



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB1260

Introduced 2/17/2015, by Sen. Michael Noland

SYNOPSIS AS INTRODUCED:

See Index

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

LRB099 04267 HLH 24291 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

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

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

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

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

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

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

11 (b-5) In fiscal year 2016, no appropriation made from
12 general funds to the State Board of Education, the Board of
13 Higher Education, the Community College Board, the Student
14 Assistance Commission, or any public university may be
15 decreased from its fiscal year 2015 general appropriation
16 level. An exception may be made only if a program's
17 appropriation is based on actual cost and that cost has been
18 determined by the Board or university to require a lesser
19 appropriation; however, the aggregate appropriation to those
20 Boards or universities for fiscal year 2016 shall not under any
21 circumstances represent a decrease from the fiscal year 2015
22 aggregate general fund appropriation level for that Board or
23 university.

24 (b-10) Beginning in fiscal year 2017 and in each fiscal
25 year thereafter, in addition to the amounts required to be
26 transferred under subsection (b), an amount equal to the first

1 33 1/3% of the amount of additional revenue generated through
2 the taxes imposed by this amendatory Act of the 99th General
3 Assembly in that fiscal year shall be transferred from the
4 General Revenue Fund to the Common School Fund. In addition,
5 beginning in fiscal year 2017 and in each fiscal year
6 thereafter, an amount equal to the next 16 2/3% of the amount
7 of additional revenue generated through those taxes shall be
8 transferred from the General Revenue Fund to the Higher
9 Education Fund.

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

16 (c) This Section may be cited as the Responsible Education
17 Funding Law.

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

19 Section 10. The State Finance Act is amended by adding
20 Sections 5.866, 5.867, 5.868, and 5.869 as follows:

21 (30 ILCS 105/5.866 new)

22 Sec. 5.866. The Education Financial Award System Fund.

23 (30 ILCS 105/5.867 new)

1 Sec. 5.867. The Digital Learning Technology Grant Fund.

2 (30 ILCS 105/5.868 new)

3 Sec. 5.868. The STEM Education Center Grant Fund.

4 (30 ILCS 105/5.869 new)

5 Sec. 5.869. The Higher Education Fund.

6 Section 15. The Illinois Income Tax Act is amended by
7 changing Sections 201, 202.5, 204, 208, 212, and 901 as
8 follows:

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

10 Sec. 201. Tax Imposed.

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

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

21 (1) In the case of an individual, trust or estate, for
22 taxable years ending prior to July 1, 1989, an amount equal

1 to 2 1/2% of the taxpayer's net income for the taxable
2 year.

3 (2) In the case of an individual, trust or estate, for
4 taxable years beginning prior to July 1, 1989 and ending
5 after June 30, 1989, an amount equal to the sum of (i) 2
6 1/2% of the taxpayer's net income for the period prior to
7 July 1, 1989, as calculated under Section 202.3, and (ii)
8 3% of the taxpayer's net income for the period after June
9 30, 1989, as calculated under Section 202.3.

10 (3) In the case of an individual, trust or estate, for
11 taxable years beginning after June 30, 1989, and ending
12 prior to January 1, 2011, an amount equal to 3% of the
13 taxpayer's net income for the taxable year.

14 (4) In the case of an individual, trust, or estate, for
15 taxable years beginning prior to January 1, 2011, and
16 ending after December 31, 2010, an amount equal to the sum
17 of (i) 3% of the taxpayer's net income for the period prior
18 to January 1, 2011, as calculated under Section 202.5, and
19 (ii) 5% of the taxpayer's net income for the period after
20 December 31, 2010, as calculated under Section 202.5.

21 (5) In the case of an individual, trust, or estate, for
22 taxable years beginning on or after January 1, 2011, ~~and~~
23 ~~ending prior to January 1, 2015,~~ an amount equal to 5% of
24 the taxpayer's net income for the taxable year.

25 (5.1) (Blank). ~~In the case of an individual, trust, or~~
26 ~~estate, for taxable years beginning prior to January 1,~~

1 ~~2015, and ending after December 31, 2014, an amount equal~~
2 ~~to the sum of (i) 5% of the taxpayer's net income for the~~
3 ~~period prior to January 1, 2015, as calculated under~~
4 ~~Section 202.5, and (ii) 3.75% of the taxpayer's net income~~
5 ~~for the period after December 31, 2014, as calculated under~~
6 ~~Section 202.5.~~

7 (5.2) (Blank). ~~In the case of an individual, trust, or~~
8 ~~estate, for taxable years beginning on or after January 1,~~
9 ~~2015, and ending prior to January 1, 2025, an amount equal~~
10 ~~to 3.75% of the taxpayer's net income for the taxable year.~~

11 (5.3) (Blank). ~~In the case of an individual, trust, or~~
12 ~~estate, for taxable years beginning prior to January 1,~~
13 ~~2025, and ending after December 31, 2024, an amount equal~~
14 ~~to the sum of (i) 3.75% of the taxpayer's net income for~~
15 ~~the period prior to January 1, 2025, as calculated under~~
16 ~~Section 202.5, and (ii) 3.25% of the taxpayer's net income~~
17 ~~for the period after December 31, 2024, as calculated under~~
18 ~~Section 202.5.~~

19 (5.4) (Blank). ~~In the case of an individual, trust, or~~
20 ~~estate, for taxable years beginning on or after January 1,~~
21 ~~2025, an amount equal to 3.25% of the taxpayer's net income~~
22 ~~for the taxable year.~~

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

26 (7) In the case of a corporation, for taxable years

1 beginning prior to July 1, 1989 and ending after June 30,
2 1989, an amount equal to the sum of (i) 4% of the
3 taxpayer's net income for the period prior to July 1, 1989,
4 as calculated under Section 202.3, and (ii) 4.8% of the
5 taxpayer's net income for the period after June 30, 1989,
6 as calculated under Section 202.3.

7 (8) In the case of a corporation, for taxable years
8 beginning after June 30, 1989, and ending prior to January
9 1, 2011, an amount equal to 4.8% of the taxpayer's net
10 income for the taxable year.

11 (9) In the case of a corporation, for taxable years
12 beginning prior to January 1, 2011, and ending after
13 December 31, 2010, an amount equal to the sum of (i) 4.8%
14 of the taxpayer's net income for the period prior to
15 January 1, 2011, as calculated under Section 202.5, and
16 (ii) 7% of the taxpayer's net income for the period after
17 December 31, 2010, as calculated under Section 202.5.

18 (10) In the case of a corporation, for taxable years
19 beginning on or after January 1, 2011, and ending prior to
20 January 1, 2015, an amount equal to 7% of the taxpayer's
21 net income for the taxable year.

22 (11) In the case of a corporation, for taxable years
23 beginning prior to January 1, 2015, and ending after
24 December 31, 2014, an amount equal to the sum of (i) 7% of
25 the taxpayer's net income for the period prior to January
26 1, 2015, as calculated under Section 202.5, and (ii) 5%

1 ~~5.25%~~ of the taxpayer's net income for the period after
2 December 31, 2014, as calculated under Section 202.5.

3 (12) In the case of a corporation, for taxable years
4 beginning on or after January 1, 2015, ~~and ending prior to~~
5 ~~January 1, 2025,~~ an amount equal to 5% ~~5.25%~~ of the
6 taxpayer's net income for the taxable year.

7 (13) (Blank). ~~In the case of a corporation, for taxable~~
8 ~~years beginning prior to January 1, 2025, and ending after~~
9 ~~December 31, 2024, an amount equal to the sum of (i) 5.25%~~
10 ~~of the taxpayer's net income for the period prior to~~
11 ~~January 1, 2025, as calculated under Section 202.5, and~~
12 ~~(ii) 4.8% of the taxpayer's net income for the period after~~
13 ~~December 31, 2024, as calculated under Section 202.5.~~

14 (14) (Blank). ~~In the case of a corporation, for taxable~~
15 ~~years beginning on or after January 1, 2025, an amount~~
16 ~~equal to 4.8% of the taxpayer's net income for the taxable~~
17 ~~year.~~

18 The rates under this subsection (b) are subject to the
19 provisions of Section 201.5.

20 (c) Personal Property Tax Replacement Income Tax.
21 Beginning on July 1, 1979 and thereafter, in addition to such
22 income tax, there is also hereby imposed the Personal Property
23 Tax Replacement Income Tax measured by net income on every
24 corporation (including Subchapter S corporations), partnership
25 and trust, for each taxable year ending after June 30, 1979.
26 Such taxes are imposed on the privilege of earning or receiving

1 income in or as a resident of this State. The Personal Property
2 Tax Replacement Income Tax shall be in addition to the income
3 tax imposed by subsections (a) and (b) of this Section and in
4 addition to all other occupation or privilege taxes imposed by
5 this State or by any municipal corporation or political
6 subdivision thereof.

7 (d) Additional Personal Property Tax Replacement Income
8 Tax Rates. The personal property tax replacement income tax
9 imposed by this subsection and subsection (c) of this Section
10 in the case of a corporation, other than a Subchapter S
11 corporation and except as adjusted by subsection (d-1), shall
12 be an additional amount equal to 2.85% of such taxpayer's net
13 income for the taxable year, except that beginning on January
14 1, 1981, and thereafter, the rate of 2.85% specified in this
15 subsection shall be reduced to 2.5%, and in the case of a
16 partnership, trust or a Subchapter S corporation shall be an
17 additional amount equal to 1.5% of such taxpayer's net income
18 for the taxable year.

19 (d-1) Rate reduction for certain foreign insurers. In the
20 case of a foreign insurer, as defined by Section 35A-5 of the
21 Illinois Insurance Code, whose state or country of domicile
22 imposes on insurers domiciled in Illinois a retaliatory tax
23 (excluding any insurer whose premiums from reinsurance assumed
24 are 50% or more of its total insurance premiums as determined
25 under paragraph (2) of subsection (b) of Section 304, except
26 that for purposes of this determination premiums from

1 reinsurance do not include premiums from inter-affiliate
2 reinsurance arrangements), beginning with taxable years ending
3 on or after December 31, 1999, the sum of the rates of tax
4 imposed by subsections (b) and (d) shall be reduced (but not
5 increased) to the rate at which the total amount of tax imposed
6 under this Act, net of all credits allowed under this Act,
7 shall equal (i) the total amount of tax that would be imposed
8 on the foreign insurer's net income allocable to Illinois for
9 the taxable year by such foreign insurer's state or country of
10 domicile if that net income were subject to all income taxes
11 and taxes measured by net income imposed by such foreign
12 insurer's state or country of domicile, net of all credits
13 allowed or (ii) a rate of zero if no such tax is imposed on such
14 income by the foreign insurer's state of domicile. For the
15 purposes of this subsection (d-1), an inter-affiliate includes
16 a mutual insurer under common management.

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

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

23 (B) the privilege tax imposed by Section 409 of the
24 Illinois Insurance Code, the fire insurance company
25 tax imposed by Section 12 of the Fire Investigation
26 Act, and the fire department taxes imposed under

1 Section 11-10-1 of the Illinois Municipal Code,
2 equals 1.25% for taxable years ending prior to December 31,
3 2003, or 1.75% for taxable years ending on or after
4 December 31, 2003, of the net taxable premiums written for
5 the taxable year, as described by subsection (1) of Section
6 409 of the Illinois Insurance Code. This paragraph will in
7 no event increase the rates imposed under subsections (b)
8 and (d).

9 (2) Any reduction in the rates of tax imposed by this
10 subsection shall be applied first against the rates imposed
11 by subsection (b) and only after the tax imposed by
12 subsection (a) net of all credits allowed under this
13 Section other than the credit allowed under subsection (i)
14 has been reduced to zero, against the rates imposed by
15 subsection (d).

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

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

21 (1) A taxpayer shall be allowed a credit equal to .5%
22 of the basis of qualified property placed in service during
23 the taxable year, provided such property is placed in
24 service on or after July 1, 1984. There shall be allowed an
25 additional credit equal to .5% of the basis of qualified
26 property placed in service during the taxable year,

1 provided such property is placed in service on or after
2 July 1, 1986, and the taxpayer's base employment within
3 Illinois has increased by 1% or more over the preceding
4 year as determined by the taxpayer's employment records
5 filed with the Illinois Department of Employment Security.
6 Taxpayers who are new to Illinois shall be deemed to have
7 met the 1% growth in base employment for the first year in
8 which they file employment records with the Illinois
9 Department of Employment Security. The provisions added to
10 this Section by Public Act 85-1200 (and restored by Public
11 Act 87-895) shall be construed as declaratory of existing
12 law and not as a new enactment. If, in any year, the
13 increase in base employment within Illinois over the
14 preceding year is less than 1%, the additional credit shall
15 be limited to that percentage times a fraction, the
16 numerator of which is .5% and the denominator of which is
17 1%, but shall not exceed .5%. The investment credit shall
18 not be allowed to the extent that it would reduce a
19 taxpayer's liability in any tax year below zero, nor may
20 any credit for qualified property be allowed for any year
21 other than the year in which the property was placed in
22 service in Illinois. For tax years ending on or after
23 December 31, 1987, and on or before December 31, 1988, the
24 credit shall be allowed for the tax year in which the
25 property is placed in service, or, if the amount of the
26 credit exceeds the tax liability for that year, whether it

1 exceeds the original liability or the liability as later
2 amended, such excess may be carried forward and applied to
3 the tax liability of the 5 taxable years following the
4 excess credit years if the taxpayer (i) makes investments
5 which cause the creation of a minimum of 2,000 full-time
6 equivalent jobs in Illinois, (ii) is located in an
7 enterprise zone established pursuant to the Illinois
8 Enterprise Zone Act and (iii) is certified by the
9 Department of Commerce and Community Affairs (now
10 Department of Commerce and Economic Opportunity) as
11 complying with the requirements specified in clause (i) and
12 (ii) by July 1, 1986. The Department of Commerce and
13 Community Affairs (now Department of Commerce and Economic
14 Opportunity) shall notify the Department of Revenue of all
15 such certifications immediately. For tax years ending
16 after December 31, 1988, the credit shall be allowed for
17 the tax year in which the property is placed in service,
18 or, if the amount of the credit exceeds the tax liability
19 for that year, whether it exceeds the original liability or
20 the liability as later amended, such excess may be carried
21 forward and applied to the tax liability of the 5 taxable
22 years following the excess credit years. The credit shall
23 be applied to the earliest year for which there is a
24 liability. If there is credit from more than one tax year
25 that is available to offset a liability, earlier credit
26 shall be applied first.

1 (2) The term "qualified property" means property
2 which:

3 (A) is tangible, whether new or used, including
4 buildings and structural components of buildings and
5 signs that are real property, but not including land or
6 improvements to real property that are not a structural
7 component of a building such as landscaping, sewer
8 lines, local access roads, fencing, parking lots, and
9 other appurtenances;

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

15 (C) is acquired by purchase as defined in Section
16 179(d) of the Internal Revenue Code;

17 (D) is used in Illinois by a taxpayer who is
18 primarily engaged in manufacturing, or in mining coal
19 or fluorite, or in retailing, or was placed in service
20 on or after July 1, 2006 in a River Edge Redevelopment
21 Zone established pursuant to the River Edge
22 Redevelopment Zone Act; and

23 (E) has not previously been used in Illinois in
24 such a manner and by such a person as would qualify for
25 the credit provided by this subsection (e) or
26 subsection (f).

1 (3) For purposes of this subsection (e),
2 "manufacturing" means the material staging and production
3 of tangible personal property by procedures commonly
4 regarded as manufacturing, processing, fabrication, or
5 assembling which changes some existing material into new
6 shapes, new qualities, or new combinations. For purposes of
7 this subsection (e) the term "mining" shall have the same
8 meaning as the term "mining" in Section 613(c) of the
9 Internal Revenue Code. For purposes of this subsection (e),
10 the term "retailing" means the sale of tangible personal
11 property for use or consumption and not for resale, or
12 services rendered in conjunction with the sale of tangible
13 personal property for use or consumption and not for
14 resale. For purposes of this subsection (e), "tangible
15 personal property" has the same meaning as when that term
16 is used in the Retailers' Occupation Tax Act, and, for
17 taxable years ending after December 31, 2008, does not
18 include the generation, transmission, or distribution of
19 electricity.

20 (4) The basis of qualified property shall be the basis
21 used to compute the depreciation deduction for federal
22 income tax purposes.

23 (5) If the basis of the property for federal income tax
24 depreciation purposes is increased after it has been placed
25 in service in Illinois by the taxpayer, the amount of such
26 increase shall be deemed property placed in service on the

1 date of such increase in basis.

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

4 (7) If during any taxable year, any property ceases to
5 be qualified property in the hands of the taxpayer within
6 48 months after being placed in service, or the situs of
7 any qualified property is moved outside Illinois within 48
8 months after being placed in service, the Personal Property
9 Tax Replacement Income Tax for such taxable year shall be
10 increased. Such increase shall be determined by (i)
11 recomputing the investment credit which would have been
12 allowed for the year in which credit for such property was
13 originally allowed by eliminating such property from such
14 computation and, (ii) subtracting such recomputed credit
15 from the amount of credit previously allowed. For the
16 purposes of this paragraph (7), a reduction of the basis of
17 qualified property resulting from a redetermination of the
18 purchase price shall be deemed a disposition of qualified
19 property to the extent of such reduction.

20 (8) Unless the investment credit is extended by law,
21 the basis of qualified property shall not include costs
22 incurred after December 31, 2018, except for costs incurred
23 pursuant to a binding contract entered into on or before
24 December 31, 2018.

25 (9) Each taxable year ending before December 31, 2000,
26 a partnership may elect to pass through to its partners the

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

15 For taxable years ending on or after December 31, 2000,
16 a partner that qualifies its partnership for a subtraction
17 under subparagraph (I) of paragraph (2) of subsection (d)
18 of Section 203 or a shareholder that qualifies a Subchapter
19 S corporation for a subtraction under subparagraph (S) of
20 paragraph (2) of subsection (b) of Section 203 shall be
21 allowed a credit under this subsection (e) equal to its
22 share of the credit earned under this subsection (e) during
23 the taxable year by the partnership or Subchapter S
24 corporation, determined in accordance with the
25 determination of income and distributive share of income
26 under Sections 702 and 704 and Subchapter S of the Internal

1 Revenue Code. This paragraph is exempt from the provisions
2 of Section 250.

3 (f) Investment credit; Enterprise Zone; River Edge
4 Redevelopment Zone.

5 (1) A taxpayer shall be allowed a credit against the
6 tax imposed by subsections (a) and (b) of this Section for
7 investment in qualified property which is placed in service
8 in an Enterprise Zone created pursuant to the Illinois
9 Enterprise Zone Act or, for property placed in service on
10 or after July 1, 2006, a River Edge Redevelopment Zone
11 established pursuant to the River Edge Redevelopment Zone
12 Act. For partners, shareholders of Subchapter S
13 corporations, and owners of limited liability companies,
14 if the liability company is treated as a partnership for
15 purposes of federal and State income taxation, there shall
16 be allowed a credit under this subsection (f) to be
17 determined in accordance with the determination of income
18 and distributive share of income under Sections 702 and 704
19 and Subchapter S of the Internal Revenue Code. The credit
20 shall be .5% of the basis for such property. The credit
21 shall be available only in the taxable year in which the
22 property is placed in service in the Enterprise Zone or
23 River Edge Redevelopment Zone and shall not be allowed to
24 the extent that it would reduce a taxpayer's liability for
25 the tax imposed by subsections (a) and (b) of this Section
26 to below zero. For tax years ending on or after December

1 31, 1985, the credit shall be allowed for the tax year in
2 which the property is placed in service, or, if the amount
3 of the credit exceeds the tax liability for that year,
4 whether it exceeds the original liability or the liability
5 as later amended, such excess may be carried forward and
6 applied to the tax liability of the 5 taxable years
7 following the excess credit year. The credit shall be
8 applied to the earliest year for which there is a
9 liability. If there is credit from more than one tax year
10 that is available to offset a liability, the credit
11 accruing first in time shall be applied first.

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

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

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

20 (C) is acquired by purchase as defined in Section
21 179(d) of the Internal Revenue Code;

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

24 (E) has not been previously used in Illinois in
25 such a manner and by such a person as would qualify for
26 the credit provided by this subsection (f) or

1 subsection (e).

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

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

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

13 (6) If during any taxable year, any property ceases to
14 be qualified property in the hands of the taxpayer within
15 48 months after being placed in service, or the situs of
16 any qualified property is moved outside the Enterprise Zone
17 or River Edge Redevelopment Zone within 48 months after
18 being placed in service, the tax imposed under subsections
19 (a) and (b) of this Section for such taxable year shall be
20 increased. Such increase shall be determined by (i)
21 recomputing the investment credit which would have been
22 allowed for the year in which credit for such property was
23 originally allowed by eliminating such property from such
24 computation, and (ii) subtracting such recomputed credit
25 from the amount of credit previously allowed. For the
26 purposes of this paragraph (6), a reduction of the basis of

1 qualified property resulting from a redetermination of the
2 purchase price shall be deemed a disposition of qualified
3 property to the extent of such reduction.

4 (7) There shall be allowed an additional credit equal
5 to 0.5% of the basis of qualified property placed in
6 service during the taxable year in a River Edge
7 Redevelopment Zone, provided such property is placed in
8 service on or after July 1, 2006, and the taxpayer's base
9 employment within Illinois has increased by 1% or more over
10 the preceding year as determined by the taxpayer's
11 employment records filed with the Illinois Department of
12 Employment Security. Taxpayers who are new to Illinois
13 shall be deemed to have met the 1% growth in base
14 employment for the first year in which they file employment
15 records with the Illinois Department of Employment
16 Security. If, in any year, the increase in base employment
17 within Illinois over the preceding year is less than 1%,
18 the additional credit shall be limited to that percentage
19 times a fraction, the numerator of which is 0.5% and the
20 denominator of which is 1%, but shall not exceed 0.5%.

21 (g) (Blank).

22 (h) Investment credit; High Impact Business.

23 (1) Subject to subsections (b) and (b-5) of Section 5.5
24 of the Illinois Enterprise Zone Act, a taxpayer shall be
25 allowed a credit against the tax imposed by subsections (a)
26 and (b) of this Section for investment in qualified

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

1 service, or, if the amount of the credit exceeds the tax
2 liability for that year, whether it exceeds the original
3 liability or the liability as later amended, such excess
4 may be carried forward and applied to the tax liability of
5 the 5 taxable years following the excess credit year. The
6 credit shall be applied to the earliest year for which
7 there is a liability. If there is credit from more than one
8 tax year that is available to offset a liability, the
9 credit accruing first in time shall be applied first.

10 Changes made in this subdivision (h) (1) by Public Act
11 88-670 restore changes made by Public Act 85-1182 and
12 reflect existing law.

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

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

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

21 (C) is acquired by purchase as defined in Section
22 179(d) of the Internal Revenue Code; and

23 (D) is not eligible for the Enterprise Zone
24 Investment Credit provided by subsection (f) of this
25 Section.

26 (3) The basis of qualified property shall be the basis

1 used to compute the depreciation deduction for federal
2 income tax purposes.

3 (4) If the basis of the property for federal income tax
4 depreciation purposes is increased after it has been placed
5 in service in a federally designated Foreign Trade Zone or
6 Sub-Zone located in Illinois by the taxpayer, the amount of
7 such increase shall be deemed property placed in service on
8 the date of such increase in basis.

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

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

1 disposition of qualified property to the extent of such
2 reduction.

3 (7) Beginning with tax years ending after December 31,
4 1996, if a taxpayer qualifies for the credit under this
5 subsection (h) and thereby is granted a tax abatement and
6 the taxpayer relocates its entire facility in violation of
7 the explicit terms and length of the contract under Section
8 18-183 of the Property Tax Code, the tax imposed under
9 subsections (a) and (b) of this Section shall be increased
10 for the taxable year in which the taxpayer relocated its
11 facility by an amount equal to the amount of credit
12 received by the taxpayer under this subsection (h).

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

23 Any credit earned on or after December 31, 1986 under this
24 subsection which is unused in the year the credit is computed
25 because it exceeds the tax liability imposed by subsections (a)
26 and (b) for that year (whether it exceeds the original

1 liability or the liability as later amended) may be carried
2 forward and applied to the tax liability imposed by subsections
3 (a) and (b) of the 5 taxable years following the excess credit
4 year, provided that no credit may be carried forward to any
5 year ending on or after December 31, 2003. This credit shall be
6 applied first to the earliest year for which there is a
7 liability. If there is a credit under this subsection from more
8 than one tax year that is available to offset a liability the
9 earliest credit arising under this subsection shall be applied
10 first.

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

21 (j) Training expense credit. Beginning with tax years
22 ending on or after December 31, 1986 and prior to December 31,
23 2003, a taxpayer shall be allowed a credit against the tax
24 imposed by subsections (a) and (b) under this Section for all
25 amounts paid or accrued, on behalf of all persons employed by
26 the taxpayer in Illinois or Illinois residents employed outside

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

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

24 (k) Research and development credit. For tax years ending
25 after July 1, 1990 and prior to December 31, 2003, and
26 beginning again for tax years ending on or after December 31,

1 2004, and ending prior to January 1, 2016, a taxpayer shall be
2 allowed a credit against the tax imposed by subsections (a) and
3 (b) of this Section for increasing research activities in this
4 State. The credit allowed against the tax imposed by
5 subsections (a) and (b) shall be equal to 6 1/2% of the
6 qualifying expenditures for increasing research activities in
7 this State. For partners, shareholders of subchapter S
8 corporations, and owners of limited liability companies, if the
9 liability company is treated as a partnership for purposes of
10 federal and State income taxation, there shall be allowed a
11 credit under this subsection to be determined in accordance
12 with the determination of income and distributive share of
13 income under Sections 702 and 704 and subchapter S of the
14 Internal Revenue Code.

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

1 made.

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

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

22 No inference shall be drawn from this amendatory Act of the
23 91st General Assembly in construing this Section for taxable
24 years beginning before January 1, 1999.

25 (1) Environmental Remediation Tax Credit.

26 (i) For tax years ending after December 31, 1997 and on

1 or before December 31, 2001, a taxpayer shall be allowed a
2 credit against the tax imposed by subsections (a) and (b)
3 of this Section for certain amounts paid for unreimbursed
4 eligible remediation costs, as specified in this
5 subsection. For purposes of this Section, "unreimbursed
6 eligible remediation costs" means costs approved by the
7 Illinois Environmental Protection Agency ("Agency") under
8 Section 58.14 of the Environmental Protection Act that were
9 paid in performing environmental remediation at a site for
10 which a No Further Remediation Letter was issued by the
11 Agency and recorded under Section 58.10 of the
12 Environmental Protection Act. The credit must be claimed
13 for the taxable year in which Agency approval of the
14 eligible remediation costs is granted. The credit is not
15 available to any taxpayer if the taxpayer or any related
16 party caused or contributed to, in any material respect, a
17 release of regulated substances on, in, or under the site
18 that was identified and addressed by the remedial action
19 pursuant to the Site Remediation Program of the
20 Environmental Protection Act. After the Pollution Control
21 Board rules are adopted pursuant to the Illinois
22 Administrative Procedure Act for the administration and
23 enforcement of Section 58.9 of the Environmental
24 Protection Act, determinations as to credit availability
25 for purposes of this Section shall be made consistent with
26 those rules. For purposes of this Section, "taxpayer"

1 includes a person whose tax attributes the taxpayer has
2 succeeded to under Section 381 of the Internal Revenue Code
3 and "related party" includes the persons disallowed a
4 deduction for losses by paragraphs (b), (c), and (f)(1) of
5 Section 267 of the Internal Revenue Code by virtue of being
6 a related taxpayer, as well as any of its partners. The
7 credit allowed against the tax imposed by subsections (a)
8 and (b) shall be equal to 25% of the unreimbursed eligible
9 remediation costs in excess of \$100,000 per site, except
10 that the \$100,000 threshold shall not apply to any site
11 contained in an enterprise zone as determined by the
12 Department of Commerce and Community Affairs (now
13 Department of Commerce and Economic Opportunity). The
14 total credit allowed shall not exceed \$40,000 per year with
15 a maximum total of \$150,000 per site. For partners and
16 shareholders of subchapter S corporations, there shall be
17 allowed a credit under this subsection to be determined in
18 accordance with the determination of income and
19 distributive share of income under Sections 702 and 704 and
20 subchapter S of the Internal Revenue Code.

21 (ii) A credit allowed under this subsection that is
22 unused in the year the credit is earned may be carried
23 forward to each of the 5 taxable years following the year
24 for which the credit is first earned until it is used. The
25 term "unused credit" does not include any amounts of
26 unreimbursed eligible remediation costs in excess of the

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

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

23 (m) Education expense credit. Beginning with tax years
24 ending after December 31, 1999, a taxpayer who is the custodian
25 of one or more qualifying pupils shall be allowed a credit
26 against the tax imposed by subsections (a) and (b) of this

1 Section for qualified education expenses incurred on behalf of
2 the qualifying pupils. The credit shall be equal to 25% of
3 qualified education expenses, but in no event may the total
4 credit under this subsection claimed by a family that is the
5 custodian of qualifying pupils exceed \$500 for taxable years
6 ending on or before December 31, 2014 and \$1,000 for taxable
7 years ending on or after January 1, 2015. In no event shall a
8 credit under this subsection reduce the taxpayer's liability
9 under this Act to less than zero. This subsection is exempt
10 from the provisions of Section 250 of this Act.

11 For purposes of this subsection:

12 "Qualifying pupils" means individuals who (i) are
13 residents of the State of Illinois, (ii) are under the age of
14 21 at the close of the school year for which a credit is
15 sought, and (iii) during the school year for which a credit is
16 sought were full-time pupils enrolled in a kindergarten through
17 twelfth grade education program at any school, as defined in
18 this subsection.

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

23 "School" means any public or nonpublic elementary or
24 secondary school in Illinois that is in compliance with Title
25 VI of the Civil Rights Act of 1964 and attendance at which
26 satisfies the requirements of Section 26-1 of the School Code,

1 except that nothing shall be construed to require a child to
2 attend any particular public or nonpublic school to qualify for
3 the credit under this Section.

4 "Custodian" means, with respect to qualifying pupils, an
5 Illinois resident who is a parent, the parents, a legal
6 guardian, or the legal guardians of the qualifying pupils.

7 (n) River Edge Redevelopment Zone site remediation tax
8 credit.

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

1 the site that was identified and addressed by the remedial
2 action pursuant to the Site Remediation Program of the
3 Environmental Protection Act. Determinations as to credit
4 availability for purposes of this Section shall be made
5 consistent with rules adopted by the Pollution Control
6 Board pursuant to the Illinois Administrative Procedure
7 Act for the administration and enforcement of Section 58.9
8 of the Environmental Protection Act. For purposes of this
9 Section, "taxpayer" includes a person whose tax attributes
10 the taxpayer has succeeded to under Section 381 of the
11 Internal Revenue Code and "related party" includes the
12 persons disallowed a deduction for losses by paragraphs
13 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
14 Code by virtue of being a related taxpayer, as well as any
15 of its partners. The credit allowed against the tax imposed
16 by subsections (a) and (b) shall be equal to 25% of the
17 unreimbursed eligible remediation costs in excess of
18 \$100,000 per site.

19 (ii) A credit allowed under this subsection that is
20 unused in the year the credit is earned may be carried
21 forward to each of the 5 taxable years following the year
22 for which the credit is first earned until it is used. This
23 credit shall be applied first to the earliest year for
24 which there is a liability. If there is a credit under this
25 subsection from more than one tax year that is available to
26 offset a liability, the earliest credit arising under this

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

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

18 (o) For each of taxable years during the Compassionate Use
19 of Medical Cannabis Pilot Program, a surcharge is imposed on
20 all taxpayers on income arising from the sale or exchange of
21 capital assets, depreciable business property, real property
22 used in the trade or business, and Section 197 intangibles of
23 an organization registrant under the Compassionate Use of
24 Medical Cannabis Pilot Program Act. The amount of the surcharge
25 is equal to the amount of federal income tax liability for the
26 taxable year attributable to those sales and exchanges. The

1 surcharge imposed does not apply if:

2 (1) the medical cannabis cultivation center
3 registration, medical cannabis dispensary registration, or
4 the property of a registration is transferred as a result
5 of any of the following:

6 (A) bankruptcy, a receivership, or a debt
7 adjustment initiated by or against the initial
8 registration or the substantial owners of the initial
9 registration;

10 (B) cancellation, revocation, or termination of
11 any registration by the Illinois Department of Public
12 Health;

13 (C) a determination by the Illinois Department of
14 Public Health that transfer of the registration is in
15 the best interests of Illinois qualifying patients as
16 defined by the Compassionate Use of Medical Cannabis
17 Pilot Program Act;

18 (D) the death of an owner of the equity interest in
19 a registrant;

20 (E) the acquisition of a controlling interest in
21 the stock or substantially all of the assets of a
22 publicly traded company;

23 (F) a transfer by a parent company to a wholly
24 owned subsidiary; or

25 (G) the transfer or sale to or by one person to
26 another person where both persons were initial owners

1 of the registration when the registration was issued;

2 or

3 (2) the cannabis cultivation center registration,
4 medical cannabis dispensary registration, or the
5 controlling interest in a registrant's property is
6 transferred in a transaction to lineal descendants in which
7 no gain or loss is recognized or as a result of a
8 transaction in accordance with Section 351 of the Internal
9 Revenue Code in which no gain or loss is recognized.

10 (Source: P.A. 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905,
11 eff. 8-7-12; 98-109, eff. 7-25-13; 98-122, eff. 1-1-14; 98-756,
12 eff. 7-16-14.)

13 (35 ILCS 5/202.5)

14 Sec. 202.5. Net income attributable to the period beginning
15 prior to January 1 of any year and ending after December 31 of
16 the preceding year.

17 (a) In general. With respect to the taxable year of a
18 taxpayer beginning prior to January 1 of any year and ending
19 after December 31 of the preceding year, net income for the
20 period after December 31 of the preceding year, is that amount
21 that bears the same ratio to the taxpayer's net income for the
22 entire taxable year as the number of days in that taxable year
23 after December 31 bears to the total number of days in that
24 taxable year, and the net income for the period prior to
25 January 1 is that amount that bears the same ratio to the

1 taxpayer's net income for the entire taxable year as the number
2 of days in that taxable year prior to January 1 bears to the
3 total number of days in that taxable year.

4 (b) Election to attribute income and deduction items
5 specifically to the respective portions of a taxable year prior
6 to January 1 of any year and after December 31 of the preceding
7 year. In the case of a taxpayer with a taxable year beginning
8 prior to January 1 of any year and ending after December 31 of
9 the preceding year, the taxpayer may elect, instead of the
10 procedure established in subsection (a) of this Section, to
11 determine net income on a specific accounting basis for the 2
12 portions of the taxable year:

13 (1) from the beginning of the taxable year through
14 December 31; and

15 (2) from January 1 through the end of the taxable year.

16 The election provided by this subsection must be made in
17 form and manner that the Department requires by rule, and must
18 be made no later than the due date (including any extensions
19 thereof) for the filing of the return for the taxable year, and
20 is irrevocable.

21 (c) If the taxpayer elects specific accounting under
22 subsection (b):

23 (1) there shall be taken into account in computing base
24 income for each of the 2 portions of the taxable year only
25 those items earned, received, paid, incurred or accrued in
26 each such period;

1 (2) for purposes of apportioning business income of the
2 taxpayer, the provisions in Article 3 shall be applied on
3 the basis of the taxpayer's full taxable year, without
4 regard to this Section;

5 (3) the net loss carryforward deduction for the taxable
6 year under Section 207 may not exceed combined net income
7 of both portions of the taxable year, and shall be used
8 against the net income of the portion of the taxable year
9 from the beginning of the taxable year through December 31
10 before any remaining amount is used against the net income
11 of the latter portion of the taxable year.

12 (d) Under subsection (a) or (b):

13 (1) the exemptions and credits allowed under Sections
14 204, 208, and 212, respectively, for the period prior to
15 July 1, 2015, shall be equal to the total exemptions or
16 credits, as applicable, that would be allowed for the
17 taxable year under Sections 204, 208, and 212,
18 respectively, as in effect before the effective date of
19 this amendatory Act of the 99th General Assembly,
20 multiplied by the number of months in the portion of the
21 taxable year ending on or before June 30, 2015 and divided
22 by 12; and

23 (2) the exemptions and credits allowed under Sections
24 204, 208, and 212, respectively, for the period after June
25 30, 2015, through the end of the taxable year shall equal
26 to the total exemptions or credits, as applicable, allowed

1 under Sections 204, 208, or 212, as applicable, for the
2 taxable year, multiplied by the number of months in the
3 taxable year for the period beginning on July 1, 2015 and
4 divided by 12.

5 (Source: P.A. 96-1496, eff. 1-13-11.)

6 (35 ILCS 5/204) (from Ch. 120, par. 2-204)

7 Sec. 204. Standard Exemption.

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

15 (b) Basic amount. For the purpose of subsection (a) of this
16 Section, except as provided by subsection (a) of Section 205
17 and in this subsection, each taxpayer shall be allowed a basic
18 amount of \$1000, except that for corporations the basic amount
19 shall be zero for tax years ending on or after December 31,
20 2003, and for individuals the basic amount shall be:

21 (1) for taxable years ending on or after December 31,
22 1998 and prior to December 31, 1999, \$1,300;

23 (2) for taxable years ending on or after December 31,
24 1999 and prior to December 31, 2000, \$1,650;

25 (3) for taxable years ending on or after December 31,

1 2000 and prior to December 31, 2012, \$2,000;
2 (4) for taxable years ending on or after December 31,
3 2012 and prior to December 31, 2013, \$2,050;
4 (5) for taxable years ending on or after December 31,
5 2013 and prior to July 1, 2015, \$2,050 plus the
6 cost-of-living adjustment under subsection (d-5); ~~and-~~
7 (6) for taxable years ending after June 30, 2015 and
8 prior to December 31, 2016, \$3,000, except that, for
9 taxable years beginning before July 1, 2015, and ending
10 after June 30, 2016, the exemption for the taxable year
11 shall be determined under subsection (d) of Section 202.5;
12 and
13 (7) for taxable years ending on or after December 31,
14 2016, \$3,000.

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

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

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

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

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

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

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

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

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

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

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

17 (d-5) Cost-of-living adjustment. For purposes of item (5)
18 of subsection (b), the cost-of-living adjustment for any
19 calendar year and for taxable years ending prior to the end of
20 the subsequent calendar year is equal to \$2,050 times the
21 percentage (if any) by which:

22 (1) the Consumer Price Index for the preceding calendar
23 year, exceeds

24 (2) the Consumer Price Index for the calendar year
25 2011.

26 The Consumer Price Index for any calendar year is the

1 average of the Consumer Price Index as of the close of the
2 12-month period ending on August 31 of that calendar year.

3 The term "Consumer Price Index" means the last Consumer
4 Price Index for All Urban Consumers published by the United
5 States Department of Labor or any successor agency.

6 If any cost-of-living adjustment is not a multiple of \$25,
7 that adjustment shall be rounded to the next lowest multiple of
8 \$25.

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

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

13 (Source: P.A. 97-507, eff. 8-23-11; 97-652, eff. 6-1-12.)

14 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

15 Sec. 208. Tax credit for residential real property taxes.
16 Beginning with tax years ending on or after December 31, 1991
17 and ending prior to July 1, 2015, every individual taxpayer
18 shall be entitled to a tax credit equal to 5% of real property
19 taxes paid by such taxpayer during the taxable year on the
20 principal residence of the taxpayer. In the case of multi-unit
21 or multi-use structures and farm dwellings, the taxes on the
22 taxpayer's principal residence shall be that portion of the
23 total taxes which is attributable to such principal residence.

24 For tax years ending after June 30, 2015 and prior to
25 December 31, 2016, every individual taxpayer shall be entitled

1 to a tax credit equal to 10% of real property taxes paid by the
2 taxpayer during the taxable year on the principal residence of
3 the taxpayer; except that, for taxable years beginning before
4 July 1, 2015, and ending after June 30, 2015, the credit for
5 the taxable year shall be determined under subsection (d) of
6 Section 202.5. In the case of multi-unit or multi-use
7 structures, the taxes on the taxpayer's principal residence
8 shall be that portion of the total taxes that is attributable
9 to the principal residence.

10 For tax years ending on or after December 31, 2016, every
11 individual taxpayer shall be entitled to a tax credit equal to
12 10% of real property taxes paid by the taxpayer during the
13 taxable year on the principal residence of the taxpayer. In the
14 case of multi-unit or multi-use structures, the taxes on the
15 taxpayer's principal residence shall be that portion of the
16 total taxes that is attributable to the principal residence.

17 For tax years ending after June 30, 2015, the credit under
18 this Section shall not exceed \$1,500. For tax years thereafter,
19 the \$1,500 cap shall be increased by a percentage increase
20 equal to the percentage increase, if any, in the Consumer Price
21 Index for all Urban Consumers for the then most recently
22 compiled calendar year.

23 For each taxable year ending on or after December 31, 2015,
24 if the amount of the credit exceeds the income tax liability
25 for the applicable tax year, then the excess credit shall be
26 refunded to the taxpayer. The amount of a refund shall not be

1 included in the taxpayer's income or resources for the purposes
2 of determining eligibility or benefit level in any means-tested
3 benefit program administered by a governmental entity unless
4 required by federal law.

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

6 (35 ILCS 5/212)

7 Sec. 212. Earned income tax credit.

8 (a) With respect to the federal earned income tax credit
9 allowed for the taxable year under Section 32 of the federal
10 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 in an amount equal to (i) 5% of the
13 federal tax credit for each taxable year beginning on or after
14 January 1, 2000 and ending prior to December 31, 2012, (ii)
15 7.5% of the federal tax credit for each taxable year beginning
16 on or after January 1, 2012 and ending prior to December 31,
17 2013, ~~and~~ (iii) 10% of the federal tax credit for each taxable
18 year beginning on or after January 1, 2013 and beginning prior
19 to January 1, 2015, and (iv) 15% of the federal tax credit for
20 each taxable year beginning on or after January 1, 2015.

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

24 (b) For taxable years beginning before January 1, 2003, in
25 no event shall a credit under this Section reduce the

1 taxpayer's liability to less than zero. For each taxable year
2 beginning on or after January 1, 2003, if the amount of the
3 credit exceeds the income tax liability for the applicable tax
4 year, then the excess credit shall be refunded to the taxpayer.
5 The amount of a refund shall not be included in the taxpayer's
6 income or resources for the purposes of determining eligibility
7 or benefit level in any means-tested benefit program
8 administered by a governmental entity unless required by
9 federal law.

10 (c) This Section is exempt from the provisions of Section
11 250.

12 (Source: P.A. 97-652, eff. 6-1-12.)

13 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

14 Sec. 901. Collection authority.

15 (a) In general.

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

1 Treasury; and money collected under Section 2505-650 of the
2 Department of Revenue Law (20 ILCS 2505/2505-650) shall be paid
3 into the Child Support Enforcement Trust Fund, a special fund
4 outside the State Treasury, or to the State Disbursement Unit
5 established under Section 10-26 of the Illinois Public Aid
6 Code, as directed by the Department of Healthcare and Family
7 Services.

8 (b) Local Government Distributive Fund.

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

1 beginning July 1, 2003 and ending June 30, 2004, \$6,666,666,
2 and beginning July 1, 2004, zero. Beginning February 1, 2011,
3 and continuing through the first day of the first month to
4 occur after the effective date of this amendatory Act of the
5 99th General Assembly ~~January 31, 2015~~, the Treasurer shall
6 transfer each month from the General Revenue Fund to the Local
7 Government Distributive Fund an amount equal to the sum of (i)
8 6% (10% of the ratio of the 3% individual income tax rate prior
9 to 2011 to the 5% individual income tax rate after 2010) of the
10 net revenue realized from the tax imposed by subsections (a)
11 and (b) of Section 201 of this Act upon individuals, trusts,
12 and estates during the preceding month and (ii) 6.86% (10% of
13 the ratio of the 4.8% corporate income tax rate prior to 2011
14 to the 7% corporate income tax rate after 2010) of the net
15 revenue realized from the tax imposed by subsections (a) and
16 (b) of Section 201 of this Act upon corporations during the
17 preceding month. Beginning on the first day of the first month
18 to occur after the effective date of this amendatory Act of the
19 99th General Assembly, the Treasurer shall transfer each month
20 from the General Revenue Fund to the Local Government
21 Distributive Fund an amount equal to the sum of (i) 6% (10% of
22 the ratio of the 3% individual income tax rate prior to 2011 to
23 the 5% individual income tax rate after 2010) of the net
24 revenue realized from the tax imposed by subsections (a) and
25 (b) of Section 201 of this Act upon individuals, trusts, and
26 estates during the preceding month and (ii) 9.6% (10% of the

1 ratio of the 4.8% corporate income tax rate prior to 2011 to
2 the 5% corporate income tax rate after 2014) of the net revenue
3 realized from the tax imposed by subsections (a) and (b) of
4 Section 201 of this Act upon corporations during the preceding
5 month. Notwithstanding any other provision of law, beginning on
6 August 1, 2015 and ending on August 1, 2016, each monthly
7 transfer to the Local Government Distributive Fund shall be
8 reduced by \$20,800,000; that amount shall instead by
9 transferred to the Common School Fund. Beginning February 1,
10 ~~2015 and continuing through January 31, 2025, the Treasurer~~
11 ~~shall transfer each month from the General Revenue Fund to the~~
12 ~~Local Government Distributive Fund an amount equal to the sum~~
13 ~~of (i) 8% (10% of the ratio of the 3% individual income tax~~
14 ~~rate prior to 2011 to the 3.75% individual income tax rate~~
15 ~~after 2014) of the net revenue realized from the tax imposed by~~
16 ~~subsections (a) and (b) of Section 201 of this Act upon~~
17 ~~individuals, trusts, and estates during the preceding month and~~
18 ~~(ii) 9.14% (10% of the ratio of the 4.8% corporate income tax~~
19 ~~rate prior to 2011 to the 5.25% corporate income tax rate after~~
20 ~~2014) of the net revenue realized from the tax imposed by~~
21 ~~subsections (a) and (b) of Section 201 of this Act upon~~
22 ~~corporations during the preceding month. Beginning February 1,~~
23 ~~2025, the Treasurer shall transfer each month from the General~~
24 ~~Revenue Fund to the Local Government Distributive Fund an~~
25 ~~amount equal to the sum of (i) 9.23% (10% of the ratio of the 3%~~
26 ~~individual income tax rate prior to 2011 to the 3.25%~~

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

17 Beginning on August 26, 2014 (the effective date of Public
18 Act 98-1052) ~~this amendatory Act of the 98th General Assembly,~~
19 the Comptroller shall perform the transfers required by this
20 subsection (b) no later than 60 days after he or she receives
21 the certification from the Treasurer as provided in Section 1
22 of the State Revenue Sharing Act.

23 (c) Deposits Into Income Tax Refund Fund.

24 (1) Beginning on January 1, 1989 and thereafter, the
25 Department shall deposit a percentage of the amounts
26 collected pursuant to subsections (a) and (b)(1), (2), and

1 (3), of Section 201 of this Act into a fund in the State
2 treasury known as the Income Tax Refund Fund. The
3 Department shall deposit 6% of such amounts during the
4 period beginning January 1, 1989 and ending on June 30,
5 1989. Beginning with State fiscal year 1990 and for each
6 fiscal year thereafter, the percentage deposited into the
7 Income Tax Refund Fund during a fiscal year shall be the
8 Annual Percentage. For fiscal years 1999 through 2001, the
9 Annual Percentage shall be 7.1%. For fiscal year 2003, the
10 Annual Percentage shall be 8%. For fiscal year 2004, the
11 Annual Percentage shall be 11.7%. Upon the effective date
12 of this amendatory Act of the 93rd General Assembly, the
13 Annual Percentage shall be 10% for fiscal year 2005. For
14 fiscal year 2006, the Annual Percentage shall be 9.75%. For
15 fiscal year 2007, the Annual Percentage shall be 9.75%. For
16 fiscal year 2008, the Annual Percentage shall be 7.75%. For
17 fiscal year 2009, the Annual Percentage shall be 9.75%. For
18 fiscal year 2010, the Annual Percentage shall be 9.75%. For
19 fiscal year 2011, the Annual Percentage shall be 8.75%. For
20 fiscal year 2012, the Annual Percentage shall be 8.75%. For
21 fiscal year 2013, the Annual Percentage shall be 9.75%. For
22 fiscal year 2014, the Annual Percentage shall be 9.5%. For
23 fiscal year 2015, the Annual Percentage shall be 10%. For
24 all other fiscal years, the Annual Percentage shall be
25 calculated as a fraction, the numerator of which shall be
26 the amount of refunds approved for payment by the

1 Department during the preceding fiscal year as a result of
2 overpayment of tax liability under subsections (a) and
3 (b) (1), (2), and (3) of Section 201 of this Act plus the
4 amount of such refunds remaining approved but unpaid at the
5 end of the preceding fiscal year, minus the amounts
6 transferred into the Income Tax Refund Fund from the
7 Tobacco Settlement Recovery Fund, and the denominator of
8 which shall be the amounts which will be collected pursuant
9 to subsections (a) and (b) (1), (2), and (3) of Section 201
10 of this Act during the preceding fiscal year; except that
11 in State fiscal year 2002, the Annual Percentage shall in
12 no event exceed 7.6%. The Director of Revenue shall certify
13 the Annual Percentage to the Comptroller on the last
14 business day of the fiscal year immediately preceding the
15 fiscal year for which it is to be effective.

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

1 the Annual Percentage shall be 19%. For fiscal year 2003,
2 the Annual Percentage shall be 27%. For fiscal year 2004,
3 the Annual Percentage shall be 32%. Upon the effective date
4 of this amendatory Act of the 93rd General Assembly, the
5 Annual Percentage shall be 24% for fiscal year 2005. For
6 fiscal year 2006, the Annual Percentage shall be 20%. For
7 fiscal year 2007, the Annual Percentage shall be 17.5%. For
8 fiscal year 2008, the Annual Percentage shall be 15.5%. For
9 fiscal year 2009, the Annual Percentage shall be 17.5%. For
10 fiscal year 2010, the Annual Percentage shall be 17.5%. For
11 fiscal year 2011, the Annual Percentage shall be 17.5%. For
12 fiscal year 2012, the Annual Percentage shall be 17.5%. For
13 fiscal year 2013, the Annual Percentage shall be 14%. For
14 fiscal year 2014, the Annual Percentage shall be 13.4%. For
15 fiscal year 2015, the Annual Percentage shall be 14%. For
16 all other fiscal years, the Annual Percentage shall be
17 calculated as a fraction, the numerator of which shall be
18 the amount of refunds approved for payment by the
19 Department during the preceding fiscal year as a result of
20 overpayment of tax liability under subsections (a) and
21 (b) (6), (7), and (8), (c) and (d) of Section 201 of this
22 Act plus the amount of such refunds remaining approved but
23 unpaid at the end of the preceding fiscal year, and the
24 denominator of which shall be the amounts which will be
25 collected pursuant to subsections (a) and (b) (6), (7), and
26 (8), (c) and (d) of Section 201 of this Act during the

1 preceding fiscal year; except that in State fiscal year
2 2002, the Annual Percentage shall in no event exceed 23%.
3 The Director of Revenue shall certify the Annual Percentage
4 to the Comptroller on the last business day of the fiscal
5 year immediately preceding the fiscal year for which it is
6 to be effective.

7 (3) The Comptroller shall order transferred and the
8 Treasurer shall transfer from the Tobacco Settlement
9 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
10 in January, 2001, (ii) \$35,000,000 in January, 2002, and
11 (iii) \$35,000,000 in January, 2003.

12 (d) Expenditures from Income Tax Refund Fund.

13 (1) Beginning January 1, 1989, money in the Income Tax
14 Refund Fund shall be expended exclusively for the purpose
15 of paying refunds resulting from overpayment of tax
16 liability under Section 201 of this Act, for paying rebates
17 under Section 208.1 in the event that the amounts in the
18 Homeowners' Tax Relief Fund are insufficient for that
19 purpose, and for making transfers pursuant to this
20 subsection (d).

21 (2) The Director shall order payment of refunds
22 resulting from overpayment of tax liability under Section
23 201 of this Act from the Income Tax Refund Fund only to the
24 extent that amounts collected pursuant to Section 201 of
25 this Act and transfers pursuant to this subsection (d) and
26 item (3) of subsection (c) have been deposited and retained

1 in the Fund.

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

14 (4) As soon as possible after the end of each fiscal
15 year, the Director shall order transferred and the State
16 Treasurer and State Comptroller shall transfer from the
17 Personal Property Tax Replacement Fund to the Income Tax
18 Refund Fund an amount, certified by the Director to the
19 Comptroller, equal to the excess of the amount of refunds
20 resulting from overpayment of tax liability under
21 subsections (c) and (d) of Section 201 of this Act paid
22 from the Income Tax Refund Fund during the fiscal year over
23 the amount collected pursuant to subsections (c) and (d) of
24 Section 201 of this Act deposited into the Income Tax
25 Refund Fund during the fiscal year.

26 (4.5) As soon as possible after the end of fiscal year

1 1999 and of each fiscal year thereafter, the Director shall
2 order transferred and the State Treasurer and State
3 Comptroller shall transfer from the Income Tax Refund Fund
4 to the General Revenue Fund any surplus remaining in the
5 Income Tax Refund Fund as of the end of such fiscal year;
6 excluding for fiscal years 2000, 2001, and 2002 amounts
7 attributable to transfers under item (3) of subsection (c)
8 less refunds resulting from the earned income tax credit.

9 (5) This Act shall constitute an irrevocable and
10 continuing appropriation from the Income Tax Refund Fund
11 for the purpose of paying refunds upon the order of the
12 Director in accordance with the provisions of this Section.

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

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

1 (b) of Section 201 of the Illinois Income Tax Act, minus
2 deposits into the Income Tax Refund Fund, the Department shall
3 deposit 4.4% into the Income Tax Surcharge Local Government
4 Distributive Fund in the State Treasury. Beginning July 1,
5 1993, and continuing through June 30, 1994, of the amounts
6 collected under subsections (a) and (b) of Section 201 of this
7 Act, minus deposits into the Income Tax Refund Fund, the
8 Department shall deposit 1.475% into the Income Tax Surcharge
9 Local Government Distributive Fund in the State Treasury.

10 (f) Deposits into the Fund for the Advancement of
11 Education. Beginning February 1, 2015, the Department shall
12 deposit the following portions of the revenue realized from the
13 tax imposed upon individuals, trusts, and estates by
14 subsections (a) and (b) of Section 201 of this Act during the
15 preceding month, minus deposits into the Income Tax Refund
16 Fund, into the Fund for the Advancement of Education:

17 (1) beginning February 1, 2015, and prior to February
18 1, 2025, 1/30; and

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

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

24 (g) Deposits into the Commitment to Human Services Fund.
25 Beginning February 1, 2015, the Department shall deposit the
26 following portions of the revenue realized from the tax imposed

1 upon individuals, trusts, and estates by subsections (a) and
2 (b) of Section 201 of this Act during the preceding month,
3 minus deposits into the Income Tax Refund Fund, into the
4 Commitment to Human Services Fund:

5 (1) beginning February 1, 2015, and prior to February
6 1, 2025, 1/30; and

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

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

12 (h) Deposits into the Tax Compliance and Administration
13 Fund. Beginning on the first day of the first calendar month to
14 occur on or after August 26, 2014 (the effective date of Public
15 Act 98-1098) ~~this amendatory Act of the 98th General Assembly,~~
16 each month the Department shall pay into the Tax Compliance and
17 Administration Fund, to be used, subject to appropriation, to
18 fund additional auditors and compliance personnel at the
19 Department, an amount equal to 1/12 of 5% of the cash receipts
20 collected during the preceding fiscal year by the Audit Bureau
21 of the Department from the tax imposed by subsections (a), (b),
22 (c), and (d) of Section 201 of this Act, net of deposits into
23 the Income Tax Refund Fund made from those cash receipts.

24 (Source: P.A. 97-72, eff. 7-1-11; 97-732, eff. 6-30-12; 98-24,
25 eff. 6-19-13; 98-674, eff. 6-30-14; 98-1052, eff. 8-26-14;
26 98-1098, eff. 8-26-14; revised 9-26-14.)

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

3 (35 ILCS 120/1) (from Ch. 120, par. 440)

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

20 "Sale at retail" shall be construed to include any transfer
21 of the ownership of or title to tangible personal property to a
22 purchaser, for use or consumption by any other person to whom
23 such purchaser may transfer the tangible personal property
24 without a valuable consideration, and to include any transfer,

1 whether made for or without a valuable consideration, for
2 resale in any form as tangible personal property unless made in
3 compliance with Section 2c of this Act.

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

13 "Sale at retail" includes all of the following services, as
14 enumerated in the North American Industry Classification
15 System Manual (NAICS), 2012, prepared by the United States
16 Office of Management and Budget:

17 (1) Other warehousing and storage (household and
18 specialty goods) (493190).

19 (2) Travel agent services (561510).

20 (3) Carpet and upholstery cleaning services (561740).

21 (4) Dating services (812990).

22 (5) Dry cleaning and laundry, except coin-operated
23 (81232).

24 (6) Consumer goods rental (5322).

25 (7) Health clubs, tanning parlors, reducing salons
26 (812191).

- 1 (8) Linen supply (812331).
- 2 (9) Interior design services (541410).
- 3 (10) Other business services, including copy shops
4 (561439).
- 5 (11) Bowling Centers (713950).
- 6 (12) Coin operated video games and pinball machines
7 (713120).
- 8 (13) Membership fees in private clubs (713910).
- 9 (14) Admission to spectator sports (excluding horse
10 tracks) (711211).
- 11 (15) Admission to cultural events (711110).
- 12 (16) Billiard Parlors (71399).
- 13 (17) Scenic and sightseeing transportation (487110).
- 14 (18) Taxi and Limousine services (485320).
- 15 (19) Unscheduled chartered passenger air
16 transportation (481211).
- 17 (20) Motion picture theaters, except drive-in theaters
18 (512131).
- 19 (21) Pet grooming (812910).
- 20 (22) Landscaping services (including lawn care)
21 (561730).
- 22 (23) Income from intrastate transportation of persons
23 (485).
- 24 (24) Mini-storage (531130).
- 25 (25) Household goods storage (493110).
- 26 (26) Cold storage (493120).

1 (27) Marina Service (docking, storage, cleaning,
2 repair) (713930).

3 (28) Marine towing service (including tugboats)
4 (488330).

5 (29) Gift and package wrapping service (561916).

6 (30) Laundry and dry cleaning services, coin-operated
7 (812310).

8 (31) Other services to buildings and dwellings
9 (561790).

10 (32) Water softening and conditioning (561990).

11 (33) Internet Service Providers (517).

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

13 (35) Information Services (519190).

14 (36) Amusement park admission and rides (713110).

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

16 (38) Cable and other program distribution (515210).

17 (39) Rental of video tapes for home viewing (532230).

18 "Sale at retail" shall be construed to include any Illinois
19 florist's sales transaction in which the purchase order is
20 received in Illinois by a florist and the sale is for use or
21 consumption, but the Illinois florist has a florist in another
22 state deliver the property to the purchaser or the purchaser's
23 donee in such other state.

24 Nonreusable tangible personal property that is used by
25 persons engaged in the business of operating a restaurant,
26 cafeteria, or drive-in is a sale for resale when it is

1 transferred to customers in the ordinary course of business as
2 part of the sale of food or beverages and is used to deliver,
3 package, or consume food or beverages, regardless of where
4 consumption of the food or beverages occurs. Examples of those
5 items include, but are not limited to nonreusable, paper and
6 plastic cups, plates, baskets, boxes, sleeves, buckets or other
7 containers, utensils, straws, placemats, napkins, doggie bags,
8 and wrapping or packaging materials that are transferred to
9 customers as part of the sale of food or beverages in the
10 ordinary course of business.

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

15 A person whose activities are organized and conducted
16 primarily as a not-for-profit service enterprise, and who
17 engages in selling tangible personal property at retail
18 (whether to the public or merely to members and their guests)
19 is engaged in the business of selling tangible personal
20 property at retail with respect to such transactions, excepting
21 only a person organized and operated exclusively for
22 charitable, religious or educational purposes either (1), to
23 the extent of sales by such person to its members, students,
24 patients or inmates of tangible personal property to be used
25 primarily for the purposes of such person, or (2), to the
26 extent of sales by such person of tangible personal property

1 which is not sold or offered for sale by persons organized for
2 profit. The selling of school books and school supplies by
3 schools at retail to students is not "primarily for the
4 purposes of" the school which does such selling. The provisions
5 of this paragraph shall not apply to nor subject to taxation
6 occasional dinners, socials or similar activities of a person
7 organized and operated exclusively for charitable, religious
8 or educational purposes, whether or not such activities are
9 open to the public.

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

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

21 "Reseller of motor fuel" means any person engaged in the
22 business of selling or delivering or transferring title of
23 motor fuel to another person other than for use or consumption.
24 No person shall act as a reseller of motor fuel within this
25 State without first being registered as a reseller pursuant to
26 Section 2c or a retailer pursuant to Section 2a.

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

1 purchaser, any cigarette tax imposed by a home rule unit.

2 Notwithstanding any law to the contrary, for any motor
3 vehicle, as defined in Section 1-146 of the Vehicle Code, that
4 is sold on or after January 1, 2015 for the purpose of leasing
5 the vehicle for a defined period that is longer than one year
6 and (1) is a motor vehicle of the second division that: (A) is
7 a self-contained motor vehicle designed or permanently
8 converted to provide living quarters for recreational,
9 camping, or travel use, with direct walk through access to the
10 living quarters from the driver's seat; (B) is of the van
11 configuration designed for the transportation of not less than
12 7 nor more than 16 passengers; or (C) has a gross vehicle
13 weight rating of 8,000 pounds or less or (2) is a motor vehicle
14 of the first division, "selling price" or "amount of sale"
15 means the consideration received by the lessor pursuant to the
16 lease contract, including amounts due at lease signing and all
17 monthly or other regular payments charged over the term of the
18 lease. Also included in the selling price is any amount
19 received by the lessor from the lessee for the leased vehicle
20 that is not calculated at the time the lease is executed,
21 including, but not limited to, excess mileage charges and
22 charges for excess wear and tear. For sales that occur in
23 Illinois, with respect to any amount received by the lessor
24 from the lessee for the leased vehicle that is not calculated
25 at the time the lease is executed, the lessor who purchased the
26 motor vehicle does not incur the tax imposed by the Use Tax Act

1 on those amounts, and the retailer who makes the retail sale of
2 the motor vehicle to the lessor is not required to collect the
3 tax imposed by the Use Tax Act or to pay the tax imposed by this
4 Act on those amounts. However, the lessor who purchased the
5 motor vehicle assumes the liability for reporting and paying
6 the tax on those amounts directly to the Department in the same
7 form (Illinois Retailers' Occupation Tax, and local retailers'
8 occupation taxes, if applicable) in which the retailer would
9 have reported and paid such tax if the retailer had accounted
10 for the tax to the Department. For amounts received by the
11 lessor from the lessee that are not calculated at the time the
12 lease is executed, the lessor must file the return and pay the
13 tax to the Department by the due date otherwise required by
14 this Act for returns other than transaction returns. If the
15 retailer is entitled under this Act to a discount for
16 collecting and remitting the tax imposed under this Act to the
17 Department with respect to the sale of the motor vehicle to the
18 lessor, then the right to the discount provided in this Act
19 shall be transferred to the lessor with respect to the tax paid
20 by the lessor for any amount received by the lessor from the
21 lessee for the leased vehicle that is not calculated at the
22 time the lease is executed; provided that the discount is only
23 allowed if the return is timely filed and for amounts timely
24 paid. The "selling price" of a motor vehicle that is sold on or
25 after January 1, 2015 for the purpose of leasing for a defined
26 period of longer than one year shall not be reduced by the

1 value of or credit given for traded-in tangible personal
2 property owned by the lessor, nor shall it be reduced by the
3 value of or credit given for traded-in tangible personal
4 property owned by the lessee, regardless of whether the
5 trade-in value thereof is assigned by the lessee to the lessor.
6 In the case of a motor vehicle that is sold for the purpose of
7 leasing for a defined period of longer than one year, the sale
8 occurs at the time of the delivery of the vehicle, regardless
9 of the due date of any lease payments. A lessor who incurs a
10 Retailers' Occupation Tax liability on the sale of a motor
11 vehicle coming off lease may not take a credit against that
12 liability for the Use Tax the lessor paid upon the purchase of
13 the motor vehicle (or for any tax the lessor paid with respect
14 to any amount received by the lessor from the lessee for the
15 leased vehicle that was not calculated at the time the lease
16 was executed) if the selling price of the motor vehicle at the
17 time of purchase was calculated using the definition of
18 "selling price" as defined in this paragraph. Notwithstanding
19 any other provision of this Act to the contrary, lessors shall
20 file all returns and make all payments required under this
21 paragraph to the Department by electronic means in the manner
22 and form as required by the Department. This paragraph does not
23 apply to leases of motor vehicles for which, at the time the
24 lease is entered into, the term of the lease is not a defined
25 period, including leases with a defined initial period with the
26 option to continue the lease on a month-to-month or other basis

1 beyond the initial defined period.

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

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

19 "Department" means the Department of Revenue.

20 "Person" means any natural individual, firm, partnership,
21 association, joint stock company, joint adventure, public or
22 private corporation, limited liability company, or a receiver,
23 executor, trustee, guardian or other representative appointed
24 by order of any court.

25 The isolated or occasional sale of tangible personal
26 property at retail by a person who does not hold himself out as

1 being engaged (or who does not habitually engage) in selling
2 such tangible personal property at retail, or a sale through a
3 bulk vending machine, does not constitute engaging in a
4 business of selling such tangible personal property at retail
5 within the meaning of this Act; provided that any person who is
6 engaged in a business which is not subject to the tax imposed
7 by this Act because of involving the sale of or a contract to
8 sell real estate or a construction contract to improve real
9 estate or a construction contract to engineer, install, and
10 maintain an integrated system of products, but who, in the
11 course of conducting such business, transfers tangible
12 personal property to users or consumers in the finished form in
13 which it was purchased, and which does not become real estate
14 or was not engineered and installed, under any provision of a
15 construction contract or real estate sale or real estate sales
16 agreement entered into with some other person arising out of or
17 because of such nontaxable business, is engaged in the business
18 of selling tangible personal property at retail to the extent
19 of the value of the tangible personal property so transferred.
20 If, in such a transaction, a separate charge is made for the
21 tangible personal property so transferred, the value of such
22 property, for the purpose of this Act, shall be the amount so
23 separately charged, but not less than the cost of such property
24 to the transferor; if no separate charge is made, the value of
25 such property, for the purposes of this Act, is the cost to the
26 transferor of such tangible personal property. Construction

1 contracts for the improvement of real estate consisting of
2 engineering, installation, and maintenance of voice, data,
3 video, security, and all telecommunication systems do not
4 constitute engaging in a business of selling tangible personal
5 property at retail within the meaning of this Act if they are
6 sold at one specified contract price.

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

19 Persons who engage in the business of transferring tangible
20 personal property upon the redemption of trading stamps are
21 engaged in the business of selling such property at retail and
22 shall be liable for and shall pay the tax imposed by this Act
23 on the basis of the retail value of the property transferred
24 upon redemption of such stamps.

25 "Bulk vending machine" means a vending machine, containing
26 unsorted confections, nuts, toys, or other items designed

1 primarily to be used or played with by children which, when a
2 coin or coins of a denomination not larger than \$0.50 are
3 inserted, are dispensed in equal portions, at random and
4 without selection by the customer.

5 (Source: P.A. 98-628, eff. 1-1-15; 98-1080, eff. 8-26-14.)

6 (35 ILCS 120/2) (from Ch. 120, par. 441)

7 Sec. 2. Tax imposed. A tax is imposed upon persons engaged
8 in the business of selling at retail tangible personal
9 property, including computer software, and including
10 photographs, negatives, and positives that are the product of
11 photoprocessing, but not including products of photoprocessing
12 produced for use in motion pictures for public commercial
13 exhibition, or engaged in the business of providing services as
14 set forth in in Section 1 of this Act. Beginning January 1,
15 2001, prepaid telephone calling arrangements shall be
16 considered tangible personal property subject to the tax
17 imposed under this Act regardless of the form in which those
18 arrangements may be embodied, transmitted, or fixed by any
19 method now known or hereafter developed. Sales of (1)
20 electricity delivered to customers by wire; (2) natural or
21 artificial gas that is delivered to customers through pipes,
22 pipelines, or mains; and (3) water that is delivered to
23 customers through pipes, pipelines, or mains are not subject to
24 tax under this Act. The provisions of this amendatory Act of
25 the 98th General Assembly are declaratory of existing law as to

1 the meaning and scope of this Act.

2 (Source: P.A. 98-583, eff. 1-1-14.)

3 Section 25. The School Code is amended by changing Sections
4 1C-2, 2-3.25c, 2-3.25d, 3-7, 10-17a, 10-22.45, 18-8.05, 19-3,
5 21A-5, 21A-10, 21A-15, 21A-20, 21A-25, 21A-30, 23-3, 23-6, and
6 29-5 and by adding Sections 2-3.25d-5, 2-3.163, 2-3.164,
7 2-3.165, 2-3.166, 2-3.167, 10-16.10, 10-17b, 10-17c, 10-17d,
8 10-20.56, 17-2.11d, 21A-3, and 23-5.5 as follows:

9 (105 ILCS 5/1C-2)

10 Sec. 1C-2. Block grants.

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

19 (b) (Blank).

20 (c) An Early Childhood Education Block Grant shall be
21 created by combining the following programs: Preschool
22 Education, Parental Training and Prevention Initiative. These
23 funds shall be distributed to school districts and other
24 entities on a competitive basis. Not less than 14% of this

1 grant shall be used to fund programs for children ages 0-3,
2 which percentage shall increase to at least 20% by Fiscal Year
3 2016. However, if, in a given fiscal year, the amount
4 appropriated for the Early Childhood Education Block Grant is
5 insufficient to increase the percentage of the grant to fund
6 programs for children ages 0-3 without reducing the amount of
7 the grant for existing providers of preschool education
8 programs, then the percentage of the grant to fund programs for
9 children ages 0-3 may be held steady instead of increased.

10 (d) For fiscal year 2016, the General Assembly shall
11 appropriate no less than \$380,261,400 to the Early Childhood
12 Education Block Grant for the programs specified in subsection
13 (c) of this Section.

14 (Source: P.A. 98-645, eff. 7-1-14.)

15 (105 ILCS 5/2-3.25c) (from Ch. 122, par. 2-3.25c)

16 Sec. 2-3.25c. Financial and other awards ~~Rewards and~~
17 ~~acknowledgements.~~

18 (a) The State Board of Education shall implement a system
19 of rewards for school districts, and the schools themselves,
20 whose students and schools consistently meet adequate yearly
21 progress criteria for 2 or more consecutive years and a system
22 to acknowledge schools and districts that meet adequate yearly
23 progress criteria in a given year as specified in Section
24 2-3.25d of this Code.

25 (b) Financial awards shall be provided to the schools that

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

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

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

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

1 deposit and investment of moneys in the Education Financial
2 Award System Fund shall remain in the Fund and shall not be
3 credited to the General Revenue Fund. The Education Financial
4 Award System Fund must be appropriated and expended only for
5 the awards system. The awards are subject to audit requirements
6 established by the State Board of Education.

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

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

12 (105 ILCS 5/2-3.25d) (from Ch. 122, par. 2-3.25d)

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

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

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

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

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

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

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

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

24 A school on academic watch status that does not meet
25 adequate yearly progress criteria for a sixth annual
26 calculation shall implement its approved school restructuring

1 plan beginning with the next school year, subject to the State
2 interventions specified in Section 2-3.25f of this Code.

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

1 shall be removed from any status designation.

2 A district placed on either academic early warning status
3 or academic watch status may appeal the status to the State
4 Board of Education in accordance with Section 2-3.25m of this
5 Code.

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

11 All District Improvement Plans must be approved by the
12 school board.

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

1 (d) All federal requirements apply to schools and school
2 districts utilizing federal funds under Title I, Part A of the
3 federal Elementary and Secondary Education Act of 1965.

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

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

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

1 (105 ILCS 5/2-3.25d-5 new)

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

15 (105 ILCS 5/2-3.163 new)

16 Sec. 2-3.163. The Digital Learning Technology Grant
17 Program.

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

1 (b) There is created the Digital Learning Technology Grant
2 Program to provide money to school districts and charter
3 schools to use in integrating information technology and
4 scientific equipment as tools to measurably improve teaching
5 and learning in grades 9 through 12 in this State's public
6 schools. The State Board of Education shall administer the
7 grant program through the acceptance, review, and
8 recommendation of applications submitted pursuant to this
9 Section.

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

1 (d) The State Board of Education shall adopt rules for the
2 administration and implementation of the grant program created
3 under this Section. Subject to appropriation, the grants shall
4 be awarded through the program for the 2016-2017 school year
5 and annually thereafter.

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

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

14 (2) the current level of information technology
15 education integration at the recipient schools;

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

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

1 achieved;

2 (5) any businesses with which the school district or
3 charter school has partnered to improve the availability
4 and integration of information technology education within
5 the curriculum; and

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

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

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

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

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

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

26 (5) any other financial resources available to the

1 applicant for integrating information technology education
2 into the curriculum;

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

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

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

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

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

1 (i) Each school district and charter school that receives a
2 grant through the grant program created under this Section
3 shall, by August 1 of the school year for which the grant was
4 awarded, submit to the State Board of Education a report
5 specifying the following information:

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

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

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

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

18 (5) any other information specified by rule of the
19 State Board of Education.

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

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

1 (1) The State Board of Education may solicit and accept
2 money in the form of gifts, contributions, and grants to be
3 deposited into the Digital Learning Technology Grant Fund. The
4 acceptance of federal grants for purposes of this Section does
5 not commit State funds nor place an obligation upon the General
6 Assembly to continue the purposes for which the federal funds
7 are made available.

8 (105 ILCS 5/2-3.164 new)

9 Sec. 2-3.164. Best practices clearinghouse.

10 (a) Beginning July 1, 2016 and subject to appropriation,
11 the State Board of Education shall establish an online
12 clearinghouse of information relating to best practices of
13 campuses and school districts regarding instruction, public
14 school finance, resource allocation, and business practices.
15 To the extent practicable, the State Board of Education shall
16 ensure that information provided through the online
17 clearinghouse is specific, actionable information relating to
18 the best practices of high-performing and highly efficient
19 school districts rather than general guidelines relating to
20 school district operation. The information must be accessible
21 by school districts and interested members of the public.

22 (b) The State Board of Education shall solicit and collect
23 from exemplary or recognized school districts, charter
24 schools, and other institutions determined by the State Board
25 of Education examples of best practices relating to

1 instruction, public school finance, resource allocation, and
2 business practices, including best practices relating to
3 curriculum, scope and sequence, compensation and incentive
4 systems, bilingual education and special language programs,
5 compensatory education programs, and the effective use of
6 instructional technology, including online courses.

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

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

20 (105 ILCS 5/2-3.165 new)

21 Sec. 2-3.165. The Science, Technology, Engineering, and
22 Mathematics Education Center Grant Program.

23 (a) As used in this Section, unless the context otherwise
24 requires:

25 "Grant program" means the science, technology,

1 engineering, and mathematics education center grant program
2 created in this Section.

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

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

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

1 science, technology, engineering, and mathematics innovation
2 education centers, university and corporate research
3 facilities, and established STEM laboratories, businesses, and
4 the Illinois Mathematics and Science Academy.

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

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

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

24 (3) identification of essential teacher competencies
25 and a comprehensive plan for recruiting, mentoring, and
26 retaining STEM teachers, especially those in

1 under-resourced schools and school districts; creation of
2 a community of practice among STEM center educators and
3 other teachers of science, technology, engineering, and
4 mathematics as part of a network of promising practices in
5 teaching; and the establishment of recruitment, mentoring,
6 and retention plans for Golden Apple teachers in STEM
7 fields and Illinois STEM teachers who have received
8 national board certification and are also part of the STEM
9 innovation network;

10 (4) a statement of desired competencies for STEM
11 learning by students;

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

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

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

25 (8) a description of the laboratory and incubator model
26 for the STEM centers;

1 (9) support for innovation and entrepreneurship in
2 curriculum, instruction, assessment, and professional
3 development; and

4 (10) cost estimates.

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

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

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

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

25 (4) appropriate State agencies, federal agencies,
26 professional organizations, public television stations,

1 and businesses and industries to involve them in the
2 development of the strategic plan; and

3 (5) businesses, industries, and individuals for
4 volunteering their time and community resources.

5 (e) The plan shall provide a mechanism for incorporating
6 the cost for accomplishing these goals into the ongoing
7 operating budget beginning in 2016.

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

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

1 community-based organizations, or other appropriate entities
2 to establish science and technology education centers within
3 the public school system. Districts and charter schools may
4 individually operate alternative learning opportunities
5 programs or may collaborate with 2 or more districts or charter
6 schools or do both to create and operate science and technology
7 education centers.

8 (h) Beginning with the 2016-2017 school year, the State
9 Board of Education shall, subject to available appropriations,
10 annually award one or more science, technology, engineering,
11 and mathematics education center grants for the development and
12 operation of STEM centers.

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

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

26 (1) the facility, equipment, and technology that are or

1 will be provided and the activities and range of programs
2 that are or will be offered by the STEM education center;

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

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

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

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

24 (k) Each school district, charter school, or joint
25 collaborative partnership that receives a grant pursuant to the
26 grant program and the Illinois Mathematics and Science Academy,

1 if selected to receive a grant, shall demonstrate, prior to
2 receiving any actual moneys, that the center has received or
3 has a written commitment for matching funds from other public
4 or private sources in the amount of a dollar-for-dollar match
5 with the amount of the grant. This requirement may be waived
6 upon application to and approval by the State Board of
7 Education based on a showing of continued need or financial
8 hardship.

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

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

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

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

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

26 (4) the recipient school district's or charter

1 school's plan for continuing the integration of
2 information technology education into the curriculum,
3 regardless of whether the grant is renewed;

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

8 (6) a description of innovative instructional methods;

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

11 (8) any other information specified by rule of the
12 State Board of Education.

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

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

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

1 Assembly to continue the purposes for which the federal funds
2 are made available.

3 (105 ILCS 5/2-3.166 new)

4 Sec. 2-3.166. School Improvement Partnership Pool Fund.

5 (a) The School Improvement Partnership Pool Fund is created
6 as a special fund in the State treasury. All interest earned on
7 moneys in the Fund shall be deposited into the Fund. The School
8 Improvement Partnership Pool Fund shall not be subject to
9 sweeps, administrative charges, or charge-backs, such as, but
10 not limited to, those authorized under Section 8h of the State
11 Finance Act, nor any other fiscal or budgetary maneuver that
12 would in any way transfer any funds from the School Improvement
13 Partnership Pool Fund into any other fund of the State.

14 (b) Beginning in Fiscal Year 2017, moneys in the School
15 Improvement Partnership Pool Fund shall be used, subject to
16 appropriation, by the State Board of Education for a
17 competitive grant program to provide school districts with
18 demonstrated academic and financial need quality, integrated
19 support systems, such as training for staff, tutoring programs
20 for students, small school initiatives, literacy coaching,
21 proven programs such as reduced class size, extended learning
22 time, and after school and summer school programs, programs to
23 engage parents, and other systems as determined by the State
24 Board of Education.

25 (c) School districts eligible to apply to the State Board

1 of Education for a grant under subsection (b) of this Section
2 shall be limited to those (i) with any school that has not met
3 adequate yearly progress under the federal No Child Left Behind
4 Act of 2001 for at least 2 consecutive years or (ii) that have
5 been designated through the State Board of Education's School
6 District Financial Profile System as on financial warning or
7 financial watch status. The State Board may, by rule, establish
8 any additional procedures with respect to this grant program.

9 (105 ILCS 5/2-3.167 new)

10 Sec. 2-3.167. Resource management service.

11 (a) Subject to appropriation, the State Board of Education
12 shall establish and maintain an Internet web-based resource
13 management service for all school districts on or before July
14 1, 2018. If no State funds are provided to school districts
15 specifically for implementation of this Section, school
16 districts are relieved from implementing all requirements
17 under this Section.

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

23 (c) Annually, by the first day of October, an Internet
24 web-based preliminary resource allocation report must be
25 generated for each school district and delivered via the

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

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

23 (e) The resource management service shall contain, based on
24 the spending and demographic profile of the school district,
25 action-oriented information, such as effective best practices
26 in schools districts, diagnostic questions, and other

1 management or community considerations that may be implemented
2 to capture savings identified in the resource allocation
3 report.

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

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

1 invited to be trained and certified.

2 (g) The State Board of Education shall identify the data
3 required to implement the resource management service and
4 develop annual data reporting instruments designed to collect
5 the information from each school district.

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

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

1 (105 ILCS 5/3-7) (from Ch. 122, par. 3-7)

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

22 Each school district shall, as of June 30 of each year,
23 cause an audit of its accounts to be made by a person lawfully
24 qualified to practice public accounting as regulated by the
25 Illinois Public Accounting Act. Such audit shall include (i)
26 development of a risk assessment of district internal controls,

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

1 bill the district for such service. In the latter case, if the
2 audit is made by personnel employed in the office of the
3 regional superintendent of schools having jurisdiction, then
4 the regional superintendent of schools shall not be relieved of
5 the responsibility as to the accountability of the school
6 district. The copy of the audit shall be forwarded by the
7 regional superintendent to the State Board of Education on or
8 before November 15 of each year and shall be filed by the State
9 Board of Education. Beginning on July 1, 2016, all school
10 districts shall utilize a competitive request for proposals
11 process at least once every 5 years when contracting for such
12 an annual audit, provided that school districts with existing
13 contracts of less than 5 years in length that are in effect on
14 July 1, 2016 shall utilize a competitive request for proposals
15 process when contracting for an annual audit after the
16 expiration date of the existing contract.

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

1 strengthening controls and reducing identified risks, and
2 specifies timeframes for implementation of these
3 recommendations, as well as financial statements of the
4 operation of the joint agreement applicable to the type of
5 records required by this Act and, in addition, shall set forth
6 the scope of the audit and shall include the professional
7 opinion signed by the auditor, or if such an opinion is denied,
8 the auditor shall set forth the reason for such denial. Each
9 administrative district of a joint agreement shall on or before
10 October 15 each year, submit an original and one copy of such
11 audit to the regional superintendent of schools in the
12 educational service region having jurisdiction in which case
13 the regional superintendent of schools shall be relieved of
14 responsibility in regard to the accounts of the joint
15 agreement. The copy of the audit shall be forwarded by the
16 regional superintendent to the State Board of Education on or
17 before November 15 of each year and shall be filed by the State
18 Board of Education. The cost of such an audit shall be
19 apportioned among and paid by the several districts who are
20 parties to the joint agreement, in the same manner as other
21 costs and expenses accruing to the districts jointly. Beginning
22 on July 1, 2015, all school districts operating under a joint
23 agreement shall utilize a competitive request for proposals
24 process at least once every 5 years when contracting for such
25 an annual audit, provided that all school districts operating
26 under a joint agreement with existing contracts of less than 5

1 years in length that are in effect on July 1, 2015 shall
2 utilize a competitive request for proposals process when
3 contracting for an annual audit after the expiration date of
4 the existing contract.

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

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

9 (105 ILCS 5/10-16.10 new)

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

11 (a) This Section shall apply to all school board members
12 serving pursuant to Section 10-10 of this Code who have been
13 elected on or after the effective date of this amendatory Act
14 of the 99th General Assembly or appointed to fill a vacancy of
15 at least one year's duration on or after the effective date of
16 this amendatory Act of the 99th General Assembly.

17 (b) It is the policy of this State to encourage every
18 voting member of a board of education of a school district
19 elected or appointed for a term beginning on or after the
20 effective date of this amendatory Act of the 99th General
21 Assembly, within a year after the effective date of this
22 amendatory Act of the 99th General Assembly or the first year
23 of his or her term, to complete a minimum of 4 hours of
24 professional development leadership training covering topics
25 in education and labor law, financial oversight and

1 accountability, and fiduciary responsibilities of a school
2 board member.

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

9 (105 ILCS 5/10-17a) (from Ch. 122, par. 10-17a)

10 Sec. 10-17a. State, school district, and school report
11 cards.

12 (1) By October 31, 2013 and October 31 of each subsequent
13 school year, the State Board of Education, through the State
14 Superintendent of Education, shall prepare a State report card,
15 school district report cards, and school report cards, and
16 shall by the most economic means provide to each school
17 district in this State, including special charter districts and
18 districts subject to the provisions of Article 34, the report
19 cards for the school district and each of its schools.

20 (2) In addition to any information required by federal law,
21 the State Superintendent shall determine the indicators and
22 presentation of the school report card, which must include, at
23 a minimum, the most current data possessed by the State Board
24 of Education related to the following:

25 (A) school characteristics and student demographics,

1 including average class size, average teaching experience,
2 student racial/ethnic breakdown, and the percentage of
3 students classified as low-income; the percentage of
4 students classified as limited English proficiency; the
5 percentage of students who have individualized education
6 plans or 504 plans that provide for special education
7 services; the percentage of students who annually
8 transferred in or out of the school district; the per-pupil
9 operating expenditure of the school district; and the
10 per-pupil State average operating expenditure for the
11 district type (elementary, high school, or unit);

12 (B) curriculum information, including, where
13 applicable, Advanced Placement, International
14 Baccalaureate or equivalent courses, dual enrollment
15 courses, foreign language classes, school personnel
16 resources (including Career Technical Education teachers),
17 before and after school programs, extracurricular
18 activities, subjects in which elective classes are
19 offered, health and wellness initiatives (including the
20 average number of days of Physical Education per week per
21 student), approved programs of study, awards received,
22 community partnerships, and special programs such as
23 programming for the gifted and talented, students with
24 disabilities, and work-study students;

25 (C) student outcomes, including, where applicable, the
26 percentage of students meeting as well as exceeding State

1 standards on assessments, the percentage of students in the
2 eighth grade who pass Algebra, the percentage of students
3 enrolled in post-secondary institutions (including
4 colleges, universities, community colleges,
5 trade/vocational schools, and training programs leading to
6 career certification within 2 semesters of high school
7 graduation), the percentage of students graduating from
8 high school who are college ready, the percentage of
9 students graduating from high school who are career ready,
10 and the percentage of graduates enrolled in community
11 colleges, colleges, and universities who are in one or more
12 courses that the community college, college, or university
13 identifies as a remedial course;

14 (D) student progress, including, where applicable, the
15 percentage of students in the ninth grade who have earned 5
16 credits or more without failing more than one core class, a
17 measure of students entering kindergarten ready to learn, a
18 measure of growth, and the percentage of students who enter
19 high school on track for college and career readiness; and

20 (E) the school environment, including, where
21 applicable, the percentage of students with less than 10
22 absences in a school year, the percentage of teachers with
23 less than 10 absences in a school year for reasons other
24 than professional development, leaves taken pursuant to
25 the federal Family Medical Leave Act of 1993, long-term
26 disability, or parental leaves, the 3-year average of the

1 percentage of teachers returning to the school from the
2 previous year, the number of different principals at the
3 school in the last 6 years, 2 or more indicators from any
4 school climate survey selected or approved by the State and
5 administered pursuant to Section 2-3.153 of this Code, with
6 the same or similar indicators included on school report
7 cards for all surveys selected or approved by the State
8 pursuant to Section 2-3.153 of this Code, and the combined
9 percentage of teachers rated as proficient or excellent in
10 their most recent evaluation.

11 The school report card shall also provide information that
12 allows for comparing the current outcome, progress, and
13 environment data to the State average, to the school data from
14 the past 5 years, and to the outcomes, progress, and
15 environment of similar schools based on the type of school and
16 enrollment of low-income, special education, and limited
17 English proficiency students.

18 (3) At the discretion of the State Superintendent, the
19 school district report card shall include a subset of the
20 information identified in paragraphs (A) through (E) of
21 subsection (2) of this Section, as well as information relating
22 to the operating expense per pupil and other finances of the
23 school district, and the State report card shall include a
24 subset of the information identified in paragraphs (A) through
25 (E) of subsection (2) of this Section.

26 (4) Notwithstanding anything to the contrary in this

1 Section, in consultation with key education stakeholders, the
2 State Superintendent shall at any time have the discretion to
3 amend or update any and all metrics on the school, district, or
4 State report card.

5 (5) Annually, no more than 30 calendar days after receipt
6 of the school district and school report cards from the State
7 Superintendent of Education, each school district, including
8 special charter districts and districts subject to the
9 provisions of Article 34, shall present such report cards at a
10 regular school board meeting subject to applicable notice
11 requirements, post the report cards on the school district's
12 Internet web site, if the district maintains an Internet web
13 site, make the report cards available to a newspaper of general
14 circulation serving the district, and, upon request, send the
15 report cards home to a parent (unless the district does not
16 maintain an Internet web site, in which case the report card
17 shall be sent home to parents without request). If the district
18 posts the report card on its Internet web site, the district
19 shall send a written notice home to parents stating (i) that
20 the report card is available on the web site, (ii) the address
21 of the web site, (iii) that a printed copy of the report card
22 will be sent to parents upon request, and (iv) the telephone
23 number that parents may call to request a printed copy of the
24 report card.

25 (6) Nothing contained in this amendatory Act of the 98th
26 General Assembly repeals, supersedes, invalidates, or

1 nullifies final decisions in lawsuits pending on the effective
2 date of this amendatory Act of the 98th General Assembly in
3 Illinois courts involving the interpretation of Public Act
4 97-8.

5 (7) The report card shall include an indicator describing
6 whether the school district has improved, declined, or remained
7 stable in the aggregate percentage of students making at least
8 one-year's academic growth each year, subject to a statewide
9 longitudinal data system being established and data being
10 available.

11 (Source: P.A. 97-671, eff. 1-24-12; 98-463, eff. 8-16-13;
12 98-648, eff. 7-1-14.)

13 (105 ILCS 5/10-17b new)

14 Sec. 10-17b. Financial policies. Beginning with the second
15 fiscal year after the effective date of this amendatory Act of
16 the 99th General Assembly, each school board shall adopt a
17 formal, written financial policy. The policy may include
18 information in the following areas:

19 (1) debt capacity, issuance, and management.

20 (2) capital asset management;

21 (3) reserve or stabilization fund goals;

22 (4) periodic budget to actual comparison reports;

23 (5) fees and charges;

24 (6) the use of one-time revenue;

25 (7) risk management related to internal controls;

- 1 (8) purchasing; and
2 (9) vehicle acquisition and maintenance.

3 The school board shall make the policy publicly available.

4 (105 ILCS 5/10-17c new)

5 Sec. 10-17c. Long-term financial plan. Beginning with the
6 second fiscal year after the effective date of this amendatory
7 Act of the 99th General Assembly, each school board shall
8 develop a long-term financial plan that extends over at least a
9 3-year period and that is updated and approved annually. The
10 plan must include multi-year forecasts of revenues,
11 expenditures, and debt. The school board may make the plan
12 available to the public by publishing it as a separate document
13 and submitting it with the annual budget or by posting the plan
14 as a document on the school district's Internet website, if
15 any. The forecasts that are the foundation of the plan must be
16 available to participants in the budget process before
17 budgetary decisions are made. The public must be provided
18 opportunities for providing dialogue with respect to the
19 long-term financial planning process. Public access and review
20 shall take place as part of the official budget hearing process
21 in accordance with Section 17-1 of this Code, which requires
22 the posting of notice and making documents available to the
23 general public at least 30 days in advance of the budget
24 hearing.

1 (105 ILCS 5/10-17d new)

2 Sec. 10-17d. Capital improvement plan. Beginning with the
3 second fiscal year after the effective date of this amendatory
4 Act of the 99th General Assembly, each school board shall
5 develop a 5-year capital improvement plan that is updated and
6 approved annually. The plan must include a summary list of the
7 description of the capital projects to be completed over the
8 next 5 years, along with projected expenditures, and revenue
9 sources. The school board shall make the plan available to the
10 public. The school board shall hold a public hearing on the
11 capital improvement plan, which hearing may be held at a
12 regularly scheduled meeting of the board. This hearing shall be
13 held in the same manner and subject to the same notice and
14 other requirements as the public hearing required prior to
15 adoption of the budget in conformity with Section 17-1 of this
16 Code, which requires the posting of notice and making documents
17 available to the general public at least 30 days in advance of
18 the budget hearing.

19 (105 ILCS 5/10-20.56 new)

20 Sec. 10-20.56. School district financial accountability.

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

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

25 (2) A discussion of the major financial factors and

1 trends affecting the budget, such as changes in revenues,
2 enrollment, and debt.

3 (3) A description of the budget process.

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

7 (5) An explanation of significant financial and
8 demographic trends.

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

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

14 (8) Student enrollment trends, including a future
15 forecast.

16 (9) The number of personnel by type.

17 (10) Changes in both the long term and short term debt
18 burden.

19 (b) Beginning with the second fiscal year after the
20 effective date of this amendatory Act of the 99th General
21 Assembly, a school board shall annually include in the full
22 budget document the following items; any or all of the
23 following items may be published as separate documents provided
24 that they are explicitly referenced in the annual budget and
25 attached thereto and provided that they are made publicly
26 available at the same time as the tentative budget document:

- 1 (1) An organizational chart.
- 2 (2) Formal financial policies pursuant to Section
3 10-17b of this Code.
- 4 (3) The district's long-term financial plan pursuant
5 to Section 10-17c of this Code or a summary of the
6 long-term financial plan.
- 7 (4) The district's capital improvement plan pursuant
8 to Section 10-17d of this Code or a summary of the capital
9 improvement plan.

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

11 Sec. 10-22.45. A school board shall ~~to~~ establish an audit
12 committee, which may include ~~and to appoint~~ members of the
13 board, ~~or~~ other appropriate officers, or persons who do not
14 serve on the board to the committee, to review audit reports
15 and any other financial reports and documents, including
16 management letters prepared by or on behalf of the board.
17 Nothing in this Section prohibits a school district from
18 maintaining its own internal audit function.

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

20 (105 ILCS 5/17-2.11d new)

21 Sec. 17-2.11d. Non-referendum bonds. Upon the
22 certification of an architect and subsequent approval by the
23 regional superintendent of schools and the State Board of
24 Education, a board of education governing a school district

1 having not more than 500,000 inhabitants may issue
2 non-referendum bonds for the purposes described in Section 19-3
3 of this Code. Such bonds may be issued in excess of any
4 statutory limitation as to debt prescribed in Article 19 of
5 this Code.

6 (105 ILCS 5/18-8.05)

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

10 (A) General Provisions.

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

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

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

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

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

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

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

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

13 (d) (Blank).

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

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

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

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

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

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

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

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

18 (B) Foundation Level.

19 (1) The Foundation Level is a figure established by the
20 State representing the minimum level of per pupil financial
21 support that should be available to provide for the basic
22 education of each pupil in Average Daily Attendance. As set
23 forth in this Section, each school district is assumed to exert
24 a sufficient local taxing effort such that, in combination with
25 the aggregate of general State financial aid provided the

1 district, an aggregate of State and local resources are
2 available to meet the basic education needs of pupils in the
3 district.

4 (2) For the 1998-1999 school year, the Foundation Level of
5 support is \$4,225. For the 1999-2000 school year, the
6 Foundation Level of support is \$4,325. For the 2000-2001 school
7 year, the Foundation Level of support is \$4,425. For the
8 2001-2002 school year and 2002-2003 school year, the Foundation
9 Level of support is \$4,560. For the 2003-2004 school year, the
10 Foundation Level of support is \$4,810. For the 2004-2005 school
11 year, the Foundation Level of support is \$4,964. For the
12 2005-2006 school year, the Foundation Level of support is
13 \$5,164. For the 2006-2007 school year, the Foundation Level of
14 support is \$5,334. For the 2007-2008 school year, the
15 Foundation Level of support is \$5,734. For the 2008-2009 school
16 year, the Foundation Level of support is \$5,959.

17 (3) For the 2009-2010 school year through the 2015-2016 ~~and~~
18 ~~each school year thereafter~~, the Foundation Level of support is
19 \$6,119 ~~or such greater amount as may be established by law by~~
20 ~~the General Assembly.~~

21 (4) For the 2016-2017 school year, the Foundation Level of
22 support is \$6,190. For each school year thereafter, the
23 Foundation Level of support shall be no less than \$6,190.

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 assessment that includes a

1 college and career ready determination is administered
2 under subsection (c) of Section 2-3.64a-5 of this Code, the
3 day of attendance for a pupil whose school day must be
4 shortened to accommodate required testing procedures may
5 be less than 5 clock hours and shall be counted towards the
6 176 days of actual pupil attendance required under Section
7 10-19 of this Code, provided that a sufficient number of
8 minutes of school work in excess of 5 clock hours are first
9 completed on other school days to compensate for the loss
10 of school work on 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. For purposes of
21 this subsection (H), the term "Low-Income Concentration Level"
22 shall, for each fiscal year, be the low-income eligible pupil
23 count as of July 1 of the immediately preceding fiscal year (as
24 determined by the Department of Human Services based on the
25 number of pupils who are eligible for at least one of the
26 following low income programs: Medicaid, the Children's Health

1 Insurance Program, TANF, or Food Stamps, excluding pupils who
2 are eligible for services provided by the Department of
3 Children and Family Services, averaged over the 2 immediately
4 preceding fiscal years for fiscal year 2004 and over the 3
5 immediately preceding fiscal years for each fiscal year
6 thereafter) divided by the Average Daily Attendance of the
7 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) may not increase the number of
22 students enrolled in its laboratory school from a single
23 district, if that district is already sending 50 or more

1 students, except under a mutual agreement between the school
2 board of a student's district of residence and the university
3 which operates the laboratory school. A laboratory school may
4 not have more than 1,000 students, excluding students with
5 disabilities in a special education program.

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

22 Each laboratory and alternative school shall file, on forms
23 provided by the State Superintendent of Education, an annual
24 State aid claim which states the Average Daily Attendance of
25 the school's students by month. The best 3 months' Average
26 Daily Attendance shall be computed for each school. The general

1 State aid entitlement shall be computed by multiplying the
2 applicable Average Daily Attendance by the Foundation Level as
3 determined under this Section.

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

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

18 (2) (Blank).

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

21 (M) Education Funding Advisory Board.

22 The Education Funding Advisory Board, hereinafter in this
23 subsection (M) referred to as the "Board", is hereby created.
24 The Board shall consist of 5 members who are appointed by the

1 Governor, by and with the advice and consent of the Senate. The
2 members appointed shall include representatives of education,
3 business, and the general public. One of the members so
4 appointed shall be designated by the Governor at the time the
5 appointment is made as the chairperson of the Board. The
6 initial members of the Board may be appointed any time after
7 the effective date of this amendatory Act of 1997. The regular
8 term of each member of the Board shall be for 4 years from the
9 third Monday of January of the year in which the term of the
10 member's appointment is to commence, except that of the 5
11 initial members appointed to serve on the Board, the member who
12 is appointed as the chairperson shall serve for a term that
13 commences on the date of his or her appointment and expires on
14 the third Monday of January, 2002, and the remaining 4 members,
15 by lots drawn at the first meeting of the Board that is held
16 after all 5 members are appointed, shall determine 2 of their
17 number to serve for terms that commence on the date of their
18 respective appointments and expire on the third Monday of
19 January, 2001, and 2 of their number to serve for terms that
20 commence on the date of their respective appointments and
21 expire on the third Monday of January, 2000. All members
22 appointed to serve on the Board shall serve until their
23 respective successors are appointed and confirmed. Vacancies
24 shall be filled in the same manner as original appointments. If
25 a vacancy in membership occurs at a time when the Senate is not
26 in session, the Governor shall make a temporary appointment

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

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

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

19 For school years after the 2000-2001 school year, the
20 Education Funding Advisory Board, in consultation with the
21 State Board of Education, shall make recommendations as
22 provided in this subsection (M) to the General Assembly for the
23 foundation level under subdivision (B)(3) of this Section and
24 for the supplemental general State aid grant level under
25 subsection (H) of this Section for districts with high
26 concentrations of children from poverty. The recommended

1 foundation level shall be determined based on a methodology
2 which incorporates the basic education expenditures of
3 low-spending schools exhibiting high academic performance. The
4 Education Funding Advisory Board shall make such
5 recommendations to the General Assembly on January 1 of odd
6 numbered years, beginning January 1, 2001.

7 (N) (Blank).

8 (O) References.

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

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

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

23 (Source: P.A. 97-339, eff. 8-12-11; 97-351, eff. 8-12-11;

1 97-742, eff. 6-30-13; 97-813, eff. 7-13-12; 98-972, eff.
2 8-15-14.)

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

4 Sec. 19-3. Boards of education. Any school district
5 governed by a board of education and having a population of not
6 more than 500,000 inhabitants, and not governed by a special
7 Act may borrow money for the purpose of building, equipping,
8 altering or repairing school buildings or purchasing or
9 improving school sites, or acquiring and equipping
10 playgrounds, recreation grounds, athletic fields, and other
11 buildings or land used or useful for school purposes or for the
12 purpose of purchasing a site, with or without a building or
13 buildings thereon, or for the building of a house or houses on
14 such site, or for the building of a house or houses on the
15 school site of the school district, for residential purposes of
16 the superintendent, principal, or teachers of the school
17 district, and issue its negotiable coupon bonds therefor signed
18 by the president and secretary of the board, in denominations
19 of not less than \$100 nor more than \$5,000, payable at such
20 place and at such time or times, not exceeding 20 years, with
21 the exception of Lockport High School not exceeding 25 years,
22 from date of issuance, as the board of education may prescribe,
23 and bearing interest at a rate not to exceed the maximum rate
24 authorized by the Bond Authorization Act, as amended at the
25 time of the making of the contract, payable annually,

1 semiannually or quarterly, but, with the exception of those
2 bonds described in Section 17-2.11d of this Code, no such bonds
3 shall be issued unless the proposition to issue them is
4 submitted to the voters of the district at a referendum held at
5 a regularly scheduled election after the board has certified
6 the proposition to the proper election authorities in
7 accordance with the general election law, a majority of all the
8 votes cast on the proposition is in favor of the proposition,
9 and notice of such bond referendum has been given either (i) in
10 accordance with the second paragraph of Section 12-1 of the
11 Election Code irrespective of whether such notice included any
12 reference to the public question as it appeared on the ballot,
13 or (ii) for an election held on or after November 1, 1998, in
14 accordance with Section 12-5 of the Election Code, or (iii) by
15 publication of a true and legible copy of the specimen ballot
16 label containing the proposition in the form in which it
17 appeared or will appear on the official ballot label on the day
18 of the election at least 5 days before the day of the election
19 in at least one newspaper published in and having a general
20 circulation in the district, irrespective of any other
21 requirements of Article 12 or Section 24A-18 of the Election
22 Code, nor shall any residential site be acquired unless such
23 proposition to acquire a site is submitted to the voters of the
24 district at a referendum held at a regularly scheduled election
25 after the board has certified the proposition to the proper
26 election authorities in accordance with the general election

1 law and a majority of all the votes cast on the proposition is
2 in favor of the proposition. Nothing in this Act or in any
3 other law shall be construed to require the notice of the bond
4 referendum to be published over the name or title of the
5 election authority or the listing of maturity dates of any
6 bonds either in the notice of bond election or ballot used in
7 the bond election. The provisions of this Section concerning
8 notice of the bond referendum apply only to (i) consolidated
9 primary elections held prior to January 1, 2002 and the
10 consolidated election held on April 17, 2007 at which not less
11 than 60% of the voters voting on the bond proposition voted in
12 favor of the bond proposition, and (ii) other elections held
13 before July 1, 1999; otherwise, notices required in connection
14 with the submission of public questions shall be as set forth
15 in Section 12-5 of the Election Code. Such proposition may be
16 initiated by resolution of the school board.

17 With respect to instruments for the payment of money issued
18 under this Section either before, on, or after the effective
19 date of this amendatory Act of 1989, it is and always has been
20 the intention of the General Assembly (i) that the Omnibus Bond
21 Acts are and always have been supplementary grants of power to
22 issue instruments in accordance with the Omnibus Bond Acts,
23 regardless of any provision of this Act that may appear to be
24 or to have been more restrictive than those Acts, (ii) that the
25 provisions of this Section are not a limitation on the
26 supplementary authority granted by the Omnibus Bond Acts, and

1 (iii) that instruments issued under this Section within the
2 supplementary authority granted by the Omnibus Bond Acts are
3 not invalid because of any provision of this Act that may
4 appear to be or to have been more restrictive than those Acts.

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

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

9 (105 ILCS 5/21A-3 new)

10 Sec. 21A-3. Goals. The New Teacher Induction and Mentoring
11 Program under this Article shall accomplish the following
12 goals:

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

15 (2) improve the educational performance of pupils
16 through improved training, information, and assistance for
17 new teachers;

18 (3) ensure professional success and retention of new
19 teachers;

20 (4) ensure that mentors provide intensive
21 individualized support and assistance to each
22 participating beginning teacher;

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

1 (6) ensure continuous program improvement through
2 ongoing research, development and evaluation.

3 (105 ILCS 5/21A-5)

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

5 "New teacher" or "beginning teacher" means the holder of an
6 Initial Teaching Certificate, as set forth in Section 21-2 of
7 this Code, an Alternative Teaching Certificate, or a
8 Transitional Bilingual Teaching Certificate, who is employed
9 by a public school and who has not previously participated in a
10 new teacher induction and mentoring program required by this
11 Article, except as provided in Section 21A-25 of this Code.

12 "Public school" means any school operating pursuant to the
13 authority of this Code, including without limitation a school
14 district, a charter school, a cooperative or joint agreement
15 with a governing body or board of control, and a school
16 operated by a regional office of education or State agency.

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

18 (105 ILCS 5/21A-10)

19 Sec. 21A-10. Development of program required. Prior to the
20 2016-2017 ~~During the 2003-2004~~ school year, each public school
21 or 2 or more public schools acting jointly shall develop, in
22 conjunction with its exclusive representative or their
23 exclusive representatives, if any, a new teacher induction and
24 mentoring program that meets the requirements set forth in

1 Section 21A-20 of this Code to assist new teachers in
2 developing the skills and strategies necessary for
3 instructional excellence, provided that funding is made
4 available by the State Board of Education from an appropriation
5 made for this purpose. ~~A public school that has an existing
6 induction and mentoring program that does not meet the
7 requirements set forth in Section 21A-20 of this Code may have
8 school years 2003-2004 and 2004-2005 to develop a program that
9 does meet those requirements and may receive funding as
10 described in Section 21A-25 of this Code, provided that the
11 funding is made available by the State Board of Education from
12 an appropriation made for this purpose. A public school with
13 such an existing induction and mentoring program may receive
14 funding for the 2005-2006 school year for each new teacher in
15 the second year of a 2-year program that does not meet the
16 requirements set forth in Section 21A-20, as long as the public
17 school has established the required new program by the
18 beginning of that school year as described in Section 21A-15
19 and provided that funding is made available by the State Board
20 of Education from an appropriation made for this purpose as
21 described in Section 21A-25.~~

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

23 (105 ILCS 5/21A-15)

24 Sec. 21A-15. When program is to be established and
25 implemented. Notwithstanding any other provisions of this

1 Code, by the beginning of the 2016-2017 ~~2004-2005~~ school year
2 ~~(or by the beginning of the 2005-2006 school year for a public~~
3 ~~school that has been given an extension of time to develop a~~
4 ~~program under Section 21A-10 of this Code)~~, each public school
5 or 2 or more public schools acting jointly shall establish and
6 implement, in conjunction with its exclusive representative or
7 their exclusive representatives, if any, the new teacher
8 induction and mentoring program required to be developed under
9 Section 21A-10 of this Code, provided that funding is made
10 available by the State Board of Education, from an
11 appropriation made for this purpose, as described in Section
12 21A-25 of this Code. A public school may contract with an
13 institution of higher education or other independent party to
14 assist in implementing the program.

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

16 (105 ILCS 5/21A-20)

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

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

24 (1.5) Ensures mentors are:

25 (A) carefully selected from experienced, exemplary

1 teachers using a clearly articulated, well-defined,
2 explicit criteria and open processes that may involve
3 key school partners;

4 (B) rigorously trained using best practices in the
5 field to ensure they are well prepared to assume their
6 responsibilities and are consistently supported in
7 their efforts to assist beginning teachers;

8 (C) provided with sufficient release time from
9 teaching to allow them to meet their responsibilities
10 as mentors, including regular contacts with their
11 beginning teachers and frequent observations of their
12 teaching practice; and

13 (D) equipped and selected to provide
14 classroom-focused and content-focused support whenever
15 possible.

16 (2) Aligns with the Illinois Professional Teaching
17 Standards, content area standards, and applicable local
18 school improvement and professional development plans, if
19 any.

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

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

23 ~~(B) Professional development specifically designed~~
24 ~~to ensure the growth of the new teacher's knowledge and~~
25 ~~skills.~~

26 ~~(C) Formative assessment designed to ensure~~

1 ~~feedback and reflection, which must not be used in any~~
2 ~~evaluation of the new teacher.~~

3 (4) Describes the role of mentor teachers, the criteria
4 and process for their selection, and how they will be
5 trained, provided that each mentor teacher shall
6 demonstrate the best practices in teaching his or her
7 respective field of practice. A mentor teacher may not
8 directly or indirectly participate in the evaluation of a
9 new teacher pursuant to Article 24A of this Code or the
10 evaluation procedure of the public school, unless the
11 school district and exclusive bargaining representative of
12 its teachers negotiate and agree to it as part of an
13 alternative evaluation plan under Section 24A-5 or 24A-8 of
14 this Code.

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

17 (A) Beginning teachers shall participate in an
18 ongoing, formal network of novice colleagues for the
19 purpose of professional learning, problem-solving, and
20 mutual support. These regular learning opportunities
21 shall begin with an orientation to the induction and
22 mentoring program prior to the start of the school year
23 and continue throughout the academic year. The group
24 shall address issues of pedagogy, classroom management
25 and content knowledge, beginning teachers' assessed
26 needs, and local instructional needs or priorities.

1 (B) Mentors shall participate in an ongoing
2 professional learning community that supports their
3 practice and their use of mentoring tools, protocols,
4 and formative assessment in order to tailor and deepen
5 mentoring skills and advance induction practices,
6 support program implementation, provide for mentor
7 accountability in a supportive environment, and
8 provide support to each mentor's emerging leadership.

9 (6) Provides for ongoing assessment of beginning
10 teacher practice. Beginning teachers shall be subject to a
11 system of formative assessment in which the novice and
12 mentor collaboratively collect and analyze multiple
13 sources of data and reflect upon classroom practice in an
14 ongoing process. This assessment system shall be based on
15 the Illinois Professional Teaching Standards (IPTS), the
16 IPTS Continuum of Teacher Development, or a nationally
17 recognized teaching framework, as well as evidence of
18 teacher practice, including student work. The assessment
19 information shall be used to determine the scope, focus,
20 and content of professional development activities that
21 are the basis of the beginning teacher's individual
22 learning plan. The program shall provide time to ensure
23 that the quality of the process (such as observations, data
24 collection, and reflective conversations) is not
25 compromised.

26 (7) Identifies clear roles and responsibilities for

1 both administrators and site mentor leaders who are to work
2 collectively to ensure induction practices are integrated
3 into existing professional development initiatives and to
4 secure assignments and establish working conditions for
5 beginning teachers that maximize their chances for
6 success. Administrators and site mentor leaders must have
7 sufficient knowledge and experience to understand the
8 needs of beginning teachers and the role of principals in
9 supporting each component of the program. Site
10 administrators must take time to meet and communicate
11 concerns with beginning teachers and their mentors.

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

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

16 (105 ILCS 5/21A-25)

17 Sec. 21A-25. Funding. From a separate appropriation made
18 for the purposes of this Article, for each new teacher
19 ~~participating in a new teacher induction and mentoring program~~
20 that meets the requirements set forth in Section 21A-20 of this
21 Code ~~or in an existing program that is in the process of~~
22 ~~transition to a program that meets those requirements,~~ the
23 State Board of Education shall pay the public school \$6,000
24 ~~\$1,200~~ annually for each of 2 school years for the purpose of
25 providing one or more of the following:

- 1 (1) Mentor teacher compensation.
- 2 (2) Mentor teacher training and other resources, ~~or~~ new
3 teacher training and other resources, or both.
- 4 (3) Release time, including costs associated with
5 replacing a mentor teacher or new teacher in his or her
6 regular classroom.
- 7 (4) Site-based program administration, not to exceed
8 10% of the total program cost.

9 However, if a new teacher, after participating in the new
10 teacher induction and mentoring program for one school year,
11 becomes employed by another public school, the State Board of
12 Education shall pay the teacher's new school \$6,000 ~~\$1,200~~ for
13 the second school year and the teacher shall continue to be a
14 new teacher as defined in this Article. Each public school
15 shall determine, in conjunction with its exclusive
16 representative, if any, how the \$6,000 ~~\$1,200~~ per school year
17 for each new teacher shall be used, provided that if a mentor
18 teacher receives additional release time to support a new
19 teacher, the total workload of other teachers regularly
20 employed by the public school shall not increase in any
21 substantial manner. If the appropriation is insufficient to
22 cover the \$6,000 ~~\$1,200~~ per school year for each new teacher,
23 public schools are not required to develop or implement the
24 program established by this Article. In the event of an
25 insufficient appropriation, a public school or 2 or more
26 schools acting jointly may submit an application for a grant

1 administered by the State Board of Education and awarded on a
2 competitive basis to establish a new teacher induction and
3 mentoring program that meets the criteria set forth in Section
4 21A-20 of this Code. The State Board of Education may retain up
5 to \$1,000,000 of the appropriation for new teacher induction
6 and mentoring programs to train mentor teachers,
7 administrators, and other personnel, to provide best practices
8 information, and to conduct an evaluation of these programs'
9 impact and effectiveness.

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

11 (105 ILCS 5/21A-30)

12 Sec. 21A-30. Evaluation of programs. The State Board of
13 Education and the State Teacher Certification Board shall
14 jointly contract with an independent party to conduct a
15 comprehensive evaluation of new teacher induction and
16 mentoring programs established pursuant to this Article. The
17 first report of this evaluation shall be presented to the
18 General Assembly on or before January 1, 2018 ~~2009~~. Subsequent
19 evaluations shall be conducted and reports presented to the
20 General Assembly on or before January 1 of every third year
21 thereafter. Additionally, the State Board of Education shall
22 prepare an annual program report for the General Assembly on or
23 before December 31 each year. It shall summarize local program
24 design, indicate the number of teachers served, and document
25 rates of new teacher attrition and retention.

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

2 (105 ILCS 5/23-3) (from Ch. 122, par. 23-3)

3 Sec. 23-3. Filing copy of constitution, by-laws and
4 amendments. Within 30 days after the adoption by any such
5 association of its constitution or by-laws or any amendment
6 thereto, it shall file a copy thereof, certified by its
7 president and executive director, with the Governor, the State
8 Superintendent of Education, ~~Public Instruction~~ and the
9 regional county superintendent of schools of each region county
10 in which it has any membership.

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

12 (105 ILCS 5/23-5.5 new)

13 Sec. 23-5.5. Professional development and training. Any
14 such association shall offer professional development and
15 training to school board members on topics that include, but
16 are not limited to, basics of school finance, financial
17 oversight and accountability, labor law and collective
18 bargaining, ethics, duties and responsibilities of a school
19 board member, and board governance principles. Every school
20 board member is expected to receive at least 4 hours of
21 professional development and training per year.

22 (105 ILCS 5/23-6) (from Ch. 122, par. 23-6)

23 Sec. 23-6. Annual report. Each association shall make an

1 annual report within 60 days after the close of its fiscal year
2 to the Governor, the State Board of Education and the regional
3 superintendent of schools of each region in which it has
4 members, setting forth the activities of the association for
5 the preceding fiscal year, the institutes held, the subjects
6 discussed, and the attendance, and shall furnish the Governor,
7 the State Board of Education and such regional superintendents
8 with copies of all publications sent to its members. The
9 association shall include the board training topics offered and
10 the number of school board members that availed themselves of
11 professional development and training.

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

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 pre-kindergarten, kindergarten, or any of grades 1 through 12
25 who: (a) reside at least 1 1/2 miles as measured by the

1 customary route of travel, from the school attended; or (b)
2 reside in areas where conditions are such that walking
3 constitutes a hazard to the safety of the child when determined
4 under Section 29-3; and (c) are transported to the school
5 attended from pick-up points at the beginning of the school day
6 and back again at the close of the school day or transported to
7 and from their assigned attendance centers during the school
8 day, shall be reimbursed by the State as hereinafter provided
9 in this Section.

10 The State will pay the cost of transporting eligible pupils
11 less the assessed valuation in a dual school district
12 maintaining secondary grades 9 to 12 inclusive times a
13 qualifying rate of .05%; in elementary school districts
14 maintaining grades pre-K ~~K~~ to 8 times a qualifying rate of
15 .06%; and in unit districts maintaining any of grades pre-K ~~K~~
16 to 12, including optional elementary unit districts and
17 combined high school - unit districts, times a qualifying rate
18 of .07%; provided that for optional elementary unit districts
19 and combined high school - unit districts, assessed valuation
20 for high school purposes, as defined in Article 11E of this
21 Code, must be used. To be eligible to receive reimbursement in
22 excess of 4/5 of the cost to transport eligible pupils, a
23 school district shall have a Transportation Fund tax rate of at
24 least .12%. If a school district does not have a .12%
25 Transportation Fund tax rate, the amount of its claim in excess
26 of 4/5 of the cost of transporting pupils shall be reduced by

1 the sum arrived at by subtracting the Transportation Fund tax
2 rate from .12% and multiplying that amount by the districts
3 equalized or assessed valuation, provided, that in no case
4 shall said reduction result in reimbursement of less than 4/5
5 of the cost to transport eligible pupils.

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

8 When calculating the reimbursement for transportation
9 costs, the State Board of Education may not deduct the number
10 of pupils enrolled in early education programs from the number
11 of pupils eligible for reimbursement if the pupils enrolled in
12 the early education programs are transported at the same time
13 as other eligible pupils.

14 Any such district transporting resident pupils during the
15 school day to an area vocational school or another school
16 district's vocational program more than 1 1/2 miles from the
17 school attended, as provided in Sections 10-22.20a and
18 10-22.22, shall be reimbursed by the State for 4/5 of the cost
19 of transporting eligible pupils.

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

22 If a pupil is at a location within the school district
23 other than his residence for child care purposes at the time
24 for transportation to school, that location may be considered
25 for purposes of determining the 1 1/2 miles from the school
26 attended.

1 Claims for reimbursement that include children who attend
2 any school other than a public school shall show the number of
3 such children transported.

4 Claims for reimbursement under this Section shall not be
5 paid for the transportation of pupils for whom transportation
6 costs are claimed for payment under other Sections of this Act.

7 The allowable direct cost of transporting pupils for
8 regular, vocational, and special education pupil
9 transportation shall be limited to the sum of the cost of
10 physical examinations required for employment as a school bus
11 driver; the salaries of full or part-time drivers and school
12 bus maintenance personnel; employee benefits excluding
13 Illinois municipal retirement payments, social security
14 payments, unemployment insurance payments and workers'
15 compensation insurance premiums; expenditures to independent
16 carriers who operate school buses; payments to other school
17 districts for pupil transportation services; pre-approved
18 contractual expenditures for computerized bus scheduling; the
19 cost of gasoline, oil, tires, and other supplies necessary for
20 the operation of school buses; the cost of converting buses'
21 gasoline engines to more fuel efficient engines or to engines
22 which use alternative energy sources; the cost of travel to
23 meetings and workshops conducted by the regional
24 superintendent or the State Superintendent of Education
25 pursuant to the standards established by the Secretary of State
26 under Section 6-106 of the Illinois Vehicle Code to improve the

1 driving skills of school bus drivers; the cost of maintenance
2 of school buses including parts and materials used;
3 expenditures for leasing transportation vehicles, except
4 interest and service charges; the cost of insurance and
5 licenses for transportation vehicles; expenditures for the
6 rental of transportation equipment; plus a depreciation
7 allowance of 20% for 5 years for school buses and vehicles
8 approved for transporting pupils to and from school and a
9 depreciation allowance of 10% for 10 years for other
10 transportation equipment so used. Each school year, if a school
11 district has made expenditures to the Regional Transportation
12 Authority or any of its service boards, a mass transit
13 district, or an urban transportation district under an
14 intergovernmental agreement with the district to provide for
15 the transportation of pupils and if the public transit carrier
16 received direct payment for services or passes from a school
17 district within its service area during the 2000-2001 school
18 year, then the allowable direct cost of transporting pupils for
19 regular, vocational, and special education pupil
20 transportation shall also include the expenditures that the
21 district has made to the public transit carrier. In addition to
22 the above allowable costs school districts shall also claim all
23 transportation supervisory salary costs, including Illinois
24 municipal retirement payments, and all transportation related
25 building and building maintenance costs without limitation.

26 Special education allowable costs shall also include

1 expenditures for the salaries of attendants or aides for that
2 portion of the time they assist special education pupils while
3 in transit and expenditures for parents and public carriers for
4 transporting special education pupils when pre-approved by the
5 State Superintendent of Education.

6 Indirect costs shall be included in the reimbursement claim
7 for districts which own and operate their own school buses.
8 Such indirect costs shall include administrative costs, or any
9 costs attributable to transporting pupils from their
10 attendance centers to another school building for
11 instructional purposes. No school district which owns and
12 operates its own school buses may claim reimbursement for
13 indirect costs which exceed 5% of the total allowable direct
14 costs for pupil transportation.

15 The State Board of Education shall prescribe uniform
16 regulations for determining the above standards and shall
17 prescribe forms of cost accounting and standards of determining
18 reasonable depreciation. Such depreciation shall include the
19 cost of equipping school buses with the safety features
20 required by law or by the rules, regulations and standards
21 promulgated by the State Board of Education, and the Department
22 of Transportation for the safety and construction of school
23 buses provided, however, any equipment cost reimbursed by the
24 Department of Transportation for equipping school buses with
25 such safety equipment shall be deducted from the allowable cost
26 in the computation of reimbursement under this Section in the

1 same percentage as the cost of the equipment is depreciated.

2 On or before August 15, annually, the chief school
3 administrator for the district shall certify to the State
4 Superintendent of Education the district's claim for
5 reimbursement for the school year ending on June 30 next
6 preceding. The State Superintendent of Education shall check
7 and approve the claims and prepare the vouchers showing the
8 amounts due for district reimbursement claims. Each fiscal
9 year, the State Superintendent of Education shall prepare and
10 transmit the first 3 vouchers to the Comptroller on the 30th
11 day of September, December and March, respectively, and the
12 final voucher, no later than June 20.

13 If the amount appropriated for transportation
14 reimbursement is insufficient to fund total claims for any
15 fiscal year, the State Board of Education shall reduce each
16 school district's allowable costs and flat grant amount
17 proportionately to make total adjusted claims equal the total
18 amount appropriated.

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

25 All reimbursements received from the State shall be
26 deposited into the district's transportation fund or into the

1 fund from which the allowable expenditures were made.

2 Notwithstanding any other provision of law, any school
3 district receiving a payment under this Section or under
4 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may
5 classify all or a portion of the funds that it receives in a
6 particular fiscal year or from general State aid pursuant to
7 Section 18-8.05 of this Code as funds received in connection
8 with any funding program for which it is entitled to receive
9 funds from the State in that fiscal year (including, without
10 limitation, any funding program referenced in this Section),
11 regardless of the source or timing of the receipt. The district
12 may not classify more funds as funds received in connection
13 with the funding program than the district is entitled to
14 receive in that fiscal year for that program. Any
15 classification by a district must be made by a resolution of
16 its board of education. The resolution must identify the amount
17 of any payments or general State aid to be classified under
18 this paragraph and must specify the funding program to which
19 the funds are to be treated as received in connection
20 therewith. This resolution is controlling as to the
21 classification of funds referenced therein. A certified copy of
22 the resolution must be sent to the State Superintendent of
23 Education. The resolution shall still take effect even though a
24 copy of the resolution has not been sent to the State
25 Superintendent of Education in a timely manner. No
26 classification under this paragraph by a district shall affect

1 the total amount or timing of money the district is entitled to
2 receive under this Code. No classification under this paragraph
3 by a district shall in any way relieve the district from or
4 affect any requirements that otherwise would apply with respect
5 to that funding program, including any accounting of funds by
6 source, reporting expenditures by original source and purpose,
7 reporting requirements, or requirements of providing services.

8 Any school district with a population of not more than
9 500,000 must deposit all funds received under this Article into
10 the transportation fund and use those funds for the provision
11 of transportation services.

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

13 (105 ILCS 5/3-6 rep.)

14 (105 ILCS 5/3-6.1 rep.)

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

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.

1	INDEX	
2	Statutes amended in order of appearance	
3	15 ILCS 20/50-20	was 15 ILCS 20/38.3
4	30 ILCS 105/5.866 new	
5	30 ILCS 105/5.867 new	
6	30 ILCS 105/5.868 new	
7	30 ILCS 105/5.869 new	
8	35 ILCS 5/201	from Ch. 120, par. 2-201
9	35 ILCS 5/202.5	
10	35 ILCS 5/204	from Ch. 120, par. 2-204
11	35 ILCS 5/208	from Ch. 120, par. 2-208
12	35 ILCS 5/212	
13	35 ILCS 5/901	from Ch. 120, par. 9-901
14	35 ILCS 120/1	from Ch. 120, par. 440
15	35 ILCS 120/2	from Ch. 120, par. 441
16	105 ILCS 5/1C-2	
17	105 ILCS 5/2-3.25c	from Ch. 122, par. 2-3.25c
18	105 ILCS 5/2-3.25d	from Ch. 122, par. 2-3.25d
19	105 ILCS 5/2-3.25d-5 new	
20	105 ILCS 5/2-3.163 new	
21	105 ILCS 5/2-3.164 new	
22	105 ILCS 5/2-3.165 new	
23	105 ILCS 5/2-3.166 new	
24	105 ILCS 5/2-3.167 new	
25	105 ILCS 5/3-7	from Ch. 122, par. 3-7

1 105 ILCS 5/10-16.10 new
2 105 ILCS 5/10-17a from Ch. 122, par. 10-17a
3 105 ILCS 5/10-17b new
4 105 ILCS 5/10-17c new
5 105 ILCS 5/10-17d new
6 105 ILCS 5/10-20.56 new
7 105 ILCS 5/10-22.45 from Ch. 122, par. 10-22.45
8 105 ILCS 5/17-2.11d new
9 105 ILCS 5/18-8.05
10 105 ILCS 5/19-3 from Ch. 122, par. 19-3
11 105 ILCS 5/21A-3 new
12 105 ILCS 5/21A-5
13 105 ILCS 5/21A-10
14 105 ILCS 5/21A-15
15 105 ILCS 5/21A-20
16 105 ILCS 5/21A-25
17 105 ILCS 5/21A-30
18 105 ILCS 5/23-3 from Ch. 122, par. 23-3
19 105 ILCS 5/23-5.5 new
20 105 ILCS 5/23-6 from Ch. 122, par. 23-6
21 105 ILCS 5/29-5 from Ch. 122, par. 29-5
22 105 ILCS 5/3-6 rep.
23 105 ILCS 5/3-6.1 rep.