

1 AN ACT concerning school funding.

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.

33 (D) Available Local Resources.

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

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

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

1 district, shall be added to the local property tax revenues
2 per pupil as derived by the application of the immediately
3 preceding paragraph (3). The sum of these per pupil figures
4 for each school district shall constitute Available Local
5 Resources as that term is utilized in subsection (E) in the
6 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.

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

34 (4) For any school district for which Available Local

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
10 aid that would have been received by the district for the
11 1998-1999 school year by utilizing the Extension Limitation
12 Equalized Assessed Valuation as calculated in paragraph (4)
13 of subsection (G) less the general State aid allotted for the
14 1998-1999 school year. This amount shall be deemed a one
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
20 by the State Board of Education, attendance figures for the
21 school year that began in the preceding calendar year. The
22 attendance information so transmitted shall identify the
23 average daily attendance figures for each month of the school
24 year, except that any days of attendance in August shall be
25 added to the month of September and any days of attendance in
26 June shall be added to the month of May.

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

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

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

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.

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

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

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

23 (G) Equalized Assessed Valuation Data.

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

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

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

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

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

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.

23 "Base Tax Year's Tax Extension": The product of the
24 equalized assessed valuation utilized by the County Clerk
25 in the Base Tax Year multiplied by the limiting rate as
26 calculated by the County Clerk and defined in the
27 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

1 the Preceding Tax Year's Tax Extension.

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

33 (4) For the purposes of calculating general State aid
34 for the 1999-2000 school year only, if a school district

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

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

32 (H) Supplemental General State Aid.

33 (1) In addition to the general State aid a school
34 district is allotted pursuant to subsection (E), qualifying

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

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

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

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

34 (c) For any school district with a Low Income

1 Concentration Level of at least 50% and less than 60%,
2 the grant for the 1998-99 school year shall be \$1,500
3 multiplied by the low income eligible pupil count.

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

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

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

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

26 (4) School districts with an Average Daily Attendance of
27 50,000 or more that qualify for supplemental general State
28 aid pursuant to this subsection shall be required to
29 distribute from funds available pursuant to this Section, no
30 less than \$261,000,000 in accordance with the following
31 requirements:

32 (a) The required amounts shall be distributed to
33 the attendance centers within the district in proportion
34 to the number of pupils enrolled at each attendance

1 center who are eligible to receive free or reduced-price
2 lunches or breakfasts under the federal Child Nutrition
3 Act of 1966 and under the National School Lunch Act
4 during the immediately preceding school year.

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

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

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

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

1 and other educationally beneficial expenditures which
2 supplement the regular and basic programs as determined
3 by the State Board of Education. Funds provided shall
4 not be expended for any political or lobbying purposes as
5 defined by board rule.

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

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

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

1 such underfunding.

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

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

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

29 (1) For a new school district formed by combining
30 property included totally within 2 or more previously
31 existing school districts, for its first year of existence
32 the general State aid and supplemental general State aid
33 calculated under this Section shall be computed for the new
34 district and for the previously existing districts for which

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

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

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

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

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

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

4 (J) Supplementary Grants in Aid.

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

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

1 aggregate State aid figures as described in paragraph (1).

2 (3) (Blank).

3 (K) Grants to Laboratory and Alternative Schools.

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

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

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

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

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

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

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

28 (2) (Blank).

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

31 (M) Education Funding Advisory Board.

32 The Education Funding Advisory Board, hereinafter in this
33 subsection (M) referred to as the "Board", is hereby created.

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

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

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

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

27 (N) (Blank).

28 (O) References.

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

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

4 (Source: P.A. 90-548, eff. 7-1-98; incorporates 90-566;
5 90-653, eff. 7-29-98; 90-654, eff. 7-29-98; 90-655, eff.
6 7-30-98; 90-802, eff. 12-15-98; 90-815, eff. 2-11-99; 91-24,
7 eff. 7-1-99; 91-93, eff. 7-9-99; 91-96, eff. 7-9-99; 91-111,
8 eff. 7-14-99; 91-357, eff. 7-29-99; 91-533, eff. 8-13-99;
9 revised 8-27-99.)

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