

1 AN ACT relating to schools.

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

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

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  
9 common schools for the 1998-1999 and subsequent school years.

10 (A) General Provisions.

11 (1) The provisions of this Section apply to the  
12 1998-1999 and subsequent school years. The system of general  
13 State financial aid provided for in this Section is designed  
14 to assure that, through a combination of State financial aid  
15 and required local resources, the financial support provided  
16 each 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  
21 Local Resources, equals or exceeds the Foundation Level. The  
22 amount of per pupil general State financial aid for school  
23 districts, in general, varies in inverse relation to  
24 Available Local Resources. Per pupil amounts are based upon  
25 each school district's Average Daily Attendance as that term  
26 is defined in this Section.

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

1 provided for school districts under subsection (H) shall be  
2 appropriated for distribution to school districts as part of  
3 the same line item in which the general State financial aid  
4 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  
10 maintain a recognized school is not eligible to file for  
11 such school year any claim upon the Common School Fund.  
12 In case of nonrecognition of one or more attendance  
13 centers in a school district otherwise operating  
14 recognized schools, the claim of the district shall be  
15 reduced in the proportion which the Average Daily  
16 Attendance in the attendance center or centers bear to  
17 the Average Daily Attendance in the school district. A  
18 "recognized school" means any public school which meets  
19 the standards as established for recognition by the State  
20 Board of Education. A school district or attendance  
21 center not having recognition status at the end of a  
22 school term is entitled to receive State aid payments due  
23 upon a legal claim which was filed while it was  
24 recognized.

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

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

33 (d) (Blank).

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

1 board of any district receiving any of the grants provided  
2 for in this Section may apply those funds to any fund so  
3 received for which that board is authorized to make  
4 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.

14 (b) "Available Local Resources": A computation of  
15 local financial support, calculated on the basis of  
16 Average Daily Attendance and derived as provided pursuant  
17 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).

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

32 (B) Foundation Level.

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

1 support that should be available to provide for the basic  
2 education of each pupil in Average Daily Attendance. As set  
3 forth in this Section, each school district is assumed to  
4 exert a sufficient local taxing effort such that, 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  
20 figure shall be utilized. The Average Daily Attendance  
21 figure for formula calculation purposes shall be the monthly  
22 average of the actual number of pupils in attendance of each  
23 school district, as further averaged for the best 3 months of  
24 pupil attendance for each school district. In compiling the  
25 figures for the number of pupils in attendance, school  
26 districts and the State Board of Education shall, for  
27 purposes of general State aid funding, conform attendance  
28 figures to the requirements of subsection (F).

29 (2) The Average Daily Attendance figures utilized in  
30 subsection (E) shall be the requisite attendance data for the  
31 school year immediately preceding the school year for which  
32 general State aid is being calculated or the average of the  
33 attendance data for the 3 preceding school years, whichever  
34 is greater. The Average Daily Attendance figures utilized in

1 subsection (H) shall be the requisite attendance data for the  
2 school year immediately preceding the school year for which  
3 supplemental general State aid is being calculated.

4 (D) Available Local Resources.

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

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

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

1           (4) The Corporate Personal Property Replacement Taxes  
2 paid to each school district during the calendar year 2 years  
3 before the calendar year in which a school year begins,  
4 divided by the Average Daily Attendance figure for that  
5 district, shall be added to the local property tax revenues  
6 per pupil as derived by the application of the immediately  
7 preceding paragraph (3). The sum of these per pupil figures  
8 for each school district shall constitute Available Local  
9 Resources as that term is utilized in subsection (E) in the  
10 calculation of general State aid.

11       (E) Computation of General State Aid.

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

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

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

1 paragraph 3 shall be the calculated general State aid per  
2 pupil figure multiplied by the Average Daily Attendance of  
3 the school district.

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

10 (5) The amount of general State aid allocated to a  
11 school district for the 1999-2000 school year meeting the  
12 requirements set forth in paragraph (4) of subsection (G)  
13 shall be increased by an amount equal to the general State  
14 aid that would have been received by the district for the  
15 1998-1999 school year by utilizing the Extension Limitation  
16 Equalized Assessed Valuation as calculated in paragraph (4)  
17 of subsection (G) less the general State aid allotted for the  
18 1998-1999 school year. This amount shall be deemed a one  
19 time increase, and shall not affect any future general State  
20 aid allocations.

21 (F) Compilation of Average Daily Attendance.

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

31 Except as otherwise provided in this Section, days of  
32 attendance by pupils shall be counted only for sessions of  
33 not less than 5 clock hours of school work per day under  
34 direct supervision of: (i) teachers, or (ii) non-teaching

1 personnel or volunteer personnel when engaging in  
2 non-teaching duties and supervising in those instances  
3 specified in subsection (a) of Section 10-22.34 and paragraph  
4 10 of Section 34-18, with pupils of legal school age and in  
5 kindergarten and grades 1 through 12.

6 Days of attendance by tuition pupils shall be accredited  
7 only to the districts that pay the tuition to a recognized  
8 school.

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

12 (a) Pupils regularly enrolled in a public school  
13 for only a part of the school day may be counted on the  
14 basis of 1/6 day for every class hour of instruction of  
15 40 minutes or more attended pursuant to such enrollment.

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

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

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

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

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

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

1 attendance.

2 (g) For children with disabilities who are below  
3 the age of 6 years and who cannot attend 2 or more clock  
4 hours because of their disability or immaturity, a  
5 session of not less than one clock hour may be counted as  
6 1/2 day of attendance; however for such children whose  
7 educational needs so require a session of 4 or more clock  
8 hours may be counted as a full day of attendance.

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

27 (G) Equalized Assessed Valuation Data.

28 (1) For purposes of the calculation of Available Local  
29 Resources required pursuant to subsection (D), the State  
30 Board of Education shall secure from the Department of  
31 Revenue the value as equalized or assessed by the Department  
32 of Revenue of all taxable property of every school district,  
33 together with (i) the applicable tax rate used in extending  
34 taxes for the funds of the district as of September 30 of the

1 previous year and (ii) the limiting rate for all school  
2 districts subject to property tax extension limitations as  
3 imposed under the Property Tax Extension Limitation Law.

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

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

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

32 (b) The real property equalized assessed valuation  
33 for a school district shall be adjusted by subtracting  
34 from the real property value as equalized or assessed by

1 the Department of Revenue for the district an amount  
 2 computed by dividing the amount of any abatement of taxes  
 3 under Section 18-170 of the Property Tax Code by 3.00%  
 4 for a district maintaining grades kindergarten through  
 5 12, by 2.30% for a district maintaining grades  
 6 kindergarten through 8, or by 1.05% for a district  
 7 maintaining grades 9 through 12 and adjusted by an amount  
 8 computed by dividing the amount of any abatement of taxes  
 9 under subsection (a) of Section 18-165 of the Property  
 10 Tax Code by the same percentage rates for district type  
 11 as specified in this subparagraph (b).

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

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

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

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

25 "Preceding Tax Year": The property tax levy year  
 26 immediately preceding the Base Tax Year.

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

32 "Preceding Tax Year's Tax Extension": The product of  
 33 the equalized assessed valuation utilized by the County  
 34 Clerk in the Preceding Tax Year multiplied by the

1 Operating Tax Rate as defined in subsection (A).

2 "Extension Limitation Ratio": A numerical ratio,  
3 certified by the County Clerk, in which the numerator is  
4 the Base Tax Year's Tax Extension and the denominator is  
5 the Preceding Tax Year's Tax Extension.

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

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

1           (4) For the purposes of calculating general State aid  
2 for the 1999-2000 school year only, if a school district  
3 experienced a triennial reassessment on the equalized  
4 assessed valuation used in calculating its general State  
5 financial aid apportionment for the 1998-1999 school year,  
6 the State Board of Education shall calculate the Extension  
7 Limitation Equalized Assessed Valuation that would have been  
8 used to calculate the district's 1998-1999 general State aid.  
9 This amount shall equal the product of the equalized assessed  
10 valuation used to calculate general State aid for the  
11 1997-1998 school year and the district's Extension Limitation  
12 Ratio. If the Extension Limitation Equalized Assessed  
13 Valuation of the school district as calculated under this  
14 paragraph (4) is less than the district's equalized assessed  
15 valuation utilized in calculating the district's 1998-1999  
16 general State aid allocation, then for purposes of  
17 calculating the district's general State aid pursuant to  
18 paragraph (5) of subsection (E), that Extension Limitation  
19 Equalized Assessed Valuation shall be utilized to calculate  
20 the district's Available Local Resources.

21           (5) For school districts having a majority of their  
22 equalized assessed valuation in any county except Cook,  
23 DuPage, Kane, Lake, McHenry, or Will, if the amount of  
24 general State aid allocated to the school district for the  
25 1999-2000 school year under the provisions of subsection (E),  
26 (H), and (J) of this Section is less than the amount of  
27 general State aid allocated to the district for the 1998-1999  
28 school year under these subsections, then the general State  
29 aid of the district for the 1999-2000 school year only shall  
30 be increased by the difference between these amounts. The  
31 total payments made under this paragraph (5) shall not exceed  
32 \$14,000,000. Claims shall be prorated if they exceed  
33 \$14,000,000.

34           (H) Supplemental General State Aid.

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

26           (2) Supplemental general State aid pursuant to this  
27 subsection shall be provided as follows:

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

32                 (b) For any school district with a Low Income  
33 Concentration Level of at least 35% and less than 50%,  
34 the grant for the 1998-1999 school year shall be \$1,100

1 multiplied by the low income eligible pupil count.

2 (c) For any school district with a Low Income  
3 Concentration Level of at least 50% and less than 60%,  
4 the grant for the 1998-99 school year shall be \$1,500  
5 multiplied by the low income eligible pupil count.

6 (d) For any school district with a Low Income  
7 Concentration Level of 60% or more, the grant for the  
8 1998-99 school year shall be \$1,900 multiplied by the low  
9 income eligible pupil count.

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

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

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

28 (4) School districts with an Average Daily Attendance of  
29 50,000 or more that qualify for supplemental general State  
30 aid pursuant to this subsection shall be required to  
31 distribute from funds available pursuant to this Section, no  
32 less than \$261,000,000 in accordance with the following  
33 requirements:

34 (a) The required amounts shall be distributed to

1 the attendance centers within the district in proportion  
2 to the number of pupils enrolled at each attendance  
3 center who are eligible to receive free or reduced-price  
4 lunches or breakfasts under the federal Child Nutrition  
5 Act of 1966 and under the National School Lunch Act  
6 during the immediately preceding school year.

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

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

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

29 (e) Funds received by an attendance center pursuant  
30 to this subsection shall be used by the attendance center  
31 at the discretion of the principal and local school  
32 council for programs to improve educational opportunities  
33 at qualifying schools through the following programs and  
34 services: early childhood education, reduced class size

1 or improved adult to student classroom ratio, enrichment  
2 programs, remedial assistance, attendance improvement,  
3 and other educationally beneficial expenditures which  
4 supplement the regular and basic programs as determined  
5 by the State Board of Education. Funds provided shall  
6 not be expended for any political or lobbying purposes as  
7 defined by board rule.

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

25 Upon notification by the State Board of Education  
26 that the district has not submitted a plan prior to July  
27 15 or a modified plan within the time period specified  
28 herein, the State aid funds affected by that plan or  
29 modified plan shall be withheld by the State Board of  
30 Education until a plan or modified plan is submitted.

31 If the district fails to distribute State aid to  
32 attendance centers in accordance with an approved plan,  
33 the plan for the following year shall allocate funds, in  
34 addition to the funds otherwise required by this

1 subsection, to those attendance centers which were  
2 underfunded during the previous year in amounts equal to  
3 such underfunding.

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

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

30 (I) General State Aid for Newly Configured School Districts.

31 (1) For a new school district formed by combining  
32 property included totally within 2 or more previously  
33 existing school districts, for its first year of existence  
34 the general State aid and supplemental general State aid

1 calculated under this Section shall be computed for the new  
2 district and for the previously existing districts for which  
3 property is totally included within the new district. If the  
4 computation on the basis of the previously existing districts  
5 is greater, a supplementary payment equal to the difference  
6 shall be made for the first 4 years of existence of the new  
7 district.

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

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

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

34 (3.5) Claims for financial assistance under this

1 subsection (I) shall not be recomputed except as expressly  
2 provided under this Section.

3 (4) Any supplementary payment made under this subsection  
4 (I) shall be treated as separate from all other payments made  
5 pursuant to this Section.

6 (J) Supplementary Grants in Aid.

7 (1) Notwithstanding any other provisions of this  
8 Section, the amount of the aggregate general State aid in  
9 combination with supplemental general State aid under this  
10 Section for which each school district is eligible shall be  
11 no less than the amount of the aggregate general State aid  
12 entitlement that was received by the district under Section  
13 18-8 (exclusive of amounts received under subsections 5(p)  
14 and 5(p-5) of that Section) for the 1997-98 school year,  
15 pursuant to the provisions of that Section as it was then in  
16 effect. If a school district qualifies to receive a  
17 supplementary payment made under this subsection (J), the  
18 amount of the aggregate general State aid in combination with  
19 supplemental general State aid under this Section which that  
20 district is eligible to receive for each school year shall be  
21 no less than the amount of the aggregate general State aid  
22 entitlement that was received by the district under Section  
23 18-8 (exclusive of amounts received under subsections 5(p)  
24 and 5(p-5) of that Section) for the 1997-1998 school year,  
25 pursuant to the provisions of that Section as it was then in  
26 effect.

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

1 made for purposes of this subsection (J), a supplementary  
2 payment that is equal to the amount of the difference in the  
3 aggregate State aid figures as described in paragraph (1).

4 (3) (Blank).

5 (K) Grants to Laboratory and Alternative Schools.

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

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

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

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

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

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

17 (1) For a school district operating under the financial  
18 supervision of an Authority created under Article 34A, the  
19 general State aid otherwise payable to that district under  
20 this Section, but not the supplemental general State aid,  
21 shall be reduced by an amount equal to the budget for the  
22 operations of the Authority as certified by the Authority to  
23 the State Board of Education, and an amount equal to such  
24 reduction shall be paid to the Authority created for such  
25 district for its operating expenses in the manner provided in  
26 Section 18-11. The remainder of general State school aid for  
27 any such district shall be paid in accordance with Article  
28 34A when that Article provides for a disposition other than  
29 that provided by this Article.

30 (2) (Blank).

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

33 (M) Education Funding Advisory Board.

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

1 are made, those appointments shall be made as in the case of  
2 vacancies.

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

11 The State Board of Education shall provide such staff  
12 assistance to the Education Funding Advisory Board as is  
13 reasonably required for the proper performance by the Board  
14 of its responsibilities.

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

29 (N) (Blank).

30 (O) References.

31 (1) References in other laws to the various subdivisions  
32 of Section 18-8 as that Section existed before its repeal and  
33 replacement by this Section 18-8.05 shall be deemed to refer

1 to the corresponding provisions of this Section 18-8.05, to  
2 the extent that those references remain applicable.

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

6 (Source: P.A. 90-548, eff. 7-1-98; incorporates 90-566;  
7 90-653, eff. 7-29-98; 90-654, eff. 7-29-98; 90-655, eff.  
8 7-30-98; 90-802, eff. 12-15-98; 90-815, eff. 2-11-99; 91-24,  
9 eff. 7-1-99; 91-93, eff. 7-9-99; 91-96, eff. 7-9-99; 91-111,  
10 eff. 7-14-99; 91-357, eff. 7-29-99; 91-533, eff. 8-13-99;  
11 revised 8-27-99.)

12 Section 99. Effective date. This Act takes effect July  
13 1, 2001.