

1 AN ACT relating to schools.

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

4 Section 5. The School Code is amended by changing  
5 Section 17-1 as follows:

6 (105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

7 Sec. 17-1. Annual Budget. The board of education of each  
8 school district under 500,000 inhabitants shall, within or  
9 before the first quarter of each fiscal year, adopt an annual  
10 budget which it deems necessary to defray all necessary  
11 expenses and liabilities of the district, and in this such  
12 annual budget shall specify the objects and purposes of each  
13 item and amount needed for each object or purpose.

14 The budget shall be entered upon a School District Budget  
15 form prepared and provided by the State Board of Education  
16 and therein shall contain a statement of the cash on hand at  
17 the beginning of the fiscal year, an estimate of the cash  
18 expected to be received during such fiscal year from all  
19 sources, an estimate of the expenditures contemplated for  
20 such fiscal year, and a statement of the estimated cash  
21 expected to be on hand at the end of such year. The estimate  
22 of taxes to be received may be based upon the amount of  
23 actual cash receipts that may reasonably be expected by the  
24 district during such fiscal year, estimated from the  
25 experience of the district in prior years and with due regard  
26 for other circumstances that may substantially affect such  
27 receipts. Nothing in this Section shall be construed as  
28 requiring any district to change or preventing any district  
29 from changing from a cash basis of financing to a surplus or  
30 deficit basis of financing; or as requiring any district to  
31 change or preventing any district from changing its system of

1 accounting.

2 The board of education of each district shall fix a  
3 fiscal year therefor. If the beginning of the fiscal year of  
4 a district is subsequent to the time that the tax levy due to  
5 be made in such fiscal year shall be made, then such annual  
6 budget shall be adopted prior to the time such tax levy shall  
7 be made. The failure by a board of education of any district  
8 to adopt an annual budget, or to comply in any respect with  
9 the provisions of this Section, shall not affect the validity  
10 of any tax levy of the district otherwise in conformity with  
11 the law. With respect to taxes levied either before, on, or  
12 after the effective date of this amendatory Act of the 91st  
13 General Assembly, (i) a tax levy is made for the fiscal year  
14 in which the levy is due to be made regardless of which  
15 fiscal year the proceeds of the levy are expended or are  
16 intended to be expended, and (ii) except as otherwise  
17 provided by law, a board of education's adoption of an annual  
18 budget in conformity with this Section is not a prerequisite  
19 to the adoption of a valid tax levy and is not a limit on the  
20 amount of the levy.

21 Such budget shall be prepared in tentative form by some  
22 person or persons designated by the board, and in such  
23 tentative form shall be made conveniently available to public  
24 inspection for at least 30 days prior to final action  
25 thereon. At least 1 public hearing shall be held as to such  
26 budget prior to final action thereon. Notice of availability  
27 for public inspection and of such public hearing shall be  
28 given by publication in a newspaper published in such  
29 district, at least 30 days prior to the time of such hearing.  
30 If there is no newspaper published in such district, notice  
31 of such public hearing shall be given by posting notices  
32 thereof in 5 of the most public places in such district. It  
33 shall be the duty of the secretary of such board to make such  
34 tentative budget available to public inspection, and to

1 arrange for such public hearing. The board may from time to  
2 time make transfers between the various items in any fund not  
3 exceeding in the aggregate 10% of the total of such fund as  
4 set forth in the budget. The board may from time to time  
5 amend such budget by the same procedure as is herein provided  
6 for its original adoption.

7 Beginning July 1, 1976, the board of education, or  
8 regional superintendent, or governing board responsible for  
9 the administration of a joint agreement shall, by September 1  
10 of each fiscal year thereafter, adopt an annual budget for  
11 the joint agreement in the same manner and subject to the  
12 same requirements as are provided in this Section.

13 The State Board of Education shall exercise powers and  
14 duties relating to budgets as provided in Section 2--3.27 of  
15 this Act.

16 By fiscal year 1982 all school districts shall use the  
17 Program Budget Accounting System.

18 In the case of a school district receiving emergency  
19 State financial assistance under Article 1B, the school board  
20 shall also be subject to the requirements established under  
21 Article 1B with respect to the annual budget.

22 (Source: P.A. 91-75, eff. 7-9-99.)