

# SB0449



## 101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

**SB0449**

Introduced 1/31/2019, by Sen. John J. Cullerton

### SYNOPSIS AS INTRODUCED:

105 ILCS 5/1B-22

Amends the School Code. Makes a technical change in a Section concerning a financial oversight panel's powers.

LRB101 04210 AXK 49218 b

A BILL FOR

1 AN ACT concerning education.

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

4 Section 5. The School Code is amended by changing Section  
5 1B-22 as follows:

6 (105 ILCS 5/1B-22)

7 Sec. 1B-22. Additional Powers of the Panel. For Panels  
8 established under Section 1B-4 for a district which had its  
9 financial plan rescinded by the ~~the~~ State Board for violating  
10 that plan as provided in Section 1A-8, the Panel shall have the  
11 following additional powers:

12 (a) As necessary to carry out its purposes when district  
13 resources are not readily available or appropriate for use by  
14 the Panel, the Panel may make and execute contracts, leases,  
15 subleases and all other instruments or agreements necessary or  
16 convenient for the exercise of the powers and functions granted  
17 by this Article.

18 (b) As necessary to carry out its purposes when district  
19 resources are not readily available or appropriate for use by  
20 the Panel, the Panel may purchase personal property necessary  
21 or convenient for its purposes; mortgage, pledge or otherwise  
22 grant security interests in such properties; and convey to the  
23 district such of its property as, in the judgment of the Panel,

1 is no longer necessary for its purposes.

2 (c) As necessary to carry out its purposes when district  
3 resources are not readily available or appropriate for use by  
4 the Panel, the Panel may appoint officers, agents, and  
5 employees of the Panel, define their duties and qualifications,  
6 and fix their compensation and employee benefits.

7 (d) In order to investigate allegations of or incidents of  
8 waste, fraud, or financial mismanagement which the Board is  
9 unable or unwilling to properly investigate as requested by the  
10 Panel, the Panel may appoint an Inspector General who shall  
11 have the authority to conduct investigations into such  
12 allegations or incidents. The Inspector General shall make  
13 recommendations to the Panel about its investigations. The  
14 Inspector General shall be independent of the operations of the  
15 Panel and the Board and perform other duties requested by the  
16 Panel. The Inspector General shall have access to all  
17 information and personnel necessary to perform the duties of  
18 the office. If the Inspector General determines that a possible  
19 criminal act has been committed or that special expertise is  
20 required in the investigation, he shall immediately notify the  
21 State's Attorney in the county in which the district is  
22 located. All investigations conducted by the Inspector General  
23 shall be conducted in a manner that ensures the preservation of  
24 evidence for use in criminal prosecutions. At all times the  
25 Inspector General shall be granted access to any building or  
26 facility that is owned, operated, or leased by the Panel or the

1 Board. The Inspector General shall have the power to subpoena  
2 witnesses and compel the production of books and papers  
3 pertinent to an investigation authorized by this Code. Any  
4 person who (1) fails to appear in response to a subpoena; (2)  
5 fails to answer any question; (3) fails to produce any books or  
6 papers pertinent to an investigation under this Code; or (4)  
7 knowingly gives false testimony during an investigation under  
8 this Code is guilty of a Class A misdemeanor. The Inspector  
9 General shall provide to the Panel and the State Board of  
10 Education a summary of reports and investigations made under  
11 this Section for the previous fiscal year no later than January  
12 1 of each year. The summaries shall detail the final  
13 disposition of those recommendations. The summaries shall not  
14 contain any confidential or identifying information concerning  
15 the subjects of the reports and investigations. The summaries  
16 shall also include detailed recommended administrative actions  
17 and matters for consideration by the State Board of Education  
18 or the General Assembly.

19 (e) No hiring or appointment of any person in any position  
20 by the Board, the superintendent, or any other officer or  
21 employee of the Board shall be made or entered into unless it  
22 is consistent with the Financial Plan and Budget in effect and  
23 the staffing plan approved by the Panel under this Section. The  
24 hiring or appointment of any person shall not be binding on the  
25 Board unless and until it is in compliance with this Section.  
26 The Board shall submit to the Panel for approval by the Panel a

1 staffing plan for the upcoming school year at the same time as  
2 the submission of the Budget, except that the staffing plan for  
3 the fiscal year ending in 1997 shall be submitted to the Panel  
4 within 90 days after the effective date of this amendatory Act  
5 of 1996. The staffing plan shall be accompanied by a cost  
6 analysis and such other information as the Panel may require.  
7 The Panel may prescribe standards, procedures, and forms for  
8 submission of the staffing plan. The Panel shall approve the  
9 staffing plan if the information required to be submitted is  
10 complete and the staffing plan is consistent with the Budget  
11 and Financial Plan in effect. Otherwise, the Panel shall reject  
12 the staffing plan. In the event of rejection, the Panel shall  
13 prescribe a procedure and standards for revision of the  
14 staffing plan. The Panel shall act on the staffing plan at the  
15 same time as the approval of the Budget, except that the  
16 staffing plan for the fiscal year ending in 1997 shall be acted  
17 upon within 60 days of the submission of the staffing plan by  
18 the Board. The Board shall report to the Panel, at such times  
19 and in such manner as the Panel may direct, concerning the  
20 Board's compliance with each staffing plan. The Panel may  
21 review the Board's operations, obtaining budgetary data and  
22 financial statements, may require the Board to produce reports,  
23 and shall have access to any other information in the  
24 possession of the Board that it deems relevant. The Panel may  
25 issue directives to the Board to assure compliance with the  
26 staffing plan, including the issuance of reduction in force

1 notices, non-renewal of employment contracts, or any other  
2 notices or actions required by contract or law. The Board shall  
3 produce such budgetary data, financial statements, reports,  
4 and other information and shall comply with such directives.  
5 After approval of each staffing plan, the Board shall regularly  
6 reexamine the estimates on which it was based and revise them  
7 as necessary. The Board shall promptly notify the Panel of any  
8 material change in the estimates in the staffing plan. The  
9 Board may submit to the Panel, or the Panel may require the  
10 Board to submit, modifications to the staffing plan based upon  
11 revised revenue or expenditure estimates or for any other good  
12 reason. The Panel shall approve or reject each modified  
13 staffing plan within 60 days of its submission in a manner  
14 similar to the provisions of this subsection for the approval  
15 or rejection of the initial staffing plan.

16 (f) The Panel shall examine the business records and audit  
17 the accounts of the Board or require that the Board examine its  
18 business records and audit its accounts at such time and in  
19 such manner as the Panel may prescribe. The Board shall appoint  
20 a certified public accountant annually, approved by the Panel,  
21 to audit its financial statements. The audit conducted pursuant  
22 to this paragraph shall be in lieu of the audit that the Board  
23 is required to undertake pursuant to Section 3-7.

24 (g) The Panel shall initiate and direct financial  
25 management assessments and similar analyses of the operations  
26 of the Board as may, in the judgment of the Panel, assure sound

1 and efficient financial management of the Board. Upon the  
2 completion of these assessments, the Panel shall give  
3 directives to the Board regarding improvements and changes that  
4 derive from these assessments, which the Board shall implement.  
5 In conjunction with its budgetary submission to the Panel for  
6 each fiscal year, the Board shall demonstrate to the  
7 satisfaction of the Panel that the directives of the Panel have  
8 been implemented in whole or in part or, in the alternative,  
9 are not capable of being implemented. In consideration of  
10 whether to approve or reject the budget for a fiscal year, the  
11 Panel shall adjudge whether the Board has fully considered and  
12 responsibly proposed implementation of the Panel's directives.

13 (h) The Panel shall initiate and direct a management audit  
14 of the Board at least once every 2 years. The audit shall  
15 review the personnel, organization, contracts, leases, and  
16 physical properties of the Board to determine whether the Board  
17 is managing and utilizing its resources in an economical and  
18 efficient manner. The audit shall determine the causes of any  
19 inefficiencies or uneconomical practices, including  
20 inadequacies in internal and administrative procedures,  
21 organizational structure, uses of resources, utilization of  
22 real property, allocation of personnel, purchasing policies,  
23 and equipment.

24 (i) In the event that the Board refuses or fails to follow  
25 a directive of the Panel to issue notices of non-renewal of  
26 contracts, to issue notices of reduction in force to employees,

1 to issue requests for bids or proposals, or to obtain financial  
2 or other information that the Panel finds necessary for the  
3 implementation of its responsibilities under this Article, the  
4 Panel may take such action in the name of the district, and  
5 such action shall be binding the same as if the action had been  
6 taken by the Board. The powers established by this paragraph do  
7 not authorize the Panel to enter into contracts in the name of  
8 the Board.

9 (j) The Panel shall meet with the Board or its designees in  
10 closed session prior to the Board commencing any collective  
11 bargaining negotiations to discuss the financial issues  
12 relevant to the bargaining and for the purpose of the Panel  
13 approving the budget limitations for the potential collective  
14 bargaining agreement. The Board shall not make or consider any  
15 proposal which does not comply with the collective bargaining  
16 budget approved by the Panel. The Board shall keep the Panel  
17 apprised as to the status of the bargaining. The Board shall  
18 present any proposed change in the approved collective  
19 bargaining budget to the Panel in closed session for approval.  
20 Prior to the Board taking a final vote on any tentative  
21 agreement approved by the employee organization, the Board  
22 shall discuss the tentative agreement with the Panel in closed  
23 session. Upon final approval of a collective bargaining  
24 agreement by both the Board and the employee organization, the  
25 Board shall submit the final collective bargaining agreement to  
26 the Panel for approval. At the same time that the Board submits



1 the final agreement to the Panel, the Board shall notify the  
2 employee organization that the final agreement has been  
3 submitted and the date of the Panel meeting at which the final  
4 agreement will be considered. The employee organization shall  
5 be provided an opportunity to discuss the final agreement with  
6 the Panel prior to the Panel taking action on the agreement. No  
7 collective bargaining agreement shall be binding upon the  
8 district unless the Board has followed the requirements of this  
9 paragraph and the final agreement has been approved by the  
10 Panel.

11 (k) The budget of the Panel or any revisions to the budget,  
12 including any costs to the Panel associated with the  
13 appointment of an Inspector General, shall be approved by the  
14 State Superintendent upon request of the Panel and after  
15 opportunity for response by the Board.

16 (Source: P.A. 89-572, eff. 7-30-96.)