t) "Taxing districts" means counties, townships, cities  
26 and incorporated towns and villages, school, road, park,



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

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

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

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

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

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

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

24 (Source: P.A. 96-328, eff. 8-11-09; 96-630, eff. 1-1-10;  
25 96-680, eff. 8-25-09; 96-1000, eff. 7-2-10; 97-101, eff.  
26 1-1-12.)

1 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

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

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

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

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

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

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

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

17 (3) The municipal clerk has certified to the county  
18 clerk that the municipality has issued its obligations to  
19 which there has been pledged the incremental property taxes  
20 of the redevelopment project area or taxes levied and  
21 collected on any or all property in the municipality or the  
22 full faith and credit of the municipality to pay or secure  
23 payment for all or a portion of the redevelopment project  
24 costs. The certification shall be filed annually no later  
25 than September 1 for the estimated taxes to be distributed  
26 in the following year; however, for the year 1992 the

1 certification shall be made at any time on or before March  
2 31, 1992.

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

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

19 It is the intent of this Division that after the effective  
20 date of this amendatory Act of 1988 a municipality's own ad  
21 valorem tax arising from levies on taxable real property be  
22 included in the determination of incremental revenue in the  
23 manner provided in paragraph (c) of Section 11-74.4-9. If the  
24 municipality does not extend such a tax, it shall annually  
25 deposit in the municipality's Special Tax Increment Fund an  
26 amount equal to 10% of the total contributions to the fund from

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

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

1 taxing districts and tax rates determined in the manner  
2 provided in paragraph (c) of Section 11-74.4-9 shall be divided  
3 as follows:

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

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



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

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

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

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

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

1 the most recent distribution by the county collector to the  
2 affected districts of real property taxes from real property in  
3 the redevelopment project area.

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

1 allocation financing.

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

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

9 (65 ILCS 5/11-74.6-35)

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

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

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

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

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

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

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

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

24 (C) The municipal clerk has certified to the county  
25 clerk that the municipality has issued its obligations  
26 to which there has been pledged the incremental

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

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

21 (b) It is the intent of this Act that a municipality's own  
22 ad 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 (b) of Section 11-74.6-40.

25 (c) If a municipality has adopted tax increment allocation  
26 financing for a redevelopment project area by ordinance and the

1 county clerk thereafter certifies the total initial equalized  
2 assessed value or the total updated initial equalized assessed  
3 value of the taxable real property within such redevelopment  
4 project area in the manner provided in paragraph (a) or (b) of  
5 Section 11-74.6-40, each year after the date of the  
6 certification of the total initial equalized assessed value or  
7 the total updated initial equalized assessed value until  
8 redevelopment project costs and all municipal obligations  
9 financing redevelopment project costs have been paid, the ad  
10 valorem taxes, if any, arising from the levies upon the taxable  
11 real property in the redevelopment project area by taxing  
12 districts and tax rates determined in the manner provided in  
13 paragraph (b) of Section 11-74.6-40 shall be divided as  
14 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, or the  
19 updated initial equalized assessed value of each parcel if  
20 the updated initial equalized assessed value of that parcel  
21 has been certified in accordance with Section 11-74.6-40,  
22 whichever has been most recently certified, of each taxable  
23 lot, block, tract, or parcel of real property existing at  
24 the time tax increment allocation financing was adopted in  
25 the redevelopment project area, shall be allocated to and  
26 when collected shall be paid by the county collector to the



1        respective affected taxing districts in the manner  
2        required by law without regard to the adoption of tax  
3        increment allocation financing.

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

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

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

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

25 When the redevelopment projects costs, including without  
26 limitation all municipal obligations financing redevelopment

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

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

1 terminated by December 31 of that same year.

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

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

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

11 (65 ILCS 110/50)

12 Sec. 50. Special tax allocation fund.

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

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

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

23           (b) The municipality, by an ordinance adopting tax  
24 increment allocation financing, may pledge the monies in and to  
25 be deposited into the special tax allocation fund for the  
26 payment of obligations issued under this Act and for the

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

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

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

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

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

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

15 Section 945. The School Code is amended by changing  
16 Sections 1A-8, 1B-5, 1B-6, 1B-7, 1B-8, 1C-1, 1C-2, 1D-1, 1E-20,  
17 1F-20, 1F-62, 1H-20, 1H-70, 2-3.28, 2-3.33, 2-3.51.5, 2-3.66,  
18 2-3.66b, 2-3.84, 2-3.109a, 3-14.21, 7-14A, 10-19, 10-22.5a,  
19 10-22.20, 10-29, 11E-135, 13A-8, 13B-20.20, 13B-45, 13B-50,  
20 13B-50.10, 13B-50.15, 14-7.02, 14-7.02b, 14-7.03, 14-13.01,  
21 14C-12, 17-1, 17-1.2, 17-1.5, 17-2.11, 17-2A, 18-4.3, 18-8.05,  
22 18-8.10, 18-9, 18-12, 26-16, 27-8.1, 27A-9, 27A-11, 29-5,  
23 34-2.3, 34-8.4, 34-18, 34-18.30, and 34-43.1 and by adding  
24 Sections 14-7.02c 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  
26 of Education, at the request of a school district, the State



1 Superintendent may provide for an independent financial  
2 consultant to assist the district review its financial  
3 condition and options.

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

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

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

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

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

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

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

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

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

26 No bonds, notes, teachers orders, tax anticipation

1 warrants or other evidences of indebtedness shall be issued or  
2 sold by a school district or be legally binding upon or  
3 enforceable against a local board of education of a district  
4 certified to be in financial difficulty unless and until the  
5 financial plan required under this Section has been approved by  
6 the State Board of Education.

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

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

19 (105 ILCS 5/1B-5) (from Ch. 122, par. 1B-5)

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

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

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

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

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

26 Two members of the Panel shall constitute a quorum, and the

1 affirmative vote of 2 members shall be necessary for any  
2 decision or action to be taken by the Panel.

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

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

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

25 (105 ILCS 5/1B-6) (from Ch. 122, par. 1B-6)

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

13           (a) to sue and be sued;

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

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

24           (d) to approve the local board of education appointments to  
25 the positions of treasurer in a Class I county school unit and  
26 in each school district which forms a part of a Class II county

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

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

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

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

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



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

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

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

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

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

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

25 (o) to procure insurance against any loss in such amounts  
26 and from such insurers as it deems necessary;

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

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

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

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

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

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

21 (105 ILCS 5/1B-7) (from Ch. 122, par. 1B-7)

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

1 required by the Panel, including but not limited to the  
2 following:

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

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

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

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

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

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

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

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

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

25 From the amount allocated to each such school district

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

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

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

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

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

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

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

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

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

13 (105 ILCS 5/1C-1)

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

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

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

24 (105 ILCS 5/1C-2)



1           Sec. 1C-2. Block grants.

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

10          (b) (Blank).

11          (c) An Early Childhood Education Block Grant shall be  
12 created by combining the following programs: Preschool  
13 Education, Parental Training and Prevention Initiative. These  
14 funds shall be distributed to school districts and other  
15 entities on a competitive basis, except that the State Board of  
16 Education shall award to a school district having a population  
17 exceeding 500,000 inhabitants 37% of the funds in each fiscal  
18 year. Not less than 11% of this grant shall be used to fund  
19 programs for children ages 0-3, which percentage shall increase  
20 to at least 20% by Fiscal Year 2015. However, if, in a given  
21 fiscal year, the amount appropriated for the Early Childhood  
22 Education Block Grant is insufficient to increase the  
23 percentage of the grant to fund programs for children ages 0-3  
24 without reducing the amount of the grant for existing providers  
25 of preschool education programs, then the percentage of the  
26 grant to fund programs for children ages 0-3 may be held steady

1 instead of increased.

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

3 (105 ILCS 5/1D-1)

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

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

18 (b) The general education block grant shall include the  
19 following programs: REI Initiative, Summer Bridges, Preschool  
20 At Risk, K-6 Comprehensive Arts, School Improvement Support,  
21 Urban Education, Scientific Literacy, Substance Abuse  
22 Prevention, Second Language Planning, Staff Development,  
23 Outcomes and Assessment, K-6 Reading Improvement, 7-12  
24 Continued Reading Improvement, Truants' Optional Education,  
25 Hispanic Programs, Agriculture Education, Parental Education,

1 Prevention Initiative, Report Cards, and Criminal Background  
2 Investigations. Notwithstanding any other provision of law,  
3 all amounts paid under the general education block grant from  
4 State appropriations to a school district in a city having a  
5 population exceeding 500,000 inhabitants shall be appropriated  
6 and expended by the board of that district for any of the  
7 programs included in the block grant or any of the board's  
8 lawful purposes.

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

24 The funding program included in the educational services  
25 block grant for funding for children requiring special  
26 education services in each fiscal year shall be treated in that

1 fiscal year as a payment to the school district in respect of  
2 services provided or costs incurred in the prior fiscal year,  
3 calculated in each case as provided in this Section. Nothing in  
4 this Section shall change the nature of payments for any  
5 program that, apart from this Section, would be or, prior to  
6 adoption or amendment of this Section, was on the basis of a  
7 payment in a fiscal year in respect of services provided or  
8 costs incurred in the prior fiscal year, calculated in each  
9 case as provided in this Section.

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

1           (e) The district is not required to file any application or  
2 other claim in order to receive the block grants to which it is  
3 entitled under this Section. The State Board of Education shall  
4 make payments to the district of amounts due under the  
5 district's block grants on a schedule determined by the State  
6 Board of Education.

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

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

1 block grant. The proportion of each block grant so allocated to  
2 each such program included in it shall be the proportion which  
3 the appropriation for that program was of all appropriations  
4 for such purposes now in that block grant, in fiscal 1995.

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

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

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

19 (Source: P.A. 97-238, eff. 8-2-11; 97-324, eff. 8-12-11;  
20 97-813, eff. 7-13-12.)

21 (105 ILCS 5/1E-20)

22 (This Section scheduled to be repealed in accordance with  
23 105 ILCS 5/1E-165)

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

25 (a) When a petition for a School Finance Authority is

1 allowed by the State Board under Section 1E-15 of this Code,  
2 the State Superintendent shall within 10 days thereafter  
3 appoint 5 members to serve on a School Finance Authority for  
4 the district. Of the initial members, 2 shall be appointed to  
5 serve a term of 2 years and 3 shall be appointed to serve a term  
6 of 3 years. Thereafter, each member shall serve for a term of 3  
7 years and until his or her successor has been appointed. The  
8 State Superintendent shall designate one of the members of the  
9 Authority to serve as its Chairperson. In the event of vacancy  
10 or resignation, the State Superintendent shall, within 10 days  
11 after receiving notice, appoint a successor to serve out that  
12 member's term. The State Superintendent may remove a member for  
13 incompetence, malfeasance, neglect of duty, or other just  
14 cause.

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

23 Authority members shall serve without compensation, but  
24 may be reimbursed by the State Board for travel and other  
25 necessary expenses incurred in the performance of their  
26 official duties. Unless paid from bonds issued under Section



1 1E-65 of this Code, the amount reimbursed members for their  
2 expenses shall be charged to the school district as part of any  
3 emergency financial assistance and incorporated as a part of  
4 the terms and conditions for repayment of the assistance or  
5 shall be deducted from the district's general State aid or  
6 primary State aid as provided in Section 1B-8 of this Code.

7 The Authority may elect such officers as it deems  
8 appropriate.

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

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

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

19 (105 ILCS 5/1F-20)

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

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

23 (a) Upon establishment of a School Finance Authority under  
24 Section 1F-15 of this Code, the State Superintendent shall  
25 within 15 days thereafter appoint 5 members to serve on a

1 School Finance Authority for the district. Of the initial  
2 members, 2 shall be appointed to serve a term of 2 years and 3  
3 shall be appointed to serve a term of 3 years. Thereafter, each  
4 member shall serve for a term of 3 years and until his or her  
5 successor has been appointed. The State Superintendent shall  
6 designate one of the members of the Authority to serve as its  
7 Chairperson. In the event of vacancy or resignation, the State  
8 Superintendent shall, within 10 days after receiving notice,  
9 appoint a successor to serve out that member's term. The State  
10 Superintendent may remove a member for incompetence,  
11 malfeasance, neglect of duty, or other just 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 be paid a stipend approved by the  
21 State Superintendent of not more than \$100 per meeting and may  
22 be reimbursed by the State Board for travel and other necessary  
23 expenses incurred in the performance of their official duties.  
24 Unless paid from bonds issued under Section 1F-65 of this Code,  
25 the amount reimbursed members for their expenses shall be  
26 charged to the school district as part of any emergency

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

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

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

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

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

17 (105 ILCS 5/1F-62)

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

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

22 (a) Moneys in the School District Emergency Financial  
23 Assistance Fund established under Section 1B-8 of this Code may  
24 be allocated and expended by the State Board as grants to  
25 provide technical and consulting services to school districts

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

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

23 (b) The amount of an emergency financial assistance loan  
24 that may be allocated to a School Finance Authority under this  
25 Article, including moneys necessary for the operations of the  
26 School Finance Authority, and borrowing from sources other than

1 the State shall not exceed, in the aggregate, \$4,000 times the  
2 number of pupils enrolled in the district during the school  
3 year ending June 30 prior to the date of approval by the State  
4 Board of the petition for emergency financial assistance, as  
5 certified to the school board and the School Finance Authority  
6 by the State Superintendent. However, this limitation does not  
7 apply to borrowing by the district secured by amounts levied by  
8 the district prior to establishment of the School Finance  
9 Authority. An emergency financial assistance grant shall not  
10 exceed \$1,000 times the number of such pupils. A district may  
11 receive both a loan and a grant.

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

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

1 All loan payments made from the School District Emergency  
2 Financial Assistance Fund to a School Finance Authority shall  
3 be required to be repaid not later than the date the School  
4 Finance Authority ceases to exist, with simple interest over  
5 the term of the loan at a rate equal to 50% of the one-year  
6 Constant Maturity Treasury (CMT) yield as last published by the  
7 Board of Governors of the Federal Reserve System before the  
8 date on which the School Finance Authority's loan is approved  
9 by the State Board.

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

26 In establishing the terms and conditions for the repayment

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

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

12 (105 ILCS 5/1H-20)

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

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

24 (b) Members of the Panel shall be selected primarily on the  
25 basis of their experience and education in financial

1 management, with consideration given to persons knowledgeable  
2 in education finance. Two members of the Panel shall be  
3 residents of the school district that the Panel serves. A  
4 member of the Panel may not be a member of the district's  
5 school board or an employee of the district nor may a member  
6 have a direct financial interest in the district.

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

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

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

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



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

2 (105 ILCS 5/1H-70)

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

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

14 (2) issue tax anticipation notes under the provisions  
15 of the Tax Anticipation Note Act against taxes levied by  
16 either the school board or the Panel pursuant to Section  
17 1H-25 of this Code;

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

20 (4) issue general State aid or primary State aid  
21 anticipation certificates under the provisions of Section  
22 18-18 of this Code; and

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

25 Tax anticipation warrants, tax anticipation notes, revenue

1 anticipation certificates or notes, general State aid or  
2 primary State aid anticipation certificates, and lines of  
3 credit are considered borrowing from sources other than the  
4 State and are subject to Section 1H-65 of this Code.

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

6 (105 ILCS 5/2-3.28) (from Ch. 122, par. 2-3.28)

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

19 (1) accounting for expenditures for school  
20 administration, regular instruction, special education  
21 instruction, instructional support services, and pupil  
22 support services;

23 (2) salary expenditures reflecting actual staff  
24 salaries at each school;

25 (3) accounting for operations, including

1       non-instructional pupil services, facilities, and business  
2       services; and

3       (4) such other requirements as the State Board of  
4       Education deems necessary to provide for a uniform and  
5       transparent system of accounting at the school level.

6       (Source: P.A. 81-1508.)

7           (105 ILCS 5/2-3.33) (from Ch. 122, par. 2-3.33)

8       Sec. 2-3.33. Recomputation of claims. To recompute within  
9       3 years from the final date for filing of a claim any claim for  
10       reimbursement to any school district if the claim has been  
11       found to be incorrect and to adjust subsequent claims  
12       accordingly, and to recompute and adjust any such claims within  
13       6 years from the final date for filing when there has been an  
14       adverse court or administrative agency decision on the merits  
15       affecting the tax revenues of the school district. However, no  
16       such adjustment shall be made regarding equalized assessed  
17       valuation unless the district's equalized assessed valuation  
18       is changed by greater than \$250,000 or 2%. Any adjustments for  
19       claims recomputed for the 2013-2014 school year and prior  
20       school years shall be applied to the apportionment of primary  
21       State financial aid in Section 18-8.15 of this Code beginning  
22       in the 2014-2015 school year and thereafter.

23       Except in the case of an adverse court or administrative  
24       agency decision, no recomputation of a State aid claim shall be  
25       made pursuant to this Section as a result of a reduction in the

1 assessed valuation of a school district from the assessed  
2 valuation of the district reported to the State Board of  
3 Education by the Department of Revenue under Section 18-8.05 or  
4 18-8.15 of this Code unless the requirements of Section 16-15  
5 of the Property Tax Code and Section 2-3.84 of this Code are  
6 complied with in all respects.

7 This paragraph applies to all requests for recomputation of  
8 a general State aid or primary State aid claim received after  
9 June 30, 2003. In recomputing a general State aid or primary  
10 State aid claim that was originally calculated using an  
11 extension limitation equalized assessed valuation under  
12 paragraph (3) of subsection (G) of Section 18-8.05 of this Code  
13 or paragraph (3) of subsection (h) of Section 18-8.15 of this  
14 Code, a qualifying reduction in equalized assessed valuation  
15 shall be deducted from the extension limitation equalized  
16 assessed valuation that was used in calculating the original  
17 claim.

18 From the total amount of general State aid or primary State  
19 aid to be provided to districts, adjustments as a result of  
20 recomputation under this Section together with adjustments  
21 under Section 2-3.84 must not exceed \$25 million, in the  
22 aggregate for all districts under both Sections combined, of  
23 the general State aid or primary State aid appropriation in any  
24 fiscal year; if necessary, amounts shall be prorated among  
25 districts. If it is necessary to prorate claims under this  
26 paragraph, then that portion of each prorated claim that is

1 approved but not paid in the current fiscal year may be  
2 resubmitted as a valid claim in the following fiscal year.

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

4 (105 ILCS 5/2-3.51.5)

5 Sec. 2-3.51.5. School Safety and Educational Improvement  
6 Block Grant Program. To improve the level of education and  
7 safety of students from kindergarten through grade 12 in school  
8 districts and State-recognized, non-public schools. The State  
9 Board of Education is authorized to fund a School Safety and  
10 Educational Improvement Block Grant Program.

11 (1) For school districts, the program shall provide funding  
12 for school safety, textbooks and software, electronic  
13 textbooks and the technological equipment necessary to gain  
14 access to and use electronic textbooks, teacher training and  
15 curriculum development, school improvements, remediation  
16 programs under subsection (a) of Section 2-3.64, school report  
17 cards under Section 10-17a, and criminal history records checks  
18 under Sections 10-21.9 and 34-18.5. For State-recognized,  
19 non-public schools, the program shall provide funding for  
20 secular textbooks and software, criminal history records  
21 checks, and health and safety mandates to the extent that the  
22 funds are expended for purely secular purposes. A school  
23 district or laboratory school as defined in Section 18-8, ~~or~~  
24 18-8.05, or 18-8.15 is not required to file an application in  
25 order to receive the categorical funding to which it is

1 entitled under this Section. Funds for the School Safety and  
2 Educational Improvement Block Grant Program shall be  
3 distributed to school districts and laboratory schools based on  
4 the prior year's best 3 months average daily attendance. Funds  
5 for the School Safety and Educational Improvement Block Grant  
6 Program shall be distributed to State-recognized, non-public  
7 schools based on the average daily attendance figure for the  
8 previous school year provided to the State Board of Education.  
9 The State Board of Education shall develop an application that  
10 requires State-recognized, non-public schools to submit  
11 average daily attendance figures. A State-recognized,  
12 non-public school must submit the application and average daily  
13 attendance figure prior to receiving funds under this Section.  
14 The State Board of Education shall promulgate rules and  
15 regulations necessary for the implementation of this program.

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

20 (3) Grants under the School Safety and Educational  
21 Improvement Block Grant Program shall be awarded provided there  
22 is an appropriation for the program, and funding levels for  
23 each district shall be prorated according to the amount of the  
24 appropriation.

25 (4) The provisions of this Section are in the public  
26 interest, are for the public benefit, and serve secular public

1 purposes.

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

3 (105 ILCS 5/2-3.66) (from Ch. 122, par. 2-3.66)

4 Sec. 2-3.66. Truants' alternative and optional education  
5 programs. To establish projects to offer modified  
6 instructional programs or other services designed to prevent  
7 students from dropping out of school, including programs  
8 pursuant to Section 2-3.41, and to serve as a part time or full  
9 time option in lieu of regular school attendance and to award  
10 grants to local school districts, educational service regions  
11 or community college districts from appropriated funds to  
12 assist districts in establishing such projects. The education  
13 agency may operate its own program or enter into a contract  
14 with another not-for-profit entity to implement the program.  
15 The projects shall allow dropouts, up to and including age 21,  
16 potential dropouts, including truants, uninvolved, unmotivated  
17 and disaffected students, as defined by State Board of  
18 Education rules and regulations, to enroll, as an alternative  
19 to regular school attendance, in an optional education program  
20 which may be established by school board policy and is in  
21 conformance with rules adopted by the State Board of Education.  
22 Truants' Alternative and Optional Education programs funded  
23 pursuant to this Section shall be planned by a student, the  
24 student's parents or legal guardians, unless the student is 18  
25 years or older, and school officials and shall culminate in an

1 individualized optional education plan. Such plan shall focus  
2 on academic or vocational skills, or both, and may include, but  
3 not be limited to, evening school, summer school, community  
4 college courses, adult education, preparation courses for the  
5 high school level test of General Educational Development,  
6 vocational training, work experience, programs to enhance self  
7 concept and parenting courses. School districts which are  
8 awarded grants pursuant to this Section shall be authorized to  
9 provide day care services to children of students who are  
10 eligible and desire to enroll in programs established and  
11 funded under this Section, but only if and to the extent that  
12 such day care is necessary to enable those eligible students to  
13 attend and participate in the programs and courses which are  
14 conducted pursuant to this Section. School districts and  
15 regional offices of education may claim general State aid under  
16 Section 18-8.05 or primary State aid under Section 18-8.15 for  
17 students enrolled in truants' alternative and optional  
18 education programs, provided that such students are receiving  
19 services that are supplemental to a program leading to a high  
20 school diploma and are otherwise eligible to be claimed for  
21 general State aid under Section 18-8.05 or primary State aid  
22 under Section 18-8.15, as applicable.

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

24 (105 ILCS 5/2-3.66b)

25 Sec. 2-3.66b. IHOPE Program.



1           (a) There is established the Illinois Hope and Opportunity  
2 Pathways through Education (IHOPE) Program. The State Board of  
3 Education shall implement and administer the IHOPE Program. The  
4 goal of the IHOPE Program is to develop a comprehensive system  
5 in this State to re-enroll significant numbers of high school  
6 dropouts in programs that will enable them to earn their high  
7 school diploma.

8           (b) The IHOPE Program shall award grants, subject to  
9 appropriation for this purpose, to educational service regions  
10 and a school district organized under Article 34 of this Code  
11 from appropriated funds to assist in establishing  
12 instructional programs and other services designed to  
13 re-enroll high school dropouts. From any funds appropriated for  
14 the IHOPE Program, the State Board of Education may use up to  
15 5% for administrative costs, including the performance of a  
16 program evaluation and the hiring of staff to implement and  
17 administer the program.

18           The IHOPE Program shall provide incentive grant funds for  
19 regional offices of education and a school district organized  
20 under Article 34 of this Code to develop partnerships with  
21 school districts, public community colleges, and community  
22 groups to build comprehensive plans to re-enroll high school  
23 dropouts in their regions or districts.

24           Programs funded through the IHOPE Program shall allow high  
25 school dropouts, up to and including age 21 notwithstanding  
26 Section 26-2 of this Code, to re-enroll in an educational

1 program in conformance with rules adopted by the State Board of  
2 Education. Programs may include without limitation  
3 comprehensive year-round programming, evening school, summer  
4 school, community college courses, adult education, vocational  
5 training, work experience, programs to enhance self-concept,  
6 and parenting courses. Any student in the IHOPE Program who  
7 wishes to earn a high school diploma must meet the  
8 prerequisites to receiving a high school diploma specified in  
9 Section 27-22 of this Code and any other graduation  
10 requirements of the student's district of residence. Any  
11 student who successfully completes the requirements for his or  
12 her graduation shall receive a diploma identifying the student  
13 as graduating from his or her district of residence.

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

1 State Board has approved the Plan.

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

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

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

25 A regional office of education or a school district  
26 organized under Article 34 of this Code may claim State aid

1 under Section 18-8.05 or 18-8.15 of this Code for students  
2 enrolled in a program funded by the IHOPE Program, provided  
3 that the State Board of Education has approved the IHOPE Plan  
4 and that these students are receiving services that are meeting  
5 the requirements of Section 27-22 of this Code for receipt of a  
6 high school diploma and are otherwise eligible to be claimed  
7 for general State aid under Section 18-8.05 of this Code or  
8 primary State aid under Section 18-8.15 of this Code, including  
9 provisions related to the minimum number of days of pupil  
10 attendance pursuant to Section 10-19 of this Code and the  
11 minimum number of daily hours of school work and any exceptions  
12 thereto as defined by the State Board of Education in rules.

13 (f) IHOPE categories of programming may include the  
14 following:

15 (1) Full-time programs that are comprehensive,  
16 year-round programs.

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

20 (3) Online programs and courses in which students take  
21 courses and complete on-site, supervised tests that  
22 measure the student's mastery of a specific course needed  
23 for graduation. Students may take courses online and earn  
24 credit or students may prepare to take supervised tests for  
25 specific courses for credit leading to receipt of a high  
26 school diploma.

1           (4) Dual enrollment in which students attend high  
2 school classes in combination with community college  
3 classes or students attend community college classes while  
4 simultaneously earning high school credit and eventually a  
5 high school diploma.

6           (g) In order to have successful comprehensive programs  
7 re-enrolling and graduating low-skilled high school dropouts,  
8 programs funded through the IHOPE Program shall include all of  
9 the following components:

10           (1) Small programs (70 to 100 students) at a separate  
11 school site with a distinct identity. Programs may be  
12 larger with specific need and justification, keeping in  
13 mind that it is crucial to keep programs small to be  
14 effective.

15           (2) Specific performance-based goals and outcomes and  
16 measures of enrollment, attendance, skills, credits,  
17 graduation, and the transition to college, training, and  
18 employment.

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

21           (4) Voluntary enrollment.

22           (5) High standards for student learning, integrating  
23 work experience, and education, including during the  
24 school year and after school, and summer school programs  
25 that link internships, work, and learning.

26           (6) Comprehensive programs providing extensive support

1 services.

2 (7) Small teams of students supported by full-time paid  
3 mentors who work to retain and help those students  
4 graduate.

5 (8) A comprehensive technology learning center with  
6 Internet access and broad-based curriculum focusing on  
7 academic and career subject areas.

8 (9) Learning opportunities that incorporate action  
9 into study.

10 (h) Programs funded through the IHOPE Program must report  
11 data to the State Board of Education as requested. This  
12 information shall include, but is not limited to, student  
13 enrollment figures, attendance information, course completion  
14 data, graduation information, and post-graduation information,  
15 as available.

16 (i) Rules must be developed by the State Board of Education  
17 to set forth the fund distribution process to regional offices  
18 of education and a school district organized under Article 34  
19 of this Code, the planning and the conditions upon which an  
20 IHOPE Plan would be approved by State Board, and other rules to  
21 develop the IHOPE Program.

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

23 (105 ILCS 5/2-3.84) (from Ch. 122, par. 2-3.84)

24 Sec. 2-3.84. In calculating the amount of State aid to be  
25 apportioned to the various school districts in this State, the

1 State Board of Education shall incorporate and deduct the total  
2 aggregate adjustments to assessments made by the State Property  
3 Tax Appeal Board or Cook County Board of Appeals, as reported  
4 pursuant to Section 16-15 of the Property Tax Code or Section  
5 129.1 of the Revenue Act of 1939 by the Department of Revenue,  
6 from the equalized assessed valuation that is otherwise to be  
7 utilized in the initial calculation.

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

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

20 (105 ILCS 5/2-3.109a)

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

1 for school districts.

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

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

4 Sec. 3-14.21. Inspection of schools.

5 (a) The regional superintendent shall inspect and survey  
6 all public schools under his or her supervision and notify the  
7 board of education, or the trustees of schools in a district  
8 with trustees, in writing before July 30, whether or not the  
9 several schools in their district have been kept as required by  
10 law, using forms provided by the State Board of Education which  
11 are based on the Health/Life Safety Code for Public Schools  
12 adopted under Section 2-3.12. The regional superintendent  
13 shall report his or her findings to the State Board of  
14 Education on forms provided by the State Board of Education.

15 (b) If the regional superintendent determines that a school  
16 board has failed in a timely manner to correct urgent items  
17 identified in a previous life-safety report completed under  
18 Section 2-3.12 or as otherwise previously ordered by the  
19 regional superintendent, the regional superintendent shall  
20 order the school board to adopt and submit to the regional  
21 superintendent a plan for the immediate correction of the  
22 building violations. This plan shall be adopted following a  
23 public hearing that is conducted by the school board on the  
24 violations and the plan and that is preceded by at least 7  
25 days' prior notice of the hearing published in a newspaper of



1 general circulation within the school district. If the regional  
2 superintendent determines in the next annual inspection that  
3 the plan has not been completed and that the violations have  
4 not been corrected, the regional superintendent shall submit a  
5 report to the State Board of Education with a recommendation  
6 that the State Board withhold from payments of general State  
7 aid or primary State aid due to the district an amount  
8 necessary to correct the outstanding violations. The State  
9 Board, upon notice to the school board and to the regional  
10 superintendent, shall consider the report at a meeting of the  
11 State Board, and may order that a sufficient amount of general  
12 State aid or primary State aid be withheld from payments due to  
13 the district to correct the violations. This amount shall be  
14 paid to the regional superintendent who shall contract on  
15 behalf of the school board for the correction of the  
16 outstanding violations.

17 (c) The Office of the State Fire Marshal or a qualified  
18 fire official, as defined in Section 2-3.12 of this Code, to  
19 whom the State Fire Marshal has delegated his or her authority  
20 shall conduct an annual fire safety inspection of each school  
21 building in this State. The State Fire Marshal or the fire  
22 official shall coordinate its inspections with the regional  
23 superintendent. The inspection shall be based on the fire  
24 safety code authorized in Section 2-3.12 of this Code. Any  
25 violations shall be reported in writing to the regional  
26 superintendent and shall reference the specific code sections

1 where a discrepancy has been identified within 15 days after  
2 the inspection has been conducted. The regional superintendent  
3 shall address those violations that are not corrected in a  
4 timely manner pursuant to subsection (b) of this Section. The  
5 inspection must be at no cost to the school district.

6 (d) If a municipality or, in the case of an unincorporated  
7 area, a county or, if applicable, a fire protection district  
8 wishes to perform new construction inspections under the  
9 jurisdiction of a regional superintendent, then the entity must  
10 register this wish with the regional superintendent. These  
11 inspections must be based on the building code authorized in  
12 Section 2-3.12 of this Code. The inspections must be at no cost  
13 to the school district.

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

15 (105 ILCS 5/7-14A) (from Ch. 122, par. 7-14A)

16 Sec. 7-14A. Annexation Compensation. There shall be no  
17 accounting made after a mere change in boundaries when no new  
18 district is created, except that those districts whose  
19 enrollment increases by 90% or more as a result of annexing  
20 territory detached from another district pursuant to this  
21 Article are eligible for supplementary State aid payments in  
22 accordance with Section 11E-135 of this Code. Eligible annexing  
23 districts shall apply to the State Board of Education for  
24 supplementary State aid payments by submitting enrollment  
25 figures for the year immediately preceding and the year

1 immediately following the effective date of the boundary change  
2 for both the district gaining territory and the district losing  
3 territory. Copies of any intergovernmental agreements between  
4 the district gaining territory and the district losing  
5 territory detailing any transfer of fund balances and staff  
6 must also be submitted. In all instances of changes in  
7 boundaries, the district losing territory shall not count the  
8 average daily attendance of pupils living in the territory  
9 during the year preceding the effective date of the boundary  
10 change in its claim for reimbursement under Section 18-8 or  
11 18-8.15 for the school year following the effective date of the  
12 change in boundaries and the district receiving the territory  
13 shall count the average daily attendance of pupils living in  
14 the territory during the year preceding the effective date of  
15 the boundary change in its claim for reimbursement under  
16 Section 18-8 or 18-8.15 for the school year following the  
17 effective date of the change in boundaries. The changes to this  
18 Section made by this amendatory Act of the 95th General  
19 Assembly are intended to be retroactive and applicable to any  
20 annexation taking effect on or after July 1, 2004.

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

22 (105 ILCS 5/10-19) (from Ch. 122, par. 10-19)

23 Sec. 10-19. Length of school term - experimental programs.  
24 Each school board shall annually prepare a calendar for the  
25 school term, specifying the opening and closing dates and

1 providing a minimum term of at least 185 days to insure 176  
2 days of actual pupil attendance, computable under Section  
3 18-8.05 or 18-8.15, except that for the 1980-1981 school year  
4 only 175 days of actual pupil attendance shall be required  
5 because of the closing of schools pursuant to Section 24-2 on  
6 January 29, 1981 upon the appointment by the President of that  
7 day as a day of thanksgiving for the freedom of the Americans  
8 who had been held hostage in Iran. Any days allowed by law for  
9 teachers' institutes ~~institute~~ but not used as such or used as  
10 parental institutes as provided in Section 10-22.18d shall  
11 increase the minimum term by the school days not so used.  
12 Except as provided in Section 10-19.1, the board may not extend  
13 the school term beyond such closing date unless that extension  
14 of term is necessary to provide the minimum number of  
15 computable days. In case of such necessary extension school  
16 employees shall be paid for such additional time on the basis  
17 of their regular contracts. A school board may specify a  
18 closing date earlier than that set on the annual calendar when  
19 the schools of the district have provided the minimum number of  
20 computable days under this Section. Nothing in this Section  
21 prevents the board from employing superintendents of schools,  
22 principals and other nonteaching personnel for a period of 12  
23 months, or in the case of superintendents for a period in  
24 accordance with Section 10-23.8, or prevents the board from  
25 employing other personnel before or after the regular school  
26 term with payment of salary proportionate to that received for

1 comparable work during the school term.

2 A school board may make such changes in its calendar for  
3 the school term as may be required by any changes in the legal  
4 school holidays prescribed in Section 24-2. A school board may  
5 make changes in its calendar for the school term as may be  
6 necessary to reflect the utilization of teachers' institute  
7 days as parental institute days as provided in Section  
8 10-22.18d.

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

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

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

24 (105 ILCS 5/10-22.5a) (from Ch. 122, par. 10-22.5a)

25 Sec. 10-22.5a. Attendance by dependents of United States

1 military personnel, foreign exchange students, and certain  
2 nonresident pupils.

3 (a) To enter into written agreements with cultural exchange  
4 organizations, or with nationally recognized eleemosynary  
5 institutions that promote excellence in the arts, mathematics,  
6 or science. The written agreements may provide for tuition free  
7 attendance at the local district school by foreign exchange  
8 students, or by nonresident pupils of eleemosynary  
9 institutions. The local board of education, as part of the  
10 agreement, may require that the cultural exchange program or  
11 the eleemosynary institutions provide services to the district  
12 in exchange for the waiver of nonresident tuition.

13 To enter into written agreements with adjacent school  
14 districts to provide for tuition free attendance by a student  
15 of the adjacent district when requested for the student's  
16 health and safety by the student or parent and both districts  
17 determine that the student's health or safety will be served by  
18 such attendance. Districts shall not be required to enter into  
19 such agreements nor be required to alter existing  
20 transportation services due to the attendance of such  
21 non-resident pupils.

22 (a-5) If, at the time of enrollment, a dependent of United  
23 States military personnel is housed in temporary housing  
24 located outside of a school district, but will be living within  
25 the district within 60 days after the time of initial  
26 enrollment, the dependent must be allowed to enroll, subject to

1 the requirements of this subsection (a-5), and must not be  
2 charged tuition. Any United States military personnel  
3 attempting to enroll a dependent under this subsection (a-5)  
4 shall provide proof that the dependent will be living within  
5 the district within 60 days after the time of initial  
6 enrollment. Proof of residency may include, but is not limited  
7 to, postmarked mail addressed to the military personnel and  
8 sent to an address located within the district, a lease  
9 agreement for occupancy of a residence located within the  
10 district, or proof of ownership of a residence located within  
11 the district.

12 (b) Nonresident pupils and foreign exchange students  
13 attending school on a tuition free basis under such agreements  
14 and nonresident dependents of United States military personnel  
15 attending school on a tuition free basis may be counted for the  
16 purposes of determining the apportionment of State aid provided  
17 under Section 18-8.05 or 18-8.15 of this Code, provided that  
18 any cultural exchange organization or eleemosynary  
19 institutions wishing to participate in an agreement authorized  
20 under this Section must be approved in writing by the State  
21 Board of Education. The State Board of Education may establish  
22 reasonable rules to determine the eligibility of cultural  
23 exchange organizations or eleemosynary institutions wishing to  
24 participate in agreements authorized under this Section. No  
25 organization or institution participating in agreements  
26 authorized under this Section may exclude any individual for

1 participation in its program on account of the person's race,  
2 color, sex, religion or nationality.

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

4 (105 ILCS 5/10-22.20) (from Ch. 122, par. 10-22.20)

5 Sec. 10-22.20. Classes for adults and youths whose  
6 schooling has been interrupted; conditions for State  
7 reimbursement; use of child care facilities.

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

21 The board shall pay the necessary expenses of such classes  
22 out of school funds of the district, including costs of student  
23 transportation and such facilities or provision for child-care  
24 as may be necessary in the judgment of the board to permit  
25 maximum utilization of the courses by students with children,



1 and other special needs of the students directly related to  
2 such instruction. The expenses thus incurred shall be subject  
3 to State reimbursement, as provided in this Section. The board  
4 may make a tuition charge for persons taking instruction who  
5 are not subject to State reimbursement, such tuition charge not  
6 to exceed the per capita cost of such classes.

7 The cost of such instruction, including the additional  
8 expenses herein authorized, incurred for recipients of  
9 financial aid under the Illinois Public Aid Code, or for  
10 persons for whom education and training aid has been authorized  
11 under Section 9-8 of that Code, shall be assumed in its  
12 entirety from funds appropriated by the State to the Illinois  
13 Community College Board.

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

1 provide for:

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

5 (2) the method for calculating hours of instruction, as  
6 defined by the Illinois Community College Board, claimable  
7 for reimbursement and a method to phase in the calculation  
8 and for adjusting the calculations in cases where the  
9 services of a program are interrupted due to circumstances  
10 beyond the control of the program provider;

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

14 (4) the development of standards for determining  
15 grants based upon performance as set forth in subsection  
16 (d) below and a plan for the phased-in implementation of  
17 those standards.

18 For instruction provided by school districts and community  
19 college districts beginning July 1, 1996 and thereafter,  
20 reimbursement provided by the Illinois Community College Board  
21 for classes authorized by this Section shall be provided from  
22 funds appropriated for the reimbursement criteria set forth in  
23 subsection (c) below.

24 (c) Upon the annual approval of the Illinois Community  
25 College Board, reimbursement shall be first provided for  
26 transportation, child care services, and other special needs of

1 the students directly related to instruction and then from the  
2 funds remaining an amount equal to the product of the total  
3 credit hours or units of instruction approved by the Illinois  
4 Community College Board, multiplied by the following:

5 (1) For adult basic education, the maximum  
6 reimbursement per credit hour or per unit of instruction  
7 shall be equal to (i) through fiscal year 2014, the general  
8 state aid per pupil foundation level established in  
9 subsection (B) of Section 18-8.05, divided by 60, or (ii)  
10 in fiscal year 2015 and thereafter, the foundation level  
11 established pursuant to subsection (b) of Section 18-8.15  
12 of this Code, divided by 60;

13 (2) The maximum reimbursement per credit hour or per  
14 unit of instruction in subparagraph (1) above shall be  
15 weighted for students enrolled in classes defined as  
16 vocational skills and approved by the Illinois Community  
17 College Board by 1.25;

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

23 (4) (Blank); and

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

26 (d) Upon its annual approval, the Illinois Community

1 College Board shall provide grants to eligible programs for  
2 supplemental activities to improve or expand services under the  
3 Adult Education Act. Eligible programs shall be determined  
4 based upon performance outcomes of students in the programs as  
5 set by the Illinois Community College Board.

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

8 If the amount appropriated to the Illinois Community  
9 College Board for reimbursement under this Section is less than  
10 the amount required under this Act, the apportionment shall be  
11 proportionately reduced.

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

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

20 Each school board and community college shall keep an  
21 accurate and detailed account of the students assigned to and  
22 receiving instruction under this Section who are subject to  
23 State reimbursement and shall submit reports of services  
24 provided commencing with fiscal year 1997 as required by the  
25 Illinois Community College Board.

26 For classes authorized under this Section, a credit hour or

1 unit of instruction is equal to 15 hours of direct instruction  
2 for students enrolled in approved adult education programs at  
3 midterm and making satisfactory progress, in accordance with  
4 standards established by the Illinois Community College Board.

5 (g) Upon proof submitted to the Illinois Department of  
6 Human Services of the payment of all claims submitted under  
7 this Section, that Department shall apply for federal funds  
8 made available therefor and any federal funds so received shall  
9 be paid into the General Revenue Fund in the State Treasury.

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

21 If a school district or community college district fails to  
22 provide, or is providing unsatisfactory or insufficient  
23 classes under this Section, the Illinois Community College  
24 Board may enter into agreements with public or private  
25 educational or other agencies other than the public schools for  
26 the establishment of such classes.

1 (h) If a school district or community college district  
2 establishes child-care facilities for the children of  
3 participants in classes established under this Section, it may  
4 extend the use of these facilities to students who have  
5 obtained employment and to other persons in the community whose  
6 children require care and supervision while the parent or other  
7 person in charge of the children is employed or otherwise  
8 absent from the home during all or part of the day. It may make  
9 the facilities available before and after as well as during  
10 regular school hours to school age and preschool age children  
11 who may benefit thereby, including children who require care  
12 and supervision pending the return of their parent or other  
13 person in charge of their care from employment or other  
14 activity requiring absence from the home.

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

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

25 After July 1, 1970 when the provisions of Section 10-20.20  
26 become operative in the district, children in a child-care

1 facility shall be transferred to the kindergarten established  
2 under that Section for such portion of the day as may be  
3 required for the kindergarten program, and only the prorated  
4 costs of care and training provided in the Center for the  
5 remaining period shall be charged to the Illinois Department of  
6 Human Services or other persons or agencies paying for such  
7 care.

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

10 (j) In addition to claiming reimbursement under this  
11 Section, a school district may claim general State aid under  
12 Section 18-8.05 or primary State aid under Section 18-8.15 for  
13 any student under age 21 who is enrolled in courses accepted  
14 for graduation from elementary or high school and who otherwise  
15 meets the requirements of Section 18-8.05 or 18-8.15, as  
16 applicable.

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

18 (105 ILCS 5/10-29)

19 Sec. 10-29. Remote educational programs.

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

24 (1) A student may participate in the program only after  
25 the school district, pursuant to adopted school board

1 policy, and a person authorized to enroll the student under  
2 Section 10-20.12b of this Code determine that a remote  
3 educational program will best serve the student's  
4 individual learning needs. The adopted school board policy  
5 shall include, but not be limited to, all of the following:

6 (A) Criteria for determining that a remote  
7 educational program will best serve a student's  
8 individual learning needs. The criteria must include  
9 consideration of, at a minimum, a student's prior  
10 attendance, disciplinary record, and academic history.

11 (B) Any limitations on the number of students or  
12 grade levels that may participate in a remote  
13 educational program.

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

24 (D) A description of the process the school  
25 district will use to develop and approve a written  
26 remote educational plan that meets the requirements of



1 subdivision (5) of this subsection (a).

2 (E) A description of the system the school district  
3 will establish to calculate the number of clock hours a  
4 student is participating in instruction in accordance  
5 with the remote educational program.

6 (F) A description of the process for renewing a  
7 remote educational program at the expiration of its  
8 term.

9 (G) Such other terms and provisions as the school  
10 district deems necessary to provide for the  
11 establishment and delivery of a remote educational  
12 program.

13 (2) The school district has determined that the remote  
14 educational program's curriculum is aligned to State  
15 learning standards and that the program offers instruction  
16 and educational experiences consistent with those given to  
17 students at the same grade level in the district.

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

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

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

24 (C) they have responsibility for all of the  
25 following elements of the program: planning  
26 instruction, diagnosing learning needs, prescribing

1 content delivery through class activities, assessing  
2 learning, reporting outcomes to administrators and  
3 parents and guardians, and evaluating the effects of  
4 instruction.

5 (4) During the period of time from and including the  
6 opening date to the closing date of the regular school term  
7 of the school district established pursuant to Section  
8 10-19 of this Code, participation in a remote educational  
9 program may be claimed for general State aid purposes under  
10 Section 18-8.05 of this Code or primary State aid purposes  
11 under Section 18-8.15 of this Code on any calendar day,  
12 notwithstanding whether the day is a day of pupil  
13 attendance or institute day on the school district's  
14 calendar or any other provision of law restricting  
15 instruction on that day. If the district holds year-round  
16 classes in some buildings, the district shall classify each  
17 student's participation in a remote educational program as  
18 either on a year-round or a non-year-round schedule for  
19 purposes of claiming general State aid or primary State  
20 aid. Outside of the regular school term of the district,  
21 the remote educational program may be offered as part of  
22 any summer school program authorized by this Code.

23 (5) Each student participating in a remote educational  
24 program must have a written remote educational plan that  
25 has been approved by the school district and a person  
26 authorized to enroll the student under Section 10-20.12b of

1           this Code. The school district and a person authorized to  
2           enroll the student under Section 10-20.12b of this Code  
3           must approve any amendment to a remote educational plan.  
4           The remote educational plan must include, but is not  
5           limited to, all of the following:

6                   (A) Specific achievement goals for the student  
7                   aligned to State learning standards.

8                   (B) A description of all assessments that will be  
9                   used to measure student progress, which description  
10                  shall indicate the assessments that will be  
11                  administered at an attendance center within the school  
12                  district.

13                  (C) A description of the progress reports that will  
14                  be provided to the school district and the person or  
15                  persons authorized to enroll the student under Section  
16                  10-20.12b of this Code.

17                  (D) Expectations, processes, and schedules for  
18                  interaction between a teacher and student.

19                  (E) A description of the specific responsibilities  
20                  of the student's family and the school district with  
21                  respect to equipment, materials, phone and Internet  
22                  service, and any other requirements applicable to the  
23                  home or other location outside of a school building  
24                  necessary for the delivery of the remote educational  
25                  program.

26                  (F) If applicable, a description of how the remote

1 educational program will be delivered in a manner  
2 consistent with the student's individualized education  
3 program required by Section 614(d) of the federal  
4 Individuals with Disabilities Education Improvement  
5 Act of 2004 or plan to ensure compliance with Section  
6 504 of the federal Rehabilitation Act of 1973.

7 (G) A description of the procedures and  
8 opportunities for participation in academic and  
9 extra-curricular activities and programs within the  
10 school district.

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

21 (I) The identification of a school district  
22 administrator who will oversee the remote educational  
23 program on behalf of the school district and who may be  
24 contacted by the student's parents with respect to any  
25 issues or concerns with the program.

26 (J) The term of the student's participation in the

1 remote educational program, which may not extend for  
2 longer than 12 months, unless the term is renewed by  
3 the district in accordance with subdivision (7) of this  
4 subsection (a).

5 (K) A description of the specific location or  
6 locations in which the program will be delivered. If  
7 the remote educational program is to be delivered to a  
8 student in any location other than the student's home,  
9 the plan must include a written determination by the  
10 school district that the location will provide a  
11 learning environment appropriate for the delivery of  
12 the program. The location or locations in which the  
13 program will be delivered shall be deemed a long  
14 distance teaching reception area under subsection (a)  
15 of Section 10-22.34 of this Code.

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

18 (6) Students participating in a remote educational  
19 program must be enrolled in a school district attendance  
20 center pursuant to the school district's enrollment policy  
21 or policies. A student participating in a remote  
22 educational program must be tested as part of all  
23 assessments administered by the school district pursuant  
24 to Section 2-3.64 of this Code at the attendance center in  
25 which the student is enrolled and in accordance with the  
26 attendance center's assessment policies and schedule. The

1 student must be included within all adequate yearly  
2 progress and other accountability determinations for the  
3 school district and attendance center under State and  
4 federal law.

5 (7) The term of a student's participation in a remote  
6 educational program may not extend for longer than 12  
7 months, unless the term is renewed by the school district.  
8 The district may only renew a student's participation in a  
9 remote educational program following an evaluation of the  
10 student's progress in the program, a determination that the  
11 student's continuation in the program will best serve the  
12 student's individual learning needs, and an amendment to  
13 the student's written remote educational plan addressing  
14 any changes for the upcoming term of the program.

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

17 (c) Clock hours of instruction by students in a remote  
18 educational program meeting the requirements of this Section  
19 may be claimed by the school district and shall be counted as  
20 school work for general State aid purposes in accordance with  
21 and subject to the limitations of Section 18-8.05 of this Code  
22 or primary State aid purposes in accordance with and subject to  
23 the limitations of Section 18-8.15 of this Code.

24 (d) The impact of remote educational programs on wages,  
25 hours, and terms and conditions of employment of educational  
26 employees within the school district shall be subject to local

1 collective bargaining agreements.

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

5 (f) A remote educational program may be used, but is not  
6 required, for instruction delivered to a student in the home or  
7 other location outside of a school building that is not claimed  
8 for general State aid purposes under Section 18-8.05 of this  
9 Code or primary State aid purposes under Section 18-8.15 of  
10 this Code.

11 (g) School districts that, pursuant to this Section, adopt  
12 a policy for a remote educational program must submit to the  
13 State Board of Education a copy of the policy and any  
14 amendments thereto, as well as data on student participation in  
15 a format specified by the State Board of Education. The State  
16 Board of Education may perform or contract with an outside  
17 entity to perform an evaluation of remote educational programs  
18 in this State.

19 (h) The State Board of Education may adopt any rules  
20 necessary to ensure compliance by remote educational programs  
21 with the requirements of this Section and other applicable  
22 legal requirements.

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

24 (105 ILCS 5/11E-135)

25 Sec. 11E-135. Incentives. For districts reorganizing under

1 this Article and for a district or districts that annex all of  
2 the territory of one or more entire other school districts in  
3 accordance with Article 7 of this Code, the following payments  
4 shall be made from appropriations made for these purposes:

5 (a)(1) For a combined school district, as defined in  
6 Section 11E-20 of this Code, or for a unit district, as defined  
7 in Section 11E-25 of this Code, for its first year of  
8 existence, the general State aid and supplemental general State  
9 aid calculated under Section 18-8.05 of this Code or the  
10 primary State aid and supplemental grants calculated under  
11 Section 18-8.15 of this Code, as applicable, shall be computed  
12 for the new district and for the previously existing districts  
13 for which property is totally included within the new district.  
14 If the computation on the basis of the previously existing  
15 districts is greater, a supplementary payment equal to the  
16 difference shall be made for the first 4 years of existence of  
17 the new district.

18 (2) For a school district that annexes all of the territory  
19 of one or more entire other school districts as defined in  
20 Article 7 of this Code, for the first year during which the  
21 change of boundaries attributable to the annexation becomes  
22 effective for all purposes, as determined under Section 7-9 of  
23 this Code, the general State aid and supplemental general State  
24 aid calculated under Section 18-8.05 of this Code or the  
25 primary State aid and supplemental grants calculated under  
26 Section 18-8.15 of this Code, as applicable, shall be computed



1 for the annexing district as constituted after the annexation  
2 and for the annexing and each annexed district as constituted  
3 prior to the annexation; and if the computation on the basis of  
4 the annexing and annexed districts as constituted prior to the  
5 annexation is greater, then a supplementary payment equal to  
6 the difference shall be made for the first 4 years of existence  
7 of the annexing school district as constituted upon the  
8 annexation.

9 (3) For 2 or more school districts that annex all of the  
10 territory of one or more entire other school districts, as  
11 defined in Article 7 of this Code, for the first year during  
12 which the change of boundaries attributable to the annexation  
13 becomes effective for all purposes, as determined under Section  
14 7-9 of this Code, the general State aid and supplemental  
15 general State aid calculated under Section 18-8.05 of this Code  
16 or the primary State aid and supplemental grants calculated  
17 under Section 18-8.15 of this Code, as applicable, shall be  
18 computed for each annexing district as constituted after the  
19 annexation and for each annexing and annexed district as  
20 constituted prior to the annexation; and if the aggregate of  
21 the general State aid and supplemental general State aid or  
22 primary State aid and supplemental grants, as applicable, as so  
23 computed for the annexing districts as constituted after the  
24 annexation is less than the aggregate of the general State aid  
25 and supplemental general State aid or primary State aid and  
26 supplemental grants, as applicable, as so computed for the

1 annexing and annexed districts, as constituted prior to the  
2 annexation, then a supplementary payment equal to the  
3 difference shall be made and allocated between or among the  
4 annexing districts, as constituted upon the annexation, for the  
5 first 4 years of their existence. The total difference payment  
6 shall be allocated between or among the annexing districts in  
7 the same ratio as the pupil enrollment from that portion of the  
8 annexed district or districts that is annexed to each annexing  
9 district bears to the total pupil enrollment from the entire  
10 annexed district or districts, as such pupil enrollment is  
11 determined for the school year last ending prior to the date  
12 when the change of boundaries attributable to the annexation  
13 becomes effective for all purposes. The amount of the total  
14 difference payment and the amount thereof to be allocated to  
15 the annexing districts shall be computed by the State Board of  
16 Education on the basis of pupil enrollment and other data that  
17 shall be certified to the State Board of Education, on forms  
18 that it shall provide for that purpose, by the regional  
19 superintendent of schools for each educational service region  
20 in which the annexing and annexed districts are located.

21 (4) For a school district conversion, as defined in Section  
22 11E-15 of this Code, or a multi-unit conversion, as defined in  
23 subsection (b) of Section 11E-30 of this Code, if in their  
24 first year of existence the newly created elementary districts  
25 and the newly created high school district, from a school  
26 district conversion, or the newly created elementary district

1 or districts and newly created combined high school - unit  
2 district, from a multi-unit conversion, qualify for less  
3 general State aid under Section 18-8.05 of this Code or primary  
4 State aid under Section 18-8.15 of this Code than would have  
5 been payable under Section 18-8.05 or 18-8.15, as applicable,  
6 for that same year to the previously existing districts, then a  
7 supplementary payment equal to that difference shall be made  
8 for the first 4 years of existence of the newly created  
9 districts. The aggregate amount of each supplementary payment  
10 shall be allocated among the newly created districts in the  
11 proportion that the deemed pupil enrollment in each district  
12 during its first year of existence bears to the actual  
13 aggregate pupil enrollment in all of the districts during their  
14 first year of existence. For purposes of each allocation:

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

19 (B) the deemed pupil enrollment of each newly created  
20 elementary district from a school district conversion  
21 shall be an amount equal to its actual pupil enrollment for  
22 its first year of existence reduced by an amount equal to  
23 the product obtained when the amount by which the newly  
24 created high school district's deemed pupil enrollment  
25 exceeds its actual pupil enrollment for its first year of  
26 existence is multiplied by a fraction, the numerator of

1 which is the actual pupil enrollment of the newly created  
2 elementary district for its first year of existence and the  
3 denominator of which is the actual aggregate pupil  
4 enrollment of all of the newly created elementary districts  
5 for their first year of existence;

6 (C) the deemed high school pupil enrollment of the  
7 newly created combined high school - unit district from a  
8 multi-unit conversion shall be an amount equal to its  
9 actual grades 9 through 12 pupil enrollment for its first  
10 year of existence multiplied by 1.25; and

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

26 The aggregate amount of each supplementary payment under

1 this subdivision (4) and the amount thereof to be allocated to  
2 the newly created districts shall be computed by the State  
3 Board of Education on the basis of pupil enrollment and other  
4 data, which shall be certified to the State Board of Education,  
5 on forms that it shall provide for that purpose, by the  
6 regional superintendent of schools for each educational  
7 service region in which the newly created districts are  
8 located.

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

22 (6) For an elementary opt-in, as described in subsection  
23 (d) of Section 11E-30 of this Code, the general State aid or  
24 primary State aid difference shall be computed in accordance  
25 with paragraph (5) of this subsection (a) as if the elementary  
26 opt-in was included in an optional elementary unit district at

1 the optional elementary unit district's original effective  
2 date. If the calculation in this paragraph (6) is less than  
3 that calculated in paragraph (5) of this subsection (a) at the  
4 optional elementary unit district's original effective date,  
5 then no adjustments may be made. If the calculation in this  
6 paragraph (6) is more than that calculated in paragraph (5) of  
7 this subsection (a) at the optional elementary unit district's  
8 original effective date, then the excess must be paid as  
9 follows:

10 (A) If the effective date for the elementary opt-in is  
11 one year after the effective date for the optional  
12 elementary unit district, 100% of the calculated excess  
13 shall be paid to the optional elementary unit district in  
14 each of the first 4 years after the effective date of the  
15 elementary opt-in.

16 (B) If the effective date for the elementary opt-in is  
17 2 years after the effective date for the optional  
18 elementary unit district, 75% of the calculated excess  
19 shall be paid to the optional elementary unit district in  
20 each of the first 4 years after the effective date of the  
21 elementary opt-in.

22 (C) If the effective date for the elementary opt-in is  
23 3 years after the effective date for the optional  
24 elementary unit district, 50% of the calculated excess  
25 shall be paid to the optional elementary unit district in  
26 each of the first 4 years after the effective date of the

1 elementary opt-in.

2 (D) If the effective date for the elementary opt-in is  
3 4 years after the effective date for the optional  
4 elementary unit district, 25% of the calculated excess  
5 shall be paid to the optional elementary unit district in  
6 each of the first 4 years after the effective date of the  
7 elementary opt-in.

8 (E) If the effective date for the elementary opt-in is  
9 5 years after the effective date for the optional  
10 elementary unit district, the optional elementary unit  
11 district is not eligible for any additional incentives due  
12 to the elementary opt-in.

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

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



1 in subsequent fiscal years until the payment obligation under  
2 this paragraph (6.5) is complete.

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

6 (8) Any supplementary payment made under this subsection  
7 (a) must be treated as separate from all other payments made  
8 pursuant to Section 18-8.05 or 18-8.15 of this Code.

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

26 (2) After the territory of one or more school districts is

1 annexed by one or more other school districts as defined in  
2 Article 7 of this Code, a computation shall be made to  
3 determine the difference between the salaries effective in each  
4 annexed district and in the annexing district or districts as  
5 they were each constituted on June 30 preceding the date when  
6 the change of boundaries attributable to the annexation became  
7 effective for all purposes, as determined under Section 7-9 of  
8 this Code. For the first 4 years after the annexation, a  
9 supplementary State aid reimbursement shall be paid to each  
10 annexing district as constituted after the annexation equal to  
11 the difference between the sum of the salaries earned by each  
12 of the certificated members of the annexing district as  
13 constituted after the annexation, while employed in an annexed  
14 or annexing district during the year immediately preceding the  
15 annexation, and the sum of the salaries those certificated  
16 members would have been paid during the immediately preceding  
17 year if placed on the salary schedule of whichever of the  
18 annexing or annexed districts had the highest salary schedule  
19 during the immediately preceding year.

20 (3) For each new high school district formed under a school  
21 district conversion, as defined in Section 11E-15 of this Code,  
22 the State shall make a supplementary payment for 4 years equal  
23 to the difference between the sum of the salaries earned by  
24 each certified member of the new high school district, while  
25 employed in one of the previously existing districts, and the  
26 sum of the salaries those certified members would have been

1 paid if placed on the salary schedule of the previously  
2 existing district with the highest salary schedule.

3 (4) For each newly created partial elementary unit  
4 district, the State shall make a supplementary payment for 4  
5 years equal to the difference between the sum of the salaries  
6 earned by each certified member of the newly created partial  
7 elementary unit district, while employed in one of the  
8 previously existing districts that formed the partial  
9 elementary unit district, and the sum of the salaries those  
10 certified members would have been paid if placed on the salary  
11 schedule of the previously existing district with the highest  
12 salary schedule. The salary schedules used in the calculation  
13 shall be those in effect in the previously existing districts  
14 for the school year prior to the creation of the new partial  
15 elementary unit district.

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

1 calculated in paragraph (4) of this subsection (b) at the  
2 optional elementary unit district's original effective date,  
3 then the excess must be paid as follows:

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

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

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

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

1 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 (5.5) After the formation of a cooperative high school by 2  
8 or more school districts under Section 10-22.22c of this Code,  
9 a computation shall be made to determine the difference between  
10 the salaries effective in each of the previously existing high  
11 schools on June 30 prior to the formation of the cooperative  
12 high school. For the first 4 years after the formation of the  
13 cooperative high school, a supplementary State aid  
14 reimbursement shall be paid to the cooperative high school  
15 equal to the difference between the sum of the salaries earned  
16 by each of the certificated members of the cooperative high  
17 school while employed in one of the previously existing high  
18 schools during the year immediately preceding the formation of  
19 the cooperative high school and the sum of the salaries those  
20 certificated members would have been paid during the year  
21 immediately prior to the formation of the cooperative high  
22 school if placed on the salary schedule of the previously  
23 existing high school with the highest salary schedule.

24 (5.10) After the annexation of territory detached from  
25 another school district whereby the enrollment of the annexing  
26 district increases by 90% or more as a result of the

1 annexation, a computation shall be made to determine the  
2 difference between the salaries effective in the district  
3 gaining territory and the district losing territory as they  
4 each were constituted on June 30 preceding the date when the  
5 change of boundaries attributable to the annexation became  
6 effective for all purposes as determined under Section 7-9 of  
7 this Code. For the first 4 years after the annexation, a  
8 supplementary State aid reimbursement shall be paid to the  
9 annexing district equal to the difference between the sum of  
10 the salaries earned by each of the certificated members of the  
11 annexing district as constituted after the annexation while  
12 employed in the district gaining territory or the district  
13 losing territory during the year immediately preceding the  
14 annexation and the sum of the salaries those certificated  
15 members would have been paid during such immediately preceding  
16 year if placed on the salary schedule of whichever of the  
17 district gaining territory or district losing territory had the  
18 highest salary schedule during the immediately preceding year.  
19 To be eligible for supplementary State aid reimbursement under  
20 this Section, the intergovernmental agreement to be submitted  
21 pursuant to Section 7-14A of this Code must show that staff  
22 members were transferred from the control of the district  
23 losing territory to the control of the district gaining  
24 territory in the annexation. The changes to this Section made  
25 by Public Act 95-707 are intended to be retroactive and  
26 applicable to any annexation taking effect on or after July 1,

1 2004. For annexations that are eligible for payments under this  
2 paragraph (5.10) and that are effective on or after July 1,  
3 2004, but before January 11, 2008 (the effective date of Public  
4 Act 95-707), the first required yearly payment under this  
5 paragraph (5.10) shall be paid in the fiscal year of January  
6 11, 2008 (the effective date of Public Act 95-707). Subsequent  
7 required yearly payments shall be paid in subsequent fiscal  
8 years until the payment obligation under this paragraph (5.10)  
9 is complete.

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

1 the sending or receiving district with the highest salary  
2 schedule.

3 (6) The supplementary State aid reimbursement under this  
4 subsection (b) shall be treated as separate from all other  
5 payments made pursuant to Section 18-8.05 of this Code. In the  
6 case of the formation of a new district or cooperative high  
7 school or a deactivation, reimbursement shall begin during the  
8 first year of operation of the new district or cooperative high  
9 school or the first year of the deactivation, and in the case  
10 of an annexation of the territory of one or more school  
11 districts by one or more other school districts or the  
12 annexation of territory detached from a school district whereby  
13 the enrollment of the annexing district increases by 90% or  
14 more as a result of the annexation, reimbursement shall begin  
15 during the first year when the change in boundaries  
16 attributable to the annexation becomes effective for all  
17 purposes as determined pursuant to Section 7-9 of this Code,  
18 except that for an annexation of territory detached from a  
19 school district that is effective on or after July 1, 2004, but  
20 before January 11, 2008 (the effective date of Public Act  
21 95-707), whereby the enrollment of the annexing district  
22 increases by 90% or more as a result of the annexation,  
23 reimbursement shall begin during the fiscal year of January 11,  
24 2008 (the effective date of Public Act 95-707). Each year that  
25 the new, annexing, or receiving district or cooperative high  
26 school, as the case may be, is entitled to receive



1 reimbursement, the number of eligible certified members who are  
2 employed on October 1 in the district or cooperative high  
3 school shall be certified to the State Board of Education on  
4 prescribed forms by October 15 and payment shall be made on or  
5 before November 15 of that year.

6 (c) (1) For the first year after the formation of a combined  
7 school district, as defined in Section 11E-20 of this Code or a  
8 unit district, as defined in Section 11E-25 of this Code, a  
9 computation shall be made totaling each previously existing  
10 district's audited fund balances in the educational fund,  
11 working cash fund, operations and maintenance fund, and  
12 transportation fund for the year ending June 30 prior to the  
13 referendum for the creation of the new district. The new  
14 district shall be paid supplementary State aid equal to the sum  
15 of the differences between the deficit of the previously  
16 existing district with the smallest deficit and the deficits of  
17 each of the other previously existing districts.

18 (2) For the first year after the annexation of all of the  
19 territory of one or more entire school districts by another  
20 school district, as defined in Article 7 of this Code,  
21 computations shall be made, for the year ending June 30 prior  
22 to the date that the change of boundaries attributable to the  
23 annexation is allowed by the affirmative decision issued by the  
24 regional board of school trustees under Section 7-6 of this  
25 Code, notwithstanding any effort to seek administrative review  
26 of the decision, totaling the annexing district's and totaling

1 each annexed district's audited fund balances in their  
2 respective educational, working cash, operations and  
3 maintenance, and transportation funds. The annexing district  
4 as constituted after the annexation shall be paid supplementary  
5 State aid equal to the sum of the differences between the  
6 deficit of whichever of the annexing or annexed districts as  
7 constituted prior to the annexation had the smallest deficit  
8 and the deficits of each of the other districts as constituted  
9 prior to the annexation.

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

1 the other districts as constituted prior to the annexation. The  
2 aggregate amount of the supplementary State aid payable under  
3 this paragraph (3) shall be allocated between or among the  
4 annexing districts as follows:

5 (A) the regional superintendent of schools for each  
6 educational service region in which an annexed district is  
7 located prior to the annexation shall certify to the State  
8 Board of Education, on forms that it shall provide for that  
9 purpose, the value of all taxable property in each annexed  
10 district, as last equalized or assessed by the Department  
11 of Revenue prior to the annexation, and the equalized  
12 assessed value of each part of the annexed district that  
13 was annexed to or included as a part of an annexing  
14 district;

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

24 (C) the aggregate supplementary State aid payment  
25 under this paragraph (3) shall be allocated between or  
26 among, and shall be paid to, the annexing districts in the

1 same ratio as the sum of the combined audited fund balance  
2 deficit of each annexing district as constituted prior to  
3 the annexation, plus all combined audited fund balance  
4 deficit amounts apportioned to that annexing district  
5 under clause (B) of this subsection, bears to the aggregate  
6 of the combined audited fund balance deficits of all of the  
7 annexing and annexed districts as constituted prior to the  
8 annexation.

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

1 formed high school and elementary districts in the manner  
2 provided by the petition for the formation of the districts, in  
3 the form in which the petition is approved by the regional  
4 superintendent of schools or State Superintendent of Education  
5 under Section 11E-50 of this Code.

6 (5) For each newly created partial elementary unit  
7 district, as defined in subsection (a) or (c) of Section 11E-30  
8 of this Code, a computation shall be made totaling the audited  
9 fund balances of each previously existing district that formed  
10 the new partial elementary unit district in the educational  
11 fund, working cash fund, operations and maintenance fund, and  
12 transportation fund for the year ending June 30 prior to the  
13 referendum for the formation of the partial elementary unit  
14 district. In the first year of the new partial elementary unit  
15 district, the State shall make a one-time supplementary payment  
16 to the new district equal to the sum of the differences between  
17 the deficit of the previously existing district with the  
18 smallest deficit and the deficits of each of the other  
19 previously existing districts. A district with a combined  
20 balance among the 4 funds that is positive shall be considered  
21 to have a deficit of zero.

22 (6) For an elementary opt-in as defined in subsection (d)  
23 of Section 11E-30 of this Code, the deficit fund balance  
24 incentive shall be computed in accordance with paragraph (5) of  
25 this subsection (c) as if the opted-in elementary was included  
26 in the optional elementary unit district at the optional

1 elementary unit district's original effective date. If the  
2 calculation in this paragraph (6) is less than that calculated  
3 in paragraph (5) of this subsection (c) at the optional  
4 elementary unit district's original effective date, then no  
5 adjustments may be made. If the calculation in this paragraph  
6 (6) is more than that calculated in paragraph (5) of this  
7 subsection (c) at the optional elementary unit district's  
8 original effective date, then the excess must be paid as  
9 follows:

10 (A) If the effective date for the elementary opt-in is  
11 one year after the effective date for the optional  
12 elementary unit district, 100% of the calculated excess  
13 shall be paid to the optional elementary unit district in  
14 the first year after the effective date of the elementary  
15 opt-in.

16 (B) If the effective date for the elementary opt-in is  
17 2 years after the effective date for the optional  
18 elementary unit district, 75% of the calculated excess  
19 shall be paid to the optional elementary unit district in  
20 the first year after the effective date of the elementary  
21 opt-in.

22 (C) If the effective date for the elementary opt-in is  
23 3 years after the effective date for the optional  
24 elementary unit district, 50% of the calculated excess  
25 shall be paid to the optional elementary unit district in  
26 the first year after the effective date of the elementary

1 opt-in.

2 (D) If the effective date for the elementary opt-in is  
3 4 years after the effective date for the optional  
4 elementary unit district, 25% of the calculated excess  
5 shall be paid to the optional elementary unit district in  
6 the first year after the effective date of the elementary  
7 opt-in.

8 (E) If the effective date for the elementary opt-in is  
9 5 years after the effective date for the optional  
10 elementary unit district, the optional elementary unit  
11 district is not eligible for any additional incentives due  
12 to the elementary opt-in.

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

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



1 January 11, 2008 (the effective date of Public Act 95-707).

2 (7) For purposes of any calculation required under  
3 paragraph (1), (2), (3), (4), (5), (6), or (6.5) of this  
4 subsection (c), a district with a combined fund balance that is  
5 positive shall be considered to have a deficit of zero. For  
6 purposes of determining each district's audited fund balances  
7 in its educational fund, working cash fund, operations and  
8 maintenance fund, and transportation fund for the specified  
9 year ending June 30, as provided in paragraphs (1), (2), (3),  
10 (4), (5), (6), and (6.5) of this subsection (c), the balance of  
11 each fund shall be deemed decreased by an amount equal to the  
12 amount of the annual property tax theretofore levied in the  
13 fund by the district for collection and payment to the district  
14 during the calendar year in which the June 30 fell, but only to  
15 the extent that the tax so levied in the fund actually was  
16 received by the district on or before or comprised a part of  
17 the fund on such June 30. For purposes of determining each  
18 district's audited fund balances, a calculation shall be made  
19 for each fund to determine the average for the 3 years prior to  
20 the specified year ending June 30, as provided in paragraphs  
21 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c),  
22 of the district's expenditures in the categories "purchased  
23 services", "supplies and materials", and "capital outlay", as  
24 those categories are defined in rules of the State Board of  
25 Education. If this 3-year average is less than the district's  
26 expenditures in these categories for the specified year ending

1 June 30, as provided in paragraphs (1), (2), (3), (4), (5),  
2 (6), and (6.5) of this subsection (c), then the 3-year average  
3 shall be used in calculating the amounts payable under this  
4 Section in place of the amounts shown in these categories for  
5 the specified year ending June 30, as provided in paragraphs  
6 (1), (2), (3), (4), (5), (6), and (6.5) of this subsection (c).  
7 Any deficit because of State aid not yet received may not be  
8 considered in determining the June 30 deficits. The same basis  
9 of accounting shall be used by all previously existing  
10 districts and by all annexing or annexed districts, as  
11 constituted prior to the annexation, in making any computation  
12 required under paragraphs (1), (2), (3), (4), (5), (6), and  
13 (6.5) of this subsection (c).

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

17 (d)(1) Following the formation of a combined school  
18 district, as defined in Section 11E-20 of this Code, a new unit  
19 district, as defined in Section 11E-25 of this Code, a new  
20 elementary district or districts and a new high school district  
21 formed through a school district conversion, as defined in  
22 Section 11E-15 of this Code, a new partial elementary unit  
23 district, as defined in Section 11E-30 of this Code, or a new  
24 elementary district or districts formed through a multi-unit  
25 conversion, as defined in subsection (b) of Section 11E-30 of  
26 this Code, or the annexation of all of the territory of one or

1 more entire school districts by one or more other school  
 2 districts, as defined in Article 7 of this Code, a  
 3 supplementary State aid reimbursement shall be paid for the  
 4 number of school years determined under the following table to  
 5 each new or annexing district equal to the sum of \$4,000 for  
 6 each certified employee who is employed by the district on a  
 7 full-time basis for the regular term of the school year:

8 Reorganized District's Rank 9 by type of district (unit, 10 high school, elementary) 11 in Equalized Assessed Value 12 Per Pupil by Quintile	13 Reorganized District's Rank 14 in Average Daily Attendance 15 By Quintile		
	16 1st 17 Quintile	18 2nd 19 Quintile	20 3rd, 4th, or 5th Quintile
21 1st Quintile	22 1 year	23 1 year	24 1 year
25 2nd Quintile	26 1 year	27 2 years	28 2 years
29 3rd Quintile	30 2 years	31 3 years	32 3 years
33 4th Quintile	34 2 years	35 3 years	36 3 years
37 5th Quintile	38 2 years	39 3 years	40 3 years

41 The State Board of Education shall make a one-time calculation  
 42 of a reorganized district's quintile ranks. The average daily  
 43 attendance used in this calculation shall be the best 3 months'  
 44 average daily attendance for the district's first year. The

1 equalized assessed value per pupil shall be the district's real  
2 property equalized assessed value used in calculating the  
3 district's first-year general State aid claim, under Section  
4 18-8.05 of this Code, or first-year primary State aid claim,  
5 under Section 18-8.15 of this Code, as applicable, divided by  
6 the best 3 months' average daily attendance.

7 No annexing or resulting school district shall be entitled  
8 to supplementary State aid under this subsection (d) unless the  
9 district acquires at least 30% of the average daily attendance  
10 of the district from which the territory is being detached or  
11 divided.

12 If a district results from multiple reorganizations that  
13 would otherwise qualify the district for multiple payments  
14 under this subsection (d) in any year, then the district shall  
15 receive a single payment only for that year based solely on the  
16 most recent reorganization.

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

25 (A) If the effective date for the elementary opt-in is  
26 one year after the effective date for the optional

1 elementary unit district, 100% of the amount calculated in  
2 this paragraph (2) shall be paid to the optional elementary  
3 unit district for the number of years calculated in  
4 paragraph (1) of this subsection (d) at the optional  
5 elementary unit district's original effective date,  
6 starting in the second year after the effective date of the  
7 elementary opt-in.

8 (B) If the effective date for the elementary opt-in is  
9 2 years after the effective date for the optional  
10 elementary unit district, 75% of the amount calculated in  
11 this paragraph (2) shall be paid to the optional elementary  
12 unit district for the number of years calculated in  
13 paragraph (1) of this subsection (d) at the optional  
14 elementary unit district's original effective date,  
15 starting in the second year after the effective date of the  
16 elementary opt-in.

17 (C) If the effective date for the elementary opt-in is  
18 3 years after the effective date for the optional  
19 elementary unit district, 50% of the amount calculated in  
20 this paragraph (2) shall be paid to the optional elementary  
21 unit district for the number of years calculated in  
22 paragraph (1) of this subsection (d) at the optional  
23 elementary unit district's original effective date,  
24 starting in the second year after the effective date of the  
25 elementary opt-in.

26 (D) If the effective date for the elementary opt-in is

1           4 years after the effective date for the optional  
2 elementary unit district, 25% of the amount calculated in  
3 this paragraph (2) shall be paid to the optional elementary  
4 unit district for the number of years calculated in  
5 paragraph (1) of this subsection (d) at the optional  
6 elementary unit district's original effective date,  
7 starting in the second year after the effective date of the  
8 elementary opt-in.

9           (E) If the effective date for the elementary opt-in is  
10 5 years after the effective date for the optional  
11 elementary unit district, the optional elementary unit  
12 district is not eligible for any additional incentives due  
13 to the elementary opt-in.

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

26           (2.10) Following the annexation of territory detached from

1 another school district whereby the enrollment of the annexing  
2 district increases 90% or more as a result of the annexation, a  
3 supplementary State aid reimbursement shall be paid to the  
4 annexing district equal to the sum of \$4,000 for each certified  
5 employee who is employed by the annexing district on a  
6 full-time basis and shall be calculated in accordance with  
7 subsection (a) of this Section. 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 certified staff  
11 members were transferred from the control of the district  
12 losing territory to the control of the district gaining  
13 territory in the annexation. The changes to this Section made  
14 by Public Act 95-707 are intended to be retroactive and  
15 applicable to any annexation taking effect on or after July 1,  
16 2004. For annexations that are eligible for payments under this  
17 paragraph (2.10) and that are effective on or after July 1,  
18 2004, but before January 11, 2008 (the effective date of Public  
19 Act 95-707), the first required yearly payment under this  
20 paragraph (2.10) shall be paid in the second fiscal year after  
21 January 11, 2008 (the effective date of Public Act 95-707). Any  
22 subsequent required yearly payments shall be paid in subsequent  
23 fiscal years until the payment obligation under this paragraph  
24 (2.10) is complete.

25 (2.15) Following the deactivation of a school facility in  
26 accordance with Section 10-22.22b of this Code, a supplementary

1 State aid reimbursement shall be paid for the lesser of 3  
2 school years or the length of the deactivation agreement,  
3 including any renewals of the original deactivation agreement,  
4 to each receiving school district equal to the sum of \$4,000  
5 for each certified employee who is employed by that receiving  
6 district on a full-time basis for the regular term of any such  
7 school year who was originally transferred to the control of  
8 that receiving district as a result of the deactivation.  
9 Receiving districts are eligible for payments under this  
10 paragraph (2.15) based on the certified employees transferred  
11 to that receiving district as a result of the deactivation and  
12 are not required to receive at least 30% of the deactivating  
13 district's average daily attendance as required under  
14 paragraph (1) of this subsection (d) to be eligible for  
15 payments.

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

20 (4) During May of each school year for which a  
21 supplementary State aid reimbursement is to be paid to a new,  
22 annexing, or receiving school district or cooperative high  
23 school pursuant to this subsection (d), the school board or  
24 governing board shall certify to the State Board of Education,  
25 on forms furnished to the school board or governing board by  
26 the State Board of Education for purposes of this subsection



1 (d), the number of certified employees for which the district  
2 or cooperative high school is entitled to reimbursement under  
3 this Section, together with the names, certificate numbers, and  
4 positions held by the certified employees.

5 (5) Upon certification by the State Board of Education to  
6 the State Comptroller of the amount of the supplementary State  
7 aid reimbursement to which a school district or cooperative  
8 high school is entitled under this subsection (d), the State  
9 Comptroller shall draw his or her warrant upon the State  
10 Treasurer for the payment thereof to the school district or  
11 cooperative high school and shall promptly transmit the payment  
12 to the school district or cooperative high school through the  
13 appropriate school treasurer.

14 (Source: P.A. 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;  
15 95-903, eff. 8-25-08; 96-328, eff. 8-11-09.)

16 (105 ILCS 5/13A-8)

17 Sec. 13A-8. Funding.

18 (a) The State of Illinois shall provide funding for the  
19 alternative school programs within each educational service  
20 region and within the Chicago public school system by line item  
21 appropriation made to the State Board of Education for that  
22 purpose. This money, when appropriated, shall be provided to  
23 the regional superintendent and to the Chicago Board of  
24 Education, who shall establish a budget, including salaries,  
25 for their alternative school programs. Each program shall

1 receive funding in the amount of \$30,000 plus an amount based  
2 on the ratio of the region's or Chicago's best 3 months'  
3 average daily attendance in grades pre-kindergarten through 12  
4 to the statewide totals of these amounts. For purposes of this  
5 calculation, the best 3 months' average daily attendance for  
6 each region or Chicago shall be calculated by adding to the  
7 best 3 months' average daily attendance the number of  
8 low-income students identified in the most recently available  
9 federal census multiplied by one-half times the percentage of  
10 the region's or Chicago's low-income students to the State's  
11 total low-income students. The State Board of Education shall  
12 retain up to 1.1% of the appropriation to be used to provide  
13 technical assistance, professional development, and  
14 evaluations for the programs.

15 (a-5) Notwithstanding any other provisions of this  
16 Section, for the 1998-1999 fiscal year, the total amount  
17 distributed under subsection (a) for an alternative school  
18 program shall be not less than the total amount that was  
19 distributed under that subsection for that alternative school  
20 program for the 1997-1998 fiscal year. If an alternative school  
21 program is to receive a total distribution under subsection (a)  
22 for the 1998-1999 fiscal year that is less than the total  
23 distribution that the program received under that subsection  
24 for the 1997-1998 fiscal year, that alternative school program  
25 shall also receive, from a separate appropriation made for  
26 purposes of this subsection (a-5), a supplementary payment

1 equal to the amount by which its total distribution under  
2 subsection (a) for the 1997-1998 fiscal year exceeds the amount  
3 of the total distribution that the alternative school program  
4 receives under that subsection for the 1998-1999 fiscal year.  
5 If the amount appropriated for supplementary payments to  
6 alternative school programs under this subsection (a-5) is  
7 insufficient for that purpose, those supplementary payments  
8 shall be prorated among the alternative school programs  
9 entitled to receive those supplementary payments according to  
10 the aggregate amount of the appropriation made for purposes of  
11 this subsection (a-5).

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

23 (c) An alternative school program may receive additional  
24 funding from its school districts in such amount as may be  
25 agreed upon by the parties and necessary to support the  
26 program. In addition, an alternative school program is

1 authorized to accept and expend gifts, legacies, and grants,  
2 including but not limited to federal grants, from any source  
3 for purposes directly related to the conduct and operation of  
4 the program.

5 (Source: P.A. 89-383, eff. 8-18-95; 89-629, eff. 8-9-96;  
6 89-636, eff. 8-9-96; 90-14, eff. 7-1-97; 90-283, eff. 7-31-97;  
7 90-802, eff. 12-15-98.)

8 (105 ILCS 5/13B-20.20)

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

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

17 (105 ILCS 5/13B-45)

18 Sec. 13B-45. Days and hours of attendance. An alternative  
19 learning opportunities program shall provide students with at  
20 least the minimum number of days of pupil attendance required  
21 under Section 10-19 of this Code and the minimum number of  
22 daily hours of school work required under Section 18-8.05 or  
23 18-8.15 of this Code, provided that the State Board may approve  
24 exceptions to these requirements if the program meets all of

1 the following conditions:

2 (1) The district plan submitted under Section  
3 13B-25.15 of this Code establishes that a program providing  
4 the required minimum number of days of attendance or daily  
5 hours of school work would not serve the needs of the  
6 program's students.

7 (2) Each day of attendance shall provide no fewer than  
8 3 clock hours of school work, as defined under paragraph  
9 (1) of subsection (F) of Section 18-8.05 or subsection (f)  
10 of Section 18-8.15 of this Code.

11 (3) Each day of attendance that provides fewer than 5  
12 clock hours of school work shall also provide supplementary  
13 services, including without limitation work-based  
14 learning, student assistance programs, counseling, case  
15 management, health and fitness programs, or life-skills or  
16 conflict resolution training, in order to provide a total  
17 daily program to the student of 5 clock hours. A program  
18 may claim general State aid or primary State aid for up to  
19 2 hours of the time each day that a student is receiving  
20 supplementary services.

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

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

1 (105 ILCS 5/13B-50)

2 Sec. 13B-50. Eligibility to receive general State aid or  
3 primary State aid. In order to receive general State aid or  
4 primary State aid, alternative learning opportunities programs  
5 must meet the requirements for claiming general State aid as  
6 specified in Section 18-8.05 of this Code or primary State aid  
7 as specified in Section 18-8.15 of this Code, as applicable,  
8 with the exception of the length of the instructional day,  
9 which may be less than 5 hours of school work if the program  
10 meets the criteria set forth under Sections 13B-50.5 and  
11 13B-50.10 of this Code and if the program is approved by the  
12 State Board.

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

14 (105 ILCS 5/13B-50.10)

15 Sec. 13B-50.10. Additional criteria for general State aid  
16 or primary State aid. In order to claim general State aid or  
17 primary State aid, an alternative learning opportunities  
18 program must meet the following criteria:

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

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

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

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

2 (105 ILCS 5/13B-50.15)

3 Sec. 13B-50.15. Level of funding. Approved alternative  
4 learning opportunities programs are entitled to claim general  
5 State aid or primary State aid, subject to Sections 13B-50,  
6 13B-50.5, and 13B-50.10 of this Code. Approved programs  
7 operated by regional offices of education are entitled to  
8 receive general State aid or primary State aid at the  
9 foundation level of support. A school district or consortium  
10 must ensure that an approved program receives supplemental  
11 general State aid, transportation reimbursements, and special  
12 education resources, if appropriate, for students enrolled in  
13 the program.

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

15 (105 ILCS 5/14-7.02) (from Ch. 122, par. 14-7.02)

16 Sec. 14-7.02. Children attending ~~private schools,~~ public  
17 out-of-state schools, ~~public school residential facilities~~ or  
18 nonpublic ~~private~~ special education facilities. The General  
19 Assembly recognizes that nonpublic ~~non-public schools~~ or  
20 special education facilities provide an important service in  
21 the educational system in Illinois.

22 If because of his or her disability the special education  
23 program of a district is unable to meet the needs of a child  
24 and the child attends a nonpublic ~~non-public school~~ or special

1 education facility, a public out-of-state school, or a special  
2 education facility owned and operated by a county government  
3 unit that provides special educational services required by the  
4 child and is in compliance with the appropriate rules and  
5 regulations of the State Superintendent of Education, the  
6 school district in which the child is a resident shall pay the  
7 actual cost of tuition for special education and related  
8 services provided during the regular school term and during the  
9 summer school term if the child's educational needs so require,  
10 excluding room and board charged by the nonpublic, ~~board and~~  
11 ~~transportation costs charged the child by that non public~~  
12 ~~school or~~ special education facility, public out-of-state  
13 school, or county special education facility, ~~or \$4,500 per~~  
14 ~~year, whichever is less,~~ and shall provide him or her any  
15 necessary transportation. "Nonpublic special education  
16 facility" shall include a residential facility, within or  
17 outside ~~without~~ the State of Illinois, which provides special  
18 education and related services to meet the needs of the child  
19 by utilizing private schools or public schools, whether located  
20 on the site or off the site of the residential facility.

21 The State Board of Education shall promulgate rules and  
22 regulations for determining when placement in a private special  
23 education facility is appropriate. Such rules and regulations  
24 shall take into account the various types of services needed by  
25 a child and the availability of such services to the particular  
26 child in the public school. In developing these rules and



1 regulations the State Board of Education shall consult with the  
2 Advisory Council on Education of Children with Disabilities and  
3 hold public hearings to secure recommendations from parents,  
4 school personnel, and others concerned about this matter.

5 The State Board of Education shall also promulgate rules  
6 and regulations for transportation to and from a residential  
7 school. Transportation to and from home to a residential school  
8 more than once each school term shall be subject to prior  
9 approval by the State Superintendent in accordance with the  
10 rules and regulations of the State Board.

11 A school district making tuition payments pursuant to this  
12 Section is eligible for reimbursement from the State in  
13 accordance with Section 14-7.02c of this Code. ~~for the amount~~  
14 ~~of such payments actually made in excess of the district per~~  
15 ~~capita tuition charge for students not receiving special~~  
16 ~~education services. Such reimbursement shall be approved in~~  
17 ~~accordance with Section 14 12.01 and each district shall file~~  
18 ~~its claims, computed in accordance with rules prescribed by the~~  
19 ~~State Board of Education, on forms prescribed by the State~~  
20 ~~Superintendent of Education. Data used as a basis of~~  
21 ~~reimbursement claims shall be for the preceding regular school~~  
22 ~~term and summer school term. Each school district shall~~  
23 ~~transmit its claims to the State Board of Education on or~~  
24 ~~before August 15. The State Board of Education, before~~  
25 ~~approving any such claims, shall determine their accuracy and~~  
26 ~~whether they are based upon services and facilities provided~~

1 ~~under approved programs. Upon approval the State Board shall~~  
2 ~~cause vouchers to be prepared showing the amount due for~~  
3 ~~payment of reimbursement claims to school districts, for~~  
4 ~~transmittal to the State Comptroller on the 30th day of~~  
5 ~~September, December, and March, respectively, and the final~~  
6 ~~voucher, no later than June 20. If the money appropriated by~~  
7 ~~the General Assembly for such purpose for any year is~~  
8 ~~insufficient, it shall be apportioned on the basis of the~~  
9 ~~claims approved.~~

10 No child shall be placed in a special education program  
11 pursuant to this Section unless ~~if~~ the tuition cost for special  
12 education and related services has ~~increases more than 10~~  
13 ~~percent over the tuition cost for the previous school year or~~  
14 ~~exceeds \$4,500 per year unless such costs have been approved by~~  
15 the Illinois Purchased Care Review Board. The Illinois  
16 Purchased Care Review Board shall consist of the following  
17 persons, or their designees: the Directors of Children and  
18 Family Services, Public Health, Healthcare and Family Services  
19 ~~Public Aid~~, and the Governor's Office of Management and Budget;  
20 the Secretary of Human Services; the State Superintendent of  
21 Education; and such other persons as the Governor may  
22 designate. The Review Board shall establish rules and  
23 regulations for its determination of allowable costs and  
24 payments made by local school districts for special education,  
25 room and board, and other related services provided by  
26 nonpublic ~~non public schools or~~ special education facilities

1 and shall establish uniform standards and criteria which it  
2 shall follow.

3 The Review Board shall establish uniform definitions and  
4 criteria for accounting separately by special education, room  
5 and board and other related services costs. The Board shall  
6 also establish guidelines for the coordination of services and  
7 financial assistance provided by all State agencies to assure  
8 that no otherwise qualified disabled child receiving services  
9 under Article 14 shall be excluded from participation in, be  
10 denied the benefits of or be subjected to discrimination under  
11 any program or activity provided by any State agency.

12 The Review Board shall review the costs for special  
13 education and related services provided by nonpublic  
14 ~~non public schools or~~ special education facilities and shall  
15 approve or disapprove such facilities in accordance with the  
16 rules and regulations established by it with respect to  
17 allowable costs.

18 The State Board of Education shall provide administrative  
19 and staff support for the Review Board as deemed reasonable by  
20 the State Superintendent of Education. This support shall not  
21 include travel expenses or other compensation for any Review  
22 Board member other than the State Superintendent of Education.

23 The Review Board shall seek the advice of the Advisory  
24 Council on Education of Children with Disabilities on the rules  
25 and regulations to be promulgated by it relative to providing  
26 special education services.

1           If a child has been placed in a program in which the actual  
2 per pupil costs of tuition for special education and related  
3 services based on program enrollment, ~~excluding room, board and~~  
4 ~~transportation costs, exceed \$4,500 and such costs have been~~  
5 approved by the Review Board, the district shall pay such total  
6 costs ~~which exceed \$4,500. A district making such tuition~~  
7 ~~payments in excess of \$4,500 pursuant to this Section shall be~~  
8 ~~responsible for an amount in excess of \$4,500 equal to the~~  
9 ~~district per capita tuition charge and shall be eligible for~~  
10 ~~reimbursement from the State for the amount of such payments~~  
11 ~~actually made in excess of the districts per capita tuition~~  
12 ~~charge for students not receiving special education services.~~

13           If a child has been placed in an approved individual  
14 program and the tuition costs including room and board costs  
15 have been approved by the Review Board, then such room and  
16 board costs shall be paid by the appropriate State agency  
17 subject to the provisions of Section 14-8.01 of this Act. Room  
18 and board costs not provided by a State agency other than the  
19 State Board of Education shall be provided by the State Board  
20 of Education on a current basis. In no event, however, shall  
21 the State's liability for funding of the ~~these~~ tuition costs,  
22 including room and board costs, begin until after the legal  
23 obligations of third party payees ~~payors~~ have been subtracted  
24 from such costs. If the money appropriated by the General  
25 Assembly for such purpose for any year is insufficient, it  
26 shall be apportioned on the basis of the claims approved. Each

1 district shall submit room and board ~~estimated~~ claims to the  
2 State Superintendent of Education. Upon approval of such  
3 claims, the State Superintendent of Education shall direct the  
4 State Comptroller to make payments on submitted claims ~~a~~  
5 ~~monthly basis~~. The frequency for submitting ~~estimated~~ claims  
6 and the method of determining payment shall be prescribed in  
7 rules and regulations adopted by the State Board of Education.  
8 Such current state reimbursement shall be reduced by an amount  
9 equal to the proceeds which the child or child's parents or  
10 legal guardian are eligible to receive under any public or  
11 private insurance or assistance program. Nothing in this  
12 Section shall be construed as relieving an insurer or similar  
13 third party from an otherwise valid obligation to provide or to  
14 pay for services provided to a disabled child.

15 If it otherwise qualifies, a school district is eligible  
16 for the transportation reimbursement under Section 14-13.01  
17 and for the reimbursement of tuition payments ~~under this~~  
18 ~~Section~~ whether the nonpublic ~~non-public school~~ or special  
19 education facility, public out-of-state school, or county  
20 special education facility, attended by a child who resides in  
21 that district and requires special educational services, is  
22 within or outside of the State of Illinois. However, a district  
23 is not eligible to claim transportation reimbursement under  
24 this Section unless the district certifies to the State  
25 Superintendent of Education that the district is unable to  
26 provide special educational services required by the child for

1 the current school year.

2 Nothing in this Section authorizes the reimbursement of a  
3 school district for the amount paid for tuition of a child  
4 attending a nonpublic ~~non-public school~~ or special education  
5 facility, public out-of-state school, or county special  
6 education facility unless the school district certifies to the  
7 State Superintendent of Education that the special education  
8 program of that district is unable to meet the needs of that  
9 child because of his disability and the State Superintendent of  
10 Education finds that the school district is in substantial  
11 compliance with Section 14-4.01. However, if a child is  
12 unilaterally placed by a State agency or any court in a  
13 nonpublic ~~non-public school~~ or special education facility,  
14 public out-of-state school, or county special education  
15 facility, a school district shall not be required to certify to  
16 the State Superintendent of Education, for the purpose of  
17 tuition reimbursement, that the special education program of  
18 that district is unable to meet the needs of a child because of  
19 his or her disability.

20 Any educational or related services provided, pursuant to  
21 this Section in a nonpublic ~~non-public school~~ or special  
22 education facility or a special education facility owned and  
23 operated by a county government unit shall be at no cost to the  
24 parent or guardian of the child. However, current law and  
25 practices relative to contributions by parents or guardians for  
26 costs other than educational or related services are not

1 affected by this amendatory Act of 1978.

2 ~~Reimbursement for children attending public school~~  
3 ~~residential facilities shall be made in accordance with the~~  
4 ~~provisions of this Section.~~

5 ~~Notwithstanding any other provision of law, any school~~  
6 ~~district receiving a payment under this Section or under~~  
7 ~~Section 14-7.02b, 14-13.01, or 29-5 of this Code may classify~~  
8 ~~all or a portion of the funds that it receives in a particular~~  
9 ~~fiscal year or from general State aid pursuant to Section~~  
10 ~~18-8.05 of this Code as funds received in connection with any~~  
11 ~~funding program for which it is entitled to receive funds from~~  
12 ~~the State in that fiscal year (including, without limitation,~~  
13 ~~any funding program referenced in this Section), regardless of~~  
14 ~~the source or timing of the receipt. The district may not~~  
15 ~~classify more funds as funds received in connection with the~~  
16 ~~funding program than the district is entitled to receive in~~  
17 ~~that fiscal year for that program. Any classification by a~~  
18 ~~district must be made by a resolution of its board of~~  
19 ~~education. The resolution must identify the amount of any~~  
20 ~~payments or general State aid to be classified under this~~  
21 ~~paragraph and must specify the funding program to which the~~  
22 ~~funds are to be treated as received in connection therewith.~~  
23 ~~This resolution is controlling as to the classification of~~  
24 ~~funds referenced therein. A certified copy of the resolution~~  
25 ~~must be sent to the State Superintendent of Education. The~~  
26 ~~resolution shall still take effect even though a copy of the~~

1 ~~resolution has not been sent to the State Superintendent of~~  
2 ~~Education in a timely manner. No classification under this~~  
3 ~~paragraph by a district shall affect the total amount or timing~~  
4 ~~of money the district is entitled to receive under this Code.~~  
5 ~~No classification under this paragraph by a district shall in~~  
6 ~~any way relieve the district from or affect any requirements~~  
7 ~~that otherwise would apply with respect to that funding~~  
8 ~~program, including any accounting of funds by source, reporting~~  
9 ~~expenditures by original source and purpose, reporting~~  
10 ~~requirements, or requirements of providing services.~~

11 (Source: P.A. 93-1022, eff. 8-24-04; 94-177, eff. 7-12-05.)

12 (105 ILCS 5/14-7.02b)

13 Sec. 14-7.02b. Funding for children requiring special  
14 education services. Payments to school districts for children  
15 requiring special education services documented in their  
16 individualized education program regardless of the program  
17 from which these services are received, excluding children  
18 claimed under Sections 14-7.02 and 14-7.03 of this Code, shall  
19 be made in accordance with this Section. Funds received under  
20 this Section may be used only for the provision of special  
21 educational facilities and services as defined in Section  
22 14-1.08 of this Code.

23 The appropriation for fiscal year 2005 through fiscal year  
24 2014 ~~and thereafter~~ shall be based upon the IDEA child count of  
25 all students in the State, excluding students claimed under



1 Sections 14-7.02 and 14-7.03 of this Code, on December 1 of the  
2 fiscal year 2 years preceding, multiplied by 17.5% of the  
3 general State aid foundation level of support established for  
4 that fiscal year under Section 18-8.05 of this Code.

5 Beginning with fiscal year 2005 and through fiscal year  
6 2007, individual school districts shall not receive payments  
7 under this Section totaling less than they received under the  
8 funding authorized under Section 14-7.02a of this Code during  
9 fiscal year 2004, pursuant to the provisions of Section  
10 14-7.02a as they were in effect before the effective date of  
11 this amendatory Act of the 93rd General Assembly. This base  
12 level funding shall be computed first.

13 Beginning with fiscal year 2008 through fiscal year 2014  
14 ~~and each fiscal year thereafter~~, individual school districts  
15 must not receive payments under this Section totaling less than  
16 they received in fiscal year 2007. This funding shall be  
17 computed last and shall be a separate calculation from any  
18 other calculation set forth in this Section. This amount is  
19 exempt from the requirements of Section 1D-1 of this Code.

20 Through fiscal year 2014, an An amount equal to 85% of the  
21 funds remaining in the appropriation shall be allocated to  
22 school districts based upon the district's average daily  
23 attendance reported for purposes of Section 18-8.05 of this  
24 Code for the preceding school year. Fifteen percent of the  
25 funds remaining in the appropriation shall be allocated to  
26 school districts based upon the district's low income eligible

1 pupil count used in the calculation of general State aid under  
2 Section 18-8.05 of this Code for the same fiscal year. One  
3 hundred percent of the funds computed and allocated to  
4 districts under this Section shall be distributed and paid to  
5 school districts.

6 Through fiscal year 2014, for ~~For~~ individual students with  
7 disabilities whose program costs exceed 4 times the district's  
8 per capita tuition rate as calculated under Section 10-20.12a  
9 of this Code, the costs in excess of 4 times the district's per  
10 capita tuition rate shall be paid by the State Board of  
11 Education from unexpended IDEA discretionary funds originally  
12 designated for room and board reimbursement pursuant to Section  
13 14-8.01 of this Code. The amount of tuition for these children  
14 shall be determined by the actual cost of maintaining classes  
15 for these children, using the per capita cost formula set forth  
16 in Section 14-7.01 of this Code, with the program and cost  
17 being pre-approved by the State Superintendent of Education.  
18 Reimbursement for individual students with disabilities whose  
19 program costs exceed 4 times the district's per capita tuition  
20 rate shall be claimed beginning with costs encumbered for the  
21 2004-2005 school year through the 2013-2014 school year ~~and~~  
22 ~~thereafter.~~

23 Through fiscal year 2014, the ~~The~~ State Board of Education  
24 shall prepare vouchers equal to one-fourth the amount allocated  
25 to districts, for transmittal to the State Comptroller on the  
26 30th day of September, December, and March, respectively, and

1 the final voucher, no later than June 20. Through fiscal year  
2 2014, the ~~The~~ Comptroller shall make payments pursuant to this  
3 Section to school districts as soon as possible after receipt  
4 of vouchers. If the money appropriated from the General  
5 Assembly for such purposes for any year is insufficient, it  
6 shall be apportioned on the basis of the payments due to school  
7 districts.

8 Nothing in this Section shall be construed to decrease or  
9 increase the percentage of all special education funds that are  
10 allocated annually under Article 1D of this Code or to alter  
11 the requirement that a school district provide special  
12 education services.

13 Nothing in this amendatory Act of the 93rd General Assembly  
14 shall eliminate any reimbursement obligation owed as of the  
15 effective date of this amendatory Act of the 93rd General  
16 Assembly to a school district with in excess of 500,000  
17 inhabitants.

18 No funding shall be provided to school districts under this  
19 Section after fiscal year 2014.

20 (Source: P.A. 93-1022, eff. 8-24-08. 95-705, eff. 1-8-08.)

21 (105 ILCS 5/14-7.02c new)

22 Sec. 14-7.02c. Funding for children with excess cost.

23 (a) Payments to school districts and State-authorized  
24 charter schools for children requiring special education  
25 services as documented in their individualized educational

1 programs, regardless of the program from which these services  
2 are received, excluding children claimed under Section 14-7.03  
3 of this Code, shall be made in accordance with this Section.  
4 Funds received under this Section may be used only for the  
5 provision of special educational facilities and services, as  
6 defined in Section 14-1.08 of this Code, and tuition payments  
7 to nonpublic special education facilities, as defined in  
8 Section 14-7.02 of this Code.

9 (b) Each school district and State-authorized charter  
10 school shall keep an accurate, detailed, and separate account  
11 of all expenditures for the maintenance of each of the types of  
12 facilities, classes, and schools authorized by this Article for  
13 the instruction and care of pupils attending them and for the  
14 cost of their transportation. Such account of expenditures  
15 shall conform to any administrative rules adopted by the State  
16 Board of Education.

17 (c) The amount of tuition for children, excluding children  
18 designated under Section 14-7.02 of this Code, shall be  
19 determined using the per capita cost formula set forth in  
20 Section 14-7.01 of this Code and rules adopted by the State  
21 Board of Education.

22 (d) The amount of tuition for children attending public  
23 out-of-state schools or nonpublic special education facilities  
24 designated under Section 14-7.02 of this Code shall be  
25 determined in accordance with the costs approved by the  
26 Illinois Purchased Care Review Board in Section 14-7.02 of this

1 Code, with the program being pre-approved by the State  
2 Superintendent of Education.

3 (e) Each school district or State-authorized charter  
4 school shall transmit its claims in a manner prescribed by the  
5 State Superintendent of Education on or before August 15 of  
6 each year. Tuition payments shall be claimed for the preceding  
7 regular school term and summer term following. The State Board  
8 of Education shall determine the accuracy of the claims and  
9 whether they are based upon services and facilities provided  
10 under approved programs as defined in this Code.

11 (f) For children identified under Section 14-7.02 of this  
12 Code, the State Board of Education shall reimburse each school  
13 district the tuition amount approved by the Illinois Purchased  
14 Care Review Board and paid for the regular and following summer  
15 term, less (i) the amount of primary State aid paid to the  
16 school district attributable to the additional weight for  
17 children with disabilities for the period claimed and (ii) 2.33  
18 times the per capita tuition charge of the resident district  
19 for claims transmitted for the 2014-2015 school year, 2.66  
20 times the per capita tuition charge for claims transmitted for  
21 the 2015-2016 school year, and 3 times the per capita tuition  
22 charge for claims transmitted in the 2016-2017 school year and  
23 every school year thereafter.

24 (g) For children, excluding those children identified  
25 under Sections 14-7.02 and 14-7.03 of this Code, the State  
26 Board of Education shall reimburse each school district the

1 education costs for each child, plus a maximum of 20% of  
2 transportation costs if approved as a related service in the  
3 individualized educational program, for the regular and  
4 following summer term, less (i) the amount of primary State aid  
5 paid to the school district attributable to the additional  
6 weight for children with disabilities for the period claimed  
7 and (ii) 3.66 times the per capita tuition charge of the  
8 resident district for claims transmitted in the 2014-2015  
9 school year, 3.33 times the per capita tuition charge for  
10 claims transmitted in the 2015-2016 school year, and 3 times  
11 the per capita tuition charge for claims transmitted in the  
12 2016-2017 school year and every school year thereafter.

13 (h) The per capita tuition charge under this Section shall  
14 be set in accordance with the calculation set forth in Section  
15 18-3 of this Code. The maximum State reimbursement for children  
16 claimed under this Section is \$100,000.

17 (i) The State Board of Education shall prepare vouchers for  
18 the amount due to each school district and transmit them to the  
19 Office of the Comptroller on or before September 30, December  
20 31, and March 31, respectively, and the final voucher no later  
21 than June 20. If, after preparation and transmission of the  
22 September 30 vouchers, any claim has been adjusted by the State  
23 Superintendent of Education, then subsequent vouchers shall be  
24 recomputed to compensate for any overpayment or underpayment  
25 previously made. If the money appropriated by the General  
26 Assembly for such purpose for any year is insufficient, it

1 shall be apportioned on the basis of the claims approved.

2 (j) Notwithstanding any other provision of law, any school  
3 district receiving a payment under this Section may classify  
4 all or a portion of the funds that it receives in a particular  
5 fiscal year or from primary State aid under Section 18-8.15 of  
6 this Code as funds received in connection with any funding  
7 program for which it is entitled to receive funds from this  
8 State in that fiscal year (including without limitation any  
9 funding program referenced in this Section), regardless of the  
10 source or timing of the receipt. The school district may not  
11 classify more funds as funds received in connection with the  
12 funding program than the school district is entitled to receive  
13 in that fiscal year for that program. Any classification by a  
14 school district shall be made by resolution of its school  
15 board. The resolution shall identify the amount of any payments  
16 or primary State aid to be classified under this Section and  
17 shall specify the funding program to which the funds are to be  
18 treated as received. The resolution shall control the  
19 classification of referenced funds. A certified copy of the  
20 resolution shall be sent to the State Superintendent of  
21 Education. The resolution shall take effect without regard to  
22 whether a copy of the resolution has been sent to the State  
23 Superintendent of Education in a timely manner. No  
24 classification under this Section by a school district shall  
25 affect the total amount or timing of money the school district  
26 is entitled to receive under this Code. No classification under

1 this Section by a school district shall in any way relieve the  
2 school district from or affect any requirements that otherwise  
3 would apply with respect to that funding program, including any  
4 accounting of funds by source, reporting expenditures by  
5 original source and purpose, reporting requirements, or  
6 requirements of providing services.

7 (105 ILCS 5/14-7.03) (from Ch. 122, par. 14-7.03)

8 Sec. 14-7.03. Special Education Classes for Children from  
9 Orphanages, ~~Foster Family Homes~~, Children's Homes, or in State  
10 Housing Units. If a school district maintains special education  
11 classes on the site of orphanages and children's homes, or if  
12 children from the orphanages, children's homes, ~~foster family~~  
13 ~~homes~~, other State agencies, or State residential units for  
14 children attend classes for children with disabilities in which  
15 the school district is a participating member of a joint  
16 agreement, or if the children from the orphanages, children's  
17 homes, ~~foster family homes~~, other State agencies, or State  
18 residential units attend classes for the children with  
19 disabilities maintained by the school district, then  
20 reimbursement shall be paid to eligible districts in accordance  
21 with the provisions of this Section by the Comptroller as  
22 directed by the State Superintendent of Education.

23 The amount of tuition for such children shall be determined  
24 by the actual cost of maintaining such classes, using the per  
25 capita cost formula set forth in Section 14-7.01, such program



1 and cost to be pre-approved by the State Superintendent of  
2 Education.

3 On forms prepared by the State Superintendent of Education,  
4 the district shall certify ~~to the regional superintendent~~ the  
5 following:

6 (1) The name of the home or State residential unit with  
7 the name of the owner or proprietor and address of those  
8 maintaining it;

9 (2) That no service charges or other payments  
10 authorized by law were collected in lieu of taxes therefrom  
11 or on account thereof during either of the calendar years  
12 included in the school year for which claim is being made;

13 (3) The number of children qualifying under this Act in  
14 special education classes for instruction on the site of  
15 the orphanages and children's homes;

16 (4) The number of children attending special education  
17 classes for children with disabilities in which the  
18 district is a participating member of a special education  
19 joint agreement;

20 (5) The number of children attending special education  
21 classes for children with disabilities maintained by the  
22 district;

23 (6) The computed amount of tuition payment claimed as  
24 due, as approved by the State Superintendent of Education,  
25 for maintaining these classes.

26 If a school district makes a claim for reimbursement under

1 Section 18-3 ~~or 18-4~~ of this Code, Act it shall not include in  
2 any claim filed under this Section a claim for such children.  
3 Payments authorized by law, including State or federal grants  
4 for education of children included in this Section, shall be  
5 deducted in determining the tuition amount.

6 Nothing in this Act shall be construed so as to prohibit  
7 reimbursement for the tuition of children placed in for profit  
8 facilities. Private facilities shall provide adequate space at  
9 the facility for special education classes provided by a school  
10 district or joint agreement for children with disabilities who  
11 are residents of the facility at no cost to the school district  
12 or joint agreement upon request of the school district or joint  
13 agreement. If such a private facility provides space at no cost  
14 to the district or joint agreement for special education  
15 classes provided to children with disabilities who are  
16 residents of the facility, the district or joint agreement  
17 shall not include any costs for the use of those facilities in  
18 its claim for reimbursement.

19 Reimbursement for tuition may include the cost of providing  
20 summer school programs for children with severe and profound  
21 disabilities served under this Section. Claims for that  
22 reimbursement shall be filed by November 1 and shall be paid on  
23 or before December 15 from appropriations made for the purposes  
24 of this Section.

25 The State Board of Education shall establish such rules and  
26 regulations as may be necessary to implement the provisions of

1 this Section.

2 Claims filed on behalf of programs operated under this  
3 Section housed in a jail, detention center, or county-owned  
4 shelter care facility shall be on an individual student basis  
5 only for eligible students with disabilities. These claims  
6 shall be in accordance with applicable rules.

7 Each district claiming reimbursement for a program  
8 operated as a group program shall have an approved budget on  
9 file with the State Board of Education prior to the initiation  
10 of the program's operation. On September 30, December 31, and  
11 March 31, the State Board of Education shall voucher payments  
12 to group programs based upon the approved budget during the  
13 year of operation. Final claims for group payments shall be  
14 filed on or before July 15. Final claims for group programs  
15 received at the State Board of Education on or before June 15  
16 shall be vouchered by June 30. Final claims received at the  
17 State Board of Education between June 16 and July 15 shall be  
18 vouchered by August 30. Claims for group programs received  
19 after July 15 shall not be honored.

20 Each district claiming reimbursement for individual  
21 students shall have the eligibility of those students verified  
22 by the State Board of Education. On September 30, December 31,  
23 and March 31, the State Board of Education shall voucher  
24 payments for individual students based upon an estimated cost  
25 calculated from the prior year's claim. Final claims for  
26 individual students for the regular school term must be

1 received at the State Board of Education by July 15. Claims for  
2 individual students received after July 15 shall not be  
3 honored. Final claims for individual students shall be  
4 vouchered by August 30.

5 Reimbursement shall be made based upon approved group  
6 programs or individual students. The State Superintendent of  
7 Education shall direct the Comptroller to pay a specified  
8 amount to the district by the 30th day of September, December,  
9 March, June, or August, respectively. However, notwithstanding  
10 any other provisions of this Section or the School Code,  
11 beginning with fiscal year 1994 and each fiscal year  
12 thereafter, if the amount appropriated for any fiscal year is  
13 less than the amount required for purposes of this Section, the  
14 amount required to eliminate any insufficient reimbursement  
15 for each district claim under this Section shall be reimbursed  
16 on August 30 of the next fiscal year. Payments required to  
17 eliminate any insufficiency for prior fiscal year claims shall  
18 be made before any claims are paid for the current fiscal year.

19 The claim of a school district otherwise eligible to be  
20 reimbursed in accordance with Section 14-12.01 for the 1976-77  
21 school year but for this amendatory Act of 1977 shall not be  
22 paid unless the district ceases to maintain such classes for  
23 one entire school year.

24 If a school district's current reimbursement payment for  
25 the 1977-78 school year only is less than the prior year's  
26 reimbursement payment owed, the district shall be paid the

1 amount of the difference between the payments in addition to  
2 the current reimbursement payment, and the amount so paid shall  
3 be subtracted from the amount of prior year's reimbursement  
4 payment owed to the district.

5 Regional superintendents may operate special education  
6 classes for children from orphanages, ~~foster family homes,~~  
7 children's homes, or State housing units located within the  
8 educational services region upon consent of the school board  
9 otherwise so obligated. In electing to assume the powers and  
10 duties of a school district in providing and maintaining such a  
11 special education program, the regional superintendent may  
12 enter into joint agreements with other districts and may  
13 contract with public or private schools or the orphanage,  
14 ~~foster family home,~~ children's home, or State housing unit for  
15 provision of the special education program. The regional  
16 superintendent exercising the powers granted under this  
17 Section shall claim the reimbursement authorized by this  
18 Section directly from the State Board of Education.

19 Any child who is not a resident of Illinois who is placed  
20 in a child welfare institution, private facility, ~~foster family~~  
21 ~~home,~~ State operated program, orphanage, or children's home  
22 shall have the payment for his educational tuition and any  
23 related services assured by the placing agent.

24 For each disabled student who is placed in a residential  
25 facility by an Illinois public agency or by any court in this  
26 State, the costs for educating the student are eligible for

1 reimbursement under this Section.

2 The district of residence of the disabled student as  
3 defined in Section 14-1.11a is responsible for the actual costs  
4 of the student's special education program and is eligible for  
5 reimbursement under this Section when placement is made by a  
6 State agency or the courts.

7 When a dispute arises over the determination of the  
8 district of residence under this Section, the district or  
9 districts may appeal the decision in writing to the State  
10 Superintendent of Education, who, upon review of materials  
11 submitted and any other items or information he or she may  
12 request for submission, shall issue a written decision on the  
13 matter. The decision of the State Superintendent of Education  
14 shall be final.

15 In the event a district does not make a tuition payment to  
16 another district that is providing the special education  
17 program and services, the State Board of Education shall  
18 immediately withhold 125% of the then remaining annual tuition  
19 cost from the State aid or categorical aid payment due to the  
20 school district that is determined to be the resident school  
21 district. All funds withheld by the State Board of Education  
22 shall immediately be forwarded to the school district where the  
23 student is being served.

24 When a child eligible for services under this Section  
25 14-7.03 must be placed in a nonpublic facility, that facility  
26 shall meet the programmatic requirements of Section 14-7.02 and

1 its regulations, and the educational services shall be funded  
2 only in accordance with this Section 14-7.03.

3 (Source: P.A. 95-313, eff. 8-20-07; 95-844, eff. 8-15-08.)

4 (105 ILCS 5/14-13.01) (from Ch. 122, par. 14-13.01)

5 Sec. 14-13.01. Reimbursement payable by State; amounts for  
6 personnel and transportation.

7 (a) Through fiscal year 2014, for ~~For~~ staff working on  
8 behalf of children who have not been identified as eligible for  
9 special education and for eligible children with physical  
10 disabilities, including all eligible children whose placement  
11 has been determined under Section 14-8.02 in hospital or home  
12 instruction, 1/2 of the teacher's salary but not more than  
13 \$1,000 annually per child or \$9,000 per teacher, whichever is  
14 less.

15 (a-5) A child qualifies for home or hospital instruction if  
16 it is anticipated that, due to a medical condition, the child  
17 will be unable to attend school, and instead must be instructed  
18 at home or in the hospital, for a period of 2 or more  
19 consecutive weeks or on an ongoing intermittent basis. For  
20 purposes of this Section, "ongoing intermittent basis" means  
21 that the child's medical condition is of such a nature or  
22 severity that it is anticipated that the child will be absent  
23 from school due to the medical condition for periods of at  
24 least 2 days at a time multiple times during the school year  
25 totaling at least 10 days or more of absences. There shall be

1 no requirement that a child be absent from school a minimum  
2 number of days before the child qualifies for home or hospital  
3 instruction. In order to establish eligibility for home or  
4 hospital services, a student's parent or guardian must submit  
5 to the child's school district of residence a written statement  
6 from a physician licensed to practice medicine in all of its  
7 branches stating the existence of such medical condition, the  
8 impact on the child's ability to participate in education, and  
9 the anticipated duration or nature of the child's absence from  
10 school. Home or hospital instruction may commence upon receipt  
11 of a written physician's statement in accordance with this  
12 Section, but instruction shall commence not later than 5 school  
13 days after the school district receives the physician's  
14 statement. Special education and related services required by  
15 the child's IEP or services and accommodations required by the  
16 child's federal Section 504 plan must be implemented as part of  
17 the child's home or hospital instruction, unless the IEP team  
18 or federal Section 504 plan team determines that modifications  
19 are necessary during the home or hospital instruction due to  
20 the child's condition.

21 (a-10) Through fiscal year 2014, eligible ~~Eligible~~  
22 children to be included in any reimbursement under this  
23 paragraph must regularly receive a minimum of one hour of  
24 instruction each school day, or in lieu thereof of a minimum of  
25 5 hours of instruction in each school week in order to qualify  
26 for full reimbursement under this Section. If the attending



1 physician for such a child has certified that the child should  
2 not receive as many as 5 hours of instruction in a school week,  
3 however, reimbursement under this paragraph on account of that  
4 child shall be computed proportionate to the actual hours of  
5 instruction per week for that child divided by 5.

6 (a-15) The State Board of Education shall establish rules  
7 governing the required qualifications of staff providing home  
8 or hospital instruction.

9 (b) For children described in Section 14-1.02, 80% of the  
10 cost of transportation approved as a related service in the  
11 Individualized Education Program for each student in order to  
12 take advantage of special educational facilities.  
13 Transportation costs shall be determined in the same fashion as  
14 provided in Section 29-5 of this Code, notwithstanding any  
15 limitation in Section 29-5 of this Code on the fiscal years for  
16 which reimbursement may be claimed. For purposes of this  
17 subsection (b), the dates for processing claims specified in  
18 Section 29-5 shall apply.

19 (c) Through fiscal year 2014, for ~~For~~ each qualified  
20 worker, the annual sum of \$9,000.

21 (d) Through fiscal year 2014, for ~~For~~ one full time  
22 qualified director of the special education program of each  
23 school district which maintains a fully approved program of  
24 special education the annual sum of \$9,000. Districts  
25 participating in a joint agreement special education program  
26 shall not receive such reimbursement if reimbursement is made

1 for a director of the joint agreement program.

2 (e) (Blank).

3 (f) (Blank).

4 (g) Through fiscal year 2014, for ~~For~~ readers, working with  
5 blind or partially seeing children 1/2 of their salary but not  
6 more than \$400 annually per child. Readers may be employed to  
7 assist such children and shall not be required to be certified  
8 but prior to employment shall meet standards set up by the  
9 State Board of Education.

10 (h) Through fiscal year 2014, for ~~For~~ non-certified  
11 employees, as defined by rules promulgated by the State Board  
12 of Education, who deliver services to students with IEPs, 1/2  
13 of the salary paid or \$3,500 per employee, whichever is less.

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

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

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

1 Section 14-7.02c ~~14-7.02, 14-7.02b, or 29-5~~ of this Code may  
2 classify all or a portion of the funds that it receives in a  
3 particular fiscal year or from primary ~~general~~ State aid  
4 pursuant to Section 18-8.15 ~~18-8.05~~ of this Code as funds  
5 received in connection with any funding program for which it is  
6 entitled to receive funds from the State in that fiscal year  
7 (including, without limitation, any funding program referenced  
8 in this Section), regardless of the source or timing of the  
9 receipt. The district may not classify more funds as funds  
10 received in connection with the funding program than the  
11 district is entitled to receive in that fiscal year for that  
12 program. Any classification by a district must be made by a  
13 resolution of its board of education. The resolution must  
14 identify the amount of any payments or primary ~~general~~ State  
15 aid to be classified under this paragraph and must specify the  
16 funding program to which the funds are to be treated as  
17 received in connection therewith. This resolution is  
18 controlling as to the classification of funds referenced  
19 therein. A certified copy of the resolution must be sent to the  
20 State Superintendent of Education. The resolution shall still  
21 take effect even though a copy of the resolution has not been  
22 sent to the State Superintendent of Education in a timely  
23 manner. No classification under this paragraph by a district  
24 shall affect the total amount or timing of money the district  
25 is entitled to receive under this Code. No classification under  
26 this paragraph by a district shall in any way relieve the

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

6 (Source: P.A. 96-257, eff. 8-11-09; 97-123, eff. 7-14-11.)

7 (105 ILCS 5/14C-12) (from Ch. 122, par. 14C-12)

8 Sec. 14C-12. Account of expenditures; Cost report;  
9 Reimbursement. Each school district shall keep an accurate,  
10 detailed and separate account of all monies paid out by it for  
11 the programs in transitional bilingual education required or  
12 permitted by this Article, including transportation costs, and  
13 shall annually report thereon for the school year ending June  
14 30 indicating the average per pupil expenditure. Through fiscal  
15 year 2014, each ~~Each~~ school district shall be reimbursed for  
16 the amount by which such costs exceed the average per pupil  
17 expenditure by such school district for the education of  
18 children of comparable age who are not in any special education  
19 program. Through fiscal year 2014, at ~~At~~ least 60% of  
20 transitional bilingual education funding received from the  
21 State must be used for the instructional costs of transitional  
22 bilingual education.

23 Through fiscal year 2014, applications ~~Applications~~ for  
24 preapproval for reimbursement for costs of transitional  
25 bilingual education programs must be submitted to the State

1 Superintendent of Education at least 60 days before a  
2 transitional bilingual education program is started, unless a  
3 justifiable exception is granted by the State Superintendent of  
4 Education. Applications shall set forth a plan for transitional  
5 bilingual education established and maintained in accordance  
6 with this Article.

7 Through fiscal year 2014, reimbursement ~~Reimbursement~~  
8 claims for transitional bilingual education programs shall be  
9 made as follows:

10 Each school district shall claim reimbursement on a current  
11 basis for the first 3 quarters of the fiscal year and file a  
12 final adjusted claim for the school year ended June 30  
13 preceding computed in accordance with rules prescribed by the  
14 State Superintendent's Office. The State Superintendent of  
15 Education before approving any such claims shall determine  
16 their accuracy and whether they are based upon services and  
17 facilities provided under approved programs. Upon approval he  
18 shall transmit to the Comptroller the vouchers showing the  
19 amounts due for school district reimbursement claims. Upon  
20 receipt of the final adjusted claims the State Superintendent  
21 of Education shall make a final determination of the accuracy  
22 of such claims. If the money appropriated by the General  
23 Assembly for such purpose for any year is insufficient, it  
24 shall be apportioned on the basis of the claims approved.

25 Failure on the part of the school district to prepare and  
26 certify the final adjusted claims due under this Section may

1 constitute a forfeiture by the school district of its right to  
2 be reimbursed by the State under this Section.

3 (Source: P.A. 96-1170, eff. 1-1-11.)

4 (105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

5 Sec. 17-1. Annual Budget. The board of education of each  
6 school district under 500,000 inhabitants shall, within or  
7 before the first quarter of each fiscal year, adopt and file  
8 with the State Board of Education an annual balanced budget  
9 which it deems necessary to defray all necessary expenses and  
10 liabilities of the district, and in such annual budget shall  
11 specify the objects and purposes of each item and amount needed  
12 for each object or purpose.

13 The budget shall be entered upon a School District Budget  
14 form prepared and provided by the State Board of Education and  
15 therein shall contain a statement of the cash on hand at the  
16 beginning of the fiscal year, an estimate of the cash expected  
17 to be received during such fiscal year from all sources, an  
18 estimate of the expenditures contemplated for such fiscal year,  
19 and a statement of the estimated cash expected to be on hand at  
20 the end of such year. The estimate of taxes to be received may  
21 be based upon the amount of actual cash receipts that may  
22 reasonably be expected by the district during such fiscal year,  
23 estimated from the experience of the district in prior years  
24 and with due regard for other circumstances that may  
25 substantially affect such receipts. Nothing in this Section

1 shall be construed as requiring any district to change or  
2 preventing any district from changing from a cash basis of  
3 financing to a surplus or deficit basis of financing; or as  
4 requiring any district to change or preventing any district  
5 from changing its system of accounting. For the 2015-2016  
6 school year and thereafter, the budget shall conform to the  
7 school level accounting requirements adopted by the State Board  
8 of Education pursuant to Section 2-3.28 of this Code.

9 To the extent that a school district's budget is not  
10 balanced, the district shall also adopt and file with the State  
11 Board of Education a deficit reduction plan to balance the  
12 district's budget within 3 years. The deficit reduction plan  
13 must be filed at the same time as the budget, but the State  
14 Superintendent of Education may extend this deadline if the  
15 situation warrants.

16 If, as the result of an audit performed in compliance with  
17 Section 3-7 of this Code, the resulting Annual Financial Report  
18 required to be submitted pursuant to Section 3-15.1 of this  
19 Code reflects a deficit as defined for purposes of the  
20 preceding paragraph, then the district shall, within 30 days  
21 after acceptance of such audit report, submit a deficit  
22 reduction plan.

23 The board of education of each district shall fix a fiscal  
24 year therefor. If the beginning of the fiscal year of a  
25 district is subsequent to the time that the tax levy due to be  
26 made in such fiscal year shall be made, then such annual budget

1 shall be adopted prior to the time such tax levy shall be made.  
2 The failure by a board of education of any district to adopt an  
3 annual budget, or to comply in any respect with the provisions  
4 of this Section, shall not affect the validity of any tax levy  
5 of the district otherwise in conformity with the law. With  
6 respect to taxes levied either before, on, or after the  
7 effective date of this amendatory Act of the 91st General  
8 Assembly, (i) a tax levy is made for the fiscal year in which  
9 the levy is due to be made regardless of which fiscal year the  
10 proceeds of the levy are expended or are intended to be  
11 expended, and (ii) except as otherwise provided by law, a board  
12 of education's adoption of an annual budget in conformity with  
13 this Section is not a prerequisite to the adoption of a valid  
14 tax levy and is not a limit on the amount of the levy.

15 Such budget shall be prepared in tentative form by some  
16 person or persons designated by the board, and in such  
17 tentative form shall be made conveniently available to public  
18 inspection for at least 30 days prior to final action thereon.  
19 At least 1 public hearing shall be held as to such budget prior  
20 to final action thereon. Notice of availability for public  
21 inspection and of such public hearing shall be given by  
22 publication in a newspaper published in such district, at least  
23 30 days prior to the time of such hearing. If there is no  
24 newspaper published in such district, notice of such public  
25 hearing shall be given by posting notices thereof in 5 of the  
26 most public places in such district. It shall be the duty of



1 the secretary of such board to make such tentative budget  
2 available to public inspection, and to arrange for such public  
3 hearing. The board may from time to time make transfers between  
4 the various items in any fund not exceeding in the aggregate  
5 10% of the total of such fund as set forth in the budget. The  
6 board may from time to time amend such budget by the same  
7 procedure as is herein provided for its original adoption.

8 Beginning July 1, 1976, the board of education, or regional  
9 superintendent, or governing board responsible for the  
10 administration of a joint agreement shall, by September 1 of  
11 each fiscal year thereafter, adopt an annual budget for the  
12 joint agreement in the same manner and subject to the same  
13 requirements as are provided in this Section.

14 The State Board of Education shall exercise powers and  
15 duties relating to budgets as provided in Section 2-3.27 of  
16 this Code and shall require school districts to submit their  
17 annual budgets, deficit reduction plans, and other financial  
18 information, including revenue and expenditure reports and  
19 borrowing and interfund transfer plans, in such form and within  
20 the timelines designated by the State Board of Education.

21 By fiscal year 1982 all school districts shall use the  
22 Program Budget Accounting System.

23 In the case of a school district receiving emergency State  
24 financial assistance under Article 1B, the school board shall  
25 also be subject to the requirements established under Article  
26 1B with respect to the annual budget.

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

2 (105 ILCS 5/17-1.2)

3 Sec. 17-1.2. Post annual budget on web site. If a school  
4 district has an Internet web site, the school district shall  
5 post its current annual budget, itemized by receipts and  
6 expenditures, on the district's Internet web site. For the  
7 2015-2016 school year and thereafter, the budget shall include  
8 school level information conforming to the rules adopted by the  
9 State Board of Education pursuant to Section 2-3.28 of this  
10 Code. The school district shall notify the parents or guardians  
11 of its students that the budget has been posted on the  
12 district's web site and what the web site's address is.

13 (Source: P.A. 92-438, eff. 1-1-02.)

14 (105 ILCS 5/17-1.5)

15 Sec. 17-1.5. Limitation of administrative costs.

16 (a) It is the purpose of this Section to establish  
17 limitations on the growth of administrative expenditures in  
18 order to maximize the proportion of school district resources  
19 available for the instructional program, building maintenance,  
20 and safety services for the students of each district.

21 (b) Definitions. For the purposes of this Section:

22 "Administrative expenditures" mean the annual expenditures  
23 of school districts properly attributable to expenditure  
24 functions defined by the rules of the State Board of Education

1 as: 2320 (Executive Administration Services); 2330 (Special  
2 Area Administration Services); 2490 (Other Support Services -  
3 School Administration); 2510 (Direction of Business Support  
4 Services); 2570 (Internal Services); and 2610 (Direction of  
5 Central Support Services); provided, however, that  
6 "administrative expenditures" shall not include early  
7 retirement or other pension system obligations required by  
8 State law.

9 "School district" means all school districts having a  
10 population of less than 500,000.

11 (c) For the 1998-99 school year and each school year  
12 thereafter, each school district shall undertake budgetary and  
13 expenditure control actions so that the increase in  
14 administrative expenditures for that school year over the prior  
15 school year does not exceed 5%. School districts with  
16 administrative expenditures per pupil in the 25th percentile  
17 and below for all districts of the same type, as defined by the  
18 State Board of Education, may waive the limitation imposed  
19 under this Section for any year following a public hearing and  
20 with the affirmative vote of at least two-thirds of the members  
21 of the school board of the district. Any district waiving the  
22 limitation shall notify the State Board within 45 days of such  
23 action.

24 (d) School districts shall file with the State Board of  
25 Education by November 15, 1998 and by each November 15th  
26 thereafter a one-page report that lists (i) the actual

1 administrative expenditures for the prior year from the  
2 district's audited Annual Financial Report, and (ii) the  
3 projected administrative expenditures for the current year  
4 from the budget adopted by the school board pursuant to Section  
5 17-1 of this Code.

6 If a school district that is ineligible to waive the  
7 limitation imposed by subsection (c) of this Section by board  
8 action exceeds the limitation solely because of circumstances  
9 beyond the control of the district and the district has  
10 exhausted all available and reasonable remedies to comply with  
11 the limitation, the district may request a waiver pursuant to  
12 Section 2-3.25g. The waiver application shall specify the  
13 amount, nature, and reason for the relief requested, as well as  
14 all remedies the district has exhausted to comply with the  
15 limitation. Any emergency relief so requested shall apply only  
16 to the specific school year for which the request is made. The  
17 State Board of Education shall analyze all such waivers  
18 submitted and shall recommend that the General Assembly  
19 disapprove any such waiver requested that is not due solely to  
20 circumstances beyond the control of the district and for which  
21 the district has not exhausted all available and reasonable  
22 remedies to comply with the limitation. The State  
23 Superintendent shall have no authority to impose any sanctions  
24 pursuant to this Section for any expenditures for which a  
25 waiver has been requested until such waiver has been reviewed  
26 by the General Assembly.

1           If the report and information required under this  
2 subsection (d) are not provided by the school district in a  
3 timely manner, or are subsequently determined by the State  
4 Superintendent of Education to be incomplete or inaccurate, the  
5 State Superintendent shall notify the district in writing of  
6 reporting deficiencies. The school district shall, within 60  
7 days of the notice, address the reporting deficiencies  
8 identified.

9           (e) If the State Superintendent determines that a school  
10 district has failed to comply with the administrative  
11 expenditure limitation imposed in subsection (c) of this  
12 Section, the State Superintendent shall notify the district of  
13 the violation and direct the district to undertake corrective  
14 action to bring the district's budget into compliance with the  
15 administrative expenditure limitation. The district shall,  
16 within 60 days of the notice, provide adequate assurance to the  
17 State Superintendent that appropriate corrective actions have  
18 been or will be taken. If the district fails to provide  
19 adequate assurance or fails to undertake the necessary  
20 corrective actions, the State Superintendent may impose  
21 progressive sanctions against the district that may culminate  
22 in withholding all subsequent payments of general State aid due  
23 the district under Section 18-8.05 of this Code or primary  
24 State aid due the district under Section 18-8.15 of this Code  
25 until the assurance is provided or the corrective actions  
26 taken.

1           (f) The State Superintendent shall publish a list each year  
2 of the school districts that violate the limitation imposed by  
3 subsection (c) of this Section and a list of the districts that  
4 waive the limitation by board action as provided in subsection  
5 (c) of this Section.

6 (Source: P.A. 90-548, eff. 1-1-98; 90-653, eff. 7-29-98.)

7           (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)

8           Sec. 17-2.11. School board power to levy a tax or to borrow  
9 money and issue bonds for fire prevention, safety, energy  
10 conservation, disabled accessibility, school security, and  
11 specified repair purposes.

12           (a) Whenever, as a result of any lawful order of any  
13 agency, other than a school board, having authority to enforce  
14 any school building code applicable to any facility that houses  
15 students, or any law or regulation for the protection and  
16 safety of the environment, pursuant to the Environmental  
17 Protection Act, any school district having a population of less  
18 than 500,000 inhabitants is required to alter or reconstruct  
19 any school building or permanent, fixed equipment; the district  
20 may, by proper resolution, levy a tax for the purpose of making  
21 such alteration or reconstruction, based on a survey report by  
22 an architect or engineer licensed in this State, upon all of  
23 the taxable property of the district at the value as assessed  
24 by the Department of Revenue and at a rate not to exceed 0.05%  
25 per year for a period sufficient to finance such alteration or

1 reconstruction, upon the following conditions:

2 (1) When there are not sufficient funds available in  
3 the operations and maintenance fund of the school district,  
4 the school facility occupation tax fund of the district, or  
5 the fire prevention and safety fund of the district, as  
6 determined by the district on the basis of rules adopted by  
7 the State Board of Education, to make such alteration or  
8 reconstruction or to purchase and install such permanent,  
9 fixed equipment so ordered or determined as necessary.  
10 Appropriate school district records must be made available  
11 to the State Superintendent of Education, upon request, to  
12 confirm this insufficiency.

13 (2) When a certified estimate of an architect or  
14 engineer licensed in this State stating the estimated  
15 amount necessary to make the alteration or reconstruction  
16 or to purchase and install the equipment so ordered has  
17 been secured by the school district, and the estimate has  
18 been approved by the regional superintendent of schools  
19 having jurisdiction over the district and the State  
20 Superintendent of Education. Approval must not be granted  
21 for any work that has already started without the prior  
22 express authorization of the State Superintendent of  
23 Education. If the estimate is not approved or is denied  
24 approval by the regional superintendent of schools within 3  
25 months after the date on which it is submitted to him or  
26 her, the school board of the district may submit the

1 estimate directly to the State Superintendent of Education  
2 for approval or denial.

3 In the case of an emergency situation, where the estimated  
4 cost to effectuate emergency repairs is less than the amount  
5 specified in Section 10-20.21 of this Code, the school district  
6 may proceed with such repairs prior to approval by the State  
7 Superintendent of Education, but shall comply with the  
8 provisions of subdivision (2) of this subsection (a) as soon  
9 thereafter as may be as well as Section 10-20.21 of this Code.

10 If the estimated cost to effectuate emergency repairs is  
11 greater than the amount specified in Section 10-20.21 of this  
12 Code, then the school district shall proceed in conformity with  
13 Section 10-20.21 of this Code and with rules established by the  
14 State Board of Education to address such situations. The rules  
15 adopted by the State Board of Education to deal with these  
16 situations shall stipulate that emergency situations must be  
17 expedited and given priority consideration. For purposes of  
18 this paragraph, an emergency is a situation that presents an  
19 imminent and continuing threat to the health and safety of  
20 students or other occupants of a facility, requires complete or  
21 partial evacuation of a building or part of a building, or  
22 consumes one or more of the 5 emergency days built into the  
23 adopted calendar of the school or schools or would otherwise be  
24 expected to cause such school or schools to fall short of the  
25 minimum school calendar requirements.

26 (b) Whenever any such district determines that it is



1 necessary for energy conservation purposes that any school  
2 building or permanent, fixed equipment should be altered or  
3 reconstructed and that such alterations or reconstruction will  
4 be made with funds not necessary for the completion of approved  
5 and recommended projects contained in any safety survey report  
6 or amendments thereto authorized by Section 2-3.12 of this Act;  
7 the district may levy a tax or issue bonds as provided in  
8 subsection (a) of this Section.

9 (c) Whenever any such district determines that it is  
10 necessary for disabled accessibility purposes and to comply  
11 with the school building code that any school building or  
12 equipment should be altered or reconstructed and that such  
13 alterations or reconstruction will be made with funds not  
14 necessary for the completion of approved and recommended  
15 projects contained in any safety survey report or amendments  
16 thereto authorized under Section 2-3.12 of this Act, the  
17 district may levy a tax or issue bonds as provided in  
18 subsection (a) of this Section.

19 (d) Whenever any such district determines that it is  
20 necessary for school security purposes and the related  
21 protection and safety of pupils and school personnel that any  
22 school building or property should be altered or reconstructed  
23 or that security systems and equipment (including but not  
24 limited to intercom, early detection and warning, access  
25 control and television monitoring systems) should be purchased  
26 and installed, and that such alterations, reconstruction or

1 purchase and installation of equipment will be made with funds  
2 not necessary for the completion of approved and recommended  
3 projects contained in any safety survey report or amendment  
4 thereto authorized by Section 2-3.12 of this Act and will deter  
5 and prevent unauthorized entry or activities upon school  
6 property by unknown or dangerous persons, assure early  
7 detection and advance warning of any such actual or attempted  
8 unauthorized entry or activities and help assure the continued  
9 safety of pupils and school staff if any such unauthorized  
10 entry or activity is attempted or occurs; the district may levy  
11 a tax or issue bonds as provided in subsection (a) of this  
12 Section.

13 (e) If a school district does not need funds for other fire  
14 prevention and safety projects, including the completion of  
15 approved and recommended projects contained in any safety  
16 survey report or amendments thereto authorized by Section  
17 2-3.12 of this Act, and it is determined after a public hearing  
18 (which is preceded by at least one published notice (i)  
19 occurring at least 7 days prior to the hearing in a newspaper  
20 of general circulation within the school district and (ii)  
21 setting forth the time, date, place, and general subject matter  
22 of the hearing) that there is a substantial, immediate, and  
23 otherwise unavoidable threat to the health, safety, or welfare  
24 of pupils due to disrepair of school sidewalks, playgrounds,  
25 parking lots, or school bus turnarounds and repairs must be  
26 made; then the district may levy a tax or issue bonds as

1 provided in subsection (a) of this Section.

2 (f) For purposes of this Section a school district may  
3 replace a school building or build additions to replace  
4 portions of a building when it is determined that the  
5 effectuation of the recommendations for the existing building  
6 will cost more than the replacement costs. Such determination  
7 shall be based on a comparison of estimated costs made by an  
8 architect or engineer licensed in the State of Illinois. The  
9 new building or addition shall be equivalent in area (square  
10 feet) and comparable in purpose and grades served and may be on  
11 the same site or another site. Such replacement may only be  
12 done upon order of the regional superintendent of schools and  
13 the approval of the State Superintendent of Education.

14 (g) The filing of a certified copy of the resolution  
15 levying the tax when accompanied by the certificates of the  
16 regional superintendent of schools and State Superintendent of  
17 Education shall be the authority of the county clerk to extend  
18 such tax.

19 (h) The county clerk of the county in which any school  
20 district levying a tax under the authority of this Section is  
21 located, in reducing raised levies, shall not consider any such  
22 tax as a part of the general levy for school purposes and shall  
23 not include the same in the limitation of any other tax rate  
24 which may be extended.

25 Such tax shall be levied and collected in like manner as  
26 all other taxes of school districts, subject to the provisions

1 contained in this Section.

2 (i) The tax rate limit specified in this Section may be  
3 increased to .10% upon the approval of a proposition to effect  
4 such increase by a majority of the electors voting on that  
5 proposition at a regular scheduled election. Such proposition  
6 may be initiated by resolution of the school board and shall be  
7 certified by the secretary to the proper election authorities  
8 for submission in accordance with the general election law.

9 (j) When taxes are levied by any school district for fire  
10 prevention, safety, energy conservation, and school security  
11 purposes as specified in this Section, and the purposes for  
12 which the taxes have been levied are accomplished and paid in  
13 full, and there remain funds on hand in the Fire Prevention and  
14 Safety Fund from the proceeds of the taxes levied, including  
15 interest earnings thereon, the school board by resolution shall  
16 use such excess and other board restricted funds, excluding  
17 bond proceeds and earnings from such proceeds, as follows:

18 (1) for other authorized fire prevention, safety,  
19 energy conservation, and school security purposes; or

20 (2) for transfer to the Operations and Maintenance Fund  
21 for the purpose of abating an equal amount of operations  
22 and maintenance purposes taxes.

23 Notwithstanding subdivision (2) of this subsection (j) and  
24 subsection (k) of this Section, through June 30, 2017 ~~2016~~, the  
25 school board may, by proper resolution following a public  
26 hearing set by the school board or the president of the school

1 board (that is preceded (i) by at least one published notice  
2 over the name of the clerk or secretary of the board, occurring  
3 at least 7 days and not more than 30 days prior to the hearing,  
4 in a newspaper of general circulation within the school  
5 district and (ii) by posted notice over the name of the clerk  
6 or secretary of the board, at least 48 hours before the  
7 hearing, at the principal office of the school board or at the  
8 building where the hearing is to be held if a principal office  
9 does not exist, with both notices setting forth the time, date,  
10 place, and subject matter of the hearing), transfer surplus  
11 life safety taxes and interest earnings thereon to the  
12 Operations and Maintenance Fund for building repair work.

13 (k) If any transfer is made to the Operation and  
14 Maintenance Fund, the secretary of the school board shall  
15 within 30 days notify the county clerk of the amount of that  
16 transfer and direct the clerk to abate the taxes to be extended  
17 for the purposes of operations and maintenance authorized under  
18 Section 17-2 of this Act by an amount equal to such transfer.

19 (l) If the proceeds from the tax levy authorized by this  
20 Section are insufficient to complete the work approved under  
21 this Section, the school board is authorized to sell bonds  
22 without referendum under the provisions of this Section in an  
23 amount that, when added to the proceeds of the tax levy  
24 authorized by this Section, will allow completion of the  
25 approved work.

26 (m) Any bonds issued pursuant to this Section shall bear

1 interest at a rate not to exceed the maximum rate authorized by  
2 law at the time of the making of the contract, shall mature  
3 within 20 years from date, and shall be signed by the president  
4 of the school board and the treasurer of the school district.

5 (n) In order to authorize and issue such bonds, the school  
6 board shall adopt a resolution fixing the amount of bonds, the  
7 date thereof, the maturities thereof, rates of interest  
8 thereof, place of payment and denomination, which shall be in  
9 denominations of not less than \$100 and not more than \$5,000,  
10 and provide for the levy and collection of a direct annual tax  
11 upon all the taxable property in the school district sufficient  
12 to pay the principal and interest on such bonds to maturity.  
13 Upon the filing in the office of the county clerk of the county  
14 in which the school district is located of a certified copy of  
15 the resolution, it is the duty of the county clerk to extend  
16 the tax therefor in addition to and in excess of all other  
17 taxes heretofore or hereafter authorized to be levied by such  
18 school district.

19 (o) After the time such bonds are issued as provided for by  
20 this Section, if additional alterations or reconstructions are  
21 required to be made because of surveys conducted by an  
22 architect or engineer licensed in the State of Illinois, the  
23 district may levy a tax at a rate not to exceed .05% per year  
24 upon all the taxable property of the district or issue  
25 additional bonds, whichever action shall be the most feasible.

26 (p) This Section is cumulative and constitutes complete

1 authority for the issuance of bonds as provided in this Section  
2 notwithstanding any other statute or law to the contrary.

3 (q) With respect to instruments for the payment of money  
4 issued under this Section either before, on, or after the  
5 effective date of Public Act 86-004 (June 6, 1989), it is, and  
6 always has been, the intention of the General Assembly (i) that  
7 the Omnibus Bond Acts are, and always have been, supplementary  
8 grants of power to issue instruments in accordance with the  
9 Omnibus Bond Acts, regardless of any provision of this Act that  
10 may appear to be or to have been more restrictive than those  
11 Acts, (ii) that the provisions of this Section are not a  
12 limitation on the supplementary authority granted by the  
13 Omnibus Bond Acts, and (iii) that instruments issued under this  
14 Section within the supplementary authority granted by the  
15 Omnibus Bond Acts are not invalid because of any provision of  
16 this Act that may appear to be or to have been more restrictive  
17 than those Acts.

18 (r) When the purposes for which the bonds are issued have  
19 been accomplished and paid for in full and there remain funds  
20 on hand from the proceeds of the bond sale and interest  
21 earnings therefrom, the board shall, by resolution, use such  
22 excess funds in accordance with the provisions of Section  
23 10-22.14 of this Act.

24 (s) Whenever any tax is levied or bonds issued for fire  
25 prevention, safety, energy conservation, and school security  
26 purposes, such proceeds shall be deposited and accounted for

1 separately within the Fire Prevention and Safety Fund.

2 (Source: P.A. 98-26, eff. 6-21-13.)

3 (105 ILCS 5/17-2A) (from Ch. 122, par. 17-2A)

4 Sec. 17-2A. Interfund Transfers.

5 (a) The school board of any district having a population of  
6 less than 500,000 inhabitants may, by proper resolution  
7 following a public hearing set by the school board or the  
8 president of the school board (that is preceded (i) by at least  
9 one published notice over the name of the clerk or secretary of  
10 the board, occurring at least 7 days and not more than 30 days  
11 prior to the hearing, in a newspaper of general circulation  
12 within the school district and (ii) by posted notice over the  
13 name of the clerk or secretary of the board, at least 48 hours  
14 before the hearing, at the principal office of the school board  
15 or at the building where the hearing is to be held if a  
16 principal office does not exist, with both notices setting  
17 forth the time, date, place, and subject matter of the  
18 hearing), transfer money from (1) the Educational Fund to the  
19 Operations and Maintenance Fund or the Transportation Fund, (2)  
20 the Operations and Maintenance Fund to the Educational Fund or  
21 the Transportation Fund, or (3) the Transportation Fund to the  
22 Educational Fund or the Operations and Maintenance Fund of said  
23 district, provided that, except during the period from July 1,  
24 2003 through June 30, 2017 ~~2016~~, such transfer is made solely  
25 for the purpose of meeting one-time, non-recurring expenses.



1 Except during the period from July 1, 2003 through June 30,  
2 2017 ~~2016~~ and except as otherwise provided in subsection (b) of  
3 this Section, any other permanent interfund transfers  
4 authorized by any provision or judicial interpretation of this  
5 Code for which the transferee fund is not precisely and  
6 specifically set forth in the provision of this Code  
7 authorizing such transfer shall be made to the fund of the  
8 school district most in need of the funds being transferred, as  
9 determined by resolution of the school board.

10 (b) Notwithstanding subsection (a) of this Section or any  
11 other provision of this Code to the contrary, the school board  
12 of any school district (i) that is subject to the Property Tax  
13 Extension Limitation Law, (ii) that has a population of less  
14 than 500,000 inhabitants, (iii) that is levying at its maximum  
15 tax rate, (iv) whose total equalized assessed valuation has  
16 declined 20% in the prior 2 years, (v) in which 80% or more of  
17 its students receive free or reduced-price lunch, and (vi) that  
18 had an equalized assessed valuation of less than \$207 million  
19 but more than \$203 million in the 2011 levy year may annually,  
20 until July 1, 2016, transfer money from any fund of the  
21 district, other than the Illinois Municipal Retirement Fund and  
22 the Bonds and Interest Fund, to the educational fund, the  
23 operations and maintenance fund, or the transportation fund of  
24 the district by proper resolution following a public hearing  
25 set by the school board or the president of the school board,  
26 with notice as provided in subsection (a) of this Section, so

1 long as the district meets the qualifications set forth in this  
2 subsection (b) on the effective date of this amendatory Act of  
3 the 98th General Assembly even if the district does not meet  
4 those qualifications at the time a given transfer is made.

5 (Source: P.A. 98-26, eff. 6-21-13; 98-131, eff. 1-1-14.)

6 (105 ILCS 5/18-4.3) (from Ch. 122, par. 18-4.3)

7 Sec. 18-4.3. Summer school grants. Through fiscal year  
8 2014, grants ~~Grants~~ shall be determined for pupil attendance in  
9 summer schools conducted under Sections 10-22.33A and 34-18 and  
10 approved under Section 2-3.25 in the following manner.

11 The amount of grant for each accredited summer school  
12 attendance pupil shall be obtained by dividing the total amount  
13 of apportionments determined under Section 18-8.05 by the  
14 actual number of pupils in average daily attendance used for  
15 such apportionments. The number of credited summer school  
16 attendance pupils shall be determined (a) by counting clock  
17 hours of class instruction by pupils enrolled in grades 1  
18 through 12 in approved courses conducted at least 60 clock  
19 hours in summer sessions; (b) by dividing such total of clock  
20 hours of class instruction by 4 to produce days of credited  
21 pupil attendance; (c) by dividing such days of credited pupil  
22 attendance by the actual number of days in the regular term as  
23 used in computation in the general apportionment in Section  
24 18-8.05; and (d) by multiplying by 1.25.

25 The amount of the grant for a summer school program

1 approved by the State Superintendent of Education for children  
2 with disabilities, as defined in Sections 14-1.02 through  
3 14-1.07, shall be determined in the manner contained above  
4 except that average daily membership shall be utilized in lieu  
5 of average daily attendance.

6 In the case of an apportionment based on summer school  
7 attendance or membership pupils, the claim therefor shall be  
8 presented as a separate claim for the particular school year in  
9 which such summer school session ends. On or before November 1  
10 of each year the superintendent of each eligible school  
11 district shall certify to the State Superintendent of Education  
12 the claim of the district for the summer session just ended.  
13 Failure on the part of the school board to so certify shall  
14 constitute a forfeiture of its right to such payment. The State  
15 Superintendent of Education shall transmit to the Comptroller  
16 no later than December 15th of each year vouchers for payment  
17 of amounts due school districts for summer school. The State  
18 Superintendent of Education shall direct the Comptroller to  
19 draw his warrants for payments thereof by the 30th day of  
20 December. If the money appropriated by the General Assembly for  
21 such purpose for any year is insufficient, it shall be  
22 apportioned on the basis of claims approved.

23 However, notwithstanding the foregoing provisions, for  
24 each fiscal year the money appropriated by the General Assembly  
25 for the purposes of this Section shall only be used for grants  
26 for approved summer school programs for those children with

1 disabilities served pursuant to Section 14-7.02 or 14-7.02b of  
2 this Code.

3 No funding shall be provided to school districts under this  
4 Section after fiscal year 2014.

5 (Source: P.A. 93-1022, eff. 8-24-04.)

6 (105 ILCS 5/18-8.05)

7 Sec. 18-8.05. Basis for apportionment of general State  
8 financial aid and supplemental general State aid to the common  
9 schools for the 1998-1999 through the 2013-2014 ~~and subsequent~~  
10 school years.

11 (A) General Provisions.

12 (1) The provisions of this Section relating to the  
13 calculation and apportionment of general State financial aid  
14 and supplemental general State aid apply to the 1998-1999  
15 through the 2013-2014 ~~and subsequent~~ school years. The system  
16 of general State financial aid provided for in this Section is  
17 designed to assure that, through a combination of State  
18 financial aid and required local resources, the financial  
19 support provided each pupil in Average Daily Attendance equals  
20 or exceeds a prescribed per pupil Foundation Level. This  
21 formula approach imputes a level of per pupil Available Local  
22 Resources and provides for the basis to calculate a per pupil  
23 level of general State financial aid that, when added to  
24 Available Local Resources, equals or exceeds the Foundation

1 Level. The amount of per pupil general State financial aid for  
2 school districts, in general, varies in inverse relation to  
3 Available Local Resources. Per pupil amounts are based upon  
4 each school district's Average Daily Attendance as that term is  
5 defined in this Section.

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

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

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

1 Attendance in the school district. A "recognized school"  
2 means any public school which meets the standards as  
3 established for recognition by the State Board of  
4 Education. A school district or attendance center not  
5 having recognition status at the end of a school term is  
6 entitled to receive State aid payments due upon a legal  
7 claim which was filed while it was recognized.

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

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

16 (d) (Blank).

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

21 School districts are not required to exert a minimum  
22 Operating Tax Rate in order to qualify for assistance under  
23 this Section.

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

26 (a) "Average Daily Attendance": A count of pupil

1 attendance in school, averaged as provided for in  
2 subsection (C) and utilized in deriving per pupil financial  
3 support levels.

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

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

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

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

21 (B) Foundation Level.

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

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

7           (2) For the 1998-1999 school year, the Foundation Level of  
8     support is \$4,225. For the 1999-2000 school year, the  
9     Foundation Level of support is \$4,325. For the 2000-2001 school  
10    year, the Foundation Level of support is \$4,425. For the  
11    2001-2002 school year and 2002-2003 school year, the Foundation  
12    Level of support is \$4,560. For the 2003-2004 school year, the  
13    Foundation Level of support is \$4,810. For the 2004-2005 school  
14    year, the Foundation Level of support is \$4,964. For the  
15    2005-2006 school year, the Foundation Level of support is  
16    \$5,164. For the 2006-2007 school year, the Foundation Level of  
17    support is \$5,334. For the 2007-2008 school year, the  
18    Foundation Level of support is \$5,734. For the 2008-2009 school  
19    year, the Foundation Level of support is \$5,959.

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

24    (C) Average Daily Attendance.

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



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

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

20 (D) Available Local Resources.

21 (1) For purposes of calculating general State aid pursuant  
22 to subsection (E), a representation of Available Local  
23 Resources per pupil, as that term is defined and determined in  
24 this subsection, shall be utilized. Available Local Resources  
25 per pupil shall include a calculated dollar amount representing

1 local school district revenues from local property taxes and  
2 from Corporate Personal Property Replacement Taxes, expressed  
3 on the basis of pupils in Average Daily Attendance. Calculation  
4 of Available Local Resources shall exclude any tax amnesty  
5 funds received as a result of Public Act 93-26.

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

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

26 For partial elementary unit districts created pursuant to

1 Article 11E of this Code, local property tax revenues per pupil  
2 shall be calculated as the product of the equalized assessed  
3 valuation for property within the partial elementary unit  
4 district for elementary purposes, as defined in Article 11E of  
5 this Code, multiplied by 2.06% and divided by the district's  
6 Average Daily Attendance figure, plus the product of the  
7 equalized assessed valuation for property within the partial  
8 elementary unit district for high school purposes, as defined  
9 in Article 11E of this Code, multiplied by 0.94% and divided by  
10 the district's Average Daily Attendance figure.

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

21 (E) Computation of General State Aid.

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

25 (2) For any school district for which Available Local

1 Resources per pupil is less than the product of 0.93 times the  
2 Foundation Level, general State aid for that district shall be  
3 calculated as an amount equal to the Foundation Level minus  
4 Available Local Resources, multiplied by the Average Daily  
5 Attendance of the school district.

6 (3) For any school district for which Available Local  
7 Resources per pupil is equal to or greater than the product of  
8 0.93 times the Foundation Level and less than the product of  
9 1.75 times the Foundation Level, the general State aid per  
10 pupil shall be a decimal proportion of the Foundation Level  
11 derived using a linear algorithm. Under this linear algorithm,  
12 the calculated general State aid per pupil shall decline in  
13 direct linear fashion from 0.07 times the Foundation Level for  
14 a school district with Available Local Resources equal to the  
15 product of 0.93 times the Foundation Level, to 0.05 times the  
16 Foundation Level for a school district with Available Local  
17 Resources equal to the product of 1.75 times the Foundation  
18 Level. The allocation of general State aid for school districts  
19 subject to this paragraph 3 shall be the calculated general  
20 State aid per pupil figure multiplied by the Average Daily  
21 Attendance of the school district.

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

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

11           (F) Compilation of Average Daily Attendance.

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

22           (a) In districts that do not hold year-round classes,  
23 days of attendance in August shall be added to the month of  
24 September and any days of attendance in June shall be added  
25 to the month of May.

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

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

17           Except as otherwise provided in this Section, days of  
18 attendance by pupils shall be counted only for sessions of not  
19 less than 5 clock hours of school work per day under direct  
20 supervision of: (i) teachers, or (ii) non-teaching personnel or  
21 volunteer personnel when engaging in non-teaching duties and  
22 supervising in those instances specified in subsection (a) of  
23 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils  
24 of legal school age and in kindergarten and grades 1 through  
25 12.

26           Days of attendance by tuition pupils shall be accredited

1 only to the districts that pay the tuition to a recognized  
2 school.

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

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

15 (b) (Blank).

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

21 (d) A session of 3 or more clock hours may be counted  
22 as a day of attendance (1) when the remainder of the school  
23 day or at least 2 hours in the evening of that day is  
24 utilized for an in-service training program for teachers,  
25 up to a maximum of 5 days per school year, provided a  
26 district conducts an in-service training program for

1 teachers in accordance with Section 10-22.39 of this Code;  
2 or, in lieu of 4 such days, 2 full days may be used, in  
3 which event each such day may be counted as a day required  
4 for a legal school calendar pursuant to Section 10-19 of  
5 this Code; (1.5) when, of the 5 days allowed under item  
6 (1), a maximum of 4 days are used for parent-teacher  
7 conferences, or, in lieu of 4 such days, 2 full days are  
8 used, in which case each such day may be counted as a  
9 calendar day required under Section 10-19 of this Code,  
10 provided that the full-day, parent-teacher conference  
11 consists of (i) a minimum of 5 clock hours of  
12 parent-teacher conferences, (ii) both a minimum of 2 clock  
13 hours of parent-teacher conferences held in the evening  
14 following a full day of student attendance, as specified in  
15 subsection (F)(1)(c), and a minimum of 3 clock hours of  
16 parent-teacher conferences held on the day immediately  
17 following evening parent-teacher conferences, or (iii)  
18 multiple parent-teacher conferences held in the evenings  
19 following full days of student attendance, as specified in  
20 subsection (F)(1)(c), in which the time used for the  
21 parent-teacher conferences is equivalent to a minimum of 5  
22 clock hours; and (2) when days in addition to those  
23 provided in items (1) and (1.5) are scheduled by a school  
24 pursuant to its school improvement plan adopted under  
25 Article 34 or its revised or amended school improvement  
26 plan adopted under Article 2, provided that (i) such



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

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

23 (f) A session of at least 4 clock hours may be counted  
24 as a day of attendance for first grade pupils, and pupils  
25 in full day kindergartens, and a session of 2 or more hours  
26 may be counted as 1/2 day of attendance by pupils in

1 kindergartens which provide only 1/2 day of attendance.

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

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

26 (i) On the days when the Prairie State Achievement

1 Examination is administered under subsection (c) of  
2 Section 2-3.64 of this Code, the day of attendance for a  
3 pupil whose school day must be shortened to accommodate  
4 required testing procedures may be less than 5 clock hours  
5 and shall be counted towards the 176 days of actual pupil  
6 attendance required under Section 10-19 of this Code,  
7 provided that a sufficient number of minutes of school work  
8 in excess of 5 clock hours are first completed on other  
9 school days to compensate for the loss of school work on  
10 the examination days.

11 (j) Pupils enrolled in a remote educational program  
12 established under Section 10-29 of this Code may be counted  
13 on the basis of one-fifth day of attendance for every clock  
14 hour of instruction attended in the remote educational  
15 program, provided that, in any month, the school district  
16 may not claim for a student enrolled in a remote  
17 educational program more days of attendance than the  
18 maximum number of days of attendance the district can claim  
19 (i) for students enrolled in a building holding year-round  
20 classes if the student is classified as participating in  
21 the remote educational program on a year-round schedule or  
22 (ii) for students enrolled in a building not holding  
23 year-round classes if the student is not classified as  
24 participating in the remote educational program on a  
25 year-round schedule.

1 (G) Equalized Assessed Valuation Data.

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

12 The Department of Revenue shall add to the equalized  
13 assessed value of all taxable property of each school district  
14 situated entirely or partially within a county that is or was  
15 subject to the provisions of Section 15-176 or 15-177 of the  
16 Property Tax Code (a) an amount equal to the total amount by  
17 which the homestead exemption allowed under Section 15-176 or  
18 15-177 of the Property Tax Code for real property situated in  
19 that school district exceeds the total amount that would have  
20 been allowed in that school district if the maximum reduction  
21 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in  
22 all other counties in tax year 2003 or (ii) \$5,000 in all  
23 counties in tax year 2004 and thereafter and (b) an amount  
24 equal to the aggregate amount for the taxable year of all  
25 additional exemptions under Section 15-175 of the Property Tax  
26 Code for owners with a household income of \$30,000 or less. The

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

24 This equalized assessed valuation, as adjusted further by  
25 the requirements of this subsection, shall be utilized in the  
26 calculation of Available Local Resources.

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

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

26           (b) The real property equalized assessed valuation for

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

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

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

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

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

26 "Preceding Tax Year": The property tax levy year

1 immediately preceding the Base Tax Year.

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

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

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

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

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



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

1 year preceding the Base Tax Year, plus the Equalized Assessed  
2 Valuation of new property, annexed property, and recovered tax  
3 increment value and minus the Equalized Assessed Valuation of  
4 disconnected property. New property and recovered tax  
5 increment value shall have the meanings set forth in the  
6 Property Tax Extension Limitation Law.

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

11 (3.5) For the 2010-2011 school year and each school year  
12 thereafter, if a school district's boundaries span multiple  
13 counties, then the Department of Revenue shall send to the  
14 State Board of Education, for the purpose of calculating  
15 general State aid, the limiting rate and individual rates by  
16 purpose for the county that contains the majority of the school  
17 district's Equalized Assessed Valuation.

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

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

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

24 (H) Supplemental General State Aid.

25 (1) In addition to the general State aid a school district

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

11 (1.5) This paragraph (1.5) applies only to those school  
12 years preceding the 2003-2004 school year. For purposes of this  
13 subsection (H), the term "Low-Income Concentration Level"  
14 shall be the low-income eligible pupil count from the most  
15 recently available federal census divided by the Average Daily  
16 Attendance of the school district. If, however, (i) the  
17 percentage decrease from the 2 most recent federal censuses in  
18 the low-income eligible pupil count of a high school district  
19 with fewer than 400 students exceeds by 75% or more the  
20 percentage change in the total low-income eligible pupil count  
21 of contiguous elementary school districts, whose boundaries  
22 are coterminous with the high school district, or (ii) a high  
23 school district within 2 counties and serving 5 elementary  
24 school districts, whose boundaries are coterminous with the  
25 high school district, has a percentage decrease from the 2 most  
26 recent federal censuses in the low-income eligible pupil count

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

19 (1.10) This paragraph (1.10) applies to the 2003-2004  
20 school year and each school year thereafter through the  
21 2013-2014 school year. For purposes of this subsection (H), the  
22 term "Low-Income Concentration Level" shall, for each fiscal  
23 year, be the low-income eligible pupil count as of July 1 of  
24 the immediately preceding fiscal year (as determined by the  
25 Department of Human Services based on the number of pupils who  
26 are eligible for at least one of the following low income

1 programs: Medicaid, the Children's Health Insurance Program,  
2 TANF, or Food Stamps, excluding pupils who are eligible for  
3 services provided by the Department of Children and Family  
4 Services, averaged over the 2 immediately preceding fiscal  
5 years for fiscal year 2004 and over the 3 immediately preceding  
6 fiscal years for each fiscal year thereafter) divided by the  
7 Average Daily Attendance of the school district.

8 (2) Supplemental general State aid pursuant to this  
9 subsection (H) shall be provided as follows for the 1998-1999,  
10 1999-2000, and 2000-2001 school years only:

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

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

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

23 (d) For any school district with a Low Income  
24 Concentration Level of 60% or more, the grant for the  
25 1998-99 school year shall be \$1,900 multiplied by the low  
26 income eligible pupil count.

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

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

9           (2.5) Supplemental general State aid pursuant to this  
10 subsection (H) shall be provided as follows for the 2002-2003  
11 school year:

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

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

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

24           (d) For any school district with a Low Income  
25 Concentration Level of at least 35% and less than 50%, the  
26 grant for each school year shall be \$1,362 multiplied by

1 the low income eligible pupil count.

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

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

10 (2.10) Except as otherwise provided, supplemental general  
11 State aid pursuant to this subsection (H) shall be provided as  
12 follows for the 2003-2004 school year and each school year  
13 thereafter:

14 (a) For any school district with a Low Income  
15 Concentration Level of 15% or less, the grant for each  
16 school year shall be \$355 multiplied by the low income  
17 eligible pupil count.

18 (b) For any school district with a Low Income  
19 Concentration Level greater than 15%, the grant for each  
20 school year shall be \$294.25 added to the product of \$2,700  
21 and the square of the Low Income Concentration Level, all  
22 multiplied by the low income eligible pupil count.

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



1 than the grant for the 2002-2003 school year multiplied by  
2 0.66. For the 2010-2011 school year only, the grant shall be no  
3 less than the grant for the 2002-2003 school year multiplied by  
4 0.33. Notwithstanding the provisions of this paragraph to the  
5 contrary, if for any school year supplemental general State aid  
6 grants are prorated as provided in paragraph (1) of this  
7 subsection (H), then the grants under this paragraph shall be  
8 prorated.

9 For the 2003-2004 school year only, the grant shall be no  
10 greater than the grant received during the 2002-2003 school  
11 year added to the product of 0.25 multiplied by the difference  
12 between the grant amount calculated under subsection (a) or (b)  
13 of this paragraph (2.10), whichever is applicable, and the  
14 grant received during the 2002-2003 school year. For the  
15 2004-2005 school year only, the grant shall be no greater than  
16 the grant received during the 2002-2003 school year added to  
17 the product of 0.50 multiplied by the difference between the  
18 grant amount calculated under subsection (a) or (b) of this  
19 paragraph (2.10), whichever is applicable, and the grant  
20 received during the 2002-2003 school year. For the 2005-2006  
21 school year only, the grant shall be no greater than the grant  
22 received during the 2002-2003 school year added to the product  
23 of 0.75 multiplied by the difference between the grant amount  
24 calculated under subsection (a) or (b) of this paragraph  
25 (2.10), whichever is applicable, and the grant received during  
26 the 2002-2003 school year.

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

11           (4) School districts with an Average Daily Attendance of  
12 50,000 or more that qualify for supplemental general State aid  
13 pursuant to this subsection shall be required to distribute  
14 from funds available pursuant to this Section, no less than  
15 \$261,000,000 in accordance with the following requirements:

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

23           (b) The distribution of these portions of supplemental  
24 and general State aid among attendance centers according to  
25 these requirements shall not be compensated for or  
26 contravened by adjustments of the total of other funds

1           appropriated to any attendance centers, and the Board of  
2           Education shall utilize funding from one or several sources  
3           in order to fully implement this provision annually prior  
4           to the opening of school.

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

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

18          (e) Funds received by an attendance center pursuant to  
19          this subsection shall be used by the attendance center at  
20          the discretion of the principal and local school council  
21          for programs to improve educational opportunities at  
22          qualifying schools through the following programs and  
23          services: early childhood education, reduced class size or  
24          improved adult to student classroom ratio, enrichment  
25          programs, remedial assistance, attendance improvement, and  
26          other educationally beneficial expenditures which

1 supplement the regular and basic programs as determined by  
2 the State Board of Education. Funds provided shall not be  
3 expended for any political or lobbying purposes as defined  
4 by board rule.

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

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

1           If the district fails to distribute State aid to  
2 attendance centers in accordance with an approved plan, the  
3 plan for the following year shall allocate funds, in  
4 addition to the funds otherwise required by this  
5 subsection, to those attendance centers which were  
6 underfunded during the previous year in amounts equal to  
7 such underfunding.

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

1 funds.

2 The State Board of Education shall promulgate rules and  
3 regulations to implement the provisions of this  
4 subsection. No funds shall be released under this  
5 subdivision (H) (4) to any district that has not submitted a  
6 plan that has been approved by the State Board of  
7 Education.

8 (I) (Blank).

9 (J) (Blank).

10 (K) Grants to Laboratory and Alternative Schools.

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

17 As used in this Section, "laboratory school" means a public  
18 school which is created and operated by a public university and  
19 approved by the State Board of Education. The governing board  
20 of a public university which receives funds from the State  
21 Board under this subsection (K) or subsection (i) of Section  
22 18-8.15 of this Code may not increase the number of students  
23 enrolled in its laboratory school from a single district, if

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

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

23 Each laboratory and alternative school shall file, on forms  
24 provided by the State Superintendent of Education, an annual  
25 State aid claim which states the Average Daily Attendance of  
26 the school's students by month. The best 3 months' Average

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

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

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

19 (2) (Blank).

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

22 (M) Education Funding Advisory Board.

23 The Education Funding Advisory Board, hereinafter in this  
24 subsection (M) referred to as the "Board", is hereby created.



1 The Board shall consist of 5 members who are appointed by the  
2 Governor, by and with the advice and consent of the Senate. The  
3 members appointed shall include representatives of education,  
4 business, and the general public. One of the members so  
5 appointed shall be designated by the Governor at the time the  
6 appointment is made as the chairperson of the Board. The  
7 initial members of the Board may be appointed any time after  
8 the effective date of this amendatory Act of 1997. The regular  
9 term of each member of the Board shall be for 4 years from the  
10 third Monday of January of the year in which the term of the  
11 member's appointment is to commence, except that of the 5  
12 initial members appointed to serve on the Board, the member who  
13 is appointed as the chairperson shall serve for a term that  
14 commences on the date of his or her appointment and expires on  
15 the third Monday of January, 2002, and the remaining 4 members,  
16 by lots drawn at the first meeting of the Board that is held  
17 after all 5 members are appointed, shall determine 2 of their  
18 number to serve for terms that commence on the date of their  
19 respective appointments and expire on the third Monday of  
20 January, 2001, and 2 of their number to serve for terms that  
21 commence on the date of their respective appointments and  
22 expire on the third Monday of January, 2000. All members  
23 appointed to serve on the Board shall serve until their  
24 respective successors are appointed and confirmed. Vacancies  
25 shall be filled in the same manner as original appointments. If  
26 a vacancy in membership occurs at a time when the Senate is not

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

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

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

20 For school years after the 2000-2001 school year through  
21 the 2013-2014 school year, the Education Funding Advisory  
22 Board, in consultation with the State Board of Education, shall  
23 make recommendations as provided in this subsection (M) to the  
24 General Assembly for the foundation level under subdivision  
25 (B) (3) of this Section and for the supplemental general State  
26 aid grant level under subsection (H) of this Section for

1 districts with high concentrations of children from poverty.  
2 The recommended foundation level shall be determined based on a  
3 methodology which incorporates the basic education  
4 expenditures of low-spending schools exhibiting high academic  
5 performance. The Education Funding Advisory Board shall make  
6 such recommendations to the General Assembly on January 1 of  
7 odd numbered years, beginning January 1, 2001. After the  
8 2013-2014 school year, the Education Funding Advisory Board  
9 shall make recommendations pursuant to subsection (k) of  
10 Section 18-8.15 of this Code.

11 (N) (Blank).

12 (O) References.

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

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

21 (P) Public Act 93-838 and Public Act 93-808 make inconsistent  
22 changes to this Section. Under Section 6 of the Statute on  
23 Statutes there is an irreconcilable conflict between Public Act

1 93-808 and Public Act 93-838. Public Act 93-838, being the last  
2 acted upon, is controlling. The text of Public Act 93-838 is  
3 the law regardless of the text of Public Act 93-808.

4 (Source: P.A. 96-45, eff. 7-15-09; 96-152, eff. 8-7-09; 96-300,  
5 eff. 8-11-09; 96-328, eff. 8-11-09; 96-640, eff. 8-24-09;  
6 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1480, eff.  
7 11-18-10; 97-339, eff. 8-12-11; 97-351, eff. 8-12-11; 97-742,  
8 eff. 6-30-13; 97-813, eff. 7-13-12.)

9 (105 ILCS 5/18-8.10)

10 Sec. 18-8.10. Fast growth grants.

11 (a) If there has been an increase in a school district's  
12 student population over the most recent 2 school years of (i)  
13 over 1.5% in a district with over 10,000 pupils in average  
14 daily attendance (as defined in Section 18-8.05 or 18-8.15 of  
15 this Code) or (ii) over 7.5% in any other district, then the  
16 district is eligible for a grant under this Section, subject to  
17 appropriation.

18 (b) The State Board of Education shall determine a per  
19 pupil grant amount for each school district. The total grant  
20 amount for a district for any given school year shall equal the  
21 per pupil grant amount multiplied by the difference between the  
22 number of pupils in average daily attendance for the 2 most  
23 recent school years.

24 (c) Funds for grants under this Section must be  
25 appropriated to the State Board of Education in a separate line

1 item for this purpose. If the amount appropriated in any fiscal  
2 year is insufficient to pay all grants for a school year, then  
3 the amount appropriated shall be prorated among eligible  
4 districts. As soon as possible after funds have been  
5 appropriated to the State Board of Education, the State Board  
6 of Education shall distribute the grants to eligible districts.

7 (d) If a school district intentionally reports incorrect  
8 average daily attendance numbers to receive a grant under this  
9 Section, then the district shall be denied State aid in the  
10 same manner as State aid is denied for intentional incorrect  
11 reporting of average daily attendance numbers under Section  
12 18-8.05 or 18-8.15 of this Code.

13 (Source: P.A. 93-1042, eff. 10-8-04.)

14 (105 ILCS 5/18-8.15 new)

15 Sec. 18-8.15. Basis for apportionment of primary State  
16 financial aid to the common schools for the 2014-2015 and  
17 subsequent school years.

18 (a) General provisions.

19 (1) The provisions of this Section apply to the 2014-2015  
20 and subsequent school years. The system of primary State  
21 financial aid provided for in this Section is designed to  
22 ensure that, through a combination of State financial aid and  
23 required local resources, the financial support provided each  
24 pupil in attendance equals or exceeds a prescribed per pupil  
25 Foundation Level, with adjustments to the Foundation Level

1 based on each school district's pupil characteristics. This  
2 formula approach imputes a level of per pupil Available Local  
3 Resources and provides for the basis to calculate a per pupil  
4 level of primary State financial aid that, when added to  
5 Available Local Resources, equals or exceeds the Foundation  
6 Level. The amount of per pupil primary State financial aid for  
7 school districts, in general, varies in inverse relation to  
8 Available Local Resources.

9 (2) To address increases and decreases in State funding  
10 resulting from this amendatory Act of the 98th General  
11 Assembly, the amount of primary State aid provided to a school  
12 district shall be subject to adjustment as provided in  
13 subsection (h) of this Section. Any supplemental grants  
14 provided for school districts under subsection (h) of this  
15 Section shall be appropriated for distribution to school  
16 districts as part of the same line item in which the primary  
17 State financial aid of school districts is appropriated under  
18 this Section.

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

22 (A) Any school district that fails, for any given  
23 school year, to maintain school as required by law or to  
24 maintain a recognized school is not eligible to receive  
25 financial assistance under this Section. In case of  
26 non-recognition of one or more attendance centers in a

1 school district otherwise operating recognized schools,  
2 the claim of the district shall be reduced in the  
3 proportion that the enrollment in the attendance center or  
4 centers bears to the enrollment in the school district. A  
5 "recognized school" means any public school that meets the  
6 standards established for recognition by the State Board of  
7 Education. A school district or attendance center not  
8 having recognition status at the end of a school term is  
9 entitled to receive State aid payments due upon a legal  
10 claim that was filed while it was recognized.

11 (B) School district claims filed under this Section are  
12 subject to Sections 18-9 and 18-12 of this Code, except as  
13 otherwise provided in this Section.

14 (C) If a school district operates a full-year school  
15 under Section 10-19.1 of this Code, the primary State aid  
16 to the school district shall be determined by the State  
17 Board of Education in accordance with this Section as near  
18 as may be applicable.

19 (4) Subject to the requirements of subsection (j) of this  
20 Section, the school board of any district receiving any of the  
21 grants provided for in this Section may apply those funds to  
22 any fund so received for which that school board is authorized  
23 to make expenditures by law.

24 (5) As used in this Section, the following terms, when  
25 capitalized, shall have the meanings ascribed in this paragraph

26 (5):

1       "Additional Weight" means a number added to 1.0 to  
2 calculate the District Weighted Average in accordance with  
3 subsection (b) of this Section. Each Additional Weight is  
4 calculated using the Weighting Factors and Weighting  
5 Percentages in paragraph (5) of subsection (b) of this Section.

6       "Adjusted Flat Grant Level" means, for each school district  
7 not subject to property tax extension limitations as imposed  
8 under the Property Tax Extension Limitation Law, the Flat Grant  
9 Level multiplied by the percentage, if any, of which the school  
10 district's combined tax rate for educational and operations and  
11 maintenance purposes is of the maximum combined tax rates for  
12 educational and operations and maintenance purposes specified  
13 for that type of school district under Section 17-2 of this  
14 Code. For a school district subject to property tax extension  
15 limitations as imposed under the Property Tax Extension  
16 Limitation Law or a school district whose combined tax rate for  
17 educational and operations and maintenance purposes is at least  
18 the maximum combined tax rates for educational and operations  
19 and maintenance purposes specified for that type of school  
20 district under Section 17-2 of this Code, the Adjusted Flat  
21 Grant Level is equal to the Flat Grant Level.

22       "Advanced Standing Pupil" means a pupil in grades 9 through  
23 12, other than a pupil counted as a Career Pathway Completer,  
24 that has completed (i) one or more Advanced Placement courses  
25 and received a score of 3 or higher on an Advanced Placement  
26 examination or (ii) a course providing dual credit through an



1 Illinois public community college or university in which the  
2 student was awarded at least 3 credit hours of postsecondary  
3 education credit.

4 "Alternative School" means a public school that is created  
5 and operated by a regional superintendent of schools and  
6 approved by the State Board of Education.

7 "Available Local Resources Per Pupil" means a computation  
8 of local financial support, calculated on the basis of Average  
9 Daily Attendance and derived as provided pursuant to subsection  
10 (d) of this Section.

11 "Average Daily Attendance" or "ADA" means the count of  
12 pupils in attendance derived as provided pursuant to subsection  
13 (c) of this Section.

14 "Base Tax Year" means the property tax levy year used to  
15 calculate the Budget Year allocation of primary State aid.

16 "Base Tax Year's Extension" means the product of the  
17 equalized assessed valuation utilized by the county clerk in  
18 the Base Tax Year multiplied by the limiting rate as calculated  
19 by the county clerk and defined in the Property Tax Extension  
20 Limitation Law.

21 "Budget Year" means the school year for which primary State  
22 aid is calculated and awarded under subsection (e) of this  
23 Section.

24 "Career Pathway Completer" means a pupil that has graduated  
25 from high school and completed a series of connected education  
26 and training strategies and support services meeting the

1 requirements of this definition and other requirements  
2 established by the State Board of Education that enable  
3 individuals to secure industry-relevant credentials and  
4 degrees and obtain employment within an occupational area and  
5 to advance to higher levels of future education and employment  
6 in that area. Career pathway programs must incorporate (i)  
7 rigorous academics that prepare students for success in  
8 community colleges and universities, as well as in  
9 apprenticeship and other postsecondary programs; (ii)  
10 career-based learning through a cluster of 3 or more courses  
11 emphasizing the practical application of academic learning and  
12 preparing students for employment in high skill occupational  
13 areas; (iii) professional learning, via job shadowing,  
14 apprenticeships, internships, or other professional  
15 skill-building opportunities; (iv) support services that  
16 include academic and career counseling; and (v) opportunities  
17 for attainment of stackable, industry-relevant credentials and  
18 degrees.

19 "Corporate Personal Property Replacement Taxes" means  
20 funds paid to school districts pursuant to "An Act in relation  
21 to the abolition of ad valorem personal property tax and the  
22 replacement of revenues lost thereby, and amending and  
23 repealing certain Acts and parts of Acts in connection  
24 therewith", certified August 14, 1979, as amended (Public Act  
25 81-1st S.S.-1).

26 "District Weighted Average" means a figure used to derive a

1 school district's Per-pupil Aid level, calculated pursuant to  
2 subsection (b) of this Section.

3 "Extension Limitation Equalized Assessed Valuation" means  
4 a figure calculated by the State Board of Education pursuant to  
5 paragraph (3) of subsection (h) of this Section for school  
6 districts subject to property tax extension limitations as  
7 imposed under the Property Tax Extension Limitation Law.

8 "Extension Limitation Ratio" means a numerical ratio in  
9 which the numerator is the Base Tax Year's Extension and the  
10 denominator is the Preceding Tax Year's Tax Extension.

11 "Flat Grant Level" means a dollar amount equal to 3.5% of  
12 the Foundation Level.

13 "Foundation Level" means a prescribed level of per pupil  
14 financial support, as provided for in subsection (b) of this  
15 Section.

16 "Gifted Pupil" means a pupil in kindergarten through grade  
17 8 receiving services through a program for gifted and talented  
18 children that has been approved by a school board and that is  
19 described on a school district's Internet website.

20 "Hold Harmless State Funding" means the amount of State  
21 funds allotted to a school district during the 2013-2014 school  
22 year pursuant to the following Sections of this Code, as  
23 calculated by the State Board of Education: Sections 18-8.05;  
24 14-7.02b; 14-7.03, but only with respect to reimbursement for  
25 children from foster family homes; 14-13.01, except for  
26 reimbursement of the cost of transportation pursuant to that

1 Section; 14C-12; 18-4.3; and 29-5. For a school district  
2 organized under Article 34 of this Code, "Hold Harmless State  
3 Funding" also includes the funds allotted to the school  
4 district pursuant to Section 1D-1 of this Code attributable to  
5 funding programs authorized by the Sections of this Code listed  
6 in this definition.

7 "Laboratory School" means a public school that is created  
8 and operated by a public university and approved by the State  
9 Board of Education.

10 "Low-income Pupil" means a pupil from a household with a  
11 household income level at or below 185% of the poverty  
12 guidelines updated periodically in the Federal Register by the  
13 U.S. Department of Health and Human Services under the  
14 authority of 42 U.S.C. 9902(2).

15 "Normal Pension Costs" means the present value of pension  
16 plan benefits and expenses allocated to a valuation year by an  
17 actuarial cost method for the Public School Teachers' Pension  
18 and Retirement Fund of Chicago.

19 "Operating Tax Rate" means all school district property  
20 taxes extended for all purposes, except bond and interest,  
21 summer school, rent, capital improvement, and vocational  
22 education building purposes.

23 "Per-pupil Aid" means a school district's Weighted  
24 Foundation Level less its Available Local Resources Per Pupil.

25 "Preceding Tax Year" means the property tax levy year  
26 immediately preceding the Base Tax Year.

1       "Preceding Tax Year's Tax Extension" means the product of  
2 the equalized assessed valuation utilized by the county clerk  
3 in the Preceding Tax Year multiplied by the Operating Tax Rate.

4       "Prior Year ADA" means the number of pupils within the  
5 count of pupils in attendance used for Average Daily Attendance  
6 calculations for the school year immediately preceding the  
7 school year for which primary State aid is calculated and  
8 awarded under subsection (e) of this Section.

9       "PTELL PSA Adjustment" means the amount of primary State  
10 aid a school district would receive under subsection (e) of  
11 this Section if the Extension Limitation Equalized Assessed  
12 Valuation was used for calculating the school district's  
13 primary State aid for the Budget Year instead of the district's  
14 equalized assessed valuation as calculated pursuant to  
15 paragraphs (1) and (2) of subsection (g) of this Section.

16       "Pupil of Limited English-speaking Ability" means a child  
17 of limited English-speaking ability, as defined in Section  
18 14C-2 of this Code, participating in a program of transitional  
19 bilingual education or a transitional program of instruction  
20 meeting the requirements of Article 14C of this Code.

21       "Regular Transportation Eligible Pupil" means a pupil,  
22 other than a Vocational Transportation Pupil, meeting the  
23 fiscal year 2014 eligibility requirements for reimbursement of  
24 transportation costs under Section 29-5 of this Code.

25       "Special Education Summer School Pupil" means a child with  
26 disabilities participating in a summer school program meeting

1 the fiscal year 2014 eligibility requirements for a summer  
2 school grant under Section 18-4.3 of this Code.

3 "Total Primary State Aid" means the amount of primary State  
4 aid allotted to a school district pursuant to subsection (e) of  
5 this Section and any supplemental grant allotted pursuant to  
6 paragraph (3) of subsection (h) of this Section.

7 "Vocational Transportation Pupil" means a pupil  
8 transported to an area vocational school or another school  
9 district's vocational program meeting the fiscal year 2014  
10 eligibility requirements for reimbursement of transportation  
11 costs under Section 29-5 of this Code.

12 "Weighted Foundation Level" means the Foundation Level  
13 multiplied by the District Weighted Average.

14 "Weighted Foundation Level Budget" means, for a particular  
15 school district, the Weighted Foundation Level multiplied by  
16 the ADA.

17 "Weighting Factor" means, for each Additional Weight  
18 classification in paragraph (5) of subsection (b) of this  
19 Section, the amount multiplied by the Weighting Percentage to  
20 calculate the Additional Weight figure.

21 "Weighting Percentage" means, for each Additional Weight  
22 classification in paragraph (5) of subsection (b) of this  
23 Section, the amount multiplied by the Weighting Factor to  
24 calculate the Additional Weight figure.

25 (b) Foundation Level; weighting for district pupil  
26 characteristics.

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

15       (2) Subject to paragraph (3) of this subsection (b), for  
16 the 2014-2015 school year and each school year thereafter, the  
17 Foundation Level of support is \$6,119 or such greater amount as  
18 may be established by law by the General Assembly.

19       (3) If the appropriation in any fiscal year for primary  
20 State aid, including supplemental grants pursuant to  
21 subsection (h) of this Section, is insufficient to pay the  
22 amounts required under the calculations set forth in this  
23 Section, then the State Board of Education shall adjust the  
24 Foundation Level to an amount so that the appropriation is  
25 sufficient to pay all primary State aid and supplemental grants  
26 required by this Section.

1       (4) For each school district, the Foundation Level shall be  
2 adjusted by multiplying the Foundation Level by a District  
3 Weighted Average figure, resulting in the school district's  
4 Weighted Foundation Level. The District Weighted Average  
5 figure for a particular school district shall be a number equal  
6 to 1.0 plus each of the Additional Weights described in  
7 paragraph (5) of this subsection (b) applicable to that  
8 district. For each Additional Weight, the figure included in  
9 the District Weighted Average is the product of the Weighting  
10 Factor multiplied by the Weighting Percentage, as both are  
11 specified in paragraph (5) of this subsection (b). For each  
12 school district, the State Board of Education shall publicly  
13 report the district's District Weighted Average, Weighted  
14 Foundation Level, Additional Weights, amount of the Weighted  
15 Foundation Level Budget attributable to each Additional  
16 Weight, and amount of primary State aid received attributable  
17 to each Additional Weight.

18       (5) Additional Weights:

19           (A) Pupils of Limited English-speaking Ability:

20               (i) Weighting Factor of 0.20; and

21               (ii) Weighting Percentage equal to the Prior Year  
22 ADA of Pupils of Limited English-speaking Ability,  
23 divided by the Prior Year ADA for all pupils.

24           (B) Low-Income Pupils: The higher of the weights  
25 determined through the following 2 methods:

26               (i) Regular low-income method:



1                   (I) Weighting Factor of 0.25; and

2                   (II) Weighting Percentage equal to the Prior  
3 Year ADA of Low-income Pupils, divided by the Prior  
4 Year ADA for all pupils.

5                   (ii) Low-income concentration method:

6                   (I) Weighting Factor of 0.90 multiplied by the  
7 Weighting Percentage for Low-income Pupils as  
8 calculated in accordance with the regular  
9 low-income method, provided that the Weighting  
10 Factor pursuant to this method shall not exceed  
11 0.75; and

12                   (II) Weighting Percentage equal to the  
13 Weighting Percentage for Low-income Pupils as  
14 calculated in accordance with the regular  
15 low-income method.

16 (C) Children with disabilities:

17                   (i) Weighting Factor of 1.0; and

18                   (ii) Weighting Percentage of 13.8% in the  
19 2014-2015 and 2015-2016 school years and, in  
20 subsequent school years, a Weighting Percentage  
21 periodically established by the State Board of  
22 Education, but not less frequently than once every 5  
23 years, representative of the statewide average  
24 population of students with disabilities in public  
25 education.

26 (D) Special Education Summer School Pupils:

1                   (i) Weighting Factor of 0.03; and

2                   (ii) Weighting Percentage equal to the Prior Year  
3 ADA of Special Education Summer School Pupils, divided  
4 by the Prior Year ADA for all pupils.

5                   (E) Gifted Pupils:

6                   (i) Weighting Factor of 0.01; and

7                   (ii) Weighting Percentage equal to the Prior Year  
8 ADA of Gifted Pupils, divided by the Prior Year ADA for  
9 all pupils, provided that the Prior Year ADA of Gifted  
10 Pupils used for such calculation shall not exceed 5% of  
11 the Prior Year ADA for pupils in kindergarten through  
12 grade 8.

13                   (F) Regular Transportation Eligible Pupils:

14                   (i) Weighting Factor of 0.06 for school districts  
15 in the most dense quintile of school districts in this  
16 State; for purposes of this subdivision (F), density  
17 shall be calculated by the State Board of Education  
18 based on the Prior Year ADA for all pupils in the  
19 school district per square mile, with separate  
20 quintile calculations for different school district  
21 organizational types;

22                   (ii) Weighting Factor 0.07 for school districts in  
23 the next to most dense quintile of school districts in  
24 this State;

25                   (iii) Weighting Factor of 0.08 for school  
26 districts in the median density quintile of school

1 districts in this State;

2 (iv) Weighting Factor of 0.09 for school districts  
3 in the next to least dense quintile of school districts  
4 in this State;

5 (v) Weighting Factor of 0.10 for school districts  
6 in the least dense quintile of school districts in this  
7 State; and

8 (vi) Weighting Percentage equal to the Prior Year  
9 ADA of Regular Transportation Eligible Pupils, divided  
10 by the Prior Year ADA for all pupils.

11 (G) Extraordinary Transportation Eligible Pupils.

12 Notwithstanding the Weighting Factors in subdivision (F)  
13 of this paragraph (5), the State Board of Education shall  
14 establish by administrative rule, for the 2015-2016 school  
15 year and subsequent school years, a Weighting Factor or  
16 Factors, not to exceed 0.12, for school districts with high  
17 transportation costs resulting from school district  
18 reorganizations or consolidations or students who live a  
19 significant distance from their assigned attendance  
20 center. The State Board of Education shall also establish  
21 the Weighting Percentage by administrative rule to account  
22 for the percentage of students receiving such  
23 transportation services.

24 (H) Vocational Transportation Pupils:

25 (i) Weighting Factor of 0.12; and

26 (ii) Weighting Percentage equal to the Prior Year

1           ADA of Vocational Transportation Pupils, divided by  
2           the Prior Year ADA for all pupils.

3           (I) In the 2016-2017 school year and subsequent school  
4           years, Advanced Standing Pupils and Career Pathway  
5           Completers:

6                   (i) For Advanced Standing Pupils:

7                           (I) Weighting Factor of 0.02; and

8                           (II) Weighting Percentage equal to the Prior  
9           Year ADA of Advanced Standing Pupils, divided by  
10           the Prior Year ADA for all pupils.

11                   (ii) For Career Pathway Completers:

12                           (I) Weighting Factor of 0.03; and

13                           (II) Weighting Percentage equal to the Prior  
14           Year ADA of Career Pathway Completers, divided by  
15           the Prior Year ADA for all pupils.

16           (c) Average Daily Attendance.

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

1 requirements of subsection (f) of this Section.

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

12 (d) Available Local Resources Per Pupil.

13 (1) For purposes of calculating primary State aid pursuant  
14 to subsection (e) of this Section, a representation of  
15 Available Local Resources Per Pupil, as that term is defined  
16 and determined in this subsection (d), shall be utilized.  
17 Available Local Resources Per Pupil shall include a calculated  
18 dollar amount representing school district revenues from local  
19 property taxes and from Corporate Personal Property  
20 Replacement Taxes, expressed on the basis of pupils in Average  
21 Daily Attendance. For a school district organized under Article  
22 34 of this Code, calculation of Available Local Resources shall  
23 exclude any amounts actually paid by the board of education  
24 into a Public School Teachers' Pension and Retirement Fund  
25 created pursuant to Article 17 of the Illinois Pension Code for  
26 Normal Pension Costs during the fiscal year immediately

1 preceding the fiscal year for which primary State aid is being  
2 calculated.

3 (2) In determining a school district's revenue from local  
4 property taxes, the State Board of Education shall utilize the  
5 equalized assessed valuation of all taxable property of each  
6 school district as of September 30 of the previous year. The  
7 equalized assessed valuation utilized shall be obtained and  
8 determined as provided in subsection (g) of this Section.

9 (3) For school districts maintaining grades kindergarten  
10 through 12, local property tax revenues per pupil shall be  
11 calculated as the product of the applicable equalized assessed  
12 valuation for the district multiplied by 3.07%, and divided by  
13 the district's Average Daily Attendance figure. For school  
14 districts maintaining grades kindergarten through 8, local  
15 property tax revenues per pupil shall be calculated as the  
16 product of the applicable equalized assessed valuation for the  
17 district multiplied by 2.36%, and divided by the district's  
18 Average Daily Attendance figure. For school districts  
19 maintaining grades 9 through 12, local property tax revenues  
20 per pupil shall be the applicable equalized assessed valuation  
21 of the district multiplied by 1.10%, and divided by the  
22 district's Average Daily Attendance figure.

23 For partial elementary unit districts created pursuant to  
24 Article 11E of this Code, local property tax revenues per pupil  
25 shall be calculated as the product of the equalized assessed  
26 valuation for property within the partial elementary unit

1 district for elementary purposes, as defined in Article 11E of  
2 this Code, multiplied by 2.10% and divided by the district's  
3 Average Daily Attendance figure, plus the product of the  
4 equalized assessed valuation for property within the partial  
5 elementary unit district for high school purposes, as defined  
6 in Article 11E of this Code, multiplied by 0.97% and divided by  
7 the district's Average Daily Attendance figure.

8 (4) The Corporate Personal Property Replacement Taxes paid  
9 to each school district during the calendar year one year  
10 before the calendar year in which a school year begins, divided  
11 by the Average Daily Attendance figure for that district, shall  
12 be added to the local property tax revenues per pupil as  
13 derived by the application of paragraph (3) of this subsection  
14 (d). The sum of these per pupil figures for each school  
15 district shall constitute Available Local Resources Per Pupil  
16 as that term is utilized in subsection (e) of this Section in  
17 the calculation of primary State aid.

18 (e) Computation of Primary State Aid.

19 (1) For each school year, the amount of primary State aid  
20 allotted to a school district shall be computed by the State  
21 Board of Education as provided in this subsection (e).

22 (2) Subject to paragraph (4) of this subsection (e), for  
23 any school district for which the Per-pupil Aid is more than  
24 the Flat Grant Level, primary State aid for that district shall  
25 be in an amount equal to its Per-pupil Aid multiplied by its  
26 Average Daily Attendance figure.

1       (3) Subject to paragraph (4) of this subsection (e), for  
2 any school district for which the Per-pupil Aid is equal to or  
3 less than the Flat Grant Level, primary State aid for that  
4 district shall be in an amount equal to the Adjusted Flat Grant  
5 Level multiplied by the district's Average Daily Attendance  
6 figure.

7       (4) From financial assistance provided to school districts  
8 under this Section, the State Board of Education shall withhold  
9 the following amounts for the following purposes:

10       (A) For each school district with an Additional Weight  
11 for Pupils of Limited English-speaking Ability, the State  
12 Board of Education shall withhold an amount not exceeding  
13 one and one-half percent of the district's Weighted  
14 Foundation Level Budget attributable to Pupils of Limited  
15 English-speaking Ability for (i) State Board of Education  
16 staff for administration and (ii) contractual services by a  
17 not-for-profit entity for technical assistance,  
18 professional development, and other support to school  
19 districts and educators for services for these pupils. To  
20 be eligible to receive the contract under clause (ii) of  
21 this subdivision (A), the not-for-profit entity must have  
22 experience providing such services in a school district  
23 having a population exceeding 500,000; one or more school  
24 districts in any of the counties of Lake, McHenry, DuPage,  
25 Kane, and Will; and one or more school districts elsewhere  
26 in this State.



1           (B) The State Board of Education shall withhold an  
2           amount not exceeding one-half percent of each school  
3           district's Weighted Foundation Level Budget attributable  
4           to children with disabilities and Special Education Summer  
5           School Pupils for State Board of Education staff and  
6           contractual services for administration, professional  
7           development, and support to school districts for services  
8           for children with disabilities. The State Board of  
9           Education shall use a portion of the withheld amounts for  
10          developing or supporting electronic individualized  
11          educational programs.

12          (f) Compilation of Average Daily Attendance.

13          (1) Each school district shall, on or before July 1 of each  
14          year, submit to the State Board of Education, in a manner  
15          prescribed by the State Board of Education, attendance figures  
16          for the school year that began in the preceding calendar year.  
17          The attendance information so transmitted shall identify the  
18          Average Daily Attendance figures for each month of the school  
19          year. School districts shall calculate Average Daily  
20          Attendance as provided in subdivisions (A), (B), and (C) of  
21          this paragraph (1).

22                 (A) In districts that do not hold year-round classes,  
23                 days of attendance in August shall be added to the month of  
24                 September and any days of attendance in June shall be added  
25                 to the month of May.

26                 (B) In districts in which all buildings hold year-round

1 classes, days of attendance in July and August shall be  
2 added to the month of September and any days of attendance  
3 in June shall be added to the month of May.

4 (C) In districts in which some buildings, but not all,  
5 hold year-round classes, for the non-year-round buildings,  
6 days of attendance in August shall be added to the month of  
7 September and any days of attendance in June shall be added  
8 to the month of May. The Average Daily Attendance for the  
9 year-round buildings shall be computed as provided in  
10 subdivision (B) of this paragraph (1). To calculate the  
11 Average Daily Attendance for the district, the Average  
12 Daily Attendance for the year-round buildings shall be  
13 multiplied by the days in session for the non-year-round  
14 buildings for each month and added to the monthly  
15 attendance of the non-year-round buildings.

16 (2) For the 2014-2015 school year, days of attendance by  
17 pupils shall be counted in accordance with paragraphs (1) and  
18 (2) of subsection (F) of Section 18-8.05 of this Code. For the  
19 2015-2016 and subsequent school years, days of attendance by  
20 pupils shall be counted in accordance with administrative rules  
21 adopted by the State Board of Education that address, without  
22 limitation, days of partial attendance, days utilized for  
23 in-service training and parent-teacher conferences,  
24 partial-day kindergarten, hospitalized or homebound students,  
25 days when assessments are administered, remote educational  
26 programs, virtual learning, work-based learning, dual credit

1 programs, and competency-based education. Such rules shall be  
2 adopted by the State Board of Education by no later than April  
3 1, 2015.

4 (g) Equalized assessed valuation data.

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

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

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

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

1 the calculation of Available Local Resources Per Pupil.

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

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

1 have been paid.

2 (B) The real property equalized assessed valuation for  
3 a school district shall be adjusted by subtracting from the  
4 real property value as equalized or assessed by the  
5 Department of Revenue for the district an amount computed  
6 by dividing the amount of any abatement of taxes under  
7 Section 18-170 of the Property Tax Code by 3.07% for a  
8 district maintaining grades kindergarten through 12, by  
9 2.36% for a district maintaining grades kindergarten  
10 through 8, or by 1.10% for a district maintaining grades 9  
11 through 12 and adjusted by an amount computed by dividing  
12 the amount of any abatement of taxes under subsection (a)  
13 of Section 18-165 of the Property Tax Code by the same  
14 percentage rates for district type as specified in this  
15 subdivision (B).

16 (3) If a school district's boundaries span multiple  
17 counties, then the Department of Revenue shall send to the  
18 State Board of Education, for the purpose of calculating  
19 primary State aid, the limiting rate and individual rates by  
20 purpose for the county that contains the majority of the school  
21 district's Equalized Assessed Valuation.

22 (h) Hold harmless and PTELL adjustments.

23 (1) The Total Primary State Aid a school district is  
24 allotted pursuant to this Section shall be subject to  
25 adjustment as provided in this subsection (h). A supplemental  
26 grant allotted to a school district pursuant to this subsection

1 (h) shall be paid in conjunction with the school district's  
2 payments of primary State aid.

3 (2) Notwithstanding anything to the contrary contained in  
4 this Section, the Total Primary State Aid allotted to a school  
5 district for the 2014-2015 through the 2016-2017 school years  
6 shall be adjusted as follows:

7 (A) If, for the 2014-2015 school year, the Total  
8 Primary State Aid is less than Hold Harmless State Funding,  
9 then the amount of primary State aid allotted to the school  
10 district shall be increased by a supplemental grant in the  
11 amount of 85% of the difference between Hold Harmless State  
12 Funding and Total Primary State Aid. If, for the 2015-2016  
13 school year, the Total Primary State Aid remains less than  
14 Hold Harmless State Funding, then the amount of primary  
15 State aid allotted to the school district shall be  
16 increased by a supplemental grant in the amount of 60% of  
17 the difference between Hold Harmless State Funding and  
18 Total Primary State Aid. If, for the 2016-2017 school year,  
19 the Total Primary State Aid remains less than Hold Harmless  
20 State Funding, then the amount of primary State aid  
21 allotted to the school district shall be increased by a  
22 supplemental grant in the amount of 30% of the difference  
23 between Hold Harmless State Funding and Total Primary State  
24 Aid.

25 (B) If, for the 2014-2015 school year, the Total  
26 Primary State Aid is more than Hold Harmless State Funding,

1       then the amount of primary State aid allotted to the school  
2       district shall be decreased by 85% of the difference  
3       between Hold Harmless State Funding and Total Primary State  
4       Aid. If, for the 2015-2016 school year, the Total Primary  
5       State Aid is more than Hold Harmless State Funding, then  
6       the amount of primary State aid allotted to the school  
7       district shall be decreased by 60% of the difference  
8       between Hold Harmless State Funding and Total Primary State  
9       Aid. If, for the 2016-2017 school year, the Total Primary  
10       State Aid is more than Hold Harmless State Funding, then  
11       the amount of primary State aid allotted to the school  
12       district shall be decreased by 30% of the difference  
13       between Hold Harmless State Funding and Total Primary State  
14       Aid.

15       (3) If a school district is subject to property tax  
16       extension limitations as imposed under the Property Tax  
17       Extension Limitation Law, a school district shall receive a  
18       supplemental grant pursuant to this paragraph (3) to account  
19       for the difference between its Extension Limitation Equalized  
20       Assessed Valuation and the school district's equalized  
21       assessed valuation as calculated under paragraphs (1) and (2)  
22       of subsection (g) of this Section. The State Board of Education  
23       shall calculate the Extension Limitation Equalized Assessed  
24       Valuation of each district subject to property tax extension  
25       limitations as imposed under the Property Tax Extension  
26       Limitation Law. Except as otherwise provided in this paragraph



1 (3) for a school district that has approved or does approve an  
2 increase in its limiting rate, the "Extension Limitation  
3 Equalized Assessed Valuation" of a school district as  
4 calculated by the State Board of Education shall be equal to  
5 the product of the equalized assessed valuation last used in  
6 the calculation of general State aid under Section 18-8.05 of  
7 this Code or primary State aid under this Section and the  
8 district's Extension Limitation Ratio. If a school district has  
9 approved or does approve an increase in its limiting rate,  
10 pursuant to Section 18-190 of the Property Tax Code, affecting  
11 the Base Tax Year, the Extension Limitation Equalized Assessed  
12 Valuation of the school district, as calculated by the State  
13 Board of Education, shall be equal to the product of the  
14 equalized assessed valuation last used in the calculation of  
15 general State aid pursuant to Section 18-8.05 of this Code or  
16 primary State aid pursuant to this Section times an amount  
17 equal to one plus the percentage increase, if any, in the  
18 Consumer Price Index for all Urban Consumers for all items  
19 published by the United States Department of Labor for the  
20 12-month calendar year preceding the Base Tax Year, plus the  
21 equalized assessed valuation of new property, annexed  
22 property, and recovered tax increment value and minus the  
23 equalized assessed valuation of disconnected property. New  
24 property and recovered tax increment value shall have the  
25 meanings set forth in the Property Tax Extension Limitation  
26 Law. Notwithstanding anything to the contrary contained in this

1 paragraph (3), a school district's Extension Limitation  
2 Equalized Assessed Valuation shall not be less than 80% of the  
3 district's equalized assessed valuation as calculated pursuant  
4 to paragraphs (1) and (2) of subsection (g) of this Section.

5 If the Extension Limitation Equalized Assessed Valuation  
6 of a school district as calculated under this paragraph (3) is  
7 less than the district's equalized assessed valuation as  
8 calculated pursuant to paragraphs (1) and (2) of subsection (g)  
9 of this Section, then the school district shall receive a  
10 supplemental grant equal to its PTELL PSA Adjustment as  
11 calculated by the State Board of Education.

12 (i) Grants to Laboratory and Alternative Schools. In  
13 calculating the amount to be paid to the governing board of a  
14 public university that operates a Laboratory School or to any  
15 Alternative School that is operated by a regional  
16 superintendent of schools, the State Board of Education shall  
17 require, by rule, such reporting requirements as it deems  
18 necessary. Each Laboratory and Alternative School shall file,  
19 on forms provided by the State Superintendent of Education, an  
20 annual State aid claim that states the Average Daily Attendance  
21 of the school's students by month. The best 3 months' Average  
22 Daily Attendance shall be computed for each school. The primary  
23 State aid entitlement shall be computed by multiplying the  
24 applicable Average Daily Attendance by the Foundation Level.

25 (j) District improvement plans and attendance center  
26 distributions.

1       (1) Each school district required to submit a district  
2 improvement plan under Section 2-3.25d of this Code shall  
3 demonstrate, in accordance with requirements adopted by the  
4 State Board of Education, how local and State funds will be  
5 used for strategies that give priority to meeting the  
6 educational needs of Low-income Pupils, Pupils of Limited  
7 English-speaking Ability, and children with disabilities. For  
8 each such category of pupils, budget information submitted with  
9 the plan must demonstrate that the combined amount of local  
10 funds and primary State aid funds budgeted for strategies that  
11 give priority to that category of pupils is proportionate or  
12 higher, on either an aggregate or per-pupil basis, to the  
13 proportion of the Weighted Foundation Level Budget  
14 attributable to that category of pupils. The State Board of  
15 Education may adopt exceptions to the requirement for  
16 proportionate or higher budgeting to address small pupil  
17 subgroup populations, changes in pupil enrollment, or  
18 extraordinary expenditures required for any school year. The  
19 State Board of Education may also adopt exceptions to the  
20 requirement for proportionate or higher budgeting for any  
21 school district to implement district-wide or school-wide  
22 strategies if the school district or school has a high  
23 percentage of pupils in any particular category relative to  
24 statewide averages and the district can demonstrate in its plan  
25 that a district-wide or school-wide strategy is more likely to  
26 achieve the district's educational objectives for a category of

1 pupils than a targeted strategy. If a school district fails to  
2 adhere to proportionate or higher budgeting in accordance with  
3 this paragraph (1), the school district must take corrective  
4 action in accordance with requirements adopted by the State  
5 Board of Education. If corrective action is not taken, the  
6 State Board of Education shall deduct, from primary State aid  
7 payments otherwise due the district, an amount equal to the  
8 amount by which the district failed to adhere to the  
9 proportionate or higher requirement.

10 (2) School districts with an Average Daily Attendance of  
11 50,000 or more shall be required to distribute, from funds  
12 available pursuant to this Section, no less than \$261,000,000  
13 in accordance with the following requirements:

14 (A) The required amounts shall be distributed to the  
15 attendance centers within the district in proportion to the  
16 number of Low-income Pupils enrolled at each attendance  
17 center during the current school year.

18 (B) The distribution of these portions of primary State  
19 aid among attendance centers according to these  
20 requirements shall not be compensated for or contravened by  
21 adjustments of the total of other funds appropriated to any  
22 attendance centers, and the board of education shall  
23 utilize funding from one or several sources in order to  
24 fully implement this paragraph (2) annually prior to the  
25 opening of school.

26 (C) Each attendance center shall be provided, by the

1 school district, with a distribution of other funds to  
2 which the attendance center is entitled under law in order  
3 that the primary State aid provided by application of this  
4 paragraph (2) supplements rather than supplants the other  
5 funds provided by the school district to the attendance  
6 centers.

7 (D) Funds received by an attendance center pursuant to  
8 this paragraph (2) shall be used by the attendance center  
9 at the discretion of the principal and local school council  
10 for programs to improve educational opportunities at  
11 qualifying schools through the following programs and  
12 services: early childhood education, reduced class size or  
13 improved adult to student classroom ratios, enrichment  
14 programs, remedial assistance, attendance improvement, and  
15 other educationally beneficial expenditures that  
16 supplement the regular and basic programs as determined by  
17 the State Board of Education. Funds provided shall not be  
18 expended for any political or lobbying purposes as defined  
19 by rule of the State Board.

20 (E) Each district subject to the provisions of this  
21 paragraph (2) shall submit an acceptable plan to meet the  
22 educational needs of disadvantaged children, in compliance  
23 with the requirements of this subdivision (E), to the State  
24 Board of Education prior to July 15 of each year. This plan  
25 shall be consistent with the decisions of local school  
26 councils concerning the school expenditure plans developed

1 in accordance with subdivision 4 of Section 34-2.3 of this  
2 Code. The State Board shall approve or reject the plan  
3 within 60 days after its submission. If the plan is  
4 rejected, the district shall give written notice of an  
5 intent to modify the plan within 15 days after the  
6 notification of rejection and then submit a modified plan  
7 within 30 days after the date of the written notice of an  
8 intent to modify. Districts may amend approved plans  
9 pursuant to rules adopted by the State Board of Education.

10 Upon notification by the State Board of Education that  
11 the district has not submitted a plan prior to July 15 or a  
12 modified plan within the time period specified in this  
13 subdivision (E), the State aid funds affected by that plan  
14 or modified plan shall be withheld by the State Board of  
15 Education until a plan or modified plan is submitted.

16 If the district fails to distribute State aid to  
17 attendance centers in accordance with an approved plan, the  
18 plan for the following year shall allocate funds, in  
19 addition to the funds otherwise required by this paragraph  
20 (2), to those attendance centers that were underfunded  
21 during the previous year in amounts equal to such  
22 underfunding.

23 For purposes of determining compliance with this paragraph  
24 (2) in relation to the requirements of attendance center  
25 funding, each district subject to the provisions of this  
26 paragraph (2) shall submit as a separate document, on or before

1 December 1 of each year, a report of expenditure data for the  
2 prior year in addition to any modification of its current plan.  
3 If it is determined that there has been a failure to comply  
4 with the expenditure provisions of this paragraph (2) regarding  
5 contravention or supplanting, the State Superintendent of  
6 Education shall, within 60 days after receipt of the report,  
7 notify the district and any affected local school council. The  
8 district shall, within 45 days after receipt of that  
9 notification, inform the State Superintendent of Education of  
10 the remedial or corrective action to be taken, whether by  
11 amendment of the current plan, if feasible, or by adjustment in  
12 the plan for the following year. Failure to provide the  
13 expenditure report or the notification of remedial or  
14 corrective action in a timely manner shall result in a  
15 withholding of the affected funds.

16 The State Board of Education shall adopt rules to implement  
17 the provisions of this paragraph (2). No funds shall be  
18 released under this paragraph (2) to any district that has not  
19 submitted a plan that has been approved by the State Board of  
20 Education.

21 (k) Education Funding Advisory Board. For the 2017-2018 and  
22 subsequent school years, the Education Funding Advisory Board  
23 established pursuant to subsection (M) of Section 18-8.05 of  
24 this Code, in consultation with the State Board of Education,  
25 shall make recommendations as provided in this subsection (k)  
26 to the General Assembly for the Foundation Level under

1 paragraph (2) of subsection (b) of this Section. The  
2 recommended foundation level shall be determined based on  
3 consideration of 2 separate methodologies:

4 (1) a methodology that incorporates the basic  
5 education expenditures of low-spending schools exhibiting  
6 high academic performance; and

7 (2) an evidence-based methodology that identifies an  
8 educational program that includes research-based  
9 educational strategies and uses the cost of that program to  
10 determine the cost of education.

11 The Education Funding Advisory Board shall make its  
12 recommendations to the General Assembly on or before January 31  
13 of odd-numbered years, beginning on or before January 31, 2017.

14 (1) Primary State Aid Review Committee. The State  
15 Superintendent of Education shall appoint a committee of no  
16 more than 20 members, consisting of school administrators,  
17 school business officials, school financing experts, parents,  
18 teachers, and concerned citizens to review the administration  
19 of primary State aid in this State and the impact on school  
20 district finances of this amendatory Act of the 98th General  
21 Assembly. The Committee shall make periodic recommendations to  
22 the State Superintendent of Education and the General Assembly  
23 concerning the administration of primary State aid, any  
24 administrative rules needed for the implementation of this  
25 Section, and suggestions for amending this Section or other  
26 Sections of this Code to achieve a school funding system that



1 provides adequate, equitable, transparent, and accountable  
2 distribution of funds to school districts that will prepare  
3 students for success after high school. By no later than  
4 January 31, 2017 and January 31 of each odd-numbered year  
5 thereafter, the Committee shall submit a report with  
6 recommendations to the State Superintendent and General  
7 Assembly. The report submitted by no later than January 31,  
8 2017 must address the following:

9 (1) whether to relate funding through the primary State  
10 aid formula to district accountability or accreditation  
11 status;

12 (2) whether to include State career and technical  
13 education funding within the primary State aid formula;

14 (3) whether to account for municipal impact fees,  
15 distributions from a special tax allocation fund  
16 established in relation to tax increment allocation  
17 financing, and other similar funds received by school  
18 districts in the calculation of Available Local Resources  
19 Per Pupil;

20 (4) whether regionalization factors should be  
21 incorporated into the primary State aid formula; and

22 (5) methods for reducing State liability for PTELL PSA  
23 Adjustments.

24 (m) Adequacy study. Subject to the availability of funding  
25 through appropriations made specifically for this purpose, by  
26 no later than January 31, 2019, the State Board of Education

1 shall contract with a public or private entity to conduct a  
2 study of the adequacy of education funding in this State. At a  
3 minimum, the adequacy study shall:

4 (1) identify a base funding level for students without  
5 special needs necessary to meet adequate growth;

6 (2) include per pupil weights for students with special  
7 needs to be applied to the base funding level;

8 (3) include an analysis of the effect of concentrations  
9 of poverty on adequacy targets;

10 (4) include an analysis of the assumed school district  
11 tax rates that should be included within the funding  
12 formula; and

13 (5) in collaboration with the Illinois Early Learning  
14 Council, include an analysis of what level of Preschool for  
15 All Children funding would be necessary to serve all  
16 children ages 0-5 years in the highest-priority service  
17 tier (as specified in paragraph (4.5) of subsection (a) of  
18 Section 2-3.71 of this Code) and an analysis of the  
19 potential cost savings that that level of Preschool for All  
20 Children investment would have on the kindergarten through  
21 grade 12 system.

22 (n) References. On and after July 1, 2014, references in  
23 other laws to general State aid funds or calculations under  
24 Section 18-8.05 of this Code shall be deemed to be references  
25 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  
26 State aid received under this Section. Claims under this

1 Section shall be filed on forms prescribed by the State  
2 Superintendent of Education, and the State Superintendent of  
3 Education, upon receipt of a claim, shall adjust the claim in  
4 accordance with the provisions of this Section. Supplementary  
5 State aid for each succeeding year under this Section shall be  
6 paid beginning with the first general State aid or primary  
7 State aid claim paid after the district has filed a completed  
8 claim in accordance with this Section.

9 (Source: P.A. 95-496, eff. 8-28-07.)

10 (105 ILCS 5/18-12) (from Ch. 122, par. 18-12)

11 Sec. 18-12. Dates for filing State aid claims. The school  
12 board of each school district shall require teachers,  
13 principals, or superintendents to furnish from records kept by  
14 them such data as it needs in preparing and certifying to the  
15 regional superintendent its school district report of claims  
16 provided in Sections 18-8.05 through 18-9 as required by the  
17 State Superintendent of Education. The district claim shall be  
18 based on the latest available equalized assessed valuation and  
19 tax rates, as provided in Section 18-8.05 or 18-8.15 and shall  
20 use the average daily attendance as determined by the method  
21 outlined in Section 18-8.05 or 18-8.15 and shall be certified  
22 and filed with the regional superintendent by June 21 for  
23 districts with an official school calendar end date before June  
24 15 or within 2 weeks following the official school calendar end  
25 date for districts with a school year end date of June 15 or

1 later. The regional superintendent shall certify and file with  
2 the State Superintendent of Education district State aid claims  
3 by July 1 for districts with an official school calendar end  
4 date before June 15 or no later than July 15 for districts with  
5 an official school calendar end date of June 15 or later.  
6 Failure to so file by these deadlines constitutes a forfeiture  
7 of the right to receive payment by the State until such claim  
8 is filed and vouchered for payment. The regional superintendent  
9 of schools shall certify the county report of claims by July  
10 15; and the State Superintendent of Education shall voucher for  
11 payment those claims to the State Comptroller as provided in  
12 Section 18-11.

13 Except as otherwise provided in this Section, if any school  
14 district fails to provide the minimum school term specified in  
15 Section 10-19, the State aid claim for that year shall be  
16 reduced by the State Superintendent of Education in an amount  
17 equivalent to  $1/176$  or .56818% for each day less than the  
18 number of days required by this Code.

19 If the State Superintendent of Education determines that  
20 the failure to provide the minimum school term was occasioned  
21 by an act or acts of God, or was occasioned by conditions  
22 beyond the control of the school district which posed a  
23 hazardous threat to the health and safety of pupils, the State  
24 aid claim need not be reduced.

25 If a school district is precluded from providing the  
26 minimum hours of instruction required for a full day of

1 attendance due to an adverse weather condition or a condition  
2 beyond the control of the school district that poses a  
3 hazardous threat to the health and safety of students, then the  
4 partial day of attendance may be counted if (i) the school  
5 district has provided at least one hour of instruction prior to  
6 the closure of the school district, (ii) a school building has  
7 provided at least one hour of instruction prior to the closure  
8 of the school building, or (iii) the normal start time of the  
9 school district is delayed.

10 If, prior to providing any instruction, a school district  
11 must close one or more but not all school buildings after  
12 consultation with a local emergency response agency or due to a  
13 condition beyond the control of the school district, then the  
14 school district may claim attendance for up to 2 school days  
15 based on the average attendance of the 3 school days  
16 immediately preceding the closure of the affected school  
17 building. The partial or no day of attendance described in this  
18 Section and the reasons therefore shall be certified within a  
19 month of the closing or delayed start by the school district  
20 superintendent to the regional superintendent of schools for  
21 forwarding to the State Superintendent of Education for  
22 approval.

23 No exception to the requirement of providing a minimum  
24 school term may be approved by the State Superintendent of  
25 Education pursuant to this Section unless a school district has  
26 first used all emergency days provided for in its regular

1 calendar.

2       If the State Superintendent of Education declares that an  
3 energy shortage exists during any part of the school year for  
4 the State or a designated portion of the State, a district may  
5 operate the school attendance centers within the district 4  
6 days of the week during the time of the shortage by extending  
7 each existing school day by one clock hour of school work, and  
8 the State aid claim shall not be reduced, nor shall the  
9 employees of that district suffer any reduction in salary or  
10 benefits as a result thereof. A district may operate all  
11 attendance centers on this revised schedule, or may apply the  
12 schedule to selected attendance centers, taking into  
13 consideration such factors as pupil transportation schedules  
14 and patterns and sources of energy for individual attendance  
15 centers.

16       Electronically submitted State aid claims shall be  
17 submitted by duly authorized district or regional individuals  
18 over a secure network that is password protected. The  
19 electronic submission of a State aid claim must be accompanied  
20 with an affirmation that all of the provisions of Sections  
21 18-8.05 through 18-9, 10-22.5, and 24-4 of this Code are met in  
22 all respects.

23       (Source: P.A. 95-152, eff. 8-14-07; 95-811, eff. 8-13-08;  
24 95-876, eff. 8-21-08; 96-734, eff. 8-25-09.)

1           Sec. 26-16. Graduation incentives program.

2           (a) The General Assembly finds that it is critical to  
3 provide options for children to succeed in school. The purpose  
4 of this Section is to provide incentives for and encourage all  
5 Illinois students who have experienced or are experiencing  
6 difficulty in the traditional education system to enroll in  
7 alternative programs.

8           (b) Any student who is below the age of 20 years is  
9 eligible to enroll in a graduation incentives program if he or  
10 she:

11           (1) is considered a dropout pursuant to Section 26-2a  
12 of this Code;

13           (2) has been suspended or expelled pursuant to Section  
14 10-22.6 or 34-19 of this Code;

15           (3) is pregnant or is a parent;

16           (4) has been assessed as chemically dependent; or

17           (5) is enrolled in a bilingual education or LEP  
18 program.

19           (c) The following programs qualify as graduation  
20 incentives programs for students meeting the criteria  
21 established in this Section:

22           (1) Any public elementary or secondary education  
23 graduation incentives program established by a school  
24 district or by a regional office of education.

25           (2) Any alternative learning opportunities program  
26 established pursuant to Article 13B of this Code.



1           (3) Vocational or job training courses approved by the  
2 State Superintendent of Education that are available  
3 through the Illinois public community college system.  
4 Students may apply for reimbursement of 50% of tuition  
5 costs for one course per semester or a maximum of 3 courses  
6 per school year. Subject to available funds, students may  
7 apply for reimbursement of up to 100% of tuition costs upon  
8 a showing of employment within 6 months after completion of  
9 a vocational or job training program. The qualifications  
10 for reimbursement shall be established by the State  
11 Superintendent of Education by rule.

12           (4) Job and career programs approved by the State  
13 Superintendent of Education that are available through  
14 Illinois-accredited private business and vocational  
15 schools. Subject to available funds, pupils may apply for  
16 reimbursement of up to 100% of tuition costs upon a showing  
17 of employment within 6 months after completion of a job or  
18 career program. The State Superintendent of Education  
19 shall establish, by rule, the qualifications for  
20 reimbursement, criteria for determining reimbursement  
21 amounts, and limits on reimbursement.

22           (5) Adult education courses that offer preparation for  
23 the General Educational Development Test.

24           (d) Graduation incentives programs established by school  
25 districts are entitled to claim general State aid and primary  
26 State aid, subject to Sections 13B-50, 13B-50.5, and 13B-50.10

1 of this Code. Graduation incentives programs operated by  
2 regional offices of education are entitled to receive general  
3 State aid and primary State aid at the foundation level of  
4 support per pupil enrolled. A school district must ensure that  
5 its graduation incentives program receives supplemental  
6 general State aid, transportation reimbursements, and special  
7 education resources, if appropriate, for students enrolled in  
8 the program.

9 (Source: P.A. 93-858, eff. 1-1-05; 93-1079, eff. 1-21-05.)

10 (105 ILCS 5/27-8.1) (from Ch. 122, par. 27-8.1)

11 Sec. 27-8.1. Health examinations and immunizations.

12 (1) In compliance with rules and regulations which the  
13 Department of Public Health shall promulgate, and except as  
14 hereinafter provided, all children in Illinois shall have a  
15 health examination as follows: within one year prior to  
16 entering kindergarten or the first grade of any public,  
17 private, or parochial elementary school; upon entering the  
18 sixth and ninth grades of any public, private, or parochial  
19 school; prior to entrance into any public, private, or  
20 parochial nursery school; and, irrespective of grade,  
21 immediately prior to or upon entrance into any public, private,  
22 or parochial school or nursery school, each child shall present  
23 proof of having been examined in accordance with this Section  
24 and the rules and regulations promulgated hereunder. Any child  
25 who received a health examination within one year prior to

1 entering the fifth grade for the 2007-2008 school year is not  
2 required to receive an additional health examination in order  
3 to comply with the provisions of Public Act 95-422 when he or  
4 she attends school for the 2008-2009 school year, unless the  
5 child is attending school for the first time as provided in  
6 this paragraph.

7 A tuberculosis skin test screening shall be included as a  
8 required part of each health examination included under this  
9 Section if the child resides in an area designated by the  
10 Department of Public Health as having a high incidence of  
11 tuberculosis. Additional health examinations of pupils,  
12 including eye examinations, may be required when deemed  
13 necessary by school authorities. Parents are encouraged to have  
14 their children undergo eye examinations at the same points in  
15 time required for health examinations.

16 (1.5) In compliance with rules adopted by the Department of  
17 Public Health and except as otherwise provided in this Section,  
18 all children in kindergarten and the second and sixth grades of  
19 any public, private, or parochial school shall have a dental  
20 examination. Each of these children shall present proof of  
21 having been examined by a dentist in accordance with this  
22 Section and rules adopted under this Section before May 15th of  
23 the school year. If a child in the second or sixth grade fails  
24 to present proof by May 15th, the school may hold the child's  
25 report card until one of the following occurs: (i) the child  
26 presents proof of a completed dental examination or (ii) the

1 child presents proof that a dental examination will take place  
2 within 60 days after May 15th. The Department of Public Health  
3 shall establish, by rule, a waiver for children who show an  
4 undue burden or a lack of access to a dentist. Each public,  
5 private, and parochial school must give notice of this dental  
6 examination requirement to the parents and guardians of  
7 students at least 60 days before May 15th of each school year.

8 (1.10) Except as otherwise provided in this Section, all  
9 children enrolling in kindergarten in a public, private, or  
10 parochial school on or after the effective date of this  
11 amendatory Act of the 95th General Assembly and any student  
12 enrolling for the first time in a public, private, or parochial  
13 school on or after the effective date of this amendatory Act of  
14 the 95th General Assembly shall have an eye examination. Each  
15 of these children shall present proof of having been examined  
16 by a physician licensed to practice medicine in all of its  
17 branches or a licensed optometrist within the previous year, in  
18 accordance with this Section and rules adopted under this  
19 Section, before October 15th of the school year. If the child  
20 fails to present proof by October 15th, the school may hold the  
21 child's report card until one of the following occurs: (i) the  
22 child presents proof of a completed eye examination or (ii) the  
23 child presents proof that an eye examination will take place  
24 within 60 days after October 15th. The Department of Public  
25 Health shall establish, by rule, a waiver for children who show  
26 an undue burden or a lack of access to a physician licensed to

1 practice medicine in all of its branches who provides eye  
2 examinations or to a licensed optometrist. Each public,  
3 private, and parochial school must give notice of this eye  
4 examination requirement to the parents and guardians of  
5 students in compliance with rules of the Department of Public  
6 Health. Nothing in this Section shall be construed to allow a  
7 school to exclude a child from attending because of a parent's  
8 or guardian's failure to obtain an eye examination for the  
9 child.

10 (2) The Department of Public Health shall promulgate rules  
11 and regulations specifying the examinations and procedures  
12 that constitute a health examination, which shall include the  
13 collection of data relating to obesity (including at a minimum,  
14 date of birth, gender, height, weight, blood pressure, and date  
15 of exam), and a dental examination and may recommend by rule  
16 that certain additional examinations be performed. The rules  
17 and regulations of the Department of Public Health shall  
18 specify that a tuberculosis skin test screening shall be  
19 included as a required part of each health examination included  
20 under this Section if the child resides in an area designated  
21 by the Department of Public Health as having a high incidence  
22 of tuberculosis. The Department of Public Health shall specify  
23 that a diabetes screening as defined by rule shall be included  
24 as a required part of each health examination. Diabetes testing  
25 is not required.

26 Physicians licensed to practice medicine in all of its

1 branches, advanced practice nurses who have a written  
2 collaborative agreement with a collaborating physician which  
3 authorizes them to perform health examinations, or physician  
4 assistants who have been delegated the performance of health  
5 examinations by their supervising physician shall be  
6 responsible for the performance of the health examinations,  
7 other than dental examinations, eye examinations, and vision  
8 and hearing screening, and shall sign all report forms required  
9 by subsection (4) of this Section that pertain to those  
10 portions of the health examination for which the physician,  
11 advanced practice nurse, or physician assistant is  
12 responsible. If a registered nurse performs any part of a  
13 health examination, then a physician licensed to practice  
14 medicine in all of its branches must review and sign all  
15 required report forms. Licensed dentists shall perform all  
16 dental examinations and shall sign all report forms required by  
17 subsection (4) of this Section that pertain to the dental  
18 examinations. Physicians licensed to practice medicine in all  
19 its branches or licensed optometrists shall perform all eye  
20 examinations required by this Section and shall sign all report  
21 forms required by subsection (4) of this Section that pertain  
22 to the eye examination. For purposes of this Section, an eye  
23 examination shall at a minimum include history, visual acuity,  
24 subjective refraction to best visual acuity near and far,  
25 internal and external examination, and a glaucoma evaluation,  
26 as well as any other tests or observations that in the

1 professional judgment of the doctor are necessary. Vision and  
2 hearing screening tests, which shall not be considered  
3 examinations as that term is used in this Section, shall be  
4 conducted in accordance with rules and regulations of the  
5 Department of Public Health, and by individuals whom the  
6 Department of Public Health has certified. In these rules and  
7 regulations, the Department of Public Health shall require that  
8 individuals conducting vision screening tests give a child's  
9 parent or guardian written notification, before the vision  
10 screening is conducted, that states, "Vision screening is not a  
11 substitute for a complete eye and vision evaluation by an eye  
12 doctor. Your child is not required to undergo this vision  
13 screening if an optometrist or ophthalmologist has completed  
14 and signed a report form indicating that an examination has  
15 been administered within the previous 12 months."

16 (3) Every child shall, at or about the same time as he or  
17 she receives a health examination required by subsection (1) of  
18 this Section, present to the local school proof of having  
19 received such immunizations against preventable communicable  
20 diseases as the Department of Public Health shall require by  
21 rules and regulations promulgated pursuant to this Section and  
22 the Communicable Disease Prevention Act.

23 (4) The individuals conducting the health examination,  
24 dental examination, or eye examination shall record the fact of  
25 having conducted the examination, and such additional  
26 information as required, including for a health examination

1 data relating to obesity (including at a minimum, date of  
2 birth, gender, height, weight, blood pressure, and date of  
3 exam), on uniform forms which the Department of Public Health  
4 and the State Board of Education shall prescribe for statewide  
5 use. The examiner shall summarize on the report form any  
6 condition that he or she suspects indicates a need for special  
7 services, including for a health examination factors relating  
8 to obesity. The individuals confirming the administration of  
9 required immunizations shall record as indicated on the form  
10 that the immunizations were administered.

11 (5) If a child does not submit proof of having had either  
12 the health examination or the immunization as required, then  
13 the child shall be examined or receive the immunization, as the  
14 case may be, and present proof by October 15 of the current  
15 school year, or by an earlier date of the current school year  
16 established by a school district. To establish a date before  
17 October 15 of the current school year for the health  
18 examination or immunization as required, a school district must  
19 give notice of the requirements of this Section 60 days prior  
20 to the earlier established date. If for medical reasons one or  
21 more of the required immunizations must be given after October  
22 15 of the current school year, or after an earlier established  
23 date of the current school year, then the child shall present,  
24 by October 15, or by the earlier established date, a schedule  
25 for the administration of the immunizations and a statement of  
26 the medical reasons causing the delay, both the schedule and



1 the statement being issued by the physician, advanced practice  
2 nurse, physician assistant, registered nurse, or local health  
3 department that will be responsible for administration of the  
4 remaining required immunizations. If a child does not comply by  
5 October 15, or by the earlier established date of the current  
6 school year, with the requirements of this subsection, then the  
7 local school authority shall exclude that child from school  
8 until such time as the child presents proof of having had the  
9 health examination as required and presents proof of having  
10 received those required immunizations which are medically  
11 possible to receive immediately. During a child's exclusion  
12 from school for noncompliance with this subsection, the child's  
13 parents or legal guardian shall be considered in violation of  
14 Section 26-1 and subject to any penalty imposed by Section  
15 26-10. This subsection (5) does not apply to dental  
16 examinations and eye examinations. Until June 30, 2015, if the  
17 student is an out-of-state transfer student and does not have  
18 the proof required under this subsection (5) before October 15  
19 of the current year or whatever date is set by the school  
20 district, then he or she may only attend classes (i) if he or  
21 she has proof that an appointment for the required vaccinations  
22 has been scheduled with a party authorized to submit proof of  
23 the required vaccinations. If the proof of vaccination required  
24 under this subsection (5) is not submitted within 30 days after  
25 the student is permitted to attend classes, then the student is  
26 not to be permitted to attend classes until proof of the

1 vaccinations has been properly submitted. No school district or  
2 employee of a school district shall be held liable for any  
3 injury or illness to another person that results from admitting  
4 an out-of-state transfer student to class that has an  
5 appointment scheduled pursuant to this subsection (5).

6 (6) Every school shall report to the State Board of  
7 Education by November 15, in the manner which that agency shall  
8 require, the number of children who have received the necessary  
9 immunizations and the health examination (other than a dental  
10 examination or eye examination) as required, indicating, of  
11 those who have not received the immunizations and examination  
12 as required, the number of children who are exempt from health  
13 examination and immunization requirements on religious or  
14 medical grounds as provided in subsection (8). On or before  
15 December 1 of each year, every public school district and  
16 registered nonpublic school shall make publicly available the  
17 immunization data they are required to submit to the State  
18 Board of Education by November 15. The immunization data made  
19 publicly available must be identical to the data the school  
20 district or school has reported to the State Board of  
21 Education.

22 Every school shall report to the State Board of Education  
23 by June 30, in the manner that the State Board requires, the  
24 number of children who have received the required dental  
25 examination, indicating, of those who have not received the  
26 required dental examination, the number of children who are

1 exempt from the dental examination on religious grounds as  
2 provided in subsection (8) of this Section and the number of  
3 children who have received a waiver under subsection (1.5) of  
4 this Section.

5 Every school shall report to the State Board of Education  
6 by June 30, in the manner that the State Board requires, the  
7 number of children who have received the required eye  
8 examination, indicating, of those who have not received the  
9 required eye examination, the number of children who are exempt  
10 from the eye examination as provided in subsection (8) of this  
11 Section, the number of children who have received a waiver  
12 under subsection (1.10) of this Section, and the total number  
13 of children in noncompliance with the eye examination  
14 requirement.

15 The reported information under this subsection (6) shall be  
16 provided to the Department of Public Health by the State Board  
17 of Education.

18 (7) Upon determining that the number of pupils who are  
19 required to be in compliance with subsection (5) of this  
20 Section is below 90% of the number of pupils enrolled in the  
21 school district, 10% of each State aid payment made pursuant to  
22 Section 18-8.05 or 18-8.15 to the school district for such year  
23 may be withheld by the State Board of Education until the  
24 number of students in compliance with subsection (5) is the  
25 applicable specified percentage or higher.

26 (8) Parents or legal guardians who object to health,

1 dental, or eye examinations or any part thereof, or to  
2 immunizations, on religious grounds shall not be required to  
3 submit their children or wards to the examinations or  
4 immunizations to which they so object if such parents or legal  
5 guardians present to the appropriate local school authority a  
6 signed statement of objection, detailing the grounds for the  
7 objection. If the physical condition of the child is such that  
8 any one or more of the immunizing agents should not be  
9 administered, the examining physician, advanced practice  
10 nurse, or physician assistant responsible for the performance  
11 of the health examination shall endorse that fact upon the  
12 health examination form. Exempting a child from the health,  
13 dental, or eye examination does not exempt the child from  
14 participation in the program of physical education training  
15 provided in Sections 27-5 through 27-7 of this Code.

16 (9) For the purposes of this Section, "nursery schools"  
17 means those nursery schools operated by elementary school  
18 systems or secondary level school units or institutions of  
19 higher learning.

20 (Source: P.A. 96-953, eff. 6-28-10; 97-216, eff. 1-1-12;  
21 97-910, eff. 1-1-13.)

22 (105 ILCS 5/27A-9)

23 Sec. 27A-9. Term of charter; renewal.

24 (a) A charter may be granted for a period not less than 5  
25 and not more than 10 school years. A charter may be renewed in

1 incremental periods not to exceed 5 school years.

2 (b) A charter school renewal proposal submitted to the  
3 local school board or the Commission, as the chartering entity,  
4 shall contain:

5 (1) A report on the progress of the charter school in  
6 achieving the goals, objectives, pupil performance  
7 standards, content standards, and other terms of the  
8 initial approved charter proposal; and

9 (2) A financial statement that discloses the costs of  
10 administration, instruction, and other spending categories  
11 for the charter school that is understandable to the  
12 general public and that will allow comparison of those  
13 costs to other schools or other comparable organizations,  
14 in a format required by the State Board.

15 (c) A charter may be revoked or not renewed if the local  
16 school board or the Commission, as the chartering entity,  
17 clearly demonstrates that the charter school did any of the  
18 following, or otherwise failed to comply with the requirements  
19 of this law:

20 (1) Committed a material violation of any of the  
21 conditions, standards, or procedures set forth in the  
22 charter.

23 (2) Failed to meet or make reasonable progress toward  
24 achievement of the content standards or pupil performance  
25 standards identified in the charter.

26 (3) Failed to meet generally accepted standards of

1 fiscal management.

2 (4) Violated any provision of law from which the  
3 charter school was not exempted.

4 In the case of revocation, the local school board or the  
5 Commission, as the chartering entity, shall notify the charter  
6 school in writing of the reason why the charter is subject to  
7 revocation. The charter school shall submit a written plan to  
8 the local school board or the Commission, whichever is  
9 applicable, to rectify the problem. The plan shall include a  
10 timeline for implementation, which shall not exceed 2 years or  
11 the date of the charter's expiration, whichever is earlier. If  
12 the local school board or the Commission, as the chartering  
13 entity, finds that the charter school has failed to implement  
14 the plan of remediation and adhere to the timeline, then the  
15 chartering entity shall revoke the charter. Except in  
16 situations of an emergency where the health, safety, or  
17 education of the charter school's students is at risk, the  
18 revocation shall take place at the end of a school year.  
19 Nothing in this amendatory Act of the 96th General Assembly  
20 shall be construed to prohibit an implementation timetable that  
21 is less than 2 years in duration.

22 (d) (Blank).

23 (e) Notice of a local school board's decision to deny,  
24 revoke or not to renew a charter shall be provided to the  
25 Commission and the State Board. The Commission may reverse a  
26 local board's decision if the Commission finds that the charter

1 school or charter school proposal (i) is in compliance with  
2 this Article, and (ii) is in the best interests of the students  
3 it is designed to serve. The State Board may condition the  
4 granting of an appeal on the acceptance by the charter school  
5 of funding in an amount less than that requested in the  
6 proposal submitted to the local school board. Final decisions  
7 of the Commission shall be subject to judicial review under the  
8 Administrative Review Law.

9 (f) Notwithstanding other provisions of this Article, if  
10 the Commission on appeal reverses a local board's decision or  
11 if a charter school is approved by referendum, the Commission  
12 shall act as the authorized chartering entity for the charter  
13 school. The Commission shall approve the charter and shall  
14 perform all functions under this Article otherwise performed by  
15 the local school board. The State Board shall determine whether  
16 the charter proposal approved by the Commission is consistent  
17 with the provisions of this Article and, if the approved  
18 proposal complies, certify the proposal pursuant to this  
19 Article. The State Board shall report the aggregate number of  
20 charter school pupils resident in a school district to that  
21 district and shall notify the district of the amount of funding  
22 to be paid by the Commission to the charter school enrolling  
23 such students. The Commission shall require the charter school  
24 to maintain accurate records of daily attendance that shall be  
25 deemed sufficient to file claims under Section 18-8.05 or  
26 18-8.15 notwithstanding any other requirements of that Section

1 regarding hours of instruction and teacher certification. The  
2 State Board shall withhold from funds otherwise due the  
3 district the funds authorized by this Article to be paid to the  
4 charter school and shall pay such amounts to the charter  
5 school.

6 (g) For charter schools authorized by the Commission, the  
7 Commission shall quarterly certify to the State Board the  
8 student enrollment for each of its charter schools.

9 (h) For charter schools authorized by the Commission, the  
10 State Board shall pay directly to a charter school any federal  
11 or State aid attributable to a student with a disability  
12 attending the school.

13 (Source: P.A. 96-105, eff. 7-30-09; 97-152, eff. 7-20-11.)

14 (105 ILCS 5/27A-11)

15 Sec. 27A-11. Local financing.

16 (a) For purposes of the School Code, pupils enrolled in a  
17 charter school shall be included in the pupil enrollment of the  
18 school district within which the pupil resides. Each charter  
19 school (i) shall determine the school district in which each  
20 pupil who is enrolled in the charter school resides, (ii) shall  
21 report the aggregate number of pupils resident of a school  
22 district who are enrolled in the charter school to the school  
23 district in which those pupils reside, and (iii) shall maintain  
24 accurate records of daily attendance that shall be deemed  
25 sufficient to file claims under Section 18-8 or 18-8.15



1 notwithstanding any other requirements of that Section  
2 regarding hours of instruction and teacher certification.

3 (b) Except for a charter school established by referendum  
4 under Section 27A-6.5, as part of a charter school contract,  
5 the charter school and the local school board shall agree on  
6 funding and any services to be provided by the school district  
7 to the charter school. Agreed funding that a charter school is  
8 to receive from the local school board for a school year shall  
9 be paid in equal quarterly installments with the payment of the  
10 installment for the first quarter being made not later than  
11 July 1, unless the charter establishes a different payment  
12 schedule.

13 All services centrally or otherwise provided by the school  
14 district including, but not limited to, rent, food services,  
15 custodial services, maintenance, curriculum, media services,  
16 libraries, transportation, and warehousing shall be subject to  
17 negotiation between a charter school and the local school board  
18 and paid for out of the revenues negotiated pursuant to this  
19 subsection (b); provided that the local school board shall not  
20 attempt, by negotiation or otherwise, to obligate a charter  
21 school to provide pupil transportation for pupils for whom a  
22 district is not required to provide transportation under the  
23 criteria set forth in subsection (a) (13) of Section 27A-7.

24 In no event shall the funding be less than 75% or more than  
25 125% of the school district's per capita student tuition  
26 multiplied by the number of students residing in the district

1 who are enrolled in the charter school.

2 It is the intent of the General Assembly that funding and  
3 service agreements under this subsection (b) shall be neither a  
4 financial incentive nor a financial disincentive to the  
5 establishment of a charter school.

6 The charter school may set and collect reasonable fees.  
7 Fees collected from students enrolled at a charter school shall  
8 be retained by the charter school.

9 (c) Notwithstanding subsection (b) of this Section, the  
10 proportionate share of State and federal resources generated by  
11 students with disabilities or staff serving them shall be  
12 directed to charter schools enrolling those students by their  
13 school districts or administrative units. The proportionate  
14 share of moneys generated under other federal or State  
15 categorical aid programs shall be directed to charter schools  
16 serving students eligible for that aid.

17 (d) The governing body of a charter school is authorized to  
18 accept gifts, donations, or grants of any kind made to the  
19 charter school and to expend or use gifts, donations, or grants  
20 in accordance with the conditions prescribed by the donor;  
21 however, a gift, donation, or grant may not be accepted by the  
22 governing body if it is subject to any condition contrary to  
23 applicable law or contrary to the terms of the contract between  
24 the charter school and the local school board. Charter schools  
25 shall be encouraged to solicit and utilize community volunteer  
26 speakers and other instructional resources when providing

1 instruction on the Holocaust and other historical events.

2 (e) (Blank).

3 (f) The State Board shall provide technical assistance to  
4 persons and groups preparing or revising charter applications.

5 (g) At the non-renewal or revocation of its charter, each  
6 charter school shall refund to the local board of education all  
7 unspent funds.

8 (h) A charter school is authorized to incur temporary,  
9 short term debt to pay operating expenses in anticipation of  
10 receipt of funds from the local school board.

11 (Source: P.A. 90-548, eff. 1-1-98; 90-757, eff. 8-14-98;  
12 91-407, eff. 8-3-99.)

13 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

14 Sec. 29-5. Reimbursement by State for transportation. Any  
15 school district, maintaining a school, transporting resident  
16 pupils to another school district's vocational program,  
17 offered through a joint agreement approved by the State Board  
18 of Education, as provided in Section 10-22.22 or transporting  
19 its resident pupils to a school which meets the standards for  
20 recognition as established by the State Board of Education  
21 which provides transportation meeting the standards of safety,  
22 comfort, convenience, efficiency and operation prescribed by  
23 the State Board of Education for resident pupils in  
24 kindergarten or any of grades 1 through 12 who: (a) reside at  
25 least 1 1/2 miles as measured by the customary route of travel,

1 from the school attended; or (b) reside in areas where  
2 conditions are such that walking constitutes a hazard to the  
3 safety of the child when determined under Section 29-3; and (c)  
4 are transported to the school attended from pick-up points at  
5 the beginning of the school day and back again at the close of  
6 the school day or transported to and from their assigned  
7 attendance centers during the school day, shall be reimbursed  
8 by the State as hereinafter provided in this Section through  
9 fiscal year 2014.

10 Through fiscal year 2014, the ~~The~~ State will pay the cost  
11 of transporting eligible pupils less the assessed valuation in  
12 a dual school district maintaining secondary grades 9 to 12  
13 inclusive times a qualifying rate of .05%; in elementary school  
14 districts maintaining grades K to 8 times a qualifying rate of  
15 .06%; and in unit districts maintaining grades K to 12,  
16 including optional elementary unit districts and combined high  
17 school - unit districts, times a qualifying rate of .07%;  
18 provided that for optional elementary unit districts and  
19 combined high school - unit districts, assessed valuation for  
20 high school purposes, as defined in Article 11E of this Code,  
21 must be used. To be eligible to receive reimbursement in excess  
22 of 4/5 of the cost to transport eligible pupils, a school  
23 district shall have a Transportation Fund tax rate of at least  
24 .12%. If a school district does not have a .12% Transportation  
25 Fund tax rate, the amount of its claim in excess of 4/5 of the  
26 cost of transporting pupils shall be reduced by the sum arrived

1 at by subtracting the Transportation Fund tax rate from .12%  
2 and multiplying that amount by the districts equalized or  
3 assessed valuation, provided, that in no case shall said  
4 reduction result in reimbursement of less than 4/5 of the cost  
5 to transport eligible pupils.

6 Through fiscal year 2014, the ~~The~~ minimum amount to be  
7 received by a district is \$16 times the number of eligible  
8 pupils transported.

9 When calculating the reimbursement for transportation  
10 costs, the State Board of Education may not deduct the number  
11 of pupils enrolled in early education programs from the number  
12 of pupils eligible for reimbursement if the pupils enrolled in  
13 the early education programs are transported at the same time  
14 as other eligible pupils.

15 Through fiscal year 2014, any ~~Any~~ such district  
16 transporting resident pupils during the school day to an area  
17 vocational school or another school district's vocational  
18 program more than 1 1/2 miles from the school attended, as  
19 provided in Sections 10-22.20a and 10-22.22, shall be  
20 reimbursed by the State for 4/5 of the cost of transporting  
21 eligible pupils.

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

24 If a pupil is at a location within the school district  
25 other than his residence for child care purposes at the time  
26 for transportation to school, that location may be considered

1 for purposes of determining the 1 1/2 miles from the school  
2 attended.

3 Claims for reimbursement that include children who attend  
4 any school other than a public school shall show the number of  
5 such children transported.

6 Claims for reimbursement under this Section shall not be  
7 paid for the transportation of pupils for whom transportation  
8 costs are claimed for payment under other Sections of this Act.

9 The allowable direct cost of transporting pupils for  
10 regular, vocational, and special education pupil  
11 transportation shall be limited to the sum of the cost of  
12 physical examinations required for employment as a school bus  
13 driver; the salaries of full or part-time drivers and school  
14 bus maintenance personnel; employee benefits excluding  
15 Illinois municipal retirement payments, social security  
16 payments, unemployment insurance payments and workers'  
17 compensation insurance premiums; expenditures to independent  
18 carriers who operate school buses; payments to other school  
19 districts for pupil transportation services; pre-approved  
20 contractual expenditures for computerized bus scheduling; the  
21 cost of gasoline, oil, tires, and other supplies necessary for  
22 the operation of school buses; the cost of converting buses'  
23 gasoline engines to more fuel efficient engines or to engines  
24 which use alternative energy sources; the cost of travel to  
25 meetings and workshops conducted by the regional  
26 superintendent or the State Superintendent of Education

1 pursuant to the standards established by the Secretary of State  
2 under Section 6-106 of the Illinois Vehicle Code to improve the  
3 driving skills of school bus drivers; the cost of maintenance  
4 of school buses including parts and materials used;  
5 expenditures for leasing transportation vehicles, except  
6 interest and service charges; the cost of insurance and  
7 licenses for transportation vehicles; expenditures for the  
8 rental of transportation equipment; plus a depreciation  
9 allowance of 20% for 5 years for school buses and vehicles  
10 approved for transporting pupils to and from school and a  
11 depreciation allowance of 10% for 10 years for other  
12 transportation equipment so used. Each school year, if a school  
13 district has made expenditures to the Regional Transportation  
14 Authority or any of its service boards, a mass transit  
15 district, or an urban transportation district under an  
16 intergovernmental agreement with the district to provide for  
17 the transportation of pupils and if the public transit carrier  
18 received direct payment for services or passes from a school  
19 district within its service area during the 2000-2001 school  
20 year, then the allowable direct cost of transporting pupils for  
21 regular, vocational, and special education pupil  
22 transportation shall also include the expenditures that the  
23 district has made to the public transit carrier. In addition to  
24 the above allowable costs school districts shall also claim all  
25 transportation supervisory salary costs, including Illinois  
26 municipal retirement payments, and all transportation related

1 building and building maintenance costs without limitation.

2 Special education allowable costs shall also include  
3 expenditures for the salaries of attendants or aides for that  
4 portion of the time they assist special education pupils while  
5 in transit and expenditures for parents and public carriers for  
6 transporting special education pupils when pre-approved by the  
7 State Superintendent of Education.

8 Indirect costs shall be included in the reimbursement claim  
9 for districts which own and operate their own school buses.  
10 Such indirect costs shall include administrative costs, or any  
11 costs attributable to transporting pupils from their  
12 attendance centers to another school building for  
13 instructional purposes. No school district which owns and  
14 operates its own school buses may claim reimbursement for  
15 indirect costs which exceed 5% of the total allowable direct  
16 costs for pupil transportation.

17 The State Board of Education shall prescribe uniform  
18 regulations for determining the above standards and shall  
19 prescribe forms of cost accounting and standards of determining  
20 reasonable depreciation. Such depreciation shall include the  
21 cost of equipping school buses with the safety features  
22 required by law or by the rules, regulations and standards  
23 promulgated by the State Board of Education, and the Department  
24 of Transportation for the safety and construction of school  
25 buses provided, however, any equipment cost reimbursed by the  
26 Department of Transportation for equipping school buses with



1 such safety equipment shall be deducted from the allowable cost  
2 in the computation of reimbursement under this Section in the  
3 same percentage as the cost of the equipment is depreciated.

4 On or before August 15, annually, through August 15, 2013,  
5 the chief school administrator for the district shall certify  
6 to the State Superintendent of Education the district's claim  
7 for reimbursement for the school year ending on June 30 next  
8 preceding. The State Superintendent of Education shall check  
9 and approve the claims and prepare the vouchers showing the  
10 amounts due for district reimbursement claims. Each fiscal year  
11 through fiscal year 2014, the State Superintendent of Education  
12 shall prepare and transmit the first 3 vouchers to the  
13 Comptroller on the 30th day of September, December and March,  
14 respectively, and the final voucher, no later than June 20.

15 If the amount appropriated for transportation  
16 reimbursement is insufficient to fund total claims for any  
17 fiscal year, the State Board of Education shall reduce each  
18 school district's allowable costs and flat grant amount  
19 proportionately to make total adjusted claims equal the total  
20 amount appropriated.

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

1 All reimbursements received from the State shall be  
2 deposited into the district's transportation fund or into the  
3 fund from which the allowable expenditures were made.

4 Notwithstanding any other provision of law, any school  
5 district receiving a payment under this Section or under  
6 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may  
7 classify all or a portion of the funds that it receives in a  
8 particular fiscal year or from general State aid pursuant to  
9 Section 18-8.05 of this Code as funds received in connection  
10 with any funding program for which it is entitled to receive  
11 funds from the State in that fiscal year (including, without  
12 limitation, any funding program referenced in this Section),  
13 regardless of the source or timing of the receipt. The district  
14 may not classify more funds as funds received in connection  
15 with the funding program than the district is entitled to  
16 receive in that fiscal year for that program. Any  
17 classification by a district must be made by a resolution of  
18 its board of education. The resolution must identify the amount  
19 of any payments or general State aid to be classified under  
20 this paragraph and must specify the funding program to which  
21 the funds are to be treated as received in connection  
22 therewith. This resolution is controlling as to the  
23 classification of funds referenced therein. A certified copy of  
24 the resolution must be sent to the State Superintendent of  
25 Education. The resolution shall still take effect even though a  
26 copy of the resolution has not been sent to the State

1 Superintendent of Education in a timely manner. No  
2 classification under this paragraph by a district shall affect  
3 the total amount or timing of money the district is entitled to  
4 receive under this Code. No classification under this paragraph  
5 by a district shall in any way relieve the district from or  
6 affect any requirements that otherwise would apply with respect  
7 to that funding program, including any accounting of funds by  
8 source, reporting expenditures by original source and purpose,  
9 reporting requirements, or requirements of providing services.

10 Any school district with a population of not more than  
11 500,000 must deposit all funds received under this Article into  
12 the transportation fund and use those funds for the provision  
13 of transportation services.

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

15 (105 ILCS 5/34-2.3) (from Ch. 122, par. 34-2.3)

16 Sec. 34-2.3. Local school councils - Powers and duties.  
17 Each local school council shall have and exercise, consistent  
18 with the provisions of this Article and the powers and duties  
19 of the board of education, the following powers and duties:

20 1. (A) To annually evaluate the performance of the  
21 principal of the attendance center using a Board approved  
22 principal evaluation form, which shall include the evaluation  
23 of (i) student academic improvement, as defined by the school  
24 improvement plan, (ii) student absenteeism rates at the school,  
25 (iii) instructional leadership, (iv) the effective

1 implementation of programs, policies, or strategies to improve  
2 student academic achievement, (v) school management, and (vi)  
3 any other factors deemed relevant by the local school council,  
4 including, without limitation, the principal's communication  
5 skills and ability to create and maintain a student-centered  
6 learning environment, to develop opportunities for  
7 professional development, and to encourage parental  
8 involvement and community partnerships to achieve school  
9 improvement;

10 (B) to determine in the manner provided by subsection (c)  
11 of Section 34-2.2 and subdivision 1.5 of this Section whether  
12 the performance contract of the principal shall be renewed; and

13 (C) to directly select, in the manner provided by  
14 subsection (c) of Section 34-2.2, a new principal (including a  
15 new principal to fill a vacancy) -- without submitting any list  
16 of candidates for that position to the general superintendent  
17 as provided in paragraph 2 of this Section -- to serve under a  
18 4 year performance contract; provided that (i) the  
19 determination of whether the principal's performance contract  
20 is to be renewed, based upon the evaluation required by  
21 subdivision 1.5 of this Section, shall be made no later than  
22 150 days prior to the expiration of the current  
23 performance-based contract of the principal, (ii) in cases  
24 where such performance contract is not renewed -- a direct  
25 selection of a new principal -- to serve under a 4 year  
26 performance contract shall be made by the local school council

1 no later than 45 days prior to the expiration of the current  
2 performance contract of the principal, and (iii) a selection by  
3 the local school council of a new principal to fill a vacancy  
4 under a 4 year performance contract shall be made within 90  
5 days after the date such vacancy occurs. A Council shall be  
6 required, if requested by the principal, to provide in writing  
7 the reasons for the council's not renewing the principal's  
8 contract.

9 1.5. The local school council's determination of whether to  
10 renew the principal's contract shall be based on an evaluation  
11 to assess the educational and administrative progress made at  
12 the school during the principal's current performance-based  
13 contract. The local school council shall base its evaluation on  
14 (i) student academic improvement, as defined by the school  
15 improvement plan, (ii) student absenteeism rates at the school,  
16 (iii) instructional leadership, (iv) the effective  
17 implementation of programs, policies, or strategies to improve  
18 student academic achievement, (v) school management, and (vi)  
19 any other factors deemed relevant by the local school council,  
20 including, without limitation, the principal's communication  
21 skills and ability to create and maintain a student-centered  
22 learning environment, to develop opportunities for  
23 professional development, and to encourage parental  
24 involvement and community partnerships to achieve school  
25 improvement. If a local school council fails to renew the  
26 performance contract of a principal rated by the general

1 superintendent, or his or her designee, in the previous years'  
2 evaluations as meeting or exceeding expectations, the  
3 principal, within 15 days after the local school council's  
4 decision not to renew the contract, may request a review of the  
5 local school council's principal non-retention decision by a  
6 hearing officer appointed by the American Arbitration  
7 Association. A local school council member or members or the  
8 general superintendent may support the principal's request for  
9 review. During the period of the hearing officer's review of  
10 the local school council's decision on whether or not to retain  
11 the principal, the local school council shall maintain all  
12 authority to search for and contract with a person to serve as  
13 interim or acting principal, or as the principal of the  
14 attendance center under a 4-year performance contract,  
15 provided that any performance contract entered into by the  
16 local school council shall be voidable or modified in  
17 accordance with the decision of the hearing officer. The  
18 principal may request review only once while at that attendance  
19 center. If a local school council renews the contract of a  
20 principal who failed to obtain a rating of "meets" or "exceeds  
21 expectations" in the general superintendent's evaluation for  
22 the previous year, the general superintendent, within 15 days  
23 after the local school council's decision to renew the  
24 contract, may request a review of the local school council's  
25 principal retention decision by a hearing officer appointed by  
26 the American Arbitration Association. The general

1 superintendent may request a review only once for that  
2 principal at that attendance center. All requests to review the  
3 retention or non-retention of a principal shall be submitted to  
4 the general superintendent, who shall, in turn, forward such  
5 requests, within 14 days of receipt, to the American  
6 Arbitration Association. The general superintendent shall send  
7 a contemporaneous copy of the request that was forwarded to the  
8 American Arbitration Association to the principal and to each  
9 local school council member and shall inform the local school  
10 council of its rights and responsibilities under the  
11 arbitration process, including the local school council's  
12 right to representation and the manner and process by which the  
13 Board shall pay the costs of the council's representation. If  
14 the local school council retains the principal and the general  
15 superintendent requests a review of the retention decision, the  
16 local school council and the general superintendent shall be  
17 considered parties to the arbitration, a hearing officer shall  
18 be chosen between those 2 parties pursuant to procedures  
19 promulgated by the State Board of Education, and the principal  
20 may retain counsel and participate in the arbitration. If the  
21 local school council does not retain the principal and the  
22 principal requests a review of the retention decision, the  
23 local school council and the principal shall be considered  
24 parties to the arbitration and a hearing officer shall be  
25 chosen between those 2 parties pursuant to procedures  
26 promulgated by the State Board of Education. The hearing shall

1 begin (i) within 45 days after the initial request for review  
2 is submitted by the principal to the general superintendent or  
3 (ii) if the initial request for review is made by the general  
4 superintendent, within 45 days after that request is mailed to  
5 the American Arbitration Association. The hearing officer  
6 shall render a decision within 45 days after the hearing begins  
7 and within 90 days after the initial request for review. The  
8 Board shall contract with the American Arbitration Association  
9 for all of the hearing officer's reasonable and necessary  
10 costs. In addition, the Board shall pay any reasonable costs  
11 incurred by a local school council for representation before a  
12 hearing officer.

13 1.10. The hearing officer shall conduct a hearing, which  
14 shall include (i) a review of the principal's performance,  
15 evaluations, and other evidence of the principal's service at  
16 the school, (ii) reasons provided by the local school council  
17 for its decision, and (iii) documentation evidencing views of  
18 interested persons, including, without limitation, students,  
19 parents, local school council members, school faculty and  
20 staff, the principal, the general superintendent or his or her  
21 designee, and members of the community. The burden of proof in  
22 establishing that the local school council's decision was  
23 arbitrary and capricious shall be on the party requesting the  
24 arbitration, and this party shall sustain the burden by a  
25 preponderance of the evidence. The hearing officer shall set  
26 the local school council decision aside if that decision, in



1 light of the record developed at the hearing, is arbitrary and  
2 capricious. The decision of the hearing officer may not be  
3 appealed to the Board or the State Board of Education. If the  
4 hearing officer decides that the principal shall be retained,  
5 the retention period shall not exceed 2 years.

6 2. In the event (i) the local school council does not renew  
7 the performance contract of the principal, or the principal  
8 fails to receive a satisfactory rating as provided in  
9 subsection (h) of Section 34-8.3, or the principal is removed  
10 for cause during the term of his or her performance contract in  
11 the manner provided by Section 34-85, or a vacancy in the  
12 position of principal otherwise occurs prior to the expiration  
13 of the term of a principal's performance contract, and (ii) the  
14 local school council fails to directly select a new principal  
15 to serve under a 4 year performance contract, the local school  
16 council in such event shall submit to the general  
17 superintendent a list of 3 candidates -- listed in the local  
18 school council's order of preference -- for the position of  
19 principal, one of which shall be selected by the general  
20 superintendent to serve as principal of the attendance center.  
21 If the general superintendent fails or refuses to select one of  
22 the candidates on the list to serve as principal within 30 days  
23 after being furnished with the candidate list, the general  
24 superintendent shall select and place a principal on an interim  
25 basis (i) for a period not to exceed one year or (ii) until the  
26 local school council selects a new principal with 7 affirmative

1 votes as provided in subsection (c) of Section 34-2.2,  
2 whichever occurs first. If the local school council fails or  
3 refuses to select and appoint a new principal, as specified by  
4 subsection (c) of Section 34-2.2, the general superintendent  
5 may select and appoint a new principal on an interim basis for  
6 an additional year or until a new contract principal is  
7 selected by the local school council. There shall be no  
8 discrimination on the basis of race, sex, creed, color or  
9 disability unrelated to ability to perform in connection with  
10 the submission of candidates for, and the selection of a  
11 candidate to serve as principal of an attendance center. No  
12 person shall be directly selected, listed as a candidate for,  
13 or selected to serve as principal of an attendance center (i)  
14 if such person has been removed for cause from employment by  
15 the Board or (ii) if such person does not hold a valid  
16 administrative certificate issued or exchanged under Article  
17 21 and endorsed as required by that Article for the position of  
18 principal. A principal whose performance contract is not  
19 renewed as provided under subsection (c) of Section 34-2.2 may  
20 nevertheless, if otherwise qualified and certified as herein  
21 provided and if he or she has received a satisfactory rating as  
22 provided in subsection (h) of Section 34-8.3, be included by a  
23 local school council as one of the 3 candidates listed in order  
24 of preference on any candidate list from which one person is to  
25 be selected to serve as principal of the attendance center  
26 under a new performance contract. The initial candidate list

1 required to be submitted by a local school council to the  
2 general superintendent in cases where the local school council  
3 does not renew the performance contract of its principal and  
4 does not directly select a new principal to serve under a 4  
5 year performance contract shall be submitted not later than 30  
6 days prior to the expiration of the current performance  
7 contract. In cases where the local school council fails or  
8 refuses to submit the candidate list to the general  
9 superintendent no later than 30 days prior to the expiration of  
10 the incumbent principal's contract, the general superintendent  
11 may appoint a principal on an interim basis for a period not to  
12 exceed one year, during which time the local school council  
13 shall be able to select a new principal with 7 affirmative  
14 votes as provided in subsection (c) of Section 34-2.2. In cases  
15 where a principal is removed for cause or a vacancy otherwise  
16 occurs in the position of principal and the vacancy is not  
17 filled by direct selection by the local school council, the  
18 candidate list shall be submitted by the local school council  
19 to the general superintendent within 90 days after the date  
20 such removal or vacancy occurs. In cases where the local school  
21 council fails or refuses to submit the candidate list to the  
22 general superintendent within 90 days after the date of the  
23 vacancy, the general superintendent may appoint a principal on  
24 an interim basis for a period of one year, during which time  
25 the local school council shall be able to select a new  
26 principal with 7 affirmative votes as provided in subsection

1 (c) of Section 34-2.2.

2 2.5. Whenever a vacancy in the office of a principal occurs  
3 for any reason, the vacancy shall be filled in the manner  
4 provided by this Section by the selection of a new principal to  
5 serve under a 4 year performance contract.

6 3. To establish additional criteria to be included as part  
7 of the performance contract of its principal, provided that  
8 such additional criteria shall not discriminate on the basis of  
9 race, sex, creed, color or disability unrelated to ability to  
10 perform, and shall not be inconsistent with the uniform 4 year  
11 performance contract for principals developed by the board as  
12 provided in Section 34-8.1 of the School Code or with other  
13 provisions of this Article governing the authority and  
14 responsibility of principals.

15 4. To approve the expenditure plan prepared by the  
16 principal with respect to all funds allocated and distributed  
17 to the attendance center by the Board. The expenditure plan  
18 shall be administered by the principal. Notwithstanding any  
19 other provision of this Act or any other law, any expenditure  
20 plan approved and administered under this Section 34-2.3 shall  
21 be consistent with and subject to the terms of any contract for  
22 services with a third party entered into by the Chicago School  
23 Reform Board of Trustees or the board under this Act.

24 Via a supermajority vote of 7 members of the local school  
25 council or 8 members of a high school local school council, the  
26 Council may transfer allocations pursuant to Section 34-2.3

1 within funds; provided that such a transfer is consistent with  
2 applicable law and collective bargaining agreements.

3 Beginning in fiscal year 1991 and in each fiscal year  
4 thereafter, the Board may reserve up to 1% of its total fiscal  
5 year budget for distribution on a prioritized basis to schools  
6 throughout the school system in order to assure adequate  
7 programs to meet the needs of special student populations as  
8 determined by the Board. This distribution shall take into  
9 account the needs catalogued in the Systemwide Plan and the  
10 various local school improvement plans of the local school  
11 councils. Information about these centrally funded programs  
12 shall be distributed to the local school councils so that their  
13 subsequent planning and programming will account for these  
14 provisions.

15 Beginning in fiscal year 1991 and in each fiscal year  
16 thereafter, from other amounts available in the applicable  
17 fiscal year budget, the board shall allocate a lump sum amount  
18 to each local school based upon such formula as the board shall  
19 determine taking into account the special needs of the student  
20 body. The local school principal shall develop an expenditure  
21 plan in consultation with the local school council, the  
22 professional personnel leadership committee and with all other  
23 school personnel, which reflects the priorities and activities  
24 as described in the school's local school improvement plan and  
25 is consistent with applicable law and collective bargaining  
26 agreements and with board policies and standards; however, the

1 local school council shall have the right to request waivers of  
2 board policy from the board of education and waivers of  
3 employee collective bargaining agreements pursuant to Section  
4 34-8.1a.

5 The expenditure plan developed by the principal with  
6 respect to amounts available from the fund for prioritized  
7 special needs programs and the allocated lump sum amount must  
8 be approved by the local school council.

9 The lump sum allocation shall take into account the  
10 following principles:

11 a. Teachers: Each school shall be allocated funds equal  
12 to the amount appropriated in the previous school year for  
13 compensation for teachers (regular grades kindergarten  
14 through 12th grade) plus whatever increases in  
15 compensation have been negotiated contractually or through  
16 longevity as provided in the negotiated agreement.  
17 Adjustments shall be made due to layoff or reduction in  
18 force, lack of funds or work, change in subject  
19 requirements, enrollment changes, or contracts with third  
20 parties for the performance of services or to rectify any  
21 inconsistencies with system-wide allocation formulas or  
22 for other legitimate reasons.

23 b. Other personnel: Funds for other teacher  
24 certificated and uncertificated personnel paid through  
25 non-categorical funds shall be provided according to  
26 system-wide formulas based on student enrollment and the

1 special needs of the school as determined by the Board.

2 c. Non-compensation items: Appropriations for all  
3 non-compensation items shall be based on system-wide  
4 formulas based on student enrollment and on the special  
5 needs of the school or factors related to the physical  
6 plant, including but not limited to textbooks, electronic  
7 textbooks and the technological equipment necessary to  
8 gain access to and use electronic textbooks, supplies,  
9 electricity, equipment, and routine maintenance.

10 d. Funds for categorical programs: Schools shall  
11 receive personnel and funds based on, and shall use such  
12 personnel and funds in accordance with State and Federal  
13 requirements applicable to each categorical program  
14 provided to meet the special needs of the student body  
15 (including but not limited to, Federal Chapter I,  
16 Bilingual, and Special Education).

17 d.1. Funds for State Title I: Each school shall receive  
18 funds based on State and Board requirements applicable to  
19 each State Title I pupil provided to meet the special needs  
20 of the student body. Each school shall receive the  
21 proportion of funds as provided in Section 18-8 or 18-8.15  
22 to which they are entitled. These funds shall be spent only  
23 with the budgetary approval of the Local School Council as  
24 provided in Section 34-2.3.

25 e. The Local School Council shall have the right to  
26 request the principal to close positions and open new ones

1 consistent with the provisions of the local school  
2 improvement plan provided that these decisions are  
3 consistent with applicable law and collective bargaining  
4 agreements. If a position is closed, pursuant to this  
5 paragraph, the local school shall have for its use the  
6 system-wide average compensation for the closed position.

7 f. Operating within existing laws and collective  
8 bargaining agreements, the local school council shall have  
9 the right to direct the principal to shift expenditures  
10 within funds.

11 g. (Blank).

12 Any funds unexpended at the end of the fiscal year shall be  
13 available to the board of education for use as part of its  
14 budget for the following fiscal year.

15 5. To make recommendations to the principal concerning  
16 textbook selection and concerning curriculum developed  
17 pursuant to the school improvement plan which is consistent  
18 with systemwide curriculum objectives in accordance with  
19 Sections 34-8 and 34-18 of the School Code and in conformity  
20 with the collective bargaining agreement.

21 6. To advise the principal concerning the attendance and  
22 disciplinary policies for the attendance center, subject to the  
23 provisions of this Article and Article 26, and consistent with  
24 the uniform system of discipline established by the board  
25 pursuant to Section 34-19.

26 7. To approve a school improvement plan developed as



1 provided in Section 34-2.4. The process and schedule for plan  
2 development shall be publicized to the entire school community,  
3 and the community shall be afforded the opportunity to make  
4 recommendations concerning the plan. At least twice a year the  
5 principal and local school council shall report publicly on  
6 progress and problems with respect to plan implementation.

7 8. To evaluate the allocation of teaching resources and  
8 other certificated and uncertificated staff to the attendance  
9 center to determine whether such allocation is consistent with  
10 and in furtherance of instructional objectives and school  
11 programs reflective of the school improvement plan adopted for  
12 the attendance center; and to make recommendations to the  
13 board, the general superintendent and the principal concerning  
14 any reallocation of teaching resources or other staff whenever  
15 the council determines that any such reallocation is  
16 appropriate because the qualifications of any existing staff at  
17 the attendance center do not adequately match or support  
18 instructional objectives or school programs which reflect the  
19 school improvement plan.

20 9. To make recommendations to the principal and the general  
21 superintendent concerning their respective appointments, after  
22 August 31, 1989, and in the manner provided by Section 34-8 and  
23 Section 34-8.1, of persons to fill any vacant, additional or  
24 newly created positions for teachers at the attendance center  
25 or at attendance centers which include the attendance center  
26 served by the local school council.

1           10. To request of the Board the manner in which training  
2 and assistance shall be provided to the local school council.  
3 Pursuant to Board guidelines a local school council is  
4 authorized to direct the Board of Education to contract with  
5 personnel or not-for-profit organizations not associated with  
6 the school district to train or assist council members. If  
7 training or assistance is provided by contract with personnel  
8 or organizations not associated with the school district, the  
9 period of training or assistance shall not exceed 30 hours  
10 during a given school year; person shall not be employed on a  
11 continuous basis longer than said period and shall not have  
12 been employed by the Chicago Board of Education within the  
13 preceding six months. Council members shall receive training in  
14 at least the following areas:

15           1. school budgets;

16           2. educational theory pertinent to the attendance  
17 center's particular needs, including the development of  
18 the school improvement plan and the principal's  
19 performance contract; and

20           3. personnel selection.

21 Council members shall, to the greatest extent possible,  
22 complete such training within 90 days of election.

23           11. In accordance with systemwide guidelines contained in  
24 the System-Wide Educational Reform Goals and Objectives Plan,  
25 criteria for evaluation of performance shall be established for  
26 local school councils and local school council members. If a

1 local school council persists in noncompliance with systemwide  
2 requirements, the Board may impose sanctions and take necessary  
3 corrective action, consistent with Section 34-8.3.

4 12. Each local school council shall comply with the Open  
5 Meetings Act and the Freedom of Information Act. Each local  
6 school council shall issue and transmit to its school community  
7 a detailed annual report accounting for its activities  
8 programmatically and financially. Each local school council  
9 shall convene at least 2 well-publicized meetings annually with  
10 its entire school community. These meetings shall include  
11 presentation of the proposed local school improvement plan, of  
12 the proposed school expenditure plan, and the annual report,  
13 and shall provide an opportunity for public comment.

14 13. Each local school council is encouraged to involve  
15 additional non-voting members of the school community in  
16 facilitating the council's exercise of its responsibilities.

17 14. The local school council may adopt a school uniform or  
18 dress code policy that governs the attendance center and that  
19 is necessary to maintain the orderly process of a school  
20 function or prevent endangerment of student health or safety,  
21 consistent with the policies and rules of the Board of  
22 Education. A school uniform or dress code policy adopted by a  
23 local school council: (i) shall not be applied in such manner  
24 as to discipline or deny attendance to a transfer student or  
25 any other student for noncompliance with that policy during  
26 such period of time as is reasonably necessary to enable the

1 student to acquire a school uniform or otherwise comply with  
2 the dress code policy that is in effect at the attendance  
3 center into which the student's enrollment is transferred; and  
4 (ii) shall include criteria and procedures under which the  
5 local school council will accommodate the needs of or otherwise  
6 provide appropriate resources to assist a student from an  
7 indigent family in complying with an applicable school uniform  
8 or dress code policy. A student whose parents or legal  
9 guardians object on religious grounds to the student's  
10 compliance with an applicable school uniform or dress code  
11 policy shall not be required to comply with that policy if the  
12 student's parents or legal guardians present to the local  
13 school council a signed statement of objection detailing the  
14 grounds for the objection.

15 15. All decisions made and actions taken by the local  
16 school council in the exercise of its powers and duties shall  
17 comply with State and federal laws, all applicable collective  
18 bargaining agreements, court orders and rules properly  
19 promulgated by the Board.

20 15a. To grant, in accordance with board rules and policies,  
21 the use of assembly halls and classrooms when not otherwise  
22 needed, including lighting, heat, and attendants, for public  
23 lectures, concerts, and other educational and social  
24 activities.

25 15b. To approve, in accordance with board rules and  
26 policies, receipts and expenditures for all internal accounts

1 of the attendance center, and to approve all fund-raising  
2 activities by nonschool organizations that use the school  
3 building.

4 16. (Blank).

5 17. Names and addresses of local school council members  
6 shall be a matter of public record.

7 (Source: P.A. 96-1403, eff. 7-29-10.)

8 (105 ILCS 5/34-8.4)

9 Sec. 34-8.4. Intervention. The Chicago Schools Academic  
10 Accountability Council may recommend to the Chicago School  
11 Reform Board of Trustees that any school placed on remediation  
12 or probation under Section 34-8.3 or schools that for the 3  
13 consecutive school years of 1992-1993, 1993-1994, and  
14 1994-1995 have met the State Board of Education's category of  
15 "does not meet expectations" be made subject to intervention  
16 under this Section 34-8.4. In addition to any powers created  
17 under this Section, the Trustees shall have all powers created  
18 under Section 34-8.3 with respect to schools subjected to  
19 intervention.

20 Prior to subjecting a school to intervention, the Trustees  
21 shall conduct a public hearing and make findings of facts  
22 concerning the recommendation of the Chicago Schools Academic  
23 Accountability Council and the factors causing the failure of  
24 the school to adequately perform. The Trustees shall afford an  
25 opportunity at the hearing for interested persons to comment

1 about the intervention recommendation. After the hearing has  
2 been held and completion of findings of fact, the Trustees  
3 shall make a determination whether to subject the school to  
4 intervention.

5 If the Trustees determine that a school shall be subject to  
6 intervention under this Section, the Trustees shall develop an  
7 intervention implementation plan and shall cause a performance  
8 evaluation to be made of each employee at the school. Upon  
9 consideration of such evaluations, and consistent with the  
10 intervention implementation plan, the Trustees may reassign,  
11 layoff, or dismiss any employees at the attendance center,  
12 notwithstanding the provisions of Sections 24A-5 and 34-85.

13 The chief educational officer shall appoint a principal for  
14 the school and shall set the terms and conditions of the  
15 principal's contract, which in no case may be longer than 2  
16 years. The principal shall select all teachers and  
17 non-certified personnel for the school as may be necessary. Any  
18 provision of Section 34-8.1 that conflicts with this Section  
19 shall not apply to a school subjected to intervention under  
20 this Section.

21 If pursuant to this Section, the general superintendent,  
22 with the approval of the board, orders new local school council  
23 elections, the general superintendent shall carry out the  
24 responsibilities of the local school council for a school  
25 subject to intervention until the new local school council  
26 members are elected and trained.

1           Each school year, 5% of the supplemental general State aid  
2 or supplemental grant funds distributed to a school subject to  
3 intervention during that school year under subsection  
4 5(i)(1)(a) of part A of Section 18-8, ~~or~~ subsection (H) of  
5 Section 18-8.05, or subsection (h) of Section 18-8.15 shall be  
6 used for employee performance incentives. The Trustees shall  
7 prepare a report evaluating the results of any interventions  
8 undertaken pursuant to this Section and shall make  
9 recommendations concerning implementation of special programs  
10 for dealing with underperforming schools on an ongoing basis.  
11 This report shall be submitted to the State Superintendent of  
12 Education and Mayor of the City of Chicago by January 1, 1999.  
13 (Source: P.A. 89-15, eff. 5-30-95; 89-698, eff. 1-14-97;  
14 90-548, eff. 1-1-98.)

15           (105 ILCS 5/34-18) (from Ch. 122, par. 34-18)

16           Sec. 34-18. Powers of the board. The board shall exercise  
17 general supervision and jurisdiction over the public education  
18 and the public school system of the city, and, except as  
19 otherwise provided by this Article, shall have power:

20           1. To make suitable provision for the establishment and  
21 maintenance throughout the year or for such portion thereof  
22 as it may direct, not less than 9 months, of schools of all  
23 grades and kinds, including normal schools, high schools,  
24 night schools, schools for defectives and delinquents,  
25 parental and truant schools, schools for the blind, the

1 deaf and the physically disabled, schools or classes in  
2 manual training, constructural and vocational teaching,  
3 domestic arts and physical culture, vocation and extension  
4 schools and lecture courses, and all other educational  
5 courses and facilities, including establishing, equipping,  
6 maintaining and operating playgrounds and recreational  
7 programs, when such programs are conducted in, adjacent to,  
8 or connected with any public school under the general  
9 supervision and jurisdiction of the board; provided that  
10 the calendar for the school term and any changes must be  
11 submitted to and approved by the State Board of Education  
12 before the calendar or changes may take effect, and  
13 provided that in allocating funds from year to year for the  
14 operation of all attendance centers within the district,  
15 the board shall ensure that supplemental general State aid  
16 or supplemental grant funds are allocated and applied in  
17 accordance with Section 18-8, ~~or~~ 18-8.05, or 18-8.15. To  
18 admit to such schools without charge foreign exchange  
19 students who are participants in an organized exchange  
20 student program which is authorized by the board. The board  
21 shall permit all students to enroll in apprenticeship  
22 programs in trade schools operated by the board, whether  
23 those programs are union-sponsored or not. No student shall  
24 be refused admission into or be excluded from any course of  
25 instruction offered in the common schools by reason of that  
26 student's sex. No student shall be denied equal access to



1 physical education and interscholastic athletic programs  
2 supported from school district funds or denied  
3 participation in comparable physical education and  
4 athletic programs solely by reason of the student's sex.  
5 Equal access to programs supported from school district  
6 funds and comparable programs will be defined in rules  
7 promulgated by the State Board of Education in consultation  
8 with the Illinois High School Association. Notwithstanding  
9 any other provision of this Article, neither the board of  
10 education nor any local school council or other school  
11 official shall recommend that children with disabilities  
12 be placed into regular education classrooms unless those  
13 children with disabilities are provided with supplementary  
14 services to assist them so that they benefit from the  
15 regular classroom instruction and are included on the  
16 teacher's regular education class register;

17 2. To furnish lunches to pupils, to make a reasonable  
18 charge therefor, and to use school funds for the payment of  
19 such expenses as the board may determine are necessary in  
20 conducting the school lunch program;

21 3. To co-operate with the circuit court;

22 4. To make arrangements with the public or quasi-public  
23 libraries and museums for the use of their facilities by  
24 teachers and pupils of the public schools;

25 5. To employ dentists and prescribe their duties for  
26 the purpose of treating the pupils in the schools, but

1 accepting such treatment shall be optional with parents or  
2 guardians;

3 6. To grant the use of assembly halls and classrooms  
4 when not otherwise needed, including light, heat, and  
5 attendants, for free public lectures, concerts, and other  
6 educational and social interests, free of charge, under  
7 such provisions and control as the principal of the  
8 affected attendance center may prescribe;

9 7. To apportion the pupils to the several schools;  
10 provided that no pupil shall be excluded from or segregated  
11 in any such school on account of his color, race, sex, or  
12 nationality. The board shall take into consideration the  
13 prevention of segregation and the elimination of  
14 separation of children in public schools because of color,  
15 race, sex, or nationality. Except that children may be  
16 committed to or attend parental and social adjustment  
17 schools established and maintained either for boys or girls  
18 only. All records pertaining to the creation, alteration or  
19 revision of attendance areas shall be open to the public.  
20 Nothing herein shall limit the board's authority to  
21 establish multi-area attendance centers or other student  
22 assignment systems for desegregation purposes or  
23 otherwise, and to apportion the pupils to the several  
24 schools. Furthermore, beginning in school year 1994-95,  
25 pursuant to a board plan adopted by October 1, 1993, the  
26 board shall offer, commencing on a phased-in basis, the

1 opportunity for families within the school district to  
2 apply for enrollment of their children in any attendance  
3 center within the school district which does not have  
4 selective admission requirements approved by the board.  
5 The appropriate geographical area in which such open  
6 enrollment may be exercised shall be determined by the  
7 board of education. Such children may be admitted to any  
8 such attendance center on a space available basis after all  
9 children residing within such attendance center's area  
10 have been accommodated. If the number of applicants from  
11 outside the attendance area exceed the space available,  
12 then successful applicants shall be selected by lottery.  
13 The board of education's open enrollment plan must include  
14 provisions that allow low income students to have access to  
15 transportation needed to exercise school choice. Open  
16 enrollment shall be in compliance with the provisions of  
17 the Consent Decree and Desegregation Plan cited in Section  
18 34-1.01;

19 8. To approve programs and policies for providing  
20 transportation services to students. Nothing herein shall  
21 be construed to permit or empower the State Board of  
22 Education to order, mandate, or require busing or other  
23 transportation of pupils for the purpose of achieving  
24 racial balance in any school;

25 9. Subject to the limitations in this Article, to  
26 establish and approve system-wide curriculum objectives

1 and standards, including graduation standards, which  
2 reflect the multi-cultural diversity in the city and are  
3 consistent with State law, provided that for all purposes  
4 of this Article courses or proficiency in American Sign  
5 Language shall be deemed to constitute courses or  
6 proficiency in a foreign language; and to employ principals  
7 and teachers, appointed as provided in this Article, and  
8 fix their compensation. The board shall prepare such  
9 reports related to minimal competency testing as may be  
10 requested by the State Board of Education, and in addition  
11 shall monitor and approve special education and bilingual  
12 education programs and policies within the district to  
13 assure that appropriate services are provided in  
14 accordance with applicable State and federal laws to  
15 children requiring services and education in those areas;

16 10. To employ non-teaching personnel or utilize  
17 volunteer personnel for: (i) non-teaching duties not  
18 requiring instructional judgment or evaluation of pupils,  
19 including library duties; and (ii) supervising study  
20 halls, long distance teaching reception areas used  
21 incident to instructional programs transmitted by  
22 electronic media such as computers, video, and audio,  
23 detention and discipline areas, and school-sponsored  
24 extracurricular activities. The board may further utilize  
25 volunteer non-certificated personnel or employ  
26 non-certificated personnel to assist in the instruction of

1 pupils under the immediate supervision of a teacher holding  
2 a valid certificate, directly engaged in teaching subject  
3 matter or conducting activities; provided that the teacher  
4 shall be continuously aware of the non-certificated  
5 persons' activities and shall be able to control or modify  
6 them. The general superintendent shall determine  
7 qualifications of such personnel and shall prescribe rules  
8 for determining the duties and activities to be assigned to  
9 such personnel;

10 10.5. To utilize volunteer personnel from a regional  
11 School Crisis Assistance Team (S.C.A.T.), created as part  
12 of the Safe to Learn Program established pursuant to  
13 Section 25 of the Illinois Violence Prevention Act of 1995,  
14 to provide assistance to schools in times of violence or  
15 other traumatic incidents within a school community by  
16 providing crisis intervention services to lessen the  
17 effects of emotional trauma on individuals and the  
18 community; the School Crisis Assistance Team Steering  
19 Committee shall determine the qualifications for  
20 volunteers;

21 11. To provide television studio facilities in not to  
22 exceed one school building and to provide programs for  
23 educational purposes, provided, however, that the board  
24 shall not construct, acquire, operate, or maintain a  
25 television transmitter; to grant the use of its studio  
26 facilities to a licensed television station located in the

1 school district; and to maintain and operate not to exceed  
2 one school radio transmitting station and provide programs  
3 for educational purposes;

4 12. To offer, if deemed appropriate, outdoor education  
5 courses, including field trips within the State of  
6 Illinois, or adjacent states, and to use school educational  
7 funds for the expense of the said outdoor educational  
8 programs, whether within the school district or not;

9 13. During that period of the calendar year not  
10 embraced within the regular school term, to provide and  
11 conduct courses in subject matters normally embraced in the  
12 program of the schools during the regular school term and  
13 to give regular school credit for satisfactory completion  
14 by the student of such courses as may be approved for  
15 credit by the State Board of Education;

16 14. To insure against any loss or liability of the  
17 board, the former School Board Nominating Commission,  
18 Local School Councils, the Chicago Schools Academic  
19 Accountability Council, or the former Subdistrict Councils  
20 or of any member, officer, agent or employee thereof,  
21 resulting from alleged violations of civil rights arising  
22 from incidents occurring on or after September 5, 1967 or  
23 from the wrongful or negligent act or omission of any such  
24 person whether occurring within or without the school  
25 premises, provided the officer, agent or employee was, at  
26 the time of the alleged violation of civil rights or

1 wrongful act or omission, acting within the scope of his  
2 employment or under direction of the board, the former  
3 School Board Nominating Commission, the Chicago Schools  
4 Academic Accountability Council, Local School Councils, or  
5 the former Subdistrict Councils; and to provide for or  
6 participate in insurance plans for its officers and  
7 employees, including but not limited to retirement  
8 annuities, medical, surgical and hospitalization benefits  
9 in such types and amounts as may be determined by the  
10 board; provided, however, that the board shall contract for  
11 such insurance only with an insurance company authorized to  
12 do business in this State. Such insurance may include  
13 provision for employees who rely on treatment by prayer or  
14 spiritual means alone for healing, in accordance with the  
15 tenets and practice of a recognized religious  
16 denomination;

17 15. To contract with the corporate authorities of any  
18 municipality or the county board of any county, as the case  
19 may be, to provide for the regulation of traffic in parking  
20 areas of property used for school purposes, in such manner  
21 as is provided by Section 11-209 of The Illinois Vehicle  
22 Code, approved September 29, 1969, as amended;

23 16. (a) To provide, on an equal basis, access to a high  
24 school campus and student directory information to the  
25 official recruiting representatives of the armed forces of  
26 Illinois and the United States for the purposes of

1       informing students of the educational and career  
2       opportunities available in the military if the board has  
3       provided such access to persons or groups whose purpose is  
4       to acquaint students with educational or occupational  
5       opportunities available to them. The board is not required  
6       to give greater notice regarding the right of access to  
7       recruiting representatives than is given to other persons  
8       and groups. In this paragraph 16, "directory information"  
9       means a high school student's name, address, and telephone  
10      number.

11       (b) If a student or his or her parent or guardian  
12      submits a signed, written request to the high school before  
13      the end of the student's sophomore year (or if the student  
14      is a transfer student, by another time set by the high  
15      school) that indicates that the student or his or her  
16      parent or guardian does not want the student's directory  
17      information to be provided to official recruiting  
18      representatives under subsection (a) of this Section, the  
19      high school may not provide access to the student's  
20      directory information to these recruiting representatives.  
21      The high school shall notify its students and their parents  
22      or guardians of the provisions of this subsection (b).

23       (c) A high school may require official recruiting  
24      representatives of the armed forces of Illinois and the  
25      United States to pay a fee for copying and mailing a  
26      student's directory information in an amount that is not



1 more than the actual costs incurred by the high school.

2 (d) Information received by an official recruiting  
3 representative under this Section may be used only to  
4 provide information to students concerning educational and  
5 career opportunities available in the military and may not  
6 be released to a person who is not involved in recruiting  
7 students for the armed forces of Illinois or the United  
8 States;

9 17. (a) To sell or market any computer program  
10 developed by an employee of the school district, provided  
11 that such employee developed the computer program as a  
12 direct result of his or her duties with the school district  
13 or through the utilization of the school district resources  
14 or facilities. The employee who developed the computer  
15 program shall be entitled to share in the proceeds of such  
16 sale or marketing of the computer program. The distribution  
17 of such proceeds between the employee and the school  
18 district shall be as agreed upon by the employee and the  
19 school district, except that neither the employee nor the  
20 school district may receive more than 90% of such proceeds.  
21 The negotiation for an employee who is represented by an  
22 exclusive bargaining representative may be conducted by  
23 such bargaining representative at the employee's request.

24 (b) For the purpose of this paragraph 17:

25 (1) "Computer" means an internally programmed,  
26 general purpose digital device capable of

1 automatically accepting data, processing data and  
2 supplying the results of the operation.

3 (2) "Computer program" means a series of coded  
4 instructions or statements in a form acceptable to a  
5 computer, which causes the computer to process data in  
6 order to achieve a certain result.

7 (3) "Proceeds" means profits derived from  
8 marketing or sale of a product after deducting the  
9 expenses of developing and marketing such product;

10 18. To delegate to the general superintendent of  
11 schools, by resolution, the authority to approve contracts  
12 and expenditures in amounts of \$10,000 or less;

13 19. Upon the written request of an employee, to  
14 withhold from the compensation of that employee any dues,  
15 payments or contributions payable by such employee to any  
16 labor organization as defined in the Illinois Educational  
17 Labor Relations Act. Under such arrangement, an amount  
18 shall be withheld from each regular payroll period which is  
19 equal to the pro rata share of the annual dues plus any  
20 payments or contributions, and the board shall transmit  
21 such withholdings to the specified labor organization  
22 within 10 working days from the time of the withholding;

23 19a. Upon receipt of notice from the comptroller of a  
24 municipality with a population of 500,000 or more, a county  
25 with a population of 3,000,000 or more, the Cook County  
26 Forest Preserve District, the Chicago Park District, the

1 Metropolitan Water Reclamation District, the Chicago  
2 Transit Authority, or a housing authority of a municipality  
3 with a population of 500,000 or more that a debt is due and  
4 owing the municipality, the county, the Cook County Forest  
5 Preserve District, the Chicago Park District, the  
6 Metropolitan Water Reclamation District, the Chicago  
7 Transit Authority, or the housing authority by an employee  
8 of the Chicago Board of Education, to withhold, from the  
9 compensation of that employee, the amount of the debt that  
10 is due and owing and pay the amount withheld to the  
11 municipality, the county, the Cook County Forest Preserve  
12 District, the Chicago Park District, the Metropolitan  
13 Water Reclamation District, the Chicago Transit Authority,  
14 or the housing authority; provided, however, that the  
15 amount deducted from any one salary or wage payment shall  
16 not exceed 25% of the net amount of the payment. Before the  
17 Board deducts any amount from any salary or wage of an  
18 employee under this paragraph, the municipality, the  
19 county, the Cook County Forest Preserve District, the  
20 Chicago Park District, the Metropolitan Water Reclamation  
21 District, the Chicago Transit Authority, or the housing  
22 authority shall certify that (i) the employee has been  
23 afforded an opportunity for a hearing to dispute the debt  
24 that is due and owing the municipality, the county, the  
25 Cook County Forest Preserve District, the Chicago Park  
26 District, the Metropolitan Water Reclamation District, the

1 Chicago Transit Authority, or the housing authority and  
2 (ii) the employee has received notice of a wage deduction  
3 order and has been afforded an opportunity for a hearing to  
4 object to the order. For purposes of this paragraph, "net  
5 amount" means that part of the salary or wage payment  
6 remaining after the deduction of any amounts required by  
7 law to be deducted and "debt due and owing" means (i) a  
8 specified sum of money owed to the municipality, the  
9 county, the Cook County Forest Preserve District, the  
10 Chicago Park District, the Metropolitan Water Reclamation  
11 District, the Chicago Transit Authority, or the housing  
12 authority for services, work, or goods, after the period  
13 granted for payment has expired, or (ii) a specified sum of  
14 money owed to the municipality, the county, the Cook County  
15 Forest Preserve District, the Chicago Park District, the  
16 Metropolitan Water Reclamation District, the Chicago  
17 Transit Authority, or the housing authority pursuant to a  
18 court order or order of an administrative hearing officer  
19 after the exhaustion of, or the failure to exhaust,  
20 judicial review;

21 20. The board is encouraged to employ a sufficient  
22 number of certified school counselors to maintain a  
23 student/counselor ratio of 250 to 1 by July 1, 1990. Each  
24 counselor shall spend at least 75% of his work time in  
25 direct contact with students and shall maintain a record of  
26 such time;

1           21. To make available to students vocational and career  
2 counseling and to establish 5 special career counseling  
3 days for students and parents. On these days  
4 representatives of local businesses and industries shall  
5 be invited to the school campus and shall inform students  
6 of career opportunities available to them in the various  
7 businesses and industries. Special consideration shall be  
8 given to counseling minority students as to career  
9 opportunities available to them in various fields. For the  
10 purposes of this paragraph, minority student means a person  
11 who is any of the following:

12           (a) American Indian or Alaska Native (a person having  
13 origins in any of the original peoples of North and South  
14 America, including Central America, and who maintains  
15 tribal affiliation or community attachment).

16           (b) Asian (a person having origins in any of the  
17 original peoples of the Far East, Southeast Asia, or the  
18 Indian subcontinent, including, but not limited to,  
19 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,  
20 the Philippine Islands, Thailand, and Vietnam).

21           (c) Black or African American (a person having origins  
22 in any of the black racial groups of Africa). Terms such as  
23 "Haitian" or "Negro" can be used in addition to "Black or  
24 African American".

25           (d) Hispanic or Latino (a person of Cuban, Mexican,  
26 Puerto Rican, South or Central American, or other Spanish

1 culture or origin, regardless of race).

2 (e) Native Hawaiian or Other Pacific Islander (a person  
3 having origins in any of the original peoples of Hawaii,  
4 Guam, Samoa, or other Pacific Islands).

5 Counseling days shall not be in lieu of regular school  
6 days;

7 22. To report to the State Board of Education the  
8 annual student dropout rate and number of students who  
9 graduate from, transfer from or otherwise leave bilingual  
10 programs;

11 23. Except as otherwise provided in the Abused and  
12 Neglected Child Reporting Act or other applicable State or  
13 federal law, to permit school officials to withhold, from  
14 any person, information on the whereabouts of any child  
15 removed from school premises when the child has been taken  
16 into protective custody as a victim of suspected child  
17 abuse. School officials shall direct such person to the  
18 Department of Children and Family Services, or to the local  
19 law enforcement agency if appropriate;

20 24. To develop a policy, based on the current state of  
21 existing school facilities, projected enrollment and  
22 efficient utilization of available resources, for capital  
23 improvement of schools and school buildings within the  
24 district, addressing in that policy both the relative  
25 priority for major repairs, renovations and additions to  
26 school facilities, and the advisability or necessity of

1 building new school facilities or closing existing schools  
2 to meet current or projected demographic patterns within  
3 the district;

4 25. To make available to the students in every high  
5 school attendance center the ability to take all courses  
6 necessary to comply with the Board of Higher Education's  
7 college entrance criteria effective in 1993;

8 26. To encourage mid-career changes into the teaching  
9 profession, whereby qualified professionals become  
10 certified teachers, by allowing credit for professional  
11 employment in related fields when determining point of  
12 entry on teacher pay scale;

13 27. To provide or contract out training programs for  
14 administrative personnel and principals with revised or  
15 expanded duties pursuant to this Act in order to assure  
16 they have the knowledge and skills to perform their duties;

17 28. To establish a fund for the prioritized special  
18 needs programs, and to allocate such funds and other lump  
19 sum amounts to each attendance center in a manner  
20 consistent with the provisions of part 4 of Section 34-2.3.  
21 Nothing in this paragraph shall be construed to require any  
22 additional appropriations of State funds for this purpose;

23 29. (Blank);

24 30. Notwithstanding any other provision of this Act or  
25 any other law to the contrary, to contract with third  
26 parties for services otherwise performed by employees,

1 including those in a bargaining unit, and to layoff those  
2 employees upon 14 days written notice to the affected  
3 employees. Those contracts may be for a period not to  
4 exceed 5 years and may be awarded on a system-wide basis.  
5 The board may not operate more than 30 contract schools,  
6 provided that the board may operate an additional 5  
7 contract turnaround schools pursuant to item (5.5) of  
8 subsection (d) of Section 34-8.3 of this Code;

9 31. To promulgate rules establishing procedures  
10 governing the layoff or reduction in force of employees and  
11 the recall of such employees, including, but not limited  
12 to, criteria for such layoffs, reductions in force or  
13 recall rights of such employees and the weight to be given  
14 to any particular criterion. Such criteria shall take into  
15 account factors including, but not be limited to,  
16 qualifications, certifications, experience, performance  
17 ratings or evaluations, and any other factors relating to  
18 an employee's job performance;

19 32. To develop a policy to prevent nepotism in the  
20 hiring of personnel or the selection of contractors;

21 33. To enter into a partnership agreement, as required  
22 by Section 34-3.5 of this Code, and, notwithstanding any  
23 other provision of law to the contrary, to promulgate  
24 policies, enter into contracts, and take any other action  
25 necessary to accomplish the objectives and implement the  
26 requirements of that agreement; and



1           34. To establish a Labor Management Council to the  
2 board comprised of representatives of the board, the chief  
3 executive officer, and those labor organizations that are  
4 the exclusive representatives of employees of the board and  
5 to promulgate policies and procedures for the operation of  
6 the Council.

7           The specifications of the powers herein granted are not to  
8 be construed as exclusive but the board shall also exercise all  
9 other powers that they may be requisite or proper for the  
10 maintenance and the development of a public school system, not  
11 inconsistent with the other provisions of this Article or  
12 provisions of this Code which apply to all school districts.

13           In addition to the powers herein granted and authorized to  
14 be exercised by the board, it shall be the duty of the board to  
15 review or to direct independent reviews of special education  
16 expenditures and services. The board shall file a report of  
17 such review with the General Assembly on or before May 1, 1990.

18           (Source: P.A. 96-105, eff. 7-30-09; 97-227, eff. 1-1-12;  
19 97-396, eff. 1-1-12; 97-813, eff. 7-13-12.)

20           (105 ILCS 5/34-18.30)

21           Sec. 34-18.30. Dependents of military personnel; no  
22 tuition charge. If, at the time of enrollment, a dependent of  
23 United States military personnel is housed in temporary housing  
24 located outside of the school district, but will be living  
25 within the district within 60 days after the time of initial

1 enrollment, the dependent must be allowed to enroll, subject to  
2 the requirements of this Section, and must not be charged  
3 tuition. Any United States military personnel attempting to  
4 enroll a dependent under this Section shall provide proof that  
5 the dependent will be living within the district within 60 days  
6 after the time of initial enrollment. Proof of residency may  
7 include, but is not limited to, postmarked mail addressed to  
8 the military personnel and sent to an address located within  
9 the district, a lease agreement for occupancy of a residence  
10 located within the district, or proof of ownership of a  
11 residence located within the district. Non-resident dependents  
12 of United States military personnel attending school on a  
13 tuition-free basis may be counted for the purposes of  
14 determining the apportionment of State aid provided under  
15 Section 18-8.05 or 18-8.15 of this Code.

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

17 (105 ILCS 5/34-43.1) (from Ch. 122, par. 34-43.1)

18 Sec. 34-43.1. (A) Limitation of noninstructional costs. It  
19 is the purpose of this Section to establish for the Board of  
20 Education and the general superintendent of schools  
21 requirements and standards which maximize the proportion of  
22 school district resources in direct support of educational,  
23 program, and building maintenance and safety services for the  
24 pupils of the district, and which correspondingly minimize the  
25 amount and proportion of such resources associated with

1 centralized administration, administrative support services,  
2 and other noninstructional services.

3 For the 1989-90 school year and for all subsequent school  
4 years, the Board of Education shall undertake budgetary and  
5 expenditure control actions which limit the administrative  
6 expenditures of the Board of Education to levels, as provided  
7 for in this Section, which represent an average of the  
8 administrative expenses of all school districts in this State  
9 not subject to Article 34.

10 (B) Certification of expenses by the State Superintendent  
11 of Education. The State Superintendent of Education shall  
12 annually certify, on or before May 1, to the Board of Education  
13 and the School Finance Authority, for the applicable school  
14 year, the following information:

15 (1) the annual expenditures of all school districts of  
16 the State not subject to Article 34 properly attributable  
17 to expenditure functions defined by the rules and  
18 regulations of the State Board of Education as: 2210  
19 (Improvement of Instructional Services); 2300 (Support  
20 Services - General Administration) excluding, however,  
21 2320 (Executive Administrative Services); 2490 (Other  
22 Support Services - School Administration); 2500 (Support  
23 Services - Business); 2600 (Support Services - Central);

24 (2) the total annual expenditures of all school  
25 districts not subject to Article 34 attributable to the  
26 Education Fund, the Operations, Building and Maintenance

1 Fund, the Transportation Fund and the Illinois Municipal  
2 Retirement Fund of the several districts, as defined by the  
3 rules and regulations of the State Board of Education; and

4 (3) a ratio, to be called the statewide average of  
5 administrative expenditures, derived by dividing the  
6 expenditures certified pursuant to paragraph (B)(1) by the  
7 expenditures certified pursuant to paragraph (B)(2).

8 For purposes of the annual certification of expenditures  
9 and ratios required by this Section, the "applicable year" of  
10 certification shall initially be the 1986-87 school year and,  
11 in sequent years, each succeeding school year.

12 The State Superintendent of Education shall consult with  
13 the Board of Education to ascertain whether particular  
14 expenditure items allocable to the administrative functions  
15 enumerated in paragraph (B)(1) are appropriately or  
16 necessarily higher in the applicable school district than in  
17 the rest of the State due to noncomparable factors. The State  
18 Superintendent shall also review the relevant cost proportions  
19 in other large urban school districts. The State Superintendent  
20 shall also review the expenditure categories in paragraph  
21 (B)(1) to ascertain whether they contain school-level  
22 expenses. If he or she finds that adjustments to the formula  
23 are appropriate or necessary to establish a more fair and  
24 comparable standard for administrative cost for the Board of  
25 Education or to exclude school-level expenses, the State  
26 Superintendent shall recommend to the School Finance Authority

1 rules and regulations adjusting particular subcategories in  
2 this subsection (B) or adjusting certain costs in determining  
3 the budget and expenditure items properly attributable to the  
4 functions or otherwise adjust the formula.

5 (C) Administrative expenditure limitations. The annual  
6 budget of the Board of Education, as adopted and implemented,  
7 and the related annual expenditures for the school year, shall  
8 reflect a limitation on administrative outlays as required by  
9 the following provisions, taking into account any adjustments  
10 established by the State Superintendent of Education: (1) the  
11 budget and expenditures of the Board of Education for the  
12 1989-90 school year shall reflect a ratio of administrative  
13 expenditures to total expenditures equal to or less than the  
14 statewide average of administrative expenditures for the  
15 1986-87 school year as certified by the State Superintendent of  
16 Education pursuant to paragraph (B)(3); (2) for the 1990-91  
17 school year and for all subsequent school years, the budget and  
18 expenditures of the Board of Education shall reflect a ratio of  
19 administrative expenditures to total expenditures equal to or  
20 less than the statewide average of administrative expenditures  
21 certified by the State Superintendent of Education for the  
22 applicable year pursuant to paragraph (B)(3); (3) if for any  
23 school year the budget of the Board of Education reflects a  
24 ratio of administrative expenditures to total expenditures  
25 which exceeds the applicable statewide average, the Board of  
26 Education shall reduce expenditure items allocable to the

1 administrative functions enumerated in paragraph (B)(1) such  
2 that the Board of Education's ratio of administrative  
3 expenditures to total expenditures is equal to or less than the  
4 applicable statewide average ratio.

5 For purposes of this Section, the ratio of administrative  
6 expenditures to the total expenditures of the Board of  
7 Education, as applied to the budget of the Board of Education,  
8 shall mean: the budgeted expenditure items of the Board of  
9 Education properly attributable to the expenditure functions  
10 identified in paragraph (B)(1) divided by the total budgeted  
11 expenditures of the Board of Education properly attributable to  
12 the Board of Education funds corresponding to those funds  
13 identified in paragraph (B)(2), exclusive of any monies  
14 budgeted for payment to the Public School Teachers' Pension and  
15 Retirement System, attributable to payments due from the  
16 General Funds of the State of Illinois.

17 The annual expenditure of the Board of Education for 2320  
18 (Executive Administrative Services) for the 1989-90 school  
19 year shall be no greater than the 2320 expenditure for the  
20 1988-89 school year. The annual expenditure of the Board of  
21 Education for 2320 for the 1990-91 school year and each  
22 subsequent school year shall be no greater than the 2320  
23 expenditure for the immediately preceding school year or the  
24 1988-89 school year, whichever is less. This annual expenditure  
25 limitation may be adjusted in each year in an amount not to  
26 exceed any change effective during the applicable school year

1 in salary to be paid under the collective bargaining agreement  
2 with instructional personnel to which the Board is a party and  
3 in benefit costs either required by law or such collective  
4 bargaining agreement.

5 (D) Cost control measures. In undertaking actions to  
6 control or reduce expenditure items necessitated by the  
7 administrative expenditure limitations of this Section, the  
8 Board of Education shall give priority consideration to  
9 reductions or cost controls with the least effect upon direct  
10 services to students or instructional services for pupils, and  
11 upon the safety and well-being of pupils, and, as applicable,  
12 with the particular costs or functions to which the Board of  
13 Education is higher than the statewide average.

14 For purposes of assuring that the cost control priorities  
15 of this subsection (D) are met, the State Superintendent of  
16 Education shall, with the assistance of the Board of Education,  
17 review the cost allocation practices of the Board of Education,  
18 and the State Superintendent of Education shall thereafter  
19 recommend to the School Finance Authority rules and regulations  
20 which define administrative areas which most impact upon the  
21 direct and instructional needs of students and upon the safety  
22 and well-being of the pupils of the district. No position  
23 closed shall be reopened using State or federal categorical  
24 funds.

25 (E) Report of Audited Information. For the 1988-89 school  
26 year and for all subsequent school years, the Board of

1 Education shall file with the State Board of Education the  
2 Annual Financial Report and its audit, as required by the rules  
3 of the State Board of Education. Such reports shall be filed no  
4 later than February 15 following the end of the school year of  
5 the Board of Education, beginning with the report to be filed  
6 no later than February 15, 1990 for the 1988-89 school year.

7 As part of the required Annual Financial Report, the Board  
8 of Education shall provide a detailed accounting of the central  
9 level, district, bureau and department costs and personnel  
10 included within expenditure functions included in paragraph  
11 (B)(1). The nature and detail of the reporting required for  
12 these functions shall be prescribed by the State Board of  
13 Education in rules and regulations. A copy of this detailed  
14 accounting shall also be provided annually to the School  
15 Finance Authority and the public. This report shall contain a  
16 reconciliation to the board of education's adopted budget for  
17 that fiscal year, specifically delineating administrative  
18 functions.

19 If the information required under this Section is not  
20 provided by the Board of Education in a timely manner, or is  
21 initially or subsequently determined by the State  
22 Superintendent of Education to be incomplete or inaccurate, the  
23 State Superintendent shall, in writing, notify the Board of  
24 Education of reporting deficiencies. The Board of Education  
25 shall, within 60 days of such notice, address the reporting  
26 deficiencies identified. If the State Superintendent of



1 Education does not receive satisfactory response to these  
2 reporting deficiencies within 60 days, the next payment of  
3 general State aid or primary State aid due the Board of  
4 Education under Section 18-8, and all subsequent payments,  
5 shall be withheld by the State Superintendent of Education  
6 until the enumerated deficiencies have been addressed.

7 Utilizing the Annual Financial Report, the State  
8 Superintendent of Education shall certify on or before May 1 to  
9 the School Finance Authority the Board of Education's ratio of  
10 administrative expenditures to total expenditures for the  
11 1988-89 school year and for each succeeding school year. Such  
12 certification shall indicate the extent to which the  
13 administrative expenditure ratio of the Board of Education  
14 conformed to the limitations required in subsection (C) of this  
15 Section, taking into account any adjustments of the limitations  
16 which may have been recommended by the State Superintendent of  
17 Education to the School Finance Authority. In deriving the  
18 administrative expenditure ratio of the Chicago Board of  
19 Education, the State Superintendent of Education shall utilize  
20 the definition of this ratio prescribed in subsection (C) of  
21 this Section, except that the actual expenditures of the Board  
22 of Education shall be substituted for budgeted expenditure  
23 items.

24 (F) Approval and adjustments to administrative expenditure  
25 limitations. The School Finance Authority organized under  
26 Article 34A shall monitor the Board of Education's adherence to

1 the requirements of this Section. As part of its responsibility  
2 the School Finance Authority shall determine whether the Board  
3 of Education's budget for the next school year, and the  
4 expenditures for a prior school year, comply with the  
5 limitation of administrative expenditures required by this  
6 Section. The Board of Education and the State Board of  
7 Education shall provide such information as is required by the  
8 School Finance Authority in order for the Authority to  
9 determine compliance with the provisions of this Section. If  
10 the Authority determines that the budget proposed by the Board  
11 of Education does not meet the cost control requirements of  
12 this Section, the Board of Education shall undertake budgetary  
13 reductions, consistent with the requirements of this Section,  
14 to bring the proposed budget into compliance with such cost  
15 control limitations.

16 If, in formulating cost control and cost reduction  
17 alternatives, the Board of Education believes that meeting the  
18 cost control requirements of this Section related to the budget  
19 for the ensuing year would impair the education, safety, or  
20 well-being of the pupils of the school district, the Board of  
21 Education may request that the School Finance Authority make  
22 adjustments to the limitations required by this Section. The  
23 Board of Education shall specify the amount, nature, and  
24 reasons for the relief required and shall also identify cost  
25 reductions which can be made in expenditure functions not  
26 enumerated in paragraph (B)(1), which would serve the purposes

1 of this Section.

2 The School Finance Authority shall consult with the State  
3 Superintendent of Education concerning the reasonableness from  
4 an educational administration perspective of the adjustments  
5 sought by the Board of Education. The School Finance Authority  
6 shall provide an opportunity for the public to comment upon the  
7 reasonableness of the Board's request. If, after such  
8 consultation, the School Finance Authority determines that all  
9 or a portion of the adjustments sought by the Board of  
10 Education are reasonably appropriate or necessary, the  
11 Authority may grant such relief from the provisions of this  
12 Section which the Authority deems appropriate. Adjustments so  
13 granted apply only to the specific school year for which the  
14 request was made.

15 In the event that the School Finance Authority determines  
16 that the Board of Education has failed to achieve the required  
17 administrative expenditure limitations for a prior school  
18 year, or if the Authority determines that the Board of  
19 Education has not met the requirements of subsection (F), the  
20 Authority shall make recommendations to the Board of Education  
21 concerning appropriate corrective actions. If the Board of  
22 Education fails to provide adequate assurance to the Authority  
23 that appropriate corrective actions have been or will be taken,  
24 the Authority may, within 60 days thereafter, require the board  
25 to adjust its current budget to correct for the prior year's  
26 shortage or may recommend to the members of the General

1 Assembly and the Governor such sanctions or remedial actions as  
2 will serve to deter any further such failures on the part of  
3 the Board of Education.

4 To assist the Authority in its monitoring  
5 responsibilities, the Board of Education shall provide such  
6 reports and information as are from time to time required by  
7 the Authority.

8 (G) Independent reviews of administrative expenditures.  
9 The School Finance Authority may direct independent reviews of  
10 the administrative and administrative support expenditures and  
11 services and other non-instructional expenditure functions of  
12 the Board of Education. The Board of Education shall afford  
13 full cooperation to the School Finance Authority in such review  
14 activity. The purpose of such reviews shall be to verify  
15 specific targets for improved operating efficiencies of the  
16 Board of Education, to identify other areas of potential  
17 efficiencies, and to assure full and proper compliance by the  
18 Board of Education with all requirements of this Section.

19 In the conduct of reviews under this subsection, the  
20 Authority may request the assistance and consultation of the  
21 State Superintendent of Education with regard to questions of  
22 efficiency and effectiveness in educational administration.

23 (H) Reports to Governor and General Assembly. On or before  
24 May 1, 1991 and no less frequently than yearly thereafter, the  
25 School Finance Authority shall provide to the Governor, the  
26 State Board of Education, and the members of the General

1 Assembly an annual report, as outlined in Section 34A-606,  
2 which includes the following information: (1) documenting the  
3 compliance or non-compliance of the Board of Education with the  
4 requirements of this Section; (2) summarizing the costs,  
5 findings, and recommendations of any reviews directed by the  
6 School Finance Authority, and the response to such  
7 recommendations made by the Board of Education; and (3)  
8 recommending sanctions or legislation necessary to fulfill the  
9 intent of this Section.

10 (Source: P.A. 86-124; 86-1477.)

11 Section 950. The Educational Opportunity for Military  
12 Children Act is amended by changing Section 25 as follows:

13 (105 ILCS 70/25)

14 (Section scheduled to be repealed on June 30, 2015)

15 Sec. 25. Tuition for transfer students.

16 (a) For purposes of this Section, "non-custodial parent"  
17 means a person who has temporary custody of the child of active  
18 duty military personnel and who is responsible for making  
19 decisions for that child.

20 (b) If a student who is a child of active duty military  
21 personnel is (i) placed with a non-custodial parent and (ii) as  
22 a result of placement, must attend a non-resident school  
23 district, then the student must not be charged the tuition of  
24 the school that the student attends as a result of placement

1 with the non-custodial parent and the student must be counted  
2 in the calculation of average daily attendance under Section  
3 18-8.05 or 18-8.15 of the School Code.

4 (Source: P.A. 96-953, eff. 6-28-10.)

5 Section 955. The Illinois Public Aid Code is amended by  
6 changing Section 5-16.4 as follows:

7 (305 ILCS 5/5-16.4)

8 Sec. 5-16.4. Medical Assistance Provider Payment Fund.

9 (a) There is created in the State treasury the Medical  
10 Assistance Provider Payment Fund. Interest earned by the Fund  
11 shall be credited to the Fund.

12 (b) The Fund is created for the purpose of disbursing  
13 moneys as follows:

14 (1) For medical services provided to recipients of aid  
15 under Articles V, VI, and XII.

16 (2) For payment of administrative expenses incurred by  
17 the Illinois Department or its agent in performing the  
18 activities authorized by this Section.

19 (3) For making transfers to the General Obligation Bond  
20 Retirement and Interest Fund, as those transfers are  
21 authorized in the proceedings authorizing debt under the  
22 Medicaid Liability Liquidity Borrowing Act, but transfers  
23 made under this paragraph (3) may not exceed the principal  
24 amount of debt issued under that Act.

1 Disbursements from the Fund, other than transfers to the  
2 General Obligation Bond Retirement and Interest Fund (which  
3 shall be made in accordance with the provisions of the Medicaid  
4 Liability Liquidity Borrowing Act), shall be by warrants drawn  
5 by the State Comptroller upon receipt of vouchers duly executed  
6 and certified by the Illinois Department.

7 (c) The Fund shall consist of the following:

8 (1) All federal matching funds received by the Illinois  
9 Department as a result of expenditures made by the Illinois  
10 Department that are attributable to moneys deposited into  
11 the Fund.

12 (2) Proceeds from any short-term borrowing directed to  
13 the Fund by the Governor pursuant to the Medicaid Liability  
14 Liquidity Borrowing Act.

15 (3) Amounts transferred into the Fund under subsection  
16 (d) of this Section.

17 (4) All other moneys received for the Fund from any  
18 other source, including interest earned on those moneys.

19 (d) Beginning July 1, 1995, on the 13th and 26th days of  
20 each month the State Comptroller and Treasurer shall transfer  
21 from the General Revenue Fund to the Medical Assistance  
22 Provider Payment Fund an amount equal to 1/48th of the annual  
23 Medical Assistance appropriation to the Department of  
24 Healthcare and Family Services (formerly Illinois Department  
25 of Public Aid) from the Medical Assistance Provider Payment  
26 Fund, plus cumulative deficiencies from those prior transfers.

1 In addition to those transfers, the State Comptroller and  
2 Treasurer may transfer from the General Revenue Fund to the  
3 Medical Assistance Provider Payment Fund as much as is  
4 necessary to pay claims pursuant to the new twice-monthly  
5 payment schedule established in Section 5-16.5 and to avoid  
6 interest liabilities under the State Prompt Payment Act. No  
7 transfers made pursuant to this subsection shall interfere with  
8 the timely payment of the general State aid or primary State  
9 aid payment made pursuant to Section 18-11 of the School Code.

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

11 Section 995. Savings clause. Any repeal or amendment made  
12 by this Act shall not affect or impair any of the following:  
13 suits pending or rights existing at the time this Act takes  
14 effect; any grant or conveyance made or right acquired or cause  
15 of action now existing under any Section, Article, or Act  
16 repealed or amended by this Act; the validity of any bonds or  
17 other obligations issued or sold and constituting valid  
18 obligations of the issuing authority at the time this Act takes  
19 effect; the validity of any contract; the validity of any tax  
20 levied under any law in effect prior to the effective date of  
21 this Act; or any offense committed, act done, penalty,  
22 punishment, or forfeiture incurred or any claim, right, power,  
23 or remedy accrued under any law in effect prior to the  
24 effective date of this Act.



1           Section 999. Effective date. This Act takes effect upon  
2    becoming law.".