

1 AN ACT concerning finance.

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

4 Section 5. The Public Community College Act is amended by
5 changing Section 2-15 as follows:

6 (110 ILCS 805/2-15) (from Ch. 122, par. 102-15)

7 Sec. 2-15. Recognition. The State Board shall grant
8 recognition to community colleges which maintain equipment,
9 courses of study, standards of scholarship and other
10 requirements set by the State Board. Application for
11 recognition shall be made to the State Board. The State Board
12 shall set the criteria by which the community colleges shall be
13 judged and through the executive officer of the State Board
14 shall arrange for an official evaluation of the community
15 colleges and shall grant recognition of such community colleges
16 as may meet the required standards.

17 Recognition shall include regular peer audits of the
18 finances and operations of community colleges. Every community
19 college shall be subject to a peer audit every 5 years. The
20 peer audit shall review compliance with all applicable State
21 laws, including, but not limited to: laws regarding
22 transparency; contract formation, renewal, extension, or
23 termination; bonus payments; and Open Meetings Act

1 requirements.

2 If a community college district fails to meet the
3 recognition standards set by the State Board, and if the
4 district, in accordance with: (a) Government Auditing
5 Standards issued by the Comptroller General of the United
6 States, (b) auditing standards established by the American
7 Institute of Certified Public Accountants, or (c) other
8 applicable State and federal standards, is found by the
9 district's auditor or the State Board working in cooperation
10 with the district's auditor to have material deficiencies in
11 the design or operation of financial control structures that
12 could adversely affect the district's financial integrity and
13 stability, or is found to have misused State or federal funds
14 and jeopardized its participation in State or federal programs,
15 the State Board may, notwithstanding any laws to the contrary,
16 implement one or more of the following emergency powers:

17 (1) To direct the district to develop and implement a plan
18 that addresses the budgetary, programmatic, and other relevant
19 factors contributing to the need to implement emergency
20 measures. The State Board shall assist in the development and
21 shall have final approval of the plan.

22 (2) To direct the district to contract for educational
23 services in accordance with Section 3-40. The State Board shall
24 assist in the development and shall have final approval of any
25 such contractual agreements.

26 (3) To approve and require revisions of the district's

1 budget.

2 (4) To appoint a Financial Administrator to exercise
3 oversight and control over the district's budget. The Financial
4 Administrator shall serve at the pleasure of the State Board
5 and may be an individual, partnership, corporation, including
6 an accounting firm, or other entity determined by the State
7 Board to be qualified to serve, and shall be entitled to
8 compensation. Such compensation shall be provided through
9 specific appropriations made to the State Board for that
10 express purpose.

11 (5) To develop and implement a plan providing for the
12 dissolution or reorganization of the district if in the
13 judgement of the State Board the circumstances so require.

14 (Source: P.A. 89-147, eff. 7-14-95.)