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AN ACT concerning education.

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

Section 5. The School Code is amended by changing
Section 18-8.05 as follows:

6 (105 ILCS 5/18-8.05)

Sec. 18-8.05. Basis for apportionment of general State
financial aid and supplemental general State aid to the
common 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 and subsequent school years. The system of general 12 State financial aid provided for in this Section is designed 13 to assure that, through a combination of State financial aid 14 and required local resources, the financial support provided 15 16 each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level. This formula approach 17 18 imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of 19 general State financial aid that, when added to Available 20 Local Resources, equals or exceeds the Foundation Level. The 21 22 amount of per pupil general State financial aid for school 23 districts, in general, varies in inverse relation to Available Local Resources. Per pupil amounts are based upon 24 25 each school district's Average Daily Attendance as that term is defined in this Section. 26

(2) In addition to general State financial aid, school
districts with specified levels or concentrations of pupils
from low income households are eligible to receive
supplemental general State financial aid grants as provided
pursuant to subsection (H). The supplemental State aid grants

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provided for school districts under subsection (H) shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section.

5 (3) To receive financial assistance under this Section, 6 school districts are required to file claims with the State 7 Board of Education, subject to the following requirements:

8 (a) Any school district which fails for any given 9 school year to maintain school as required by law, or to maintain a recognized school is not eligible to file for 10 11 such school year any claim upon the Common School Fund. In case of nonrecognition of one or more attendance 12 school district otherwise operating 13 centers in а recognized schools, the claim of the district shall 14 be 15 reduced in the proportion which the Average Daily 16 Attendance in the attendance center or centers bear to the Average Daily Attendance in the school district. A 17 "recognized school" means any public school which meets 18 the standards as established for recognition by the State 19 Board of Education. A school district or attendance 20 21 center not having recognition status at the end of a 22 school term is entitled to receive State aid payments due 23 a legal claim which was filed while it was upon 24 recognized.

(b) School district claims filed under this Section
are subject to Sections 18-9, 18-10, and 18-12, except as
otherwise provided in this Section.

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

33 (d) (Blank).

34 (4) Except as provided in subsections (H) and (L), the

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board of any district receiving any of the grants provided for in this Section may apply those funds to any fund so received for which that board is authorized to make expenditures by law.

5 School districts are not required to exert a minimum 6 Operating Tax Rate in order to qualify for assistance under 7 this Section.

8 (5) As used in this Section the following terms, when 9 capitalized, shall have the meaning ascribed herein:

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

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

18 (c) "Corporate Personal Property Replacement
19 Taxes": Funds paid to local school districts pursuant to
20 "An Act in relation to the abolition of ad valorem
21 personal property tax and the replacement of revenues
22 lost thereby, and amending and repealing certain Acts and
23 parts of Acts in connection therewith", certified August
24 14, 1979, as amended (Public Act 81-1st S.S.-1).

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

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

32 (B) Foundation Level.

33 (1) The Foundation Level is a figure established by the34 State representing the minimum level of per pupil financial

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1 support that should be available to provide for the basic 2 education of each pupil in Average Daily Attendance. As set forth in this Section, each school district is assumed to 3 4 sufficient local taxing effort such that, exert a in 5 combination with the aggregate of general State financial aid 6 provided the district, an aggregate of State and local 7 resources are available to meet the basic education needs of 8 pupils in the district.

9 (2) For the 1998-1999 school year, the Foundation Level 10 of support is \$4,225. For the 1999-2000 school year, the 11 Foundation Level of support is \$4,325. For the 2000-2001 12 school year, the Foundation Level of support is \$4,425.

13 (3) For the 2001-2002 school year and each school year 14 thereafter, the Foundation Level of support is \$4,425 or such 15 greater amount as may be established by law by the General 16 Assembly.

17 (C) Average Daily Attendance.

18 (1) For purposes of calculating general State aid 19 pursuant to subsection (E), an Average Daily Attendance figure shall be utilized. The Average Daily Attendance 20 21 figure for formula calculation purposes shall be the monthly average of the actual number of pupils in attendance of each 22 23 school district, as further averaged for the best 3 months of 24 pupil attendance for each school district. In compiling the figures for the number of pupils in attendance, school 25 26 districts and the State Board of Education shall, for purposes of general State aid funding, conform attendance 27 28 figures to the requirements of subsection (F).

(2) The Average Daily Attendance figures utilized in
subsection (E) shall be the requisite attendance data for the
school year immediately preceding the school year for which
general State aid is being calculated.

33 (D) Available Local Resources.

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1 (1) For purposes of calculating general State aid 2 pursuant to subsection (E), a representation of Available Local Resources per pupil, as that term is defined and 3 4 determined in this subsection, shall be utilized. Available Local Resources per pupil shall include a calculated dollar 5 б amount representing local school district revenues from local Corporate Personal Property 7 and property taxes from 8 Replacement Taxes, expressed on the basis of pupils in 9 Average Daily Attendance.

In determining a school district's revenue from 10 (2) 11 local property taxes, the State Board of Education shall utilize the equalized assessed valuation of all taxable 12 property of each school district as of September 30 of the 13 The equalized assessed valuation utilized 14 previous year. 15 shall be obtained and determined as provided in subsection 16 (G).

(3) For school districts maintaining grades kindergarten 17 18 through 12, local property tax revenues per pupil shall be calculated as the product of the applicable equalized 19 assessed valuation for the district multiplied by 3.00%, and 20 21 divided by the district's Average Daily Attendance figure. 22 For school districts maintaining grades kindergarten through 23 8, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation 24 25 for the district multiplied by 2.30%, and divided by the 26 district's Average Daily Attendance figure. For school districts maintaining grades 9 through 12, local property tax 27 revenues per pupil shall be the applicable equalized assessed 28 valuation of the district multiplied by 1.05%, and divided by 29 30 the district's Average Daily Attendance figure.

31 (4) The Corporate Personal Property Replacement Taxes
32 paid to each school district during the calendar year 2 years
33 before the calendar year in which a school year begins,
34 divided by the Average Daily Attendance figure for that

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district, shall be added to the local property tax revenues per pupil as derived by the application of the immediately preceding paragraph (3). The sum of these per pupil figures for each school district shall constitute Available Local Resources as that term is utilized in subsection (E) in the calculation of general State aid.

7 (E) Computation of General State Aid.

8 (1) For each school year, the amount of general State 9 aid allotted to a school district shall be computed by the 10 State Board of Education as provided in this subsection.

11 (2) For any school district for which Available Local 12 Resources per pupil is less than the product of 0.93 times 13 the Foundation Level, general State aid for that district 14 shall be calculated as an amount equal to the Foundation 15 Level minus Available Local Resources, multiplied by the 16 Average Daily Attendance of the school district.

(3) For any school district for which Available Local 17 18 Resources per pupil is equal to or greater than the product 19 0.93 times the Foundation Level and less than the product of of 1.75 times the Foundation Level, the general State aid per 20 21 pupil shall be a decimal proportion of the Foundation Level using a linear algorithm. Under this linear 22 derived 23 algorithm, the calculated general State aid per pupil shall 24 decline in direct linear fashion from 0.07 times the Foundation Level for a school district with Available Local 25 Resources equal to the product of 0.93 times the Foundation 26 Level, to 0.05 times the Foundation Level for a school 27 28 district with Available Local Resources equal to the product of 1.75 times the Foundation Level. 29 The allocation of general State aid for school districts subject to this 30 paragraph 3 shall be the calculated general State aid per 31 pupil figure multiplied by the Average Daily Attendance of 32 33 the school district.

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(4) For any school district for which Available Local

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1 Resources per pupil equals or exceeds the product of 1.75
2 times the Foundation Level, the general State aid for the
3 school district shall be calculated as the product of \$218
4 multiplied by the Average Daily Attendance of the school
5 district.

6 (5) The amount of general State aid allocated to a 7 school district for the 1999-2000 school year meeting the 8 requirements set forth in paragraph (4) of subsection (G) 9 shall be increased by an amount equal to the general State aid that would have been received by the district for the 10 11 1998-1999 school year by utilizing the Extension Limitation Equalized Assessed Valuation as calculated in paragraph (4) 12 of subsection (G) less the general State aid allotted for the 13 1998-1999 school year. This amount shall be deemed a one 14 15 time increase, and shall not affect any future general State 16 aid allocations.

17 (F) Compilation of Average Daily Attendance.

18 (1) Each school district shall, by July 1 of each year, 19 submit to the State Board of Education, on forms prescribed by the State Board of Education, attendance figures for 20 the 21 school year that began in the preceding calendar year. The attendance information so transmitted shall identify 22 the 23 average daily attendance figures for each month of the school year, except that any days of attendance in August shall be 24 added to the month of September and any days of attendance in 25 June shall be added to the month of May. 26

Except as otherwise provided in this Section, 27 days of 28 attendance by pupils shall be counted only for sessions of not less than 5 clock hours of school work per day under 29 direct supervision of: (i) teachers, or (ii) non-teaching 30 volunteer personnel 31 personnel or when engaging in 32 non-teaching duties and supervising in those instances 33 specified in subsection (a) of Section 10-22.34 and paragraph 10 of Section 34-18, with pupils of legal school age and in 34

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1 kindergarten and grades 1 through 12.

2 Days of attendance by tuition pupils shall be accredited 3 only to the districts that pay the tuition to a recognized 4 school.

5 (2) Days of attendance by pupils of less than 5 clock 6 hours of school shall be subject to the following provisions 7 in the compilation of Average Daily Attendance.

8 (a) Pupils regularly enrolled in a public school 9 for only a part of the school day may be counted on the 10 basis of 1/6 day for every class hour of instruction of 11 40 minutes or more attended pursuant to such enrollment.

12 (b) Days of attendance may be less than 5 clock 13 hours on the opening and closing of the school term, and 14 upon the first day of pupil attendance, if preceded by a 15 day or days utilized as an institute or teachers' 16 workshop.

17 (c) A session of 4 or more clock hours may be 18 counted as a day of attendance upon certification by the 19 regional superintendent, and approved by the State 20 Superintendent of Education to the extent that the 21 district has been forced to use daily multiple sessions.

22 (d) A session of 3 or more clock hours may be 23 counted as a day of attendance (1) when the remainder of the school day or at least 2 hours in the evening of that 24 25 day is utilized for an in-service training program for teachers, up to a maximum of 5 days per school year of 26 which a maximum of 4 days of such 5 days may be used for 27 parent-teacher conferences, provided a district conducts 28 an in-service training program for teachers which has 29 30 been approved by the State Superintendent of Education; or, in lieu of 4 such days, 2 full days may be used, in 31 which event each such day may be counted as a day of 32 attendance; and (2) when days in addition to those 33 provided in item (1) are scheduled by a school pursuant 34

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1 to its school improvement plan adopted under Article 34 2 or its revised or amended school improvement plan adopted under Article 2, provided that (i) such sessions of 3 or 3 4 more clock hours are scheduled to occur at regular intervals, (ii) the remainder of the school days in which 5 such sessions occur are utilized for in-service training 6 7 or other staff development activities for programs 8 teachers, and (iii) a sufficient number of minutes of 9 school work under the direct supervision of teachers are added to the school days between such regularly scheduled 10 11 sessions to accumulate not less than the number of minutes by which such sessions of 3 or more clock hours 12 fall short of 5 clock hours. Any full days used for the 13 purposes of this paragraph shall not be considered for 14 15 computing average daily attendance. Days scheduled for 16 in-service training programs, staff development 17 activities, or parent-teacher conferences may be scheduled separately for different grade levels 18 and different attendance centers of the district. 19

20 (e) A session of not less than one clock hour of 21 teaching hospitalized or homebound pupils on-site or by 22 telephone to the classroom may be counted as 1/2 day of 23 attendance, however these pupils must receive 4 or more 24 clock hours of instruction to be counted for a full day 25 of attendance.

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

32 (g) For children with disabilities who are below
33 the age of 6 years and who cannot attend 2 or more clock
34 hours because of their disability or immaturity, a

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session of not less than one clock hour may be counted as 1/2 day of attendance; however for such children whose educational needs so require a session of 4 or more clock hours may be counted as a full day of attendance.

(h) A recognized kindergarten which provides for 5 only 1/2 day of attendance by each pupil shall not have 6 7 more than 1/2 day of attendance counted in any one day. However, kindergartens may count 2 1/2 days of attendance 8 9 in any 5 consecutive school days. When a pupil attends such a kindergarten for 2 half days on any one school 10 11 day, the pupil shall have the following day as a day absent from school, unless the school district obtains 12 permission in writing from the State Superintendent of 13 Education. Attendance at kindergartens which provide for 14 15 a full day of attendance by each pupil shall be counted 16 the same as attendance by first grade pupils. Only the first year of attendance in one kindergarten shall be 17 counted, except in case of children who entered the 18 kindergarten in their fifth year whose educational 19 development requires a second year of kindergarten as 20 21 determined under the rules and regulations of the State Board of Education. 22

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(G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local 24 25 Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of 26 Revenue the value as equalized or assessed by the Department 27 28 of Revenue of all taxable property of every school district, 29 together with (i) the applicable tax rate used in extending taxes for the funds of the district as of September 30 of the 30 previous year and (ii) the limiting rate for all school 31 32 districts subject to property tax extension limitations as 33 imposed under the Property Tax Extension Limitation Law.

34 This equalized assessed valuation, as adjusted further by

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the requirements of this subsection, shall be utilized in the calculation of Available Local Resources.

3 (2) The equalized assessed valuation in paragraph (1)4 shall be adjusted, as applicable, in the following manner:

(a) For the purposes of calculating State aid under 5 this Section, with respect to any part of a school 6 7 district within a redevelopment project area in respect 8 to which a municipality has adopted tax increment 9 allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 through 10 11 11-74.4-11 of the Illinois Municipal Code or the Industrial Jobs Recovery Law, Sections 11-74.6-1 through 12 11-74.6-50 of the Illinois Municipal Code, no part of the 13 current equalized assessed valuation of real property 14 15 located in any such project area which is attributable to 16 an increase above the total initial equalized assessed valuation of such property shall be used as part of the 17 equalized assessed valuation of the district, until such 18 time as all redevelopment project costs have been paid, 19 as provided in Section 11-74.4-8 of the Tax Increment 20 21 Allocation Redevelopment Act or in Section 11-74.6-35 of 22 the Industrial Jobs Recovery Law. For the purpose of the 23 equalized assessed valuation of the district, the total initial equalized assessed valuation or the current 24 equalized assessed valuation, whichever is lower, shall 25 be used until such time as all redevelopment project 26 27 costs have been paid.

(b) The real property equalized assessed valuation for a school district shall be adjusted by subtracting from the real property value as equalized or assessed by the Department of Revenue for the district an amount computed by dividing the amount of any abatement of taxes under Section 18-170 of the Property Tax Code by 3.00% for a district maintaining grades kindergarten through

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1 12, by 2.30% for a district maintaining grades 2 kindergarten through 8, or by 1.05% for a district 3 maintaining grades 9 through 12 and adjusted by an amount 4 computed by dividing the amount of any abatement of taxes 5 under subsection (a) of Section 18-165 of the Property 6 Tax Code by the same percentage rates for district type

7 as specified in this subparagraph (b).

8 (3) For the 1999-2000 school year and each school year 9 thereafter, if a school district meets all of the criteria of 10 this subsection (G)(3), the school district's Available Local 11 Resources shall be calculated under subsection (D) using the 12 district's Extension Limitation Equalized Assessed Valuation 13 as calculated under this subsection (G)(3).

14 For purposes of this subsection (G)(3) the following 15 terms shall have the following meanings:

16 "Budget Year": The school year for which general 17 State aid is calculated and awarded under subsection (E). 18 "Base Tax Year": The property tax levy year used to 19 calculate the Budget Year allocation of general State 20 aid.

21 "Preceding Tax Year": The property tax levy year
22 immediately preceding the Base Tax Year.

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

28 "Preceding Tax Year's Tax Extension": The product of
29 the equalized assessed valuation utilized by the County
30 Clerk in the Preceding Tax Year multiplied by the
31 Operating Tax Rate as defined in subsection (A).

32 "Extension Limitation Ratio": A numerical ratio,
33 certified by the County Clerk, in which the numerator is
34 the Base Tax Year's Tax Extension and the denominator is

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the Preceding Tax Year's Tax Extension.

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

4 If a school district is subject to property tax extension 5 limitations as imposed under the Property Tax Extension 6 Limitation Law, and if the Available Local Resources of that 7 school district as calculated pursuant to subsection (D) using the Base Tax Year are less than the product of 1.75 8 9 times the Foundation Level for the Budget Year, the State 10 Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation of that district. 11 For the 1999-2000 school year, the Extension Limitation Equalized 12 Assessed Valuation of a school district as calculated by the 13 State Board of Education shall be equal to the product of the 14 1996 15 district's Equalized Assessed Valuation and the district's Extension Limitation Ratio. For the 2000-2001 16 school year and each school year thereafter, the Extension 17 18 Limitation Equalized Assessed Valuation of a school district 19 as calculated by the State Board of Education shall be equal 20 to the product of the last calculated Extension Limitation Equalized Assessed Valuation and the district's Extension 21 Limitation Ratio. If the Extension Limitation Equalized 22 Assessed Valuation of a school district as calculated under 23 this subsection (G)(3) is less than the district's equalized 24 25 assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then for purposes of calculating the 26 district's general State aid for the Budget Year pursuant to 27 28 subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's 29 30 Available Local Resources under subsection (D).

31 (4) For the purposes of calculating general State aid 32 for the 1999-2000 school year only, if a school district 33 experienced a triennial reassessment on the equalized 34 assessed valuation used in calculating its general State

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

(5) For school districts having a majority of their 17 18 equalized assessed valuation in any county except Cook, 19 DuPage, Kane, Lake, McHenry, or Will, if the amount of 20 general State aid allocated to the school district for the 21 1999-2000 school year under the provisions of subsection (E), (H), and (J) of this Section is less than the amount of 22 23 general State aid allocated to the district for the 1998-1999 school year under these subsections, then the general State 24 25 aid of the district for the 1999-2000 school year only shall be increased by the difference between these amounts. 26 The total payments made under this paragraph (5) shall not exceed 27 Claims shall be prorated if they \$14,000,000. 28 exceed \$14,000,000. 29

30 (H) Supplemental General State Aid.

31 (1) In addition to the general State aid a school 32 district is allotted pursuant to subsection (E), qualifying 33 school districts shall receive a grant, paid in conjunction 34 with a district's payments of general State aid, for

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1 supplemental general State aid based upon the concentration 2 level of children from low-income households within the school district. Supplemental State aid grants provided for 3 4 school districts under this subsection shall be appropriated 5 for distribution to school districts as part of the same line 6 item in which the general State financial aid of school 7 districts is appropriated under this Section. For purposes of this subsection, the term "Low-Income Concentration Level" 8 9 shall be the low-income eligible pupil count from the most recently available federal census divided by the Average 10 11 Daily Attendance of the school district. If, however, the percentage decrease from the 2 most recent federal censuses 12 13 in the low-income eligible pupil count of a high school district with fewer than 400 students exceeds by 75% or more 14 the percentage change in the total low-income eligible pupil 15 16 count of contiguous elementary school districts, whose boundaries are coterminous with the high school district, the 17 18 high school district's low-income eligible pupil count from 19 the earlier federal census shall be the number used as the low-income eligible pupil count for the high school district, 20 21 for purposes of this subsection (H).

(2) Supplemental general State aid pursuant to thissubsection shall be provided as follows:

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

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

32 (c) For any school district with a Low Income
33 Concentration Level of at least 50% and less than 60%,
34 the grant for the 1998-99 school year shall be \$1,500

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multiplied by the low income eligible pupil count.

2 (d) For any school district with a Low Income 3 Concentration Level of 60% or more, the grant for the 4 1998-99 school year shall be \$1,900 multiplied by the low 5 income eligible pupil count.

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

10 (f) For the 2000-2001 school year, the per pupil 11 amounts specified in subparagraphs (b), (c), and (d) 12 immediately above shall be \$1,273, \$1,640, and \$2,050, 13 respectively.

(3) School districts with an Average Daily Attendance of 14 more than 1,000 and less than 50,000 that qualify for 15 16 supplemental general State aid pursuant to this subsection shall submit a plan to the State Board of Education prior to 17 October 30 of each year for the use of the funds resulting 18 19 from this grant of supplemental general State aid for the improvement of instruction in which priority is given to 20 21 meeting the education needs of disadvantaged children. Such 22 plan shall be submitted in accordance with rules and 23 regulations promulgated by the State Board of Education.

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

30 (a) The required amounts shall be distributed to
31 the attendance centers within the district in proportion
32 to the number of pupils enrolled at each attendance
33 center who are eligible to receive free or reduced-price
34 lunches or breakfasts under the federal Child Nutrition

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Act of 1966 and under the National School Lunch Act during the immediately preceding school year.

(b) The distribution of 3 these portions of 4 supplemental and general State aid among attendance 5 centers according to these requirements shall not be compensated for or contravened by adjustments of the 6 7 total of other funds appropriated to any attendance centers, and the Board of Education shall utilize funding 8 9 from one or several sources in order to fully implement this provision annually prior to the opening of school. 10

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

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

25 (e) Funds received by an attendance center pursuant to this subsection shall be used by the attendance center 26 27 the discretion of the principal and local school at council for programs to improve educational opportunities 28 29 at qualifying schools through the following programs and 30 services: early childhood education, reduced class size or improved adult to student classroom ratio, enrichment 31 programs, remedial assistance, attendance improvement, 32 and other educationally beneficial expenditures which 33 supplement the regular and basic programs as determined 34

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by the State Board of Education. Funds provided shall
 not be expended for any political or lobbying purposes as
 defined by board rule.

4 (f) Each district subject to the provisions of this 5 subdivision (H)(4) shall submit an acceptable plan to meet the educational needs of disadvantaged children, in 6 7 compliance with the requirements of this paragraph, to the State Board of Education prior to July 15 of each 8 9 year. This plan shall be consistent with the decisions of local school councils concerning the school expenditure 10 11 plans developed in accordance with part 4 of Section 12 34-2.3. The State Board shall approve or reject the plan within 60 days after its submission. If the plan is 13 rejected, the district shall give written notice of 14 15 intent to modify the plan within 15 days of the 16 notification of rejection and then submit a modified plan within 30 days after the date of the written notice of 17 intent to modify. Districts may amend approved plans 18 pursuant to rules promulgated by the State Board of 19 Education. 20

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

If the district fails to distribute State aid to 27 attendance centers in accordance with an approved plan, 28 29 the plan for the following year shall allocate funds, in addition to the funds otherwise required by this 30 subsection, to those attendance centers which 31 were underfunded during the previous year in amounts equal to 32 such underfunding. 33

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For purposes of determining compliance with this

1 subsection in relation to the requirements of attendance 2 center funding, each district subject to the provisions of this subsection shall submit as a separate document by 3 4 December 1 of each year a report of expenditure data for the prior year in addition to any modification of 5 its current plan. If it is determined that there has been a 6 7 failure to comply with the expenditure provisions of this 8 subsection regarding contravention or supplanting, the 9 State Superintendent of Education shall, within 60 days of receipt of the report, notify the district and any 10 11 affected local school council. The district shall within 45 days of receipt of that notification inform the State 12 Superintendent of Education of the remedial or corrective 13 action to be taken, whether by amendment of the current 14 15 plan, if feasible, or by adjustment in the plan for the 16 following year. Failure to provide the expenditure report or the notification of remedial or corrective 17 action in a timely manner shall result in a withholding 18 of the affected funds. 19

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

(I) General State Aid for Newly Configured School Districts. 26 For a new school district formed by combining 27 (1) 28 property included totally within 2 or more previously existing school districts, for its first year of existence 29 the general State aid and supplemental general State aid 30 calculated under this Section shall be computed for the new 31 32 district and for the previously existing districts for which 33 property is totally included within the new district. If the computation on the basis of the previously existing districts 34

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is greater, a supplementary payment equal to the difference
 shall be made for the first 4 years of existence of the new
 district.

4 (2) For a school district which annexes all of the territory of one or more entire other school districts, for 5 the first year during which the change of boundaries 6 7 attributable to such annexation becomes effective for all 8 purposes as determined under Section 7-9 or 7A-8, the general State aid and supplemental general State aid calculated under 9 this Section shall be computed for the annexing district as 10 11 constituted after the annexation and for the annexing and each annexed district as constituted prior to the annexation; 12 13 and if the computation on the basis of the annexing and annexed districts as constituted prior to the annexation is 14 15 greater, a supplementary payment equal to the difference 16 shall be made for the first 4 years of existence of the annexing school district as constituted upon such annexation. 17

For 2 or more school districts which annex all of 18 (3)19 the territory of one or more entire other school districts, and for 2 or more community unit districts which result upon 20 21 the division (pursuant to petition under Section 11A-2) of one or more other unit school districts into 2 or more parts 22 23 and which together include all of the parts into which such other unit school district or districts are so divided, for 24 25 first year during which the change of boundaries the attributable to such annexation or division becomes effective 26 for all purposes as determined under Section 7-9 or 11A-10, 27 as the case may be, the general State aid and supplemental 28 29 general State aid calculated under this Section shall be 30 computed for each annexing or resulting district as constituted after the annexation or division and for each 31 32 annexing and annexed district, or for each resulting and 33 divided district, as constituted prior to the annexation or 34 division; and if the aggregate of the general State aid and

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1 supplemental general State aid as so computed for the 2 annexing or resulting districts as constituted after the annexation or division is less than the aggregate of the 3 4 general State aid and supplemental general State aid as so 5 computed for the annexing and annexed districts, or for the 6 resulting and divided districts, as constituted prior to the 7 annexation or division, then a supplementary payment equal to the difference shall be made and allocated between or among 8 9 the annexing or resulting districts, as constituted upon such annexation or division, for the first 4 years of their 10 11 existence. The total difference payment shall be allocated 12 between or among the annexing or resulting districts in the same ratio as the pupil enrollment from that portion of the 13 annexed or divided district or districts which is annexed to 14 15 or included in each such annexing or resulting district bears 16 to the total pupil enrollment from the entire annexed or divided district or districts, as such pupil enrollment is 17 determined for the school year last ending prior to the date 18 19 when the change of boundaries attributable to the annexation or division becomes effective for all purposes. 20 The amount 21 of the total difference payment and the amount thereof to be 22 allocated to the annexing or resulting districts shall be 23 computed by the State Board of Education on the basis of pupil enrollment and other data which shall be certified to 24 25 the State Board of Education, on forms which it shall provide 26 for that purpose, by the regional superintendent of schools for each educational service region in which the annexing and 27 annexed districts, or resulting and divided districts are 28 29 located.

30 (3.5) Claims for financial assistance under this 31 subsection (I) shall not be recomputed except as expressly 32 provided under this Section.

33 (4) Any supplementary payment made under this subsection34 (1) shall be treated as separate from all other payments made

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pursuant to this Section.

2 (J) Supplementary Grants in Aid.

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3 (1) Notwithstanding any other provisions of this 4 Section, the amount of the aggregate general State aid in 5 combination with supplemental general State aid under this Section for which each school district is eligible shall be 6 7 no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 8 18-8 (exclusive of amounts received under subsections 9 5(p) and 5(p-5) of that Section) for the 1997-98 school year, 10 pursuant to the provisions of that Section as it was then in 11 12 effect. Ιf a school district qualifies to receive a supplementary payment made under this subsection (J), the 13 14 amount of the aggregate general State aid in combination with supplemental general State aid under this Section which that 15 district is eligible to receive for each school year shall be 16 no less than the amount of the aggregate general State aid 17 18 entitlement that was received by the district under Section 19 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-1998 school year, 20 21 pursuant to the provisions of that Section as it was then in 22 effect.

23 (2) If, as provided in paragraph (1) of this subsection (J), a school district is to receive aggregate general State 24 25 aid in combination with supplemental general State aid under this Section for the 1998-99 school year and any subsequent 26 school year that in any such school year is less than 27 the 28 amount of the aggregate general State aid entitlement that the district received for the 1997-98 school year, the school 29 district shall also receive, from a separate appropriation 30 for purposes of this subsection (J), a supplementary 31 made payment that is equal to the amount of the difference in the 32 33 aggregate State aid figures as described in paragraph (1). 34 (3) (Blank).

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(K) Grants to Laboratory and Alternative Schools.

In calculating the amount to be paid to the governing board of a public university that operates a laboratory school under this Section or to any alternative school that is operated by a regional superintendent of schools, the State Board of Education shall require by rule such reporting requirements as it deems necessary.

As used in this Section, "laboratory school" means a 8 9 public school which is created and operated by a public university and approved by the State Board of Education. 10 The 11 governing board of a public university which receives funds 12 from the State Board under this subsection (K) may not increase the number of students enrolled in its laboratory 13 school from a single district, if that district is already 14 15 sending 50 or more students, except under a mutual agreement 16 between the school board of a student's district of residence and the university which operates the laboratory school. 17 А 18 laboratory school may not have more than 1,000 students, 19 excluding students with disabilities in a special education 20 program.

As used in this Section, "alternative school" means a 21 22 public school which is created and operated by a Regional 23 Superintendent of Schools and approved by the State Board of Education. Such alternative schools may offer courses of 24 25 instruction for which credit is given in regular school 26 programs, courses to prepare students for the high school equivalency testing program or vocational and occupational 27 A regional superintendent of schools may contract 28 training. 29 with a school district or a public community college district 30 to operate an alternative school. An alternative school serving more than one educational service region may be 31 32 established by the regional superintendents of schools of the affected educational service regions. An alternative school 33 34 serving more than one educational service region may be

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operated under such terms as the regional superintendents of
 schools of those educational service regions may agree.

Each laboratory and alternative school shall file, on 3 4 forms provided by the State Superintendent of Education, an 5 annual State aid claim which states the Average Daily 6 Attendance of the school's students by month. The best 3 7 months' Average Daily Attendance shall be computed for each school. The general State aid entitlement shall be computed 8 9 by multiplying the applicable Average Daily Attendance by the Foundation Level as determined under this Section. 10

11 (L) Payments, Additional Grants in Aid and Other12 Requirements.

For a school district operating under the financial 13 (1)14 supervision of an Authority created under Article 34A, the general State aid otherwise payable to that district under 15 this Section, but not the supplemental general State aid, 16 shall be reduced by an amount equal to the budget for the 17 18 operations of the Authority as certified by the Authority to 19 the State Board of Education, and an amount equal to such reduction shall be paid to the Authority created for such 20 21 district for its operating expenses in the manner provided in Section 18-11. The remainder of general State school aid for 22 23 any such district shall be paid in accordance with Article 34A when that Article provides for a disposition other than 24 25 that provided by this Article.

26 (2) (Blank).

27 (3) Summer school. Summer school payments shall be made28 as provided in Section 18-4.3.

29 (M) Education Funding Advisory Board.

The Education Funding Advisory Board, hereinafter in this subsection (M) referred to as the "Board", is hereby created. The Board shall consist of 5 members who are appointed by the Governor, by and with the advice and consent of the Senate.

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1 The members appointed shall include representatives of 2 education, business, and the general public. One of the members so appointed shall be designated by the Governor at 3 4 the time the appointment is made as the chairperson of the 5 The initial members of the Board may be appointed any Board. 6 time after the effective date of this amendatory Act of 1997. 7 The regular term of each member of the Board shall be for 4 8 years from the third Monday of January of the year in which 9 the term of the member's appointment is to commence, except initial members appointed to serve on the 10 that of the 5 11 Board, the member who is appointed as the chairperson shall serve for a term that commences on the date of his or her 12 appointment and expires on the third Monday of January, 2002, 13 and the remaining 4 members, by lots drawn at 14 the first 15 meeting of the Board that is held after all 5 members are 16 appointed, shall determine 2 of their number to serve for commence on the date of their respective 17 terms that appointments and expire on the third Monday of January, 2001, 18 19 and 2 of their number to serve for terms that commence on the 20 date of their respective appointments and expire on the third 21 Monday of January, 2000. All members appointed to serve on 22 the Board shall serve until their respective successors are 23 appointed and confirmed. Vacancies shall be filled in the same manner as original appointments. 24 If a vacancy in 25 membership occurs at a time when the Senate is not in session, the Governor shall make a temporary appointment 26 until the next meeting of the Senate, when he or she shall 27 appoint, by and with the advice and consent of the Senate, a 28 29 person to fill that membership for the unexpired term. Ιf 30 the Senate is not in session when the initial appointments 31 are made, those appointments shall be made as in the case of 32 vacancies.

33 The Education Funding Advisory Board shall be deemed 34 established, and the initial members appointed by the

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1 Governor to serve as members of the Board shall take office, 2 on the date that the Governor makes his or her appointment of 3 the fifth initial member of the Board, whether those initial 4 members are then serving pursuant to appointment and 5 confirmation or pursuant to temporary appointments that are 6 made by the Governor as in the case of vacancies.

7 The State Board of Education shall provide such staff 8 assistance to the Education Funding Advisory Board as is 9 reasonably required for the proper performance by the Board 10 of its responsibilities.

For school years after the 2000-2001 school year, 11 the Education Funding Advisory Board, in consultation with the 12 State Board of Education, shall make recommendations as 13 provided in this subsection (M) to the General Assembly for 14 the foundation level under subdivision (B)(3) of this Section 15 16 and for the supplemental general State aid grant level under subsection (H) of this Section for districts with high 17 18 concentrations of children from poverty. The recommended 19 foundation level shall be determined based on a methodology which incorporates the basic education expenditures 20 of 21 low-spending schools exhibiting high academic performance. 22 The Education Funding Advisory Board shall make such 23 recommendations to the General Assembly on January 1 of odd numbered years, beginning January 1, 2001. 24

25 (N) (Blank).

26 (O) References.

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

32 (2) References in other laws to State Chapter 1 funds33 shall be deemed to refer to the supplemental general State

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1 aid provided under subsection (H) of this Section.

2 (Source: P.A. 90-548, eff. 7-1-98; incorporates 90-566; 3 90-653, eff. 7-29-98; 90-654, eff. 7-29-98; 90-655, eff. 4 7-30-98; 90-802, eff. 12-15-98; 90-815, eff. 2-11-99; 91-24, 5 eff. 7-1-99; 91-93, eff. 7-9-99; 91-96, eff. 7-9-99; 91-111, 6 eff. 7-14-99; 91-357, eff. 7-29-99; 91-533, eff. 8-13-99;

7 revised 8-27-99.)