

AN ACT concerning education.

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

Section 5. The School Construction Law is amended by changing Sections 5-5, 5-25, and 5-35 as follows:

(105 ILCS 230/5-5)

Sec. 5-5. Definitions. As used in this Article:

"Approved school construction bonds" mean bonds that were approved by referendum after January 1, 1996 but prior to January 1, 1998 as provided in Sections 19-2 through 19-7 of the School Code to provide funds for the acquisition, development, construction, reconstruction, rehabilitation, improvement, architectural planning, and installation of capital facilities consisting of buildings, structures, durable-equipment, and land for educational purposes.

"Grant index" means a figure for each school district equal to one minus the ratio of the district's equalized assessed valuation per pupil in average daily attendance to the equalized assessed valuation per pupil in average daily attendance of the district located at the 90th percentile for all districts of the same category. For the purpose of calculating the grant index, school districts are grouped into 2 categories, Category I and Category II. Category I consists

of elementary and unit school districts. The equalized assessed valuation per pupil in average daily attendance of each school district in Category I shall be computed using its grades kindergarten through 8 average daily attendance figure. A unit school district's Category I grant index shall be used for projects or portions of projects constructed for elementary school pupils. Category II consists of high school and unit school districts. The equalized assessed valuation per pupil in average daily attendance of each school district in Category II shall be computed using its grades 9 through 12 average daily attendance figure. A unit school district's Category II grant index shall be used for projects or portions of projects constructed for high school pupils. The changes made by this amendatory Act of the 92nd General Assembly apply to all grants made on or after the effective date of this amendatory Act, provided that for grants not yet made on the effective date of this amendatory Act but made in fiscal year 2001 and for grants made in fiscal year 2002, the grant index for a school district shall be the greater of (i) the grant index as calculated under this Law on or after the effective date of this amendatory Act or (ii) the grant index as calculated under this Law before the effective date of this amendatory Act. The grant index shall be no less than 0.35 and no greater than 0.75 for each district; provided that the grant index for districts whose equalized assessed valuation per pupil in average daily attendance is at the 99th percentile and above for all districts of the same

type shall be 0.00.

"School construction project" means the acquisition, development, construction, reconstruction, rehabilitation, improvement, architectural planning, and installation of capital facilities consisting of buildings, structures, durable equipment, and land for educational purposes.

"School district" means a school district or a Type 40 area vocational center that is jointly owned if the joint agreement includes language that specifies how the debt obligation is to be paid, including in the event that an entity withdraws from the joint agreement.

"School district" includes a cooperative high school, which shall be considered a high school district for the purpose of calculating its grant index.

"School maintenance project" means a project, other than a school construction project, intended to provide for the maintenance or upkeep of buildings or structures for educational purposes, but does not include ongoing operational costs.

(Source: P.A. 92-168, eff. 7-26-01; 93-1094, eff. 3-29-05.)

(105 ILCS 230/5-25)

Sec. 5-25. Eligibility and project standards.

(a) The State Board of Education shall establish eligibility standards for school construction project grants and debt service grants. These standards shall include minimum

enrollment requirements for eligibility for school construction project grants of 200 students for elementary districts, 200 students for high school districts, and 400 students for unit districts. The State Board of Education shall approve a district's eligibility for a school construction project grant or a debt service grant pursuant to the established standards.

For purposes only of determining a Type 40 area vocational center's eligibility for an entity included in a school construction project grant or a school maintenance project grant, an area vocational center shall be deemed eligible if one or more of its member school districts satisfy the grant index criteria set forth in this Law. A Type 40 area vocational center that makes application for school construction funds after the effective date of this amendatory Act of the 96th General Assembly shall be placed on the respective application cycle list. Type 40 area vocational centers must be placed last on the priority listing of eligible entities for the applicable fiscal year.

(b) The Capital Development Board shall establish project standards for all school construction project grants provided pursuant to this Article. These standards shall include space and capacity standards as well as the determination of recognized project costs that shall be eligible for State financial assistance and enrichment costs that shall not be eligible for State financial assistance.

(c) The State Board of Education and the Capital Development Board shall not establish standards that disapprove or otherwise establish limitations that restrict the eligibility of a school district with a population exceeding 500,000 for a school construction project grant based on the fact that any or all of the school construction project grant will be used to pay debt service or to make lease payments, as authorized by subsection (b) of Section 5-35 of this Law.

(Source: P.A. 90-548, eff. 1-1-98; 91-38, eff. 6-15-99.)

(105 ILCS 230/5-35)

Sec. 5-35. School construction project grant amounts; permitted use; prohibited use.

(a) The product of the district's grant index and the recognized project cost, as determined by the Capital Development Board, for an approved school construction project shall equal the amount of the grant the Capital Development Board shall provide to the eligible district. The grant index shall not be used in cases where the General Assembly and the Governor approve appropriations designated for specifically identified school district construction projects.

The average of the grant indexes of the member districts in a joint agreement shall be used to calculate the amount of a school construction project grant awarded to an eligible Type 40 area vocational center.

(b) In each fiscal year in which school construction project grants are awarded, 20% of the total amount awarded statewide shall be awarded to a school district with a population exceeding 500,000, provided such district complies with the provisions of this Article.

In addition to the uses otherwise authorized by this Law, any school district with a population exceeding 500,000 is authorized to use any or all of the school construction project grants (i) to pay debt service, as defined in the Local Government Debt Reform Act, on bonds, as defined in the Local Government Debt Reform Act, issued to finance one or more school construction projects and (ii) to the extent that any such bond is a lease or other installment or financing contract between the school district and a public building commission that has issued bonds to finance one or more qualifying school construction projects, to make lease payments under the lease.

(c) No portion of a school construction project grant awarded by the Capital Development Board shall be used by a school district for any on-going operational costs.

(Source: P.A. 90-548, eff. 1-1-98; 91-38, eff. 6-15-99.)

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