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ABSTRACT

Designed for use by teachers, school administrators, board members, legislators, and lay citizens, this report is intended to be a source document for obtaining a basic understanding of Illinois school finance. It explains the sources and amounts of funds available for pre-kindergarten through postsecondary programs administered by the Illinois State Board of Education. An introductory overview summarizes fiscal 1982 appropriations and gives data on school finances and enrollment from 1966 to 1982. Chapter one lists and briefly describes state education programs funded by the state common school fund as well as 37 categorically funded programs. Similar information for over 30 federally funded programs is presented in chapter two. Chapter three discusses 34 state laws affecting property taxes and school district accounting. In chapter four the authors review legislation on school management practices, including tax rate limitations, interfund transfers, and short- and long-term borrowing. The final chapter covers the activities of the Illinois Financial Accounting Committee, an advisory body established to help improve school district financial procedures. Six appendices provide a bibliography, a glossary, a sample state aid claim, and graphs on state aid to districts of varying wealth. (Author/RW)

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STATE, LOCAL, AND FEDERAL
FINANCING
FOR
ILLINOIS PUBLIC SCHOOLS
1981-1982

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EA 014 493

Edward Copeland, Chairman
Illinois State Board of Education

Donald G. Gill
State Superintendent of Education



FOREWORD

This monograph, State, Local, and Federal Financing for Illinois Public Schools, 1981-1982, explains the sources and amounts of funds available for pre-kindergarten through post-secondary programs administered by the Illinois State Board of Education. The publication contains a summary of Fiscal Year 1982 appropriations and fiscally related legislation, as well as a brief explanation of state revenues and sources of local revenues. Tax rate limitations, interfund transfers, short and long-term borrowing, and the required recording of district revenues and expenditures are included.

State programs and their funding are included in Chapter I. Federal programs and their funding are included in Chapter II. Chapter III presents some property tax legislation and legislation affecting school district accounting. Chapter IV presents topics related to school management practices. The activities of the Illinois Financial Accounting Committee are included in Chapter V.

This abbreviated text is best suited for use by teachers, school administrators, board members, legislators, and lay citizens. State, Local and Federal Financing for Illinois Public Schools is intended to serve as a source document for obtaining a basic understanding of Illinois school finance, as a discussion guide, as an outline for individual and group analyses, and as a supplementary reading in school finance courses. Because much of the information in this document is abbreviated and simplified, further study will be necessary for a complete understanding of the subject. A glossary, a reading list, a sample General State Aid claim, and graphs showing the amount of General State Aid for each district type (elementary, high school, and unit) at various wealth levels are included.

The compilation of this information is primarily the work of Dr. Fred Bradshaw, Assistant Superintendent of the Finance and Reimbursements Department, Illinois State Board of Education, with contributions by Dr. Ross Hodel, Manager, Finance Section, Finance and Reimbursements Department, Illinois State Board of Education.



Donald G. Gill
State Superintendent of Education

October 1981.

T A B L E O F C O N T E N T S

FOREWORD	iii
OVERVIEW	1
Section A: Sources of State Revenue	2
Section B: Percentage of State, Local and Federal Funding	2
CHAPTER I - State Education Programs	
Common School Fund Programs	8
General State Aid	8
General State Aid Payment Schedule	10
Requirements for Participation in General State Aid Funding	11
Open Campus	12
Act-of-God-Days	12
Hazardous Threat or Adverse Weather	13
School Calendar Legislation	13
Handicapped Children	14
Supplementary State Aid Claims	14
Summer School	14
Regional Superintendents	14
Regional Superintendent Report	15
High School Equivalency Testing	15
General State Aid Funds Generated by ESEA Title I Pupils	15
Compulsory School Age Exemptions	15
General Educational Development (G.E.D.)	15
Regional Superintendent Office Expense	15
Special Education Orphanage Act	16
Supervisory Expense Fund	16
Orphanages and Children's Homes or State-Owned Housing	
Pupil Tuition Claims	16
Teachers' Retirement	16
Categorical Programs	17
Regular and Vocational Pupil Transportation	17
Regular Pupil Transportation	17
Special Education Pupil Transportation	18
Dual-Enrolled Exceptional Children	19
Definition of Allowable Costs	19
Hazardous Conditions	19
Bus Driver Permits	20
Driver Education	20
Adult Education	21
High School Equivalency Testing	22
General Educational Development (G.E.D.)	22
Special Education Personnel Reimbursement	22
Tuition for Handicapped Pupils Attending Nonpublic Schools or Special Education Facilities or Public Out-of-State Schools	23
Tuition for Pupils Attending Low-Incidence Classes in Public Schools	24
Special Education Pupils from Orphanages, Children's Homes, State-Owned Housing Units, Foster Homes, Other State Agencies or State Residential Units	24

Special Education Facilities	25
School Nurse Interns.	25
Hospital and Homebound Pupils	25
Special Education Materials	25
State-Wide Service Center for Deaf/Blind Persons	26
Gifted Programs and Centers	26
Gifted Program	26
Vocational Education	26
Free Lunches and Breakfasts for Needy Children	27
Illinois State Board of Education	28
Capital Development Board	29
Bilingual Programs	29
School Problems Commission	30
Department of Corrections School District	31
Textbook Loan Program	31
Rose Bowl Parade	32
Minimum Teachers' Salaries	32
Joliet Flood Relief	32
Student Interns	32
School Finance Study	32
Truant Alternative Program	32
Chicago Study Commission	33
Study of State Funding	34

CHAPTER VI - Federal Education Programs

Federal Fiscal Year	36
Elementary and Secondary Education Act, Title I, Educationally Deprived Children Grants to Local Education Agencies	36
Elementary and Secondary Education Act, Title I, P.L. 89-313 Handicapped Children	36
Elementary and Secondary Education Act, Title I, P.L. 89-750 Migrant Children	36
Elementary and Secondary Education Act, Title I, P.L. 89-750 Neglected and Delinquent Children	37
Elementary and Secondary Education Act, Title I Follow-Through Program	37
Education of the Handicapped Act, Part B, P.L. 94-142	37
Education of the Handicapped Act, Part C, Deaf/Blind Services	38
Education of the Handicapped Act, Title VI-D	38
Transitional Program for Refugee Children, P. L. 96-212	38
Elementary and Secondary Education Act, Title IV, Educational Innovation and Support	39
Elementary and Secondary Education Act, Title VII, Bilingual Education	39
Civil Rights Act of 1964, Title IV, Section 403, 404, 405,; P.L. 88-352, as Amended - National Origin Discrimination	39
Elementary and Secondary Education Act, Title V, Part B,; P.L. 95-561 - Technical Assistance	40
Section 405 of the General Education Provisions Act, as Amended by the Educational Amendments of 1976, P.L. 94-482.	40
School Assistance In Federally Affected Areas, P.L. 81-815	40
School Assistance In Federally Affected Areas, P.L. 81-874	40

Federal National School Lunch Act and Child Nutrition Act, As amended	41
School Lunch Program	41
School Breakfast Program	42
Special Milk Program	42
Summer Food Service Program for Children	42
Child Care Food Program	43
Food Service Equipment Assistance Program	43
Food Distribution Program	43
Nutrition Education and Training Program, P.L. 95-166	43
Vocational Education	
Vocational Education Act of 1963, as Amended by Title II of the Education Amendments of 1976, Public Law 94-482 -- Consumer and Homemaking	45
Vocational Education Act of 1963, as Amended by Title II of the Education Amendments of 1976, Public Law 94-482 -- Vocational Education Program Improvement and Supportive Services	45
Title I, II, IV, and VII of the Comprehensive Employment and Training Act (CETA) of 1978, as Amended, Public Law 95-524	45
Career Education Incentive Act, Public Law 95-207	46
Title II, Section 204 of the Comprehensive Employment and Training Act (CETA) -- Public Law 93-203, as Amended by Public Law 95-524	46
Title II, of the Comprehensive Employment and Training Act -- Public Law 93-203, as Amended by Public Law 95-524	47
Vocational Education Act of 1963, as Amended by Title II of the Education Amendments of 1976, Public Law 94-482 -- Special Needs	47
Vocational Education Act of 1963, as Amended by Title II of the Education Amendments of 1976, Public Law 94-482 --	48
Adult Education Act -- Public Law 91-230, as Amended	48
Social Security Act, Title I, Public Law 87-543; Title XX, 42 U.S.C., Public Law 95-171	49
Emergency School Aid Act, Title IV ESEA, P.L. 92-318	49
Civil Rights Act of 1964, Title IV, Section 403 P.L. 88-352 --	49
Race Desegregation	49
Title IV, Section 409 of the Education Amendments of 1974, Special Projects Act, P.L. 93-380 -- Special Arts	50
Summary of Federal Funding for Programs and Administration	51

CHAPTER III - Legislation

Section A -- Property Tax Legislation	
House Bill 799 (1981)	52
House Bill 60 (1981)	52
House Bill 292 (1981)	52
House Bill 1048 (1981)	52
House Bill 1235 (1981)	53
Senate Bill 477 (1981)	53
Senate Bill 486 (1981)	53
Senate Bill 606 (1981)	54
Senate Bill 764 (1981)	54
Senate Bill 263 (1981)	54
Senate Bill 957 (1981)	54
Senate Bill 1276 (1979)	54



Section B -- Legislation Affecting School District Accounting

House Bill 1451 (1981)	54
House Bill 1235 (1981)	55
House Bill 1264 (1980)	55
House Bill 566 (1981)	55
House Bill 2233 (1979)	55
House Bill 1445 (1981)	55
House Bill 1109 (1981)	56
House Bill 2811 (1979)	56
House Bill 1307 (1979)	57
House Bill 1019 (1981)	57
House Bill 1070 (1981)	57
Senate Bill 218 (1981)	57
House Bill 2131 (1977)	57
House Bill 1091 (1981)	57
House Bill 125 (1981)	58
House Bill 129 (1981)	58
Senate Bill 617 (1981)	58
Free Meals - Social Security Payments	58
Shelterability of Board Paid-Teacher Retirement	58
House Bill 1608 (1981)	59
House Bill 636 (1981)	59
Senate Bill 448 (1981)	59

Chapter IV - School Management Practices

Section A -- Levying Procedures	60
House Bill 2563 (1980)	61
House Bill 325 (1979)	61
Section B -- Tax Rate Limitations	61
Section C -- Interfund Transfers	
Transfer of Interest Earned	61
Excess Special Education Construction Tax Revenues	61
Excess Bond and Interest Funds Moneys	63
Working Cash Fund Interest	63
Working Cash Fund Balance to Educational Fund	63
Educational Fund to Operations, Building and Maintenance Fund	64
Borrowing Money	
Maximum Indebtedness	64
House Bill 3070 (1980)	64
Section D -- Short-Term Borrowing	
Interfund Loans	64
State Aid Anticipation Certificates	65
Personal Property Replacement Tax Notes	65
Contract Purchasing of School Buses	65
School Sites and Office Facilities	66
Tax Anticipation Notes	66
Tax Anticipation Warrants	66
Teachers' Orders	67
Section E -- Long-Term Borrowing	
Working Cash Fund	67
Funding Bonds	68
Refunding Bonds	68
Fire Prevention, Safety, Environmental and Energy Bonds	68
Special Education Building Bonds	68
Building and School Site Bonds	68

Revenue Bonds for Exhibition Facilities	69
Section F -- Recording of Selected District Revenue	
Corporate Personal Property Replacement Funds	69
Tax Revenues	69
Proceeds from Sale of Property	70
General State Aid	70
Privilege Tax on Mobile Homes	70
Capital Development Board Funds	70
State Aid Received as a Result of Bankruptcy Proceedings	70
Section G -- Recording of Selected District Expenditures	
Board Payment of Employee Share of Teacher Retirement	70
Unemployment Insurance	71
Section H -- Business Official Certification	
House Bill 814 (1981)	71
Section I -- Public Treasurers' Investment Pool	71
Section J -- State of Illinois Cooperative Purchasing Program	72
Section K -- Indirect Costs	72
 CHAPTER V - Illinois Financial Accounting Committee	
Illinois Financial Accounting Committee	74
Statement 1	77
Summary of the Efficiency and Effectiveness Study on Pupil	
Transportation and Evaluation of Contracts	78
The Transportation Reimbursement Formula	78
Special Education Transportation	78
Tax Rates	79
Management Practices	79
Contracts and Bidding	79
Contracted and District-Owned Transportation	79
 APPENDICES	
Appendix A -- Selected Bibliography on K-12 Finance Research	
and K-12 Fiscal Policy	81
Appendix B -- Glossary	86
Appendix C -- 1981-1982 General State Aid Entitlement Form	90
Appendix D -- 1981-1982 General State Aid Unit Districts Chart	92
Appendix E -- 1981-1982 General State Aid Elementary Districts	
Chart	93
Appendix F -- 1981-1982 General State Aid High School Districts	
Chart	94

OVERVIEW

Approximately \$2.2 billion (40 percent) of the 1981-1982 revenue for the common schools is provided from state funds. The Illinois General Assembly appropriates the total amount of state money distributed to the school districts with few exceptions: the income earned by permanent school endowments and excess funds which the Governor may transfer from the Vehicle Recycling Fund to the Common School fund. One cent of the state's share of the Retailer's Occupation and Use Tax, commonly known as the Sales Tax, is earmarked for the Common School Fund. Selected earmarked funds support the Driver Education program. Senate Bill 666 (1981) provides an additional fine of \$5 for each \$40, or fraction thereof, be imposed upon conviction of offenses to the Illinois Secretary of State. In each case in which bail is forfeited, one-eighth of the forfeited bail shall be remitted to the State Treasurer for deposit into the Driver Education Fund. Senate Bill 666 becomes effective July 1, 1982.

House Bill 293 also expanded fees payable to the Driver Education Fund by providing that \$16 of the \$20 fee for the original driver's instruction permit shall be placed in the Driver Education Fund. This legislation is effective January 1, 1982.

The estimated combined state, local, and federal revenue for the Illinois common schools during the 1981-1982 school year approximates \$5.5 billion. Educational opportunities are provided to an estimated 1,927,000 public school pupils and minimal services to approximately 354,000 nonpublic school pupils. The local share is approximately \$2.8 billion (51 percent) and federal efforts are about \$.5 billion (9 percent) of the combined state, local, and federal fiscal efforts.

State monies are obtained when a local school district or cooperative (joint agreement) files a claim, through a regional superintendent to the Illinois State Board of Education, on the basis of pupil attendance, pupil membership, or a preapproved program. Once the claim has been honored, the State Superintendent of Education submits a voucher to the State Comptroller who processes payment to the regional superintendent. Payment is then forwarded to the local school district or cooperative. There are exceptions to these procedures. Some federal funds, including impact aid, Emergency School Assistance Act funds, and bilingual monies, go from Washington directly to local school districts.

Chapter I presents state education programs. The major emphasis is on state legislative appropriations for the distribution of funds to local school districts or cooperatives. Chapter II presents federal education programs. Chapter III relates to property tax legislation and legislation affecting school district accounting. Chapter IV presents school management practices which include levying procedures, tax rate limitations, interfund transfers, short-term and long-term borrowing, recording of selected district revenues and expenditures, public treasurers' investment pool, State of Illinois cooperative purchasing program, and indirect costs. Chapter V contains activities of the Illinois Financial Accounting Committee. Six appendices are included. They include a recommended reading list for school finance, a glossary, a sample General State Aid claim, and funding levels for elementary, high school, and unit districts at various wealth levels.

Section A: Sources of State Revenue

Projected revenue from the State Sales Tax (Occupational and Use Taxes) for Fiscal 1982 are approximately \$2.6 billion. During Fiscal Year 1981, Sales Tax revenues were more than \$2.3 billion. Other major sources of revenues are: taxes on motor fuel, public utilities, tobacco products, alcoholic beverages, inheritances, estates, and hotels in addition to collections from license fees, insurance charges, parimutuel betting, realty transfers, private car levies, and the state lottery. Each year, the overall growth of resources in the General Revenue Fund helps determine the level of funding for Illinois public schools. The growth in state revenue is determined, in part, by the growth in the United States and Illinois economies. The distribution of these state and federal revenues is depicted in Figures 1 and 2. Figure 1 shows state appropriation amounts (in millions) and the percent of the total state appropriation for Fiscal Year 1981. Figure 2 shows comparable data for Fiscal Year 1982. It should be noted that the total allocation for education is \$4.0 billion (approximately 28.3 percent of the total state appropriation). The common schools receive about 18.9 percent of the state revenue dollar.

Prior to 1970, most of the State's revenues were derived from sales and gross receipts taxes. The Illinois Income Tax Law, enacted by the Seventy-sixth General Assembly, provided an important source of state revenue. The projected yield from the State Income Tax is almost \$3.1 billion for Fiscal Year 1982. This projected revenue is based on actual receipts during Fiscal Year 1981 (\$2.7 billion) and estimated receipts for Fiscal Year 1982.

Most local support is derived from real property taxes. The corporate personal property replacement funds are included. Excluded are bond proceeds, investment income, sales of fixed assets and equipment, sales of food, and fees.

Section B: Percentage of State, Local, and Federal Funding

Table 1 shows state, local, and federal financing of the public schools during the period, 1966-1967 through 1981-1982. The federal appropriation amounts include carryover funds from prior years' authorizations. Table 2 shows property tax extensions for the common school districts for the calendar years, 1966 through 1981. Corporate personal property replacement tax funds are shown separately in the table.

TABLE 1 -- STATE, LOCAL, AND FEDERAL RECEIPTS OF FUNDS FOR THE COMMON SCHOOLS
 DURING THE PERIOD 1966-1967 THROUGH 1981-1982.
 (\$ in millions)

Year	State	Percent State	Local ^a	Percent Local	Federal	Federal Percent	Total
1981-1982	\$2,243.3 ^b	40.28	\$2,826.0 ^{a,c}	50.75	\$499.6 ^b	8.97	\$5,568.9 ^c
1980-1981	2,328.1	43.13	2,596.0 ^a	48.10	473.4	8.77	5,397.5
1979-1980	2,218.5	42.34	2,485.0	47.43	536.3	10.23	5,239.8
1978-1979	2,128.9	43.86	2,298.0	47.34	427.0	8.80	4,853.9
1977-1978	2,040.9	44.32	2,134.0	46.35	429.8	9.33	4,604.7
1976-1977	2,000.6	46.88	1,943.0	45.52	324.2	7.60	4,267.8
1975-1976	1,988.1	48.36	1,856.8	45.16	266.5	6.48	4,111.4
1974-1975	1,326.1	34.39	2,310.6	59.93	219.1	5.68	3,855.8
1973-1974	1,325.8	38.10	1,962.5	56.39	191.8	5.51	3,480.1
1972-1973	1,160.3	36.72	1,808.4	57.23	191.2	6.05	3,159.9
1971-1972	995.7	37.42	1,508.6	56.70	156.5	5.88	2,660.8
1970-1971	954.7	39.61	1,301.4	54.00	154.0	6.39	2,410.1
1969-1970	787.0	30.74	1,651.4	64.51	121.6	4.75	2,560.0
1968-1969	516.6	27.94	1,228.3	66.42	104.3	5.64	1,849.2
1967-1968	491.9	27.13	1,230.0	67.84	91.1	5.03	1,813.0
1966-1967	368.6	25.04	1,014.1	68.89	89.4	6.07	1,472.1

^aIncludes estimated local real property tax revenues and corporate personal property replacement funds. Excluded are proceeds from the sale of bonds, investment income, sales of fixed assets and equipment, sales of food, and fees.

^bAppropriated amount (see detail later).

^cEstimate

TABLE 2 -- ELEMENTARY AND SECONDARY REAL PROPERTY TAX EXTENSIONS AND CORPORATE PERSONAL PROPERTY (CPP) REPLACEMENT FUNDS (\$ in millions)

Calendar Year	Real Property Tax Revenues	CPP Replacement Funds	Total Local Revenues
1981	\$ 2,560 ^a	\$ 266 ^b	\$2,826 ^c
1980	2,307 ^a	289	2,596
1979	2,485 ^d		
1978	2,298 ^d		
1977	2,134 ^d		
1976	1,943 ^d		
1975	1,857 ^d		
1974	1,817 ^d		
1973	1,749 ^d		
1972	1,687 ^d		
1971	1,538 ^d		
1970	1,445 ^d		
1969	1,339 ^d		
1968	1,211 ^d		
1967	1,074 ^d		
1966	933 ^d		

^aEstimated receipts from real property taxes

^bIt is estimated that school districts will receive \$266 million in replacement funds during calendar year 1981 for the 1980 loss in corporate personal property (CPP) equalized assessed valuation.

^cEstimate

^dReceipts from both real property and corporate personal property taxes

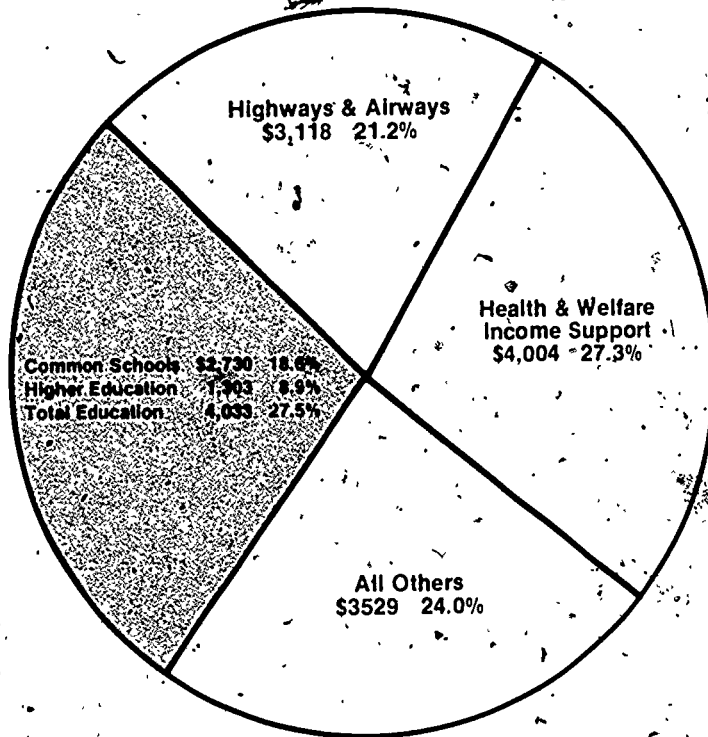


FIGURE 1
State Appropriations
Fiscal Year 1981
Dollars (in millions)
and Percent

Total \$14,684

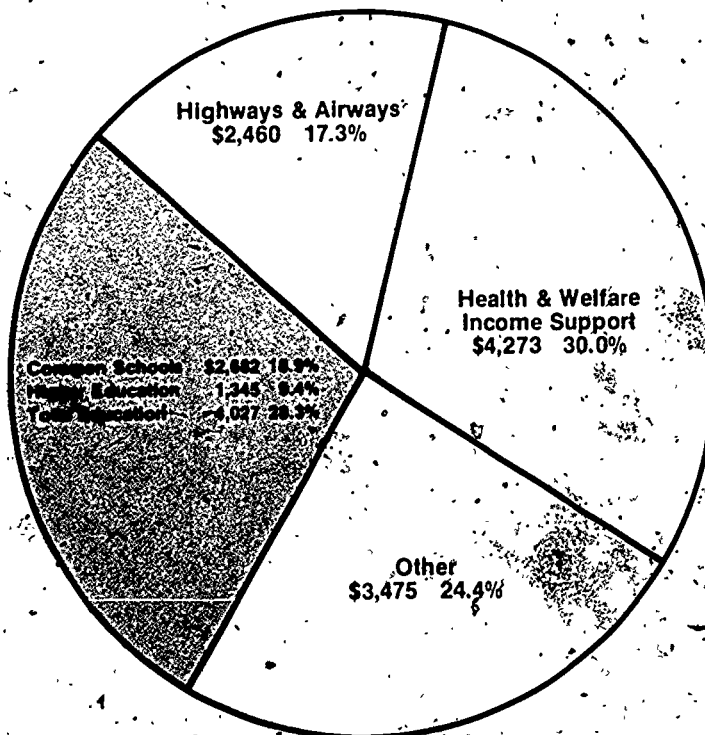


FIGURE 2
State Appropriations
Fiscal Year 1982
Dollars (in millions)
and Percent

Total \$14,235

Source: Bureau of the Budget, State of Illinois
 Note: The amounts shown include all appropriated funds.

TABLE 3 -- NUMBER OF OPERATING PUBLIC SCHOOL DISTRICTS

School Year	Elementary Districts	High School Districts	Unit Districts	Total Districts
1981-1982	437	125	448	1,010 ^a
1980-1981	438	125	448	1,011 ^a
1979-1980	438	125	448	1,011 ^a
1978-1979	438	125	448	1,011 ^a
1977-1978	443	126	448	1,017 ^a
1976-1977	449	128	448	1,025 ^a
1975-1976	453	129	446	1,028 ^a
1974-1975	462	132	444	1,038 ^a
1973-1974	478	136	441	1,055
1972-1973	509	146	436	1,091
1971-1972	560	161	422	1,143
1970-1971	588	167	419	1,174
1969-1970	637	175	415	1,227
1968-1969	687	199	393	1,279
1967-1968	723	209	383	1,315

^aOne Department of Corrections school district is not included.

TABLE 4 -- PUBLIC AND NONPUBLIC PRE-KINDERGARTEN THROUGH GRADE 12
FALL PUPIL ENROLLMENT

Year	Public	Nonpublic	Total
1981-1982 ^a	1,926,721	353,750	2,280,471
1980-1981	1,979,545	353,622	2,333,167
1979-1980	2,038,912	353,066	2,391,978
1978-1979	2,106,239	353,152	2,459,391
1977-1978	2,179,282	368,007	2,547,289
1976-1977	2,234,100	372,755	2,606,855
1975-1976	2,265,570	351,921	2,617,491
1974-1975	2,291,315	378,894	2,670,209
1973-1974	2,320,553	389,264	2,709,817
1972-1973	2,354,456	408,822	2,763,278
1971-1972	2,379,865	423,124	2,802,989
1970-1971	2,356,589	448,752	2,805,341
1969-1970	2,324,467	453,356	2,777,823
1968-1969	2,273,397	477,484	2,750,881
1967-1968	2,215,308	527,987	2,743,295
1966-1967	2,158,716	556,997	2,715,713

^aEstimates

CHAPTER I
State Education Programs

For the last several years, there has been minimal school district consolidation and/or reorganization in Illinois. The 1,010 Illinois School Districts represent approximately six percent of the national total. Illinois ranks fourth in pupil enrollment. California, Texas, and New York enroll more public school pupils. Table 4 shows Illinois public and nonpublic fall pupil enrollment data.

State revenues are made available to local school districts through legislative appropriations. Appropriations are made from the General Revenue Fund, the Corporate Personal Property Tax Replacement Fund, and the Driver Education Fund.

Common School Fund Programs

General State Aid

House Bill 1353 (1981) amends the General State Aid Law. The special equalization computation guarantees each district type (elementary, high school, and unit) access to a guaranteed wealth factor as measured by real property equalized assessed valuation and computed corporate personal property tax replacement assessed valuation per weighted average daily attendance (WADA) pupil. For 1981-1982, the guaranteed wealth per WADA pupil is \$84,002.15 in elementary school districts, \$148,803.80 in high school districts, and \$55,209.89 in unit school districts. These guaranteed amounts generate a \$1,562.44 foundation level. The General State Aid appropriation for 1981-1982 is \$1,516,965,300 (House Bill 492).

For 1981-1982, elementary districts with an operating tax rate of 1.28 percent or higher and unit districts with an operating tax rate of 2.18 percent or higher shall have their claim computed using 1.86 percent and 2.83 percent respectively. High school districts use 1.05 percent or the actual operating tax rate, if less than 1.05 percent.

Elementary and unit districts with operating tax rates less than 1.28 percent and 2.18 percent respectively, shall have their special equalization claim amount computed using the district's actual operating tax rate.

A district's weighted pupil count contains weightings for the Federal Elementary and Secondary Education Act (ESEA) Title I pupils. The percent of Title I eligibles in a district divided by the state average concentration of 20.02 percent multiplied by .53 provides a weighting for each Title I pupil to increase the district's weighted pupil count. A district's Title I pupil weighting ranges from zero in a district without Title I eligibles to a maximum weighting of .65 in those districts in which the concentration is about 29 percent. A district with the state average concentration has a .53 weighting for each Title I pupil.

The Title I weightings, as contained in House Bill 1353, are for 1981-1982 only. Without legislative change, the weightings for 1982-1983 shall revert back to the 1980-1981 maximum of .675 and a .50 weighting for districts at the state average concentration.

A district's special equalization claim amount is computed by obtaining the product of the WADA times the difference between the state guaranteed resource per WADA pupil and the district wealth per WADA pupil times the district's operating tax rate. A sample district claim computation is shown in Appendix C.

The alternate method of claim computation is utilized by those school districts whose wealth, as measured by equalized assessed valuation per WADA, is equal to or greater than 87 percent of the state guaranteed equalized assessed valuation per WADA pupil. In these instances, 13 percent of the resource equalizer foundation level is multiplied times the quotient obtained when 87 percent of the state guaranteed equalized assessed valuation per WADA pupil for that district type is divided by the district's equalized assessed valuation per weighted pupil.

The flat grant claim computation insures that in no case shall a district receive less than seven percent of the foundation level for each weighted pupil. For 1981-1982, this amount is \$109.37. The law continues to provide that a district may not have an entitlement in excess of a 35 percent increase over the prior year's entitlement.

A-1979 law (House Bill 513) determined which school year attendance data would be utilized in computing General State Aid claims. For the 1981-1982 school year, or later, the greater of the prior year's WADA or the three-year average of the WADA for the prior year and the previous two years shall be used.

Beginning July 1, 1981, General State Aid claim calculations shall consider corporate personal property replacement funds in determining a school district's wealth. Cook County school districts have corporate personal property replacement funds divided by the 1976 total tax rate to determine a corporate personal property replacement equalized assessed valuation. The remaining districts in counties other than Cook have corporate personal property replacement funds divided by the 1977 total tax rate. The computed corporate personal property replacement assessment amount shall be added to the 1979 real property equalized assessed valuation to determine a district's wealth for purposes of computing the 1981-1982 General State Aid claim. In the event that a district's computed corporate personal property replacement equalized assessed valuation is less than the district's 1978 corporate personal property equalized assessed valuation, two-thirds of that difference is to be included in determining a school district's wealth.

For the 1982-1983 school year, the 1980 real property equalized assessed valuation plus the computed 1980 corporate personal property equalized assessed valuation will be used for determining a school district's wealth. In the event that a district's 1980 computed corporate personal property replacement equalized assessed valuation is less than the district's 1978 corporate personal property equalized assessed valuation, then one-third of the positive difference between the 1978 corporate personal property equalized assessed valuation and the 1980 computed corporate personal property replacement assessed valuation shall be included in determining a school district's wealth.

For the 1983-1984 school year, the sum of the district's 1981 real property equalized assessed valuation and the computed 1981 corporate personal property equalized assessed valuation shall be utilized in computing General State Aid claims.

Beginning with the 1981-1982 school year, a public university which operated a laboratory school is eligible to file a claim for General State Aid. The State Board of Education shall calculate the difference in the amount of aid the various school districts would be paid when counting and not counting the students attending such laboratory schools.

During 1981-1982, some 742 Illinois school districts, almost 74 percent, are being reimbursed under the Special Equalization Resource Equalizer Formula; There are 211 districts (21 percent) being reimbursed under the Alternate Method Formula, and 56 districts, (five percent) being reimbursed under the Flat Grant Formula.

The Special Equalization Formula districts receive almost 98 percent of the General State Aid funds, the Alternate Method Formula districts receive about two percent, the Flat Grant districts receive the remainder which is about .2 of one percent.

General State Aid Payment Schedule

Section 18-11 of The School Code of Illinois provides for semimonthly General State Aid payments to be made during the months of August through May in the amount equal to 1/24 of the total amount to be distributed to school districts. Each semimonthly warrant for June shall be in the amount of 1/12 of such total. Section 8 1/2 of "The State Finance Act" provides that on or before the eleventh and twenty-first days of each month the State Treasurer and State Comptroller shall transfer from the General Revenue Fund to the Common School Fund 1/24 or as much as necessary of the amount appropriated. On or before the same days in June, 1/12 or as much as necessary from the amount appropriated shall be transferred. The Governor has the authority to advance payments when deemed necessary or essential.

The Fiscal Year 1982 payment schedule is as follows:

<u>MONTH</u>	<u>NUMBER OF PAYMENTS</u>	<u>VOUCHER DATES^a</u>	<u>PROBABLE DATES COMPTROLLER WILL RELEASE WARRANTS</u>
August	2 for July	August 11 and 21	August 12 and 24
September	2 for August	September 11 and 21	September 14 and 22
October	2 for September	October 13 and 21	October 14 and 22
November	2 for October	November 12 and 23	November 13 and 24
December	2 for November	December 11 and 21	December 14 and 22
January	2 for December	January 11 and 21	January 12 and 22
February	2 for January	February 11 and 22	February 16 and 23
March	2 for February	March 11 and 22	March 12 and 23
April	2 for March	April 12 and 21	April 13 and 22
May	2 for April	May 11 and 21	May 12 and 24
June ^b	2 for May and June	June 11 and 21	June 14 and 22

^aVouchers are hand-carried to the State Comptroller's office for processing on or before the above-listed voucher dates.

^bThe payments made during June, 1982, shall be equivalent to double the previous monthly payments.



Requirements for Participation in General State Aid Funding

The General State Aid law requires all school districts, except Chicago, with more than 1,000 pupils in average daily attendance (ADA) and with a Title I weighting factor in excess of .50 to submit a plan to the State Board of Education, prior to August 15 of each year, for the use of the funds generated by the Title I pupils. Priority for the improvement of instruction is to be given to meeting the needs of educationally disadvantaged children. Such plans shall be submitted in accordance with rules and regulations promulgated by the State Board of Education.

For the Chicago public school district, a portion of the General State Aid funds generated by Title I eligible pupils must be distributed to attendance centers in proportion to the number of Title I pupils enrolled. The remaining Title I generated funds are to be distributed to attendance centers in proportion to the district's total enrollment. Chicago must submit its plan to the State Board prior to October 30 each year. The district's failure to submit the plan and/or to operate according to the plan, results in penalties (House Bill 858 - 1981).

Any school district which fails to meet the standards as established for recognition by the State Superintendent of Education for any given year is ineligible to file any claim upon the Common School Fund for such school year. In case of nonrecognition of one or more attendance centers in a school district otherwise operating recognized schools, the claim of the district shall be reduced in the proportion that the average daily attendance (ADA) in the attendance center, or centers, bears to the ADA in the school district.

Any district with an ADA for the school term of less than 15 in an elementary school district or less than 60 in a high school district must obtain special approval from the State Superintendent of Education and the respective regional superintendent to be eligible to receive General State Aid. The local school board must request authority to file a claim with the State Superintendent of Education on or before July 15 prior to the beginning of the forthcoming school year.

Resident pupils enrolled in nonpublic schools may be enrolled concurrently in public schools on a shared-time or dual-enrollment plan and may be included as claimable pupils by public school districts. Dual-enrolled pupils are counted as one-sixth ADA for each class hour (40 minutes or more) in attendance in a public school district. Exceptional children attending approved private institutions, either intrastate or interstate, may be included as claimable pupils on the basis of days attended if the district pays the tuition costs. Local school boards may send eligible children to an out-of-state public school district and claim them for General State Aid. Pupils are nonclaimable for General State Aid if the district is claiming full reimbursement of tuition costs under another state or federally funded program, or is receiving tuition payments from another district or parents or guardians of the child. For handicapped children below the age of six years who cannot attend two or more clock hours because of handicap or immaturity, a session of not less than one clock hour may be counted as one-half day of attendance. Furthermore, handicapped pupils less than six years of age may be claimed for General State Aid for a full day provided the child's educational needs require four or more clock hours of instruction.

Senate Bill 955 (1981) provides that foreign exchange students and/or non-resident pupils of eleemosynary institutions attending a public school district on a tuition-free basis may be claimed for General State Aid purposes. Any cultural exchange organization or eleemosynary institution desiring to negotiate a tuition-free agreement with a public school district must obtain written approval from the State Board of Education.

A session of not less than one clock hour of teaching of hospitalized or home-bound pupils on-site or by telephone to the classroom may be counted as one-half day of attendance; however, these pupils must receive four or more clock hours of instruction to be counted for a full day of attendance. If the attending physician for such a child has certified that the child should not receive as many as five hours of instruction in a school week, reimbursement shall be computed proportionately to the actual hours of instruction.

Illinois law requires every school district to report to the Illinois State Board of Education by October 15, 1981 and each year thereafter the number of children who have received, the number who have not received, and the number exempted from necessary immunizations and health examinations. If less than 90 percent of those enrolled in the district on October 15 fail to have the necessary immunization or health examination, then ten percent of each General State Aid payment shall be withheld by the regional superintendent until the district complies with the law.

Boards of education may establish and maintain programs with local tax revenues for children below age three that are handicapped. However, no school district is eligible for state reimbursement, under Articles 14 or 18 of The School Code of Illinois, for programs provided to handicapped children under age three.

Open Campus

Secondary schools, with Illinois State Board of Education approval, may adopt an "open" scheduling plan. However, an average of five clock hours of school work per day must be scheduled for each calendar month exclusive of travel time. Example computations of days of pupil attendance allowable are:

1. A school is in session 20 days during the month. The minimum hours of attendance would be 100 (5 x 20). If an "open campus" pupil attends class 100 or more clock hours during the month, the district may claim 20 days of pupil attendance for the month.
2. In the same district, if the pupil attends 90 clock hours during the month, the district may claim the pupil for 18 days of pupil attendance for the month (90 divided by 5).

Section 10-19 of The School Code of Illinois permits a board of education to initiate experimental program(s) at the high school level. These experimental programs must receive preapproval by the Illinois State Board of Education.

Act-of-God-Days

Section 18-12 of The School Code of Illinois allows the State Superintendent of Education to waive the .56818 percent daily penalty due to a district's

failure to conduct school for the minimum school term. This waiver is applicable only in situations whereby the district was unable to conduct school due to an Act of God. The Department of Recognition and Supervision, Public School Approval Section, is the approving unit within the Illinois State Board of Education.

Hazardous Threat or Adverse Weather

House Bill 498 (1981) extends the Act of God law by providing that a district's General State Aid claim shall not be reduced when the minimum school term is not conducted because pupil health and safety are threatened by conditions beyond school district control.

Also, if adverse weather conditions occur after a school district has been in session one clock hour or more, the district may claim a full day of pupil attendance. The reasons for closing shall be certified in writing by the district superintendent within one month of the closing and sent to the respective Educational Service Region Superintendent. The Regional Superintendent forwards the certification to the State Superintendent for approval.

The State Superintendent may approve exceptions to the minimum term only when the school district has first used all emergency days contained in the district's regular calendar.

School Calendar Legislation

When the State Superintendent of Education declares an energy shortage exists during any part of the school year for the State or a designated portion of the State, a district may operate the attendance centers in the district four days a week during the shortage. The state aid claim shall not be reduced if a district extends each school day by one clock hour of school work. District employees shall not suffer any reduction in salary or benefits as a result of extended school days. A district may operate all attendance centers on this revised schedule, or may apply the schedule to selected attendance centers. The district must take into consideration such factors as pupil transportation schedules and patterns and sources of energy for individual attendance centers.

The State Superintendent will seek counsel from appropriate individuals in energy resource and other related fields prior to declaring an energy shortage. Regional and local superintendents in affected areas will be notified by the School Approval Section, Department of Recognition and Supervision of the State Board of Education, if an energy shortage is declared. School districts should notify their regional superintendent of their decision to follow a four-day-week schedule. The decision to operate a four-day-week schedule during a declared energy shortage is made by the local Board of Education. Notation and documentation of such action should be included when filing the General State Aid claim. Information regarding filing procedure for a General State Aid claim can be secured from the Reimbursements Section, Department of Finance and Reimbursements, Illinois State Board of Education.

School districts are permitted to count a day of pupil attendance that is less than five clock hours when it is preceded by a day, or days; utilized as approved institute(s) or workshop(s). Parent-teacher conference days are permitted. The law allows, in lieu of, four partial parent-teacher conference days, two full days for such conferences. Any full-day parent-teacher confer-

ences are not considered in computing a district's average daily attendance. The Annual Claim for General State Aid (calendar section) has a line available for districts to include Illinois State Board of Education approved full-day parent-teacher conferences.

Handicapped Children

Exceptional children from three to 21 years of age, including physically handicapped, maladjusted, educable mentally handicapped, trainable mentally handicapped, and speech defective children, qualify as claimable pupils for General State Aid purposes. Kindergarten and prekindergarten pupils are eligible to be claimed for one-half day of pupil attendance when in attendance one clock hour or more if prior approval is obtained from the State Superintendent of Education. An exception exists when the district claims full reimbursement of tuition costs under another state or federal program. Districts may claim for a full day, handicapped pupils less than six years of age when the pupil's educational needs require four or more clock hours of instruction.

Supplementary State Aid Claims

The law (Section 18-8) requires the filing of a supplementary state aid claim by newly organized districts for 1981-1982, by district(s) that have annexed adjacent districts and/or a portion of an adjacent district(s), and by districts that have had a portion annexed to an adjacent district(s). These claims are to be filed with the respective regional superintendent on or before October 15. Changes in payments due to these supplementary claims are effective with the first General State Aid payment made in January of each year.

Summer School

House Bill 492 contains \$2,397,900 to honor approved summer school programs for severely and profoundly handicapped children served. These are pupils defined in Sections 14-7.02 and 14-7.02a of The School Code of Illinois.

Regional Superintendents

The General Assembly determines salaries of regional superintendents according to the population of the region served as documented by the 1980 Federal Census. The salaries of regional superintendents are as follows:

<u>Population of Region</u>	<u>Annual Salary</u>
Less than 48,000	\$31,000
48,000 to 99,999	35,500
100,000 to 999,999	39,000
1,000,000 and over	41,000

Assistant regional superintendents receive annual salaries based on qualifications and are computed as a percent of the salary of the respective regional superintendent. The salary of an assistant regional superintendent without a bachelor's degree, but possessing a valid state certificate for teaching and supervising, is 55 percent of the regional superintendent's salary. With a bachelor's degree and a valid state supervisory certificate, the salary is 60 percent of the regional superintendent's salary. With a master's degree plus

a valid state certificate for supervising, the salary is 75 percent of the regional superintendent's salary. Some county boards of supervisors do provide additional compensation for the superintendent and/or assistants. House Bill 493 contains \$3,771,500 to pay Fiscal Year 1982 salaries.

Regional Superintendent Report

Regional Superintendents must annually present required information relating to schools in his or her region to the State Board of Education. Senate Bill 641 (1981) changes the required reporting date from August 15 to November 15, annually.

High School Equivalency Testing

Senate Bill 62 (1981) expands the population eligible for High School Equivalency Testing to include females, 17 years of age or older, who are unable to attend school because they are pregnant or mothers of one or more children and males, 17 years of age or older, who are unable to attend school because they are the fathers of one or more children.

General State Aid Funds Generated by ESEA Title I Pupils

House Bill 858 (1981) requires the Cook County Regional Superintendent of Schools to withhold General State Aid funds for the Chicago Public School District when he or she is notified by the Illinois State Board of Education. The Chicago School District must annually submit a plan prior to October 30. A modified plan may be submitted after October 30 if the original expenditure plan is rejected by the Illinois State Board of Education.

Compulsory School Age Exemptions

Senate Bill 62 (1981) amends Section 26-1 by providing that compulsory school age exemptions do not apply to pregnant females or to mothers of one or more children, except when the females are unable to attend school because of complication(s) arising from pregnancy. The existence of any such complication must be certified to the county or district truant officer by a competent physician.

General Educational Development (G.E.D.)

House Bill 290 (1981) contains amendments to the High School Equivalency Testing Program. The \$5 fee was increased to \$10. The law establishes a re-examination fee of \$2. The fee for the high school equivalency certificate was increased from \$5 to \$10. House Bill 290 also provides that the Educational Regional Superintendent may waive any of the required fees if a hardship exists.

Regional Superintendent Office Expense

House Bill 1678 (1981) provides that beginning with the 1981 equalized assessed valuation Educational Service Regions comprised of two or more counties shall consider corporate personal property replacement funds in determining county wealth. The quotient obtained by dividing county replacement funds by the total county tax rate shall be added to the county real property equalized assessed valuation to determine the county wealth.

Special Education Orphanage Act

House Bill 874 (1981) amends Section 14-7.03 of The School Code of Illinois to permit regional superintendents to operate special education classes for children from orphanages, foster family homes, children's homes or State housing units located within the educational service region upon consent of the school board otherwise so obligated. In electing to assume the powers and duties of a school district in providing and maintaining such a special education program, the regional superintendent may enter into joint agreements with other districts and may contract with public or private schools or the orphanage, foster family home, children's home or State housing unit for provision of the special education program. The regional superintendent exercising the powers granted under this Section shall claim the reimbursement authorized by this Section directly from the State Board of Education.

Supervisory Expense Fund

The law provides that annually each regional superintendent shall receive \$1,000 in supervisory expense monies for each county within the educational service region. The Fiscal Year 1982 appropriation is \$102,000 (House Bill 493).

Orphanages and Children's Homes or State-Owned Housing Pupil Tuition Claims

Section 18-3 of The School Code of Illinois authorizes eligible districts to file a claim for the annual tuition cost, for the preceding school year of pupils from orphanages, children's homes, or state-owned housing who attend grades kindergarten through 12 of the public schools maintained by the school district. The previous year's per capita tuition charge multiplied by the average daily attendance of the pupils is the amount to be certified to the regional superintendent on or before September 15. The Fiscal Year 1982 Section 18-3 appropriation is \$1,250,000 (House Bill 493).

Teachers' Retirement

The State contributes to the Downstate Teachers' Retirement System and to the Chicago Teachers' Retirement System. The following amounts were appropriated in House Bill 495.

<u>Retirement Systems</u>	<u>Amount</u>
Downstate Teachers' Retirement	\$145,204,000
Chicago Teachers' Retirement	\$ 41,092,732

Senate Bill 323 appropriates the following amounts to the Downstate Teachers' Retirement System for the following purposes:

For supplementary payments to teachers pursuant to Section 16-135 and 16-147, The Illinois Pension Code (\$9,914,000)

Senate Bill 324 appropriates to the Chicago Teachers' Retirement System for the following purposes:

For supplementary payments to teachers pursuant to Sections 17-154, 17-155, and 17-156, The Illinois Pension Code (\$700,000)

Categorical Programs

Regular and Vocational Pupil Transportation

The State reimburses the "allowable costs" of transporting "eligible" pupils less a qualifying amount (the district's equalized assessed valuation multiplied by a qualifying tax rate of .06 percent in elementary districts, .05 percent in high school districts, and .07 percent in unit districts). The claim for a district is the amount computed in the formula, or \$16 multiplied by the average daily membership of eligible transported pupils, whichever is greater. If the claim amount, as computed by the formula, exceeds four-fifths of the cost to transport eligible pupils, then those districts with a transportation fund tax rate less than .12 percent shall have their claim reduced. The amount of reduction is computed by subtracting the respective district's transportation tax rate from .12 percent and multiplying the difference by the district's equalized assessed valuation. This reduction cannot, however, decrease the reimbursement below the four-fifths level for those districts whose claim computation is 80 percent or more of the allowable costs. The regular pupil transportation formula for 1981-1982 was amended per House Bill 1273 (1981).

The fiscal impact of the formula changes on regular pupil transportation claims for 1981-1982, reimbursed during Fiscal Year 1983, will shift funds to unit districts, and reduce funds for elementary and high school districts.

The new law also provides that the State Board of Education shall, if necessary, adjust each school district's pupil transportation allowable costs to conform to the annual appropriation. This means that beginning with the 1981-1982 claims, full funding will occur.

Regular Pupil Transportation

House Bill 1252 (1981) amended the definition of district wealth by increasing a district's real property equalized assessed valuation by adding the quotient obtained by dividing corporate personal property replacement funds by a district's total tax rate.

This bill makes a district's wealth for computing regular pupil transportation aid, gifted reimbursement, and General State Aid identical.

House Bill 15 (1981) provides that the regulation, licensing, and prescribing of safety requirements for vehicles used in pupil transportation are state functions. This act is a limitation on the power of home rule municipalities with fewer than 1,000,000 inhabitants.

House Bill 130 (1981) expands the suspension powers of school boards to include suspending pupils from riding the school bus who are guilty of gross disobedience or misconduct on the school bus.

School boards may provide free transportation for pupils residing less than one and one-half miles from the assigned attendance center when conditions are such that walking constitutes a serious hazard to the safety of the pupils due

to vehicular traffic. Such transportation shall not be provided if adequate public transportation is available. Each local school board will determine what is a serious safety hazard using guidelines developed by the Illinois Department of Transportation in consultation with the State Superintendent of Education. The Department of Transportation shall review the school board's findings and, within 30 days, approve or disapprove the school board's determination that a serious safety hazard exists.

Any school district transporting resident pupils during the school day to an area vocational school or another school district's vocational program that is more than one and one-half miles from the school attended, or transporting resident pupils to another school district's program offered through an approved joint agreement, or to a community college providing advanced training for students in the eleventh and twelfth grades who desire participation for a trade, or exceptional children requiring special transportation service, shall be reimbursed four-fifths of the allowable cost of such transportation by the State. This includes a depreciation allowance of 15 percent for 6 2/3 years for school buses and vehicles approved for transporting pupils to and from school and a depreciation allowance of ten percent for ten years for other transportation equipment.

State reimbursement for regular and vocational education pupil transportation is made on a quarterly basis as follows:

<u>Voucher Date</u>	<u>Probable Dates Comptroller will Release Warrants.</u>
September 30	October 9
December 30	January 8
March 30	April 9
No Later than June 15	June 22

House Bill 493 contains \$86.18 million to reimburse districts for 1980-1981 regular and vocational pupil transportation claims. Finance and Reimburse-ments Department personnel shall submit vouchers to the State Comptroller in compliance with the required payment dates specified in the law. The regular and vocational claims are being reimbursed at 100 percent.

Special Education Pupil Transportation

Section 14-13.01 of The School Code of Illinois provides for state reimburse-ment for children of the type described in Sections 14-1.02 through 14-1.07. Reimbursement is in the amount of four-fifths of the "allowable costs" of transportation for each child who the State Superintendent determines in advance requires special transportation service in order to take advantage of special education facilities.

House Bill 493 contains \$56,556,000 to honor 1980-1981 special education pupil transportation claims. These claims are being prorated at 92.217097 percent.

The law provides for a quarterly payment schedule identical to the one previously presented for regular and vocational pupil transportation.

Districts providing approved special education transportation to approved special education programs were eligible, during 1981, to file for state reimbursement through the respective regional superintendent for the summer school transportation cost incurred following the 1980-1981 regular school term through June 30, 1981. Claims for the period, July 1, 1981, to the opening of the 1981-1982 regular school term and following the 1981-1982 regular school term through June 30, 1982, will be filed in calendar year 1982.

Dual-Enrolled Exceptional Children

Special education pupils dually enrolled in public and nonpublic schools shall be provided transportation if it is required in the child's individualized educational program because of the child's handicapping condition or as the special education program location may require (Senate Bill 553 - 1980).

Definition of Allowable Costs

Section 29-5 of The School Code of Illinois defines allowable costs for pupil transportation reimbursement. Allowable costs include costs of physical examinations and salaries of drivers, salaries of school bus maintenance personnel, payments to independent carriers, preapproved contractual expenditures for computerized bus scheduling, gasoline and other supplies, workshops for drivers, maintenance of buses, leasing and rental costs, insurance and licenses, and certain depreciation for vehicles and equipment. An additional allowance for administrative costs equal to the allowable direct cost, less expenditures to parents, public or independent carriers, times the district's restricted indirect cost rate used for federal programs, not to exceed 2.5 percent, is made. Special education allowable costs also include expenditures for salaries of attendants or aides for the portion of time spent in assisting pupils in transit.

Hazardous Conditions

Senate Bill 100 (1980) amended Sections 29-3 and 29-5 of The School Code of Illinois to allow transportation of pupils who live less than one and one-half miles from the school attended when hazardous conditions exist and public transportation is not available. For determination of the one and one-half miles, distance is measured from the exit of the property where the pupil resides to the school, along normally traveled roads or streets. The determination of a safety hazard shall be made by the local school board, in accordance with guidelines promulgated by the Department of Transportation in consultation with the State Superintendent of Education. The Department of Transportation reviews the findings of the local school board and approves or disapproves the findings within 30 days. Such transportation costs are reimbursable.

The law also requires every school board to review the hazardous conditions annually and certify to the State Superintendent of Education whether or not those conditions remain unchanged. Furthermore, the State Superintendent may request that the Illinois Department of Transportation verify that the conditions have not changed. Local districts should submit their certification to

Mr. Ted Randall, Program Planning, and Development Section, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-2826).

Bus Driver Permits

Senate Bill 416 (1980) expanded the duties of regional superintendents. They are to insure that all bus drivers have valid school bus driver permits. The regional superintendent shall submit evidence of noncompliance in writing to the respective school boards.

When the regional superintendent finds evidence of noncompliance by district - employed drivers, a hearing shall be held. If, based on evidence presented at the hearing, the regional superintendent finds that bus drivers employed directly by the school board do not possess valid bus driver permits, the regional superintendent shall submit such evidence and the findings, with recommendation(s), to the State Superintendent of Education. The State Superintendent may reduce the district's claim for transportation reimbursement under Section 29-5 and/or 14-13.01 by .568 percent for each day of noncompliance.

If a school board finds evidence that the school bus contractor has bus drivers without valid permits, the school board shall request a hearing before the regional superintendent. If, based on the evidence presented at the hearing, the regional superintendent finds that persons employed by a contractor have invalid bus driver permits, the school board's contractual financial obligations shall be reduced by an amount of .568 percent for each day of noncompliance. The findings of the regional superintendent and the relief provided herein shall not impair the obligations of the contractor to continue to provide transportation services in accordance with the terms of the contract.

Driver Education

The State reimburses a district (under the 1980-1981 law) that conducts an approved driver education course for the per capita cost, not to exceed \$10 for each pupil who successfully completes the classroom instruction, and up to \$40 for each pupil who successfully completes the practice driving. The 1981-1982 appropriation is \$8.5 million (House Bill 495) to honor 1980-1981 claims.

The Illinois State Board of Education makes payments as funds accumulate in the Driver Education Fund. It is projected that on or about November 15, 1981, 40 percent of the 1980-1981 claim amounts will be paid. On or about March 15, 1982, about 30 percent will be paid. It is anticipated that the balance due each district shall be paid about June 15, 1982.

House Bill 293 (1981) increases the amount of funds earmarked for the Driver Education Fund. The original driver instruction permit fee is increased from \$8 to \$20. Sixteen dollars of the \$20 fee, rather than only \$4 of the previous \$8 fee, is to be placed in the Driver Education Fund. These fee changes are effective January 1, 1982.

Senate Bill 666 (1981) also provides additional funds for the Driver Education Fund. There is an additional penalty of \$5 for each \$40 or fraction thereof of fines imposed for certain motor vehicle violations. Of that \$5, \$4 is ear-

marked for the Driver Education Fund (effective July 1, 1982). One-eighth of the forfeited bail for certain motor vehicle violations is to be deposited into the Driver Education Fund (effective July 1, 1982). Approximately \$15 million in funds will be made available to the State Board of Education to honor 1981-1982 driver education claims. This should result in the claims being funded at about \$18 for classroom instruction and about \$72 for behind-the-wheel training.

The base reimbursement amount shall be calculated by the State Board by dividing the total amount appropriated for distribution by the total of: (a) the number of students who have completed the classroom instruction part for whom valid claims have been made times 0.2; plus (b) the number of students who have completed the practice driving instruction part and for whom valid claims have been made times 0.8.

The amount of reimbursement to be distributed on each claim shall be 0.2 times the base reimbursement amount for each validly claimed student who has completed the classroom instruction part, plus 0.8 times the base reimbursement amount for each validly claimed student who has completed the practice driving instruction part.

Adult Education

Under the provisions of the Federal Adult Education Act and The School Code of Illinois, Sections 10-22.20 and 203-1, 3-1, the following determines eligibility for adult education programs: a) adults 16 years of age and older who have not completed the secondary level and are not otherwise in attendance in school, b) adults 16 years of age and older who have completed the secondary level and who can verify a need for job skills improvement and/or employability skills, and c) persons who are determined to be eligible for Title XX services. The individuals identified above can be enrolled in adult basic, secondary, vocational, English as a second language, and general educational development review classes conducted by the educational agencies. Local educational agencies submit applications which are approved by the Illinois State Board of Education.

The participating public school educational agencies are allowed a uniform reimbursement rate of \$3.50 per student hour of instruction in four subprograms of 1) state adult education, 2) Title XX, 3) federal adult education basic, and 4) federal adult education secondary with a weighting factor for basic and vocational classes. In participating community colleges, the tuition rates plus reimbursement for instructional materials are made in an amount not to exceed \$3.50 per credit hour.

In addition to educational and vocational classes, other services such as staff development, pupil transportation and child care and/or early childhood development are available throughout the four subprograms.

A monthly payment schedule is implemented so that resources are available to approximately 100 multi-district public schools and/or community colleges at the beginning of the month in which the expense occurs. Quarterly expenditure reports are completed to determine if the rate of payment is appropriate and in relationship to the approved limits of the projected budget. Illinois law mandates that the State Board of Education make maximum use of federal funds which is accomplished through the equitable distribution of funds and services

throughout the four subprograms. No individual participating in any of the subprograms can be charged a personal tuition or fee.

The funds in the state adult education subprogram are 100 percent state grant funds and \$2,675,000 was appropriated. The Title XX funds flow into the State via the Social Rehabilitative Services Act and, although the Federal Government reimburses the Illinois Department of Public Aid at the rate of 75 percent, the State also appropriated \$5 million for this subprogram. The Federal Government makes available to the state \$6.5 million for the federal adult education basic and secondary subprograms and, although the board receives a grant, the state appropriates \$700,000 as the state maintenance of effort.

During 1979, the General Assembly mandated the repeal of adult education programs as of July 1, 1981. Review of the existing statutes, study of existing programs and an analysis of the funding cost were to be completed prior to the Act's date of repeal. House Bill 1236 (1981) defers repeal of adult education provisions to October 1, 1982.

High School Equivalency Testing

Senate Bill 62 (1981) expands the population eligible for High School Equivalency Testing to include any female, 17 years of age or older, who is unable to attend school because she is pregnant or the mother of one or more children and any male, 17 years of age or older, who is unable to attend school because he is the father of one or more children.

General Educational Development (G.E.D.)

House Bill 290 (1981) contains amendments to the High School Equivalency Testing Program. The \$5 fee was increased to \$10. The law establishes a reexamination fee of \$2. The fee for the high school equivalency certificate was increased from \$5 to \$10. House Bill 290 also provides that the Regional Superintendent of schools may waive any of the required fees if a hardship exists.

Special Education Personnel Reimbursement

The state reimburses school districts or cooperatives for approved personnel who perform services in approved special education programs. Districts are reimbursed:

For eligible physically handicapped children in hospital or home instruction, one-half of the teacher's salary, but not more than \$1,000 annually per child or \$6,250 per teacher, whichever is less.

For readers, working with blind or partially seeing children, one-half of their salary, but not more than \$400 annually per child.

For necessary non-certified employees working in any approved class or program, the lesser of one-half of the salary paid or \$2,500 annually per employee.

For each full-time qualified special education director, \$6,250.

For each full-time qualified psychologist, \$6,250.

For each full-time qualified teacher working in an approved program for deaf or hard-of-hearing pre-school children, \$6,250.

For each full-time professional worker, \$6,250. This is limited to speech correctionists, school social workers, school psychologists, psychologist interns, school social work interns, certified school nurses, special administrator interns, registered therapists, professional consultants, special education special administrators or supervisors, and special education certified teachers.

Beginning with the 1981-1982 school year, districts or cooperatives are eligible to claim reimbursement for hospital or homebound instruction when deemed appropriate through an individualized educational program (House Bill 500 - 1981).

Also, beginning with the 1981-1982 school term, professional workers include school nurse interns (House Bill 499, 1981).

State reimbursement is available to eligible districts and/or cooperatives for 1/185 of the amount or rate paid to special education personnel when the school or program exceeds the adopted school calendar with a maximum of 235 days. The 1981-1982 appropriation for reimbursement to school districts for services and materials for handicapped children under Section 14-13.01 of The School Code of Illinois is \$118,575,000 (House Bill 493). Payments are made quarterly as follows:

<u>Voucher Dates</u>	<u>Probable Dates Comptroller Will Release Warrants</u>
September 30, 1981	October 9, 1981
December 30, 1981	January 8, 1982
March 30, 1982	April 9, 1982
No later than June 20, 1982	June 22, 1982

Tuition for Handicapped Pupils Attending Nonpublic Schools or Special Education Facilities or Public Out-of-State Schools

The State reimburses the approved tuition cost for special education and related services during the regular and summer school term as follows:

A two-tier reimbursement formula exists. The first tier provides state reimbursement for the difference between the district's per capita tuition charge for regular pupils and the lesser of the nonpublic school or special education facility or public out-of-state school tuition charge or \$4,500.

The second tier provides that in the event the nonpublic school or special education facility or public out-of-state tuition charge is greater than the district's per capita tuition charge for regular pupils plus \$4,500, then the State will reimburse the excess amount along with the amount calculated in tier one. Tuition reimbursement claims for the preceding regular school term and summer school term are vouchered by the State Board of Education on the same dates as presented above for Special Education personnel.

The state appropriation in the amount of \$12,257,000 is in House Bill 493 to honor 1980-1981 tuition claims at 97.072933 percent.

The State Board of Education also pays approved room and board and related costs on a current monthly basis using Federal Aid to the Handicapped funds. House Bill 495 contains the appropriation for these expenditures. It is estimated that Fiscal Year 1982 payments will be about \$4.5 million.

The approved room and board and related services costs are paid currently on a monthly basis. The frequency for submitting estimated claims and the method of determining payment are prescribed by State Board of Education rules and regulations.

Tuition for Pupils Attending Low-Incidence Classes in Public Schools

Section 14-7.02a of The School Code of Illinois provides state reimbursement to school districts for per capita costs of extraordinary education programs for the handicapped in excess of the district's per capita tuition charge for the prior year or \$2,000, whichever is less. Per capita costs are actual expenditures less state reimbursement under Section 14-13.01. The educational program for these pupils must be approved by the State Superintendent of Education. The Fiscal Year 1982 appropriation is \$25,143,000 (House Bill 493).

Special Education Pupils from Orphanages, Children's Homes, State-Owned Housing Units, Foster Homes, Other State Agencies or State Residential Units

Section 14-7.03 of The School Code of Illinois authorizes current funding to school districts for providing preapproved educational services to handicapped children residing in orphanages, children's homes, state-owned housing units, foster homes, housing provided by other state agencies, or state residential units. These programs are approved by personnel in the Department of Specialized Educational Services, Illinois State Board of Education. The Fiscal Year 1982 appropriation is \$20 million (House Bill 493).

Current law allows summer school tuition reimbursement for severely and profoundly handicapped children. The reimbursement claim shall be filed with the State Board of Education by October 1, and the State Board shall transmit vouchers to the State Comptroller on December 1, annually.

House Bill 874 (1981) amended Section 14-7.03 as follows: Regional Superintendents may operate special education classes for children's homes or State housing units located within the educational service region upon consent of the school board otherwise so obligated. In electing to assume the powers and duties of a school district in providing and maintaining such a special education program, the regional superintendent may enter into joint agreements with other districts and may contract with public or private schools or the orphanage, foster family home, children's home or state housing unit for provision of the special education program. The regional superintendent, exercising the powers granted under this Section, shall claim the reimbursement authorized by this Section directly from the State Superintendent of Education.

Private facilities shall provide adequate space for special education classes provided by a school district or joint agreement for handicapped children who are residents of the facility. Space at the facilities shall be provided upon request of the school district or joint agreement and at no cost to either of them. When a private facility provides space for special education classes for handicapped children who reside there at no cost to the school district or joint agreement, it shall not include any costs for the use of such facilities in its claim for reimbursement.

Special Education Facilities

House Bill 566 (1981) allows districts, by referendum, to transfer special education building funds to the operations, building and maintenance fund.

Greater flexibility is also provided to school districts. Any school board which is levying a special education building tax on July 1, 1981, may, by proper resolution, use the special education tax revenue for other special education purposes, including purposes authorized in Article 14 of The School Code of Illinois.

House Bill 493 (1981) contains \$125,000 for Lombard School District Number 44, the Administrative District for the DuPage - West Special Education Cooperative. This appropriation is for Fiscal Year 1980 costs associated with the relocation of the state-wide service center for deaf/blind individuals.

School Nurse Interns

House Bill 499 (1981) increases state reimbursement for school nurse interns. The new law transfers the approved nurse interns from the \$2,500 rate for non-certified employees to the \$6,250 rate for professional workers. The change affects 1981-1982 personnel claims payable during Fiscal Year 1983.

Hospital and Homebound Pupils

House Bill 500 (1981) increases the eligibility for hospitalized and homebound students by including all approved special education pupils in lieu of only physically handicapped children. This change will affect 1981-1982 claims payable during Fiscal Year 1983.

Special Education Materials

House Bill 493 (1981) contains \$517,000 to provide for the production, procurement, storage, and distribution of special education materials for visu-

ally handicapped children and adults. Springfield School District 186 is the administering agent for this program.

State-wide Service Center for Deaf/Blind Persons

House Bill 493 contains \$1,638,000 for the purpose of developing and operating or contracting for a residential education facility and state-wide service center for deaf/blind individuals as provided in Section 14-11.02 of The School Code of Illinois.

Gifted Programs and Centers

The State of Illinois provides funding to districts that have preapproved gifted programs. It is estimated that over 100,000 gifted and talented pupils attend Illinois public schools. Approximately 600 school districts will conduct gifted programs during the 1981-1982 school year. House Bill 494 contains \$5,703,000 to fund these programs.

A quarterly reimbursement procedure exists for gifted education programs. Estimated payments equal to one-fourth of the district's preapproved 1981-1982 program shall be made on November 15, 1981, February 15, 1982, and May 15, 1982. A final claim shall be filed with the regional superintendent on or before August 10, 1982, for approval and transmittal to the State Superintendent of Education on or before August 20, 1982. Upon receipt of the final claim, the State Superintendent shall verify its accuracy and make a final adjusted payment on or before September 20, 1982.

Gifted Program

House Bill 1252 (1981) amends Section 14A-5 of The School Code of Illinois by including corporate personal property replacement funds in computing a district's wealth. This legislation makes a district's wealth consistent for the purpose of computing gifted education, regular pupil transportation, and General State Aid.

The state appropriated \$800,000 (House Bill 494) to fund nine area gifted service centers during 1981-1982. These centers are located in DeKalb, Chicago, Carthage, Matteson, Elgin, Benton, Normal, Rantoul and Belleville.

Vocational Education

The state and federal governments jointly finance various vocational education programs. The state appropriation (House Bill 494) for these programs amounts to \$31.5 million. Approximately 75 percent of this amount will be reimbursed to the common schools. The remainder will be distributed to community colleges and/or higher education institutions. Included in this appropriation is about \$1,050,000 for distribution to eligible recipients for the acquisition of instructional equipment in approved vocational education programs. House Bill 491 contains \$55,661 for the Advisory Council. In addition, House Bill 494 contains \$450,000 for distribution to eligible recipients for high impact training programs to stimulate economic growth and development.

Free Lunches and Breakfasts for Needy Children

The state appropriation (House Bill 493) for reimbursement of school districts providing free lunches and breakfasts to needy pupils is \$11,650,000. Illinois law requires all public schools to provide free lunches to pupils from families with an income at or below federally established guidelines. Nonpublic schools may participate in the free lunch program on a voluntary basis. A pupil eligible for free lunch is also eligible for free breakfast when the respective school participates in the breakfast program. The public school lunch program is mandatory; however, the breakfast program is voluntary. State reimbursement is 15 cents for each free lunch and for each free breakfast.

The federal income poverty guidelines for free and reduced-price meals effective during Fiscal Year 1982 are as follows:

Income Guideline Levels

<u>Family Size</u>	<u>Free Meals and Milk</u>	<u>Reduced Price Meals</u>
1	\$ 5,600	\$ 7,970
2	7,400	10,530
3	9,190	13,080
4	10,990	15,630
5	12,780	18,190
6	14,570	20,740
7	16,370	23,290
8	18,160	25,840
Each additional Family Member	1,790	2,550

Local authorities may utilize either the family income during the past 12 months or the family's current income level when determining the best indicator of need for free or reduced-price meals. Unemployed persons' families are eligible for free or reduced-price meals as of the date of unemployment.

Federal reimbursement rates for all lunches, reduced price lunches, and free lunches for the period September 1, 1981, through June 30, 1982, are 12.50 cents in schools with over 60% eligibility for free or reduced-price lunches, and 10.50 cents for under 60% for all lunches, 58.75 cents additional for reduced-price lunches, 98.75 cents additional for free lunches, 8.25 cents for all breakfasts, 28.50 cents additional for reduced-price breakfasts, and 57.00 cents additional for free breakfasts. These rates are adjusted annually to reflect the cost-of-living index.

There may be increased reimbursement rates for eligible sponsors. Sponsors can receive additional reimbursement if they have 40 percent or more participants for breakfast or 51 percent or more participants for lunch who receive free and/or reduced-price meals (severe need) and if they can, by cost accounting data, show their cost of producing and serving a free and/or reduced-price lunch is higher than the reimbursement rate. The maximum additional reimbursement for paid lunches is 6.00 cents, for reduced price lunches is 15.00 cents, and for free lunches is 15.00 cents.

Illinois State Board of Education

The following amounts were appropriated (House Bill 491) to meet the ordinary and contingent expenses of the Illinois State Board of Education:

<u>Fund Source</u>	<u>Amount</u>
State-General Revenue	\$15,822,449
State-Driver Education	334,748
Federal	18,231,134
Total	34,388,331

Capital Development Board

The School Construction Bond Act authorizes the Capital Development Board to make grants to local school districts for health/life safety rehabilitation/renovation and new construction. The amount of the grant is based upon a "Grant Index" formula which makes comparisons by district type (elementary, high school, and unit) on the basis of the ratio of weighted average daily attendance to the district's equalized assessed valuation per pupil. Based on this formula, the amount of the grant index may not be less than 20 percent nor greater than 70 percent of the recognized project cost. Districts are ranked in priority order based on emergencies, health/life safety hazards, and unhoused students.

The appropriation from the Capital Development Fund to the Capital Development Board includes reappropriated funds which are earmarked for school building projects approved and unexpended as of June 30, 1981.

Senate Bill 344 includes the following:

For Vocational and Technical Schools	\$270,599
Sauk Area Career Center - Crestwood	\$632,258
For planning for the construction of a secondary vocational-technical school at East St. Louis	\$ 37,683
For the acquisition of a facility and surrounding acreage for use as a Deaf/Blind Center - Glen Ellyn	\$471,191
For repairs to School Building Commission Facilities	\$ 49,622

Senate Bill 344 reappropriates the following funds from the School Construction Fund to the Capital Development Board for school building projects approved and unexpended as of June 30, 1981:

For school districts having a population exceeding 500,000	\$25,835,762
For school districts having a population of less than 500,000	\$24,078,255

House Bill 761 appropriates debt service funds for bonds previously sold for school construction purposes. The principal amount is \$12,700,000 and the interest amount is \$15,135,700.

Bilingual Programs

House Bill 493 contains funds in the amount of \$4,225,000 for school districts under 500,000 population which provide programs in a language other than English for children whose first language is other than English. Upon receiving program approval from the State Superintendent of Education, dis-

districts will be paid for required services and materials. The bill also provides \$12,675,000 for payment to Chicago School District 299 for approved bilingual programs. The total state appropriation for bilingual programs is \$16,900,000.

Bilingual education is a currently funded program. School districts file three estimated claims and a final adjusted claim. The State Superintendent's office shall transmit vouchers to the State Comptroller by November 15, 1981, February 15, 1982, May 15, 1982, and September 15, 1982.

School Problems Commission

House Bill 766 (1981) appropriates \$95,070, or as much as necessary, for the ordinary and contingent expenses of the School Problems Commission.

The School Problems Commission was created to survey and study the problems related to Illinois public schools. The Commission studies:

1. The progress and problems of school district reorganization and the means of further promotion of an official school system.
2. The need for further codification and revision of school laws.
3. State, county, and local school administration of the schools and the interrelationship of such administration.
4. The adequacy and efficiency of current methods of granting state categorical aids and General State Aid.
5. The methods of acquiring adequate revenues for schools and the definite sources of possible revenue for local school funds and for state school aids.
6. Any problems which may arise that may affect the general welfare of the schools.

The Commission also counsels and advises the State Board of Education or the State Superintendent of Education on any school problem that either may bring to it for consideration. The Commission may periodically make recommendations for consideration of improvement in any public school area.

The Commission shall make recommendations to the General Assembly by April 15 of each year for the succeeding fiscal year (House Bill 559 - 1981).

The Commission has the additional duties of considering and studying all germane factors in an effort to determine the improvements necessary to raise the educational standard of the public schools to a desirable level.

The present membership of the Commission is as follows:

Dr. Donald G. Gill, State Superintendent of Education

Dr. Robert L. Mandeville, Director, Bureau of the Budget, State of Illinois

Five members appointed by the Governor:

Dr. Donald D'Amico
Mr. Kenneth Bruce
Mr. Harris Fawell
Mr. Robert Heier
Mrs. Sally Hoerr

Five members appointed by the President of the Senate:

Senator Arthur L. Berman (Vice-Chairman)
Senator John A. Davidson
Senator Timothy F. Degnan
Senator Kenneth Hall
Senator John W. Maitland, Jr.

Five members appointed by the Speaker of the House:

Representative Gene L. Hoffman (Chairman)
Representative Michael McClain
Representative Jim Reilly
Representative J. Glenn Schneider
Representative Jesse C. White, Jr.

Department of Corrections School District

The Illinois Department of Corrections, through the Department of Corrections School Board, operates a school district. Senate Bill 313 contains \$9,130,600 for the Department of Corrections school district for Fiscal Year 1982.

Textbook Loan Program

The Illinois State Board of Education is required to provide, free of charge, the loan of secular textbooks listed for use by the Illinois State Board of Education to any kindergarten through grade 12 student. The students must be enrolled in a public or nonpublic school that is in compliance with the state's compulsory attendance laws and the Civil Rights Act of 1965, Title VI. This Illinois State Board of Education service shall be provided directly to the students at their request or at the request of their parents or guardians. The Illinois State Board of Education has adopted appropriate regulations to administer the act and to facilitate the equitable participation of all eligible students.

More than 1,200,000 public and nonpublic school pupils will participate in the free textbook loan program during the 1981-1982 school term. The 1981-1982 program will offer all grade levels, kindergarten through grade 12, an opportunity to participate.

During Fiscal Year 1981, 95 percent of the public school districts participated and 72 percent of the nonpublic schools participated.

House Bill 493 contains \$11 million to fund the 1981-1982 textbook program.

Rose Bowl Parade

Senate Bill 326 (1981) contains a grant of \$25,000, or as much thereof as may be necessary, to the Will County Lincolnway Community High School District 210 to march in the Pasadena, California, 1982 Rose Bowl Parade.

Minimum Teachers' Salaries

House Bill 492 (1981) contains the sum of \$200,000, or as much thereof as may be necessary, to implement the teachers' minimum salary schedule. The Governor vetoed Senate Bill 1160, the authorizing legislation.

Joliet Flood Relief

House Bill 494 (1981) contains \$500,000, or as much thereof as may be necessary, for the Joliet Elementary District Number 86, Will County, for repairs and rehabilitation of buildings and replacement of instructional materials and furnishings damaged or destroyed during the June 13, 1981, flood.

Student Interns

House Bill 494 (1981) contains \$100,000, or as much thereof as may be necessary, for the Illinois Governmental Internship Program.

School Finance Study

House Bill 494 (1981) contains \$100,000, or as much thereof as may be necessary, for the State Board of Education to conduct a School Finance Study.

Truant Alternative Program

House Bill 494 (1981) contains \$600,000 for contracts with public and private agencies providing alternative education for chronic truants.

These nonmandated programs provide support for public and nonpublic schools in their fiscal and programmatic endeavors to provide alternative education for chronic truants or for the prevention of truancy. During Fiscal Year 1982, grant awards were made as follows:

<u>Administrative Agent</u>	<u>Funding Level</u>
Grundy/Kendall - ESR	\$ 37,000
Alexander/Pulaski/Johnson/Massac/ Union - ESR	31,500
Kane County - ESR	20,000
Kankakee County - ESR	42,500
DuPage County - ESR	40,500
Lake - ESR	60,000
Clay-Jasper-Richland - ESR	50,500
Carroll-Jo Daviess - ESR	30,000
Macon - ESR	28,500
St. Clair - ESR	37,500

Chicago Public Schools	156,500
Adams-Pike-Quincy Public Schools	30,000
Rock Island School District 41	35,500
Total	\$ 600,000

Chicago Study Commission

House Bill 766 (1981) contains \$30,000, or as much thereof as is necessary, for the ordinary and contingent expenses of the Chicago Community Schools Study Commission.

SUMMARY OF STATE FUNDING

General State Aid	<u>\$1,516,965,300</u>
Summer School	<u>2,397,900</u>
Teachers' Retirement	<u>196,910,732</u>
Downstate	<u>145,204,000</u>
Chicago	<u>41,092,732</u>
Supplementary (Chicago)	<u>700,000</u>
Supplementary (Downstate)	<u>9,914,000</u>
Salaries of Regional Superintendents and Assistants	<u>3,771,500</u>
Orphanages, Children's Homes, and State-Owned Housing	<u>1,250,000</u>
Supervisory Expense Fund	<u>102,000</u>
Adult Education and Vocational Education	<u>40,325,000</u>
Adult Education	
Public Assistance	<u>5,000,000</u>
3-1	<u>2,675,000</u>
Basic	<u>700,000</u>
Vocational Education	
Basic Programs Including Equipment	<u>31,500,000</u>
High Impact Employment	<u>450,000</u>
Gifted Education	<u>6,503,000</u>
Programs	<u>5,703,000</u>
Centers	<u>800,000</u>
Special Education (Excluding Transportation)	<u>178,117,000</u>
Personnel	<u>118,575,000</u>
Private Tuition	<u>12,257,000</u>
Extraordinary	<u>25,143,000</u>
Orphanages	<u>20,000,000</u>
Deaf and Blind Center Including Special	
Education Materials and Lombard 44	<u>2,142,000</u>
Bilingual Education	<u>16,900,000</u>
Chicago	<u>12,675,000</u>
Downstate	<u>4,225,000</u>
Pupil Transportation	<u>142,736,000</u>
Regular and Vocational	<u>86,180,000</u>
Special Education	<u>56,556,000</u>
School Food Services	<u>11,650,000</u>
Illinois Department of Corrections School District	<u>9,130,600</u>
School Construction Bonds (State Debt Services)	<u>27,835,700</u>
Principal	<u>12,700,000</u>
Interest	<u>15,135,700</u>
Capital Development Board	
Reappropriated Funds	<u>51,375,370</u>
School Problems Commission	<u>95,070</u>
Student Interns	<u>100,000</u>
Public and Nonpublic Textbooks	<u>11,000,000</u>
Truant Alternative Programs	<u>600,000</u>
Illinois State Board of Education (Administration)	<u>16,157,197</u>
General Revenue Fund	<u>15,822,449</u>
Driver Education Fund	<u>334,748</u>
School Finance Study	<u>100,000</u>

Driver Education

Joliet School District 86 (Flood Damage)

Teachers' Minimum Salary Schedule (Implementation)

Will County School District 210 (Rose Bowl Parade)

Chicago Study Commission

8,500,000

500,000

200,000

25,000

30,000

TOTAL

\$2,243,277,369

CHAPTER II

Federal Education Programs

Federal funding available to local education agencies and the Illinois State Board of Education for the federal education programs are presented in this chapter. A financial summary, detailing approximate amounts available for Illinois schools and for state administration of programs during Fiscal Year 1982, is provided.

Federal Fiscal Year

The Federal fiscal year is October 1 through September 30. However, programs previously funded on a school-year basis continue to be funded by the school year.

Elementary and Secondary Education Act, Title I, Educationally Deprived Children Grants to Local Education Agencies. Grants were made to operate some 800 projects which are designed to reduce or eliminate the educational deficiencies of eligible Title I students in the State during the 1982 fiscal year. Local education agencies use the funds to provide supplemental educational opportunities determined to be of high priority through local need assessment. Most programs are in the areas of reading, mathematics, and cultural enrichment. The FY 1982 grant of about \$110 million is divided by the number of eligible children (382,444) to obtain the allocation of \$290.52 per pupil.

Eligible children are determined by the OrShansky Index, as defined in Public Law 93-380. For further information, contact Mr. Robert Hardy, Manager of Compensatory Education, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-6035).

Elementary and Secondary Education Act, Title I, P.L. 89-313, Handicapped Children. Public Law 89-313 is a project-oriented, child-centered, federal program designed to provide financial assistance to initiate, expand, and improve special education and related services to handicapped children in state-operated schools, state-supported schools, and local educational agencies that meet certain eligibility conditions. Grants awarded during Fiscal Year 1982 total \$25 million. Approved projects must meet size, scope, and quality requirements, and must be designed to provide concentrated educational services for a limited number of eligible handicapped children. Grants are determined by the count of eligible children and are not competitive, but are awarded based upon approved application. For further information, contact Mr. Joe Fisher, Assistant Superintendent, Department for Specialized Services, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-6601).

Elementary and Secondary Education Act, Title I, P.L. 89-750, Migrant Children. Grants are made to the state educational agency for providing technical assistance and funds to local school districts and community agencies which develop supplemental educational programs to meet the unique needs of children of itinerant agricultural workers and agricultural workers who have settled out of the migrant stream. Approximately 3,000 interstate and intrastate migrant children and 75 former migrant children will be provided these services during Fiscal Year 1982 at a cost of \$2 million. For

further information, contact Mr. Aurelio Jazo, Assistant Manager of Compensatory Education, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-6035).

Elementary and Secondary Education Act, Title I, P.L. 89-750, Neglected and Delinquent Children. Funds are provided to the Illinois State Board of Education for planning, development, and implementation of supplementary educational programs, in qualifying public and private institutions for neglected or delinquent children. The focus of educational activities is on reading, mathematics, and communication skills. Approximately \$1 million will be expended during Fiscal Year 1982 for the implementation of about 32 projects. For further information, contact Mr. Tom Grayson, Compensatory Education, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-6035).

Elementary and Secondary Education Act, Title I, Follow-Through Program. Follow-Through programs are developed to sustain through the primary grades, the gains children have made in the Head Start Program. The state education agency is the recipient of an award to fund a state coordinator who acts as an information agent. The coordinator provides assistance to local education agencies to develop programs sustaining gains made by children during Head Start years. Follow-Through is currently a research and development program. During Fiscal Year 1982, five public school districts are funded for Follow-Through. For further information, contact Ms. Kay Green, Illinois State Board of Education, 200 South Fredrick, Rantoul, Illinois 61866 (telephone: 217/333-6770).

Education of the Handicapped Act, Part B, P.L. 94-142 P.L. 94-142 was enacted to include provisions and grant funding to: (1) assure that all handicapped children have a free, appropriate public education available to them; (2) assure that the rights of handicapped children and their parents are protected; (3) assist states and localities to provide for the education of handicapped children; and (4) assess and assure the effectiveness of efforts to educate such children.

Public Law 94-142 began its first year of implementation in Illinois during Fiscal Year 1978 under a funding level of approximately \$14.5 million. The maximum amount of the grant a state is entitled to under this act in any fiscal year is equal to the number of handicapped children in the state, ages three through 21, who are receiving special education and related services, multiplied by the applicable percentage of the average per pupil expenditure in public schools in the United States. The applicable percentage for Fiscal Year 1978 was five percent. It was ten percent for Fiscal Year 1979, 20 percent for Fiscal Year 1980, 30 percent for Fiscal Year 1981, and 40 percent for Fiscal Year 1982 and thereafter.

Since Fiscal Year 1979, 75 percent of the annual grant has been designated to flow to local school districts based on their census of handicapped children. The remaining 25 percent is designated as state-discretionary funds. These discretionary funds have been disbursed primarily to implement regional resource centers, supplemental room and board fees for children placed in private facilities, and state administration. The funding level of this program for Fiscal Year 1982 is \$60 million. Public Law 94-142 also included provisions for implementation of incentive grants to assist in the education of handicapped children, ages three through five. Approximately,

150 cooperative projects will be continued during Fiscal Year 1982 that provide supplemental programs and services to eligible handicapped, preschool children. Additional discretionary project proposals may be implemented. For further information, contact Mr. Joe Fisher, Assistant Superintendent, Department for Specialized Services, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-6601).

Education of the Handicapped Act, Part C, Deaf/Blind Services.

Approximately \$400,000 was appropriated to Illinois for programs and services to deaf/blind children. Seven projects providing such specialized educational services as diagnostic, consultive, and direct services components were awarded. For further information, contact Dr. Jeri Kelsey, Assistant Manager, Department for Specialized Services, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-6601).

Education of the Handicapped Act, Title VI-D. The Illinois State Board of Education, Department of Specialized Educational Services, receives federal dollars from the Office of Special Education, through Title VI-D, to provide personnel preparation opportunities to individuals involved in the education of the handicapped. During Fiscal Year 1982, \$161,649 is available to improve the quality of personnel development opportunities in Illinois. To this end, the grant will provide the resources for leadership, support and technical assistance in the design and implementation of a systematic approach to personnel development at the State Education Agency (SEA) and Local Education Agency (LEA) level. The impact of this grant will be achieved through the first two major components. The first is designed to improve the planning and programming for personnel training available at the local level. The second component will insure that educators outside special education have access to training opportunities. A third, but smaller component, will address grant management.

More information pertaining to training activities funded by Title VI-D may be obtained from Ms. Bobbie Reguly, Department of Specialized Educational Services, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-6601).

Transitional Program for Refugee Children, P.L. 96-212.

The Refugee Act of 1980 provided grants to local educational agencies, through the state educational agencies, to provide public educational services to refugee children who entered the country on or after October 1, 1979, and who are within the age limits of which the State of Illinois is required to provide free public education. Non-profit private elementary and secondary schools are also eligible for funding under the same criteria through public school services. During Fiscal Year 1982, two separate grant awards are expected to be disbursed to local educational agencies serving approximately 7,500 eligible pupils. The first grant award of \$1,022,981 will be disbursed during early fall with another similar grant expected later in the year. For further information, contact Mr. Frank Llano, Bilingual Education Section, Illinois State Board of Education, 188 West Randolph Street, Chicago, Illinois 60601 (Telephone: 312/793-3850).

Elementary and Secondary Education Act, Title IV, Educational Innovation and Support.

Some \$11 million was reappropriated under Part B to provide financial assistance to local school districts for improving library-media and instructional programs. Funds may be used to acquire school library resources, textbooks, and instructional materials and equipment. Funds are allocated on the basis of a formula that considers enrollment, ESEA - Title I eligibles, bilingual students and (for districts qualifying) a high tax rate and low per pupil expenditure.

Another \$9.5 million was reappropriated under Title IV, Part C for assistance in the development and demonstration of programs designed to address serious educational problems. Part C funds are awarded on a competitive basis following the submission of a structured proposal and budget.

For further information, contact Dr. James H. Mendenhall, Manager of Educational Innovation and Support, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-3810).

Elementary and Secondary Education Act, Title VII, Bilingual Education. Federal Bilingual grants are provided to local educational agencies to develop and implement preschool, elementary, and secondary bilingual/bicultural programs designed to meet the educational needs of children with limited English-speaking ability.

Federal bilingual funding is being provided to the Chicago, Harvey, and Rochelle school districts during Fiscal Year 1982. All Title VII grants are competitive and must be submitted to the Office of Bilingual Education, U.S. Department of Education, by March 15 of each year. For further information, contact Ms. Maria Seidner, Manager of Bilingual Education, Illinois State Board of Education, 188 West Randolph Street, Chicago, Illinois 60601 (telephone: 312-793-3850).

Mr. Robert Lyons, Deputy Superintendent in the Chicago office, Illinois State Board of Education, may also be contacted for assistance (telephone: 312/793-2221).

Civil Rights Act of 1964, Title IV, Section 403, 404, 405; P.L. 88-352, as Amended - National Origin Discrimination. This program will provide inservice training workshops and technical assistance to local educational agency staff responsible for desegregation programs enrolling national origin minority students. Program development assistance will also be provided to local educational agencies and institutions of higher education which are implementing special education programs addressing the needs of handicapped national origin minority students. The status of high school bilingual education programs will be surveyed with a view toward reducing the dropout rate of national origin minority students.

Local educational agencies, institutions of higher education, public, and private organizations may request technical assistance. For further information, contact Ms. Maria Seidner, Manager, Bilingual Education, Illinois State Board of Education, 188 West Randolph Street, Chicago, Illinois 60601 (telephone: 312/793-3850).

Mr. Robert Lyons, Deputy Superintendent in the Chicago office, Illinois State Board of Education, may also be contacted for assistance (telephone: 312/793-2221).

Elementary and Secondary Education Act, Title V, Part B, P.L. 95-561 -- Technical Assistance. Services have been provided to school districts in three main areas--the identification of needs and the selection of appropriate resources in order to meet these needs; program assistance in the form of direct service, or resource identification and delivery, or a combination of the two; and communication linkage in the form of dissemination, through the Program Service Teams or through the Illinois State Board of Education.

Services provided by the five Program Service Teams are available, upon request, to all public and private nonprofit school districts, as well as superintendents of educational service regions. Also, these services are often initiated by a team member or the team manager. For further information, contact Mr. Eldon "Bud" Grossner, Program Services, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-5418).

Section 405 of the General Education Provisions Act as Amended by the Educational Amendments of 1976, P.L. 94-482. The Illinois Resource and Dissemination Network (IRDN) is an automated information system which collects, coordinates, and disseminates resources which local educational agencies can use to help solve educational problems or meet educational needs.

IRDN supplies information from over 100 databases of the DIALOG information system and from its own internally developed databank of Illinois' promising programs, human resources, and documents. The Illinois databases are computerized and searchable through the PLATO system from the University of Illinois. From January 1980 to April 1981, IRDN answered 3,988 requests for information from Illinois school district personnel.

The services of IRDN are available to Illinois educators - regional superintendents, district administrators, teachers, counselors, other school personnel - for assistance in school improvement efforts. Further information is available from Dr. Lawrence K. Werner, Project Manager, Illinois Resource and Dissemination Network, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-0762).

School Assistance in Federally Affected Areas, P. L. 81-815. Public Law 81-815 provides assistance to school districts for the construction of school facilities urgently needed because of substantially increased enrollments resulting from federal activity or loss through a major disaster. For further information, please contact Mrs. Ann Becker, Finance and Reimbursements Department, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-5256).

School Assistance in Federally Affected Areas, P.L. 81-874. Initiated during the early 1950s to compensate school districts for the loss of property tax revenues due to increased federal activity, P.L. 81-874 will provide Illinois school districts with approximately \$7.5 million in Fiscal Year 1982. The education amendments of 1974 expanded P.L. 81-874 to include

reimbursement for pupils in federally supported public housing projects. Additional Illinois school districts are eligible for funds under this legislative change. For further information, please contact Mrs. Ann Becker, Finance and Reimbursement Department, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217-782-5256).

Federal National School Lunch Act and Child Nutrition Act, as Amended.

School Lunch Program. This is a voluntary program open to all public schools, private schools, and residential child care institutions which agree to operate a nonprofit program, offer school lunch meals meeting federal requirements to all children in attendance, and protect the anonymity of students eligible for free or reduced-price meals. The federal lunch requirement is designed to provide one-third of the students' daily nutritional requirements. To enable schools to provide low-cost lunches to students, a flat rate of reimbursement is paid on all lunches meeting these requirements. Additional reimbursement is paid for lunches served to students eligible for free or reduced price meals. Approximately \$107 million has been allocated to this program for Fiscal Year 1982.

The federal income guidelines for free and reduced-price meals during Fiscal Year 1982 are as follows:

Income Guideline Levels

Family Size	Free Meals and Milk	Reduced-Price Meals
1	\$ 5,600	\$ 7,970
2	7,400	10,530
3	9,190	13,080
4	10,990	15,630
5	12,780	18,190
6	14,570	20,740
7	16,370	23,290
8	18,160	25,840
Each Additional Family Member	1,790	2,550

Local authorities may utilize either the family income during the past 12 months or the family's current income level for determining the best indicator of need for free or reduced-price meals. Unemployed persons' families are eligible for free or reduced-priced meals as of date of unemployment.

- A. School Lunch Program. Federal reimbursement rates for all lunches, reduced-price lunches, and free lunches for the period September 1, 1981, through June 30, 1982 are as follows:

For sponsors with less than 60 percent of the lunch program participants receiving free and/or reduced-price lunches (severe need) who can, by cost accounting data, show their cost of producing and serving a free and/or reduced-price lunch is higher than the reimbursement for base-paid lunches, reimbursement will be 58.75 cents

for reduced-priced lunches, and 98.75 cents for free lunches. These amounts are in addition to the 10.50 cents in federal funds provided for all lunches.

For sponsors having 60 percent or more free and reduced-price lunches, reimbursement rates will be 12.50 cents for all base paid lunches, 58.75 cents for reduced rate lunches, and 98.75 cents for all free lunches served.

One of the new provisions is that the maximum charge to the child for a reduced-price lunch is 40 cents. In addition, Illinois provided a state reimbursement of 15 cents for each free lunch served to an eligible child.

- B. School Breakfast Program. Federal breakfast programs are voluntary programs open to all public schools, private schools, and residential child care institutions which agree to operate a nonprofit program, offer breakfast meals meeting federal requirements to all children in attendance, and protect the anonymity of students eligible for free or reduced-price meals. To enable schools to provide low-cost breakfasts to students, a flat rate of 8.25 cents for base-paid breakfasts, 28.50 cents for reduced-price breakfasts, and 57.00 cents for free breakfasts will be made. In addition, Illinois provided a state reimbursement of 15 cents for each free breakfast served to an eligible child. A new provision is that the maximum charge to the child for a reduced-price breakfast is 30 cents.
- C. Special Milk Program. This is a voluntary program open to all public schools, private schools, residential child care institutions, day care centers, and camps which agree to operate a nonprofit milk program. The intent of the program is to encourage and establish the habit of drinking fresh, fluid milk as a nutritious beverage. It is available to persons less than 21 years of age. Reimbursement is provided to participating sponsors for all milk served. In addition, milk served free to eligible needy children is reimbursed at the average dairy charge. The Fiscal Year 1982 appropriation for this program is \$11 million. The one-half pint reimbursement rate is nine cents.
- D. Summer Food Service Program for Children. This is a voluntary program open to all public schools, private schools, and residential child care institutions not participating in the National School Lunch Program, child care facilities not participating in the Child Care Food Program, and any other not-for-profit, federally tax exempt organizations which desire to operate a program during the summer months. The intent of the program is to replace the National School Lunch and School Breakfast Programs during the summer months for those children who normally, during the regular school year, would receive meals under one of these programs. The program is primarily directed toward children in needy areas to insure adequate nutrition on a year-round basis. If it can be documented that one-third of the children in that area are eligible for free or reduced-price meals during the regular

school year, then all children in the area may receive free meals. All meals served are reimbursed as free meals. In addition, additional reimbursement is available to assist sponsors to cover administrative costs incurred in operating a summer feeding program. Approximately \$4.1 million has been appropriated for this program during Fiscal Year 1982.

E. Child Care Food Program. This program is designed to encourage the serving of nutritious meals to children attending day care centers. It is a voluntary program open to all not-for-profit, nonresidential, family and group day care homes, day care centers, Head Start and child care programs, outside of school hours. Sponsors wishing to participate must be licensed and must be federally tax exempt. A flat rate of reimbursement is provided for all meals served. Additional reimbursement is paid for meals served to students eligible for free or reduced-price meals. Meals eligible for reimbursement under this program are breakfasts, a.m. and p.m. supplements, lunch, and suppers. Approximately \$15.5 million has been appropriated for Fiscal Year 1982.

F. Food Service Equipment Assistance Program. This program is designed to assist schools and day care centers in initiating and/or expanding existing food service facilities by providing grants for part of the equipment costs. Federal reimbursement is provided to schools or day care centers that participate in the National School Lunch Program, School Breakfast Program, or the Child Care Food Program. Priority for the receipt of funds is based upon economic need and/or the type of food service available in the program requesting the funds. Approximately \$2 million has been appropriated for Fiscal Year 1982.

G. Food Distribution Program. The Food (Commodity) Distribution Program is designed to help reduce the cost of meals in participating organizations and to achieve maximum utilization of agriculture surplus. This is a voluntary program open to all public and private schools, institutions, and summer food service programs. The commodity value for each meal in which government-donated commodities are made available to participating sponsors is based on a cents-per-meal basis.

H. Nutrition Education and Training Program, P.L. 95-166 The Nutrition Education and Training Program developed in Illinois includes four basic goals which reflect the federally developed goals. These are: 1) facilitating a nutrition education process which permits Illinois children to make informed food choices during their formative years; 2) enhancing the ability of teachers to integrate sound nutrition information into the curriculum utilizing innovative teaching techniques at each grade level; 3) delineating and strengthening the role of the school food service personnel in the food service and nutrition education process; and 4) identifying, compiling, evaluating, developing, and providing nutrition education curriculum materials to educational institutions. During Fiscal Year 1981 the program served 570,991 pupils,

19,015 teachers, and 3,811 school food personnel. The Illinois State Board of Education funded seven regional projects.

The projects receive grants based upon a submitted proposal. These centers offered the program a very effective network to provide resources and services to local schools and districts. In this way, Local Educational Agencies (LEA's) can develop programs and receive assistance designed to meet their unique needs. The Fiscal Year 1982 grant awarded this program was \$725,168. For further information, contact Ms. Martha Brown, Educational Specialist, Program Planning and Development, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-2826).

VOCATIONAL EDUCATION

Vocational Education Act of 1963, as Amended by Title II of the Education Amendments of 1976, Public Law 94-482 -- Consumer and Homemaking. This program is to prepare persons for their roles as homemakers and wage earners. The secondary school programs enrolled 45,584 students in Fiscal Year 1980. The adult program had three major components for Fiscal Year 1980 in which: 1) program assistants visited 3,170 families to assist in improving homemaking skills; 2) community workers conducted group conferences for 6,385 homemakers; and 3) services were provided to 19,860 call-in consumers in Chicago.

The adult program is conducted in cooperation with the University of Illinois, Cooperative Extension Service, Home Economics Division, and is operational in five counties and three sites in Chicago. A minimum of one-third of the state's allotment must be expended in economically depressed areas which have high rates of unemployment.

Local education agencies, public community colleges, colleges and universities may apply for grants. Applications, submitted through one and five-year plans for vocational education, are due April 30.

For additional information, contact Ms. Louise M. Dailey, Department of Adult, Vocational and Technical Education, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-4877).

Vocational Education Amendments of 1963, as Amended by Title II of the Education Amendments of 1976, Public Law 94-482 -- Vocational Education Program Improvement and Supportive Services. This program is designed to improve the vocational education delivery system at the secondary, post-secondary, and university levels. Funds are available for projects in applied research, curriculum development, preservice and inservice training, exemplary and innovative programs, and projects to eliminate sex bias in vocational education programs.

Education agencies, both public and private, and other parties or organizations may apply for grants.

Requests for program improvement proposals in vocational education are distributed in the spring of each fiscal year. For further information, contact Mr. John Washburn, Department of Adult, Vocational and Technical Education, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-4620).

Title I, II, IV, and VII of the Comprehensive Employment and Training Act (CETA) of 1978, as Amended, Public Law 95-524. The Education/CETA Linkages Project is designed to introduce additional flexibility into the educational system for serving the special needs of disadvantaged clients and to assist the CETA system to more effectively prepare disadvantaged clients for entry into the job market. These objectives will be accomplished through the development of linkages between the two systems. These linkages include:

1. increasing communication, interaction, and planning between CETA and education programs and services;
2. sharing resources such as facilities, consultants, instructional materials, equipment, staff, support services, teaching capabilities, or on-the-job training stations;
3. jointly working to solve mutual problems; and
4. jointly providing new and/or improved educational programs and supportive services.

Extensive interagency coordination at the state and federal levels will also be a major component of this project. Approximately \$1.5 million was appropriated for Fiscal Year 1982 programs.

Local educational agencies, private elementary and secondary educational agencies and CETA administrators and program operators may apply for grants. For further information, contact Mr. Lonnie Hart, Department of Adult, Vocational and Technical Education, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-5098).

Career Education Incentive Act, Public Law 95-207. These federal funds are for developing, implementing and/or expanding projects designed to establish career related concepts into local educational agencies' curricula. A career education dissemination/demonstration program has been developed and includes seven locally based career education resource centers. Approximately \$750,000 was appropriated for Fiscal Year 1982 programs. Local educational agencies and private nonprofit schools enrolling kindergarten through grade 12 students may apply for grants and request technical assistance from these centers. For further information, contact Mr. Lonnie Hart, Department of Adult, Vocational and Technical Education, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-5098).

Title II, Section 204 of the Comprehensive Employment and Training Act (CETA) -- Public Law 93-203, as Amended by Public Law 95-524. The Illinois State Board of Education annually enters into an interagency agreement with the Department of Commerce and Community Affairs to administer the six percent Governor's Special Grant. The Illinois State Board of Education develops nonfinancial agreements with CETA prime sponsors to provide vocational educational training to the economically disadvantaged through contractual arrangements with public and private educational entities. The Illinois State Board of Education is responsible for program planning and development, contract negotiations and administration, and program monitoring. Approximately \$8.3 million was appropriated for Fiscal Year 1982.

Local educational agencies, community colleges, universities, private schools, and community-based organizations apply directly to local prime sponsors to develop a vocational training program for CETA clients. Programs can be initiated any time during the year at the direction of the prime sponsor. For further information, contact Mr. Delmar Stagell, Depart-

ment of Adult, Vocational, and Technical Education, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-4862).

Title II of the Comprehensive Employment and Training Act -- Public Law 93-203 as Amended by Public Law 95-524. The prime sponsor for the City of Chicago, the Mayor's Office of Employment and Training (MET), contracts with the Illinois State Board of Education to administer CETA Title II 80 percent funds received from the United States Department of Labor.

The Illinois State Board of Education provides technical assistance to the MET prime sponsor and has responsibility for program planning and development, contract negotiation and administration, and program monitoring. An additional responsibility is to assist the MET with the collection of extensive data for their management information system. Approximately \$9 million has been appropriated for the program during Fiscal Year 1982.

Local educational agencies, community colleges, private schools, and community-based organizations may apply to develop a vocational training program for CETA clients. Applications are accepted any time during the year. For further information, contact Mr. Delmar Slagell, Department of Adult, Vocational and Technical Education, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-4862).

Vocational Education Act of 1963, as Amended by Title II of the Education Amendments of 1976, Public Law 94-482 -- Special Needs. In Fiscal Year 1981, Work Experience and Career Exploration Programs (WCEP) were conducted at 50 local educational agencies for about 2,186 full-time 14 and 15 year old students who were academically disadvantaged, needed motivation to stay in school, and had potential for placement in a work/training site. Program evaluations showed that nearly 65 percent of the students improved in their attendance and grade point averages.

The Early School Leavers (ESL) programs assist high school dropouts who are unsuccessful in finding employment. The students receive information on careers, assistance in developing employment survival skills, and on-the-job experiences for developing marketable skills. In Fiscal Year 1980, 13 community colleges provided twenty ESL programs for 889 school dropouts. The General Education Development (GED) program was successfully completed by approximately 50% of these students. Thirty-five percent of the ESL students also enrolled in additional courses. Evaluation reports showed that 40 percent of the Fiscal Year 1979 ESL students were gainfully employed by the end of the year.

Three special cooperative programs for the handicapped were conducted in Fiscal Year 1980. A total of 87 students enrolled in these programs designed to provide training for entry into the world of work. Approximately 75 percent of these students became gainfully employed as a result of participation in the program. For further information, contact Mr. John A. Kirt, Department of Adult, Vocational and Technical Education, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-4876).

Vocational Education Act of 1963, as Amended by Title II of the Education Amendments of 1976, Public Law 94-482. Vocational education funds are allowed to local educational agencies throughout the State to support programs for persons who desire and need education and training for employment. Instruction is provided for occupations related to the following areas: agriculture; business, marketing and management; health; home economics; and trades and industry. Instruction includes classroom, shop and laboratory activities and supervised, cooperative education experiences.

During Fiscal Year 1980, 569 secondary and unit districts, 32 area vocational centers, 39 community college districts, two universities and three state agencies provided vocational education programs for a total of 791,84 persons in regular programs. The total includes 526,734 secondary, 172,211 postsecondary and 92,939 adult students. The total included 186,371 disadvantaged, handicapped and limited English-proficient students. Funds were allocated to support special services to enable these students to achieve success in their vocational programs.

An April 1980 survey of FY 1979 vocational students revealed that vocational education is a significant factor in increasing opportunities for employment. For example, only three percent of the post-secondary and six percent of the secondary program completers were unemployed and seeking employment. The summary of the ratings of employers of former students showed their relative preparation to be higher than those employees who had no vocational training.

Local educational agencies, community colleges, area vocational centers, and state agency institutions may apply for grants and request technical assistance through programs. Applications are to be received by April 30 of each year. For further information, contact Mr. John Klit, Department of Adult, and Vocational and Technical Education, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-4876).

Adult Education Act -- Public Law 91-230, as Amended. This program is designed to provide instruction for adults, 16 years of age and older, who are not otherwise enrolled in school to complete high school diploma requirements or to prepare for the General Educational Development (GED) test. These funds also support basic education instruction, the English as a Second Language program (ESL) and courses for adults to complete competency-based education programs.

In Fiscal Year 1981, approximately 77,000 adults were enrolled in 92 agencies participating in this program. Nearly all enrollees either completed studies leading to completion of secondary level education and/or attended an advanced training program or qualified for advanced job placement.

The number of subcontracts to be established in Fiscal Year 1982 will be approximately the same as for Fiscal Year 1981 due to the state level of funding. Local educational agencies and public community colleges may apply for grants. The recommended application deadline is at least four weeks before the beginning of the program. For further information, contact Mr.

William E. Reynolds, Manager, Department of Adult and Continuing Education Section, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777. (telephone: 217/782-3370).

Social Security Act, Title I, Public Law 87-543; Title XX, 42 U.S.C., Public Law 95-171. The Illinois State Board of Education contracts with the Illinois Department of Public Aid to administer subcontracts with public agencies to provide education training services for welfare recipients. These services are provided to clients who have been determined eligible by the Illinois Department of Public Aid.

This program is designed to provide instruction for adults to complete high school diploma requirements or to prepare for the General Educational Development (GED) test. These funds also support the English as a Second Language (ESL) program and courses for adults to complete competency-based education programs. Vocational skill classes are also offered to improve client employability.

The primary focus of this program is to assist clients to obtain, retain, or improve their employment and reduce their dependency on welfare.

Local educational agencies and public community colleges may apply to develop an education and training services program for welfare recipients. The recommended application deadline is at least four weeks before the beginning of the program.

For further information, contact Mr. William E. Reynolds, Manager, Department of Adult and Continuing Education Section, Illinois State Board of Education, 100 North First Street, Springfield, Illinois 62777 (telephone: 217/782-3370).

Emergency School Aid Act, Title VI ESEA, P.L. 92-318. Fifteen local projects in Illinois have been funded in the amount of \$1.6 million for Fiscal Year 1982 to provide financial assistance to meet the special needs incident to the elimination of minority group segregation and discrimination among students and faculty in elementary and secondary schools. Also, the Illinois State Board of Education has received an ESEA grant to assist in implementation of its State plan to encourage and support the voluntary correction and prevention of de facto segregation in schools. Through this project, the agency will provide technical assistance in local districts in developing and implementing voluntary plans and in staff development. For further information, contact Ms. Pat Wofford, Manager of Equal Educational Opportunity Section, Illinois State Board of Education, 188 West Randolph, Chicago, Illinois 60601 (telephone: 312/793-3226).

Civil Rights Act of 1964, Title IV, Section 403 P.L. 88-352. -- Race Desegregation. The purpose of this program is to render technical assistance to school district personnel in the preparation, adoption, and implementation of plans for the desegregation of public schools. Such technical assistance may include making available to school districts information regarding effective methods of coping with special educational problems occasioned by desegregation and making available to them persons specially equipped to advise and assist them in dealing with such problems. The

Fiscal Year 1982 grant award for this program is \$330,230. For further information, contact Ms. Pat Wofford, Manager of Equal Educational Opportunity Section, Illinois State Board of Education, 188 West Randolph, Chicago, Illinois 60601 (telephone: 312/793-3226).

Title IV, Section 409 of the Education Amendments of 1974, Special Projects Act, P.L. 93-380 -- Special Arts. This program provides maintenance of a State Arts Advisory Committee and its affiliate Regional Art Advisory committees. Local educational agencies may request technical assistance from the Illinois State Board of Education and selected required arts consultants. For further information, contact Dr. Lynn Wharton, Program Development Department, Illinois State Board of Education, 100 North First Street, Springfield, Illinois, 62777 (telephone: 217/782-2826).

Summary of Federal Funding for Programs and Administration

<u>Program</u>	<u>FY 82 Program</u>	<u>FY 82 Administration</u>
Elementary and Secondary Education Act (ESEA) Total	\$323,097,600	\$16,184,334
Title I	173,000,000	2,917,775
Compensatory, P.L. 89-313, and Neglected and Delinquent Migrants	171,000,000	2,722,480
Title IV, Part B - Library Resources	2,000,000	195,295
Title IV, Part C - Educational Innovation	11,000,000	546,802
Title IV, Part D - Guidance, Counseling, and Testing	9,500,000	434,743
Title V, State Agency Community Education	880,000	1,994,200
Teacher Centers		101,107
Illinois Arts, Special Projects		35,607
Illinois Arts, General Education		101,390
Law Based Education		116,988
Title II, Basic Skills	350,000	30,006
Intra-Cultural Citizenship Education		298,519
Equal Educational Opportunities - Race Title IV		83,507
Title IV, Part B, Bilingual Education		593,088
Title VII, Bilingual	1,000,000 est.	357,782
Emergency School Aid	1,600,000	138,182
Deaf-Blind (Regional Program)	400,000	228,721
Title IX, Gifted - Project Engage	140,000	41,390
Title VI, Part D - Education Fellowship		14,000
Special Education, P.L. 94-142	60,000,000	161,649
Adult Vocational Education and C.E.T.A.	61,827,600	3,451,101
Nutrition Education	1,000,000	3,961,599
Equal Educational Opportunities - Sex Desegregation Project		159,713
Transition for Refugee Children		337,168
Refugee Act of 1980 - (P.L. 96-212)	2,400,000	19,297
School Food Service	150,700,000	1,727,338
N.C.E.S.		133,672
Statistical Capacity Building		40,000
Common Core Data Survey		43,900
Planning, Research and Evaluation		49,772
National Institute of Education		161,670
Mott Foundation		24,120
Forest Preserves and Oil	25,000	
Federal Impact Aid (P.L. 815 and P.L. 874)	7,500,000 (est.)	
Total	\$481,322,600	\$18,231,134

CHAPTER III

Legislation

Section A --- Property Tax Legislation

House Bill 799 (1981) eliminates the maximum transportation tax rate that electors may approve by referendum. The previous limit, by referendum, was .20 percent.

House Bill 60 (1981) provides greater flexibility to county boards in adopting the accelerated method of real estate tax billing. The new Act deletes the requirement that the County Board must act prior to September 15 of any year. The Act allows a County Board to rescind its action at any time.

House Bill 292 (1981) provides a greater penalty for delinquent payment of real estate taxes. The one percent per month penalty is increased to one and one-half percent per month.

House Bill 1048 (1981) The Truth in Taxation Act requires all school districts adopting an aggregate tax levy, in excess of 105 percent of the amount extended during the previous year, to hold a public hearing on the increase.

Under the provisions in the bill, each Board of Education shall determine the amount of money estimated to be necessary to be raised by property taxes for that year, not less than 20 days prior to the adoption of its aggregate tax levy. If the estimate of the Board of Education exceeds 105 percent of the amount extended for the preceding year, the Board shall give public notice and hold a public hearing on its intent to adopt a levy which exceeds 105 percent of the extensions for the preceding year.

The notice shall be published in a newspaper of general circulation in each county in which any part of such district is located. The notice shall appear no more than 14 days, nor less than seven days prior to the date of the public hearing. The notice shall be no less than one-eighth page in size, and the smallest type used shall be 11 point and shall be enclosed in a black border no less than 1/4 inch wide. The notice shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear. The notice shall state in plain and simple language: (1) the amount of property taxes extended or estimated to be extended on behalf of the taxing district for the preceding year; (2) the amount of the proposed levy for the current year; (3) the percentage increases; and (4) the date, time and place of the public hearing concerning the proposed budget and the proposed levy increase. Such hearing may coincide with the hearing on the proposed budget of the taxing district.

All hearings shall be open to the public. The Board of Education shall explain the reasons for the proposed increase and shall permit persons desiring to be heard an opportunity to present testimony within reasonable time limits.

If the Board of Education does not intend to adopt an aggregate tax levy in excess of 105 percent of the amount extended for the prior year, but upon final adoption of the tax levy resolution, the amount exceeds 105 percent of

the taxes extended for the prior year, the Board of Education shall give public notice of such action within 15 days of the adoption of the levy in the same manner and form and containing the same information as provided in clauses (1), (2), and (3) above. No hearing is required.

The tax levy resolution shall be filed with the county clerk in the manner and at the time period provided, by law. No tax levy resolution which exceeds 105 percent of the prior years extension shall be extended unless the tax levy resolution is accompanied by a statement signed by the President of the Board certifying compliance with the provisions of this Act.

House Bill 1048 will be a mandate for most school districts each year beginning July 29, 1981. The law also requires school districts that have territory in more than one county to publish notices in each county. The best estimate of the state-wide cost for calendar year 1981 is \$250,000.

House Bill 1235 (1981) provides greater flexibility to local school districts. Working cash fund money may be loaned to the transportation fund with a repayment provision. Working cash investment income may be transferred to the transportation fund without a repayment requirement.

If a district abolishes its working cash fund, any outstanding loans from the working cash fund to the transportation fund shall be paid to the educational fund at the close of the current school year.

Senate Bill 477 (1981) provides a corporate personal property replacement tax credit for investing in qualified property. The credit is .5 percent of the qualified property placed in service on or after July 1, 1983, and through June 30, 1985.

For the period July 1, 1985, through December 31, 1988, there is an additional .5 percent credit for qualified property placed in service during this period if the taxpayers base employment within Illinois has increased one percent or more over the preceding year. If, in any year, the percentage increase over the preceding year in Illinois employment growth is less than one percent, then additional credit shall be limited to that percentage, but shall not exceed .5 percent.

Senate Bill 477 will impact the General State Aid formula. Corporate personal property replacement tax relief will reduce local school district wealth which, in turn, will increase the state cost of the formula.

Flat grant and alternate method districts will also lose revenues. If the state fails to appropriate additional funds to compensate for the investment credit, tax relief will result in revenue losses to school districts with minimal or no corporate personal property replacement funds.

In summary, local school districts will lose revenue due to Senate Bill 477 although most districts will recover some of the revenue losses through the General State Aid formula and the regular pupil transportation formula.

Senate Bill 486 (1981) provides that any school district may order the respective county clerk(s) to abate any portion of its taxes on the property

of any industrial firm locating within the district. The abatement shall not exceed 10 years and the total aggregate amount of abated taxes shall not exceed \$1 million.

Senate Bill 606 (1981) contained some obsolete language which was repugnant to the Governor; therefore, he amendatorily vetoed the bill. He agreed with the basic changes provided in the bill which are as follows. The county collector in all counties but Cook, shall within 30 days after the due date of real taxes and at 30 day intervals, pay taxes to the respective taxing bodies. Taxes collected in counties other than Cook, and not distributed to other proper authorities shall be invested in accordance with the provisions of Section 1 of "An Act in Relation to the Deposit of Public Funds", approved July 16, 1963, as heretofore or hereafter amended, and the interest accrued on the monies held by the county collector in excess of 30 days after the due date and the succeeding 30 day intervals thereafter, shall be distributed along with the principal amount of taxes.

Senate Bill 764 (1981) amends the way farmland will be assessed beginning with 1981 assessments related to taxes payable in calendar year 1982. For 1981 assessments, the maximum increase or decrease on each acre on each farm is \$30. The maximum increase in 1982, 1983, and 1984 assessments is still limited to \$30 per acre, but there is no limit on the amount of decrease that could occur. The intent of this legislation is to stabilize the taxes on farmland and to have the assessed valuation related solely to productivity. School districts, as well as other taxing districts, will experience tax revenue losses due to Senate Bill 764.

Senate Bill 263 (1981) further limits the amount of protested taxes that may be withheld from distribution. Prior to Senate Bill 263, taxes could be withheld in the lesser amount of the taxes paid under protest or one-half percent of the total taxes collected. With Senate Bill 263, an additional limit of the amount equal to the average annual tax objections sustained over the preceding five-year period is provided.

Senate Bill 957 (1981) also amends the Illinois Revenue Act by providing that protested taxes withheld from distribution shall be deposited by the county collector in interest-bearing accounts. If the final order of a court on the protest results in a payment to the taxpayer of all or a part of the taxes paid under protest and withheld, all or a proportional share of such interest earned during the pendency of the protest by the amount repaid to the taxpayer shall also be paid to the taxpayer. If the final order of a court on the protest results in a payment to the taxing districts of all or a part of the taxes paid under protest and withheld, the interest earned during the pendency of the protest by such taxes paid to the taxing districts shall be paid to the county treasury.

Senate Bill 1276 (1979) amended Section 2-3.33 of The School Code of Illinois. It provided that reimbursement claims may be recomputed and adjusted within six years from the final date for filing when there has been an adverse court decision affecting tax revenues of the school district.

Section B -- Legislation Affecting School District Accounting

House Bill 1451 (1981) clarified provisions of Section 10-22.44 relating to the transfer of interest earned. Effective July 1, 1981, districts are per-

mitted to transfer interest earned on any moneys of the district to the respective fund of the district that is most in need of such interest income, as determined by the school board. The new law does not allow for the transfer of interest earned on funds for Illinois Municipal Retirement; Tort Immunity; Fire Prevention, Safety, Environmental and Energy and Capital Improvement purposes.

House Bill 1235 (1981) added the transportation fund to Article 20 (working cash) Sections 20-2, 20-3, 20-4, 20-5, and 20-8. The law allows loans from the working cash fund to the transportation fund and transfer of working cash fund interest to the transportation fund. In the event of abolishment of the working cash fund, any outstanding loans to the transportation fund shall be paid to the educational fund at the close of the then current school year.

House Bill 1264 (1980) clarified the maximum amount of indebtedness a school district may incur for the creation of a working cash fund. The legislation allows an amount not to exceed the aggregate of 75 percent of the current year taxes for educational purposes plus 75 percent of the last known entitlement for corporate personal property replacement revenues (Section 20-2).

House Bill 566 (1981) deletes the requirement that a referendum on special education building programs tax be held before July 1, 1981. It adds that any accumulated funds for special education buildings prior to the enactment of this act shall not be expended for any other purpose, other than a special education purpose, unless authorized by referendum. Any school board which is levying a special education building tax on the effective date of this act (July 1, 1981) may, by resolution, use the revenue raised by such tax for other special purposes, including the purposes authorized by Article 14 (handicapped children).

The bill also allows any district, by referendum, to transfer accumulated special education construction tax revenue to the district's Operations, Building and Maintenance Fund.

House Bill 2233 (1979) amended Section 17-1 of The School Code of Illinois. The amendments included:

1. The district budget shall be entered upon a School District Budget form prepared and provided by the State Board of Education.
2. The annual budget for joint agreements must be adopted by September 1, of each fiscal year.
3. All school districts shall use the program budget accounting system on or before July 1, 1981.

House Bill 1445 (1981) added a new paragraph: Section 1A-8 (effective July 1, 1981) to grant the State Board of Education the power to investigate and certify that a school district is in financial difficulty. Any of the following conditions could signify that a school district is in need of assistance:

1. The salaries of any teachers, or other employees have remained unpaid for a period of 90 days.
2. The tuition due another school district remains unpaid on and after January first of the year following the school year it was due and there is no dispute regarding the validity or amount of the claim.
3. Any amount due any joint agreement or cooperative educational program under a joint agreement remains unpaid for a period of 120 calendar days beyond the date specified in the joint board's articles of agreement.
4. The school district has defaulted in payment of any of its debt instruments: notes, warrants, or bonds or interest on such instruments or in payment of rentals due any authority for a period of 90 calendar days and no action has been initiated within that period of time to make payment.
5. The school district has contracted any loan not authorized by law.
6. The district has issued school orders for wages as permitted in Sections 8-16 and 32-7.2 of this Code.
7. The district has issued tax anticipation warrants in anticipation of a second year's taxes when warrants in anticipation of current year taxes are still outstanding; as authorized by Section 17-16 of this Code.

Districts in financial difficulty must develop, adopt, and submit a financial plan within 45 days after certification of financial difficulty. The plan shall be developed according to guidelines presented to the district by the State Board of Education.

House Bill 1103 (1981) empowers school boards to let all contracts for supplies, materials, or work, or contracts with private carriers for transportation of pupils involving an expenditure in excess of \$5,000 to the lowest responsible bidder after due advertisement. It provides that school boards may enter into contracts for transportation for up to three years, and that such contracts may be extended for up to two additional years by mutual agreement of the parties. It provides that school boards may enter into contracts with parental schools for supplies, materials, or work, or contracts with private carriers for transportation of pupils involving an expenditure in excess of \$5,000 by competitive bidding. The changes were effective September 15, 1981 (Sections 29-6.1 and 10-20.21).

House Bill 2811 (1979) amended Chapter 74, paragraph 82 of the Illinois Revised Statutes. Any school district may agree to contract to pay interest on bonds or other evidences of indebtedness and tax anticipation warrants at an interest rate or rates not exceeding the greater of nine percent per annum or 70 percent of the prime commercial rate in effect at the time the contract is made. Prime commercial rate means such prime rate as from time-to-time is publicly announced by the largest commercial banking institution in Illinois (Continental Bank), measured in terms of total assets.

House Bill 1307 (1979) amended Section 8-7 of The School Code of Illinois to add Savings and Loan Associations to banks as acceptable depositories for school funds. The bill also requires that no deposits can be made in a bank or savings and loan in excess of the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Association Insurance Corporation unless the bank or the savings and loan can deposit securities or mortgages with the school treasurer as collateral equal to the market value of the deposit. This collateral must be maintained at an amount equal to the amount of money on deposit in excess of the insurance limitation.

House Bill 1019 (1981) added a new paragraph (906) to Chapter 85 and required any savings, and loan association designated as a depository for public funds from any public agency to file two copies of statements of resources and liabilities with the district. It added that whenever a public agency deposits any public funds in a financial institution, the public agency may enter into agreement with the financial institution requiring any funds not insured by the federal deposit insurance corporation or federal savings and loan insurance corporation to be collateralized by securities or mortgages in an amount equal to at least market value of that amount of funds deposited exceeding the limitation provided by the insurance corporation.

House Bill 1070 (1981) amended Section 18-18 relating to state aid anticipation certificates and authorized such certificates to be sold at discount to maturity. It also permits boards adopting resolution to issue certificates to appoint a trustee who shall act as the assignee and hold funds in trust for the benefit of the holders of certificates. It authorizes trustees to invest funds for the benefit of the district.

Senate Bill 218 (1981) amended Section 3a of the Local Records Act to provide that in addition to reports and records of the obligation, receipt, and use of public funds of local governments and school districts; certified audits, management letters, and other audit reports are public records available for inspection by the public.

House Bill 2131 (1977) amended Sections 5-22 and 34-22 of The School Code of Illinois. This legislation provided greater flexibility to school districts. School boards shall use the proceeds from the sales of school sites, buildings, or other real estate first to pay the principal and interest on any outstanding bonds on the property being sold, and after all such bonds have been retired may utilize the proceeds from the sale for an authorized purpose and may deposit the proceeds into any district fund.

House Bill 1091 (1981) amended Section 5-22 and provides that if a school board specifies a reasonable minimum selling price on the sale of school sites, buildings, or other real estate, and such price is not met or if no bids are received, the trustees of the school having title to the property shall upon receipt of a resolution by the board of education, engage the services of a licensed real estate broker to sell such property, for a commission not to exceed seven percent, made contingent on the sale of said property within 120 days. The board may accept a written offer equal to a sum greater than the minimum selling price for the property. The board may raise the minimum selling price without repeating the public sale procedures.

House Bill 125 (1981), amended Section 8-1 and eliminated the requirement that a three-member class I county school board appoint a treasurer who is also a treasurer of a district having a seven-member board. It also eliminated the requirement that a school district underlying one or more high school districts must appoint as its treasurer one of the high school district treasurers.

House Bill 129 (1981) was amendatorily vetoed by the Governor. It amended Chapter 12, Paragraph 604, Sections 4A-101 and 4A-105 of "Illinois Governmental Ethics Act," and provided that certain state, local government and school district employees file statements of economic interest if they earn \$30,000 (amount was changed by Governor Thompson to \$25,000 in the veto) or more per year. Specifically in schools, this applied to: persons who are elected to an office in a school district, persons appointed to the governing board of a school district, and persons employed by a school district. Statements must be filed by April 30 of each year. The General Assembly concurred with the Governor's amendatory veto.

Senate Bill 617 (1981) amended Section 24-21.1 requiring school boards to transmit to the specified professional or labor organizations within ten working days from the time of withholding, the amounts withheld from employees' compensation for payment of dues or contributions.

Free Meals - Social Security Payments

On September 11, 1981, the Social Security Division of the State Employees Retirement System of Illinois released instructions concerning the wage status of meals or lodging furnished employees as changed by the June 8, 1981, U.S. Supreme Court Decision in Rowan vs. United States.

Basically, the revised instructions are that meals furnished employees are not wages for social security if: (1) the meals are furnished on the school premises, and (2) the meals are furnished for the convenience of the employer.

Shelterability of Board Paid-Teacher Retirement

On February 2, 1981, the Internal Revenue Service issued two general revenue rulings (81-35, 81-36) detailing the circumstances under which a board of education may treat its contributions to the State Teachers' Retirement System (TRS) on behalf of its employees as excludable from gross income for federal income tax purposes.

Under the rulings, board contributions to TRS will be treated as excludable from gross income if the district's plan meets the following two criteria:

1. The board must specify that the contributions, although designated as employee contributions, are being paid by the board in lieu of contributions by the employee; and
2. The employee must not be given the option of choosing to receive the contributed amounts directly instead of having them paid by the employer to the pension fund.

House Bill 1608 (1981) created the Local Accounting Task Force to study and develop ways to improve the accounting and reporting procedures of local units of government, to study methods for the improvement of local government practices, to study the tax revenue structure of local units of government, and to examine ways the State can provide technical assistance on such matters. The Task Force Committee shall provide a forum for a discussion of these matters and shall present a written report on the findings, conclusion, and recommendations to the members of the General Assembly no later than April 1, 1983.

House Bill 636 (1981) amended Section 24-21 of The School Code of Illinois. Teachers not covered by a negotiated collective bargaining may elect to receive payment of wages over either a 10- or 12-month period annually. The act was effective July 1, 1981.

Senate Bill 448 (1981) added a paragraph to Section 33-3 of the "Criminal Code of 1961" related to a public officer or employee committing misconduct in his official capacity. Included as an official act of misconduct will be to knowingly and intentionally execute a false document which authorizes the disbursement of public funds or the disposal of public property.

CHAPTER IV

School Management Practices

Section A -- Levying Procedures

Each board of education shall make an annual levy in terms of dollar amounts and certify it to the respective county clerk(s). The county clerk(s) is charged with the responsibility for making extensions of taxes levied within the constraints of the school district rate limitations (See Table 5). Receipt and transfer of these moneys to the school district treasurer is usually accomplished through the office of the county treasurer.

The Truth in Taxation Act (HB 1048) impacts levies made beginning July 29, 1981, the effective date of the law. The provisions of the Act affect all units of local government, school districts, and community colleges, including home-rule units, who are authorized to levy property taxes.

The basic requirements of the law are as follows:

- . Any district proposing to increase its levy more than 105 percent of its prior year's extension, exclusive of election costs, must publish a notice of at least one-eighth page in size in a newspaper of general circulation. The notice cannot be placed in the classified section.
- . The notice shall contain the following information:
 - 1) the aggregate amount of property taxes, exclusive of election costs, extended in the previous year;
 - 2) the aggregate amount of the proposed levy, exclusive of election costs, for the current year;
 - 3) the percentage increase;
 - 4) the date, time, and place of a public hearing concerning the proposed levy increase.

The hearing must be no more than 14 days nor less than seven days after the publication. If the final levy ordinance adopted is greater than 105 percent of the prior year's extension, exclusive of election costs, and is in excess of the amount shown in the publication, then a notice of the adoption action must be made in the form and manner provided in Section 7 of the Act, within 15 days. No hearing need be held after this publication.

The levy is to be filed with the county clerk under current provisions in the law. The clerk may not extend any amount greater than 105 percent of the prior year's extension unless the levy ordinance is accompanied by a certification by the presiding officer of the corporate authority stating that the provisions of the Truth-in-Taxation Act have been met.

House Bill 2563 (1980) created a new paragraph (638a) in Chapter 120 of the Illinois Revised Statutes. Upon determining that a surplus of funds exists, school boards shall adopt a resolution reducing a tax levy. The district shall certify such action to the county clerk who shall abate the levy in accordance with the resolution.

House Bill 325 (1979) provided dates for filing the certificate of tax levy. School districts with a population less than 500,000 located wholly or partially in counties which have a population less than 1,000,000 shall file on or before the last Tuesday of December, annually. School districts with a population less than 500,000 located wholly in a county with a population of 1,000,000 or more shall file their tax levy on or before the last Tuesday in September.

Section B -- Tax Rate Limitations

Table 5 shows school district tax rate limitations in effect for the 1981-1982 school year. Data concerning interest rate limitations are also included in the table.

Section C -- Interfund Transfers

Boards of education may cause the transfer of monies from one fund to another under the following conditions:

Transfer of Interest Earned. House Bill 1451 (1981) clarified provisions of Section 10-22.44 relating to the transfer of interest earned. It permits school districts to transfer interest earned on any moneys of the district to the respective fund of the district that is most in need of such interest income, as determined by the school board.

The new law prohibits the transfer of interest earned on funds for Illinois Municipal Retirement; Tort Immunity; Fire Prevention, Safety and Environmental and Energy; and Capital Improvements.

Excess Special Education Construction Tax Revenues. Up to \$135,000 of funds accumulated from the special education construction tax of a school district may be transferred to the district's Operations, Building and Maintenance Fund if approved by referendum. HB 566 (1981) allows school districts levying the tax for special education building purposes on July 1, 1981, to use the revenue raised for other special education purposes including those authorized by Article 14.

TABLE 5

SCHOOL DISTRICT TAX RATE LIMITATIONS^a
(Chicago-District 299 not included)

Levy	District Type	Without Referendum (%)	With Referendum (%)
Educational Fund	K-8	0.920 ^b	3.50
	9-12	0.920 ^b	3.50
	K-12	1.600	4.00 ^e
Operations, Building and Maintenance Fund	K-8	0.250	0.55
	9-12	0.250	0.55
	K-12	0.375	0.75 ^e
Capital Improvements Fund	All	0.000	0.06
Transportation Fund	All	0.120	As Needed
Summer School	All	0.000	0.15
Bond and Interest Fund	All	N/A	As Needed ^d
Rent Fund	All	N/A	As Needed ^d
Illinois Municipal Retirement Fund	All	As Needed ^d	N/A
Tort Immunity ^c	All	As Needed	N/A
Working Cash Fund	All	0.050	N/A
Fire Prevention, Safety, Environmental and Energy Special Education Building Program	All	0.050	0.10
	K-8	0.020	N/A
	9-12	0.020	N/A
Area Vocational Education Building Program	K-12	0.040	N/A
	9-12	0.000	0.05
Tort Judgment Bonds	K-12	0.000	0.05
	All	As Needed ^d	N/A

^aThese limitations relate to the 1981 tax levies for taxes extended and collected during calendar year 1982.

^bSubject to possible backdoor referendum (Section 17-2.2).

^cThe Tort Immunity Act to cover liabilities under the Unemployment Insurance Act, Workmen's Compensation, and Occupational Diseases Act.

^dThe school district or county clerk shall take into consideration district receipts of corporate personal property replacement funds.

^eCoterminous dual districts forming a unit district may have a maximum rate of 6.00 percent for education, and 1.10 percent for operations, building and maintenance.

Additional notes. The maximum interest rate for Tax Anticipation Warrants, Teachers' Orders, Working Cash Fund Bonds, Refunding Bonds, Tax Anticipation Notes, Building Bonds (Sections 19-2 through 19-6), Fire Prevention, Safety, Environmental and Energy Bonds (Section 17-2.11a), Special Education Building Bonds (Section 19-31), and Funding Bonds (Sections 19-8 through 19-10) is greater of nine percent, or 70 percent of the prime rate as determined by the largest bank in the State of Illinois, as authorized by Chapter 74, Section 82, of the Illinois Revised Statutes.

Excess Bond and Interest Fund Moneys. Section 19-4 of The School Code of Illinois permits the board of education, by resolution, to transfer any funds remaining in a bond and interest account when bonds were issued under Section 19-2 through 19-6 and the purpose for which those bonds were issued is paid in full. Those remaining funds are to be transferred to the fund of the district which bears the nearest relation to the purpose for which the bonds were issued.

Section 10-22.14 of The School Code of Illinois contains the provision that "when money remains in the building Bond and Interest Fund after the purposes for which the bonds have been issued are accomplished and paid for in full and funds remain on hand in said bond and interest account, such money may be transferred to the Operations, Building and Maintenance Fund upon resolution of the board for regular Operations, Building and Maintenance Fund purposes."

Working Cash Fund Interest. Section 20-5 of The School Code of Illinois provides that moneys earned as interest from investment of the Working Cash Fund, or any portion thereof, shall be transferred from the Working Cash Fund, upon the authority of the school board by a separate resolution directing the school treasurer to make such transfer.

Working Cash Fund Balance to Educational Fund. The board of education of any school district, by resolution, may abolish its Working Cash Fund and transfer any balance to the Educational Fund at the end of the fiscal year. Outstanding interfund loans from the Working Cash Fund shall be paid to the Educational Fund at the end of the fiscal year. Uncollected Working Cash Fund taxes, when collected, shall be paid into the Educational Fund (Section 20-8).

Section 20-6 of The School Code of Illinois contains strong penalties for any member of a school board who is guilty of willful violation of any of the provisions of Article 20 (the Working Cash Fund).

The Tax Anticipation Note Act (Chapter 85, Illinois Revised Statutes) contains a section relating to Working Cash Fund transfers when tax anticipation notes have been issued. The following is an excerpt from Section 825 of the Act:

"Whenever the unit of government has established a working cash fund, as provided by law, the tax rate shall not be reduced below the amount necessary to reimburse any money borrowed from the Working Cash Fund. It shall be the duty of the clerk or secretary of the unit of government, annually, not less than 30 days prior to the tax extension date, to certify to the county clerk the amount of money borrowed from the Working Cash Fund to be reimbursed from the specific tax levy. No reimbursement shall be made to the Working Cash Fund until there has been accumulated from the tax levy to pay the notes in an amount sufficient to pay the principal of and interest on the notes to maturity. At such time as there are no notes out-

standing, all proceeds of such levy shall be applied for the specific purpose or purposes for which the notes were issued."

Educational Fund to Operations, Building and Maintenance Fund. Section 17-2a of The School Code of Illinois authorizes any school district with less than 500,000 inhabitants, upon proper resolution and without voter approval, to transfer from the Educational Fund to the Operations, Building and Maintenance Fund of the respective district, an amount not to exceed 30 percent of the taxes actually received in the Operations, Building and Maintenance Fund for the year previous to the transfer.) Such a transfer, however, may only be made in any year in which the total assessed valuation of taxable property in the school district is less than the district's 1969 equalized assessed valuation.

BORROWING MONEY

Many school districts must borrow money to meet cash flow needs or to finance capital projects. It is imperative that school board members and administrators understand the various means whereby borrowing may occur so that the best plan for meeting the specific needs of the district may be adopted. The terms and conditions of borrowing money are dependent upon the credit rating of the district. i.e., a designation used by analysts or rating services to represent relative quality of debt issues. Numerous conditions within the control of the school board affect the credit rating of a district. Good fiscal administration, full disclosure financial reporting, efficiency of operation, and sound board policies help establish a favorable credit rating.

Maximum Indebtedness. House Bill 2730 (1979) increased the debt limit for elementary and high school districts from 6.0 percent to 6.9 percent and in unit districts from 12.0 percent to 13.8 percent. The bill contains a "hold harmless" provision (based on the 1978 equalized assessed valuation and former debt limits) until January 1, 1983.

House Bill 3070 (1980) limited school districts issuance of state aid anticipation certificates, general obligation notes and tax anticipation warrants so the total amount of state aid certificates, notes and warrants outstanding for any fiscal year may not exceed 85 percent of the taxes levied by the district for that year.

Section 19-1 of The School Code of Illinois provides that a maximum of 15 percent bonded indebtedness may be incurred by certain growth districts when the Regional Superintendent concurs with the school board's enrollment projections and two-thirds of the electors approve the bond issue.

Section D -- Short-Term Borrowing

Interfund Loans. The School Code of Illinois authorizes school districts to make interfund loans as follows:

Operations, Building and Maintenance Fund to Educational Fund or Transportation Fund (Section 10-22.33)

Educational Fund to Operations, Building and Maintenance Fund or Transportation Fund (Section 10-22.33)

Transportation Fund to Educational Fund or Operations, Building and Maintenance Fund (Section 10-22.33)

Working Cash Fund to Educational Fund, Transportation Fund, or Operations, Building and Maintenance Fund (Section 20-4)

Moneys that are temporarily idle and/or surplus in specific funds may be loaned to cover anticipated interim needs in certain other funds, as cited above. Such moneys shall be repaid to the proper fund within one calendar year, except Working Cash Fund loans which must be repaid upon the collection of taxes. Exceptions to the payment of Working Cash Fund loans exist when tax anticipation notes are outstanding.

State Aid Anticipation Certificates. Section 18-18 of The School Code of Illinois allows school districts to issue short-term debts, known as state aid anticipation certificates, against general state aid payments. The certificates have the following general characteristics:

- Certificates may not be outstanding as of August 1 in any year, thus limiting their maturity to less than one year;
- Certificates are payable solely from state aid payments;
- Certificates may be issued without referenda;
- The amount of certificates to be issued may not exceed 75 percent of the state aid allocated to the school district for that year as certified by the State Superintendent and Regional Superintendent;
- The amount of certificates plus the amount of the district's general obligation notes and tax anticipation warrants outstanding for the year, also may not exceed 85 percent of taxes levied by the district for that year;
- The Board, prior to issuing the certificates, shall adopt a resolution designating the purposes for which the proceeds of the certificates are to be expended, the amount to be issued, maturity dates, rate of interest, and other optional provisions.

Personal Property Replacement Tax Notes. Personal property replacement tax notes may be issued in an amount not to exceed 75 percent of the entitlement of replacement taxes for the year anticipated. The entitlement amount must be certified by the Director of the Illinois Department of Revenue. If the entitlement has not yet been certified, notes may be issued based upon 90 percent of the last known entitlement as certified by the Director (Chapter 85, paragraph 824.1).

Contract Purchasing of School Buses. A school board, by resolution, may enter into a contract for the purchase of buses to be paid for within a three-year period from the date of the resolution (Section 10-23.4).

School Sites and Office Facilities. A board of education may buy or lease school building sites and school offices. The purchase of such sites or office facilities may be by contract for deed with a maximum of ten years (Section 10-22.35a).

Districts may borrow funds for the purchase and/or improvement of real estate for vocational education purposes.

Tax Anticipation Notes. School districts are authorized to issue general obligation notes in an amount not to exceed 85 percent of the taxes which may be levied for educational purposes. No notes shall be issued during any fiscal year in which there are tax anticipation warrants outstanding against the tax levied for said fiscal year.

The notes shall bear interest at a rate not exceeding the greater of nine percent, or 70 percent of the prime rate as determined by the largest bank in the State of Illinois and shall mature within two years. A board of education is required to adopt a resolution fixing the amount of notes, the date thereof, the maturity thereof, the rate of interest thereof (unless the notes are to be sold by public bid), the place of payment, and denomination (which shall be in equal multiples of \$1,000). The board resolution also provides for the levy and collection of a direct annual tax upon all taxable property in the district sufficient to pay the principal and interest on the notes to maturity.

When tax anticipation notes are outstanding, it is the duty of the county clerk to reduce the specific tax rate by the percentage necessary to produce an amount to pay the principal of, and interest on, the outstanding notes. However, when the district has established a Working Cash Fund, the tax rate shall not be reduced below the amount necessary to reimburse any money borrowed from the Working Cash Fund. It shall be the duty of the clerk or secretary of the district annually, and not less than 30 days prior to the tax extension date, to certify to the county clerk the amount of money borrowed from the Working Cash Fund that is to be reimbursed from the specific tax levy. No reimbursement shall be made to the Working Cash Fund until an amount sufficient to pay the principal of, and interest on, the notes to maturity has been accumulated from the tax levy. The notes shall be executed in the name of the district by manual or facsimile signature of district officials designated by the resolution. At least one signature on each note shall be a manual signature. The notes may be issued in excess of any statutory debt limitation and shall not operate to reduce the debt-incurring power otherwise authorized for the district. The issuance of notes does not require a referendum (Chapter 85, Section 825).

Tax Anticipation Warrants. When there is no money in the treasury to pay the necessary expenses of the district, a school board may issue warrants, or may provide a fund by issuing and disposing of warrants drawn against, and in anticipation of, any taxes for payment of necessary district expenses. Such warrants may be issued to a legal maximum of 85 percent of the total amount of the tax levied. The warrants show upon their face that they are payable in the numerical order of their issuance solely from such taxes when collected and such taxes are to be set aside and held for their payment. Every warrant bears interest payable out of the taxes against which it is drawn, at a rate not exceeding the greater of nine percent, or

70 percent of the prime rate as determined by the largest bank in the State of Illinois, per annum from the date of issuance until paid, or until notice is given that the money for the warrant is available (Section 17-16).

Teachers' Orders. Wages of teachers are paid in a manner agreed upon by the school board, but at least one payment shall be made during each school month. The board issues and delivers an order to the school treasurer for the amount of salary due. Teachers' orders must be issued when due, even though there is no money in the Educational Fund, and the orders become a liability against future Educational Fund revenue of the district.

The school treasurer cannot pay out funds of a district except upon an order of the school board signed by the president and clerk, or secretary, or by a majority of the board. When teachers' orders are presented to the treasurer and cannot be paid because of lack of funds, the treasurer endorses the orders over his or her signature "not paid for want of funds," marks the date of presentation and records the endorsements. After an endorsement, the order bears interest not exceeding the greater of nine percent, or 70 percent of the prime rate as determined by the largest bank in Illinois, per annum, until the treasurer notifies the clerk or secretary in writing, that he or she has funds to pay the order.

The order shall draw no interest after notice is given to the clerk or secretary (Section 8-16).

Special charter districts having a population of less than 500,000 may issue to teachers and other employees of the district, orders in payment of salaries (Section 32-4.14).

Section E -- Long-Term Borrowing

Working Cash Fund Bonds. For the purpose of creating a Working Cash Fund, the school board of a district having a population of less than 500,000 may incur an indebtedness of issuance of bonds in an amount not exceeding, in the aggregate, 75 percent of the taxes permitted to be levied for educational purposes for the current year plus 75 percent of the last known personal property replacement tax revenue entitlement.

Issuance of these bonds is subject to approval of the electorate if a petition with the signatures of not less than 20 percent of the voters in the district is filed within ten days following publication of the district's intent to issue Working Cash Bonds.

The Working Cash Fund may be created by issuance of bonds and/or by resolution of the school board to levy an annual tax not to exceed .05 percent. Working Cash Fund monies shall be used only for the purposes provided. Moneys in the fund shall not be regarded as current assets available for school purposes and shall not be used by the school board in any manner other than to provide moneys with which to meet ordinary and necessary disbursements for salaries and other school purposes. The moneys may be loaned to the Educational, Transportation, or Operations, Building and Maintenance Fund and shall be deemed to be loaned in anticipation of the amount necessary to pay any outstanding tax anticipation warrants and interest thereon (Sections 20-1, 20-2, 20-3, 20-4, and 20-7).

Funding Bonds. At times, obligations are created that cannot be met from current revenue. These obligations may be paid by issuing funding bonds. Before issuing funding bonds, the school board must adopt a resolution declaring its intention to issue bonds for the purpose provided. The notice of intent to issue bonds to pay claims must be published or posted in the district.

The notice informs a district's voters both of the school board's intention to issue bonds and that bonds will be issued unless a petition requesting an election is presented to the board within 30 days from the date of the notice. If a petition signed by at least ten percent of the district's legal voters is filed requesting the school board to call an election, an election must be held before the bonds can be issued (Sections 19-8 and 19-9).

Refunding Bonds. Refunding bonds may be issued to pay the outstanding obligations of a district such as bonds and interest due when funds are not available for their payment, or reissuing callable bonds (which have not matured) at a lower rate of interest. If the district's indebtedness does not exceed the constitutional limitation at the time the bonds are issued, these bonds may be refunded by issuing refunding bonds at a later date. Refunding bonds may be issued without a referendum (Section 19-16).

Fire Prevention, Safety, Environmental and Energy Bonds. School districts may expend tax revenues for fire prevention and safety purposes for the protection and safety of the environment, pursuant to the "Environmental Protection Act," and for energy conservation purposes. Expenditures for fire prevention, safety, and environmental protection have priority over expenditures for energy.

Section 17.2.11a authorizes boards of education to issue bonds, without referendum, for fire prevention, safety, environmental protection, and energy consumption. The intent of the law concerning the authority to issue bonds is to expedite the rehabilitation of buildings to meet fire prevention and safety standards, to meet environmental regulations, and to reduce energy consumption.

Special Education Building Bonds. Section 17-2.2a of The School Code of Illinois allows districts greater flexibility in utilizing facilities constructed with Section 17-2.2a moneys. When it is no longer feasible or economical to utilize classroom facilities constructed with Section 17-2.2a revenues, the district or cooperative by unanimous consent, may, with the approval of the regional superintendent and the State Superintendent of Education use such facilities for regular school purposes. The district or cooperative shall make comparable facilities available for special education purposes at another attendance center which is in a more practical location due to the students served.

Building and School Site Bonds. A school district is not required to hold a referendum to purchase a building site, but there must be a favorable vote by the voters of a district before bonds may be issued for a building constructed. Expenditures for the purchase of a building site and additions to existing structures may be made from the Operations, Building and Maintenance Fund without approval of the voters. School boards shall not accumulate moneys from taxes for building purposes and the purchase of school

grounds unless there is voter approval for this action (Section 17-5.1). A favorable referendum must be held to authorize acquisition of a residential site for a school district (Sections 19-2 and 19-3).

Revenue Bonds for Exhibition Facilities. Section 19a-4 of The School Code of Illinois authorizes boards to issue bonds, after referendum, to pay existing deficiencies from exhibition facilities revenue bonds previously issued. Revenue bonds may be issued without referenda under Section 19a-2 for buildings or stadiums constructed to be used primarily for athletic spectator sports.

Section F - Recording of Selected District Revenue

Corporate Personal Property Replacement Funds

Districts began receiving payments of corporate personal property replacement tax revenue in January, 1980. Replacement revenues are recorded as "Payments in Lieu of Taxes" - Revenue Account #1230. The payment schedule for corporate personal property replacement funds is eight payments per year. The scheduled dates are:

January 15	July 19
March 12	August 3
April 19	October 18
May 10	December 4

Corporate personal property replacement tax revenues must be first applied to the Bond and Interest Fund and the Illinois Municipal Retirement Fund to replace tax revenues lost due to the abolition of the corporate personal property tax. House Bill 3140 (1981) requires that the bond and retirement lien percentages of the personal property replacement tax be based on the 1978 tax year collections of property taxes (instead of on extensions, as stated in the original legislation). Steps for computing the lien amounts for the Bond and Interest Fund and the Illinois Municipal Retirement Fund (IMRF) are as follows:

1. Separate 1978 EAV into: %Real Property EAV
 %Corporate Personal Property EAV
2. Amount needed (levy) for Bond and Interest Payment \$.
3. Amount needed (levy) for Illinois Municipal Retirement Fund \$.
4. 1978 Tax Collection Rate %.
5. % CPP EAV x line 2 x line 4 = Earmarked Bond & Interest Money
6. % CPP EAV x line 3 x line 4 = Earmarked IMRF Money

After satisfying the two liens for the Bond and Interest Fund and the Illinois Municipal Retirement Fund, the corporate personal property replacement tax revenue may be deposited into any fund, other than Site and Construction; which receives tax receipts.

Tax Revenues. Tax revenues are to be prorated according to the tax extension into the respective account and/or fund upon receipt. School districts receiving taxes under the accelerated method of tax billing prior to knowing the actual proration should use the prior year's proration schedule. If the

district is informed of the actual proration prior to July 1, then the district should make the necessary adjustments. If the district does not know the proration by July 1, the auditor should make the necessary adjustments retroactive to June 30.

Proceeds from Sale of Property. School boards shall use the proceeds from the sales of school sites, buildings, or other real estate, first to pay the principal and interest on any outstanding bonds on the property being sold, and after all such bonds have been retired may utilize the proceeds from the sale for any authorized purpose and may deposit the proceeds into any district fund (Section 5-22). Revenue Account #1932.

General State Aid. The law (Section 18-8) provides that General State Aid funds may be recorded into any fund for which the district is authorized to make expenditures.. Revenue Account #3110.

Privilege Tax on Mobile Homes. The revenues from the privilege tax on mobile homes should be recorded in Revenue Account #1210. These tax moneys may be recorded in any fund for which the district is authorized to make expenditures.

Capital Development Board Funds. In the event that school districts receive funds from the Capital Development Board for the retirement of bonds, they shall record these monies as follows:

1. The principal amount shall be recorded in the Bond and Interest Fund under the classification, Capital Development Board-Principal, Revenue Account #3261.
2. The debt service interest amount shall be recorded in the Bond and Interest Fund under the classification, Capital Development Board Interest, Revenue Account #3262.

State Aid Received as a Result of Bankruptcy Proceedings. House Bill 487 (1975) amended Section 18-9 of The School Code of Illinois to allow districts to amend General State Aid claims when taxes have not been paid as a result of bankruptcy proceedings. Districts may amend General State Aid claims back to the inception of bankruptcy, not to exceed six years. Monies received should be recorded in the General State Aid, Revenue Account #3110 in any fund from which the district is authorized to make expenditures.

The law also provides that when districts receiving additional monies receive tax revenues from such bankrupt property for the years that taxes were not paid, they shall have the next General State Aid claim reduced in an amount equal to the taxes paid on such property, not to exceed the additional state aid received under the provisions of this Act.

Section G -- Recording of Selected District Expenditures

Board Payment of Employee Share of Teacher Retirement In those instances where local boards of education have agreed to pay all or a portion of the employee contribution to the Teacher Retirement System, the payment should be coded as an employee benefit (object #2). In the preparation of IRS forms, local districts paying the entire employee contribution should consider the amount for survivors' benefit (one percent) as salaries

(object #1) and the shelterable amount (seven percent) as a fringe benefit. Salaries should be charged to appropriate function numbers (where employees work), along with the proportional share of employee benefits.

Unemployment Insurance. Effective January 1, 1978, Illinois school districts were affected by the Unemployment Compensation amendments of 1976. Districts were given the option of electing a percentage contribution or dollar-for-dollar reimbursement to the State Unemployment Fund.

Federal program monies may be used for their proportionate share of the contribution payment or toward building a self-insurance reserve for making reimbursement payments.

Expenditures should be charged to the same fund from which salaries are paid. Districts should charge expenditures to 1-231-380, in the Educational Fund, 2-254-380 in the Operations, Building and Maintenance Fund, and 4-255-380 in the Transportation Fund. If cost allocation is desired, districts can distribute the Educational Fund costs to the proper functions. School districts have the authority to levy for unemployment compensation insurance in the tort immunity tax levy.

Section H -- Business Official Certification

HB 814 (1981) added Section 10-22.23a to The School Code of Illinois which empowers school boards to employ a chief school business official. Any chief school business official first employed on or after July 1, 1977, shall be certified under Section 21-7.1. Experience as a school business official in an Illinois public school district prior to July 1, 1977, shall be deemed the equivalent of certification.

Section I -- Public Treasurers' Investment Pool

Finding a suitable place for short-term investments on small amounts of excess funds is difficult for many public school treasurers.

The Illinois' Public Treasurers' Investment Pool is designed to provide a convenient and economical means of investing short-term funds. Funds can be invested over the weekends to capitalize on every investment opportunity as there is no minimum holding period. The management and operation of the pool is under the supervision of the State Treasurer and is open to participation by local school districts and other governmental units.

Other features of the pool include:

-Minimum participation size is \$10,000. Deposits and withdrawals must be made in multiples of \$1,000.

-Daily availability of funds with a minimum charge only after the participant exceeds five transactions per calendar month.

-Income is computed daily and reinvested.

-Participants receive a monthly statement and a check for accrued interest.

-Funds deposited one day may be withdrawn the next.

To investigate the possibilities of participating in the pool, contact the Treasurer, State of Illinois, State Capitol Building, Springfield, Illinois 62706, telephone number: 217/782-2211.

Section J -- State of Illinois Cooperative Purchasing Program. The Joint Purchases by Governmental Units Act was approved August 15, 1961, and amended by Public Act 76-641, effective August 5, 1969. This Act, more commonly referred to as the Joint Purchasing Act, allows the joint purchase of personal property, supplies, and services by certain governmental units. School districts may participate in this program.

Exact dollar savings by a school district participating in a cooperative purchasing program cannot be determined; however, joint purchasing usually results in reduced costs due to volume buying and reduced advertising costs. Along with actual dollar savings, indirect savings must also be considered. Elimination of administrative duplication in processing requisitions, evaluating of bids, making awards, and testing items are some examples of indirect saving measures. It may not be practical to cooperatively purchase all required items of a governmental unit, and not all items are available through this program. Examples of items which may be purchased cooperatively include light bulbs, tires, office supplies, and maintenance and automotive supplies.

Districts interested in the cooperative purchasing program should contact:

State Purchasing Agent
Office of Procurement
Department of Administrative Services
801 William G. Stratton Building
Springfield, Illinois 62706
217/782-2301

Section K -- Indirect Costs. Indirect costs (frequently called overhead costs in the private sector) are costs of a general nature incurred for the benefit of several activities (programs, grants, or contracts). These are costs that are widespread and cannot be readily identified with only one activity, but benefit several activities for a common or joint purpose. Indirect costs include costs for supporting services such as purchasing, personnel, payroll, insurance accounting, auditing, administration, and data processing.

Direct costs are those costs that are readily and specifically identified as costs for a particular activity, and chargeable to a certain area or program. Direct costs include salaries, fringe benefits, and all other direct program cost expenses (but exclude distorting expenses such as capital outlay and debt retirement).

Rather than trying to allocate the various indirect costs to the applicable programs, grants or contracts, an indirect cost rate can be used to charge these general expenses to the various activities. The indirect cost rate is

the ratio of the district's total direct costs to the total indirect costs. This rate (computed as a percentage) can then be used to determine the indirect costs applicable to a particular program, grant, or contract.

There are two types of indirect cost rates--a restricted indirect cost rate and an unrestricted indirect cost rate. Their uses are determined by applicable state or federal law, but in general:

A restricted rate is applied to programs that only supplement and do not supplant or replace local efforts, e.g., ESEA Title I, and ESEA Title IV-B. This rate contains indirect costs, primarily related to administration and business support functions. Unrestricted rates apply to other federal programs which do not contain supplanting assurances.

When the appropriate indirect cost rate is multiplied by the direct costs charged to the program, the amount of indirect costs to be borne by the program is determined.

Indirect cost rates must be calculated by the Illinois State Board of Education under Department of Education (DOE) guidelines. The rate is based on applicable expenditures from the school districts' "Annual Financial Report."

Fiscal 1981 was the first year indirect cost rates could be applied to a state program. Starting in that year, restricted indirect cost rates were applicable to pupil transportation claims for noncontractual expenditures.

Chapter V

Illinois Financial Accounting Committee

One of the basic tenets for successful relationships between the Illinois State Board of Education and its clientele in the field is the development of sound relationships and communication channels. A meaningful sense of direction is developed and maintained by utilizing solid input from the field.

In order to determine policies and to remain alert to public needs, the Illinois State Board of Education uses public hearings, questionnaires, advisory committees, and other ways to ascertain the educational requests and needs of the citizens of Illinois.

Specific goals of the Illinois State Board of Education include adequate financing and improved school management:

The State Board continues to work toward an equitable distribution of resources designed to provide adequate support for high quality education programs. The cost effectiveness of the distributive methods, financial incentives, and grants programs will be periodically evaluated. Every effort shall be made to control or reduce excess costs, and otherwise improve the management of the schools at the state and local levels.

One of the advisory committees appointed by the State Superintendent of Education that deals with and assists in fulfilling these goals is the Illinois Financial Accounting Committee.

This committee has been charged with improving school district financial procedures and reviewing proposed and existing legislation affecting school district financial affairs. Section 2-3.27 of The School Code of Illinois charges the Illinois State Board of Education with the responsibility to formulate and approve forms, procedures and regulations for school district accounts and budgets, to advise and assist the officers of any district in respect to budgeting and accounting practices, and to confer with various district, region, and state officials. The Illinois Financial Accounting Committee functions to aid and assist the Illinois State Board of Education with the aforementioned goals and responsibilities.

Broad goals of the committee include, but are not limited to:

1. Striving to improve the effectiveness of school district management at the state and local level through various means including position papers, resolutions, and other general recommendations.
2. Proposing and reviewing legislation in areas of school finance and school management.
3. Advising the Finance and Reimbursements Department, Illinois State Board of Education, of problem areas related to school finance, accounting, and management needing clarification or study.

4. Providing a focal point for meetings between auditors, accountants, treasurers, attorneys, business officials, and Illinois State Board of Education management personnel in areas affecting school district accounting, finance, and school business management, e.g., data services, school facilities, budgeting, financial reporting, child nutrition programs, audits, purchasing, pupil transportation, reimbursements, and finance.
5. Serving as conference leaders and speakers at school management and finance workshops and conferences.
6. Editing and writing pamphlets on school finance and management related issues.
7. Serving as a sounding board to the Illinois State Board of Education on new financial rules and regulations.

During 1980-1981, the committee completed an efficiency/effectiveness study on pupil transportation for the State Board of Education. This report was submitted to the 82nd Illinois General Assembly with recommendations for improving pupil transportation programs. (See the summary of the study later in Chapter V.)

The committee monitored the completion of the Illinois Program Accounting Manual implementation plan and cooperated with the Illinois Association of School Business Officials (IASBO) in recruiting exemplary business projects for the IASBO "Sharing Business Success Program."

In addition to participating in a variety of workshops and conferences on school management, members provided testimony before the Illinois State Board of Education, the School Problems Commission, and the Illinois General Assembly.

Dr. Calvin Jackson, Superintendent of Fairbury Cropsey Schools, is the 1981-1982 committee chairman, and Dr. Ross Hodel, Manager of the Finance Section at the Illinois State Board of Education, is secretary.

Principal activities for 1981-1982 include the following:

1. Develop a Financial Reporting Manual: Summary Reports and Interim Reports.
2. Recommend new and review proposed legislation.
3. Update the Student Activity Funds Regulations to conform to State-
ment 1 accounting principles.
4. Develop and disseminate a Pupil Attendance Accounting Manual.
5. Develop a Cash Management Handbook for School Districts.
6. Promote school district participation in ASBO's Certificate of Excellence in Financial Reporting program.

7. Review the "draft" Guide to Auditing and Reporting for Illinois School Districts being prepared by the Illinois Certified Public Accountants Society.

Other committee work for the year centered around fund consolidation, evaluation of auditors, improving school district credit ratings, and working with the Local Government Finance Study Commission.

One of the major committee projects was to revise the Illinois School District Annual Financial Report to conform to the new Governmental Accounting and Financial Reporting Principles contained in Statement #1.

STATEMENT 1

The National Council on Governmental Accounting issued Governmental Accounting and Financial Reporting Principles Statement 1 during March, 1979. Since its issuance, Statement 1 has gained widespread acceptance and acknowledgement as the primary authoritative statement on the application of generally accepted accounting principles to state and local governments. The Illinois State Board of Education, in conjunction with subcommittees of the Illinois Financial Accounting Committee and the Illinois CPA Society, recognize Statement 1 as authoritative and have modified the School District Annual Financial Report to keep abreast of the reporting requirements contained in Statement 1.

The intent of Statement 1 is to increase comparability between governmental units. The grouping of statutory funds into generic fund types facilitates this comparability.

Several significant changes to the School District Annual Financial Report were made as a result of Statement 1. In the past, the main focus of financial reporting was directed at the individual fund statements. Under Statement 1, however, the main focus has changed to the governmental unit as a whole, combining individual fund statements into statements by generic fund type. It is these new combined statements that represent the basic financial statements of the school district. In keeping with the reporting principles detailed in Statement 1, the Local Education Agency Annual Financial Report groups the Educational Fund and the Operations, Building and Maintenance Fund into the General Fund, the Transportation Fund and Illinois Municipal Retirement Fund into the Special Revenue Fund, Bond and Interest and Rent Funds into the Debt Service Fund, and the Site and Construction and Capital Improvement Funds into the Capital Projects Fund. The Working Cash fund is reported as a Fiduciary Fund Type.

Summary of the Efficiency and Effectiveness Study on
Pupil Transportation and Evaluation of Contracts

The transportation of Illinois school children is a big business, involving the transporting of over 835,000 pupils for which Illinois school districts expend over \$184 million. The State Board of Education, in line with the 1979 request of the Legislature, studied and analyzed the efficiency and effectiveness of pupil transportation services and contracts between public schools and private carriers.

The study provides an overview of Illinois school transportation and its history. They review prior studies, activities in other states, and factors affecting transportation costs at the state and local levels.

Findings and recommendations in the study are categorized in six major areas:

- A. The Transportation Reimbursement Formula
- B. Special Education Transportation
- C. Pupil Transportation Tax Rates
- D. Management Practices
- E. Contracts and Bidding
- F. Contracted and District-Owned Transportation

A. The Transportation Reimbursement Formula

The study illustrates the operation of the current formula and discusses its strengths and weaknesses. Significant weaknesses which are highlighted in the study include its lack of cost control, lack of efficiency incentives, incentives for districts to tax at maximum rates, and disadvantages to unit districts.

Strengths of the formula discussed include its equalization feature which assists districts of lower equalized assessed valuation, and the formula's consideration of program costs. Suggested modifications are recommended to add efficiency incentives, to strengthen the equalization portion, and to emphasize the need for the use of sparsity measures if cost controls are added to the formula.

B. Special Education Transportation

The study illustrates the rapid increase in costs and numbers of children served by special education transportation. Special education transportation costs now consume 43 percent of the state's total pupil transportation appropriation. Since 1973-1974, special education pupils transported have increased 135 percent while regular pupils transported have increased 4.5 percent. This increase has placed significant demands on local districts for capital equipment needs. Over one half of Illinois schools now contract with private carriers for special education purposes.

The report recommends examination of state assistance for capital expenditures and follow-up on a 1978 study which considered varying the level of reimbursement by the condition of the handicap.

C. Tax Rates

The study presents information on the way in which present state tax statutes work in combination with the formula to the disadvantage of unit districts compared to elementary and high school districts. Changes in the formula qualifying tax rates and equalization of tax rates among district types are recommended along with use of Fire, Safety, Environmental and Energy revenues for energy conservation measures on vehicles.

D. Management Practices

One third of Illinois school districts operated with a deficit balance in their transportation fund in Fiscal Year 1979. The study also indicates that efficiencies and economies enacted to save money in the transportation fund do not allow money saved to be expended in educational program areas.

Recommendations are presented to streamline the fund accounting process and to provide more local district management flexibility in the administration of transportation funds.

Other management recommendations include State Board of Education assistance in computer routing, equalization in the treatment of contracted and district-owned operations and establishment of a transportation database for local district comparison purposes.

E. Contracts and Bidding

Nearly 300 contracts between school districts and private contracted carriers were analyzed by State Board staff and an advisory committee of school business officials. Approximately one-third of the schools bid transportation services competitively, and the study reports significant confusion relating to the statute requiring competitive bids on contracts for pupil transportation.

The report recommends revisions to state statutes to allow districts to enter into contracts of longer duration, enhancing contractor competition, and to require districts to bid transportation services over \$5,000 competitively. Standards and a checklist for use in the construction of transportation contracts were also developed and provided in the report.

F. Contracted and District-Owned Transportation

The study presents a thorough listing of the advantages of both contracted and district-owned transportation services. In Illinois, over one-half of the schools providing transportation services use a contract carrier for either a portion of or for all of their transportation needs. Cost studies conducted in other states were reviewed and their findings presented.

The study urges that the General Assembly continue to move toward making reimbursement for contracted and district owned operations

equal. Other recommendations are presented in areas of energy conservation, workmen's compensation insurance, technical assistance by the State Board and motor fuel tax elimination.

APPENDIX A
SELECTED BIBLIOGRAPHY ON
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Georgia (Thomas v. Stewart)
New Jersey (Robinson v. Cahill)
Washington (Seattle v. Washington, after losing in Northshore v. Kenear)
Wyoming (Washakie v. Herschler)

B. Cases in which the state system was found to be constitutional:

Ohio (Cincinnati v. Walter)
Oregon (Olsen v. Oregon)
Idaho (Thompson v. Engelking)
Arizona (Hollins v. Shofstall)

C. Cases on appeal to the state supreme court:

New York (Levittown v. Nyquist)
Colorado (Lujan v. Colorado)

D. Cases filed and pending in lower courts:

Arkansas (Alma v. DuPree)
Maryland (Somerset v. Horbeck)
Massachusetts (Webby v. King)
South Dakota (Oster v. Kneip)
West Virginia (Pauley v. Kelly)
Wisconsin (Kukor v. Thompson)
Kansas (Knowles v. Kansas)

APPENDIX B

GLOSSARY

AFDC: Aid to Families with Dependent Children (Title IV, Social Security Act) provides federal assistance to low-income families. The numbers of pupils, ages 5-17 years, in a school district whose families receive this benefit are used to determine the district allocation for Title I, Aid to Educationally Deprived Children, of the Elementary and Secondary Education Act.

ASSESSED VALUATION: The total value of the real property of a school district, as determined by assessment. This provides a basis for levying taxes.

AVERAGE DAILY ATTENDANCE (ADA): The aggregate number of pupil days in attendance divided by the number of days in the regular school session. A pupil who attends school for five or more clock hours while school is in session constitutes one pupil day of attendance. The computation period for the average daily attendance used to determine General State Aid is the six months with the highest average daily attendance. The determination for per capita tuition charge is based on the entire regular school term. For purposes of certain funding formulas, specified classes of pupils receive an additional fractional weighting, providing a weighted average daily attendance (WADA).

BOND: A written promise, signed by the president and clerk of the board, to pay a specified sum of money (the face value) at a fixed time in the future (the date of maturity) and at a fixed rate of interest.

BONDING POWER REMAINING: The difference between the statutory debt limitation, 6.9 percent of equalized assessed valuation in dual districts and 13.8 percent in unit districts, and the amount of bonds outstanding. The statutory debt limitation may be 15 percent when certain requirements are attained.

BUILDING BONDS: Bonds sold for the sole purpose of acquiring or constructing school buildings and/or sites for school buildings.

CAPITAL DEVELOPMENT BOARD: The state agency responsible for providing school sites, buildings, and equipment to meet the needs of school districts unable to provide such facilities because of lack of funds and constitutional bonding institutions. The board also approves funds for area vocational centers and administers school facilities legislation in cooperation with the Illinois State Board of Education. The State Board of Education can receive and approve school construction project grants, planning assistance grants and debt service grants for school districts. The State Board of Education may establish eligibility standards and the priority needs standards, and notify the Capital Development Board of approved construction projects. The State Board of Education is empowered to issue grant entitlements to school districts.

CATEGORICAL AID: Money from the State or Federal Government that is allocated to local school districts for special children or special programs.

COMMON SCHOOL: A term used interchangeably with "local education agency," "local school district," and "public school."

COMPARABILITY: Equalization of services funded by state and local resources in Title I and non-Title I attendance centers must be attained before ESEA-Title I funds can be authorized.

CORPORATE PERSONAL PROPERTY REPLACEMENT FUNDS: These are taxes paid in lieu of taxes paid on 1978 and prior years Corporate Personal Property assessed valuation.

COST DIFFERENTIALS: Differences in per pupil costs due to the location of schools, the educational needs of students served, or other external reasons.

DUAL SCHOOL SYSTEM: The situation in which a separate elementary district (grades pre-K-8) and a high school district (grades 9-12) exist in a given geographical area.

EFFORT: See Tax Effort.

EQUALIZED ASSESSED VALUATION: The total value of the real property of a district determined by assessment and application of multipliers, which are calculated and assigned by the county board of review and the Illinois Department of Revenue. Theoretically, this system equalizes property assessments throughout the State at 33 1/3 percent of fair market value of the property. There are exceptions on farm property and in home rule counties.

FORMULA GRANT: A grant for state and/or federal funds to a state or school district, the amount of which is determined by a formula included in the legislation. Such grants must be applied for, and the State or school district is usually required to submit to the funding agency data to support its entitlement, an acceptable plan for use of funds, and assurance of compliance with state and/or federal laws and regulations.

FOUNDATION LEVEL: The General State Aid Formula for 1981-1982 provides a foundation level of \$1,562.44 per weighted pupil when the district has an operating tax rate equal to or in excess of 1.28 percent, 1.05 percent or 2.18 percent for elementary, high school, and unit districts, respectively. The foundation level is dependent on the state appropriation for General State Aid.

GENERAL STATE AID: That part of the apportionment of the Common School Fund to school districts that cannot be less than seven percent of the foundation level per weighted pupil.

GENERAL STATE AID CERTIFICATION: General State Aid Anticipation Certificates - General State Anticipation Certificates are short term debt instruments which may be utilized by school districts. The borrowing limit is 75 percent of the General State Aid remaining to be paid any district during a fiscal year. However, the total amount of General State Aid Anticipation Certificates, Tax Anticipation Notes, and Tax Anticipation Warrants outstanding for any fiscal year may not exceed 85 percent of the taxes levied by the district for that year.

JOINT AGREEMENT AND/OR COOPERATIVE: An educational program or programs in which two or more local education agencies and/or eligible institutions of higher education agree to participate by uniting efforts in accordance with a written agreement, and by designating a fiscal and legal agent.

NONFEDERAL REVENUE: All revenue other than that from federal sources including local taxes, General State Aid, state categorical aids, tuition, admissions, fees, rentals, sale of food, textbook sales, sales of property, bond proceeds, and corporate personal property replacement funds.

OPERATING TAX RATE: A school district's total tax rate less the tax rate for bond and interest, rent, special education construction, vocational education construction, summer school, and capital improvements.

ORSHANSKY INDEX: This is the index for updating annually the poverty level used for determining ESEA-Title I eligibility based on 1970 census data for a nonfarm family of four factored by the Consumer Price Index.

REFUNDING BONDS: Bonds sold to repay other bond issues or the accrued interest on other bonds.

REGIONAL SUPERINTENDENT: The chief school officer for the county or counties that comprise an educational service region, who exercises supervision and control over school districts and cooperatives within that region. There are 57 regional superintendents in Illinois.

SCHOOL PROBLEMS COMMISSION: A 17-member commission created by the General Assembly to survey and study the problems pertaining to the public schools in Illinois. A report is issued annually by the commission.

STATE AID FORMULAS: The formulas legislated by the General Assembly for apportioning General State Aid.

TAX ANTICIPATION NOTES: Notes issued in an amount not to exceed 85 percent of the taxes levied by the respective school district. The notes may bear an interest rate not exceeding nine percent, or 70 percent of the prime rate as determined by the largest bank in Illinois, do not count against any statutory debt limitation, and must mature within two years. No notes shall be issued during any fiscal year in which there are tax anticipation warrants outstanding against the tax levied for said fiscal year.

TAX ANTICIPATION WARRANTS: Warrants are issued by a school district in anticipation of the collection of taxes and may be issued to the extent of 85 percent of the total amount of the tax levied. These warrants must be repaid upon receipt of tax monies by the district and may bear an interest rate not exceeding the greater of nine percent, or 70 percent of the prime rate as determined by the largest bank in Illinois.

TAX EFFORT: The extent to which a local school district levies a local tax for schools.

TAX RATE LIMIT: The tax rate limit is the maximum tax rate that the county clerk may extend. Illinois law authorizes maximum tax rates without referendum, but districts may increase tax rates, within limits, subject to voter approval. A back-door referendum provision exists. When the board

proposes a tax rate increase and it is not opposed by the required number of electors within a stated time period, then the board gains the authority to increase the tax rate. A limited number of tax rates exist without a tax rate limit.

TEACHERS' ORDERS: Teachers' payroll warrants issued by a school district which may be cashed at a local bank. By agreement between the school district and the bank, the district will redeem the orders at some future date (with tax receipts) and pay the bank a stipulated rate of interest not exceeding the greater of nine percent, or 70 percent of the prime rate as determined by the largest bank in Illinois.

UNIT DISTRICT: A school district that encompasses all grade levels (Pre-K-12). A term used interchangeably with a 12-grade district.

WEIGHTED PUPILS: The use of weights, or factors, to provide different funding levels for pupils with varying educational needs. In the General State Aid law, grade 1-8 pupils are weighted 1.00 and high school pupils (grades 9-12) have an additional weighting of .25. ESEA-Title I pupils provide an additional weighting depending on the percent of Title I eligible pupils in the district. The additional formula weighting for ESEA-Title I pupils ranges from zero to a maximum of .65.

CODE 51 084 1860 25
 REGION 51 SANGAMON EDUCATIONAL SERVICE REG
 DISTRICT NAME SPRLD SCHOOL DIST

ILLINOIS STATE BOARD OF EDUCATION
 Department of Finance and Reimbursements
 Reimbursements Section
 100 North First Street
 Springfield, Illinois 62777

APPENDIX C

GENERAL STATE AID ENTITLEMENT FOR 1981-1982

INSTRUCTIONS Complete in triplicate and submit white and pink copies to your Regional Superintendent by June 20, who will forward the white copy to the address at top of form by July 15. Please insure that Line 1, Column 1, Line 9, Column 2, and Line 11 are completed or this claim will be rejected.

PART I SUPPORTING DATA										BEST SIX MONTHS ATTENDANCE DATA (For Claimable Pupils Only)				
CLAIMABLE PUPILS ONLY* (Pupils Claimed Under Section 18-8)										Determine best 6 months ADA from Col (9) and copy the month number into Col (10). Copy data from Cols (3), (4), and (5) into Col (11). Col (8) data into Col (12). Col (8) data into Col (13).				
LINE NO.	CALENDAR		DAYS ATTENDED				TOTALS COLS (3)-(8)	DAYS SCHOOL WAS IN SESSION (8)	ADA TOTAL COL 7 - COL 8 (9)	BEST 6 MONTHS LINE NUMBER (10)	COL (3) Plus COL (4) Plus COL (5) (11)	(9-12) COL (6) (12)	DAYS SCHOOL WAS IN SESSION COL (8) (13)	
	BEGIN Mo-DAY (1)	END Mo-DAY (2)	PRE-KINDERGARTEN (Handicapped) (3)	KINDERGARTEN (4)	ELEMENTARY 1-8 (5)	HIGH SCHOOL 9-12 (6)								
1	8-25	9-30	266.5	12,535.5	203,929.5	118,414.6	335,146.1	24	13,964.42	22	216,731.5	118,414.6	24	
2	10-1	10-31	398.5	11,518.5	187,094.3	106,162.5	305,173.8	22	13,871.53	23	199,011.3	106,162.5	22	
3	11-1	11-30	355.0	8,894.5	143,377.1	80,732.0	233,358.6	17	13,726.97	24	152,626.6	80,732.0	17	
4	12-1	12-31	388.5	8,850.5	141,720.6	78,859.1	229,818.7	17	13,518.74	25	150,959.6	78,859.1	17	
5	1-1	1-31	440.0	8,397.5	136,675.1	79,757.6	225,270.2	17	13,251.18	26	196,696.6	99,451.6	22	
6	2-1	2-28	473.5	8,768.0	141,905.3	76,820.5	227,967.3	17	13,409.84	27	151,146.8	76,820.5	17	
7	3-1	3-31	704.5	11,633.5	184,358.6	99,451.6	296,148.2	22	13,461.28	28	1,067,172.4	560,440.3	119	
8	4-1	4-30	536.0	8,425.5	133,771.0	70,899.6	213,632.1	16	13,352.00	29	Pre K-8 ADA Line 28, Col (11) - Line 28, Col (13)	8,967.83		
9	5-1	6-03	751.0	11,905.0	187,724.1	99,279.6	299,659.7	23	13,028.68	30	9-12 ADA Line 28 Col (12) - Line 28, Col (13)	4,709.58		
10	TOTALS		4,313.5	90,928.5	1,460,555.6	810,377.1	2,366,174.7	175	13,520.99	31	9-12 WADA Line 30 x 1 25	7,886.97		
11	ADA of resident pupils for whom tuition is paid to another local education agency included above on Line 10, Column 9 (See instructions before completing)								232.37		32	1980-1981 District WADA (Line 29 plus Line 31)	14,854.80	
NON-CLAIMABLE PUPILS: (Pupils Claimed Under Sections 14-7.03, 18-3, and Tuition Pupils)														
12	8-25	9-30	21.0	48.0	481.0	370.0	920.0	24	38.33	33	1979-1980 District WADA	15,342.78		
13	10-1	10-31	19.0	42.0	424.0	341.0	826.0	22	37.54	34	1978-1979 District WADA	16,142.90		
14	11-1	11-30	22.0	32.0	310.5	256.5	621.0	17	36.52	35	1980-1981 Title I Eligibles	3,441		
15	12-1	12-31	20.0	31.0	309.0	242.5	602.5	17	35.44	36	1979 Real Property Equalized Assessed Valuation (EAV)	667,764.927		
16	1-1	1-31	36.0	30.0	289.0	226.5	581.5	17	34.20	37	1979 Corporate Personal Property (CPP) Replacement Payments	2,601,353.00		
17	2-1	2-28	43.5	29.0	303.5	235.5	611.5	17	35.97	38	1978 CPP EAV	79,347.787		
18	3-1	3-31	63.5	39.0	392.0	312.0	806.5	22	36.65	39	1977 Total Tax Rate	3,035,000.0		
19	4-1	4-30	62.0	31.0	291.0	223.0	607.0	16	37.93	40	1979 CPP Replacement EAV (Line 37 + Line 39)	85,711,795		
20	5-1	6-03	89.0	39.0	392.5	329.0	849.5	23	36.93	41	Add-on (2/3 (Line 38 - Line 40)), zero if negative			
21	TOTALS		376.0	321.0	3,192.5	2,536.0	6,425.5	175	36.71	42	1979 General State Aid EAV (Total of Lines 36, 40, and 41)	733,476,722		
AFFIDAVIT										SCHOOL CALENDAR DATA				
We, the undersigned, do solemnly swear (or affirm) that the foregoing statements are true to the best of our knowledge and belief, that said school district has complied with the requirements of The School Code of Illinois as set forth in Sections 7-19, 10-20.12, 10-22.5, 18-12, 24-4, 27-3, 27-4 and 27-21, and has in all other respects conducted school according to law										Days school was in session (Line 10, Column 8)				175
										Approved Institute(s) and/or Workshop(s) (Not to exceed four)				4
										Approved Parent-Teacher Conference Day(s) (Not to exceed two)				
										Approved Act of God Day(s)				
										Approved Energy Emergency Day(s)				
										Total Days				179
										See Instructions for Explanation				
										Must be 180 or more or penalty will be applied (Section 18-12, The School Code of Illinois)				

Signature of Superintendent, Principal or Teacher _____ Date _____ Signature of Clerk or Secretary of School Board _____ Date _____ Signature of Regional Superintendent _____

CODE 51 084 1860 25
 REGION 51 SANGAMON EDUCATIONAL SERVICE REG
 DISTRICT NAME SPFLD SCHOOL DIST

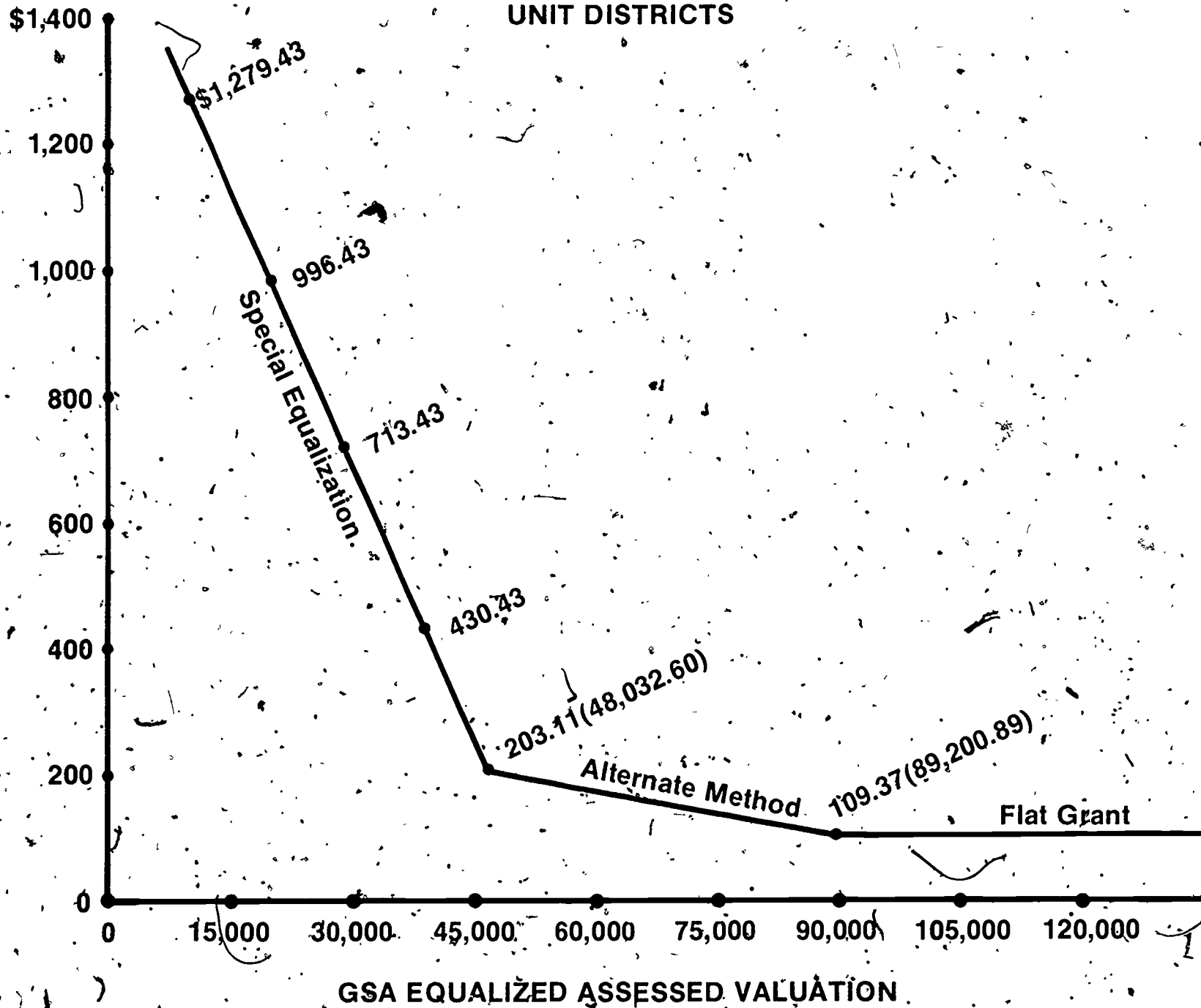
GENERAL STATE AID ENTITLEMENT FOR 1981-1982

Part II	COMPUTATIONAL DATA
1	District Average WADA
A	1980-1981 District WADA (Part I, Line 2) <u>14,854.80</u>
B	1979-1980 District WADA (Part I, Line 3) <u>15,342.78</u>
C	1978-1979 District WADA (Part I, Line 3) <u>16,142.90</u>
D	Total District WADA (Total of Lines A, B, and C above) <u>46,340.48</u>
E	District three year average (Line D above divided by the Figure 3) <u>15,446.82</u>
2	District TWADA
A	District 1980-1981 Title I Eligibles (Part I, Line 35) <u>3.441</u>
B	District 1980-1981 WADA (Part II, Line 1A) <u>14,854.80</u>
C	District Percent Title I Eligible of WADA (Line 2A divided by Line 2B) <u>23.16%</u>
D	State Average Percent Title I Eligibles of WADA <u>20.02%</u>
E	Line 2C divided by Line 2D <u>1.1568</u>
F	Line 2E X .53 (Maximum 65) <u>.6131</u>
G	Line 2F X Line 2A <u>2,109.67</u>
H	TWADA (Line 2C + Greater of (Part II, Line 1A or Line 1E)) <u>17,556.49</u>
3	District Equalized Assessed Valuation (EAV) per TWADA
A	District 1979 General State Aid Equalized Assessed Valuation (Part I, Line 42) \$ <u>733,476,722</u>
B	Line 3A divided by Line 2H \$ <u>41,778.09</u>
4	District 1979 Operating Tax Rate with Full Access
A	Maximum Operating Tax Rate (1.86% Elem. 1.05% High School 2.83% Unit) <u>2.830000%</u>
B	District 1979 Operating Tax Rate (Part I, Line 43) <u>2.867400%</u>
C	Line 4A unless Line 4B < 1.28% in Elem. 1.05% in High School or 2.18% in Unit <u>2.830000%</u>
5	State Guaranteed EAV per TWADA
A	Foundation Level <u>1,562.44</u>
B	Maximum Operating Tax Rate <u>2.830000%</u>
C	State Guaranteed EAV per TWADA (Line 5A - Line 5B) <u>55,209.89</u>

Part III	SPECIAL EQUALIZATION
1	District TWADA (Part II, Line 2H) <u>17,556.49</u>
2	State Guaranteed Resources
A	State Guaranteed EAV per TWADA (Part II, Line 5C) \$ <u>55,209.89</u>
B	District EAV per TWADA (Part II, Line 2B) \$ <u>41,778.09</u>
C	State Guarantee (Line A - Line B (zero if negative)) \$ <u>13,431.80</u>
3	District 1979 Operating Tax Rate (Part II, Line 4C) <u>2.830000%</u>
4	1981-1982 Claim Amount (Product of Lines 1, 2C, and 3) \$ <u>6,673,571.92</u>
Part IV	ALTERNATE METHOD
1	District TWADA (Part II, Line 2H) <u>17,556.49</u>
2	State Guaranteed EAV per TWADA (Part II, Line 5C) \$ <u>55,209.89</u>
3	.87 X Line 2 \$ <u>48,032.60</u>
4	District EAV per TWADA (Part II, Line 2B) \$ <u>41,778.09</u>
5	Line 3 - Line 4 (If greater than 1,000, Part IV not applicable) <u>1,1497</u>
6	Line 5 X (13 X Part II, Line 5A) \$ _____
7	1981-1982 Claim Amount (Line 1 X Line 6) \$ _____
Part V	FLAT GRANT
1	District TWADA (Part II, Line 2H) <u>17,556.49</u>
2	Foundation Level (Part II, Line 5A) \$ <u>1,562.44</u>
3	.07 X Line 2 \$ <u>109.37</u>
4	1981-1982 Claim Amount (Line 1 X Line 3) \$ <u>1,920,153.31</u>
Part VI	SUMMARY OF 1981-1982 ENTITLEMENT
1	Special Equalization Claim Amount (Part III, Line 4) \$ <u>6,673,571.92</u>
2	Alternate Method Claim Amount (Part IV, Line 7) \$ _____
3	Flat Grant Claim Amount (Part V, Line 4) \$ <u>1,920,153.31</u>
4	Greatest of Lines 1, 2, or 3 above \$ <u>6,673,571.92</u>
5	Maximum Claim Amount (1980-1981 Claim x 135%) \$ <u>9,575,488.49</u>
6	General State Aid Entitlement for 1981-1982 (Lesser of Line 4 or 5 above) \$ <u>6,673,571.92</u>
7	Adjustments
	CODE AMOUNT
	_____ \$ _____
	_____ \$ _____
	_____ \$ _____
	_____ \$ _____
	_____ \$ _____
	_____ \$ _____
8	Net 1981-1982 Claim Amount (Line 6 + Line 7 above) \$ <u>6,673,571.92</u>

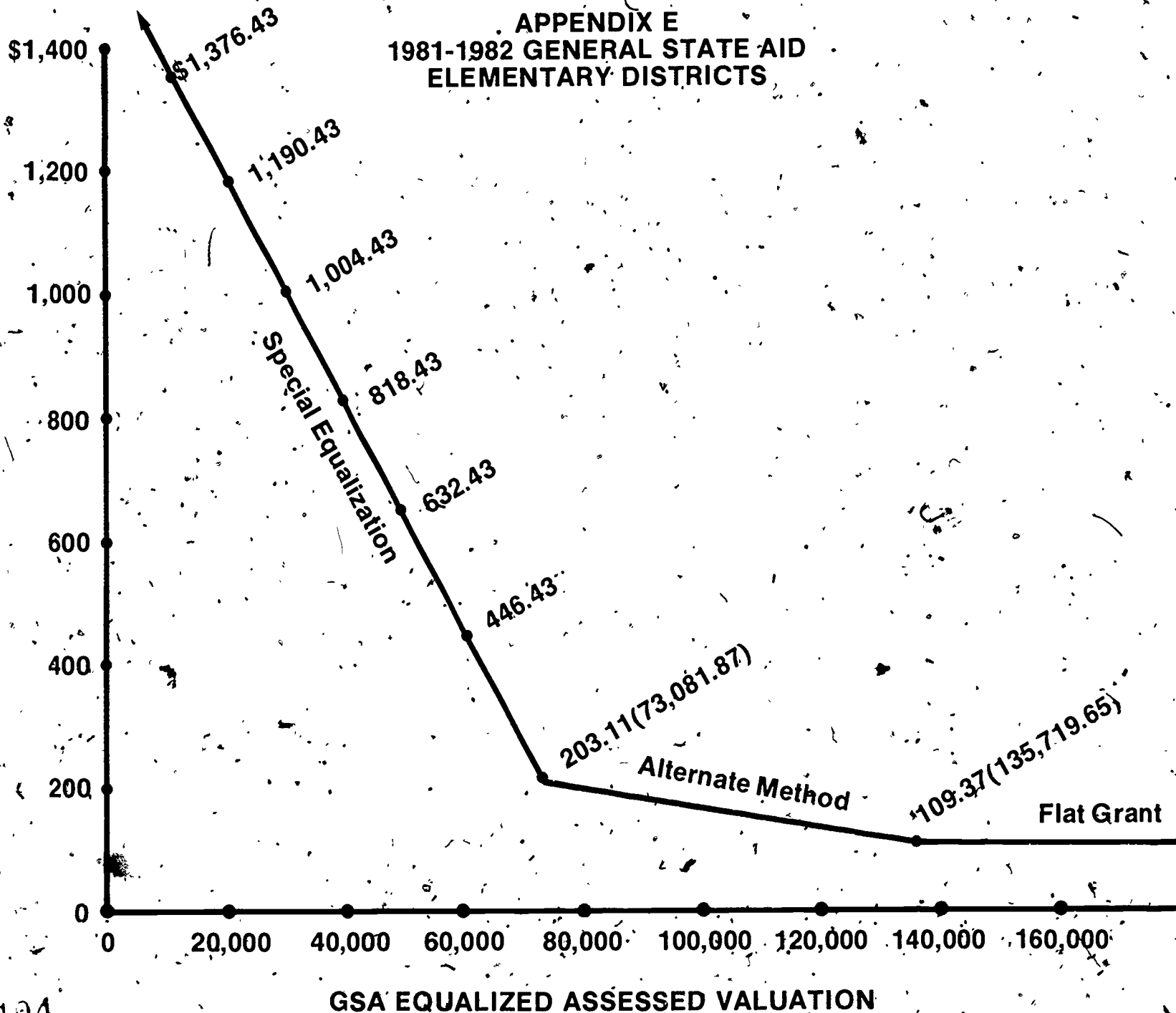


APPENDIX D
1981-1982 GENERAL STATE AID
UNIT DISTRICTS



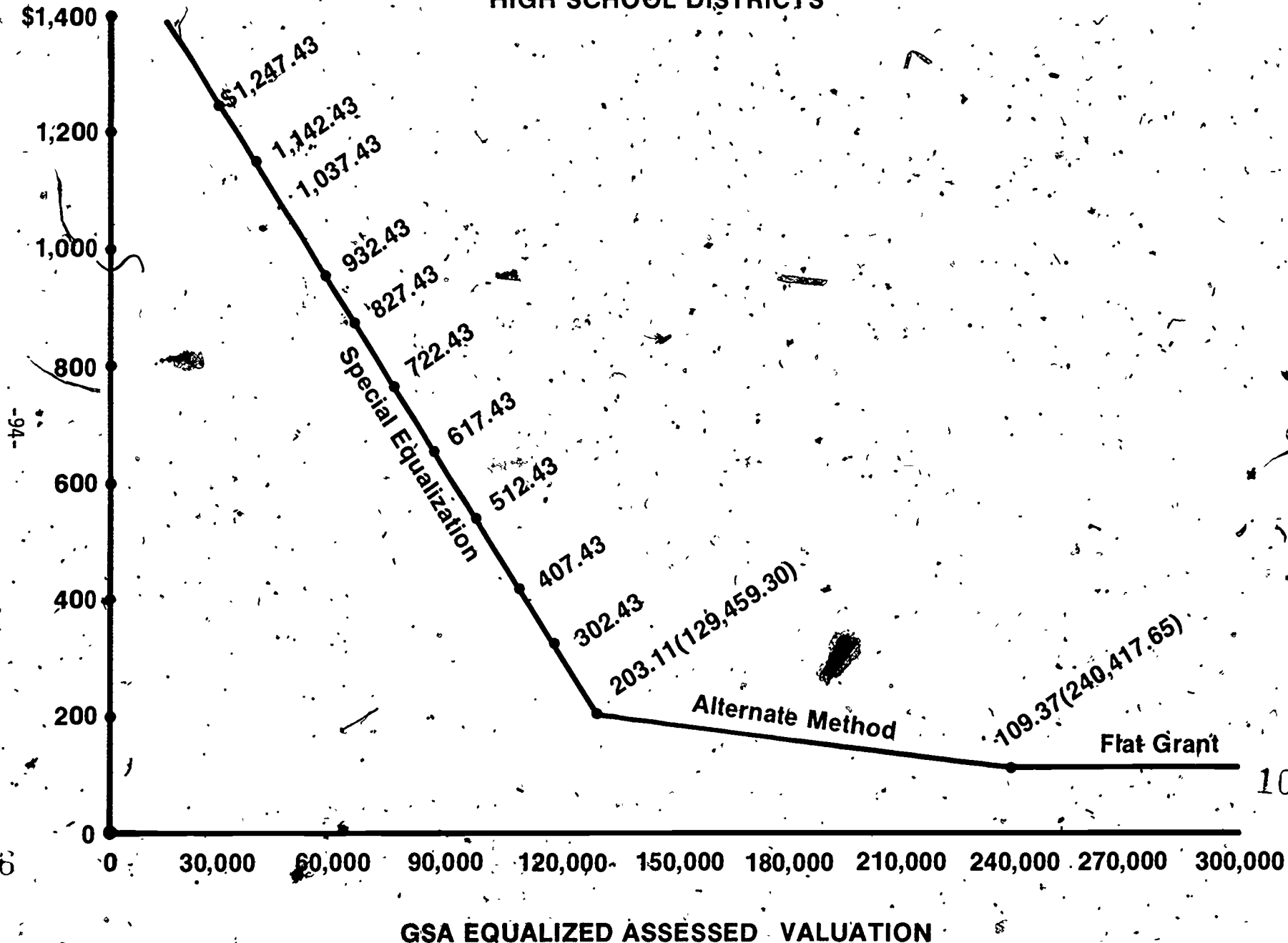
-92-

APPENDIX E
1981-1982 GENERAL STATE AID
ELEMENTARY DISTRICTS



-93-

**APPENDIX F
1981-1982 GENERAL STATE AID
HIGH SCHOOL DISTRICTS**



-94-

106

107