SENATE JOURNAL

STATE OF ILLINOIS

NINETY-EIGHTH GENERAL ASSEMBLY

47TH LEGISLATIVE DAY

WEDNESDAY, MAY 8, 2013

12:18 O'CLOCK P.M.

NO. 47
[May 8, 2013]

SENATE
Daily Journal Index
47th Legislative Day

The Senate met pursuant to adjournment.
Senator Kimberly A. Lightford, Maywood, Illinois, presiding.
Prayer by Pastor Tafforest Brewer, House of Faith International Church, Bloomington, Illinois.
Senator Jacobs led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Tuesday, May 7, 2013, be postponed, pending arrival of the printed Journal.
The motion prevailed.

REPORTS RECEIVED

The Secretary placed before the Senate the following reports:

Personal Information Protection Act Report, submitted by the Capital Development Board.

Metropolitan Pier and Exposition Authority's Financial Plan, Fiscal Years 2014, 2015 & 2016, submitted by the Metropolitan Pier and Exposition Authority.

The foregoing reports were ordered received and placed on file in the Secretary's Office.

MESSAGES FROM THE PRESIDENT

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

May 8, 2013

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Don Harmon to temporarily replace Senator Dan Kotowski as a member of the Senate Criminal Law Committee. This appointment will automatically expire upon adjournment of the Senate Criminal Law Committee.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Minority Leader Christine Radogno

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

May 8, 2013

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Kwame Raoul to temporarily replace Senator Donne Trotter as a member of the Senate Executive Committee. This appointment will automatically expire upon adjournment of the Senate Executive Committee.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Minority Leader Christine Radogno

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

May 8, 2013

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Andy Manar to temporarily replace Senator Napoleon Harris as a member of the Senate Labor Committee. This appointment will automatically expire upon adjournment of the Senate Labor Committee.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Minority Leader Christine Radogno

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

May 8, 2013

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Melinda Bush to temporarily replace Senator Jennifer Bertino-Tarrant as a member of the Senate Labor Committee. This appointment will automatically expire upon adjournment of the Senate Labor Committee.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Minority Leader Christine Radogno

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

May 8, 2013

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Steve Stadelman to temporarily replace Senator Jennifer Bertino-Tarrant as a member of the Senate Local Government Committee. This appointment will automatically expire upon adjournment of the Senate Local Government Committee.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Minority Leader Christine Radogno

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

May 8, 2013

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Pat McGuire to temporarily replace Senator Jennifer Bertino-Tarrant as a member of the Senate State Government Committee. This appointment will automatically expire upon adjournment of the Senate State Government Committee.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Minority Leader Christine Radogno

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 294

Offered by Senator McGuire and all Senators
Mourns the death of Charles E. Evans, Jr., of Joliet.

SENATE RESOLUTION NO. 295

Offered by Senator Haine and all Senators:
Mourns the death of Evelyn Bernice Tedrick of Bentonville, Arkansas, formerly of Godfrey.

SENATE RESOLUTION NO. 296

Offered by Senator Haine and all Senators:
Mourns the death of Consuelo G. "Connie" Raya of Alton.

SENATE RESOLUTION NO. 297

Offered by Senator Haine and all Senators:
Mourns the death of Dale McRae of Bethalto.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

REPORTS FROM STANDING COMMITTEES

Senator Mulroe, Chairperson of the Committee on Public Health, to which was referred **Senate Resolution No. 237,** reported the same back with the recommendation that the resolution be adopted.

Under the rules, **Senate Resolution No. 237** was placed on the Secretary's Desk.

Senator Mulroe, Chairperson of the Committee on Public Health, to which was referred **House Bills Numbered 1584, 2199, 3075 and 3175,** reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Mulroe, of the Committee on Public Health, to which was referred **House Bills Numbered 2423, 2777, 3003 and 3190,** reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator Mulroe, Chairperson of the Committee on Public Health, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to House Bill 3272

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Koehler, Chairperson of the Committee on Agriculture and Conservation, to which was referred **House Bills Numbered 733, 1070 and 1650,** reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Koehler, Chairperson of the Committee on Agriculture and Conservation, to which was referred **House Bill No. 3120,** reported the same back with amendments having been adopted thereto, with the recommendation that the bill, as amended, do pass.

Under the rules, the bill was ordered to a second reading.

Senator Delgado, Chairperson of the Committee on Education, to which was referred **Senate Bill No. 1762,** reported the same back with amendments having been adopted thereto, with the recommendation that the bill, as amended, do pass.

Under the rules, the bill was ordered to a second reading.

Senator Delgado, Chairperson of the Committee on Education, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 2 to Senate Bill 2340

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Delgado, Chairperson of the Committee on Education, to which was referred **House Bills Numbered 129, 494, 1446, 2213, 2322, 2420, 2428, 3063, 3232 and 3379,** reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Delgado, Chairperson of the Committee on Education, to which was referred **House Bills Numbered 490 and 946,** reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator Delgado, Chairperson of the Committee on Education, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 2 to House Bill 1288

Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

Senator Raoul, Chairperson of the Committee on Judiciary, to which was referred **House Bills Numbered 71, 131, 2470, 2659, 2809, 2969, 3006 and 3380,** reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Raoul, Chairperson of the Committee on Judiciary, to which was referred **House Bills Numbered 948, 2339, 2787, 2832, 3111 and 3390,** reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator Hunter, Chairperson of the Committee on Human Services, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 3 to Senate Bill 1454

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Hunter, Chairperson of the Committee on Human Services, to which was referred **House Bills Numbered 1516 and 2765,** reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Hunter, Chairperson of the Committee on Human Services, to which was referred **House Bills Numbered 100, 1017 and 1683,** reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator Hunter, Chairperson of the Committee on Human Services, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to House Bill 1191

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Frerichs, Chairperson of the Committee on Higher Education, to which was referred **Senate Resolution No. 231,** reported the same back with the recommendation that the resolution be adopted.

Under the rules, **Senate Resolution No. 231** was placed on the Secretary's Desk.

Senator Frerichs, Chairperson of the Committee on Higher Education, to which was referred **Senate Joint Resolution No. 29,** reported the same back with the recommendation that the resolution be adopted.

Under the rules, **Senate Joint Resolution No. 29** was placed on the Secretary's Desk.

Senator Frerichs, Chairperson of the Committee on Higher Education, to which was referred **House Bill No. 2674,** reported the same back with the recommendation that the bill do pass.

Under the rules, the bill was ordered to a second reading.

Senator Frerichs, Chairperson of the Committee on Higher Education, to which was referred **House Bill No. 513,** reported the same back with amendments having been adopted thereto, with the recommendation that the bill, as amended, do pass.

Under the rules, the bill was ordered to a second reading.

Senator Sandoval, Chairperson of the Committee on Transportation, to which was referred **House Bills Numbered 167, 198, 989, 1238, 1389, 1529, 1539, 1809, 1815, 1817, 2382, 2563, 2584, 2585, 3057, 3255 and 3367,** reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Sandoval, Chairperson of the Committee on Transportation, to which was referred **House Bills Numbered 772 and 2754,** reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator E. Jones, III, Chairperson of the Committee on Local Government, to which was referred **House Bills Numbered 125, 1349, 2454, 2482, 2530, 2716 and 2755,** reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator E. Jones, III, Chairperson of the Committee on Local Government, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to House Bill 2376

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Collins, Chairperson of the Committee on Financial Institutions, to which was referred **House Bill No. 1545,** reported the same back with the recommendation that the bill do pass.

Under the rules, the bill was ordered to a second reading.

Senator Noland, Chairperson of the Committee on Criminal Law, to which was referred **House Bills Numbered 806, 821, 1199, 1548, 1814, 2250, 2905, 3010, 3011, 3023, 3029, 3061 and 3243,** reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Noland, Chairperson of the Committee on Criminal Law, to which was referred **House Bills Numbered 804, 1010, 1139, 1309, 1652 and 3043,** reported the same back with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator Forby, Chairperson of the Committee on Labor and Commerce, to which was referred **Senate Resolution No. 172,** reported the same back with amendments having been adopted thereto, with the recommendation that the resolution, as amended, be adopted.

Under the rules, **Senate Resolution No. 172** was placed on the Secretary's Desk.

Senator Forby, Chairperson of the Committee on Labor and Commerce, to which was referred **House Bills Numbered 2508, 2590, 3125 and 3223,** reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

MESSAGE FROM THE HOUSE

A message from the House by
Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has adopted the following joint resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE JOINT RESOLUTION NO. 5

WHEREAS, Childhood obesity has more than tripled in the past 30 years; and

WHEREAS, The percentage of children aged 6-11 in the United States who were obese increased from 7% in 1980, to 20% in 2008, and the percentage of adolescents aged 12-19 years who were obese increased from 5% to 18% over the same period; and

WHEREAS, In 2008, over 1/3 of children and adolescents were overweight or obese; and

WHEREAS, After the family, school is the primary institution responsible for the development of young people in the United States; and

WHEREAS, Schools have direct contact with more than 95% of our nation's young people aged 5-17 years, for about 6 hours a day, and for up to 13 critical years of their social, psychological, physical, and intellectual development; and

WHEREAS, The health of young people is strongly linked to their academic success, helping students stay healthy is a fundamental mission of schools; and

WHEREAS, The fifth grade students at Columbus Elementary School in Edwardsville are building

awareness and importance of physical fitness; and

WHEREAS, The State of Illinois currently has a blue ribbon panel that is reviewing ways to enhance physical fitness programs in our Illinois schools; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that we further encourage educators and school administrators to suggest some topics, but not limited to the following for discussion during fitness awareness week: nutrition and dietary behavior, physical activity protocols, tobacco-use prevention, alcohol or drug use prevention, review of cardio protocols, review of eating disorders, and a review of physical activity facts, and be it further

RESOLVED, That we urge educators and school administrators to promote that one week of each school year be used to emphasize the importance of physical fitness in schools in the State of Illinois; and be it further

RESOLVED, That a suitable copy of this resolution be presented to Columbus Elementary School in Edwardsville.

Adopted by the House, May 7, 2013.

TIMOTHY D. MAPES, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution No. 5 was referred to the Committee on Assignments.

READING BILL OF THE SENATE A SECOND TIME

On motion of Senator Kotowski, **Senate Bill No. 1361** having been printed, was taken up, read by title a second time.

The following amendment was offered in the Committee on Executive, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 1361

AMENDMENT NO. 1. Amend Senate Bill 1361 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Governmental Ethics Act is amended by changing Section 1-101 as follows:
(5 ILCS 420/1-101) (from Ch. 127, par. 601-101)
Sec. 1-101. This Act shall be known and ~~and~~ may be cited as the "Illinois Governmental Ethics Act." (Source: Laws 1967, p. 3401.)".

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

At the hour of 12:29 o'clock p.m., Senator Link, presiding.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME

On motion of Senator LaHood, **House Bill No. 2843** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Biss, **House Bill No. 2925** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Haine, **House Bill No. 2962** having been printed, was taken up and read by title a second time.

The following amendments were offered in the Committee on Insurance, adopted and ordered printed:

AMENDMENT NO. 1 TO HOUSE BILL 2962

AMENDMENT NO. 1. Amend House Bill 2962 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Insurance Code is amended by changing Sections 131.1, 131.2, 131.3, 131.4, 131.5, 131.6, 131.8, 131.8a, 131.11, 131.12, 131.12a, 131.13, 131.14, 131.16, 131.17, 131.18, 131.19, 131.20, 131.20a, 131.20b, 131.21, 131.22, 131.23, 131.24, 131.26, and 131.27 and by adding Sections 131.9a, 131.14a, 131.14b, 131.14c, 131.14d, 131.20c, 131.29, and 131.30 as follows:

(215 ILCS 5/131.1) (from Ch. 73, par. 743.1)

Sec. 131.1. Definitions. As used in this Article, the following terms have the respective meanings set forth in this Section unless the context requires otherwise:

(a) An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(a-5) "Acquiring party" means such person by whom or on whose behalf the merger or other acquisition of control referred to in Section 131.4 is to be affected and any person that controls such person or persons.

(a-10) "Associated person" means, with respect to an acquiring party, (1) any beneficial owner of shares of the company to be acquired, owned, directly or indirectly, of record or beneficially by the acquiring party, (2) any affiliate of the acquiring party or beneficial owner, and (3) any other person acting in concert, directly or indirectly, pursuant to any agreement, arrangement, or understanding, whether written or oral, with the acquiring party or beneficial owner, or any of their respective affiliates, in connection with the merger, consolidation, or other acquisition of control referred to in Section 131.4 of this Code.

(a-15) "Company" has the same meaning as "company" as defined in Section 2 of this Code, except that it does not include agencies, authorities, or instrumentalities of the United States, its possessions and territories, the Commonwealth of Puerto Rico, the District of Columbia, or a state or political subdivision of a state.

(b) "Control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, the holding of shareholders' or policyholders' proxies by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is solely the result of an official position with or corporate office held by the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds shareholders' proxies representing 10% or more of the voting securities of any other person, or holds or controls sufficient policyholders' proxies to elect the majority of the board of directors of the domestic company. This presumption may be rebutted by a showing made in the manner as the Director may provide by rule. The Director may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

(b-5) "Enterprise risk" means any activity, circumstance, event, or series of events involving one or more affiliates of a company that, if not remedied promptly, is likely to have a material adverse effect upon the financial condition or liquidity of the company or its insurance holding company system as a whole, including, but not limited to, anything that would cause the company's risk-based capital to fall into company action level as set forth in Article IIA of this Code or would cause the company to be in hazardous financial condition as set forth in Article XII 1/2 of this Code.

(b-10) "Exchange Act" means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

(c) "Insurance holding company system" means two or more affiliated persons, one or more of which is an insurance company as defined in paragraph (e) of Section 2 of this Code.

(d) (Blank). ~~"Company" has the same meaning as "Company" as defined in Section 2 of this Code, except that it does not include agencies, authorities or instrumentalities of the United States, its possessions and territories, the Commonwealth of Puerto Rico, the District of Columbia or a State or~~

~~political subdivision of a State.~~

(d-5) "Non-operating holding company" is a general business corporation functioning solely for the purpose of forming, owning, acquiring, and managing subsidiary business entities and having no other business operations not related thereto.

(d-10) "Own", "owned," or "owning" means shares (1) with respect to which a person has title or to which a person's nominee, custodian, or other agent has title and which such nominee, custodian, or other agent is holding on behalf of the person or (2) with respect to which a person (A) has purchased or has entered into an unconditional contract, binding on both parties, to purchase the shares, but has not yet received the shares, (B) owns a security convertible into or exchangeable for the shares and has tendered the security for conversion or exchange, (C) has an option to purchase or acquire, or rights or warrants to subscribe to, the shares and has exercised such option, rights, or warrants, or (D) holds a securities futures contract to purchase the shares and has received notice that the position will be physically settled and is irrevocably bound to receive the underlying shares. To the extent that any affiliates of the stockholder or beneficial owner are acting in concert with the stockholder or beneficial owner, the determination of shares owned may include the effect of aggregating the shares owned by the affiliate or affiliates. Whether shares constitute shares owned shall be decided by the Director in his or her reasonable determination.

(e) "Person" means an individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity or any combination of the foregoing acting in concert, but does not include any securities broker performing no more than the usual and customary broker's function or joint venture partnership exclusively engaged in owning, managing, leasing or developing real or tangible personal property other than capital stock.

(e-5) "Policyholders' proxies" are proxies that give the holder the right to vote for the election of the directors and other corporate actions not in the day to day operations of the company.

(f) (Blank). ~~"Securityholder" of a specified person is one who owns any security of such person, including common stock, preferred stock, debt obligations, and any other security convertible into or evidencing the right to acquire any of the foregoing.~~

(g) "Subsidiary" of a specified person is an affiliate controlled by such person directly, or indirectly through one or more intermediaries.

(h) "Voting Security" is a security which gives to the holder thereof the right to vote for the election of directors and includes any security convertible into or evidencing a right to acquire a voting security.

(i) (Blank). ~~"Acquiring Party" means such person by whom or on whose behalf the merger or other acquisition of control referred to in Section 131.4 is to be affected and any person that controls such person or persons.~~

(j) (Blank). ~~"Policyholders' Proxies" are proxies which give the holder the right to vote for the election of the directors and other corporate actions not in the day-to-day operations of the company.~~

(k) (Blank). ~~"Non-operating Holding Company" is a general business corporation functioning solely for the purpose of forming, owning, acquiring and managing subsidiary business entities and having no other business operations not related thereto.~~

(Source: P.A. 84-805.)

(215 ILCS 5/131.2) (from Ch. 73, par. 743.2)

Sec. 131.2. Subsidiaries. A domestic company, either by itself or in cooperation with one or more persons, may organize or acquire one or more subsidiaries. The subsidiaries may conduct any kind of business or businesses and their authority to do so shall not be limited by reason of the fact that they are subsidiaries of a domestic company. In addition to investments in common stock, preferred stock, debt obligations and other securities of subsidiaries permitted under all other sections of this Code, a domestic company, other than a company subject to Articles XVIII or XIX, may also:

(a) invest, in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries, amounts which do not exceed the lesser of 10% of the company's assets or 50% of the company's surplus as regards policyholders, but after such investments the company's surplus as regards policyholders must be reasonable in relation to the company's outstanding liabilities and adequate to its financial needs. In calculating the amount of such investments, there must be included (i) total net monies or other consideration expended and obligations assumed in the acquisition or formation of a subsidiary, including all organizational expenses and contributions to capital and surplus of the subsidiary whether or not represented by the purchase of capital stock or issuance of other securities, and (ii) all amounts expended in acquiring additional common stock, preferred stock, debt obligations, and other securities, and all contributions to the capital or surplus of a subsidiary subsequent to its acquisition or formation;

(b) invest any amount in common stock, preferred stock, debt obligations and other

securities of one or more direct subsidiaries acting only as a non-operating holding company or engaged or organized exclusively for the ownership and management of assets authorized as investments for the company, provided that each subsidiary agrees to limit its investments in any asset so that such investments will not cause the amount of the total investment of the company to exceed the amount the company could have invested in such asset. For the purpose of this clause, "the total investment of the company" will include (i) any direct investment by the company in an asset and (ii) the company's proportionate share of any investment in such asset by any ~~direct~~ subsidiary of the company, which must be calculated by multiplying the amount of the subsidiary's investment by the percentage of the company's ownership of such subsidiary;

(c) invest in common stock of one or more insurance corporation subsidiaries any amount by which the investing company's capital and surplus exceeds the minimum capital and surplus required of a new company under Section 13 to qualify for a certificate of authority to write the kind or kinds of insurance which the company is authorized to write, if the company is a stock company, and if the company is other than a stock company, the company may invest the amount by which the company's surplus exceeds the minimum surplus required of a new company under Section 43 or 66 to qualify for a certificate of authority to write the kind or kinds of insurance which the company is authorized to write;

(d) with the approval of the Director, invest any greater amount in common stock, preferred stock, debt obligations, or other securities of one or more subsidiaries, but after such investment the company's surplus as regards policyholders must be reasonable in relation to the company's outstanding liabilities and adequate to its financial needs.

(Source: P.A. 85-1186.)

(215 ILCS 5/131.3) (from Ch. 73, par. 743.3)

Sec. 131.3. (1) Investments in common stock, preferred stock, debt obligations or other securities of subsidiaries made under Section 131.2 of this Article are subject to Sections 126.3, 126.4, 126.5, 126.6, 126.7, and 133 of this Code but are not subject to any other of the otherwise applicable restrictions or prohibitions contained in this Code applicable to such investments of a domestic company subject to this Code.

(2) If a company ceases to control a subsidiary, it must dispose of any investment therein made under this section within 3 years from the time of the cessation of control or within such further time as the Director may prescribe, unless at any time after the investment is made, the investment meets the requirements for investment under any other section of this Code, and the company has notified the Director thereof.

(3) Whether any investment made pursuant to this Section meets the applicable requirements of this Section is to be determined before the investment is made by calculating the applicable investment limitations as though the investment had already been made, taking into account the then outstanding principal balance on all previous investments in debt obligations, and the value of all previous investments in equity securities as of the day they were made, net of any return of capital invested, not including dividends.

(Source: P.A. 90-418, eff. 8-15-97.)

(215 ILCS 5/131.4) (from Ch. 73, par. 743.4)

Sec. 131.4. Acquisition of control of or merger with domestic company.

(a) No person other than the issuer may make a tender for or a request or invitation for tenders of, or enter into an agreement to exchange securities for, or seek to acquire or acquire shareholders' proxies to vote or seek to acquire or acquire in the open market, or otherwise, any voting security of a domestic company or acquire policyholders' proxies of a domestic company or any entity that controls a domestic company, for consideration if, after the consummation thereof, that person would, directly or indirectly, (or by conversion or by exercise of any right to acquire) be in control of the company, and no person may enter into an agreement to merge or consolidate with or otherwise to acquire control of a domestic company, unless the offer, request, invitation, or agreement is conditioned on receiving the approval of the Director based on Section 131.8 of this Article and no such acquisition of control or a merger with a domestic company may be consummated unless the person has filed with the Director and has sent to the company a statement containing the information required by Section 131.5 and the Director has approved the transaction or granted an exemption. ~~For purposes of this Section a domestic company includes any other person which controls a domestic company or holds or controls sufficient policyholders' proxies to elect the majority of the board of directors of the domestic company.~~ Prior to the acquisition, the Director may conclude that a statement need not be filed by the acquiring party if the acquiring party demonstrates to the satisfaction of the Director that:

(1) such transaction will not result in the change of control of the domestic company;

or

(2) (blank); ~~the person which is subject to the acquisition has assets in excess of $1,000,000 and shareholders of record of 500 or more and its insurance business either directly or through its affiliates is an insignificant portion of its total business; or~~

(3) the acquisition of, or attempt to acquire control of, such other person is subject to requirements in the jurisdiction of its domicile which are substantially similar to those contained in this Section and Sections 131.5 through 131.12; or

(4) the control of the policyholders' proxies is being acquired solely by virtue of the holders official office and not as the result of any agreement or for any consideration.

The purpose of this Section is to afford to the Director the opportunity to review acquisitions in order to determine whether or not the acquisition would be adverse to the interests of the existing and future policyholders of the company.

(b) For purposes of this Section, any controlling person of a domestic company seeking to divest its controlling interest in the domestic company in any manner shall file with the Director, with a copy to the company, confidential notice of its proposed divestiture at least 30 days prior to the cessation of control. The Director shall determine those instances in which the party or parties seeking to divest or to acquire a controlling interest in a company shall be required to file for and obtain approval of the transaction. The information shall remain confidential until the conclusion of the transaction unless the Director, in his or her discretion, determines that confidential treatment shall interfere with enforcement of this Section. If the statement referred to in subsection (a) of this Section is otherwise filed in connection with the proposed divesture or related acquisition, this subsection (b) shall not apply.

(c) For purposes of this Section, a domestic company shall include any person controlling a domestic company unless the person, as determined by the Director, is either directly or through its affiliates primarily engaged in business other than the business of insurance. For the purposes of this Section, "person" shall not include any securities broker holding, in the usual and customary broker's function, less than 20% of the voting securities of an insurance company or of any person that controls an insurance company.

(Source: P.A. 86-784.)

(215 ILCS 5/131.5) (from Ch. 73, par. 743.5)

Sec. 131.5. Statement; contents ~~Statement Contents~~. In order to seek the approval of the Director pursuant to Section 131.8, the applicant must file a statement with the Director under oath or affirmation which contains as a minimum the following information:

(1) The name and address of each acquiring party, and

(a) if such person is an individual, his principal occupation and all offices and positions held during the past 5 years, and any conviction of crimes, other than minor traffic violations, during the past 10 years;

(b) if such person is not an individual, a report of the nature of its business operations during the past 5 years or for such lesser period as the person and any predecessors thereof has been in existence; an informative description of the business intended to be conducted by the person and the person's subsidiaries; and a list of all individuals who are or who have been selected to become directors or executive officers of the person, or who perform or will perform functions appropriate to such positions. The list must include for each individual the information required by subsection (1)(a).

(2) The source, nature and amount of the consideration used or to be used in effecting the merger, consolidation or other acquisition of control, a description of any transaction wherein funds were or are to be obtained for any such purpose, including any pledge of the company's own securities or the securities of any of its subsidiaries or affiliates, and the identity of persons furnishing such consideration. However, where a source of such consideration is a loan made in the lender's ordinary course of business, the identity of the lender must remain confidential, if the person filing the statement so requests.

(3) Financial information as to the earnings and financial condition of each acquiring party for the preceding 5 fiscal years of each acquiring party (or for such lesser period as the acquiring party and any predecessors thereof have been in existence) audited by an independent certified public accountant in accordance with generally accepted auditing standards and similar unaudited information ~~for the second and third preceding fiscal years and~~ as of a date not earlier than 90 days prior to the filing of the statement. ~~If an acquiring party is an insurer which has been actively engaged in the business of insurance for 10 years, the financial information need not be audited, provided it is based on the annual statements of such acquiring person filed with the insurance department of the person's domiciliary state and is in accordance with the requirement of insurance or other accounting principles prescribed or permitted under the laws and regulations of such state.~~

~~(a) When an applicant is controlled by an individual, financial information for that individual will not be required if the applicant is currently subject to the registration and reporting requirements of Section 12(g) of the Securities Exchange Act of 1934 or is an insurer which has been actively engaged in the business of insurance for a period in excess of 10 years;~~

~~(b) When an individual as an acquiring party must file financial information under this paragraph such information need not be delivered to the company. However, such information shall be available if the Director holds a hearing pursuant to Section 131.8.~~

(4) Any plans or proposals which each acquiring party may have to liquidate such company, to sell its assets or merge or consolidate it with any person, or to make any other material change in its business or corporate structure or management.

(5) The number of shares of any security referred to in Section 131.4 which each acquiring party proposes to acquire, ~~and~~ the terms of the offer, request, invitation, agreement, or acquisition referred to in Section 131.4 , and a statement as to the method by which the fairness of the proposal was arrived.

(6) The amount of each class of any security referred to in Section 131.4 which is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party.

(7) A full description of any existing contracts, arrangements or understandings with respect to any security referred to in Section 131.4 in which any acquiring party is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. The description must identify the persons with whom such contracts, arrangements or understandings have been entered into.

(8) A description of the acquisition of any security or policyholders' proxy referred to in Section 131.4 during the 12 calendar months preceding the filing of the statement, by any acquiring party, including the dates of acquisition, names of the acquiring parties ~~acquirors~~, and consideration paid or agreed to be paid therefor.

(9) A description of any recommendations to acquire any security referred to in Section 131.4 made during the 12 calendar months preceding the filing of the statement, by any acquiring party, or by anyone based upon interviews or at the suggestion of such acquiring party.

(10) Copies of all tender offers for, requests or invitations for tenders of, exchange offers for, and agreements to acquire or exchange any securities referred to in Section 131.4, and (if distributed) of additional soliciting material relating thereto.

(11) The terms of any agreement, contract or understanding made with, or proposed to be made with, any broker-dealer as to solicitation of securities referred to in Section 131.4 for tender, and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

(12) Beginning July 1, 2014, an agreement by the person required to file the statement referred to in this Section 131.5 that the person will provide the annual report specified in Section 131.14b for so long as control exists.

(13) Beginning July 1, 2014, an acknowledgement by the person required to file the statement referred to in this Section 131.5 that the person and all subsidiaries within its control in the insurance holding company system shall provide information to the Director upon request as necessary to evaluate enterprise risk to the company.

(14) Any additional information as the Director may by rule or regulation prescribe as necessary or appropriate for the protection of policyholders or in the public interest.

(15) With respect to each acquiring party, the following information:

(A) the name and address of all associated persons and a detailed description of every agreement, arrangement, and understanding between the acquiring party and all associated persons in connection with the merger, consolidation, or other acquisition of control;

(B) the class or series and number of shares of securities of the company that are directly or indirectly owned beneficially and of record by the acquiring party or the associated persons or both; and

(C) a detailed description of each proxy, contract, arrangement, understanding, or relationship pursuant to which the acquiring party or the associated persons, or both, have a right to vote, or cause or direct the vote of, any securities of the company.

(Source: P.A. 84-805.)

(215 ILCS 5/131.6) (from Ch. 73, par. 743.6)

Sec. 131.6. (1) If the person required to file the statement referred to in Section 131.5 is a partnership, limited partnership, syndicate or other group, the Director may require that the information be given with respect to each partner of such partnership or limited partnership, each member of such syndicate or group, and each person who controls such partner or member. If any partner, member or person is a corporation or the person required to file the statement referred to in Section 131.5 is a corporation, the

Director may require that the information be given with respect to the corporation, each officer and director of the corporation, and each person who is directly or indirectly the beneficial owner of more than 10% of the outstanding voting securities of the corporation.

(2) If any material change occurs in the facts set forth in the statement filed with the Director and sent to the company under Section 131.5 ~~131.9~~, an amendment setting forth the change, together with copies of all documents and other material relevant to the change, must be filed with the Director and sent to the company within 2 business days after the person learns of the change.

(Source: P.A. 84-805.)

(215 ILCS 5/131.8) (from Ch. 73, par. 743.8)

Sec. 131.8. (1) After the statement required by Section 131.5 has been filed, the Director shall approve ~~must disapprove~~ any merger, consolidation or other acquisition of control referred to in Section 131.4 unless ~~the acquiring party demonstrates to~~ the Director finds that:

(a) after the ~~After~~ change of control , the domestic company referred to in Section 131.4 would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(b) the effect of the merger, consolidation or other acquisition of control would be ~~not~~ substantially to lessen competition in insurance in this State or ~~not~~ tend to create a monopoly therein. In applying the competitive standard in this paragraph:

(i) the informational requirements of subsection (3)(a) and the standards of subsection (4)(b) of Section 131.12a shall apply,

(ii) the merger or other acquisition shall not be found substantially to lessen competition in insurance in this State or tend to create a monopoly therein ~~disapproved~~ if the Director finds ~~acquiring party demonstrates~~ that any of the situations meeting the criteria provided by subsection (4)(c) of Section 131.12a exist, and

(iii) the Director may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;

(c) the financial condition of any acquiring party is such as might ~~to not~~ jeopardize the financial stability of the domestic company or ~~not~~ jeopardize the interests of its policyholders;

(d) the plans or proposals which the acquiring party has to liquidate the domestic company, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair ~~fair~~ and unreasonable ~~reasonable~~ to policyholders of such company and not in the public interest; or

(e) the competence, experience and integrity of those persons who would control the operation of the domestic company are such that it would be in the best interests of policyholders of such company and of the insurance buying public to permit the merger, consolidation or other acquisition of control.

(2) The Director may hold a public hearing on any merger, consolidation or other acquisition of control referred to in Section 131.4 if the Director determines that the statement filed as required by Section 131.5 does not demonstrate compliance with the standards referred to in subsection (1), of this Section, or if he determines that such acquisition of control is likely to be hazardous or prejudicial to the ~~will adversely affect policyholders or the~~ insurance buying public.

(3) The public hearing referred to in subsection (2) must be held within 60 days after the statement required by Section 131.5 is filed, and at least 20 days' notice thereof must be given by the Director to the person filing the statement and to the domestic company. Not less than 7 ~~12~~ days' notice of such hearing must be given by the person filing the statement to such other persons as may be designated by the Director and by the company to its shareholders ~~securityholders~~. The Director must make a determination within 60 ~~30~~ days after the conclusion of the hearing. At the hearing, the person filing the statement, the domestic company, any person to whom notice of the hearing was sent, and any other person whose interests may be affected thereby has the right to present evidence, examine and cross-examine witnesses, and offer oral and written arguments and in connection therewith is entitled to conduct discovery proceedings in the same manner as is presently allowed in the Circuit Courts of this State. All discovery proceedings must be concluded not later than 3 days prior to the commencement of the public hearing.

(4) If the proposed acquisition of control will require the approval of more than one state insurance commissioner, the public hearing referred to in subsection (2) of this Section may be held on a consolidated basis upon request of the person filing the statement referred to in Section 131.5 of this Code. Such person shall file the statement referred to in Section 131.5 of this Code with the National Association of Insurance Commissioners (NAIC) within 5 days after making the request for a public

hearing. A commissioner may opt out of a consolidated hearing and shall provide notice to the applicant of the opt out within 10 days after the receipt of the statement referred to in Section 131.5 of this Code. A hearing conducted on a consolidated basis shall be public and shall be held within the United States before the commissioners of the states in which the companies are domiciled. Such commissioners shall hear and receive evidence. A commissioner may attend such hearing in person or by telecommunication.

(5) In connection with a change of control of a domestic company, any determination by the Director that the person acquiring control of the company shall be required to maintain or restore the capital of the company to the level required by the laws and regulations of this State shall be made not later than 60 days after the filing of the statement required by Section 131.5 of this Code.

(Source: P.A. 84-805.)

(215 ILCS 5/131.8a) (from Ch. 73, par. 743.8a)

Sec. 131.8a. The Director may retain at the applicant's expense any attorneys, actuaries, accountants and other experts not otherwise a part of the Director's staff as may be reasonably necessary to assist in reviewing ~~the conduct of financial or character examinations in conjunction with~~ an acquisition proposed under Section 131.4. ~~The applicant shall deposit with the Director cash, bonds or securities, acceptable to the Director, in a reasonable amount not to exceed $100,000, for purpose of securing the payment of any expert's cost.~~

(Source: P.A. 86-753.)

(215 ILCS 5/131.9a new)

Sec. 131.9a. Exemptions. Sections 131.4 through 131.12 do not apply to:

(1) any transaction that is subject to Article X of this Code dealing with merger, consolidation, or plans of exchange; or

(2) any offer, request, invitation, agreement, or acquisition that the Director by order exempts therefrom as (A) not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic company or (B) otherwise not comprehended within the purposes of Sections 131.4 through 131.12.

(215 ILCS 5/131.11) (from Ch. 73, par. 743.11)

Sec. 131.11. The following are violations of Sections 131.4 through 131.12:

(1) the failure to file any statement, amendment, or other material required to be filed under Sections 131.4 or 131.5; or

(2) the effectuation or any attempt to effectuate an acquisition of control of, divestiture of, or merger or consolidation with, a domestic company unless the Director has given his approval ~~thereto~~.

(Source: P.A. 77-673.)

(215 ILCS 5/131.12) (from Ch. 73, par. 743.12)

Sec. 131.12. The courts of this State are hereby vested with jurisdiction over every person not resident, domiciled, or authorized to do business in this State who files a statement with the Director under Section 131.4, and over all actions involving such person arising out of violations of Sections 131.4, 131.5, 131.6, ~~131.9~~ or 131.11, and each such person is deemed to have performed acts equivalent to and constituting an appointment by such a person of the Director to be his true and lawful attorney upon whom may be served all lawful process in any action, suit or proceeding arising out of violations of Sections 131.4, 131.5, 131.6, ~~131.9~~ or 131.11. Copies of all such lawful process must be served on the Director and transmitted by registered or certified mail by the Director to such person at his last known address.

(Source: P.A. 77-673.)

(215 ILCS 5/131.12a) (from Ch. 73, par. 743.12a)

Sec. 131.12a. Acquisitions involving companies ~~insurers~~ not otherwise covered.

(1) Definitions. The following definitions shall apply for the purposes of this Section only:

(a) "Acquisition" means any agreement, arrangement or activity the consummation of which results in a person acquiring directly or indirectly the control of another person or control of the insurance in force of another person, and includes but is not limited to the acquisition of voting securities, the acquisition of assets, the transaction of bulk reinsurance and the act of merging or consolidating.

(b) An "involved company ~~insurer~~" includes a company ~~an insurer~~ which either acquires or is acquired, is affiliated with an acquirer or acquired or is the result of a merger.

(2) Scope.

(a) Except as exempted in paragraph (b) of this subsection (2), this Section applies to any acquisition in which there is a change in control of a company ~~an insurer~~ authorized to do business in this State.

(b) This Section shall not apply to the following:

(i) an acquisition subject to approval or disapproval by the Director pursuant to

Section 131.8;

(ii) a purchase of securities solely for investment purposes so long as such securities are not used by voting or otherwise to cause or attempt to cause the substantial lessening of competition in any insurance market in this State. If a purchase of securities results in a presumption of control under subsection (b) of Section 131.1, it is not solely for investment purposes unless the commissioner of the company's ~~insurer's~~ state of domicile accepts a disclaimer of control or affirmatively finds that control does not exist and such disclaimer action or affirmative finding is communicated by the domiciliary commissioner to the Director of this State;

(iii) the acquisition of a person by another person when both persons are neither directly nor through affiliates primarily engaged in the business of insurance, if pre-acquisition notification is filed with the Director in accordance with subsection (3)(a) of this Section, 30 days prior to the proposed effective date of the acquisition. However, such pre-acquisition notification is not required for exclusion from this Section if the acquisition would otherwise be excluded from this Section by any other subparagraph of subsection (2)(b);

(iv) the acquisition of already affiliated persons;

(v) an acquisition if, as an immediate result of the acquisition,

(A) in no market would the combined market share of the involved companies ~~insurers~~ exceed 5% of the total market,

(B) there would be no increase in any market share, or

(C) in no market would the combined market share of the involved companies ~~insurers~~ exceed 12% of the total market, and the market share increase by more than 2% of the total market.

For the purpose of this subparagraph (b)(v), "market" means direct written insurance premium in this State for a line of business as contained in the annual statement required to be filed by companies ~~insurers~~ licensed to do business in this State;

(vi) an acquisition for which a pre-acquisition notification would be required pursuant to this Section due solely to the resulting effect on the ocean marine insurance line of business;

(vii) an acquisition of a company ~~an insurer~~ whose domiciliary commissioner affirmatively finds that such company ~~insurer~~ is in failing condition; there is a lack of feasible alternative to improving such condition; the public benefits of improving such company's ~~insurer's~~ condition through the acquisition exceed the public benefits that would arise from not lessening competition; and such findings are communicated by the domiciliary commissioner to the Director of this State.

(3) Pre-acquisition Notification; Waiting Period. An acquisition covered by subsection (2) may be subject to an order pursuant to subsection (5) unless the acquiring person files a pre-acquisition notification and the waiting period has expired. The acquired person may file a pre-acquisition notification. The Director shall give confidential treatment to information submitted under this subsection in the same manner as provided in Section 131.22 of this Article.

(a) The pre-acquisition notification shall be in such form and contain such information as prescribed by the Director, which shall conform substantially to the form of notification adopted by the National Association of Insurance Commissioners relating to those markets which, under subsection (b)(v) of Section (2), cause the acquisition not to be exempted from the provisions of this Section. The Director may require such additional material and information as he deems necessary to determine whether the proposed acquisition, if consummated, would violate the competitive standard of subsection (4). The required information may include an opinion of an economist as to the competitive impact of the acquisition in this State accompanied by a summary of the education and experience of such person indicating his or her ability to render an informed opinion.

(b) The waiting period required shall begin on the date of the receipt by the Director of a pre-acquisition notification and shall end on the earlier of the 30th day after the date of such receipt, or termination of the waiting period by the Director. Prior to the end of the waiting period, the Director on a one time basis may require the submission of additional needed information relevant to the proposed acquisition, in which event the waiting period shall end on the earlier of the 30th day after the receipt of such additional information by the Director or termination of the waiting period by the Director.

(4) Competitive Standard.

(a) The Director may enter an order under subsection (5)(a) with respect to an acquisition if there is

substantial evidence that the effect of the acquisition may be substantially to lessen competition in any line of insurance in this State or tend to create a monopoly therein or if the company ~~insurer~~ fails to file adequate information in compliance with subsection (3).

(b) In determining whether a proposed acquisition would violate the competitive standard of paragraph (a) of this subsection the Director shall consider the following:

(i) any acquisition covered under subsection (2) involving 2 or more companies ~~insurers~~ competing in the same market is prima facie evidence of violation of the competitive standards:

(A) if the market is highly concentrated and the involved companies ~~insurers~~ possess the following shares of the market:

Company ~~Insurer~~ A	Company ~~Insurer~~ B
4%	4% or more
10%	2% or more
15%	1% or more

(B) if the market is not highly concentrated and the involved companies ~~insurers~~ possess the following shares of the market:

Company ~~Insurer~~ A	Company ~~Insurer~~ B
5%	5% or more
10%	4% or more
15%	3% or more
19%	1% or more

A highly concentrated market is one in which the share of the 4 largest companies ~~insurers~~ is 75% or more of the market. Percentages not shown in the tables are to be interpolated proportionately to the percentages that are shown. If more than 2 companies ~~insurers~~ are involved, exceeding the total of the 2 columns in the table is prima facie evidence of violation of the competitive standard in paragraph (a) of this subsection. For the purpose of this subparagraph, the company ~~insurer~~ with the largest share of the market shall be deemed to be Company ~~Insurer~~ A.

(ii) There is a significant trend toward increased concentration when the aggregate market share of any grouping of the largest companies ~~insurers~~ in the market from the 2 largest to the 8 largest has increased by 7% or more of the market over a period of time extending from any base year 5-10 years prior to the acquisition up to the time of the acquisition. Any acquisition covered under subsection (2) involving 2 or more companies ~~insurers~~ competing in the same market is prima facie evidence of violation of the competitive standard in paragraph (a) of this subsection if:

(A) there is a significant trend toward increased concentration in the market,

(B) one of the companies ~~insurers~~ involved is one of the companies ~~insurers~~ in a grouping of such large companies ~~insurers~~ showing the requisite increase in the market share, and

(C) another involved company's ~~insurer's~~ market is 2% or more.

(iii) For the purpose of subsection (4)(b):

(A) The term "company" ~~"insurer"~~ includes any company or group of companies under common management, ownership or control.

(B) The term "market" means the relevant product and geographic markets. In determining the relevant product and geographical markets, the Director shall give due consideration to, among other things, the definitions or guidelines, if any, promulgated by the National Association of Insurance Commissioners and to information, if any, submitted by parties to the acquisition. In the absence of sufficient information to the contrary, the relevant product market is assumed to be the direct written insurance premium for a line of business with such line being that used in the annual statement required to be filed by companies ~~insurers~~ doing business in this State and the relevant geographical market is assumed to be this State.

(C) The burden of showing prima facie evidence of violation of the competitive standard rests upon the Director.

(iv) Even though an acquisition is not prima facie violative of the competitive standard under subparagraph (b)(i) and (b)(ii) of this subsection the Director may establish the requisite anticompetitive effect based upon other substantial evidence. Even though an acquisition is prima facie violative of the competitive standard under subparagraphs (b)(i) and (b)(ii) of this subsection (4),

a party may establish the absence of the requisite anticompetitive effect based upon other substantial evidence. Relevant factors in making a determination under this paragraph include, but are not limited to, the following: market shares, volatility of ranking of market leaders, number of competitors, concentration, trend of concentration in the industry, and ease of entry and exit into the market.

(c) An order may not be entered under subsection (5)(a) if:

(i) the acquisition will yield substantial economies of scale or economies in resource utilization that cannot be feasibly achieved in any other way, and the public benefits which would arise from such economies exceed the public benefits which would arise from not lessening competition; or

(ii) the acquisition will substantially increase the availability of insurance, and the public benefits of such increase exceed the public benefits which would arise from not lessening competition.

(5) Orders and Penalties:

(a)(i) If an acquisition violates the standard of this Section, the Director may enter an order

(A) requiring an involved company ~~insurer~~ to cease and desist from doing business in this State with respect to the line or lines of insurance involved in the violation, or

(B) denying the application of an acquired or acquiring company ~~insurer~~ for a license to do business in this State.

(ii) Such an order shall not be entered unless there is a hearing, notice of such hearing is issued prior to the end of the waiting period ~~and not less than 15 days prior to the end of the waiting period~~ and not less than 15 days prior to the hearing, and the hearing is concluded and the order is issued no later than 60 days after the end of the waiting period. Every order shall be accompanied by a written decision of the Director setting forth his findings of fact and conclusions of law.

(iii) (Blank). ~~An order entered under this paragraph shall not become final earlier than 30 days after it is issued, during which time the involved insurer may submit a plan to remedy the anticompetitive impact of the acquisition within a reasonable time. Based upon such plan or other information, the Director shall specify, if any, the conditions under and the time period during which the aspects of the acquisition causing a violation of the standards of this Section would be remedied and the order vacated or modified.~~

(iv) An order pursuant to this paragraph shall not apply if the acquisition is not consummated.

(b) Any person who violates a cease and desist order of the Director under paragraph (a) and while such order is in effect may after notice and hearing and upon order of the Director be subject at the discretion of the Director to any one or more of the following:

(i) a monetary penalty of not more than $10,000 for every day of violation or

(ii) suspension or revocation of such person's license ~~or both~~.

(c) Any company ~~insurer~~ or other person who fails to make any filing required by this Section and who also fails to demonstrate a good faith effort to comply with any such filing requirement shall be subject to a civil penalty of not more than $50,000.

(6) Inapplicable Provisions. Subsections (2) and (3) of Section 131.23 and Section 131.25 do not apply to acquisitions covered under subsection (2).

(Source: P.A. 92-16, eff. 6-28-01.)

(215 ILCS 5/131.13) (from Ch. 73, par. 743.13)

Sec. 131.13. Registration of companies. Every company which is authorized to do business in this State and which is a member of an insurance holding company system must register with the Director, except a foreign or alien company subject to registration requirements and standards adopted by statute or regulation in the jurisdiction of its domicile which are substantially similar to those contained in this section and Sections 131.14 through 131.20a ~~131.19~~. Any company which is subject to registration under this section must register within 60 days after the effective date of this Article or 15 days after it becomes subject to registration, whichever is later, unless the Director for good cause shown extends the time for registration, and then within such extended time. The Director may require any authorized company which is a member of a holding company system which is not subject to registration under this section to furnish a copy of the registration statement or other information filed by such company with the insurance regulatory authority of its domiciliary jurisdiction.

~~If upon review of the information filed pursuant to this Section and the information included in the annual statement filed pursuant to Section 136, the Director determines there is a potential for adverse economic impact due to substantial ownership of companies authorized to do business in this State by persons who are not citizens or residents of the United States or entities which are not organized or created under the laws of any state or territory of the United States, he shall report such determination along with any legislative recommendations to the General Assembly.~~

(Source: P.A. 84-805.)

(215 ILCS 5/131.14) (from Ch. 73, par. 743.14)

Sec. 131.14. Every company subject to registration must file a registration statement on a ~~in the~~ form and in a format prescribed ~~designated~~ by the Director, which shall contain the following ~~contains~~ current information ~~about~~:

(1) the capital structure, general financial condition, ownership and management of the company and any person controlling the company;

(2) the identity and relationship of every member of the insurance holding company system;

(3) the following agreements in force, relationships subsisting, and transactions currently outstanding or that have occurred during the last calendar year between such company and its affiliates:

(a) loans, other investments, or purchases, sales or exchanges of ~~or~~ securities of the affiliates by the company or of the company by its affiliates;

(b) purchases, sales, or exchanges of assets;

(c) transactions not in the ordinary course of business;

(d) guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the company's assets to liability, other than insurance contracts entered into in the ordinary course of the company's business;

(e) all management agreements, ~~and~~ service contracts , and ~~all~~ cost-sharing arrangements~~, other than cost allocation arrangements based upon generally accepted accounting principles~~; ~~and~~

(f) reinsurance agreements;

(f-5) dividends and other distributions to shareholders;

(g) any pledge of the company's own securities, securities of any subsidiary or controlling affiliate, to secure a loan made to any member of the insurance holding company system; and

(h) consolidated tax allocation agreements; .

(4) (blank); ~~other matters concerning transactions between registered companies and any affiliates as may be included from time to time in any registration forms adopted or approved by the Director.~~

(5) financial statements of or within an insurance holding company system, including all affiliates, if requested by the Director; financial statements may include, but are not limited to, annual audited financial statements filed with the U.S. Securities and Exchange Commission (SEC) pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended; a company required to file financial statements pursuant to this paragraph (5) may satisfy the request by providing the Director with the most recently filed parent corporation financial statements that have been filed with the SEC;

(6) statements that the company's or its parent company's board of directors or a committee thereof oversees corporate governance and internal controls and that the company's officers or senior management have approved and implemented and continue to maintain and monitor corporate governance and internal controls; and

(7) other matters concerning transactions between registered companies and any affiliates as may be included from time to time in any registration forms adopted or approved by the Director.

(Source: P.A. 84-805.)

(215 ILCS 5/131.14a new)

Sec. 131.14a. Summary filing. Every company subject to registration must file a summary outlining all items in the current registration statement representing changes from the prior registration statement.

(215 ILCS 5/131.14b new)

Sec. 131.14b. Enterprise risk filing. The ultimate controlling person of every company subject to registration shall also file an annual enterprise risk report. The report shall, to the best of the ultimate controlling person's knowledge and belief, identify the material risks within the insurance holding company system that could pose enterprise risk to the company. The report shall be filed with the lead state commissioner of the insurance holding company system as determined by the procedures within the Financial Analysis Handbook adopted by the National Association of Insurance Commissioners.

(215 ILCS 5/131.14c new)

Sec. 131.14c. Violations. The failure to file a registration statement or any summary of the registration statement or enterprise risk filing required by this Article within the time specified for filing shall be a

violation of this Article.

(215 ILCS 5/131.14d new)

Sec. 131.14d. Confidentiality.

(a) Documents, materials, or other information in the possession or control of the Director that are obtained by, created by, or disclosed to the Director or any other person pursuant to Section 131.14b are recognized as being proprietary and to contain trade secrets. Disclosure of such documents, materials, or other information is recognized as damaging to the competitive position of the insurer whose confidential information is in the possession or control of the Director. All such documents, materials, or other information shall be confidential by law and privileged, shall not be subject to the Freedom of Information Act, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. However, the Director is authorized to use such documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the Director's official duties. The Director shall not otherwise disclose or make such documents, materials, or other information public without the prior written consent of the insurer.

(b) An insurer whose documents, materials, or other information is in the possession or control of the Director or any other person pursuant to Section 131.14b of this Code and who is aggrieved by an actual or threatened disclosure of such documents, materials, or other information or by any violation of this Section, may commence proceedings, subject in the case of the Director to Article III of the Code of Civil Procedure, in any court of competent jurisdiction to prevent such disclosure or to enforce the provisions of this Section.

(c) Neither the Director nor any person who received documents, materials, or other information relating to the report required by Section 131.14b of this Code, through examination or otherwise, while acting under the authority of the Director or with whom such documents, materials, or other information are shared pursuant to this Section, Section 131.14b or Section 131.20c of this Code shall be permitted or required to testify in any private civil action concerning any confidential documents, materials, or information subject to subsection (a) of this Section.

(d) Solely to assist in the performance of the Director's regulatory duties, the Director may do the following:

(1) upon request, share documents, materials, or other information relating to the report required by Section 131.14b of this Code, including the confidential and privileged documents, materials, or information subject to subsection (a) of this Section, including proprietary and trade secret documents and materials with other state, federal, and international financial regulatory agencies, including members of any supervisory college as provided for in Section 131.20c of this Code, with the NAIC and with any third-party consultants designated by the Director, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the documents, materials, or other information relating to the report required by Section 131.14b of this Code and has verified in writing the legal authority to maintain confidentiality; and

(2) receive documents, materials, or other information relating to the report required by Section 131.14b of this Code, including otherwise confidential and privileged documents, materials, or information, including proprietary and trade secret information or documents, from regulatory officials of other foreign or domestic jurisdictions, including members of any supervisory college as defined in Section 131.20c of this Code, and from the NAIC, and shall maintain as confidential or privileged any documents, materials, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information.

(e) The Director shall enter into a written agreement with any member of a supervisory college as provided for in Section 131.20c of this Code, the International Association of Insurance Supervisors (IAIS), the NAIC, or any third-party consultant governing sharing and use of information provided pursuant to this Section. The agreement shall do the following:

(1) specify procedures and protocols regarding the confidentiality and security of information shared with the member of a supervisory college, the IAIS, the NAIC, or the third-party consultant pursuant to this Section, including procedures and protocols for sharing by the member of a supervisory college, the IAIS, or the NAIC with international, federal, or state regulators;

(2) specify that ownership of information shared with the member of a supervisory college, the IAIS, the NAIC, or the third-party consultant pursuant to this Section remains with the Director and that the member of a supervisory college's, the IAIS's , the NAIC's, or the third-party consultant's use of the information is subject to the direction of the Director;

(3) restrict the member of a supervisory college, the IAIS, the NAIC, or the third-party consultant from storing the information shared pursuant to this Section in a permanent database;

(4) require notice to be given within 5 business days to an insurer whose confidential information,

in the possession of the member of a supervisory college, the IAIS, the NAIC, or the third-party consultant pursuant to this Section, is subject to a request or subpoena to the member of a supervisory college, the IAIS, the NAIC, or the third-party consultant for disclosure or production;

(5) require the member of a supervisory college, the IAIS, the NAIC, or the third-party consultant to consent to intervention by an insurer in any judicial or administrative action in which the member of a supervisory college, the IAIS, the NAIC, or the third-party consultant may be required to disclose confidential information about the insurer shared with the member of a supervisory college, the IAIS, the NAIC, or the third-party consultant pursuant to this Section; and

(6) in the case of an agreement involving a third-party consultant, provide for the insurer's prior written consent to the sharing of information with that third-party consultant.

(f) The sharing of information and documents by the Director pursuant to this Section shall not constitute a delegation of regulatory authority or rulemaking, and the Director is solely responsible for the administration and execution of the provisions of this Section. An insurer whose confidential information is in the possession of the member of a supervisory college, the IAIS, the NAIC, or third-party consultant pursuant to this Section and who is aggrieved by an actual or threatened disclosure of confidential information, or by any violation of this Section, may commence proceedings in any court of competent jurisdiction to prevent such disclosure or to enforce the provisions of this Section.

(g) No waiver of any applicable privilege or claim of confidentiality in the documents, proprietary and trade secret materials, or other information relating to the report required by Section 131.14b of this Section, shall occur as a result of disclosure of such documents, materials, or other information relating to the report required by Section 131.14b of this Section to the Director or as a result of sharing as authorized in this Section.

(h) Documents, materials, or other information in the possession or control of a member of a supervisory college, the IAIS, the NAIC, or a third-party consultant pursuant to this Section shall be confidential by law and privileged, shall not be subject to Freedom of Information Act, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action.

(215 ILCS 5/131.16) (from Ch. 73, par. 743.16)

Sec. 131.16. Reporting material changes or additions; penalty for late registration statement.

(1) Each registered company must keep current the information required to be included in its registration statement by reporting all material changes or additions on amendment forms designated by the Director within 15 days after the end of the month in which it learns of each change or addition, or within a longer time thereafter as the Director may establish. Any transaction which has been submitted to the Director pursuant to Section 131.20a need not be reported to the Director under this subsection; except each registered company must report all dividends and other distributions to shareholders within 15 ~~5~~ business days following the declaration ~~and no less than 10 business days prior to payment thereof~~.

(2) On or before May 1 each year, each company subject to registration under this Article shall file a statement in a format as designated by the Director. This statement shall include information previously included in an amendment under subsection (1) of this Section, transactions and agreements submitted under Section 131.20a, and any other material transactions which are required to be reported.

(2.5) Any person within an insurance holding company system subject to registration shall be required to provide complete and accurate information to a company where the information is reasonably necessary to enable the company to comply with the provisions of this Article.

(3) Any company failing, without just cause, to file any registration statement, any summary of changes to a registration statement, or any Enterprise Risk Filing or any person within an insurance holding company system who fails to provide complete and accurate information to a company as required in this Code shall be required, after notice and hearing, to pay a penalty of up to $1,000 for each day's delay, to be recovered by the Director of Insurance of the State of Illinois and the penalty so recovered shall be paid into the General Revenue Fund of the State of Illinois. The maximum penalty under this section is $50,000. The Director may reduce the penalty if the company demonstrates to the Director that the imposition of the penalty would constitute a financial hardship to the company.

(Source: P.A. 88-364.)

(215 ILCS 5/131.17) (from Ch. 73, par. 743.17)

Sec. 131.17. (1) The Director must terminate the registration of any company which demonstrates that it no longer is a member of an insurance holding company system.

(2) The Director may require or allow 2 or more affiliated companies subject to registration to file a consolidated registration statement. ~~Two or more affiliated companies subject to registration hereunder may file a consolidated registration statement or consolidated reports amending their consolidated registration statement or their individual registration statements unless the Director requires a separate~~

~~registration statement or report from each registered company.~~

(3) A company which is authorized to do business in this State and which is part of an insurance holding company system may register on behalf of any affiliated company which is required to register under Section 131.13 and to file all information and material required to be filed under this Article unless the Director requires a separate registration by the affiliated company.

(Source: P.A. 77-673.)

(215 ILCS 5/131.18) (from Ch. 73, par. 743.18)

Sec. 131.18. Sections 131.13 through 131.19 do not apply to any company, information, or transaction if and to the extent that the Director by rule, regulation, or order may exempt the same from Sections 131.13 through 131.19.

~~Any requirement for the furnishing of financial statements of the insurance holding company system, or any member thereof, as part of or in connection with the registration statement filed under Section 131.14 shall not apply to any company which submits and maintains in effect in lieu thereof a guarantee or a bond acceptable to the Director in an amount equal to the capital and surplus of the company as shown on its most recent audited financial statements, payable to the Director for the benefit of the creditors, policyholders and stockholders of the company as their interests may appear. Such guarantee, if issued by a national bank, and such a bond, if issued by a licensed insurance company which is not a member of the insurance holding company system, in each case having capital and surplus in excess of $25,000,000, shall be deemed acceptable.~~

(Source: P.A. 77-673.)

(215 ILCS 5/131.19) (from Ch. 73, par. 743.19)

Sec. 131.19. Disclaimer of affiliation. Any person may file with the Director a disclaimer of affiliation with any authorized company or a disclaimer may be filed by the ~~a~~ company or any member of an insurance holding company system. The disclaimer shall ~~must~~ fully disclose all material relationships and bases ~~basis~~ for affiliation between the person and the company as well as the basis for disclaiming the affiliation. A disclaimer of affiliation shall be deemed to have been granted unless the Director, within 30 days following receipt of a complete disclaimer, notifies the filing party that the disclaimer is disallowed. In the event of disallowance, the disclaiming party may request an administrative hearing, which shall be granted. The disclaiming party shall be relieved of its duty to register under Section 131.13 of this Code if approval of the disclaimer has been granted by the Director or if the disclaimer is deemed to have been approved. ~~After a disclaimer is filed, the company is relieved of any duty to register or report under Section 131.13 which may arise out of the company's relationship with the person unless and until the Director disallows the disclaimer. The Director may disallow such a disclaimer only after furnishing all parties in interest with notice and opportunity to be heard and after making specific findings of fact to support the disallowance.~~

(Source: P.A. 84-805.)

(215 ILCS 5/131.20) (from Ch. 73, par. 743.20)

Sec. 131.20. Standards for transactions with affiliates; adequacy of surplus.

(1) Transactions ~~Material transactions~~ with their affiliates by companies subject to registration are subject to the following standards:

(a) the terms are fair and reasonable;

(a-5) agreements for cost sharing services and management shall include such provisions as may be required by rules and regulations issued by the Director;

(b) charges or fees for services performed are reasonable;

(c) expenses incurred and payment received must be allocated to the company ~~insurer~~ in conformity with customary insurance accounting practices consistently applied;

(d) the books, accounts, and records of each party must be so maintained as to clearly and accurately disclose the precise nature and details of the transactions, including accounting information necessary to support the reasonableness of the charges or fees to the respective parties; and

(e) the company's surplus as regards policyholders following any transactions with affiliates or dividends or distributions to securityholders or affiliates must be reasonable in relation to the company's outstanding liabilities and adequate to meet its financial needs.

(2) For purposes of this Article, in determining whether a company's surplus as regards policyholders is reasonable in relation to the company's outstanding liabilities and adequate to meet its needs, the following factors, among others, may be considered:

(a) the size of the company as measured by its assets, capital and surplus, reserves, premium writings, insurance in force and other appropriate criteria;

(b) the extent to which the company's business is diversified among ~~the~~ several lines of insurance;

(c) the number and size of risks insured in each line of business;

(d) the extent of the geographical dispersion of the company's insured risks;

(e) the nature and extent of the company's reinsurance program;

(f) the quality, diversification, and liquidity of the company's investment portfolio;

(g) the recent past and projected future trend in the size of the company's investment portfolio ~~surplus as regards policyholders~~;

(h) the surplus as regards policyholders maintained by companies comparable to the registrant in respect of the factors enumerated in this paragraph;

(i) the adequacy of the company's reserves;

(j) the quality of the company's earnings and the extent to which the reported earnings include extraordinary items; and

(k) the quality and liquidity of investments in affiliates ~~subsidiaries made under Section 131.2 or 131.3~~. The Director may discount any such investment or treat any such investment as a non-admitted asset for purposes of determining the adequacy of surplus as regards policyholders whenever the investment so warrants.

(Source: P.A. 88-364.)

(215 ILCS 5/131.20a) (from Ch. 73, par. 743.20a)

Sec. 131.20a. Prior notification of transactions; dividends and distributions.

(1) (a) The following transactions listed in items (i) through (vii) involving ~~between~~ a domestic company and any person in its insurance holding company system, including amendments or modifications (other than termination) of affiliate agreements previously filed pursuant to this Section, which are subject to any materiality standards contained in this Section, may not be entered into unless the company has notified the Director in writing of its intention to enter into such transaction at least 30 days prior thereto, or such shorter period as the Director may permit, and the Director has not disapproved it within such period. The notice for amendments or modifications (other than termination) shall include the reasons for the change and the financial impact on the domestic company. Informal notice shall be reported, within 30 days after a termination of a previously filed agreement, to the Director for determination of the type of filing required, if any. ~~:~~

(i) Sales, purchases, exchanges of assets, loans or extensions of credit, guarantees, investments, or any other transaction, except dividends, ~~(A)~~ that involves the transfer of assets from or liabilities to a company (A) equal to or exceeding the lesser of 3% of the company's admitted assets or 25% of its surplus as regards policyholders as of the 31st day of December next preceding or (B) that is proposed when the domestic company is not eligible to declare and pay a dividend or other distribution pursuant to the provisions of Section 27.

(ii) Loans or extensions of credit to any person that is not an affiliate (A) that involve the lesser of 3% of the company's admitted assets or 25% of the company's surplus, each as of the 31st day of December next preceding, made with the agreement or understanding that the proceeds of such transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the company making such loans or extensions of credit or (B) that are proposed when the domestic company is not eligible to declare and pay a dividend or other distribution pursuant to the provisions of Section 27.

(iii) Reinsurance agreements or modifications thereto, including all reinsurance pooling agreements, reinsurance agreements in which the reinsurance premium or a change in the company's liabilities, or the projected reinsurance premium or a change in the company's liabilities in any of the next 3 years, equals or exceeds 5% of the company's surplus as regards policyholders, as of the 31st day of December next preceding, including those agreements that may require as consideration the transfer of assets from a company ~~an insurer~~ to a nonaffiliate, if an agreement or understanding exists between the company ~~insurer~~ and nonaffiliate that any portion of those assets will be transferred to one or more affiliates of the company ~~insurer~~.

(iv) All management agreements; ~~,~~ service contracts, other than agency contracts; tax allocation agreements; all reinsurance allocation agreements related to reinsurance agreements required to be filed under this Section; and all cost-sharing arrangements ~~, and any other contracts providing for the rendering of services on a regular systematic basis~~.

(v) Direct or indirect acquisitions or investments in a person that controls the company, or in an affiliate of the company, in an amount which, together with its present holdings in such investments, exceeds 2.5% of the company's surplus as regards policyholders. Direct or indirect acquisitions or investments in subsidiaries acquired pursuant to Section 131.2 of this Article (or authorized under any

other Section of this Code), or in non-subsidiary insurance affiliates that are subject to the provisions of this Article, are exempt from this requirement.

(vi) Any series of the previously described transactions that are substantially similar to each other, that take place within any 180 day period, and that in total are equal to or exceed the lesser of 3% of the domestic company's ~~insurer's~~ admitted assets or 25% of its policyholders surplus, as of the 31st day of the December next preceding.

(vii) ~~(vi)~~ Any other material transaction that the Director by rule determines might render the company's surplus as regards policyholders unreasonable in relation to the company's outstanding liabilities and inadequate to its financial needs or may otherwise adversely affect the interests of the company's policyholders or shareholders.

Nothing herein contained shall be deemed to authorize or permit any transactions that, in the case of a company ~~an insurer~~ not a member of the same holding company system, would be otherwise contrary to law.

(b) Any transaction or contract otherwise described in paragraph (a) of this subsection that is between a domestic company ~~insurer~~ and any person that is not its affiliate and that precedes or follows within 180 days or is concurrent with a similar transaction between that nonaffiliate and an affiliate of the domestic company and that involves amounts that are equal to or exceed the lesser of 3% of the domestic company's ~~insurer's~~ admitted assets or 25% of its surplus as regards policyholders at the end of the prior year may not be entered into unless the company has notified the Director in writing of its intention to enter into the transaction at least 30 days prior thereto or such shorter period as the Director may permit, and the Director has not disapproved it within such period.

(c) A company may not enter into transactions which are part of a plan or series of like transactions with any person within the holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would occur otherwise. If the Director determines that such separate transactions were entered into for such purpose, he may exercise his authority under subsection (2) of Section 131.24.

(d) The Director, in reviewing transactions pursuant to paragraph (a), shall consider whether the transactions comply with the standards set forth in Section 131.20 and whether they may adversely affect the interests of policyholders.

(e) The Director shall be notified within 30 days of any investment of the domestic company ~~insurer~~ in any one corporation if the total investment in that corporation by the insurance holding company system exceeds 10% of that corporation's voting securities.

(f) Except for those transactions subject to approval under other Sections of this Code, any such transaction or agreements which are not disapproved by the Director may be effective as of the date set forth in the notice required under this Section.

(g) If a domestic company ~~insurer~~ enters into a transaction described in this subsection without having given the required notification, the Director may cause the company ~~insurer~~ to pay a civil forfeiture of not more than $250,000. Each transaction so entered shall be considered a separate offense.

(2) No domestic company subject to registration under Section 131.13 may pay any extraordinary dividend or make any other extraordinary distribution to its shareholders ~~securityholders~~ until: (a) 30 days after the Director has received notice of the declaration thereof and has not within such period disapproved the payment, or (b) the Director approves such payment within the 30-day period. For purposes of this subsection, an extraordinary dividend or distribution is any dividend or distribution of cash or other property whose fair market value, together with that of other dividends or distributions, made within the period of 12 consecutive months ending on the date on which the proposed dividend is scheduled for payment or distribution exceeds the greater of: (a) 10% of the company's surplus as regards policyholders as of the 31st day of December next preceding, or (b) the net income of the company for the 12-month period ending the 31st day of December next preceding, but does not include pro rata distributions of any class of the company's own securities.

Notwithstanding any other provision of law, the company may declare an extraordinary dividend or distribution which is conditional upon the Director's approval, and such a declaration confers no rights upon security holders until: (a) the Director has approved the payment of the dividend or distribution, or (b) the Director has not disapproved the payment within the 30-day period referred to above.

(Source: P.A. 92-140, eff. 7-24-01.)

(215 ILCS 5/131.20b)

Sec. 131.20b. Controlled companies ~~insurers~~; management; directors.

(1) Notwithstanding the control of a domestic company ~~insurer~~ by any person, the officers and directors of the company ~~insurer~~ shall not thereby be relieved of any obligation or liability to which they would otherwise be subject by law, and the company ~~insurer~~ shall be managed so as to assure its

separate operating identity consistent with this Article ~~VIII 1/2 of this Code~~.

(2) Nothing in this Section shall preclude a domestic company ~~insurer~~ from having or sharing a common management or a cooperative or joint use of personnel, property, or services with one or more affiliated persons under arrangements meeting the standards and requirements of Sections 131.20 and 131.20a.

(3) Not ~~After June 30, 2002, not~~ less than one-third of the directors of a domestic company, and not less than one-third of the members of each committee of the board of directors of any domestic company, ~~insurer~~ that is a member of an insurance holding company system shall be persons who are not officers or employees of the company ~~insurer~~ or of any entity controlling, controlled by, or under common control with the company ~~insurer~~ and who are not beneficial owners of a controlling interest in the voting stock of the company ~~insurer~~ or any such entity. At least one such person shall be included in any quorum for the transaction of business at any meeting of the board of directors or any committee thereof.

(3.5) The board of directors of a domestic company or ultimate controlling company shall establish one or more committees comprised solely of directors who are not officers or employees of the company or of any entity controlling, controlled by, or under common control with the company and who are not beneficial owners of a controlling interest in the voting stock of the company or any such entity. The committee or committees shall have responsibility for nominating candidates for director for election by shareholders or policyholders, evaluating the performance of officers deemed to be principal officers of the company, and recommending to the board of directors the selection and compensation of the principal officers.

(4) Subsections ~~Subsection~~ (3) and (3.5) of this Section do ~~does~~ not apply to a domestic company ~~insurer~~ if the ultimate controlling company or the person ~~entity~~ controlling the company, such as a company, a mutual insurance holding company, or a publicly held corporation, has a board of directors and committees thereof that meet the requirements of subsections (3) and (3.5) with respect to such controlling entity or are subject to and meet the requirements of the corporate governance rules of a national securities exchange, such as the New York Stock Exchange, or an inter-dealer quotation system, such as the National Association of Securities Dealers Automatic Quotation ~~the insurer, whether directly or through an intermediate subsidiary, has a board of directors composed in accordance with that subsection~~.

(5) (Blank). ~~Subsection (3) of this Section does not apply to a domestic insurer if the ultimate controlling party of the domestic insurer is a corporation whose equity securities or equivalent instruments are listed on the New York Stock Exchange.~~

(6) A company may make application to the Director for a waiver from the requirements of this Section, if the company's annual direct written and assumed premium, excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, is less than $300,000,000. A company may also make application to the Director for a waiver from the requirements of this Section based upon unique circumstances. The Director may consider various factors, including, but not limited to, the type of business entity, volume of business written, availability of qualified board members, or the ownership or organizational structure of the entity.

(Source: P.A. 92-140, eff. 7-24-01.)

(215 ILCS 5/131.20c new)

Sec. 131.20c. Supervisory colleges.

(a) With respect to any company registered under Section 131.13 of this Code, and in accordance with subsection (c) of this Section, the Director shall also have the power to participate in a supervisory college for any domestic company that is part of an insurance holding company system with international operations in order to determine compliance by the company with this Article. The powers of the Director with respect to supervisory colleges include, but are not limited to:

(1) initiating the establishment of a supervisory college;

(2) clarifying the membership and participation of other supervisors in the supervisory college;

(3) clarifying the functions of the supervisory college and the role of other regulators, including the establishment of a group-wide supervisor;

(4) coordinating the ongoing activities of the supervisory college, including planning meetings, supervisory activities, and processes for information sharing; and

(5) establishing a crisis management plan.

(b) Each registered company subject to this Section shall be liable for and shall pay the reasonable expenses of the Director's participation in a supervisory college in accordance with subsection (c) of this Section, including reasonable travel expenses. For purposes of this Section, a supervisory college may be convened as either a temporary or permanent forum for communication and cooperation between the

regulators charged with the supervision of the company or its affiliates, and the Director may establish a regular assessment to the company for the payment of these expenses.

(c) In order to assess the business strategy, financial position, legal and regulatory position, risk exposure, risk management, and governance processes, and as part of the examination of individual companies in accordance with Section 131.21 of this Code, the Director may participate in a supervisory college with other regulators charged with supervision of the company or its affiliates, including other state, federal, and international regulatory agencies. The Director may enter into agreements in accordance with Section 131.22 of this Code providing the basis for cooperation between the Director and the other regulatory agencies and the activities of the supervisory college. Nothing in this Section shall delegate to the supervisory college the authority of the Director to regulate or supervise the company or its affiliates within its jurisdiction.

(215 ILCS 5/131.21) (from Ch. 73, par. 743.21)

Sec. 131.21. Examination.

(1) Subject to the limitation contained in this section and in addition to the powers which the Director has under Sections 132 through 132.7 and 401 through 403 of this Code relating to the examination of companies, the Director shall have the power to examine any company registered under Section 131.13 of this Code and its affiliates to ascertain the financial condition of the company, including the enterprise risk to the company by the ultimate controlling party, or by any entity or combination of entities within the insurance holding company system, or by the insurance holding company system on a consolidated basis. ~~also has the power to order any company registered under Section 131.13 to produce such records, books, or other information papers in the possession of the company or its affiliates as are reasonably necessary to ascertain the financial condition of such company or to determine compliance with this Article. In the event the company fails to comply with the order, the Director has the power to examine the affiliates to obtain such information.~~

(1.5) The Director may order any company registered under Section 131.13 of this Code to produce such records, books, or other information papers in the possession of the company or its affiliates as are reasonably necessary to determine compliance with this Article. To determine compliance with this Article, the Director may order any company registered under Section 131.13 of this Code to produce information not in the possession of the company if the company can obtain access to such information pursuant to contractual relationships, statutory obligations, or other methods. In the event the company cannot obtain the information requested by the Director, the company shall provide the Director a detailed explanation of the reason that the company cannot obtain the information and the identity of the holder of the information. Whenever the Director determines that the detailed explanation is without merit, the Director may require, after notice and hearing, the company to pay a penalty of up to $1,000 for each day's delay, or may suspend or revoke the company's license.

(2) The Director may retain at the registered company's expense any attorneys, actuaries, accountants and other experts not otherwise a part of the Director's staff as may be reasonably necessary to assist in the conduct of the examination under subsection (1). Any persons so retained are under the direction and control of the Director and may act in a purely advisory capacity.

(3) Each registered company producing for examination records, books and papers under subsection (1.5) ~~(1)~~ is liable for and must pay the expense of the examination in accordance with Section 408 of this Code.

(4) The Director may retain at the registered company's expense any attorneys, actuaries, accountants, and other experts not otherwise a part of the Director's staff as may be reasonably necessary to assist in the conduct of the examination under subsection (1) of this Section. Any persons so retained are under the direction and control of the Director and may act in a purely advisory capacity.

(5) In the event the company fails to comply with an order, the Director shall have the power to examine the affiliates to obtain the information. The Director shall also have the power to issue subpoenas, to administer oaths, and to examine under oath any person for purposes of determining compliance with this Section. Upon the failure or refusal of any person to obey a subpoena, the Director may petition a court of competent jurisdiction and, upon proper showing, the court may enter an order compelling the witness to appear and testify or produce documentary evidence. Failure to obey the court order shall be punishable as contempt of court. Every person shall be obliged to attend as a witness at the place specified in the subpoena, when subpoenaed, anywhere within the State. He or she shall be entitled to the same fees and mileage, if claimed, as a witness in the Circuit Court, which fees, mileage, and actual expense, if any, necessarily incurred in securing the attendance of witnesses, and their testimony, shall be itemized and charged against, and be paid by, the company being examined.

(Source: P.A. 89-97, eff. 7-7-95.)

(215 ILCS 5/131.22) (from Ch. 73, par. 743.22)

Sec. 131.22. Confidential treatment.

(a) Documents, materials, or other information in the possession or control of the Department that are obtained by or disclosed to the Director or any other person in the course of an examination or investigation made pursuant to this Article and all information reported pursuant to this Article shall be confidential by law and privileged, shall not be subject to the Illinois Freedom of Information Act, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. However, the Director is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the Director's official duties. The Director shall not otherwise make the documents, materials, or other information public without the prior written consent of the company to which it pertains unless the Director, after giving the company and its affiliates who would be affected thereby prior written notice and an opportunity to be heard, determines that the interest of policyholders, shareholders, or the public shall be served by the publication thereof, in which event the Director may publish all or any part in such manner as may be deemed appropriate.

(b) Neither the Director nor any person who received documents, materials, or other information while acting under the authority of the Director or with whom such documents, materials, or other information are shared pursuant to this Article shall be permitted or required to testify in any private civil action concerning any confidential documents, materials, or information subject to subsection (a) of this Section.

(c) In order to assist in the performance of the Director's duties, the Director:

(1) may share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to subsection (a) of this Section, with other state, federal, and international regulatory agencies, with the NAIC and its affiliates and subsidiaries, and with state, federal, and international law enforcement authorities, including members of any supervisory college allowed by this Article, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information, and has verified in writing the legal authority to maintain confidentiality;

(1.5) notwithstanding paragraph (1) of this subsection (c), may only share confidential and privileged documents, material, or information reported pursuant to Section 131.14b with commissioners of states having statutes or regulations substantially similar to subsection (a) of this Section and who have agreed in writing not to disclose such information;

(2) may receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information from the NAIC and its affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; any such documents, materials, or information, while in the Director's possession, shall not be subject to the Illinois Freedom of Information Act and shall not be subject to subpoena; and

(3) shall enter into written agreements with the NAIC governing sharing and use of information provided pursuant to this Article consistent with this subsection (c) that shall (i) specify procedures and protocols regarding the confidentiality and security of information shared with the NAIC and its affiliates and subsidiaries pursuant to this Article, including procedures and protocols for sharing by the NAIC with other state, federal, or international regulators; (ii) specify that ownership of information shared with the NAIC and its affiliates and subsidiaries pursuant to this Article remains with the Director and the NAIC's use of the information is subject to the direction of the Director; (iii) require prompt notice to be given to a company whose confidential information in the possession of the NAIC pursuant to this Article is subject to a request or subpoena to the NAIC for disclosure or production; and (iv) require the NAIC and its affiliates and subsidiaries to consent to intervention by a company in any judicial or administrative action in which the NAIC and its affiliates and subsidiaries may be required to disclose confidential information about the company shared with the NAIC and its affiliates and subsidiaries pursuant to this Article.

(d) The sharing of documents, materials, or information by the Director pursuant to this Article shall not constitute a delegation of regulatory authority or rulemaking, and the Director is solely responsible for the administration, execution, and enforcement of the provisions of this Article.

(e) No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the Director under this Section or as a result of sharing as authorized in subsection (c) of this Section.

(f) Documents, materials, or other information in the possession or control of the NAIC pursuant to this Article shall be confidential by law and privileged, shall not be subject to the Illinois Freedom of

Information Act, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. ~~All information, documents, and copies thereof obtained by or disclosed to the Director or any other person in the course of an examination or investigation made under Section 131.21 and all information submitted under Sections 131.13 or 131.20a and all personal financial statement information submitted under Section 131.5 must be given confidential treatment and is not subject to subpoena and may not be made public by the Director or any other person, without the prior written consent of the company to which it pertains unless the Director, after giving the company and its affiliates who would be affected thereby notice and opportunity to be heard, determines that the interests of policyholders, shareholders or the public will be served by the publication thereof in which event he may publish all or any part thereof in such manner as he may deem appropriate.~~

~~Nothing contained in this Section shall prevent or be construed as prohibiting the Director from disclosing such information to the insurance department of any other state or county or to law enforcement officials of this or any other state or agency of the federal government at any time upon the written agreement of the entity receiving the information to hold that information confidential and in a manner consistent with this Code.~~

(Source: P.A. 88-364.)

(215 ILCS 5/131.23) (from Ch. 73, par. 743.23)

Sec. 131.23. Injunctions; prohibitions against voting securities; sequestration of voting securities. (1) Whenever it appears to the Director that any company or any director, officer, employee or agent thereof has committed or is about to commit a violation of this Article or of any rule, regulation, or order issued by the Director hereunder, the Director may apply to the Circuit Court for the county in which the principal office of the company is located or to the Circuit Court for Sangamon County for an order enjoining the company or the director, officer, employee or agent thereof from violating or continuing to violate this Article or any rule, regulation or order, and for any other equitable relief as the nature of the case and the interests of the company's policyholders, creditors or the public may require. In any proceeding, the validity of the rule, regulation or order alleged to have been violated may be determined by the Court.

(2) No security or shareholder's or policyholder's proxy which is the subject of any agreement or arrangement regarding acquisition, or which is acquired or to be acquired, in contravention of this Article or of any rule, regulation or order issued by the Director hereunder may be voted at any shareholders' ~~securityholders'~~ meeting, or may be counted for quorum purposes, and any action of shareholders ~~securityholders'~~ requiring the affirmative vote of a percentage of securities shall ~~may~~ be taken as though such securities (including securities that may be voted pursuant to such proxies) were not issued and outstanding; but no action taken at any such meeting may be invalidated by the voting of such securities or proxies, unless the action would materially affect control of the company or unless any court of this State has so ordered. If the Director has reason to believe that any security or shareholder's or policyholder's proxy of the company has been or is about to be acquired in contravention of this Article or of any rule, regulation or order issued by the Director hereunder the company or the Director may apply to the Circuit Court for Sangamon County or to the Circuit Court for the county in which the company has its principal place of business (a) to enjoin the further pursuit or use of any offer, request, invitation, agreement or acquisition made in contravention of Sections 131.4 through 131.12 or any rule, regulation, or order issued by the Director thereunder; (b) to enjoin the voting of any security or proxy so acquired; (c) to void any vote of such security or proxy already cast at any meeting of shareholders ~~securityholders~~; and (d) for any other equitable relief as the nature of the case and the interests of the company's policyholders, creditors, or the public may require.

(3) In any case where a person has acquired or is proposing to acquire any voting securities or shareholder's or policyholder's proxy in violation of this Article or any rule, regulation or order issued by the Director hereunder, the Circuit Court for Sangamon County or the Circuit Court for the county in which the company has its principal place of business may, on such notice as the court deems appropriate, upon the application of the company or the Director seize or sequester any voting securities or shareholder's or policyholder's proxy of the company owned directly or indirectly by such person, and issue any orders with respect thereto as may be appropriate to effectuate this Article. Notwithstanding any other provisions of law, for the purposes of this Article, the situs of the ownership of the securities of domestic companies is deemed to be in this State.

(4) If the Director has reason to believe that any shareholders' or policyholders' proxies have been or are about to be acquired in contravention of this Article or of any rule, regulations or order issued by the Director hereunder, the Director may apply to the Circuit Court for Sangamon County or to the Circuit Court for the county in which the company has its principal place of business (a) to enjoin further pursuit or use of any offer, request, invitation, agreement or acquisition made in contravention of Section 131.4

through 131.12 and (b) for any other equitable relief as the nature of the case and the interests of the company's policyholders, creditors or the public may require.
(Source: P.A. 84-805.)

(215 ILCS 5/131.24) (from Ch. 73, par. 743.24)

Sec. 131.24. Sanctions.

(1) Every director or officer of an insurance holding company system who knowingly violates, participates in, or assents to, or who knowingly permits any of the officers or agents of the company to engage in transactions or make investments which have not been properly filed or approved or which violate this Article, shall pay, in their individual capacity, a civil forfeiture of not more than $100,000 per violation, after notice and hearing before the Director. In determining the amount of the civil forfeiture, the Director shall take into account the appropriateness of the forfeiture with respect to the gravity of the violation, the history of previous violations, and such other matters as justice may require.

(2) Whenever ~~it appears to~~ the Director determines that any company subject to this Article or any director, officer, employee or agent thereof has engaged in any transaction or entered into a contract which is subject to Section 131.20, and any one of Sections 131.16, 131.20a, 141, 141.1, or 174 of this Code and which would not have been approved had such approval been requested or would have been disapproved had required notice been given, the Director may order the company to cease and desist immediately any further activity under that transaction or contract. After notice and hearing the Director may also order (a) the company to void any such contracts and restore the status quo if such action is in the best interest of the policyholders or the public, and (b) any affiliate of the company, which has received from the company dividends, distributions, assets, loans, extensions of credit, guarantees, or investments in violation of any such Section, to immediately repay, refund or restore to the company such dividends, distributions, assets, extensions of credit, guarantees or investments.

(3) Whenever ~~it appears to~~ the Director determines that any company or any director, officer, employee or agent thereof has committed a willful violation of this Article, the Director may cause criminal proceedings to be instituted in the Circuit Court for the county in which the principal office of the company is located or in the Circuit Court of Sangamon or Cook County against such company or the responsible director, officer, employee or agent thereof. Any company which willfully violates this Article commits a business offense and may be fined up to $500,000. Any individual who willfully violates this Article commits a Class 4 felony and may be fined in his individual capacity not more than $500,000 or be imprisoned for not less than one year nor more than 3 years, or both.

(4) Any officer, director, or employee of an insurance holding company system who willfully and knowingly subscribes to or makes or causes to be made any false statements or false reports or false filings with the intent to deceive the Director in the performance of his duties under this Article, commits a Class 3 felony and upon conviction thereof, shall be imprisoned for not less than 2 years nor more than 5 years or fined $500,000 or both. Any fines imposed shall be paid by the officer, Director, or employee in his individual capacity.

(5) Whenever the Director determines that any person has committed a violation of Section 131.14b of this Code which prevents the full understanding of the enterprise risk to the company by affiliates or by the insurance holding company system, the violation may serve as an independent basis, after an opportunity for a hearing, for disapproving dividends or distributions and for placing the company under an order of supervision in accordance with Article XII 1/2 of this Code.
(Source: P.A. 93-32, eff. 7-1-03.)

(215 ILCS 5/131.26) (from Ch. 73, par. 743.26)

Sec. 131.26. Revocation, suspension, or non-renewal of company's license. Whenever ~~it appears to~~ the Director determines that any person has committed a violation of this Article which makes the continued operation of a company contrary to the interests of policyholders or the public, the Director may, after notice and hearing suspend, revoke or refuse to renew the company's license or authority to do business in this State for such ~~a~~ period as the Director ~~he~~ finds is required for the protection of policyholders or the public. Any such determination must be accompanied by specific findings of fact and conclusions of law.
(Source: P.A. 77-673.)

(215 ILCS 5/131.27) (from Ch. 73, par. 743.27)

Sec. 131.27. Judicial review.

(1) Any order or decision made, issued or executed by the Director under this Article whereby any person or company is aggrieved is subject to review by the Circuit Court of Sangamon County or the Circuit Court of Cook County.

The Administrative Review Law, as now or hereafter amended, and the rules adopted pursuant thereto, applies to and governs all proceedings for review of final administrative decisions of the

Director provided for in this Section. The term "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure.

(2) The filing of an appeal pursuant to this Section shall stay the application of any rule, regulation, order, or other action of the Director to the appealing party unless the court, after giving the party notice and an opportunity to be heard, determines that a stay would be detrimental to the interest of policyholders, shareholders, creditors, or the public.

(3) Any person aggrieved by any failure of the Director to act or make a determination required by this Article may petition the circuit courts of Sangamon County or Cook County for a writ in the nature of a mandamus or a peremptory mandamus directing the Director to act or make a determination.

(Source: P.A. 82-783.)

(215 ILCS 5/131.29 new)

Sec. 131.29. Rulemaking power. The Director may adopt such administrative rules as are necessary to implement the provisions of this Article.

(215 ILCS 5/131.30 new)

Sec. 131.30. Conflict with other laws. This Article supersedes all laws and parts of laws of this State inconsistent with this Code with respect to matters covered by this Code.

Section 97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 99. Effective date. This Act takes effect January 1, 2014, except that Section 131.14b of the Illinois Insurance Code takes effect July 1, 2014.".

AMENDMENT NO. 2 TO HOUSE BILL 2962

AMENDMENT NO. 2. Amend House Bill 2962, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 1, line 8, by replacing "and 131.27" with "131.27, and 408.3"; and

on page 79, immediately below line 5, by inserting the following:

"(215 ILCS 5/408.3) (from Ch. 73, par. 1020.3)

Sec. 408.3. Insurance Financial Regulation Fund; uses. The monies deposited into the Insurance Financial Regulation Fund shall be used only for (i) payment of the expenses of the Department, including related administrative expenses, incurred in analyzing, investigating and examining the financial condition or control of insurance companies and other entities licensed or seeking to be licensed by the Department, including the collection, analysis and distribution of information on insurance premiums, other income, costs and expenses, and (ii) to pay internal costs and expenses of the Interstate Insurance Receivership Commission allocated to this State and authorized and admitted companies doing an insurance business in this State under Article X of the Interstate Receivership Compact. All distributions and payments from the Insurance Financial Regulation Fund shall be subject to appropriation as otherwise provided by law for payment of such expenses.

Sums appropriated under clause (ii) of the preceding paragraph shall be deemed to satisfy, pro tanto, the obligations of insurers doing business in this State under Article X of the Interstate Insurance Receivership Compact.

Nothing in this Code shall prohibit the General Assembly from appropriating funds from the General Revenue Fund to the Department for the purpose of administering this Code.

No fees collected pursuant to Section 408 of this Code shall be used for the regulation of pension funds or activities by the Department in the performance of its duties under Article 22 of the Illinois Pension Code.

If at the end of a fiscal year the balance in the Insurance Financial Regulation Fund which remains unexpended or unobligated exceeds the amount of funds that the Director may certify is needed for the purposes enumerated in this Section, then the General Assembly may appropriate that excess amount for purposes other than those enumerated in this Section.

~~Moneys in the Insurance Financial Regulation Fund may be transferred to the Professions Indirect Cost Fund, as authorized under Section 2105-300 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois.~~

(Source: P.A. 94-91, eff. 7-1-05.)".

There being no further amendments, the bill, as amended, was ordered to a third reading.

On motion of Senator Silverstein, **House Bill No. 2992** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Barickman, **House Bill No. 3038** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Dillard, **House Bill No. 3067** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Martinez, **House Bill No. 3088** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Kotowski, **House Bill No. 3191** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator LaHood, **House Bill No. 3233** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Martinez, **House Bill No. 3270** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Althoff, **House Bill No. 3272** having been printed, was taken up and read by title a second time.

Senator Althoff offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO HOUSE BILL 3272

AMENDMENT NO. 1. Amend House Bill 3272 by replacing everything after the enacting clause with the following:

"Section 5. The Organ Donor Leave Act is amended by changing Sections 5, 10, and 20 as follows:

(5 ILCS 327/5)

Sec. 5. Purpose. This Act is intended to provide time off with pay for State employees who donate an organ, bone marrow, ~~blood,~~ or a blood component ~~platelets~~.

(Source: P.A. 92-754, eff. 1-1-03.)

(5 ILCS 327/10)

Sec. 10. Definitions. As used in this Act:

"Agency" means any branch, department, board, committee, or commission of State government, but does not include units of local government, school districts, or boards of election commissioners.

"Department" means the Department of Central Management Services.

"Organ" means any biological tissue of the human body that may be donated by a living donor, including, but not limited to, the kidney, liver, lung, pancreas, intestine, bone, and skin or any subpart thereof.

"Participating employee" means a permanent full-time or part-time employee who has been employed by an agency for a period of 6 months or more and who donates an organ, bone marrow, ~~blood,~~ or a blood component ~~platelets~~.

(Source: P.A. 92-754, eff. 1-1-03.)

(5 ILCS 327/20)

Sec. 20. Administration of Act.

(a) On request, but subject to the operating needs of the employing agency, a participating employee subject to this Act may be entitled to organ donation leave with pay.

(b) An employee may use (i) up to 30 days of organ donation leave in any 12-month period to serve as a bone marrow donor, (ii) up to 30 days of organ donation leave in any 12-month period to serve as an organ donor, and (iii) time, as set forth by Department rule, to donate any blood component, ~~up to one hour or more to donate blood every 56 days, and (iv) up to 2 hours or more to donate blood platelets~~ in accordance with appropriate medical standards established by the American Red Cross, America's Blood Centers, the American Association of Blood Banks, or other nationally-recognized standards. It is recognized that technology may advance at a rate that outpaces the General Assembly's ability to address those advances legislatively. To the extent that this Act may not expressly apply to those technological advances, this Act should nonetheless be interpreted to further the declared policy of this Act. ~~Leave~~

~~under item (iv) may not be granted more than 24 times in a 12-month period.~~

(c) An employee may use organ donation leave or other leave authorized in subsection (b) of this Section only after obtaining approval from the employee's agency.

(d) An employee may not be required to use accumulated sick or vacation leave time before being eligible for organ donor leave.

(e) The Department must adopt rules governing organ donation leave, including rules that (i) establish conditions and procedures for requesting and approving leave and (ii) require medical documentation of the proposed organ or bone marrow donation before leave is approved by the employing agency.
(Source: P.A. 94-33, eff. 1-1-06; 95-354, eff. 1-1-08.)

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

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

On motion of Senator Biss, **House Bill No. 3300** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Althoff, **House Bill No. 3346** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Cunningham, **House Bill No. 3370** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Cunningham, **House Bill No. 3388** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on State Government and Veterans Affairs, adopted and ordered printed:

AMENDMENT NO. 1 TO HOUSE BILL 3388

AMENDMENT NO. 1. Amend House Bill 3388 on page 1, by replacing line 17 with "and neglect, or similar condition, as well as training on canine behavior and nonlethal ways to subdue a canine.".

There being no further amendments, the bill, as amended, was ordered to a third reading.

LEGISLATIVE MEASURES FILED

The following Floor amendments to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Senate Floor Amendment No. 2 to Senate Bill 628
Senate Floor Amendment No. 2 to Senate Bill 1361
Senate Floor Amendment No. 2 to Senate Bill 1762
Senate Floor Amendment No. 2 to Senate Bill 2404

The following Committee amendments to the House Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Senate Committee Amendment No. 1 to House Bill 11
Senate Committee Amendment No. 1 to House Bill 2408
Senate Committee Amendment No. 1 to House Bill 3035
Senate Committee Amendment No. 2 to House Bill 3035
Senate Committee Amendment No. 1 to House Bill 3112
Senate Committee Amendment No. 1 to House Bill 3133
Senate Committee Amendment No. 2 to House Bill 3260

The following Floor amendments to the House Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Senate Floor Amendment No. 2 to House Bill 1225
Senate Floor Amendment No. 1 to House Bill 1247
Senate Floor Amendment No. 3 to House Bill 1349
Senate Floor Amendment No. 2 to House Bill 2508
Senate Floor Amendment No. 3 to House Bill 3111

At the hour of 12:41 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 12:54 o'clock p.m., the Senate resumed consideration of business.
Senator Link, presiding.

REPORTS FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 8, 2013 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Agriculture and Conservation: **HOUSE BILL 1648**.

Criminal Law: **HOUSE BILL 49**.

Energy: **HOUSE BILL 3104**.

Environment: **HOUSE BILL 3081**.

Judiciary: **HOUSE BILL 2473**.

Revenue: **HOUSE BILL 2518**.

State Government and Veterans Affairs: **HOUSE BILLS 2695, 2780, 2994, 3035 and 3349**.

Transportation: **HOUSE BILLS 1810, 3054 and 3229**.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 8, 2013 meeting, reported that the Committee recommends that **House Bill No. 3133** be re-referred from the Committee on Education to the Committee on Executive.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 8, 2013 meeting, to which was referred **Senate Bills Numbered 115 and 628** on April 30, 2013, reported that the Committee recommends that the bills be approved for consideration and returned to the calendar in their former position.
The report of the Committee was concurred in.
And **Senate Bills Numbered 115 and 628** were returned to the order of third reading.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 8, 2013 meeting, to which was referred **Senate Bills numbered 2555, 2556, 2557, 2558 and 2559**, reported the same back with the recommendation that the bill be placed on the order of second reading without recommendation to committee.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 8, 2013 meeting, to which was referred **House Bill No. 2752**, reported the same back with the recommendation that the bill be placed on the order of second reading without recommendation to committee.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 8, 2013 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Executive: **Senate Committee Amendment No. 1 to House Bill 11; Senate Committee Amendment No. 2 to Senate Bill 68; Senate Committee Amendment No. 1 to House Bill 101; Senate Floor Amendment No. 2 to Senate Bill 1361; Senate Floor Amendment No. 2 to Senate Bill 2404; Senate Committee Amendment No. 1 to House Bill 3133**.

Human Services: **Senate Floor Amendment No. 4 to Senate Bill 1454**.

Judiciary: **Senate Floor Amendment No. 2 to House Bill 1225**.

Labor and Commerce: **Senate Committee Amendment No. 1 to House Bill 2508**.

Licensed Activities and Pensions: **Senate Committee Amendment No. 1 to House Bill 2720**.

State Government and Veterans Affairs: **Senate Floor Amendment No. 1 to Senate Bill 628; Senate Committee Amendment No. 1 to House Bill 1040; Senate Committee Amendment No. 2 to House Bill 3260**.

Transportation: **Senate Floor Amendment No. 1 to House Bill 1247**.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 8, 2013 meeting, reported that the following Legislative Measure has been approved for consideration:

Senate Floor Amendment No. 2 to Senate Bill 1762

The foregoing floor amendment was placed on the Secretary's Desk.

COMMITTEE MEETING ANNOUNCEMENTS

The Chair announced the following committee to meet at 2:00 o'clock p.m.:

Executive in Room 212

The Chair announced the following committee to meet at 3:00 o'clock p.m.:

State Government and Veterans Affairs in Room 409

At the hour of 12:57 o'clock p.m., Honorable John J. Cullerton, President of the Senate, presiding, for the purpose of an introduction.

At the hour of 1:04 o'clock p.m., Senator Link, presiding, and the Senate resumed consideration of business.

POSTING NOTICE WAIVED

Senator Radogno moved to waive the six-day posting requirement on **House Bill No. 3133** so that the measure may be heard in the Committee on Executive that is scheduled to meet today.

The motion prevailed.

READING BILLS OF THE SENATE A SECOND TIME

On motion of Senator J. Cullerton, **Senate Bill No. 2555** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator J. Cullerton, **Senate Bill No. 2556** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator J. Cullerton, **Senate Bill No. 2557** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator J. Cullerton, **Senate Bill No. 2558** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator J. Cullerton, **Senate Bill No. 2559** having been printed, was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Lightford, **Senate Bill No. 1762** having been printed, was taken up, read by title a second time.

The following amendments were offered in the Committee on Education, adopted and ordered printed:

AMENDMENT NO. 1 TO SENATE BILL 1762

AMENDMENT NO. 1. Amend Senate Bill 1762 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Sections 2-3.25g, 24-11, 24-12, and 24-16.5 as follows:

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

Sec. 2-3.25g. Waiver or modification of mandates within the School Code and administrative rules and regulations.

(a) In this Section:

"Board" means a school board or the governing board or administrative district, as the case may be, for a joint agreement.

"Eligible applicant" means a school district, joint agreement made up of school districts, or regional superintendent of schools on behalf of schools and programs operated by the regional office of education.

"Implementation date" has the meaning set forth in Section 24A-2.5 of this Code.

"State Board" means the State Board of Education.

(b) Notwithstanding any other provisions of this School Code or any other law of this State to the contrary, eligible applicants may petition the State Board of Education for the waiver or modification of the mandates of this School Code or of the administrative rules and regulations promulgated by the State Board of Education. Waivers or modifications of administrative rules and regulations and modifications of mandates of this School Code may be requested when an eligible applicant demonstrates that it can address the intent of the rule or mandate in a more effective, efficient, or economical manner or when necessary to stimulate innovation or improve student performance. Waivers of mandates of the School Code may be requested when the waivers are necessary to stimulate innovation or improve student performance. Waivers may not be requested from laws, rules, and regulations pertaining to special education, teacher certification, teacher tenure and seniority, or Section 5-2.1 of this Code or from compliance with the No Child Left Behind Act of 2001 (Public Law 107-110). Eligible ~~On and after the applicable implementation date, eligible~~ applicants may not seek a waiver or seek a modification of a mandate regarding the requirements for (i) student performance data to be a significant factor in teacher or principal evaluations or (ii) for teachers and principals to be rated using the 4 categories of

"excellent", "proficient", "needs improvement", or "unsatisfactory". On September 1, 2013 ~~the applicable implementation date~~, any previously authorized waiver or modification from such requirements shall terminate.

(c) Eligible applicants, as a matter of inherent managerial policy, and any Independent Authority established under Section 2-3.25f may submit an application for a waiver or modification authorized under this Section. Each application must include a written request by the eligible applicant or Independent Authority and must demonstrate that the intent of the mandate can be addressed in a more effective, efficient, or economical manner or be based upon a specific plan for improved student performance and school improvement. Any eligible applicant requesting a waiver or modification for the reason that intent of the mandate can be addressed in a more economical manner shall include in the application a fiscal analysis showing current expenditures on the mandate and projected savings resulting from the waiver or modification. Applications and plans developed by eligible applicants must be approved by the board or regional superintendent of schools applying on behalf of schools or programs operated by the regional office of education following a public hearing on the application and plan and the opportunity for the board or regional superintendent to hear testimony from staff directly involved in its implementation, parents, and students. The time period for such testimony shall be separate from the time period established by the eligible applicant for public comment on other matters. If the applicant is a school district or joint agreement requesting a waiver or modification of Section 27-6 of this Code, the public hearing shall be held on a day other than the day on which a regular meeting of the board is held.

(c-5) If the applicant is a school district, then the district shall post information that sets forth the time, date, place, and general subject matter of the public hearing on its Internet website at least 14 days prior to the hearing. If the district is requesting to increase the fee charged for driver education authorized pursuant to Section 27-24.2 of this Code, the website information shall include the proposed amount of the fee the district will request. All school districts must publish a notice of the public hearing at least 7 days prior to the hearing in a newspaper of general circulation within the school district that sets forth the time, date, place, and general subject matter of the hearing. Districts requesting to increase the fee charged for driver education shall include in the published notice the proposed amount of the fee the district will request. If the applicant is a joint agreement or regional superintendent, then the joint agreement or regional superintendent shall post information that sets forth the time, date, place, and general subject matter of the public hearing on its Internet website at least 14 days prior to the hearing. If the joint agreement or regional superintendent is requesting to increase the fee charged for driver education authorized pursuant to Section 27-24.2 of this Code, the website information shall include the proposed amount of the fee the applicant will request. All joint agreements and regional superintendents must publish a notice of the public hearing at least 7 days prior to the hearing in a newspaper of general circulation in each school district that is a member of the joint agreement or that is served by the educational service region that sets forth the time, date, place, and general subject matter of the hearing, provided that a notice appearing in a newspaper generally circulated in more than one school district shall be deemed to fulfill this requirement with respect to all of the affected districts. Joint agreements or regional superintendents requesting to increase the fee charged for driver education shall include in the published notice the proposed amount of the fee the applicant will request. The eligible applicant must notify in writing the affected exclusive collective bargaining agent and those State legislators representing the eligible applicant's territory of its intent to seek approval of a waiver or modification and of the hearing to be held to take testimony from staff. The affected exclusive collective bargaining agents shall be notified of such public hearing at least 7 days prior to the date of the hearing and shall be allowed to attend such public hearing. The eligible applicant shall attest to compliance with all of the notification and procedural requirements set forth in this Section.

(d) A request for a waiver or modification of administrative rules and regulations or for a modification of mandates contained in this School Code shall be submitted to the State Board of Education within 15 days after approval by the board or regional superintendent of schools. The application as submitted to the State Board of Education shall include a description of the public hearing. Except with respect to contracting for adaptive driver education, an eligible applicant wishing to request a modification or waiver of administrative rules of the State Board of Education regarding contracting with a commercial driver training school to provide the course of study authorized under Section 27-24.2 of this Code must provide evidence with its application that the commercial driver training school with which it will contract holds a license issued by the Secretary of State under Article IV of Chapter 6 of the Illinois Vehicle Code and that each instructor employed by the commercial driver training school to provide instruction to students served by the school district holds a valid teaching certificate or teaching license, as applicable, issued under the requirements of this Code and rules of the State Board of Education. Such

evidence must include, but need not be limited to, a list of each instructor assigned to teach students served by the school district, which list shall include the instructor's name, personal identification number as required by the State Board of Education, birth date, and driver's license number. If the modification or waiver is granted, then the eligible applicant shall notify the State Board of Education of any changes in the personnel providing instruction within 15 calendar days after an instructor leaves the program or a new instructor is hired. Such notification shall include the instructor's name, personal identification number as required by the State Board of Education, birth date, and driver's license number. If a school district maintains an Internet website, then the district shall post a copy of the final contract between the district and the commercial driver training school on the district's Internet website. If no Internet website exists, then the district shall make available the contract upon request. A record of all materials in relation to the application for contracting must be maintained by the school district and made available to parents and guardians upon request. The instructor's date of birth and driver's license number and any other personally identifying information as deemed by the federal Driver's Privacy Protection Act of 1994 must be redacted from any public materials. Following receipt of the waiver or modification request, the State Board shall have 45 days to review the application and request. If the State Board fails to disapprove the application within that 45 day period, the waiver or modification shall be deemed granted. The State Board may disapprove any request if it is not based upon sound educational practices, endangers the health or safety of students or staff, compromises equal opportunities for learning, or fails to demonstrate that the intent of the rule or mandate can be addressed in a more effective, efficient, or economical manner or have improved student performance as a primary goal. Any request disapproved by the State Board may be appealed to the General Assembly by the eligible applicant as outlined in this Section.

A request for a waiver from mandates contained in this School Code shall be submitted to the State Board within 15 days after approval by the board or regional superintendent of schools. The application as submitted to the State Board of Education shall include a description of the public hearing. The description shall include, but need not be limited to, the means of notice, the number of people in attendance, the number of people who spoke as proponents or opponents of the waiver, a brief description of their comments, and whether there were any written statements submitted. The State Board shall review the applications and requests for completeness and shall compile the requests in reports to be filed with the General Assembly. The State Board shall file reports outlining the waivers requested by eligible applicants and appeals by eligible applicants of requests disapproved by the State Board with the Senate and the House of Representatives before each March 1 and October 1. The General Assembly may disapprove the report of the State Board in whole or in part within 60 calendar days after each house of the General Assembly next convenes after the report is filed by adoption of a resolution by a record vote of the majority of members elected in each house. If the General Assembly fails to disapprove any waiver request or appealed request within such 60 day period, the waiver or modification shall be deemed granted. Any resolution adopted by the General Assembly disapproving a report of the State Board in whole or in part shall be binding on the State Board.

(e) An approved waiver or modification (except a waiver from or modification to a physical education mandate) may remain in effect for a period not to exceed 5 school years and may be renewed upon application by the eligible applicant. However, such waiver or modification may be changed within that 5-year period by a board or regional superintendent of schools applying on behalf of schools or programs operated by the regional office of education following the procedure as set forth in this Section for the initial waiver or modification request. If neither the State Board of Education nor the General Assembly disapproves, the change is deemed granted.

An approved waiver from or modification to a physical education mandate may remain in effect for a period not to exceed 2 school years and may be renewed no more than 2 times upon application by the eligible applicant. An approved waiver from or modification to a physical education mandate may be changed within the 2-year period by the board or regional superintendent of schools, whichever is applicable, following the procedure set forth in this Section for the initial waiver or modification request. If neither the State Board of Education nor the General Assembly disapproves, the change is deemed granted.

(f) (Blank).

(Source: P.A. 96-861, eff. 1-15-10; 96-1423, eff. 8-3-10; 97-1025, eff. 1-1-13.)

(105 ILCS 5/24-11) (from Ch. 122, par. 24-11)

Sec. 24-11. Boards of Education - Boards of School Inspectors - Contractual continued service.

(a) As used in this and the succeeding Sections of this Article:

"Teacher" means any or all school district employees regularly required to be certified under laws relating to the certification of teachers.

"Board" means board of directors, board of education, or board of school inspectors, as the case may be.

"School term" means that portion of the school year, July 1 to the following June 30, when school is in actual session.

"Program" means a program of a special education joint agreement.

"Program of a special education joint agreement" means instructional, consultative, supervisory, administrative, diagnostic, and related services that are managed by a special educational joint agreement designed to service 2 or more school districts that are members of the joint agreement.

"PERA implementation date" means the implementation date of an evaluation system for teachers as specified by Section 24A-2.5 of this Code for all schools within a school district or all programs of a special education joint agreement.

(b) This Section and Sections 24-12 through 24-16 of this Article apply only to school districts having less than 500,000 inhabitants.

(c) Any teacher who is first employed as a full-time teacher in a school district or program prior to the PERA implementation date and who is employed in that district or program for a probationary period of 4 consecutive school terms shall enter upon contractual continued service in the district or in all of the programs that the teacher is legally qualified to hold, unless the teacher is given written notice of dismissal by certified mail, return receipt requested, by the employing board at least 45 days before the end of any school term within such period.

(d) For any teacher who is first employed as a full-time teacher in a school district or program on or after the PERA implementation date, the probationary period shall be one of the following periods, based upon the teacher's school terms of service and performance, before the teacher shall enter upon contractual continued service in the district or in all of the programs that the teacher is legally qualified to hold, unless the teacher is given written notice of dismissal by certified mail, return receipt requested, by the employing board at least 45 days before the end of any school term within such period:

(1) 4 consecutive school terms of service in which the teacher receives overall annual evaluation ratings of at least "Proficient" in the last school term and at least "Proficient" in either the second or third school term;

(2) 3 consecutive school terms of service in which the teacher receives 3 overall annual evaluations of "Excellent"; or

(3) 2 consecutive school terms of service in which the teacher receives 2 overall annual evaluations of "Excellent" service, but only if the teacher (i) previously attained contractual continued service in a different school district or program in this State, (ii) voluntarily departed or was honorably dismissed from that school district or program in the school term immediately prior to the teacher's first school term of service applicable to the attainment of contractual continued service under this subdivision (3), and (iii) received, in his or her 2 most recent overall annual or <u>biennial</u> ~~biannual~~ evaluations from the prior school district or program, ratings of <u>at least</u> "Proficient", with both such ratings occurring after the school district's or program's PERA implementation date. <u>For a teacher to attain contractual continued service under this subdivision (3), the teacher shall provide official copies of his or her 2 most recent overall annual or biennial evaluations from the prior school district or program to the new school district or program within 60 days from the teacher's first day of service with the new school district or program. The prior school district or program must provide the teacher with official copies of his or her 2 most recent overall annual or biennial evaluations within 14 days after the teacher's request. If a teacher has requested such official copies prior to 45 days after the teacher's first day of service with the new school district or program and the teacher's prior school district or program fails to provide the teacher with the official copies required under this subdivision (3), then the time period for the teacher to submit the official copies to his or her new school district or program must be extended until 14 days after receipt of such copies from the prior school district or program. If the prior school district or program fails to provide the teacher with the official copies required under this subdivision (3) within 90 days from the teacher's first day of service with the new school district or program, then the new school district or program shall rely upon the teacher's own copies of his or her evaluations for purposes of this subdivision (3).</u>

If the teacher does not receive overall annual evaluations of "Excellent" in the school terms necessary for eligibility to achieve accelerated contractual continued service in subdivisions (2) and (3) of this subsection (d), the teacher shall be eligible for contractual continued service pursuant to subdivision (1) of this subsection (d). If, at the conclusion of 4 consecutive school terms of service that count toward attainment of contractual continued service, the teacher's performance does not qualify the teacher for contractual continued service under subdivision (1) of this subsection (d), then the teacher shall not enter upon contractual continued service and shall be dismissed. If a performance evaluation is not conducted

for any school term when such evaluation is required to be conducted under Section 24A-5 of this Code, then the teacher's performance evaluation rating for such school term for purposes of determining the attainment of contractual continued service shall be deemed "Proficient".

(e) For the purposes of determining contractual continued service, a school term shall be counted only toward attainment of contractual continued service if the teacher actually teaches or is otherwise present and participating in the district's or program's educational program for 120 days or more, provided that the days of leave under the federal Family Medical Leave Act that the teacher is required to take until the end of the school term shall be considered days of teaching or participation in the district's or program's educational program. A school term that is not counted toward attainment of contractual continued service shall not be considered a break in service for purposes of determining whether a teacher has been employed for 4 consecutive school terms, provided that the teacher actually teaches or is otherwise present and participating in the district's or program's educational program in the following school term.

(f) If the employing board determines to dismiss the teacher in the last year of the probationary period as provided in subsection (c) of this Section or subdivision (1) or (2) of subsection (d) of this Section, but not subdivision (3) of subsection (d) of this Section, the written notice of dismissal provided by the employing board must contain specific reasons for dismissal. Any full-time teacher who does not receive written notice from the employing board at least 45 days before the end of any school term as provided in this Section and whose performance does not require dismissal after the fourth probationary year pursuant to subsection (d) of this Section shall be re-employed for the following school term.

(g) Contractual continued service shall continue in effect the terms and provisions of the contract with the teacher during the last school term of the probationary period, subject to this Act and the lawful regulations of the employing board. This Section and succeeding Sections do not modify any existing power of the board except with respect to the procedure of the discharge of a teacher and reductions in salary as hereinafter provided. Contractual continued service status shall not restrict the power of the board to transfer a teacher to a position which the teacher is qualified to fill or to make such salary adjustments as it deems desirable, but unless reductions in salary are uniform or based upon some reasonable classification, any teacher whose salary is reduced shall be entitled to a notice and a hearing as hereinafter provided in the case of certain dismissals or removals.

(h) If, by reason of any change in the boundaries of school districts or by reason of the creation of a new school district, the position held by any teacher having a contractual continued service status is transferred from one board to the control of a new or different board, then the contractual continued service status of the teacher is not thereby lost, and such new or different board is subject to this Code with respect to the teacher in the same manner as if the teacher were its employee and had been its employee during the time the teacher was actually employed by the board from whose control the position was transferred.

(i) The employment of any teacher in a program of a special education joint agreement established under Section 3-15.14, 10-22.31 or 10-22.31a shall be governed by this and succeeding Sections of this Article. For purposes of attaining and maintaining contractual continued service and computing length of continuing service as referred to in this Section and Section 24-12, employment in a special educational joint program shall be deemed a continuation of all previous certificated employment of such teacher for such joint agreement whether the employer of the teacher was the joint agreement, the regional superintendent, or one of the participating districts in the joint agreement.

(j) For any teacher employed after July 1, 1987 as a full-time teacher in a program of a special education joint agreement, whether the program is operated by the joint agreement or a member district on behalf of the joint agreement, in the event of a reduction in the number of programs or positions in the joint agreement in which the notice of dismissal is provided on or before the end of the 2010-2011 school term, the teacher in contractual continued service is eligible for employment in the joint agreement programs for which the teacher is legally qualified in order of greater length of continuing service in the joint agreement, unless an alternative method of determining the sequence of dismissal is established in a collective bargaining agreement. For any teacher employed after July 1, 1987 as a full-time teacher in a program of a special education joint agreement, whether the program is operated by the joint agreement or a member district on behalf of the joint agreement, in the event of a reduction in the number of programs or positions in the joint agreement in which the notice of dismissal is provided during the 2011-2012 school term or a subsequent school term, the teacher shall be included on the honorable dismissal lists of all joint agreement programs for positions for which the teacher is qualified and is eligible for employment in such programs in accordance with subsections (b) and (c) of Section 24-12 of this Code and the applicable honorable dismissal policies of the joint agreement.

(k) For any teacher employed after July 1, 1987 as a full-time teacher in a program of a special

education joint agreement, whether the program is operated by the joint agreement or a member district on behalf of the joint agreement, in the event of the dissolution of a joint agreement, in which the notice to teachers of the dissolution is provided during the 2010-2011 school term, the teacher in contractual continued service who is legally qualified shall be assigned to any comparable position in a member district currently held by a teacher who has not entered upon contractual continued service or held by a teacher who has entered upon contractual continued service with a shorter length of contractual continued service. Any teacher employed after July 1, 1987 as a full-time teacher in a program of a special education joint agreement, whether the program is operated by the joint agreement or a member district on behalf of the joint agreement, in the event of the dissolution of a joint agreement in which the notice to teachers of the dissolution is provided during the 2011-2012 school term or a subsequent school term, the teacher who is qualified shall be included on the order of honorable dismissal lists of each member district and shall be assigned to any comparable position in any such district in accordance with subsections (b) and (c) of Section 24-12 of this Code and the applicable honorable dismissal policies of each member district.

(l) The governing board of the joint agreement, or the administrative district, if so authorized by the articles of agreement of the joint agreement, rather than the board of education of a school district, may carry out employment and termination actions including dismissals under this Section and Section 24-12.

(m) The employment of any teacher in a special education program authorized by Section 14-1.01 through 14-14.01, or a joint educational program established under Section 10-22.31a, shall be under this and the succeeding Sections of this Article, and such employment shall be deemed a continuation of the previous employment of such teacher in any of the participating districts, regardless of the participation of other districts in the program.

(n) Any teacher employed as a full-time teacher in a special education program prior to September 23, 1987 in which 2 or more school districts participate for a probationary period of 2 consecutive years shall enter upon contractual continued service in each of the participating districts, subject to this and the succeeding Sections of this Article, and, notwithstanding Section 24-1.5 of this Code, in the event of the termination of the program shall be eligible for any vacant position in any of such districts for which such teacher is qualified.

(Source: P.A. 97-8, eff. 6-13-11.)

(105 ILCS 5/24-12) (from Ch. 122, par. 24-12)

Sec. 24-12. Removal or dismissal of teachers in contractual continued service.

(a) This subsection (a) applies only to honorable dismissals and recalls in which the notice of dismissal is provided on or before the end of the 2010-2011 school term. If a teacher in contractual continued service is removed or dismissed as a result of a decision of the board to decrease the number of teachers employed by the board or to discontinue some particular type of teaching service, written notice shall be mailed to the teacher and also given the teacher either by certified mail, return receipt requested or personal delivery with receipt at least 60 days before the end of the school term, together with a statement of honorable dismissal and the reason therefor, and in all such cases the board shall first remove or dismiss all teachers who have not entered upon contractual continued service before removing or dismissing any teacher who has entered upon contractual continued service and who is legally qualified to hold a position currently held by a teacher who has not entered upon contractual continued service.

As between teachers who have entered upon contractual continued service, the teacher or teachers with the shorter length of continuing service with the district shall be dismissed first unless an alternative method of determining the sequence of dismissal is established in a collective bargaining agreement or contract between the board and a professional faculty members' organization and except that this provision shall not impair the operation of any affirmative action program in the district, regardless of whether it exists by operation of law or is conducted on a voluntary basis by the board. Any teacher dismissed as a result of such decrease or discontinuance shall be paid all earned compensation on or before the third business day following the last day of pupil attendance in the regular school term.

If the board has any vacancies for the following school term or within one calendar year from the beginning of the following school term, the positions thereby becoming available shall be tendered to the teachers so removed or dismissed so far as they are legally qualified to hold such positions; provided, however, that if the number of honorable dismissal notices based on economic necessity exceeds 15% of the number of full time equivalent positions filled by certified employees (excluding principals and administrative personnel) during the preceding school year, then if the board has any vacancies for the following school term or within 2 calendar years from the beginning of the following school term, the positions so becoming available shall be tendered to the teachers who were so notified and removed or dismissed whenever they are legally qualified to hold such positions. Each board shall, in consultation

with any exclusive employee representatives, each year establish a list, categorized by positions, showing the length of continuing service of each teacher who is qualified to hold any such positions, unless an alternative method of determining a sequence of dismissal is established as provided for in this Section, in which case a list shall be made in accordance with the alternative method. Copies of the list shall be distributed to the exclusive employee representative on or before February 1 of each year. Whenever the number of honorable dismissal notices based upon economic necessity exceeds 5, or 150% of the average number of teachers honorably dismissed in the preceding 3 years, whichever is more, then the board also shall hold a public hearing on the question of the dismissals. Following the hearing and board review the action to approve any such reduction shall require a majority vote of the board members.

(b) This subsection (b) applies only to honorable dismissals and recalls in which the notice of dismissal is provided during the 2011-2012 school term or a subsequent school term. If any teacher, whether or not in contractual continued service, is removed or dismissed as a result of a decision of a school board to decrease the number of teachers employed by the board, a decision of a school board to discontinue some particular type of teaching service, or a reduction in the number of programs or positions in a special education joint agreement, then written notice must be mailed to the teacher and also given to the teacher either by certified mail, return receipt requested, or personal delivery with receipt at least 45 days before the end of the school term, together with a statement of honorable dismissal and the reason therefor, and in all such cases the sequence of dismissal shall occur in accordance with this subsection (b); except that this subsection (b) shall not impair the operation of any affirmative action program in the school district, regardless of whether it exists by operation of law or is conducted on a voluntary basis by the board.

Each teacher must be categorized into one or more positions for which the teacher is qualified to hold, based upon legal qualifications and any other qualifications established in a district or joint agreement job description, on or before the May 10 prior to the school year during which the sequence of dismissal is determined. Within each position and subject to agreements made by the joint committee on honorable dismissals that are authorized by subsection (c) of this Section, the school district or joint agreement must establish 4 groupings of teachers qualified to hold the position as follows:

(1) Grouping one shall consist of each teacher who is not in contractual continued service and who (i) has not received a performance evaluation rating, (ii) is employed for one school term or less to replace a teacher on leave, or (iii) is employed on a part-time basis. "Part-time basis" for the purposes of this subsection (b) means a teacher who is employed to teach less than a full-day, teacher workload or less than 5 days of the normal student attendance week, unless otherwise provided for in a collective bargaining agreement between the district and the exclusive representative of the district's teachers. For the purposes of this Section, a teacher (A) who is employed as a full-time teacher but who actually teaches or is otherwise present and participating in the district's educational program for less than a school term or (B) who, in the immediately previous school term, was employed on a full-time basis and actually taught or was otherwise present and participated in the district's educational program for 120 days or more is not considered employed on a part-time basis. ~~Grouping one shall consist of each teacher not in contractual continued service who has not received a performance evaluation rating.~~

(2) Grouping 2 shall consist of each teacher with a Needs Improvement or Unsatisfactory performance evaluation rating on either of the teacher's last 2 performance evaluation ratings.

(3) Grouping 3 shall consist of each teacher with a performance evaluation rating of at least Satisfactory or Proficient on both of the teacher's last 2 performance evaluation ratings, if 2 ratings are available, or on the teacher's last performance evaluation rating, if only one rating is available, unless the teacher qualifies for placement into grouping 4.

(4) Grouping 4 shall consist of each teacher whose last 2 performance evaluation ratings are Excellent and each teacher with 2 Excellent performance evaluation ratings out of the teacher's last 3 performance evaluation ratings with a third rating of Satisfactory or Proficient.

Among teachers qualified to hold a position, teachers must be dismissed in the order of their groupings, with teachers in grouping one dismissed first and teachers in grouping 4 dismissed last.

Within grouping one, the sequence of dismissal must be at the discretion of the school district or joint agreement. Within grouping 2, the sequence of dismissal must be based upon average performance evaluation ratings, with the teacher or teachers with the lowest average performance evaluation rating dismissed first. A teacher's average performance evaluation rating must be calculated using the average of the teacher's last 2 performance evaluation ratings, if 2 ratings are available, or the teacher's last performance evaluation rating, if only one rating is available, using the following numerical values: 4 for Excellent; 3 for Proficient or Satisfactory; 2 for Needs Improvement; and 1 for Unsatisfactory. As between or among teachers in grouping 2 with the same average performance evaluation rating and

within each of groupings 3 and 4, the teacher or teachers with the shorter length of continuing service with the school district or joint agreement must be dismissed first unless an alternative method of determining the sequence of dismissal is established in a collective bargaining agreement or contract between the board and a professional faculty members' organization.

Each board, including the governing board of a joint agreement, shall, in consultation with any exclusive employee representatives, each year establish a sequence of honorable dismissal list categorized by positions and the groupings defined in this subsection (b). Copies of the list must be distributed to the exclusive bargaining representative at least 75 days before the end of the school term, provided that the school district or joint agreement may, with notice to any exclusive employee representatives, move teachers from grouping one into another grouping during the period of time from 75 days until 45 days before the end of the school term. Each year, each board shall also establish, in consultation with any exclusive employee representatives, a list showing the length of continuing service of each teacher who is qualified to hold any such positions, unless an alternative method of determining a sequence of dismissal is established as provided for in this Section, in which case a list must be made in accordance with the alternative method. Copies of the list must be distributed to the exclusive employee representative at least 75 days before the end of the school term.

Any teacher dismissed as a result of such decrease or discontinuance must be paid all earned compensation on or before the third business day following the last day of pupil attendance in the regular school term.

If the board or joint agreement has any vacancies for the following school term or within one calendar year from the beginning of the following school term, the positions thereby becoming available must be tendered to the teachers so removed or dismissed who were in groupings 3 or 4 of the sequence of dismissal and are qualified to hold the positions, based upon legal qualifications and any other qualifications established in a district or joint agreement job description, on or before the May 10 prior to the date of the positions becoming available, provided that if the number of honorable dismissal notices based on economic necessity exceeds 15% of the number of full-time equivalent positions filled by certified employees (excluding principals and administrative personnel) during the preceding school year, then the recall period is for the following school term or within 2 calendar years from the beginning of the following school term. Among teachers eligible for recall pursuant to the preceding sentence, the order of recall must be in inverse order of dismissal, unless an alternative order of recall is established in a collective bargaining agreement or contract between the board and a professional faculty members' organization. Whenever the number of honorable dismissal notices based upon economic necessity exceeds 5 notices or 150% of the average number of teachers honorably dismissed in the preceding 3 years, whichever is more, then the school board or governing board of a joint agreement, as applicable, shall also hold a public hearing on the question of the dismissals. Following the hearing and board review, the action to approve any such reduction shall require a majority vote of the board members.

For purposes of this subsection (b), subject to agreement on an alternative definition reached by the joint committee described in subsection (c) of this Section, a teacher's performance evaluation rating means the overall performance evaluation rating resulting from an annual or biennial ~~biannual~~ performance evaluation conducted pursuant to Article 24A of this Code by the school district or joint agreement determining the sequence of dismissal, not including any performance evaluation conducted during or at the end of a remediation period. For performance evaluation ratings determined prior to September 1, 2012, any school district or joint agreement with a performance evaluation rating system that does not use either of the rating category systems specified in subsection (d) of Section 24A-5 of this Code for all teachers must establish a basis for assigning each teacher a rating that complies with subsection (d) of Section 24A-5 of this Code for all of the performance evaluation ratings that are to be used to determine the sequence of dismissal. A teacher's grouping and ranking on a sequence of honorable dismissal shall be deemed a part of the teacher's performance evaluation, and that information may be disclosed to the exclusive bargaining representative as part of a sequence of honorable dismissal list, notwithstanding any laws prohibiting disclosure of such information. A performance evaluation rating may be used to determine the sequence of dismissal, notwithstanding the pendency of any grievance resolution or arbitration procedures relating to the performance evaluation. If a teacher has received at least one performance evaluation rating conducted by the school district or joint agreement determining the sequence of dismissal and a subsequent performance evaluation is not conducted in any school year in which such evaluation is required to be conducted under Section 24A-5 of this Code, the teacher's performance evaluation rating for that school year for purposes of determining the sequence of dismissal is deemed Proficient. If a performance evaluation rating is nullified as the result of an arbitration , administrative agency, or court determination, then the school district or joint agreement is

deemed to have conducted a performance evaluation for that school year, but the performance evaluation rating may not be used in determining the sequence of dismissal.

Nothing in this subsection (b) shall be construed as limiting the right of a school board or governing board of a joint agreement to dismiss a teacher not in contractual continued service in accordance with Section 24-11 of this Code.

Any provisions regarding the sequence of honorable dismissals and recall of honorably dismissed teachers in a collective bargaining agreement entered into on or before January 1, 2011 and in effect on the effective date of this amendatory Act of the 97th General Assembly that may conflict with this amendatory Act of the 97th General Assembly shall remain in effect through the expiration of such agreement or June 30, 2013, whichever is earlier.

(c) Each school district and special education joint agreement must use a joint committee composed of equal representation selected by the school board and its teachers or, if applicable, the exclusive bargaining representative of its teachers, to address the matters described in paragraphs (1) through (5) of this subsection (c) pertaining to honorable dismissals under subsection (b) of this Section.

(1) The joint committee must consider and may agree to criteria for excluding from grouping 2 and placing into grouping 3 a teacher whose last 2 performance evaluations include a Needs Improvement and either a Proficient or Excellent.

(2) The joint committee must consider and may agree to an alternative definition for grouping 4, which definition must take into account prior performance evaluation ratings and may take into account other factors that relate to the school district's or program's educational objectives. An alternative definition for grouping 4 may not permit the inclusion of a teacher in the grouping with a Needs Improvement or Unsatisfactory performance evaluation rating on either of the teacher's last 2 performance evaluation ratings.

(3) The joint committee may agree to including within the definition of a performance evaluation rating a performance evaluation rating administered by a school district or joint agreement other than the school district or joint agreement determining the sequence of dismissal.

(4) For each school district or joint agreement that administers performance evaluation ratings that are inconsistent with either of the rating category systems specified in subsection (d) of Section 24A-5 of this Code, the school district or joint agreement must consult with the joint committee on the basis for assigning a rating that complies with subsection (d) of Section 24A-5 of this Code to each performance evaluation rating that will be used in a sequence of dismissal.

(5) Upon request by a joint committee member submitted to the employing board by no later than 10 days after the distribution of the sequence of honorable dismissal list, a representative of the employing board shall, within 5 days after the request, provide to members of the joint committee a list showing the most recent and prior performance evaluation ratings of each teacher identified only by length of continuing service in the district or joint agreement and not by name. If, after review of this list, a member of the joint committee has a good faith belief that a disproportionate number of teachers with greater length of continuing service with the district or joint agreement have received a recent performance evaluation rating lower than the prior rating, the member may request that the joint committee review the list to assess whether such a trend may exist. Following the joint committee's review, but by no later than the end of the applicable school term, the joint committee or any member or members of the joint committee may submit a report of the review to the employing board and exclusive bargaining representative, if any. Nothing in this paragraph (5) shall impact the order of honorable dismissal or a school district's or joint agreement's authority to carry out a dismissal in accordance with subsection (b) of this Section.

Agreement by the joint committee as to a matter requires the majority vote of all committee members, and if the joint committee does not reach agreement on a matter, then the otherwise applicable requirements of subsection (b) of this Section shall apply. Except as explicitly set forth in this subsection (c), a joint committee has no authority to agree to any further modifications to the requirements for honorable dismissals set forth in subsection (b) ~~(a)~~ of this Section. The joint committee must be established , and the first meeting of the joint committee each school year must occur on or before December 1 ~~, 2011 or 30 days after the effective date of this amendatory Act of the 97th General Assembly, whichever is later~~.

The joint committee must reach agreement on a matter on or before February 1 of a school year in order for the agreement of the joint committee to apply to the sequence of dismissal determined during that school year. Subject to the February 1 deadline for agreements, the agreement of a joint committee on a matter shall apply to the sequence of dismissal until the agreement is amended or terminated by the joint committee.

(d) Notwithstanding anything to the contrary in this subsection (d), the requirements and dismissal

procedures of Section 24-16.5 of this Code shall apply to any dismissal sought under Section 24-16.5 of this Code.

(1) If a dismissal of a teacher in contractual continued service is sought for any reason or cause other than an honorable dismissal under subsections (a) or (b) of this Section or a dismissal sought under Section 24-16.5 of this Code, including those under Section 10-22.4, the board must first approve a motion containing specific charges by a majority vote of all its members. Written notice of such charges, including a bill of particulars and the teacher's right to request a hearing, must be mailed to the teacher and also given to the teacher either by certified mail, return receipt requested, or personal delivery with receipt within 5 days of the adoption of the motion. Any written notice sent on or after July 1, 2012 shall inform the teacher of the right to request a hearing before a mutually selected hearing officer, with the cost of the hearing officer split equally between the teacher and the board, or a hearing before a board-selected hearing officer, with the cost of the hearing officer paid by the board.

Before setting a hearing on charges stemming from causes that are considered remediable, a board must give the teacher reasonable warning in writing, stating specifically the causes that, if not removed, may result in charges; however, no such written warning is required if the causes have been the subject of a remediation plan pursuant to Article 24A of this Code.

If, in the opinion of the board, the interests of the school require it, the board may suspend the teacher without pay, pending the hearing, but if the board's dismissal or removal is not sustained, the teacher shall not suffer the loss of any salary or benefits by reason of the suspension.

(2) No hearing upon the charges is required unless the teacher within 17 days after receiving notice requests in writing of the board that a hearing be scheduled before a mutually selected hearing officer or a hearing officer selected by the board. The secretary of the school board shall forward a copy of the notice to the State Board of Education.

(3) Within 5 business days after receiving a notice of hearing in which either notice to the teacher was sent before July 1, 2012 or, if the notice was sent on or after July 1, 2012, the teacher has requested a hearing before a mutually selected hearing officer, the State Board of Education shall provide a list of 5 prospective, impartial hearing officers from the master list of qualified, impartial hearing officers maintained by the State Board of Education. Each person on the master list must (i) be accredited by a national arbitration organization and have had a minimum of 5 years of experience directly related to labor and employment relations matters between employers and employees or their exclusive bargaining representatives and (ii) beginning September 1, 2012, have participated in training provided or approved by the State Board of Education for teacher dismissal hearing officers so that he or she is familiar with issues generally involved in evaluative and non-evaluative dismissals.

If notice to the teacher was sent before July 1, 2012 or, if the notice was sent on or after July 1, 2012, the teacher has requested a hearing before a mutually selected hearing officer, the board and the teacher or their legal representatives within 3 business days shall alternately strike one name from the list provided by the State Board of Education until only one name remains. Unless waived by the teacher, the teacher shall have the right to proceed first with the striking. Within 3 business days of receipt of the list provided by the State Board of Education, the board and the teacher or their legal representatives shall each have the right to reject all prospective hearing officers named on the list and notify the State Board of Education of such rejection. Within 3 business days after receiving this notification, the State Board of Education shall appoint a qualified person from the master list who did not appear on the list sent to the parties to serve as the hearing officer, unless the parties notify it that they have chosen to alternatively select a hearing officer under paragraph (4) of this subsection (d).

If the teacher has requested a hearing before a hearing officer selected by the board, the board shall select one name from the master list of qualified impartial hearing officers maintained by the State Board of Education within 3 business days after receipt and shall notify the State Board of Education of its selection.

A hearing officer mutually selected by the parties, selected by the board, or selected through an alternative selection process under paragraph (4) of this subsection (d) (A) must not be a resident of the school district, (B) must be available to commence the hearing within 75 days and conclude the hearing within 120 days after being selected as the hearing officer, and (C) must issue a decision as to whether the teacher must be dismissed and give a copy of that decision to both the teacher and the board within 30 days from the conclusion of the hearing or closure of the record, whichever is later.

(4) In the alternative to selecting a hearing officer from the list received from the

State Board of Education or accepting the appointment of a hearing officer by the State Board of Education or if the State Board of Education cannot provide a list or appoint a hearing officer that meets the foregoing requirements, the board and the teacher or their legal representatives may mutually agree to select an impartial hearing officer who is not on the master list either by direct appointment by the parties or by using procedures for the appointment of an arbitrator established by the Federal Mediation and Conciliation Service or the American Arbitration Association. The parties shall notify the State Board of Education of their intent to select a hearing officer using an alternative procedure within 3 business days of receipt of a list of prospective hearing officers provided by the State Board of Education, notice of appointment of a hearing officer by the State Board of Education, or receipt of notice from the State Board of Education that it cannot provide a list that meets the foregoing requirements, whichever is later.

(5) If the notice of dismissal was sent to the teacher before July 1, 2012, the fees and costs for the hearing officer must be paid by the State Board of Education. If the notice of dismissal was sent to the teacher on or after July 1, 2012, the hearing officer's fees and costs must be paid as follows in this paragraph (5). The fees and permissible costs for the hearing officer must be determined by the State Board of Education. If the board and the teacher or their legal representatives mutually agree to select an impartial hearing officer who is not on a list received from the State Board of Education, they may agree to supplement the fees determined by the State Board to the hearing officer, at a rate consistent with the hearing officer's published professional fees. If the hearing officer is mutually selected by the parties, then the board and the teacher or their legal representatives shall each pay 50% of the fees and costs and any supplemental allowance to which they agree. If the hearing officer is selected by the board, then the board shall pay 100% of the hearing officer's fees and costs. The fees and costs must be paid to the hearing officer within 14 days after the board and the teacher or their legal representatives receive the hearing officer's decision set forth in paragraph (7) of this subsection (d).

(6) The teacher is required to answer the bill of particulars and aver affirmative matters in his or her defense, and the time for initially doing so and the time for updating such answer and defenses after pre-hearing discovery must be set by the hearing officer. The State Board of Education shall promulgate rules so that each party has a fair opportunity to present its case and to ensure that the dismissal process proceeds in a fair and expeditious manner. These rules shall address, without limitation, discovery and hearing scheduling conferences; the teacher's initial answer and affirmative defenses to the bill of particulars and the updating of that information after pre-hearing discovery; provision for written interrogatories and requests for production of documents; the requirement that each party initially disclose to the other party and then update the disclosure no later than 10 calendar days prior to the commencement of the hearing, the names and addresses of persons who may be called as witnesses at the hearing, a summary of the facts or opinions each witness will testify to, and all other documents and materials, including information maintained electronically, relevant to its own as well as the other party's case (the hearing officer may exclude witnesses and exhibits not identified and shared, except those offered in rebuttal for which the party could not reasonably have anticipated prior to the hearing); pre-hearing discovery and preparation, including provision for written interrogatories and requests for production of documents, provided that discovery depositions are prohibited; the conduct of the hearing; the right of each party to be represented by counsel, the offer of evidence and witnesses and the cross-examination of witnesses; the authority of the hearing officer to issue subpoenas and subpoenas duces tecum, provided that the hearing officer may limit the number of witnesses to be subpoenaed on behalf of each party to no more than 7; the length of post-hearing briefs; and the form, length, and content of hearing officers' decisions. The hearing officer shall hold a hearing and render a final decision for dismissal pursuant to Article 24A of this Code or shall report to the school board findings of fact and a recommendation as to whether or not the teacher must be dismissed for conduct. The hearing officer shall commence the hearing within 75 days and conclude the hearing within 120 days after being selected as the hearing officer, provided that the hearing officer may modify these timelines upon the showing of good cause or mutual agreement of the parties. Good cause for the purpose of this subsection (d) shall mean the illness or otherwise unavoidable emergency of the teacher, district representative, their legal representatives, the hearing officer, or an essential witness as indicated in each party's pre-hearing submission. In a dismissal hearing pursuant to Article 24A of this Code, the hearing officer shall consider and give weight to all of the teacher's evaluations written pursuant to Article 24A that are relevant to the issues in the hearing.

Each party shall have no more than 3 days to present its case, unless extended by the hearing officer to enable a party to present adequate evidence and testimony, including due to the

other party's cross-examination of the party's witnesses, for good cause or by mutual agreement of the parties. The State Board of Education shall define in rules the meaning of "day" for such purposes. All testimony at the hearing shall be taken under oath administered by the hearing officer. The hearing officer shall cause a record of the proceedings to be kept and shall employ a competent reporter to take stenographic or stenotype notes of all the testimony. The costs of the reporter's attendance and services at the hearing shall be paid by the party or parties who are responsible for paying the fees and costs of the hearing officer. Either party desiring a transcript of the hearing shall pay for the cost thereof. Any post-hearing briefs must be submitted by the parties by no later than 21 days after a party's receipt of the transcript of the hearing, unless extended by the hearing officer for good cause or by mutual agreement of the parties.

(7) The hearing officer shall, within 30 days from the conclusion of the hearing or closure of the record, whichever is later, make a decision as to whether or not the teacher shall be dismissed pursuant to Article 24A of this Code or report to the school board findings of fact and a recommendation as to whether or not the teacher shall be dismissed for cause and shall give a copy of the decision or findings of fact and recommendation to both the teacher and the school board. If a hearing officer fails without good cause, specifically provided in writing to both parties and the State Board of Education, to render a decision or findings of fact and recommendation within 30 days after the hearing is concluded or the record is closed, whichever is later, the parties may mutually agree to select a hearing officer pursuant to the alternative procedure, as provided in this Section, to rehear the charges heard by the hearing officer who failed to render a decision or findings of fact and recommendation or to review the record and render a decision. If any hearing officer fails without good cause, specifically provided in writing to both parties and the State Board of Education, to render a decision or findings of fact and recommendation within 30 days after the hearing is concluded or the record is closed, whichever is later, the hearing officer shall be removed from the master list of hearing officers maintained by the State Board of Education for not more than 24 months. The parties and the State Board of Education may also take such other actions as it deems appropriate, including recovering, reducing, or withholding any fees paid or to be paid to the hearing officer. If any hearing officer repeats such failure, he or she must be permanently removed from the master list maintained by the State Board of Education and may not be selected by parties through the alternative selection process under this paragraph (7) or paragraph (4) of this subsection (d). The board shall not lose jurisdiction to discharge a teacher if the hearing officer fails to render a decision or findings of fact and recommendation within the time specified in this Section. If the decision of the hearing officer for dismissal pursuant to Article 24A of this Code or of the school board for dismissal for cause is in favor of the teacher, then the hearing officer or school board shall order reinstatement to the same or substantially equivalent position and shall determine the amount for which the school board is liable, including, but not limited to, loss of income and benefits.

(8) The school board, within 45 days after receipt of the hearing officer's findings of fact and recommendation as to whether (i) the conduct at issue occurred, (ii) the conduct that did occur was remediable, and (iii) the proposed dismissal should be sustained, shall issue a written order as to whether the teacher must be retained or dismissed for cause from its employ. The school board's written order shall incorporate the hearing officer's findings of fact, except that the school board may modify or supplement the findings of fact if, in its opinion, the findings of fact are against the manifest weight of the evidence.

If the school board dismisses the teacher notwithstanding the hearing officer's findings of fact and recommendation, the school board shall make a conclusion in its written order, giving its reasons therefor, and such conclusion and reasons must be included in its written order. The failure of the school board to strictly adhere to the timelines contained in this Section shall not render it without jurisdiction to dismiss the teacher. The school board shall not lose jurisdiction to discharge the teacher for cause if the hearing officer fails to render a recommendation within the time specified in this Section. The decision of the school board is final, unless reviewed as provided in paragraph (9) of this subsection (d).

If the school board retains the teacher, the school board shall enter a written order stating the amount of back pay and lost benefits, less mitigation, to be paid to the teacher, within 45 days after its retention order. Should the teacher object to the amount of the back pay and lost benefits or amount mitigated, the teacher shall give written objections to the amount within 21 days. If the parties fail to reach resolution within 7 days, the dispute shall be referred to the hearing officer, who shall consider the school board's written order and teacher's written objection and determine the amount to which the school board is liable. The costs of the hearing officer's review and determination must be paid by the board.

(9) The decision of the hearing officer pursuant to Article 24A of this Code or of the school board's decision to dismiss for cause is final unless reviewed as provided in Section 24-16 of this Act. If the school board's decision to dismiss for cause is contrary to the hearing officer's recommendation, the court on review shall give consideration to the school board's decision and its supplemental findings of fact, if applicable, and the hearing officer's findings of fact and recommendation in making its decision. In the event such review is instituted, the school board shall be responsible for preparing and filing the record of proceedings, and such costs associated therewith must be divided equally between the parties.

(10) If a decision of the hearing officer for dismissal pursuant to Article 24A of this Code or of the school board for dismissal for cause is adjudicated upon review or appeal in favor of the teacher, then the trial court shall order reinstatement and shall remand the matter to the school board with direction for entry of an order setting the amount of back pay, lost benefits, and costs, less mitigation. The teacher may challenge the school board's order setting the amount of back pay, lost benefits, and costs, less mitigation, through an expedited arbitration procedure, with the costs of the arbitrator borne by the school board.

Any teacher who is reinstated by any hearing or adjudication brought under this Section shall be assigned by the board to a position substantially similar to the one which that teacher held prior to that teacher's suspension or dismissal.

(11) Subject to any later effective date referenced in this Section for a specific aspect of the dismissal process, the ~~The~~ changes made by this amendatory Act of the 97th General Assembly shall apply to dismissals instituted on or after September 1, 2011 ~~or the effective date of this amendatory Act of the 97th General Assembly, whichever is later~~. Any dismissal instituted prior to September 1, 2011 ~~the effective date of these changes~~ must be carried out in accordance with the requirements of this Section prior to amendment by this amendatory Act of 97th General Assembly.

(Source: P.A. 97-8, eff. 6-13-11.)

(105 ILCS 5/24-16.5)

Sec. 24-16.5. Optional alternative evaluative dismissal process for PERA evaluations.

(a) As used in this Section:

"Applicable hearing requirements" means (i) ~~,~~ for any school district having less than 500,000 inhabitants or a program of a special education joint agreement, those procedures and requirements relating to a teacher's request for a hearing, selection of a hearing officer, pre-hearing and hearing procedures, and post-hearing briefs set forth in paragraphs (1) through (6) of subsection (d) of Section 24-12 of this Code or (ii) for a school district having 500,000 inhabitants or more, those procedures and requirements relating to a teacher's request for a hearing, selection of a hearing officer, pre-hearing and hearing procedures, and post-hearing briefs set forth in paragraphs (1) through (5) of subsection (a) of Section 34-85 of this Code.

"Board" means, for a school district having less than 500,000 inhabitants or a program of a special education joint agreement, the board of directors, board of education, or board of school inspectors, as the case may be. For a school district having 500,000 inhabitants or more, "board" means the Chicago Board of Education.

"Evaluator" means an evaluator, as defined in Section 24A-2.5 of this Code, who has successfully completed the pre-qualification program described in subsection (b) of Section 24A-3 of this Code.

~~"Hearing procedures" means, for a school district having 500,000 inhabitants or more, those procedures and requirements relating to a teacher's request for a hearing, selection of a hearing officer, pre-hearing and hearing procedures, and post-hearing briefs set forth in paragraphs (1) through (5) of subsection (a) of Section 34-85 of this Code.~~

"PERA-trained board member" means a member of a board that has completed a training program on PERA evaluations either administered or approved by the State Board of Education.

"PERA evaluation" means a performance evaluation of a teacher after the implementation date of an evaluation system for teachers, as specified by Section 24A-2.5 of this Code, using a performance evaluation instrument and process that meets the minimum requirements for teacher evaluation instruments and processes set forth in rules adopted by the State Board of Education to implement Public Act 96-861.

"Remediation" means the remediation plan, mid-point and final evaluations, and related processes and requirements set forth in subdivisions (i), (j), and (k) of Section 24A-5 of this Code.

"School district" means a school district or a program of a special education joint agreement.

"Second evaluator" means an evaluator who either conducts the mid-point and final remediation evaluation or conducts an independent assessment of whether the teacher completed the remediation

plan with a rating equal to or better than a "Proficient" rating, all in accordance with subdivision (c) of this Section.

"Student growth components" means the components of a performance evaluation plan described in subdivision (c) of Section 24A-5 of this Code, as may be supplemented by administrative rules adopted by the State Board of Education.

"Teacher practice components" means the components of a performance evaluation plan described in subdivisions (a) and (b) of Section 24A-5 of this Code, as may be supplemented by administrative rules adopted by the State Board of Education.

"Teacher representatives" means the exclusive bargaining representative of a school district's teachers or, if no exclusive bargaining representatives exists, a representative committee selected by teachers.

(b) This Section applies to all school districts, including those having 500,000 or more inhabitants. The optional dismissal process set forth in this Section is an alternative to those set forth in Sections 24-12 and 34-85 of this Code. Nothing in this Section is intended to change the existing practices or precedents under Section 24-12 or 34-85 of this Code, nor shall this Section be interpreted as implying standards and procedures that should or must be used as part of a remediation that precedes a dismissal sought under Section 24-12 or 34-85 of this Code.

A board may dismiss a teacher who has entered upon contractual continued service under this Section if the following are met:

(1) the cause of dismissal is that the teacher has failed to complete a remediation plan with a rating equal to or better than a "Proficient" rating;

(2) the "Unsatisfactory" performance evaluation rating that preceded remediation resulted from a PERA evaluation; and

(3) the school district has complied with subsection (c) of this Section.

A school district may not, through agreement with a teacher or its teacher representatives, waive its right to dismiss a teacher under this Section.

(c) Each school district electing to use the dismissal process set forth in this Section must comply with the pre-remediation and remediation activities and requirements set forth in this subsection (c).

(1) Before a school district's first remediation relating to a dismissal under this Section, the school district must create and establish a list of at least 2 evaluators who will be available to serve as second evaluators under this Section. The school district shall provide its teacher representatives with an opportunity to submit additional names of teacher evaluators who will be available to serve as second evaluators and who will be added to the list created and established by the school district, provided that, unless otherwise agreed to by the school district, the teacher representatives may not submit more teacher evaluators for inclusion on the list than the number of evaluators submitted by the school district. Each teacher evaluator must either have (i) National Board of Professional Teaching Standards certification, with no "Unsatisfactory" or "Needs Improvement" performance evaluating ratings in his or her 2 most recent performance evaluation ratings; or (ii) "Excellent" performance evaluation ratings in 2 of his or her 3 most recent performance evaluations, with no "Needs Improvement" or "Unsatisfactory" performance evaluation ratings in his or her last 3 ratings. If the teacher representatives do not submit a list of teacher evaluators within 21 days after the school district's request, the school district may proceed with a remediation using a list that includes only the school district's selections. Either the school district or the teacher representatives may revise or add to their selections for the list at any time with notice to the other party, subject to the limitations set forth in this paragraph (1).

(2) Before a school district's first remediation relating to a dismissal under this Section, the school district shall, in good faith cooperation with its teacher representatives, establish a process for the selection of a second evaluator from the list created pursuant to paragraph (1) of this subsection (c). Such process may be amended at any time in good faith cooperation with the teacher representatives. If the teacher representatives are given an opportunity to cooperate with the school district and elect not to do so, the school district may, at its discretion, establish or amend the process for selection. Before the hearing officer and as part of any judicial review of a dismissal under this Section, a teacher may not challenge a remediation or dismissal on the grounds that the process used by the school district to select a second evaluator was not established in good faith cooperation with its teacher representatives.

(3) For each remediation preceding a dismissal under this Section, the school district shall select a second evaluator from the list of second evaluators created pursuant to paragraph (1) of this subsection (c), using the selection process established pursuant to paragraph (2) of this subsection (c). The selected second evaluator may not be the same individual who determined the teacher's "Unsatisfactory" performance evaluation rating preceding remediation, and, if the second evaluator is

an administrator, may not be a direct report to the individual who determined the teacher's "Unsatisfactory" performance evaluation rating preceding remediation. The school district's authority to select a second evaluator from the list of second evaluators must not be delegated or limited through any agreement with the teacher representatives, provided that nothing shall prohibit a school district and its teacher representatives from agreeing to a formal peer evaluation process as permitted under Article 24A of this Code that could be used to meet the requirements for the selection of second evaluators under this subsection (c).

(4) The second evaluator selected pursuant to paragraph (3) of this subsection (c) must either (i) conduct the mid-point and final evaluation during remediation or (ii) conduct an independent assessment of whether the teacher completed the remediation plan with a rating equal to or better than a "Proficient" rating, which independent assessment shall include, but is not limited to, personal or video-recorded observations of the teacher that relate to the teacher practice components of the remediation plan. Nothing in this subsection (c) shall be construed to limit or preclude the participation of the evaluator who rated a teacher as "Unsatisfactory" in remediation.

(d) To institute a dismissal proceeding under this Section, the board must first provide written notice to the teacher within 30 days after the completion of the final remediation evaluation. The notice shall comply with the applicable hearing requirements and, in addition, must specify that dismissal is sought under this Section and include a copy of each performance evaluation relating to the scope of the hearing as described in this subsection (d).

The applicable hearing requirements shall apply to the teacher's request for a hearing, the selection and qualifications of the hearing officer, and pre-hearing and hearing procedures, except that all of the following must be met:

(1) The hearing officer must, in addition to meeting the qualifications set forth in the applicable hearing requirements, have successfully completed the pre-qualification program described in subsection (b) of Section 24A-3 of this Code, unless the State Board of Education waives this requirement to provide an adequate pool of hearing officers for consideration.

(2) The scope of the hearing must be limited as follows:

(A) The school district must demonstrate the following:

(i) that the "Unsatisfactory" performance evaluation rating that preceded remediation applied the teacher practice components and student growth components and determined an overall evaluation rating of "Unsatisfactory" in accordance with the standards and requirements of the school district's evaluation plan;

(ii) that the remediation plan complied with the requirements of Section 24A-5 of this Code;

(iii) that the teacher failed to complete the remediation plan with a performance evaluation rating equal to or better than a "Proficient" rating, based upon a final remediation evaluation meeting the applicable standards and requirements of the school district's evaluation plan; and

(iv) that if the second evaluator selected pursuant to paragraph (3) of subsection (c) of this Section does not conduct the mid-point and final evaluation and makes an independent assessment that the teacher completed the remediation plan with a rating equal to or better than a "Proficient" rating, the school district must demonstrate that the final remediation evaluation is a more valid assessment of the teacher's performance than the assessment made by the second evaluator.

(B) The teacher may only challenge the substantive and procedural aspects of (i) the "Unsatisfactory" performance evaluation rating that led to the remediation, (ii) the remediation plan, and (iii) the final remediation evaluation. To the extent the teacher challenges procedural aspects, including any in applicable collective bargaining agreement provisions, of a relevant performance evaluation rating or the remediation plan, the teacher must demonstrate how an alleged procedural defect materially affected the teacher's ability to demonstrate a level of performance necessary to avoid remediation or dismissal or successfully complete the remediation plan. Without any such material effect, a procedural defect shall not impact the assessment by the hearing officer, board, or reviewing court of the validity of a performance evaluation or a remediation plan.

(C) The hearing officer shall only consider and give weight to performance evaluations relevant to the scope of the hearing as described in clauses (A) and (B) of this subdivision (2).

(3) Each party shall be given only 2 days to present evidence and testimony relating to the scope of the hearing, unless a longer period is mutually agreed to by the parties or deemed necessary by the hearing officer to enable a party to present adequate evidence and testimony to

address the scope of the hearing, including due to the other party's cross-examination of the party's witnesses.

(e) The provisions of Sections 24-12 and 34-85 pertaining to the decision or recommendation of the hearing officer do not apply to dismissal proceedings under this Section. For any dismissal proceedings under this Section, the hearing officer shall not issue a decision, and shall issue only findings of fact and a recommendation, including the reasons therefor, to the board to either retain or dismiss the teacher and shall give a copy of the report to both the teacher and the superintendent of the school district. The hearing officer's findings of fact and recommendation must be issued within 30 days from the close of the record of the hearing.

The State Board of Education shall adopt rules regarding the length of the hearing officer's findings of fact and recommendation. If a hearing officer fails without good cause, specifically provided in writing to both parties and the State Board of Education, to render a recommendation within 30 days after the hearing is concluded or the record is closed, whichever is later, the parties may mutually agree to select a hearing officer pursuant to the alternative procedure, as provided in Section 24-12 or 34-85, to rehear the charges heard by the hearing officer who failed to render a recommendation or to review the record and render a recommendation. If any hearing officer fails without good cause, specifically provided in writing to both parties and the State Board of Education, to render a recommendation within 30 days after the hearing is concluded or the record is closed, whichever is later, the hearing officer shall be removed from the master list of hearing officers maintained by the State Board of Education for not more than 24 months. The parties and the State Board of Education may also take such other actions as it deems appropriate, including recovering, reducing, or withholding any fees paid or to be paid to the hearing officer. If any hearing officer repeats such failure, he or she shall be permanently removed from the master list of hearing officers maintained by the State Board of Education.

(f) The board, within 45 days after receipt of the hearing officer's findings of fact and recommendation, shall decide, through adoption of a written order, whether the teacher must be dismissed from its employ or retained, provided that only PERA-trained board members may participate in the vote with respect to the decision.

If the board dismisses the teacher notwithstanding the hearing officer's recommendation of retention, the board shall make a conclusion, giving its reasons therefor, and such conclusion and reasons must be included in its written order. The failure of the board to strictly adhere to the timelines contained in this Section does not render it without jurisdiction to dismiss the teacher. The board shall not lose jurisdiction to discharge the teacher if the hearing officer fails to render a recommendation within the time specified in this Section. The decision of the board is final, unless reviewed as provided in subsection (g) of this Section.

If the board retains the teacher, the board shall enter a written order stating the amount of back pay and lost benefits, less mitigation, to be paid to the teacher, within 45 days of its retention order.

(g) A teacher dismissed under this Section may apply for and obtain judicial review of a decision of the board in accordance with the provisions of the Administrative Review Law, except as follows:

(1) for a teacher dismissed by a school district having 500,000 inhabitants or more,
such judicial review must be taken directly to the appellate court of the judicial district in which the board maintains its primary administrative office, and any direct appeal to the appellate court must be filed within 35 days from the date that a copy of the decision sought to be reviewed was served upon the teacher;

(2) for a teacher dismissed by a school district having less than 500,000 inhabitants
after the hearing officer recommended dismissal, such judicial review must be taken directly to the appellate court of the judicial district in which the board maintains its primary administrative office, and any direct appeal to the appellate court must be filed within 35 days from the date that a copy of the decision sought to be reviewed was served upon the teacher; and

(3) for all school districts, if the hearing officer recommended dismissal, the decision
of the board may be reversed only if it is found to be arbitrary, capricious, an abuse of discretion, or not in accordance with law.

In the event judicial review is instituted by a teacher, any costs of preparing and filing the record of proceedings must be paid by the teacher. If a decision of the board is adjudicated upon judicial review in favor of the teacher, then the court shall remand the matter to the board with direction for entry of an order setting the amount of back pay, lost benefits, and costs, less mitigation. The teacher may challenge the board's order setting the amount of back pay, lost benefits, and costs, less mitigation, through an expedited arbitration procedure with the costs of the arbitrator borne by the board.

(Source: P.A. 97-8, eff. 6-13-11.)

Section 10. The Illinois Educational Labor Relations Act is amended by changing Sections 12 and 13 as follows:

(115 ILCS 5/12) (from Ch. 48, par. 1712)

Sec. 12. Impasse procedures.

(a) This subsection (a) applies only to collective bargaining between an educational employer that is not a public school district organized under Article 34 of the School Code and an exclusive representative of its employees. If the parties engaged in collective bargaining have not reached an agreement by 90 days before the scheduled start of the forthcoming school year, the parties shall notify the Illinois Educational Labor Relations Board concerning the status of negotiations. This notice shall include a statement on whether mediation has been used.

Upon demand of either party, collective bargaining between the employer and an exclusive bargaining representative must begin within 60 days of the date of certification of the representative by the Board, or in the case of an existing exclusive bargaining representative, within 60 days of the receipt by a party of a demand to bargain issued by the other party. Once commenced, collective bargaining must continue for at least a 60 day period, unless a contract is entered into.

Except as otherwise provided in subsection (b) of this Section, if after a reasonable period of negotiation and within 90 days of the scheduled start of the forth-coming school year, the parties engaged in collective bargaining have reached an impasse, either party may petition the Board to initiate mediation. Alternatively, the Board on its own motion may initiate mediation during this period. However, mediation shall be initiated by the Board at any time when jointly requested by the parties and the services of the mediators shall continuously be made available to the employer and to the exclusive bargaining representative for purposes of arbitration of grievances and mediation or arbitration of contract disputes. If requested by the parties, the mediator may perform fact-finding and in so doing conduct hearings and make written findings and recommendations for resolution of the dispute. Such mediation shall be provided by the Board and shall be held before qualified impartial individuals. Nothing prohibits the use of other individuals or organizations such as the Federal Mediation and Conciliation Service or the American Arbitration Association selected by both the exclusive bargaining representative and the employer.

If the parties engaged in collective bargaining fail to reach an agreement within 45 days of the scheduled start of the forthcoming school year and have not requested mediation, the Illinois Educational Labor Relations Board shall invoke mediation.

Whenever mediation is initiated or invoked under this subsection (a), the parties may stipulate to defer selection of a mediator in accordance with rules adopted by the Board.

(a-5) This subsection (a-5) applies only to collective bargaining between a public school district or a combination of public school districts, including, but not limited to, joint cooperatives, that is not organized under Article 34 of the School Code and an exclusive representative of its employees.

(1) Any time 15 days after mediation has commenced, either party may initiate the public posting process ~~declare an impasse~~. The mediator may initiate the public posting process ~~declare an impasse~~ at any time 15 days after mediation has commenced during the mediation process. Initiation of the public posting process ~~Notification of an impasse~~ must be filed in writing with the Board, and copies ~~of the notification~~ must be submitted to the parties on the same day the initiation ~~notification~~ is filed with the Board.

(2) Within 7 days after the initiation of the public posting process ~~declaration of impasse~~, each party shall submit to the mediator, the Board, and the other party in writing the most recent ~~final~~ offer of the party, including a cost summary of the offer. Seven days after receipt of the parties' ~~final~~ offers, the Board shall make public the ~~final~~ offers and each party's cost summary dealing with those issues on which the parties have failed to reach agreement by immediately posting the offers on its Internet website, unless otherwise notified by the mediator or jointly by the parties that agreement has been reached. On the same day of publication by the Board ~~mediator~~, at a minimum, the school district shall distribute notice of the availability of the offers on the Board's Internet website to all news media that have filed an annual request for notices from the school district pursuant to Section 2.02 of the Open Meetings Act. The parties' offers shall remain on the Board's Internet website until the parties have reached and ratified an agreement.

(a-10) This subsection (a-10) applies only to collective bargaining between a public school district organized under Article 34 of the School Code and an exclusive representative of its employees.

(1) For collective bargaining agreements between an educational employer to which this subsection (a-10) applies and an exclusive representative of its employees, if the parties fail to reach an agreement after a reasonable period of mediation, the dispute shall be submitted to fact-finding in accordance with this subsection (a-10). Either the educational employer or the exclusive

representative may initiate fact-finding by submitting a written demand to the other party with a copy of the demand submitted simultaneously to the Board.

(2) Within 3 days following a party's demand for fact-finding, each party shall appoint one member of the fact-finding panel, unless the parties agree to proceed without a tri-partite panel. Following these appointments, if any, the parties shall select a qualified impartial individual to serve as the fact-finder and chairperson of the fact-finding panel, if applicable. An individual shall be considered qualified to serve as the fact-finder and chairperson of the fact-finding panel, if applicable, if he or she was not the same individual who was appointed as the mediator and if he or she satisfies the following requirements: membership in good standing with the National Academy of Arbitrators, Federal Mediation and Conciliation Service, or American Arbitration Association for a minimum of 10 years; membership on the mediation roster for the Illinois Labor Relations Board or Illinois Educational Labor Relations Board; issuance of at least 5 interest arbitration awards arising under the Illinois Public Labor Relations Act; and participation in impasse resolution processes arising under private or public sector collective bargaining statutes in other states. If the parties are unable to agree on a fact-finder, the parties shall request a panel of fact-finders who satisfy the requirements set forth in this paragraph (2) from either the Federal Mediation and Conciliation Service or the American Arbitration Association and shall select a fact-finder from such panel in accordance with the procedures established by the organization providing the panel.

(3) The fact-finder shall have the following duties and powers:

(A) to require the parties to submit a statement of disputed issues and their positions regarding each issue either jointly or separately;

(B) to identify disputed issues that are economic in nature;

(C) to meet with the parties either separately or in executive sessions;

(D) to conduct hearings and regulate the time, place, course, and manner of the hearings;

(E) to request the Board to issue subpoenas requiring the attendance and testimony of witnesses or the production of evidence;

(F) to administer oaths and affirmations;

(G) to examine witnesses and documents;

(H) to create a full and complete written record of the hearings;

(I) to attempt mediation or remand a disputed issue to the parties for further collective bargaining;

(J) to require the parties to submit final offers for each disputed issue either individually or as a package or as a combination of both; and

(K) to employ any other measures deemed appropriate to resolve the impasse.

(4) If the dispute is not settled within 75 days after the appointment of the fact-finding panel, the fact-finding panel shall issue a private report to the parties that contains advisory findings of fact and recommended terms of settlement for all disputed issues and that sets forth a rationale for each recommendation. The fact-finding panel, acting by a majority of its members, shall base its findings and recommendations upon the following criteria as applicable:

(A) the lawful authority of the employer;

(B) the federal and State statutes or local ordinances and resolutions applicable to the employer;

(C) prior collective bargaining agreements and the bargaining history between the parties;

(D) stipulations of the parties;

(E) the interests and welfare of the public and the students and families served by the employer;

(F) the employer's financial ability to fund the proposals based on existing available resources, provided that such ability is not predicated on an assumption that lines of credit or reserve funds are available or that the employer may or will receive or develop new sources of revenue or increase existing sources of revenue;

(G) the impact of any economic adjustments on the employer's ability to pursue its educational mission;

(H) the present and future general economic conditions in the locality and State;

(I) a comparison of the wages, hours, and conditions of employment of the employees involved in the dispute with the wages, hours, and conditions of employment of employees performing similar services in public education in the 10 largest U.S. cities;

(J) the average consumer prices in urban areas for goods and services, which is

commonly known as the cost of living;

(K) the overall compensation presently received by the employees involved in the dispute, including direct wage compensation; vacations, holidays, and other excused time; insurance and pensions; medical and hospitalization benefits; the continuity and stability of employment and all other benefits received; and how each party's proposed compensation structure supports the educational goals of the district;

(L) changes in any of the circumstances listed in items (A) through (K) of this paragraph (4) during the fact-finding proceedings;

(M) the effect that any term the parties are at impasse on has or may have on the overall educational environment, learning conditions, and working conditions with the school district; and

(N) the effect that any term the parties are at impasse on has or may have in promoting the public policy of this State.

(5) The fact-finding panel's recommended terms of settlement shall be deemed agreed upon by the parties as the final resolution of the disputed issues and incorporated into the collective bargaining agreement executed by the parties, unless either party tenders to the other party and the chairperson of the fact-finding panel a notice of rejection of the recommended terms of settlement with a rationale for the rejection, within 15 days after the date of issuance of the fact-finding panel's report. If either party submits a notice of rejection, the chairperson of the fact-finding panel shall publish the fact-finding panel's report and the notice of rejection for public information by delivering a copy to all newspapers of general circulation in the community with simultaneous written notice to the parties.

(b) If, after a period of bargaining of at least 60 days, a dispute or impasse exists between an educational employer whose territorial boundaries are coterminous with those of a city having a population in excess of 500,000 and the exclusive bargaining representative over a subject or matter set forth in Section 4.5 of this Act, the parties shall submit the dispute or impasse to the dispute resolution procedure agreed to between the parties. The procedure shall provide for mediation of disputes by a rotating mediation panel and may, at the request of either party, include the issuance of advisory findings of fact and recommendations.

(c) The costs of fact finding and mediation shall be shared equally between the employer and the exclusive bargaining agent, provided that, for purposes of mediation under this Act, if either party requests the use of mediation services from the Federal Mediation and Conciliation Service, the other party shall either join in such request or bear the additional cost of mediation services from another source. All other costs and expenses of complying with this Section must be borne by the party incurring them.

(c-5) If an educational employer or exclusive bargaining representative refuses to participate in mediation or fact finding when required by this Section, the refusal shall be deemed a refusal to bargain in good faith.

(d) Nothing in this Act prevents an employer and an exclusive bargaining representative from mutually submitting to final and binding impartial arbitration unresolved issues concerning the terms of a new collective bargaining agreement.

(Source: P.A. 97-7, eff. 6-13-11; 97-8, eff. 6-13-11.)

(115 ILCS 5/13) (from Ch. 48, par. 1713)

Sec. 13. Strikes.

(a) Notwithstanding the existence of any other provision in this Act or other law, educational employees employed in school districts organized under Article 34 of the School Code shall not engage in a strike at any time during the 18 month period that commences on the effective date of this amendatory Act of 1995. An educational employee employed in a school district organized under Article 34 of the School Code who participates in a strike in violation of this Section is subject to discipline by the employer. In addition, no educational employer organized under Article 34 of the School Code may pay or cause to be paid to an educational employee who participates in a strike in violation of this subsection any wages or other compensation for any period during which an educational employee participates in the strike, except for wages or compensation earned before participation in the strike. Notwithstanding the existence of any other provision in this Act or other law, during the 18-month period that strikes are prohibited under this subsection nothing in this subsection shall be construed to require an educational employer to submit to a binding dispute resolution process.

(b) Notwithstanding the existence of any other provision in this Act or any other law, educational employees other than those employed in a school district organized under Article 34 of the School Code and, after the expiration of the 18 month period that commences on the effective date of this amendatory

Act of 1995, educational employees in a school district organized under Article 34 of the School Code shall not engage in a strike except under the following conditions:

(1) they are represented by an exclusive bargaining representative;

(2) mediation has been used without success and, for educational employers and exclusive bargaining representatives to which ~~if an impasse has been declared under~~ subsection (a-5) of Section 12 of this Act applies, at least 14 days have elapsed after the Board ~~mediator~~ has made public the parties' ~~final~~ offers;

(2.5) if fact-finding was invoked pursuant to subsection (a-10) of Section 12 of this Act, at least 30 days have elapsed after a fact-finding report has been released for public information;

(2.10) for educational employees employed in a school district organized under Article 34 of the School Code, at least three-fourths of all bargaining unit employees who are members of the exclusive bargaining representative have affirmatively voted to authorize the strike; provided, however, that all members of the exclusive bargaining representative at the time of a strike authorization vote shall be eligible to vote;

(3) at least 10 days have elapsed after a notice of intent to strike has been given by the exclusive bargaining representative to the educational employer, the regional superintendent and the Illinois Educational Labor Relations Board;

(4) the collective bargaining agreement between the educational employer and educational employees, if any, has expired or been terminated; and

(5) the employer and the exclusive bargaining representative have not mutually submitted the unresolved issues to arbitration.

If, however, in the opinion of an employer the strike is or has become a clear and present danger to the health or safety of the public, the employer may initiate in the circuit court of the county in which such danger exists an action for relief which may include, but is not limited to, injunction. The court may grant appropriate relief upon the finding that such clear and present danger exists. An unfair practice or other evidence of lack of clean hands by the educational employer is a defense to such action. Except as provided for in this paragraph, the jurisdiction of the court under this Section is limited by the Labor Dispute Act.

(Source: P.A. 97-7, eff. 6-13-11; 97-8, eff. 6-13-11.)".

Senator Lightford offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 1762

AMENDMENT NO. 2. Amend Senate Bill 1762, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 3, line 2, by replacing "2013" with "2014".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments Numbered 1 and 2 were ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME

On motion of Senator Steans, **House Bill No. 496** having been printed, was taken up and read by title a second time.

Senator Steans offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO HOUSE BILL 496

AMENDMENT NO. 1. Amend House Bill 496 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Sections 21-14, 21B-25, 21B-40, and 21B-45 as follows:

(105 ILCS 5/21-14) (from Ch. 122, par. 21-14)

Sec. 21-14. Registration and renewal of certificates.

(a) A limited four-year certificate or a certificate issued after July 1, 1955, shall be renewable at its expiration or within 60 days thereafter by the county superintendent of schools having supervision and

control over the school where the teacher is teaching upon certified evidence of meeting the requirements for renewal as required by this Act and prescribed by the State Board of Education in consultation with the State Teacher Certification Board. An elementary supervisory certificate shall not be renewed at the end of the first four-year period covered by the certificate unless the holder thereof has filed certified evidence with the State Teacher Certification Board that he has a master's degree or that he has earned 8 semester hours of credit in the field of educational administration and supervision in a recognized institution of higher learning. The holder shall continue to earn 8 semester hours of credit each four-year period until such time as he has earned a master's degree.

(b) All certificates not renewed as provided in this Section or registered in accordance with this Code shall lapse after a period of 6 months from the expiration of the last year of registration. Such certificates may be immediately reinstated upon payment by the applicant to the State Board of Education of (1) any and all back fees, including without limitation registration fees, owed from the time of expiration of the certificate until the date of reinstatement; and (2) a $500 penalty or the demonstration of proficiency by completing 9 semester hours of coursework from a regionally accredited institution of higher education in the content area that most aligns with the educator's endorsement area or areas; provided that, until September 1, 2012, certificates that have lapsed solely for the failure to pay a registration fee may be immediately reinstated upon payment only of any and all back fees, including without limitation registration fees, owed from the time of expiration of the certificate until the date of reinstatement. Any and all back fees and penalty amounts shall be deposited by the State Board of Education into the Teacher Certificate Fee Revolving Fund. Any certificate may be voluntarily surrendered by the certificate holder. A voluntarily surrendered certificate shall be treated as a revoked certificate.

(b) When those teaching certificates issued before February 15, 2000 are renewed for the first time after February 15, 2000, all such teaching certificates shall be exchanged for Standard Teaching Certificates as provided in subsection (c) of Section 21-2. All Initial and Standard Teaching Certificates, including those issued to persons who previously held teaching certificates issued before February 15, 2000, shall be renewable under the conditions set forth in this subsection (b).

Initial Teaching Certificates are valid for 4 years of teaching, as provided in subsection (b) of Section 21-2 of this Code, and are renewable every 4 years until the person completes 4 years of teaching. If the holder of an Initial Certificate has completed 4 years of teaching but has not completed the requirements set forth in paragraph (2) of subsection (c) of Section 21-2 of this Code, then the Initial Certificate may be reinstated for one year, during which the requirements must be met. A holder of an Initial Certificate who has not completed 4 years of teaching may continuously register the certificate for additional 4-year periods without penalty. Initial Certificates that are not registered shall lapse consistent with subsection (a) of this Section and may be reinstated only in accordance with subsection (a). Standard Teaching Certificates are renewable every 5 years as provided in subsection (c) of Section 21-2 and subsection (c) of this Section. For purposes of this Section, "teaching" is defined as employment and performance of services in an Illinois public or State-operated elementary school, secondary school, or cooperative or joint agreement with a governing body or board of control, in a certificated teaching position, or a charter school operating in compliance with the Charter Schools Law.

(c) In compliance with subsection (c) of Section 21-2 of this Code, which provides that a Standard Teaching Certificate may be renewed by the State Teacher Certification Board based upon proof of continuing professional development, the State Board of Education and the State Teacher Certification Board shall jointly:

(1) establish a procedure for renewing Standard Teaching Certificates, which shall include but not be limited to annual timelines for the renewal process and the components set forth in subsections (d) through (k) of this Section;

(2) establish the standards for certificate renewal;

(3) approve or disapprove the providers of continuing professional development activities;

(4) determine the maximum credit for each category of continuing professional development activities, based upon recommendations submitted by a continuing professional development activity task force, which shall consist of 6 staff members from the State Board of Education, appointed by the State Superintendent of Education, and 6 teacher representatives, 3 of whom are selected by the Illinois Education Association and 3 of whom are selected by the Illinois Federation of Teachers;

(5) designate the type and amount of documentation required to show that continuing professional development activities have been completed; and

(6) provide, on a timely basis to all Illinois teachers, certificate holders, regional superintendents of schools, school districts, and others with an interest in continuing professional

development, information about the standards and requirements established pursuant to this subsection (c).

(d) Any Standard Teaching Certificate held by an individual employed and performing services in an Illinois public or State-operated elementary school, secondary school, or cooperative or joint agreement with a governing body or board of control in a certificated teaching position or a charter school in compliance with the Charter Schools Law must be maintained Valid and Active through certificate renewal activities specified in the certificate renewal procedure established pursuant to subsection (c) of this Section, provided that a holder of a Valid and Active certificate who is only employed on either a part-time basis or day-to-day basis as a substitute teacher shall pay only the required registration fee to renew his or her certificate and maintain it as Valid and Active. All other Standard Teaching Certificates held may be maintained as Valid and Exempt through the registration process provided for in the certificate renewal procedure established pursuant to subsection (c) of this Section. A Valid and Exempt certificate must be immediately activated, through procedures developed jointly by the State Board of Education and the State Teacher Certification Board, upon the certificate holder becoming employed and performing services in an Illinois public or State-operated elementary school, secondary school, or cooperative or joint agreement with a governing body or board of control in a certificated teaching position or a charter school operating in compliance with the Charter Schools Law. A holder of a Valid and Exempt certificate may activate his or her certificate through procedures provided for in the certificate renewal procedure established pursuant to subsection (c) of this Section.

(e)(1) A Standard Teaching Certificate that has been maintained as Valid and Active for the 5 years of the certificate's validity shall be renewed as Valid and Active upon the certificate holder: (i) completing an advanced degree from an approved institution in an education-related field; (ii) completing at least 8 semester hours of coursework as described in subdivision (B) of paragraph (3) of this subsection (e); (iii) (blank); (iv) completing the National Board for Professional Teaching Standards process as described in subdivision (D) of paragraph (3) of this subsection (e); or (v) earning 120 continuing professional development units ("CPDU") as described in subdivision (E) of paragraph (3) of this subsection (e). The maximum continuing professional development units for each continuing professional development activity identified in subdivisions (F) through (J) of paragraph (3) of this subsection (e) shall be jointly determined by the State Board of Education and the State Teacher Certification Board. If, however, the certificate holder has maintained the certificate as Valid and Exempt for a portion of the 5-year period of validity, the number of continuing professional development units needed to renew the certificate as Valid and Active shall be proportionately reduced by the amount of time the certificate was Valid and Exempt. Furthermore, if a certificate holder is employed and performs teaching services on a part-time basis for all or a portion of the certificate's 5-year period of validity, the number of continuing professional development units needed to renew the certificate as Valid and Active shall be reduced by 50% for the amount of time the certificate holder has been employed and performed teaching services on a part-time basis. Part-time shall be defined as less than 50% of the school day or school term.

Notwithstanding any other requirements to the contrary, if a Standard Teaching Certificate has been maintained as Valid and Active for the 5 years of the certificate's validity and the certificate holder has completed his or her certificate renewal plan before July 1, 2002, the certificate shall be renewed as Valid and Active.

(2) Beginning July 1, 2004, in order to satisfy the requirements for continuing professional development provided for in subsection (c) of Section 21-2 of this Code, each Valid and Active Standard Teaching Certificate holder shall complete professional development activities that address the certificate or those certificates that are required of his or her certificated teaching position, if the certificate holder is employed and performing services in an Illinois public or State-operated elementary school, secondary school, or cooperative or joint agreement with a governing body or board of control, or that certificate or those certificates most closely related to his or her teaching position, if the certificate holder is employed in a charter school. Except as otherwise provided in this subsection (e), the certificate holder's activities must address purposes (A), (B), (C), or (D) and must reflect purpose (E) of the following continuing professional development purposes:

(A) Advance both the certificate holder's knowledge and skills as a teacher consistent with the Illinois Professional Teaching Standards and the Illinois Content Area Standards in the certificate holder's areas of certification, endorsement, or teaching assignment in order to keep the certificate holder current in those areas.

(B) Develop the certificate holder's knowledge and skills in areas determined to be critical for all Illinois teachers, as defined by the State Board of Education, known as "State priorities".

(C) Address the knowledge, skills, and goals of the certificate holder's local school

improvement plan, if the teacher is employed in an Illinois public or State-operated elementary school, secondary school, or cooperative or joint agreement with a governing body or board of control.

(D) Expand the certificate holder's knowledge and skills in an additional teaching field or toward the acquisition of another teaching certificate, endorsement, or relevant education degree.

(E) Address the needs of serving students with disabilities, including adapting and modifying the general curriculum related to the Illinois Learning Standards to meet the needs of students with disabilities and serving such students in the least restrictive environment. Teachers who hold certificates endorsed for special education must devote at least 50% of their continuing professional development activities to this purpose. Teachers holding other certificates must devote at least 20% of their activities to this purpose.

A speech-language pathologist or audiologist who is licensed under the Illinois Speech-Language Pathology and Audiology Practice Act and who has met the continuing education requirements of that Act and the rules promulgated under that Act shall be deemed to have satisfied the continuing professional development requirements established by the State Board of Education and the Teacher Certification Board to renew a Standard Certificate.

(3) Continuing professional development activities may include, but are not limited to, the following activities:

(A) completion of an advanced degree from an approved institution in an education-related field;

(B) at least 8 semester hours of coursework in an approved education-related program, of which at least 2 semester hours relate to the continuing professional development purpose set forth in purpose (A) of paragraph (2) of this subsection (e), completion of which means no other continuing professional development activities are required;

(C) (blank);

(D) completion of the National Board for Professional Teaching Standards ("NBPTS") process for certification or recertification, completion of which means no other continuing professional development activities are required;

(E) completion of 120 continuing professional development units that satisfy the continuing professional development purposes set forth in paragraph (2) of this subsection (e) and may include without limitation the activities identified in subdivisions (F) through (J) of this paragraph (3);

(F) collaboration and partnership activities related to improving the teacher's knowledge and skills as a teacher, including the following:

(i) participating on collaborative planning and professional improvement teams and committees;

(ii) peer review and coaching;

(iii) mentoring in a formal mentoring program, including service as a consulting teacher participating in a remediation process formulated under Section 24A-5 of this Code;

(iv) participating in site-based management or decision making teams, relevant committees, boards, or task forces directly related to school improvement plans;

(v) coordinating community resources in schools, if the project is a specific goal of the school improvement plan;

(vi) facilitating parent education programs for a school, school district, or regional office of education directly related to student achievement or school improvement plans;

(vii) participating in business, school, or community partnerships directly related to student achievement or school improvement plans; or

(viii) supervising a student teacher or teacher education candidate in clinical supervision, provided that the supervision may only be counted once during the course of 5 years;

(G) college or university coursework related to improving the teacher's knowledge and skills as a teacher as follows:

(i) completing undergraduate or graduate credit earned from a regionally accredited institution in coursework relevant to the certificate area being renewed, including coursework that incorporates induction activities and development of a portfolio of both student and teacher work that provides experience in reflective practices, provided the coursework meets Illinois Professional Teaching Standards or Illinois Content Area Standards and supports the essential characteristics of quality professional development; or

(ii) teaching college or university courses in areas relevant to the certificate area being renewed, provided that the teaching may only be counted once during the course of 5 years;

(H) conferences, workshops, institutes, seminars, and symposiums related to improving the teacher's knowledge and skills as a teacher, subject to disapproval of the activity or event by the State Teacher Certification Board acting jointly with the State Board of Education, including the following:

(i) completing non-university credit directly related to student achievement, school improvement plans, or State priorities;

(ii) participating in or presenting at workshops, seminars, conferences, institutes, and symposiums;

(iii) training as external reviewers for Quality Assurance;

(iv) training as reviewers of university teacher preparation programs; or

(v) participating in or presenting at in-service training programs on suicide prevention or on sexual abuse and assault awareness and prevention.

A teacher, however, may not receive credit for conferences, workshops, institutes, seminars, or symposiums that are designed for entertainment, promotional, or commercial purposes or that are solely inspirational or motivational. The State Superintendent of Education and regional superintendents of schools are authorized to review the activities and events provided or to be provided under this subdivision (H) and to investigate complaints regarding those activities and events, and either the State Superintendent of Education or a regional superintendent of schools may recommend that the State Teacher Certification Board and the State Board of Education jointly disapprove those activities and events considered to be inconsistent with this subdivision (H);

(I) other educational experiences related to improving the teacher's knowledge and skills as a teacher, including the following:

(i) participating in action research and inquiry projects;

(ii) observing programs or teaching in schools, related businesses, or industry that is systematic, purposeful, and relevant to certificate renewal;

(iii) traveling related to one's teaching assignment, directly related to student achievement or school improvement plans and approved by the regional superintendent of schools or his or her designee at least 30 days prior to the travel experience, provided that the traveling shall not include time spent commuting to destinations where the learning experience will occur;

(iv) participating in study groups related to student achievement or school improvement plans;

(v) serving on a statewide education-related committee, including but not limited to the State Teacher Certification Board, State Board of Education strategic agenda teams, or the State Advisory Council on Education of Children with Disabilities;

(vi) participating in work/learn programs or internships; or

(vii) developing a portfolio of student and teacher work;

(J) professional leadership experiences related to improving the teacher's knowledge and skills as a teacher, including the following:

(i) participating in curriculum development or assessment activities at the school, school district, regional office of education, State, or national level;

(ii) participating in team or department leadership in a school or school district;

(iii) participating on external or internal school or school district review teams;

(iv) publishing educational articles, columns, or books relevant to the certificate area being renewed; or

(v) participating in non-strike related professional association or labor organization service or activities related to professional development;

(K) receipt of a subsequent Illinois certificate or endorsement pursuant to this Article;

(L) completion of requirements for meeting the Illinois criteria for becoming "highly qualified" (for purposes of the No Child Left Behind Act of 2001, Public Law 107-110) in an additional teaching area;

(M) successful completion of 4 semester hours of graduate-level coursework on the assessment of one's own performance in relation to the Illinois Teaching Standards, as described in clause (B) of paragraph (2) of subsection (c) of Section 21-2 of this Code; or

(N) successful completion of a minimum of 4 semester hours of graduate-level coursework addressing preparation to meet the requirements for certification by the National Board for Professional Teaching Standards, as described in clause (C) of paragraph (2) of subsection (c) of Section 21-2 of this Code.

(4) A person must complete the requirements of this subsection (e) before the expiration of his or her

Standard Teaching Certificate and must submit assurance to the regional superintendent of schools or, if applicable, a local professional development committee authorized by the regional superintendent to submit recommendations to him or her for this purpose. The statement of assurance shall contain a list of the activities completed, the provider offering each activity, the number of credits earned for each activity, and the purposes to which each activity is attributed. The certificate holder shall maintain the evidence of completion of each activity for at least one certificate renewal cycle. The certificate holder shall affirm under penalty of perjury that he or she has completed the activities listed and will maintain the required evidence of completion. The State Board of Education or the regional superintendent of schools for each region shall conduct random audits of assurance statements and supporting documentation.

(5) (Blank).

(6) (Blank).

(f) Notwithstanding any other provisions of this Code, a school district is authorized to enter into an agreement with the exclusive bargaining representative, if any, to form a local professional development committee (LPDC). The membership and terms of members of the LPDC may be determined by the agreement. Provisions regarding LPDCs contained in a collective bargaining agreement in existence on the effective date of this amendatory Act of the 93rd General Assembly between a school district and the exclusive bargaining representative shall remain in full force and effect for the term of the agreement, unless terminated by mutual agreement. The LPDC shall make recommendations to the regional superintendent of schools on renewal of teaching certificates. The regional superintendent of schools for each region shall perform the following functions:

(1) review recommendations for certificate renewal, if any, received from LPDCs;

(2) (blank);

(3) (blank);

(4) (blank);

(5) determine whether certificate holders have met the requirements for certificate renewal and notify certificate holders if the decision is not to renew the certificate;

(6) provide a certificate holder with the opportunity to appeal a recommendation made by a LPDC, if any, not to renew the certificate to the regional professional development review committee;

(7) issue and forward recommendations for renewal or nonrenewal of certificate holders' Standard Teaching Certificates to the State Teacher Certification Board; and

(8) (blank).

(g)(1) Each regional superintendent of schools shall review and concur or nonconcur with each recommendation for renewal or nonrenewal of a Standard Teaching Certificate he or she receives from a local professional development committee, if any, or, if a certificate holder appeals the recommendation to the regional professional development review committee, the recommendation for renewal or nonrenewal he or she receives from a regional professional development review committee and, within 14 days of receipt of the recommendation, shall provide the State Teacher Certification Board with verification of the following, if applicable:

(A) the certificate holder has satisfactorily completed professional development and continuing education activities set forth in paragraph (3) of subsection (e) of this Section;

(B) the certificate holder has submitted the statement of assurance required under paragraph (4) of subsection (e) of this Section, and this statement has been attached to the application for renewal;

(C) the local professional development committee, if any, has recommended the renewal of the certificate holder's Standard Teaching Certificate and forwarded the recommendation to the regional superintendent of schools;

(D) the certificate holder has appealed his or her local professional development committee's recommendation of nonrenewal, if any, to the regional professional development review committee and the result of that appeal;

(E) the regional superintendent of schools has concurred or nonconcurred with the local professional development committee's or regional professional development review committee's recommendation, if any, to renew or nonrenew the certificate holder's Standard Teaching Certificate and made a recommendation to that effect; and

(F) the established registration fee for the Standard Teaching Certificate has been paid.

If the notice required by this subsection (g) includes a recommendation of certificate nonrenewal, then, at the same time the regional superintendent of schools provides the State Teacher Certification

Board with the notice, he or she shall also notify the certificate holder in writing, by certified mail, return receipt requested, that this notice has been provided to the State Teacher Certification Board.

(2) Each certificate holder shall have the right to appeal his or her local professional development committee's recommendation of nonrenewal, if any, to the regional professional development review committee, within 14 days of receipt of notice that the recommendation has been sent to the regional superintendent of schools. Each regional superintendent of schools shall establish a regional professional development review committee or committees for the purpose of advising the regional superintendent of schools, upon request, and handling certificate holder appeals. This committee shall consist of at least 4 classroom teachers, one non-administrative certificated educational employee, 2 administrators, and one at-large member who shall be either (i) a parent, (ii) a member of the business community, (iii) a community member, or (iv) an administrator, with preference given to an individual chosen from among those persons listed in items (i), (ii), and (iii) in order to secure representation of an interest not already represented on the committee. The teacher and non-administrative certificated educational employee members of the review committee shall be selected by their exclusive representative, if any, and the administrators and at-large member shall be selected by the regional superintendent of schools. A regional superintendent of schools may add additional members to the committee, provided that the same proportion of teachers to administrators and at-large members on the committee is maintained. Any additional teacher and non-administrative certificated educational employee members shall be selected by their exclusive representative, if any. Vacancies in positions on a regional professional development review committee shall be filled in the same manner as the original selections. Committee members shall serve staggered 3-year terms. All individuals selected to serve on regional professional development review committees must be known to demonstrate the best practices in teaching or their respective field of practice.

(h)(1) The State Teacher Certification Board shall review the regional superintendent of schools' recommendations to renew or nonrenew Standard Teaching Certificates and notify certificate holders in writing whether their certificates have been renewed or nonrenewed within 90 days of receipt of the recommendations, unless a certificate holder has appealed a regional superintendent of schools' recommendation of nonrenewal, as provided in paragraph (2) of this subsection (h). The State Teacher Certification Board shall verify that the certificate holder has met the renewal criteria set forth in paragraph (1) of subsection (g) of this Section.

(2) Each certificate holder shall have the right to appeal a regional superintendent of school's recommendation to nonrenew his or her Standard Teaching Certificate to the State Teacher Certification Board, within 14 days of receipt of notice that the decision has been sent to the State Teacher Certification Board, which shall hold an appeal hearing within 60 days of receipt of the appeal. When such an appeal is taken, the certificate holder's Standard Teaching Certificate shall continue to be valid until the appeal is finally determined. The State Teacher Certification Board shall review the regional superintendent of school's recommendation, the regional professional development review committee's recommendation, if any, and the local professional development committee's recommendation, if any, and all relevant documentation to verify whether the certificate holder has met the renewal criteria set forth in paragraph (1) of subsection (g) of this Section. The State Teacher Certification Board may request that the certificate holder appear before it. All actions taken by the State Teacher Certification Board shall require a quorum and be by a simple majority of those present and voting. A record of all votes shall be maintained. The State Teacher Certification Board shall notify the certificate holder in writing, within 7 days of completing the review, whether his or her Standard Teaching Certificate has been renewed or nonrenewed, provided that if the State Teacher Certification Board determines to nonrenew a certificate, the written notice provided to the certificate holder shall be by certified mail, return receipt requested. All certificate renewal or nonrenewal decisions of the State Teacher Certification Board are final and subject to administrative review.

(i) Holders of Master Teaching Certificates shall meet the same requirements and follow the same procedures as holders of Standard Teaching Certificates, except that their renewal cycle shall be as set forth in subsection (d) of Section 21-2 of this Code and their renewal requirements shall be subject to paragraph (8) of subsection (c) of Section 21-2 of this Code.

A holder of a teaching certificate endorsed as a speech-language pathologist who has been granted the Certificate of Clinical Competence by the American Speech-Language Hearing Association may renew his or her Standard Teaching Certificate pursuant to the 10-year renewal cycle set forth in subsection (d) of Section 21-2 of this Code.

(j) Holders of Valid and Exempt Standard and Master Teaching Certificates who are not employed and performing services in an Illinois public or State-operated elementary school, secondary school, or cooperative or joint agreement with a governing body or board of control, in a certificated teaching

position, may voluntarily activate their certificates through the regional superintendent of schools of the regional office of education for the geographic area where their teaching is done. These certificate holders shall follow the same renewal criteria and procedures as all other Standard and Master Teaching Certificate holders, except that their continuing professional development activities need not reflect or address the knowledge, skills, and goals of a local school improvement plan.

(k) (Blank).

(l) (Blank).

(m) The changes made to this Section by this amendatory Act of the 93rd General Assembly that affect renewal of Standard and Master Certificates shall apply to those persons who hold Standard or Master Certificates on or after the effective date of this amendatory Act of the 93rd General Assembly and shall be given effect upon renewal of those certificates.

(n) This Section is repealed on June 30, 2013.

(Source: P.A. 96-951, eff. 6-28-10; 97-607, eff. 8-26-11; 97-682, eff. 5-8-12; 97-1147, eff. 1-24-13.)

(105 ILCS 5/21B-25)

Sec. 21B-25. Endorsement on licenses. All licenses issued under paragraph (1) of Section 21B-20 of this Code shall be specifically endorsed by the State Board of Education for each content area, school support area, and administrative area for which the holder of the license is qualified. Recognized institutions approved to offer educator preparation programs shall be trained to add endorsements to licenses issued to applicants who meet all of the requirements for the endorsement or endorsements, including passing any required tests. The State Superintendent of Education shall randomly audit institutions to ensure that all rules and standards are being followed for entitlement or when endorsements are being recommended.

(1) The State Board of Education, in consultation with the State Educator Preparation and Licensure Board, shall establish, by rule, the grade level and subject area endorsements to be added to the Professional Educator License. These rules shall outline the requirements for obtaining each endorsement.

(2) In addition to any and all grade level and content area endorsements developed by rule, the State Board of Education, in consultation with the State Educator Preparation and Licensure Board, shall develop the requirements for the following endorsements:

(A) General administrative endorsement. A general administrative endorsement shall be added to a Professional Educator License, provided that an approved program has been completed. An individual holding a general administrative endorsement may work only as a principal or assistant principal or in a related or similar position, as determined by the State Superintendent of Education, in consultation with the State Educator Preparation and Licensure Board.

Beginning on September 1, 2014, the general administrative endorsement shall no longer be issued. Individuals who hold a valid and registered administrative certificate with a general administrative endorsement issued under Section 21-7.1 of this Code or a Professional Educator License with a general administrative endorsement issued prior to September 1, 2014 and who have served for at least one full year during the 5 years prior in a position requiring a general administrative endorsement shall, upon request to the State Board of Education and through July 1, 2015, have their respective general administrative endorsement converted to a principal endorsement on the Professional Educator License. Candidates shall not be admitted to an approved general administrative preparation program after September 1, 2012.

All other individuals holding a valid and registered administrative certificate with a general administrative endorsement issued pursuant to Section 21-7.1 of this Code or a general administrative endorsement on a Professional Educator License issued prior to September 1, 2014 shall have the general administrative endorsement converted to a principal endorsement on a Professional Educator License upon request to the State Board of Education and by completing one of the following pathways:

(i) Passage of the State principal assessment developed by the State Board of Education.

(ii) Through July 1, 2019, completion of an Illinois Educators' Academy course designated by the State Superintendent of Education.

(iii) Completion of a principal preparation program established and approved pursuant to Section 21B-60 of this Code and applicable rules.

Individuals who do not choose to convert the general administrative endorsement on the administrative certificate issued pursuant to Section 21-7.1 of this Code or on the Professional Educator License shall continue to be able to serve in any position previously allowed under

paragraph (2) of subsection (e) of Section 21-7.1 of this Code.

The general administrative endorsement on the Professional Educator License is available only to individuals who, prior to September 1, 2014, had such an endorsement on the administrative certificate issued pursuant to Section 21-7.1 of this Code or who already have a Professional Educator License and have completed a general administrative program and who do not choose to convert the general administrative endorsement to a principal endorsement pursuant to the options in this Section.

(B) Principal endorsement. A principal endorsement shall be affixed to a Professional Educator License of any holder who qualifies by having all of the following:

(i) Successful completion of a principal preparation program approved in accordance with Section 21B-60 of this Code and any applicable rules.

(ii) Four years of teaching in a public school or nonpublic school recognized by the State Board of Education; however, the State Board of Education, in consultation with the State Educator Preparation and Licensure Board, shall allow, by rules, for fewer than 4 years of experience based on meeting standards set forth in such rules, including without limitation a review of performance evaluations or other evidence of demonstrated qualifications.

(iii) A master's degree or higher from a regionally accredited college or university.

(C) Chief school business official endorsement. A chief school business official endorsement shall be affixed to the Professional Educator License of any holder who qualifies by having a master's degree or higher, 2 years of full-time administrative experience in school business management or 2 years of university-approved practical experience, and a minimum of 24 semester hours of graduate credit in a program approved by the State Board of Education for the preparation of school business administrators and by passage of the applicable State tests. The chief school business official endorsement may also be affixed to the Professional Educator License of any holder who qualifies by having a master's degree in business administration, finance, or accounting and who completes an additional 6 semester hours of internship in school business management from a regionally accredited institution of higher education and passes the applicable State tests. This endorsement shall be required for any individual employed as a chief school business official.

(D) Superintendent endorsement. A superintendent endorsement shall be affixed to the Professional Educator License of any holder who has completed a program approved by the State Board of Education for the preparation of superintendents of schools, has had at least 2 years of experience employed as a full-time principal, director of special education, or chief school business official in the public schools or in a State-recognized nonpublic school in which the chief administrator is required to have the licensure necessary to be a principal in a public school in this State and where a majority of the teachers are required to have the licensure necessary to be instructors in a public school in this State, and has passed the required State tests; or of any holder who has completed a program from out-of-state that has a program with recognition standards comparable to those approved by the State Superintendent of Education and holds the general administrative, principal, or chief school business official endorsement and who has had 2 years of experience as a principal, director of special education, or chief school business official while holding a valid educator license or certificate comparable in validity and educational and experience requirements and has passed the appropriate State tests, as provided in Section 21B-30 of this Code. The superintendent endorsement shall allow individuals to serve only as a superintendent or assistant superintendent.

(E) Teacher leader endorsement. It shall be the policy of this State to improve the quality of instructional leaders by providing a career pathway for teachers interested in serving in leadership roles, but not as principals. The State Board of Education, in consultation with the State Educator Preparation and Licensure Board, may issue a teacher leader endorsement under this subdivision (E). Persons who meet and successfully complete the requirements of the endorsement shall be issued a teacher leader endorsement on the Professional Educator License for serving in schools in this State. Teacher leaders may qualify to serve in such positions as department chairs, coaches, mentors, curriculum and instruction leaders, or other leadership positions as defined by the district. The endorsement shall be available to those teachers who (i) hold a Professional Educator License, (ii) hold a master's degree or higher from a regionally accredited institution, (iii) have completed a program of study that has been approved by the State Board of Education, in consultation with the State Educator Preparation and Licensure Board, and (iv) have taken coursework in all of the following areas:

(I) Leadership.

(II) Designing professional development to meet teaching and learning needs.

(III) Building school culture that focuses on student learning.

(IV) Using assessments to improve student learning and foster school improvement.

(V) Building collaboration with teachers and stakeholders.

A teacher who meets the requirements set forth in this Section and holds a teacher leader endorsement may evaluate teachers pursuant to Section 24A-5 of this Code, provided that the individual has completed the evaluation component required by Section 24A-3 of this Code and a teacher leader is allowed to evaluate personnel under the respective school district's collective bargaining agreement.

The State Board of Education, in consultation with the State Educator Preparation and Licensure Board, may adopt such rules as may be necessary to establish and implement the teacher leader endorsement program and to specify the positions for which this endorsement shall be required.

(F) Special education endorsement. A special education endorsement in one or more areas shall be affixed to a Professional Educator License for any individual that meets those requirements established by the State Board of Education in rules. Special education endorsement areas shall include without limitation the following:

(i) Learning Behavior Specialist I;

(ii) Learning Behavior Specialist II;

(iii) Speech Language Pathologist;

(iv) Blind or Visually Impaired;

(v) Deaf-Hard of Hearing; and

(vi) Early Childhood Special Education.

Notwithstanding anything in this Code to the contrary, the State Board of Education, in consultation with the State Educator Preparation and Licensure Board, may add additional areas of special education by rule.

(G) School support personnel endorsement. School support personnel endorsement areas shall include, but are not limited to, school counselor, school psychologist, school speech and language pathologist, school nurse, and school social worker. This endorsement is for individuals who are not teachers or administrators, but still require licensure to work in an instructional support position in a public or State-operated elementary school, secondary school, or cooperative or joint agreement with a governing body or board of control or a charter school operating in compliance with the Charter Schools Law. The school support personnel endorsement shall be affixed to the Professional Educator License and shall meet all of the requirements established in any rules adopted to implement this subdivision (G). The holder of such an endorsement is entitled to all of the rights and privileges granted holders of any other Professional Educator License, including teacher benefits, compensation, and working conditions.

Beginning on October 1, 2013 and ending on January 31, 2014, a person holding a Professional Educator License with a school speech and language pathologist (teaching) endorsement may exchange his or her school speech and language pathologist (teaching) endorsement for a school speech and language pathologist (non-teaching) endorsement through application to the State Board of Education. There shall be no cost for this exchange.

(Source: P.A. 97-607, eff. 8-26-11.)

(105 ILCS 5/21B-40)

Sec. 21B-40. Fees.

(a) Beginning with the start of the new licensure system established pursuant to this Article, the following fees shall be charged to applicants:

(1) A $75 application fee for a Professional Educator License or an Educator License with Stipulations and for individuals seeking a Substitute Teaching License. However, beginning on January 1, 2015, the application fee for a Professional Educator License, Educator License with Stipulations, or Substitute Teaching License shall be $100.

(2) A $150 application fee for individuals who have completed an approved educator preparation program outside of this State or who hold a valid, comparable credential from another state or country and are seeking any of the licenses set forth in subdivision (1) of this subsection (a).

(3) A $50 application fee for each endorsement or approval an individual holding a license wishes to add to that license.

(4) A $10 per year registration fee for the course of the validity cycle to register the license, which shall be paid to the regional office of education having supervision and control over

the school in which the individual holding the license is to be employed. If the individual holding the license is not yet employed, then the license may be registered in any county in this State. The registration fee must be paid in its entirety the first time the individual registers the license for a particular validity period in a single region. No additional fee may be charged for that validity period should the individual subsequently register the license in additional regions. An individual must register the license (i) immediately after initial issuance of the license and (ii) at the beginning of each renewal cycle if the individual has satisfied the renewal requirements required under this Code.

(b) All application fees paid pursuant to subdivisions (1) through (3) of subsection (a) of this Section shall be deposited into the Teacher Certificate Fee Revolving Fund and shall be used, subject to appropriation, by the State Board of Education to provide the technology and human resources necessary for the timely and efficient processing of applications and for the renewal of licenses. The Teacher Certificate Fee Revolving Fund is not subject to administrative charge transfers, authorized under Section 8h of the State Finance Act, from the Teacher Certificate Fee Revolving Fund into any other fund of this State, and moneys in the Teacher Certificate Fee Revolving Fund shall not revert back to the General Revenue Fund at any time.

The regional superintendent of schools shall deposit the registration fees paid pursuant to subdivision (4) of subsection (a) of this Section into the institute fund established pursuant to Section 3-11 of this Code.

(c) The State Board of Education and each regional office of education are authorized to charge a service or convenience fee for the use of credit cards for the payment of license fees. This service or convenience fee shall not exceed the amount required by the credit card processing company or vendor that has entered into a contract with the State Board or regional office of education for this purpose, and the fee must be paid to that company or vendor.

(d) If, at the time a certificate issued under Article 21 of this Code is exchanged for a license issued under this Article, a person has paid registration fees for any years of the validity period of the certificate and these years have not expired when the certificate is exchanged, then those fees must be applied to the registration of the new license.

(Source: P.A. 97-607, eff. 8-26-11.)

(105 ILCS 5/21B-45)

Sec. 21B-45. Professional Educator License ~~Licensure~~ renewal.

(a) Individuals holding a Professional Educator License ~~All licenses with endorsements~~ are required to complete the licensure renewal requirements as specified in this Section, unless otherwise provided in this Code.

Individuals holding a Professional Educator License ~~endorsed in a teaching field~~ shall meet the renewal requirements set forth in this ~~subsection (c) of~~ Section , unless otherwise provided in this Code ~~21-14 of this Code. An individual holding a Professional Educator License with a general administrative, principal, chief school business official, or superintendent endorsement issued under this Article who is also working in a position using or requiring that endorsement is subject to the renewal requirements in subsection (c-10) of Section 21-7.1 of this Code. An individual holding a Professional Educator License with a school personnel support endorsement and working in a position for which that endorsement is required must complete the licensure renewal requirements under Section 21-25 of this Code~~. If an individual holds a license endorsed ~~licensure~~ in more than one area that has different renewal requirements, that individual shall follow the renewal requirements for the position for which he or she spends the majority of his or her time working.

(b) All Professional Educator Licenses ~~licenses~~ not renewed annually as provided in this Section shall lapse on September 1 of that year ~~or registered in accordance with Section 21B-40 of this Code shall lapse after a period of 6 months from the expiration of the last year of registration~~. Lapsed licenses may be immediately reinstated upon (i) payment by the applicant of a $500 penalty to the State Board of Education or (ii) the demonstration of proficiency by completing 9 semester hours of coursework from a regionally accredited institution of higher education in the content area that most aligns with one or more of the educator's endorsement areas. Any and all back fees, including without limitation registration fees owed from the time of expiration of the certificate until the date of reinstatement, shall be paid and kept in accordance with the provisions in Article 3 of this Code concerning an institute fund and the provisions in Article 21 of this Code concerning fees and requirements for registration. Licenses not registered in accordance with Section 21B-40 of this Code shall lapse after a period of 6 months from the expiration of the last year of registration. An unregistered license is invalid after September 1 for employment and performance of services in an Illinois public or State-operated school or cooperative and in a charter school. ~~The license may be reinstated once the applicant has demonstrated proficiency by completing 9 semester hours of coursework from a regionally accredited institution of higher~~

~~education in the content area that most aligns with the educator's endorsement area or areas. Before the license may be reinstated, the applicant shall pay all back fees owed from the time of expiration of the license until the date of reinstatement.~~ Any license or endorsement may be voluntarily surrendered by the license holder. A voluntarily surrendered license shall be treated as a revoked license.

(c) Beginning July 1, 2013 until June 30, 2014, in order to satisfy the requirements for licensure renewal provided for in this Section, each professional educator licensee with an administrative endorsement who is working in a position requiring such endorsement shall complete one Illinois Administrators' Academy course as described in Article 2 of this Code per fiscal year.

(d) Beginning July 1, 2014, in order to satisfy the requirements for licensure renewal provided for in this Section, each professional educator licensee may create a professional development plan each year. The plan shall address one or more of the endorsements that are required of his or her educator position if the licensee is employed and performing services in an Illinois public or State-operated school or cooperative. If the licensee is employed in a charter school, the plan shall address that endorsement or those endorsements most closely related to his or her educator position. Licensees employed and performing services in any other Illinois schools may participate in the renewal requirements by adhering to the same process.

Except as otherwise provided in this Section, the licensee's activities shall align with one or more of the following criteria:

(1) activities are of a type that engage participants over a sustained period of time allowing for analysis, discovery, and application as they relate to student learning, social or emotional achievement, or well-being;

(2) professional development that aligns to the licensee's performance;

(3) expected outcomes for the activities that relate to student growth or district improvement;

(4) activities that align to State-approved standards; and

(5) higher education coursework as defined by rule.

(e) For each fiscal year of the registration cycle (July 1 to June 30) each professional educator licensee shall engage in professional development activities aligned to his or her professional development plan or performance evaluation. Within 60 days after the conclusion of a professional development activity, the approved provider responsible for the activity shall enter electronically into the Educator Licensure Information System (ELIS) the name, date, and location of the activity, name and Illinois educator information number of each participant completing the activity, the number of professional development hours, and the provider's name. The following provisions shall apply concerning professional development activities:

(1) Each licensee shall complete a minimum of 10 hours of professional development during each fiscal year of the renewal cycle. A total of 100 hours per 5-year renewal cycle shall be completed in order to renew the license.

(2) Beginning with his or her first full 5-year cycle, any licensee with an administrative endorsement who is not working in a position requiring such endorsement shall complete one Illinois Administrators' Academy course as described in Article 2 of this Code in each 5-year renewal cycle in which the administrative endorsement was held for at least one year. The Illinois Administrators' Academy course may count toward the annual minimum of 10 hours and the total of 100 hours per 5-year cycle.

(3) Any licensee with an administrative endorsement who is working in a position requiring such endorsement, or an individual with a Teacher Leader endorsement serving in an administrative capacity at least 50% of the day, shall complete one Illinois Administrators' Academy course as described in Article 2 of this Code each fiscal year in addition to any required professional development activities in accordance with this Code.

(4) Any licensee holding a current National Board for Professional Teaching Standards (NBPTS) master teacher designation during any particular fiscal year shall complete a minimum of 5 hours of professional development, which may include providing professional development that aligns to NBPTS standards, for each year of the renewal cycle. A total of 50 hours per 5-year renewal cycle shall be completed in order to renew the license.

(5) Licensees working in a position that does not require educator licensure or working in a position for less than 50% for any particular year are considered to be exempt and shall be required to pay only the registration fee in order to renew and maintain the validity of the license.

(6) Licensees who are retired from a State retirement system shall notify the State Board of Education using ELIS, and the license shall be maintained in retired status. An individual with a license in retired status shall not be required to complete professional development activities or pay registration fees until returning to a position that requires educator licensure. Upon returning to work in a position

that requires the Professional Educator License, the licensee shall immediately pay a registration fee and complete renewal requirements for that year. A license in retired status cannot lapse.

(7) For any fiscal year in which professional development hours were required, but not fulfilled, the licensee shall complete any missed hours to total the minimum professional development hours required in this Section prior to September 1 of that year. For any fiscal year or renewal cycle in which an Illinois Administrators' Academy course was required but not completed, the licensee shall complete any missed Illinois Administrators' Academy courses prior to September 1 of that year. The licensee may complete all deficient hours and Illinois Administrators' Academy courses while continuing to work on that license until September 1 of that year.

(8) Any licensee who has not fulfilled the professional development renewal requirements set forth in this Section at the end of any 5-year renewal cycle is ineligible to register his or her license and shall submit an appeal to the State Superintendent of Education for reinstatement of the license.

(9) If professional development opportunities were unavailable to a licensee, proof that opportunities were unavailable and request for an extension of time beyond August 31 to complete the renewal requirements may be submitted from April 1 through June 30 of that year to the State Educator Preparation and Licensure Board. If an extension is approved, the license shall remain valid during the extension period.

(10) Individuals who hold exempt certificates prior to July 1, 2013 shall commence the annual renewal process with the first scheduled registration due after July 1, 2013.

(f) Each licensee shall log into ELIS annually between April 1 and June 30 to (i) attest to a statement, under penalty of perjury, that he or she completed the professional development requirements in this Section for renewal of his or her Professional Educator License and (ii) respond to the required legal questions.

(g) The following entities shall be designated as approved to provide professional development activities for the renewal of Professional Educator Licenses:

(1) The State Board of Education.

(2) regional offices of education and intermediate service centers.

(3) Illinois professional associations representing the following groups and approved by the State Superintendent of Education:

(A) school administrators;

(B) principals;

(C) school business officials;

(D) teachers;

(E) school boards; and

(F) local school districts.

(4) Regionally accredited institutions of higher education that offer Illinois-approved educator preparation programs.

(5) Illinois public school districts and special education cooperatives.

(h) Approved providers under subsection (g) of this Section shall make available professional development opportunities that satisfy at least one of the following:

(1) increase the knowledge and skills of school and district leaders who guide continuous professional development;

(2) improve the learning of students;

(3) organize adults into learning communities whose goals are aligned with those of the school and district;

(4) deepen educator's content knowledge;

(5) provide educators with research-based instructional strategies to assist students in meeting rigorous academic standards;

(6) prepare educators to appropriately use various types of classroom assessments;

(7) use learning strategies appropriate to the intended goals;

(8) provide educators with the knowledge and skills to collaborate; or

(9) prepare educators to apply research to decision-making.

(i) Approved providers under subsection (g) of this Section shall do the following:

(1) align professional development activities to the State-approved national standards for professional learning;

(2) meet the professional development criteria for Illinois licensure renewal;

(3) produce a rationale for the activity that explains how it aligns to State standards and identify the assessment for determining the expected impact on student learning or school improvement;

(4) enter completion data into ELIS for all participants within 60 days after the activity; and

(5) maintain original documentation for completion of activities.

(j) The State Board of Education shall conduct annual audits of approved providers, except for school districts, which shall be audited by regional offices of education and intermediate service centers.

(1) Approved providers shall annually submit to the State Superintendent of Education a list of subcontractors used for delivery of professional development activities for which renewal credit was issued and other information as defined by rule.

(2) Approved providers shall annually submit data demonstrating how the professional development activities impacted one or more of the following:

(A) educator and student growth in regards to content knowledge or skills, or both;

(B) educator and student social and emotional growth; or

(C) alignment to district or school improvement plans.

(3) The State Superintendent of Education shall review the annual data collected by the State Board of Education, regional offices of education, and intermediate service centers in audits to determine if the approved provider has met the criteria and should continue to be an approved provider or if further action should be taken as provided in rules.

(k) Registration fees shall be paid for the next renewal cycle between April 1 and June 30 in the last year of each 5-year renewal cycle using ELIS. If all required professional development hours for the renewal cycle have been completed and entered by the providers, the licensee shall pay the registration fees for the next cycle using a form of credit or debit card.

(l) Beginning July 1, 2014, any professional educator licensee endorsed for school support personnel who is employed and performing services in Illinois public schools and who holds an active and current professional license issued by the Department of Financial and Professional Regulation related to the endorsement areas on the Professional Educator License shall be deemed to have satisfied the continuing professional development requirements provided for in this Section. Such individuals shall be required to pay only registration fees to renew the Professional Educator License. An individual who does not hold a license issued by the Department of Financial and Professional Regulation shall complete professional development requirements for the renewal of a Professional Educator License provided for in this Section.

(m) Appeals to the State Superintendent of Education to ensure professional development credit is received from approved providers shall be as follows:

(1) If, after 65 days after a professional development activity, the licensee has not received credit in his or her ELIS file, the State Superintendent of Education shall be notified using the electronic format in ELIS.

(2) The State Superintendent of Education shall contact the provider within 15 days after receipt of the notice to determine the cause of the professional development activity not being credited.

(3) If the determination by the State Superintendent of Education is that the licensee is entitled to the credit, the provider shall enter the appropriate data into ELIS within 15 days. If the determination is that the licensee is not entitled to the professional development credit, he or she shall be contacted within 15 days with that information.

(n) Appeals to the State Educator Preparation and Licensure Board must be made within 30 days after receipt of notice from the State Superintendent of Education that a license will not be renewed based upon failure to complete the requirements of this Section. A licensee may appeal that decision to the State Educator Preparation and Licensure Board in a manner prescribed by rule.

(1) Each appeal shall state the reasons why the State Superintendent's decision should be reversed and shall be sent by certified mail, return receipt requested, to the State Board of Education.

(2) The State Educator Preparation and Licensure Board shall review each appeal regarding renewal of a license in order to determine whether the licensee has met the requirements of this Section. The State Educator Preparation and Licensure Board may hold an appeal hearing or may make its determination based upon the record of review, which shall consist of the following:

(A) the regional superintendent of education's rationale for recommending nonrenewal of the license, if applicable;

(B) any evidence submitted to the State Superintendent along with the individual's electronic statement of assurance for renewal; and

(C) the State Superintendent's rationale for non-renewal of the license.

(3) The State Educator Preparation and Licensure Board shall notify the licensee of its decision regarding license renewal by certified mail, return receipt requested, no later than 30 days after reaching a decision. Upon receipt of notification of renewal, the licensee shall pay the applicable registration fee for the next cycle using a form of credit or debit card.

(o) The State Board of Education may adopt rules as may be necessary to implement this Section.

(Source: P.A. 97-607, eff. 8-26-11.)

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

The motion prevailed.
And the amendment was adopted and ordered printed.
Senator Steans offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO HOUSE BILL 496

AMENDMENT NO. 2. Amend House Bill 496, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 38, line 16, by replacing "21" with "21B".

The motion prevailed.
And the amendment was adopted and ordered printed.
There being no further amendments, the bill, as amended, was ordered to a third reading.

On motion of Senator Kotowski, **House Bill No. 827** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Noland, **House Bill No. 923** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator LaHood, **House Bill No. 963** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Althoff, **House Bill No. 986** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Syverson, **House Bill No. 1005** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Harmon, **House Bill No. 1013** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Steans, **House Bill No. 1052** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Syverson, **House Bill No. 1200** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Althoff, **House Bill No. 1206** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Koehler, **House Bill No. 1217** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Bivins, **House Bill No. 1233** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Kotowski, **House Bill No. 1288** having been printed, was taken up and read by title a second time.
Senate Committee Amendment No. 1 was postponed in the Committee on Executive.
Senator Kotowski offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO HOUSE BILL 1288

AMENDMENT NO. 2. Amend House Bill 1288 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Section 14-8.02a and by adding Section 14-

8.02e as follows:

(105 ILCS 5/14-8.02a)

Sec. 14-8.02a. Impartial due process hearing; civil action.

(a) This Section shall apply to all impartial due process hearings requested on or after July 1, 2005. Impartial due process hearings requested before July 1, 2005 shall be governed by the rules described in Public Act 89-652.

(a-5) For purposes of this Section and Section 14-8.02b of this Code, days shall be computed in accordance with Section 1.11 of the Statute on Statutes.

(b) The State Board of Education shall establish an impartial due process hearing system in accordance with this Section and may, with the advice and approval of the Advisory Council on Education of Children with Disabilities, promulgate rules and regulations consistent with this Section to establish the rules and procedures for due process hearings.

(c) (Blank).

(d) (Blank).

(e) (Blank).

(f) An impartial due process hearing shall be convened upon the request of a parent, student if at least 18 years of age or emancipated, or a school district. A school district shall make a request in writing to the State Board of Education and promptly mail a copy of the request to the parents or student (if at least 18 years of age or emancipated) at the parent's or student's last known address. A request made by the parent or student shall be made in writing to the superintendent of the school district where the student resides. The superintendent shall forward the request to the State Board of Education within 5 days after receipt of the request. The request shall be filed no more than 2 years following the date the person or school district knew or should have known of the event or events forming the basis for the request. The request shall, at a minimum, contain all of the following:

(1) The name of the student, the address of the student's residence, and the name of the school the student is attending.

(2) In the case of homeless children (as defined under the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), available contact information for the student and the name of the school the student is attending.

(3) A description of the nature of the problem relating to the actual or proposed placement, identification, services, or evaluation of the student, including facts relating to the problem.

(4) A proposed resolution of the problem to the extent known and available to the party at the time.

(f-5) Within 3 days after receipt of the hearing request, the State Board of Education shall appoint a due process hearing officer using a rotating appointment system and shall notify the hearing officer of his or her appointment.

For a school district other than a school district located in a municipality having a population exceeding 500,000, a hearing officer who is a current resident of the school district, special education cooperative, or other public entity involved in the hearing shall recuse himself or herself. A hearing officer who is a former employee of the school district, special education cooperative, or other public entity involved in the hearing shall immediately disclose the former employment to the parties and shall recuse himself or herself, unless the parties otherwise agree in writing. A hearing officer having a personal or professional interest that may conflict with his or her objectivity in the hearing shall disclose the conflict to the parties and shall recuse himself or herself unless the parties otherwise agree in writing. For purposes of this subsection an assigned hearing officer shall be considered to have a conflict of interest if, at any time prior to the issuance of his or her written decision, he or she knows or should know that he or she may receive remuneration from a party to the hearing within 3 years following the conclusion of the due process hearing.

A party to a due process hearing shall be permitted one substitution of hearing officer as a matter of right, in accordance with procedures established by the rules adopted by the State Board of Education under this Section. The State Board of Education shall randomly select and appoint another hearing officer within 3 days after receiving notice that the appointed hearing officer is ineligible to serve or upon receiving a proper request for substitution of hearing officer. If a party withdraws its request for a due process hearing after a hearing officer has been appointed, that hearing officer shall retain jurisdiction over a subsequent hearing that involves the same parties and is requested within one year from the date of withdrawal of the previous request, unless that hearing officer is unavailable.

Any party may raise facts that constitute a conflict of interest for the hearing officer at any time before or during the hearing and may move for recusal.

(g) Impartial due process hearings shall be conducted pursuant to this Section and any rules and regulations promulgated by the State Board of Education consistent with this Section and other governing laws and regulations. The hearing shall address only those issues properly raised in the hearing request under subsection (f) of this Section or, if applicable, in the amended hearing request under subsection (g-15) of this Section. The hearing shall be closed to the public unless the parents request that the hearing be open to the public. The parents involved in the hearing shall have the right to have the student who is the subject of the hearing present. The hearing shall be held at a time and place which are reasonably convenient to the parties involved. Upon the request of a party, the hearing officer shall hold the hearing at a location neutral to the parties if the hearing officer determines that there is no cost for securing the use of the neutral location. Once appointed, the impartial due process hearing officer shall not communicate with the State Board of Education or its employees concerning the hearing, except that, where circumstances require, communications for administrative purposes that do not deal with substantive or procedural matters or issues on the merits are authorized, provided that the hearing officer promptly notifies all parties of the substance of the communication as a matter of record.

(g-5) Unless the school district has previously provided prior written notice to the parent or student (if at least 18 years of age or emancipated) regarding the subject matter of the hearing request, the school district shall, within 10 days after receiving a hearing request initiated by a parent or student (if at least 18 years of age or emancipated), provide a written response to the request that shall include all of the following:

(1) An explanation of why the school district proposed or refused to take the action or actions described in the hearing request.

(2) A description of other options the IEP team considered and the reasons why those options were rejected.

(3) A description of each evaluation procedure, assessment, record, report, or other evidence the school district used as the basis for the proposed or refused action or actions.

(4) A description of the factors that are or were relevant to the school district's proposed or refused action or actions.

(g-10) When the hearing request has been initiated by a school district, within 10 days after receiving the request, the parent or student (if at least 18 years of age or emancipated) shall provide the school district with a response that specifically addresses the issues raised in the school district's hearing request. The parent's or student's response shall be provided in writing, unless he or she is illiterate or has a disability that prevents him or her from providing a written response. The parent's or student's response may be provided in his or her native language, if other than English. In the event that illiteracy or another disabling condition prevents the parent or student from providing a written response, the school district shall assist the parent or student in providing the written response.

(g-15) Within 15 days after receiving notice of the hearing request, the non-requesting party may challenge the sufficiency of the request by submitting its challenge in writing to the hearing officer. Within 5 days after receiving the challenge to the sufficiency of the request, the hearing officer shall issue a determination of the challenge in writing to the parties. In the event that the hearing officer upholds the challenge, the party who requested the hearing may, with the consent of the non-requesting party or hearing officer, file an amended request. Amendments are permissible for the purpose of raising issues beyond those in the initial hearing request. In addition, the party who requested the hearing may amend the request once as a matter of right by filing the amended request within 5 days after filing the initial request. An amended request, other than an amended request as a matter of right, shall be filed by the date determined by the hearing officer, but in no event any later than 5 days prior to the date of the hearing. If an amended request, other than an amended request as a matter of right, raises issues that were not part of the initial request, the applicable timeline for a hearing, including the timeline under subsection (g-20) of this Section, shall recommence.

(g-20) Within 15 days after receiving a request for a hearing from a parent or student (if at least 18 years of age or emancipated) or, in the event that the school district requests a hearing, within 15 days after initiating the request, the school district shall convene a resolution meeting with the parent and relevant members of the IEP team who have specific knowledge of the facts contained in the request for the purpose of resolving the problem that resulted in the request. The resolution meeting shall include a representative of the school district who has decision-making authority on behalf of the school district. Unless the parent is accompanied by an attorney at the resolution meeting, the school district may not include an attorney representing the school district.

The resolution meeting may not be waived unless agreed to in writing by the school district and the parent or student (if at least 18 years of age or emancipated) or the parent or student (if at least 18 years of age or emancipated) and the school district agree in writing to utilize mediation in place of the

resolution meeting. If either party fails to cooperate in the scheduling or convening of the resolution meeting, the hearing officer may order an extension of the timeline for completion of the resolution meeting or, upon the motion of a party and at least 7 days after ordering the non-cooperating party to cooperate, order the dismissal of the hearing request or the granting of all relief set forth in the request, as appropriate.

In the event that the school district and the parent or student (if at least 18 years of age or emancipated) agree to a resolution of the problem that resulted in the hearing request, the terms of the resolution shall be committed to writing and signed by the parent or student (if at least 18 years of age or emancipated) and the representative of the school district with decision-making authority. The agreement shall be legally binding and shall be enforceable in any State or federal court of competent jurisdiction. In the event that the parties utilize the resolution meeting process, the process shall continue until no later than the 30th day following the receipt of the hearing request by the non-requesting party (or as properly extended by order of the hearing officer) to resolve the issues underlying the request, at which time the timeline for completion of the impartial due process hearing shall commence. The State Board of Education may, by rule, establish additional procedures for the conduct of resolution meetings.

(g-25) If mutually agreed to in writing, the parties to a hearing request may request State-sponsored mediation as a substitute for the resolution process described in subsection (g-20) of this Section or may utilize mediation at the close of the resolution process if all issues underlying the hearing request have not been resolved through the resolution process.

(g-30) If mutually agreed to in writing, the parties to a hearing request may waive the resolution process described in subsection (g-20) of this Section. Upon signing a written agreement to waive the resolution process, the parties shall be required to forward the written waiver to the hearing officer appointed to the case within 2 business days following the signing of the waiver by the parties. The timeline for the impartial due process hearing shall commence on the date of the signing of the waiver by the parties.

(g-35) The timeline for completing the impartial due process hearing, as set forth in subsection (h) of this Section, shall be initiated upon the occurrence of any one of the following events:

(1) The unsuccessful completion of the resolution process as described in subsection (g-20) of this Section.

(2) The mutual agreement of the parties to waive the resolution process as described in subsection (g-25) or (g-30) of this Section.

(g-40) The hearing officer shall convene a prehearing conference no later than 14 days before the scheduled date for the due process hearing for the general purpose of aiding in the fair, orderly, and expeditious conduct of the hearing. The hearing officer shall provide the parties with written notice of the prehearing conference at least 7 days in advance of the conference. The written notice shall require the parties to notify the hearing officer by a date certain whether they intend to participate in the prehearing conference. The hearing officer may conduct the prehearing conference in person or by telephone. Each party shall at the prehearing conference (1) disclose whether it is represented by legal counsel or intends to retain legal counsel; (2) clarify matters it believes to be in dispute in the case and the specific relief being sought; (3) disclose whether there are any additional evaluations for the student that it intends to introduce into the hearing record that have not been previously disclosed to the other parties; (4) disclose a list of all documents it intends to introduce into the hearing record, including the date and a brief description of each document; and (5) disclose the names of all witnesses it intends to call to testify at the hearing. The hearing officer shall specify the order of presentation to be used at the hearing. If the prehearing conference is held by telephone, the parties shall transmit the information required in this paragraph in such a manner that it is available to all parties at the time of the prehearing conference. The State Board of Education may, by rule, establish additional procedures for the conduct of prehearing conferences.

(g-45) The impartial due process hearing officer shall not initiate or participate in any ex parte communications with the parties, except to arrange the date, time, and location of the prehearing conference, due process hearing, or other status conferences convened at the discretion of the hearing officer and to receive confirmation of whether a party intends to participate in the prehearing conference.

(g-50) The parties shall disclose and provide to each other any evidence which they intend to submit into the hearing record no later than 5 days before the hearing. Any party to a hearing has the right to prohibit the introduction of any evidence at the hearing that has not been disclosed to that party at least 5 days before the hearing. The party requesting a hearing shall not be permitted at the hearing to raise issues that were not raised in the party's initial or amended request, unless otherwise permitted in this Section.

(g-55) All reasonable efforts must be made by the parties to present their respective cases at the

hearing within a cumulative period of 7 days. When scheduling hearing dates, the hearing officer shall schedule the final day of the hearing no more than 30 calendar days after the first day of the hearing unless good cause is shown. This subsection (g-55) shall not be applied in a manner that (i) denies any party to the hearing a fair and reasonable allocation of time and opportunity to present its case in its entirety or (ii) deprives any party to the hearing of the safeguards accorded under the federal Individuals with Disabilities Education Improvement Act of 2004 (Public Law 108-446), regulations promulgated under the Individuals with Disabilities Education Improvement Act of 2004, or any other applicable law. The school district shall present evidence that the special education needs of the child have been appropriately identified and that the special education program and related services proposed to meet the needs of the child are adequate, appropriate, and available. Any party to the hearing shall have the right to (1) be represented by counsel and be accompanied and advised by individuals with special knowledge or training with respect to the problems of children with disabilities, at the party's own expense; (2) present evidence and confront and cross-examine witnesses; (3) move for the exclusion of witnesses from the hearing until they are called to testify, provided, however, that this provision may not be invoked to exclude the individual designated by a party to assist that party or its representative in the presentation of the case; (4) obtain a written or electronic verbatim record of the proceedings within 30 days of receipt of a written request from the parents by the school district; and (5) obtain a written decision, including findings of fact and conclusions of law, within 10 days after the conclusion of the hearing. If at issue, the school district shall present evidence that it has properly identified and evaluated the nature and severity of the student's suspected or identified disability and that, if the student has been or should have been determined eligible for special education and related services, that it is providing or has offered a free appropriate public education to the student in the least restrictive environment, consistent with procedural safeguards and in accordance with an individualized educational program. At any time prior to the conclusion of the hearing, the impartial due process hearing officer shall have the authority to require additional information and order independent evaluations for the student at the expense of the school district. The State Board of Education and the school district shall share equally the costs of providing a written or electronic verbatim record of the proceedings. Any party may request that the due process hearing officer issue a subpoena to compel the testimony of witnesses or the production of documents relevant to the resolution of the hearing. Whenever a person refuses to comply with any subpoena issued under this Section, the circuit court of the county in which that hearing is pending, on application of the impartial hearing officer or the party requesting the issuance of the subpoena, may compel compliance through the contempt powers of the court in the same manner as if the requirements of a subpoena issued by the court had been disobeyed.

(h) The impartial hearing officer shall issue a written decision, including findings of fact and conclusions of law, within 10 days after the conclusion of the hearing and send by certified mail a copy of the decision to the parents or student (if the student requests the hearing), the school district, the director of special education, legal representatives of the parties, and the State Board of Education. Unless the hearing officer has granted specific extensions of time at the request of a party, a final decision, including the clarification of a decision requested under this subsection, shall be reached and mailed to the parties named above not later than 45 days after the initiation of the timeline for conducting the hearing, as described in subsection (g-35) of this Section. The decision shall specify the educational and related services that shall be provided to the student in accordance with the student's needs and the timeline for which the school district shall submit evidence to the State Board of Education to demonstrate compliance with the hearing officer's decision in the event that the decision orders the school district to undertake corrective action. The hearing officer shall retain jurisdiction for the sole purpose of considering a request for clarification of the final decision submitted in writing by a party to the impartial hearing officer within 5 days after receipt of the decision. A copy of the request for clarification shall specify the portions of the decision for which clarification is sought and shall be mailed to all parties of record and to the State Board of Education. The request shall operate to stay implementation of those portions of the decision for which clarification is sought, pending action on the request by the hearing officer, unless the parties otherwise agree. The hearing officer shall issue a clarification of the specified portion of the decision or issue a partial or full denial of the request in writing within 10 days of receipt of the request and mail copies to all parties to whom the decision was mailed. This subsection does not permit a party to request, or authorize a hearing officer to entertain, reconsideration of the decision itself. The statute of limitations for seeking review of the decision shall be tolled from the date the request is submitted until the date the hearing officer acts upon the request. The hearing officer's decision shall be binding upon the school district and the parents unless a civil action is commenced.

(i) Any party to an impartial due process hearing aggrieved by the final written decision of the

impartial due process hearing officer shall have the right to commence a civil action with respect to the issues presented in the impartial due process hearing. That civil action shall be brought in any court of competent jurisdiction within 120 days after a copy of the decision of the impartial due process hearing officer is mailed to the party as provided in subsection (h). The civil action authorized by this subsection shall not be exclusive of any rights or causes of action otherwise available. The commencement of a civil action under this subsection shall operate as a supersedeas. In any action brought under this subsection the Court shall receive the records of the impartial due process hearing, shall hear additional evidence at the request of a party, and, basing its decision on the preponderance of the evidence, shall grant such relief as the court determines is appropriate. In any instance where a school district willfully disregards applicable regulations or statutes regarding a child covered by this Article, and which disregard has been detrimental to the child, the school district shall be liable for any reasonable attorney's fees incurred by the parent in connection with proceedings under this Section.

(j) During the pendency of any administrative or judicial proceeding conducted pursuant to this Section, including mediation (if the school district or other public entity voluntarily agrees to participate in mediation), unless the school district and the parents or student (if at least 18 years of age or emancipated) otherwise agree, the student shall remain in his or her present educational placement and continue in his or her present eligibility status and special education and related services, if any. If mediation fails to resolve the dispute between the parties, the parent (or student if 18 years of age or older or emancipated) shall have 10 days after the mediation concludes to file a request for a due process hearing in order to continue to invoke the "stay-put" provisions of this subsection (j). ~~If the hearing officer orders a change in the eligibility status, educational placement, or special education and related services of the student, that change shall not be implemented until 30 days have elapsed following the date the hearing officer's decision is mailed to the parties in order to allow any party aggrieved by the decision to commence a civil action to stay implementation of the decision.~~ If applying for initial admission to the school district, the student shall, with the consent of the parents (if the student is not at least 18 years of age or emancipated), be placed in the school district program until all such proceedings have been completed. The costs for any special education and related services or placement incurred following 60 school days after the initial request for evaluation shall be borne by the school district if the services or placement is in accordance with the final determination as to the special education and related services or placement that must be provided to the child, provided that during that 60 day period there have been no delays caused by the child's parent.

(k) Whenever the parents of a child of the type described in Section 14-1.02 are not known, are unavailable, or the child is a ward of the State, a person shall be assigned to serve as surrogate parent for the child in matters relating to the identification, evaluation, and educational placement of the child and the provision of a free appropriate public education to the child. Persons shall be assigned as surrogate parents by the State Superintendent of Education. The State Board of Education shall promulgate rules and regulations establishing qualifications of those persons and their responsibilities and the procedures to be followed in making assignments of persons as surrogate parents. Surrogate parents shall not be employees of the school district, an agency created by joint agreement under Section 10-22.31, an agency involved in the education or care of the student, or the State Board of Education. Services of any person assigned as surrogate parent shall terminate if the parent becomes available unless otherwise requested by the parents . The assignment of a person as surrogate parent at no time supersedes, terminates, or suspends the parents' legal authority relative to the child. Any person participating in good faith as surrogate parent on behalf of the child before school officials or a hearing officer shall have immunity from civil or criminal liability that otherwise might result by reason of that participation, except in cases of willful and wanton misconduct.

(l) At all stages of the hearing the hearing officer shall require that interpreters be made available by the school district for persons who are deaf or for persons whose normally spoken language is other than English.

(m) If any provision of this Section or its application to any person or circumstance is held invalid, the invalidity of that provision or application does not affect other provisions or applications of the Section that can be given effect without the invalid application or provision, and to this end the provisions of this Section are severable, unless otherwise provided by this Section.

(Source: P.A. 94-1100, eff. 2-2-07.)

(105 ILCS 5/14-8.02e new)

Sec. 14-8.02e. State complaint procedures. The State Board of Education shall adopt State complaint procedures, consistent with Sections 300.151, 300.152, and 300.153 of Title 34 of the Code of Federal Regulations. The State Board of Education, by rule, shall establish State complaint procedures consistent with this Section. A school district or other public entity shall be required to submit a written response to

a complaint within the time prescribed by the State Board of Education following receipt of the complaint. A copy of the response and all documentation submitted by the respondent to the State Board of Education must be simultaneously provided by the respondent to the complainant or to the attorney for the complainant. If the complaint was filed by an individual other than a parent of a child who is the subject of the complaint (or the child if the child has reached majority or is emancipated and has assumed responsibility for his or her own educational decisions) and the complaint is about a specific identifiable child or children, then appropriate written signed releases must be obtained prior to the release of any documentation or information to the complainant or the attorney representing the complainant.

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

The motion prevailed.
And the amendment was adopted and ordered printed.
There being no further amendments, the bill, as amended, was ordered to a third reading.

On motion of Senator Connelly, **House Bill No. 1338** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Harmon, **House Bill No. 1346** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Harmon, **House Bill No. 1405** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Harmon, **House Bill No. 1453** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Hastings, **House Bill No. 1460** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Delgado, **House Bill No. 1462** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Steans, **House Bill No. 1533** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Delgado, **House Bill No. 1538** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator LaHood, **House Bill No. 1651** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Bivins, **House Bill No. 1709** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Hunter, **House Bill No. 2262** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Steans, **House Bill No. 2335** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Kotowski, **House Bill No. 2362** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Bivins, **House Bill No. 2363** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Barickman, **House Bill No. 2376** having been printed, was taken up and read by title a second time.

Senator Barickman offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO HOUSE BILL 2376

AMENDMENT NO. 1. Amend House Bill 2376 on page 6, line 19, by replacing "director" with "elected or appointed member of a public body".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

On motion of Senator Syverson, **House Bill No. 2393** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Steans, **House Bill No. 2404** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Harmon, **House Bill No. 2427** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Harmon, **House Bill No. 2499** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Delgado, **House Bill No. 2506** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Steans, **House Bill No. 2535** having been printed, was taken up and read by title a second time.

Senator Steans offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO HOUSE BILL 2535

AMENDMENT NO. 1. Amend House Bill 2535 on page 1, line 15, by inserting "no later than October 1, 2013,", after "Board,"; and

on page 1, line 17, by inserting "117,", after "116,"; and

on page 3, line 8, by inserting ", but a replacement for an Advisory Board member may not serve as a replacement for more than 2 consecutive meetings", after "meeting".

There being no further amendments, the bill, as amended, was ordered to a third reading.

On motion of Senator Steans, **House Bill No. 2661** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Public Health, adopted and ordered printed:

AMENDMENT NO. 1 TO HOUSE BILL 2661

AMENDMENT NO. 1. Amend House Bill 2661 by replacing everything after the enacting clause with the following:

"Section 5. The Newborn Metabolic Screening Act is amended by changing Sections 1, 1.5, and 2 and by adding Sections 1.10, 3.1, 3.2, and 3.3 as follows:

(410 ILCS 240/1) (from Ch. 111 1/2, par. 4903)

Sec. 1. The Illinois Department of Public Health shall promulgate and enforce rules and regulations requiring that every newborn be subjected to tests for genetic, ~~phenylketonuria, hypothyroidism, galactosemia and such other~~ metabolic , and congenital anomalies ~~diseases~~ as the Department may deem necessary ~~from time to time~~. The Department is empowered to promulgate such additional rules and regulations as are found necessary for the administration of this Act, including mandatory reporting of

the results of all tests for these conditions to the Illinois Department of Public Health.
(Source: P.A. 83-87.)

(410 ILCS 240/1.5)

Sec. 1.5. Definitions. In this Act:

"Accredited laboratory" means any laboratory that holds a valid certificate issued under the Clinical Laboratory Improvement Amendments of 1988, 102 Stat. 2903, 42 U.S.C. 263a, as amended, and that reports its screening results by using normal pediatric reference ranges.

"Department" means the Department of Public Health.

~~"Expanded screening" means screening for genetic and metabolic disorders, including but not limited to amino acid disorders, organic acid disorders, fatty acid oxidation disorders, and other abnormal profiles, in newborn infants that can be detected through the use of a tandem mass spectrometer.~~

~~"Tandem mass spectrometer" means an analytical instrument used to detect numerous genetic and metabolic disorders at one time.~~

(Source: P.A. 92-701, eff. 7-19-02.)

(410 ILCS 240/1.10 new)

Sec. 1.10. Critical congenital heart disease.

(a) The General Assembly finds as follows:

(1) According to the United States Secretary of Health and Human Services Advisory Committee on Heritable Disorders in Newborns and Children, congenital heart disease affects approximately 7 to 9 of every 1,000 live births in the United States and Europe. The federal Centers for Disease Control and Prevention state that critical congenital heart disease is the leading cause of infant death due to birth defects.

(2) Many newborn lives could potentially be saved by earlier detection and treatment of critical congenital heart disease if health care facilities in the State were required to perform a simple, non-invasive newborn screening in conjunction with current screening methods.

(b) The Department shall require that screening tests for critical congenital heart defects be performed at birthing hospitals and birth centers in accordance with a testing protocol adopted by the Department, by rule, in line with current standards of care, such as pulse oximetry screening, and may authorize screening tests for additional congenital anomalies to be performed at birthing hospitals and birth centers in accordance with a testing protocol adopted by the Department, by rule.

(c) The Department may authorize health care facilities to report screening test results and follow-up information.

(410 ILCS 240/2) (from Ch. 111 1/2, par. 4904)

Sec. 2. General provisions. The Department of Public Health shall administer the provisions of this Act and shall:

(a) Institute and carry on an intensive educational program among physicians, hospitals, public health nurses and the public concerning disorders included in newborn screening ~~the diseases phenylketonuria, hypothyroidism, galactosemia and other metabolic diseases~~. This educational program shall include information about the nature of the diseases and examinations for the detection of the diseases in early infancy in order that measures may be taken to prevent the ~~intellectual~~ disabilities resulting from the diseases.

(a-5) Require that ~~Beginning July 1, 2002, provide~~ all newborns be screened ~~with expanded screening tests~~ for the presence of certain genetic, metabolic, and congenital anomalies as determined by the Department, by rule.

(a-5.1) Require that all blood and biological specimens collected pursuant to this Act or the rules adopted under this Act be submitted for testing to the nearest Department laboratory designated to perform such tests. The following provisions shall apply concerning testing:

(1) The Department may develop a reasonable fee structure and may levy fees according to such structure to cover the cost of providing this testing service and for the follow-up of infants with an abnormal screening test. Fees collected from the provision of this testing service shall be placed in the Metabolic Screening and Treatment Fund. Other State and federal funds for expenses related to metabolic screening, follow-up, and treatment programs may also be placed in the Fund.

(2) Moneys shall be appropriated from the Fund to the Department solely for the purposes of providing newborn screening, follow-up, and treatment programs. Nothing in this Act shall be construed to prohibit any licensed medical facility from collecting additional specimens for testing for metabolic or neonatal diseases or any other diseases or conditions, as it deems fit. Any person violating the provisions of this subsection (a-5.1) is guilty of a petty offense. ~~endocrine, or other metabolic disorders, including phenylketonuria, galactosemia, hypothyroidism, congenital adrenal hyperplasia, biotinidase deficiency, and sickling disorders, as well as other amino acid disorders, organic acid disorders, fatty acid oxidation~~

~~disorders, and other abnormalities detectable through the use of a tandem mass spectrometer.~~

(3) If ~~by July 1, 2002,~~ the Department is unable to provide the ~~expanded~~ screening using the State Laboratory, it shall

temporarily provide such screening through an accredited laboratory selected by the Department until the Department has the capacity to provide screening through the State Laboratory. If ~~expanded~~ screening is provided on a temporary basis through an accredited laboratory, the Department shall substitute the fee charged by the accredited laboratory, plus a 5% surcharge for documentation and handling, for the fee authorized in this subsection (a-5.1) ~~(e) of this Section~~.

(a-5.2) Maintain a registry of cases, including information of importance for the purpose of follow-up services to assess long-term outcomes.

(a-5.3) Supply the necessary metabolic treatment formulas where practicable for diagnosed cases of amino acid metabolism disorders, including phenylketonuria, organic acid disorders, and fatty acid oxidation disorders for as long as medically indicated, when the product is not available through other State agencies.

(a-5.4) Arrange for or provide public health nursing, nutrition, and social services and clinical consultation as indicated.

(a-5.5) The Department shall utilize the Genetic and Metabolic Diseases Advisory Committee established under the Genetic and Metabolic Diseases Advisory Committee Act to provide guidance and recommendations to the Department's newborn screening program. The Genetic and Metabolic Diseases Advisory Committee shall review the feasibility and advisability of including additional metabolic, genetic, and congenital disorders in the newborn screening panel, according to a review protocol applied to each suggested addition to the screening panel. The Department shall consider the recommendations of the Genetic and Metabolic Diseases Advisory Committee in determining whether to include an additional disorder in the screening panel prior to proposing an administrative rule concerning inclusion of an additional disorder in the newborn screening panel. Notwithstanding any other provision of law, no new screening may begin prior to the occurrence of all the following:

(1) the establishment and verification of relevant and appropriate performance specifications as defined under the federal Clinical Laboratory Improvement Amendments and regulations thereunder for U.S. Food and Drug Administration-cleared or in-house developed methods, performed under an institutional review board-approved protocol, if required;

(2) the availability of quality assurance testing methodology for the processes set forth in item (1) of this subsection (a-5.5);

(3) the acquisition and installment by the Department of the equipment necessary to implement the screening tests;

(4) the establishment of precise threshold values ensuring defined disorder identification for each screening test;

(5) the authentication of pilot testing achieving each milestone described in items (1) through (4) of this subsection (a-5.5) for each disorder screening test; and

(6) the authentication of achieving the potential of high throughput standards for statewide volume of each disorder screening test concomitant with each milestone described in items (1) through (4) of this subsection (a-5.5).

(a-6) (Blank). ~~In accordance with the timetable specified in this subsection, provide all newborns with expanded screening tests for the presence of certain Lysosomal Storage Disorders known as Krabbe, Pompe, Gaucher, Fabry, and Niemann-Pick. The testing shall begin within 6 months following the occurrence of all of the following:~~

~~(i) the establishment and verification of relevant and appropriate performance specifications as defined under the federal Clinical Laboratory Improvement Amendments and regulations thereunder for Federal Drug Administration-cleared or in-house developed methods, performed under an institutional review board approved protocol, if required;~~

~~(ii) the availability of quality assurance testing methodology for these processes;~~

~~(iii) the acquisition and installment by the Department of the equipment necessary to implement the expanded screening tests;~~

~~(iv) establishment of precise threshold values ensuring defined disorder identification for each screening test;~~

~~(v) authentication of pilot testing achieving each milestone described in items (i) through (iv) of this subsection (a-6) for each disorder screening test; and~~

~~(vi) authentication achieving potentiality of high throughput standards for statewide volume of each disorder screening test concomitant with each milestone described in items (i) through (iv) of this subsection (a-6).~~

~~It is the goal of Public Act 97-532 that the expanded screening for the specified Lysosomal Storage Disorders begins within 2 years after August 23, 2011 (the effective date of Public Act 97-532). The Department is authorized to implement an additional fee for the screening prior to beginning the testing in order to accumulate the resources for start-up and other costs associated with implementation of the screening and thereafter to support the costs associated with screening and follow-up programs for the specified Lysosomal Storage Disorders.~~

(a-7) (Blank). ~~In accordance with the timetable specified in this subsection (a-7), provide all newborns with expanded screening tests for the presence of Severe Combined Immunodeficiency Disease (SCID). The testing shall begin within 12 months following the occurrence of all of the following:~~

~~(i) the establishment and verification of relevant and appropriate performance specifications as defined under the federal Clinical Laboratory Improvement Amendments and regulations thereunder for Federal Drug Administration-cleared or in-house developed methods, performed under an institutional review board approved protocol, if required;~~

~~(ii) the availability of quality assurance testing and comparative threshold values for SCID;~~

~~(iii) the acquisition and installment by the Department of the equipment necessary to implement the initial pilot and expanded statewide volume of screening tests for SCID;~~

~~(iv) establishment of precise threshold values ensuring defined disorder identification for SCID;~~

~~(v) authentication of pilot testing achieving each milestone described in items (i) through (iv) of this subsection (a-7) for SCID; and~~

~~(vi) authentication achieving potentiality of high throughput standards for statewide volume of the SCID screening test concomitant with each milestone described in items (i) through (iv) of this subsection (a-7).~~

~~It is the goal of Public Act 97-532 that the expanded screening for Severe Combined Immunodeficiency Disease begins within 2 years after August 23, 2011 (the effective date of Public Act 97-532). The Department is authorized to implement an additional fee for the screening prior to beginning the testing in order to accumulate the resources for start-up and other costs associated with implementation of the screening and thereafter to support the costs associated with screening and follow-up programs for Severe Combined Immunodeficiency Disease.~~

(a-8) (Blank). ~~In accordance with the timetable specified in this subsection (a-8), provide all newborns with expanded screening tests for the presence of certain Lysosomal Storage Disorders known as Mucopolysaccharidosis I (Hurlers) and Mucopolysaccharidosis II (Hunters). The testing shall begin within 12 months following the occurrence of all of the following:~~

~~(i) the establishment and verification of relevant and appropriate performance specifications as defined under the federal Clinical Laboratory Improvement Amendments and regulations thereunder for Federal Drug Administration-cleared or in-house developed methods, performed under an institutional review board approved protocol, if required;~~

~~(ii) the availability of quality assurance testing and comparative threshold values for each screening test and accompanying disorder;~~

~~(iii) the acquisition and installment by the Department of the equipment necessary to implement the initial pilot and expanded statewide volume of screening tests for each disorder;~~

~~(iv) establishment of precise threshold values ensuring defined disorder identification for each screening test;~~

~~(v) authentication of pilot testing achieving each milestone described in items (i) through (iv) of this subsection (a-8) for each disorder screening test; and~~

~~(vi) authentication achieving potentiality of high throughput standards for statewide volume of each disorder screening test concomitant with each milestone described in items (i) through (iv) of this subsection (a-8).~~

~~It is the goal of Public Act 97-532 that the expanded screening for the specified Lysosomal Storage Disorders begins within 3 years after August 23, 2011 (the effective date of Public Act 97-532). The Department is authorized to implement an additional fee for the screening prior to beginning the testing in order to accumulate the resources for start-up and other costs associated with implementation of the screening and thereafter to support the costs associated with screening and follow-up programs for the specified Lysosomal Storage Disorders.~~

(b) (Blank). ~~Maintain a registry of cases including information of importance for the purpose of follow-up services to prevent intellectual disabilities.~~

(c) (Blank). ~~Supply the necessary metabolic treatment formulas where practicable for diagnosed cases of amino acid metabolism disorders, including phenylketonuria, organic acid disorders, and fatty acid oxidation disorders for as long as medically indicated, when the product is not available through other State agencies.~~

(d) (Blank). ~~Arrange for or provide public health nursing, nutrition and social services and clinical consultation as indicated.~~

(e) (Blank). ~~Require that all specimens collected pursuant to this Act or the rules and regulations promulgated hereunder be submitted for testing to the nearest Department of Public Health laboratory designated to perform such tests. The Department may develop a reasonable fee structure and may levy fees according to such structure to cover the cost of providing this testing service. Fees collected from the provision of this testing service shall be placed in a special fund in the State Treasury, hereafter known as the Metabolic Screening and Treatment Fund. Other State and federal funds for expenses related to metabolic screening, follow-up and treatment programs may also be placed in such Fund. Moneys shall be appropriated from such Fund to the Department of Public Health solely for the purposes of providing metabolic screening, follow-up and treatment programs. Nothing in this Act shall be construed to prohibit any licensed medical facility from collecting additional specimens for testing for metabolic or neonatal diseases or any other diseases or conditions, as it deems fit. Any person violating the provisions of this subsection (e) is guilty of a petty offense.~~

(Source: P.A. 97-227, eff. 1-1-12; 97-532, eff. 8-23-11; 97-813, eff. 7-13-12.)

(410 ILCS 240/3.1 new)

Sec. 3.1. Lysosomal storage disorders. In accordance with the timetable specified in this Section, the Department shall provide all newborns with screening tests for the presence of certain lysosomal storage disorders known as Krabbe, Pompe, Gaucher, Fabry, and Niemann-Pick. The testing shall begin within 6 months following the occurrence of all of the following:

(1) the establishment and verification of relevant and appropriate performance specifications as defined under the federal Clinical Laboratory Improvement Amendments and regulations thereunder for Federal Drug Administration-cleared or in-house developed methods, performed under an institutional review board approved protocol, if required;

(2) the availability of quality assurance testing methodology for these processes;

(3) the acquisition and installment by the Department of the equipment necessary to implement the screening tests;

(4) the establishment of precise threshold values ensuring defined disorder identification for each screening test;

(5) the authentication of pilot testing achieving each milestone described in items (1) through (4) of this Section for each disorder screening test; and

(6) the authentication of achieving the potential of high throughput standards for statewide volume of each disorder screening test concomitant with each milestone described in items (1) through (4) of this Section.

It was the goal of Public Act 97-532 that the screening for the specified lysosomal storage disorders begins within 2 years after August 23, 2011 (the effective date of Public Act 97-532). The Department is authorized to implement an additional fee for the screening prior to beginning the testing in order to accumulate the resources for start-up and other costs associated with implementation of the screening and thereafter to support the costs associated with screening and follow-up programs for the specified lysosomal storage disorders.

(410 ILCS 240/3.2 new)

Sec. 3.2. Severe combined immunodeficiency disease. In accordance with the timetable specified in this Section, the Department shall provide all newborns with screening tests for the presence of severe combined immunodeficiency disease (SCID). The testing shall begin within 12 months following the occurrence of all of the following:

(1) the establishment and verification of relevant and appropriate performance specifications as defined under the federal Clinical Laboratory Improvement Amendments and regulations thereunder for Federal Drug Administration-cleared or in-house developed methods, performed under an institutional review board approved protocol, if required;

(2) the availability of quality assurance testing and comparative threshold values for SCID;

(3) the acquisition and installment by the Department of the equipment necessary to implement the initial pilot and statewide volume of screening tests for SCID;

(4) the establishment of precise threshold values ensuring defined disorder identification for SCID;

(5) the authentication of pilot testing achieving each milestone described in items (1) through (4) of this Section for SCID; and

(6) the authentication of achieving the potential of high throughput standards for statewide volume of the SCID screening test concomitant with each milestone described in items (1) through (4) of this Section.

It was the goal of Public Act 97-532 that the screening for severe combined immunodeficiency

disease begins within 2 years after August 23, 2011 (the effective date of Public Act 97-532). The Department is authorized to implement an additional fee for the screening prior to beginning the testing in order to accumulate the resources for start-up and other costs associated with implementation of the screening and thereafter to support the costs associated with screening and follow-up programs for severe combined immunodeficiency disease.

(410 ILCS 240/3.3 new)

Sec. 3.3. Mucopolysacchardosis disorders. In accordance with the timetable specified in this Section, the Department shall provide all newborns with screening tests for the presence of certain lysosomal storage disorders known as mucopolysaccharidosis I (Hurlers) and mucopolysaccharidosis II (Hunters). The testing shall begin within 12 months following the occurrence of all of the following:

(1) the establishment and verification of relevant and appropriate performance specifications as defined under the federal Clinical Laboratory Improvement Amendments and regulations thereunder for Federal Drug Administration-cleared or in-house developed methods, performed under an institutional review board approved protocol, if required;

(2) the availability of quality assurance testing and comparative threshold values for each screening test and accompanying disorder;

(3) the acquisition and installment by the Department of the equipment necessary to implement the initial pilot and statewide volume of screening tests for each disorder;

(4) the establishment of precise threshold values ensuring defined disorder identification for each screening test;

(5) the authentication of pilot testing achieving each milestone described in items (1) through (4) of this Section for each disorder screening test; and

(6) the authentication of achieving the potential of high throughput standards for statewide volume of each disorder screening test concomitant with each milestone described in items (1) through (4) of this Section.

It was the goal of Public Act 97-532 that the screening for the specified lysosomal storage disorders begins within 3 years after August 23, 2011 (the effective date of Public Act 97-532). The Department is authorized to implement an additional fee for the screening prior to beginning the testing in order to accumulate the resources for start-up and other costs associated with implementation of the screening and thereafter to support the costs associated with screening and follow-up programs for the specified lysosomal storage disorders.

Section 10. The Genetic and Metabolic Diseases Advisory Committee Act is amended by changing Section 5 as follows:

(410 ILCS 265/5)

Sec. 5. Genetic and Metabolic Diseases Advisory Committee.

(a) The Director of Public Health shall create the Genetic and Metabolic Diseases Advisory Committee to advise the Department of Public Health regarding issues relevant to newborn screenings of metabolic diseases.

(b) The purposes of Metabolic Diseases Advisory Committee are all of the following:

(1) Advise the Department regarding issues relevant to its Genetics Program.

(2) Advise the Department regarding optimal laboratory methodologies for screening of the targeted conditions.

(3) Recommend to the Department consultants who are qualified to diagnose a condition detected by screening, provide management of care, and genetic counseling for the family.

(4) Monitor the incidence of each condition for which newborn screening is done, evaluate the effects of treatment and genetic counseling, and provide advice on disorders to be included in newborn screening panel.

(5) Advise the Department on educational programs for professionals and the general public.

(6) Advise the Department on new developments and areas of interest in relation to the Genetics Program.

(7) Any other matter deemed appropriate by the Committee and the Director.

(c) The Committee shall consist of 20 members appointed by the Director of Public Health. Membership shall include physicians, geneticists, nurses, nutritionists, and other allied health professionals, as well as patients and parents. Ex-officio members may be appointed, but shall not have voting privileges.

(d) Members of the Committee may receive compensation for necessary expenses incurred in the performance of their duties.

(Source: P.A. 95-695, eff. 11-5-07.)

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

There being no further amendments, the bill, as amended, was ordered to a third reading.

On motion of Senator Steans, **House Bill No. 2675** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Kotowski, **House Bill No. 2687** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Bivins, **House Bill No. 2783** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Steans, **House Bill No. 2812** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Sandoval, **House Bill No. 2822** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Sandoval, **House Bill No. 1009** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Sandoval, **House Bill No. 1295** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Sandoval, **House Bill No. 1330** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Sandoval, **House Bill No. 2310** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Sandoval, **House Bill No. 2361** was taken up, read by title a second time and ordered to a third reading.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Sullivan, **House Bill No. 2775** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, “Shall this bill pass?” it was decided in the affirmative by the following vote:

YEAS 53; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Raoul
Barickman	Frerichs	Luechtefeld	Rezin
Biss	Harmon	Manar	Righter
Bivins	Hastings	Martinez	Rose
Brady	Holmes	McCann	Sandoval
Bush	Hunter	McCarter	Silverstein
Clayborne	Hutchinson	McGuire	Stadelman
Collins	Jacobs	Morrison	Steans
Connelly	Jones, E.	Mulroe	Sullivan
Cullerton, T.	Koehler	Muñoz	Van Pelt

Cunningham	Kotowski	Murphy	Mr. President
Delgado	LaHood	Noland	
Dillard	Landek	Oberweis	
Duffy	Lightford	Radogno	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME

On motion of Senator Hunter, **House Bill No. 3267** was taken up, read by title a second time and ordered to a third reading.

MESSAGES FROM THE HOUSE

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE BILL NO. 922

A bill for AN ACT concerning employment.

Passed the House, May 8, 2013.

TIMOTHY D. MAPES, Clerk of the House

The foregoing **House Bill No. 922** was taken up, ordered printed and placed on first reading.

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 1524

A bill for AN ACT concerning transportation.

SENATE BILL NO. 1538

A bill for AN ACT concerning wildlife.

SENATE BILL NO. 1620

A bill for AN ACT concerning wildlife.

SENATE BILL NO. 1623

A bill for AN ACT concerning health.

Passed the House, May 8, 2013.

TIMOTHY D. MAPES, Clerk of the House

READING BILL FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME

House Bill No. 922, sponsored by Senator J. Cullerton, was taken up, read by title a first time and referred to the Committee on Assignments.

MESSAGES FROM THE PRESIDENT

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

May 8, 2013

Mr. Tim Anderson
Secretary of the Senate
Room 403 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 2-10, I am canceling Session scheduled Friday, May 10, 2013. Session will reconvene on Tuesday, May 14, 2013.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Minority Leader Christine Radogno
Democrat Caucus Members
Tim Mapes

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

May 8, 2013

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator David Koehler to temporarily replace Senator Ira Silverstein as a member of the Senate Insurance Committee. This appointment will automatically expire upon adjournment of the Senate Insurance Committee.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Minority Leader Christine Radogno

OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

May 8, 2013

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Daniel Biss to temporarily replace Senator Tony Munoz as a member of the Senate Insurance Committee. This appointment will automatically expire upon adjournment of the Senate Insurance Committee.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Minority Leader Christine Radogno

At the hour of 1:40 o'clock p.m., the Chair announced the Senate stand adjourned until Thursday, May 9, 2013, at 12:00 o'clock noon.