



Sen. Kimberly A. Lightford

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09700HB1466sam003

LRB097 06297 NHT 69240 a

1 AMENDMENT TO HOUSE BILL 1466

2 AMENDMENT NO. _____. Amend House Bill 1466, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The School Code is amended by changing Sections
6 1B-5 and 1H-20 and by adding Sections 1B-5.5 and 1H-117 as
7 follows:

8 (105 ILCS 5/1B-5) (from Ch. 122, par. 1B-5)

9 Sec. 1B-5. When a petition for emergency financial
10 assistance for a school district is allowed by the State Board
11 under Section 1B-4, the State Superintendent shall within 10
12 days thereafter appoint 3 members to serve at the State
13 Superintendent's pleasure on a Financial Oversight Panel for
14 the district. The State Superintendent shall designate one of
15 the members of the Panel to serve as its Chairman. In the event
16 of vacancy or resignation the State Superintendent shall

1 appoint a successor within 10 days of receiving notice thereof.

2 Members of the Panel shall be selected primarily on the
3 basis of their experience and education in financial
4 management, with consideration given to persons knowledgeable
5 in education finance. A member of the Panel may not be a board
6 member or employee of the district for which the Panel is
7 constituted, nor may a member have a direct financial interest
8 in that district.

9 A board may petition the State Superintendent for the
10 removal, replacement, or reassignment of any member of a Panel.
11 The State Superintendent shall grant such a petition if a Panel
12 has been established for the district for at least 3 years or
13 if the State Superintendent determines that granting the
14 petition is in the best interests of the district. If the
15 petition is granted, the State Superintendent shall remove,
16 replace, or reassign the Panel member within 60 days.

17 Panel members shall serve without compensation, but may be
18 reimbursed for travel and other necessary expenses incurred in
19 the performance of their official duties by the State Board.
20 The amount reimbursed Panel members for their expenses shall be
21 charged to the school district as part of any emergency
22 financial assistance and incorporated as a part of the terms
23 and conditions for repayment of such assistance or shall be
24 deducted from the district's general State aid as provided in
25 Section 1B-8.

26 The first meeting of the Panel shall be held at the call of

1 the Chairman. The Panel may elect such other officers as it
2 deems appropriate. The Panel shall prescribe the times and
3 places for its meetings and the manner in which regular and
4 special meetings may be called, and shall comply with the Open
5 Meetings Act.

6 Two members of the Panel shall constitute a quorum, and the
7 affirmative vote of 2 members shall be necessary for any
8 decision or action to be taken by the Panel.

9 The Panel and the State Superintendent shall cooperate with
10 each other in the exercise of their respective powers. The
11 Panel shall report not later than September 1 annually to the
12 State Board and the State Superintendent with respect to its
13 activities and the condition of the school district for the
14 previous fiscal year.

15 Any Financial Oversight Panel established under this
16 Article shall remain in existence for not less than 2 3 years
17 nor more than 10 years from the date the State Board grants the
18 petition under Section 1B-4. In addition to the right to
19 dissolution set forth in Section 1B-5.5 of this Code, if ~~If~~
20 after 3 years the school district has repaid all of its
21 obligations resulting from emergency State financial
22 assistance provided under this Article and has improved its
23 financial situation, the board of education may, not more
24 frequently than once in any 12 month period, petition the State
25 Board to dissolve the Financial Oversight Panel, terminate the
26 oversight responsibility, and remove the district's

1 certification under Section 1A-8 as a district in financial
2 difficulty. In acting on such a petition the State Board shall
3 give additional weight to the recommendations of the State
4 Superintendent and the Financial Oversight Panel.

5 (Source: P.A. 88-618, eff. 9-9-94.)

6 (105 ILCS 5/1B-5.5 new)

7 Sec. 1B-5.5. Right to dissolution. A Panel established
8 pursuant to a petition from a board shall be dissolved by the
9 State Board following the State Board's receipt of a petition
10 from the board certifying that the following requirements have
11 been satisfied for at least 2 consecutive fiscal years:

12 (1) The district has maintained a budget that has been
13 balanced in accordance with the accounting system and
14 procedure prescribed by the Panel.

15 (2) The Panel has approved the financial plan submitted
16 from the district.

17 (3) The district has received a clean or unqualified
18 opinion from the auditor conducting the annual audit
19 required under this Article.

20 (4) The State Board has placed the district in its
21 highest financial category.

22 Any outstanding obligations that resulted from emergency
23 State financial assistance provided under this Article must be
24 repaid by the board prior to or upon the dissolution of the
25 Panel.

1 (105 ILCS 5/1H-20)

2 Sec. 1H-20. Members of Panel; meetings.

3 (a) Upon establishment of a Financial Oversight Panel under
4 Section 1H-15 of this Code, the State Superintendent shall
5 within 15 working days thereafter appoint 5 members to serve on
6 a Financial Oversight Panel for the district. Members appointed
7 to the Panel shall serve at the pleasure of the State
8 Superintendent. The State Superintendent shall designate one
9 of the members of the Panel to serve as its Chairperson. In the
10 event of vacancy or resignation, the State Superintendent
11 shall, within 10 days after receiving notice, appoint a
12 successor to serve out that member's term.

13 (b) Members of the Panel shall be selected primarily on the
14 basis of their experience and education in financial
15 management, with consideration given to persons knowledgeable
16 in education finance. Two members of the Panel shall be
17 residents of the school district that the Panel serves. A
18 member of the Panel may not be a member of the district's
19 school board or an employee of the district nor may a member
20 have a direct financial interest in the district.

21 (b-5) A board of education for a district may petition the
22 State Superintendent for the removal, replacement, or
23 reassignment of any member of a Panel. The State Superintendent
24 shall grant such a petition if a Panel has been established for
25 the district for at least 3 years or if the State

1 Superintendent determines that granting the petition is in the
2 best interests of the district. If the petition is granted, the
3 State Superintendent shall remove, replace, or reassign the
4 Panel member within 60 days.

5 (c) Panel members may be reimbursed by the State Board for
6 travel and other necessary expenses incurred in the performance
7 of their official duties. The amount reimbursed members for
8 their expenses shall be charged to the school district as part
9 of any emergency financial assistance and incorporated as a
10 part of the terms and conditions for repayment of the
11 assistance or shall be deducted from the district's general
12 State aid as provided in Section 1H-65 of this Code.

13 (d) With the exception of the chairperson, who shall be
14 designated as provided in subsection (a) of this Section, the
15 Panel may elect such officers as it deems appropriate.

16 (e) The first meeting of the Panel shall be held at the
17 call of the Chairperson. The Panel shall prescribe the times
18 and places for its meetings and the manner in which regular and
19 special meetings may be called and shall comply with the Open
20 Meetings Act. The Panel shall also comply with the Freedom of
21 Information Act.

22 (f) Three members of the Panel shall constitute a quorum. A
23 majority of members present is required to pass a measure.

24 (Source: P.A. 97-429, eff. 8-16-11.)

1 Sec. 1H-117. Right to dissolution. A Panel established
2 pursuant to a petition from a board of education shall be
3 dissolved by the State Board following the State Board's
4 receipt of a petition from the board of education certifying
5 that the following requirements have been satisfied for at
6 least 2 consecutive fiscal years:

7 (1) the district has maintained a budget that has been
8 balanced in accordance with the accounting system and
9 procedure prescribed by the Panel;

10 (2) the Panel has approved the financial plan submitted
11 from the district;

12 (3) the district has received a clean or unqualified
13 opinion from the auditor conducting the annual audit
14 required under this Article; and

15 (4) the State Board has placed the district in its
16 highest financial category.

17 Any outstanding obligations must be repaid by the board of
18 education prior to or upon the dissolution of the Panel.

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