

HB3299



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB3299

Introduced 2/22/2005, by Rep. Tom Cross

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.

LRB094 07224 RAS 37379 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9 financial plan rescinded by the ~~the~~ State Board for violating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,
24 is no longer necessary for its purposes.

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

30 (d) In order to investigate allegations of or incidents of
31 waste, fraud, or financial mismanagement which the Board is
32 unable or unwilling to properly investigate as requested by the

1 Panel, the Panel may appoint an Inspector General who shall
2 have the authority to conduct investigations into such
3 allegations or incidents. The Inspector General shall make
4 recommendations to the Panel about its investigations. The
5 Inspector General shall be independent of the operations of the
6 Panel and the Board and perform other duties requested by the
7 Panel. The Inspector General shall have access to all
8 information and personnel necessary to perform the duties of
9 the office. If the Inspector General determines that a possible
10 criminal act has been committed or that special expertise is
11 required in the investigation, he shall immediately notify the
12 State's Attorney in the county in which the district is
13 located. All investigations conducted by the Inspector General
14 shall be conducted in a manner that ensures the preservation of
15 evidence for use in criminal prosecutions. At all times the
16 Inspector General shall be granted access to any building or
17 facility that is owned, operated, or leased by the Panel or the
18 Board. The Inspector General shall have the power to subpoena
19 witnesses and compel the production of books and papers
20 pertinent to an investigation authorized by this Code. Any
21 person who (1) fails to appear in response to a subpoena; (2)
22 fails to answer any question; (3) fails to produce any books or
23 papers pertinent to an investigation under this Code; or (4)
24 knowingly gives false testimony during an investigation under
25 this Code is guilty of a Class A misdemeanor. The Inspector
26 General shall provide to the Panel and the State Board of
27 Education a summary of reports and investigations made under
28 this Section for the previous fiscal year no later than January
29 1 of each year. The summaries shall detail the final
30 disposition of those recommendations. The summaries shall not
31 contain any confidential or identifying information concerning
32 the subjects of the reports and investigations. The summaries
33 shall also include detailed recommended administrative actions
34 and matters for consideration by the State Board of Education
35 or the General Assembly.

36 (e) No hiring or appointment of any person in any position

1 by the Board, the superintendent, or any other officer or
2 employee of the Board shall be made or entered into unless it
3 is consistent with the Financial Plan and Budget in effect and
4 the staffing plan approved by the Panel under this Section. The
5 hiring or appointment of any person shall not be binding on the
6 Board unless and until it is in compliance with this Section.
7 The Board shall submit to the Panel for approval by the Panel a
8 staffing plan for the upcoming school year at the same time as
9 the submission of the Budget, except that the staffing plan for
10 the fiscal year ending in 1997 shall be submitted to the Panel
11 within 90 days after the effective date of this amendatory Act
12 of 1996. The staffing plan shall be accompanied by a cost
13 analysis and such other information as the Panel may require.
14 The Panel may prescribe standards, procedures, and forms for
15 submission of the staffing plan. The Panel shall approve the
16 staffing plan if the information required to be submitted is
17 complete and the staffing plan is consistent with the Budget
18 and Financial Plan in effect. Otherwise, the Panel shall reject
19 the staffing plan. In the event of rejection, the Panel shall
20 prescribe a procedure and standards for revision of the
21 staffing plan. The Panel shall act on the staffing plan at the
22 same time as the approval of the Budget, except that the
23 staffing plan for the fiscal year ending in 1997 shall be acted
24 upon within 60 days of the submission of the staffing plan by
25 the Board. The Board shall report to the Panel, at such times
26 and in such manner as the Panel may direct, concerning the
27 Board's compliance with each staffing plan. The Panel may
28 review the Board's operations, obtaining budgetary data and
29 financial statements, may require the Board to produce reports,
30 and shall have access to any other information in the
31 possession of the Board that it deems relevant. The Panel may
32 issue directives to the Board to assure compliance with the
33 staffing plan, including the issuance of reduction in force
34 notices, non-renewal of employment contracts, or any other
35 notices or actions required by contract or law. The Board shall
36 produce such budgetary data, financial statements, reports,

1 and other information and shall comply with such directives.
2 After approval of each staffing plan, the Board shall regularly
3 reexamine the estimates on which it was based and revise them
4 as necessary. The Board shall promptly notify the Panel of any
5 material change in the estimates in the staffing plan. The
6 Board may submit to the Panel, or the Panel may require the
7 Board to submit, modifications to the staffing plan based upon
8 revised revenue or expenditure estimates or for any other good
9 reason. The Panel shall approve or reject each modified
10 staffing plan within 60 days of its submission in a manner
11 similar to the provisions of this subsection for the approval
12 or rejection of the initial staffing plan.

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

21 (g) The Panel shall initiate and direct financial
22 management assessments and similar analyses of the operations
23 of the Board as may, in the judgment of the Panel, assure sound
24 and efficient financial management of the Board. Upon the
25 completion of these assessments, the Panel shall give
26 directives to the Board regarding improvements and changes that
27 derive from these assessments, which the Board shall implement.
28 In conjunction with its budgetary submission to the Panel for
29 each fiscal year, the Board shall demonstrate to the
30 satisfaction of the Panel that the directives of the Panel have
31 been implemented in whole or in part or, in the alternative,
32 are not capable of being implemented. In consideration of
33 whether to approve or reject the budget for a fiscal year, the
34 Panel shall adjudge whether the Board has fully considered and
35 responsibly proposed implementation of the Panel's directives.

36 (h) The Panel shall initiate and direct a management audit

1 of the Board at least once every 2 years. The audit shall
2 review the personnel, organization, contracts, leases, and
3 physical properties of the Board to determine whether the Board
4 is managing and utilizing its resources in an economical and
5 efficient manner. The audit shall determine the causes of any
6 inefficiencies or uneconomical practices, including
7 inadequacies in internal and administrative procedures,
8 organizational structure, uses of resources, utilization of
9 real property, allocation of personnel, purchasing policies,
10 and equipment.

11 (i) In the event that the Board refuses or fails to follow
12 a directive of the Panel to issue notices of non-renewal of
13 contracts, to issue notices of reduction in force to employees,
14 to issue requests for bids or proposals, or to obtain financial
15 or other information that the Panel finds necessary for the
16 implementation of its responsibilities under this Article, the
17 Panel may take such action in the name of the district, and
18 such action shall be binding the same as if the action had been
19 taken by the Board. The powers established by this paragraph do
20 not authorize the Panel to enter into contracts in the name of
21 the Board.

22 (j) The Panel shall meet with the Board or its designees in
23 closed session prior to the Board commencing any collective
24 bargaining negotiations to discuss the financial issues
25 relevant to the bargaining and for the purpose of the Panel
26 approving the budget limitations for the potential collective
27 bargaining agreement. The Board shall not make or consider any
28 proposal which does not comply with the collective bargaining
29 budget approved by the Panel. The Board shall keep the Panel
30 apprised as to the status of the bargaining. The Board shall
31 present any proposed change in the approved collective
32 bargaining budget to the Panel in closed session for approval.
33 Prior to the Board taking a final vote on any tentative
34 agreement approved by the employee organization, the Board
35 shall discuss the tentative agreement with the Panel in closed
36 session. Upon final approval of a collective bargaining

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

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

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