



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2790

Introduced 2/17/2016, by Sen. Gary Forby

SYNOPSIS AS INTRODUCED:

30 ILCS 605/1.02	from Ch. 127, par. 133b3
110 ILCS 520/7	from Ch. 144, par. 657
110 ILCS 520/8	from Ch. 144, par. 658

Amends the State Property Control Act and the Southern Illinois University Management Act. Allows the Board of Trustees of Southern Illinois University to sell, lease, or otherwise transfer and convey all or part of real estate deemed by the Board to be surplus real estate, together with the improvements situated thereon, to a bona fide purchaser for value without compliance with the State Property Control Act and on such terms as the Board shall determine are in the best interests of the University and consistent with the University's objects and purposes. Allows the Board to retain the proceeds from the sale, lease, or other transfer of all or any part of the real estate deemed surplus real estate and the improvements situated thereon in the University treasury in a separate student scholarship fund account that the Auditor General shall examine to ensure the use or deposit of those proceeds in a manner consistent with the purposes of that student scholarship fund account. Effective immediately.

LRB099 18779 NHT 43163 b

FISCAL NOTE ACT
MAY APPLY

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 State Property Control Act is amended by
5 changing Section 1.02 as follows:

6 (30 ILCS 605/1.02) (from Ch. 127, par. 133b3)

7 Sec. 1.02. "Property" means State owned property and
8 includes all real estate, with the exception of rights of way
9 for State water resource and highway improvements, traffic
10 signs and traffic signals, and with the exception of common
11 school property; and all tangible personal property with the
12 exception of properties specifically exempted by the
13 administrator, provided that any property originally
14 classified as real property which has been detached from its
15 structure shall be classified as personal property.

16 "Property" does not include property owned by the Illinois
17 Medical District Commission and leased or occupied by others
18 for purposes permitted under the Illinois Medical District Act.

19 "Property" also does not include property owned and held by the
20 Illinois Medical District Commission for redevelopment.

21 "Property" does not include property described under
22 Section 5 of Public Act 92-371 with respect to depositing the
23 net proceeds from the sale or exchange of the property as

1 provided in Section 10 of that Act.

2 "Property" does not include that property described under
3 Section 5 of Public Act 94-405.

4 "Property" does not include real property owned or operated
5 by the Illinois Power Agency or any electricity generated on
6 that real property or by the Agency. For purposes of this
7 subsection only, "real property" includes any interest in land,
8 all buildings and improvements located thereon, and all
9 fixtures and equipment used or designed for the production and
10 transmission of electricity located thereon.

11 "Property" does not include real estate that the Board of
12 Trustees of Southern Illinois University has deemed surplus
13 real estate under item 12.5 of Section 8 of the Southern
14 Illinois University Management Act or the improvements
15 situated on that real estate.

16 (Source: P.A. 94-405, eff. 8-2-05; 95-331, eff. 8-21-07;
17 95-481, eff. 8-28-07.)

18 Section 10. The Southern Illinois University Management
19 Act is amended by changing Sections 7 and 8 as follows:

20 (110 ILCS 520/7) (from Ch. 144, par. 657)

21 Sec. 7. The Board shall have power to enter into contracts,
22 to sue and be sued, provided that any suit against the Board
23 based upon a claim sounding in tort must be filed in the Court
24 of Claims, to acquire, hold and convey real property as it

1 shall deem appropriate and personal property in accordance with
2 the State Property Control Act, except as otherwise provided in
3 item 12.5 of Section 8 of this Act, and to expend the funds
4 appropriated to the University; provided that the Board in the
5 exercise of the powers conferred by this Act shall not create
6 any liability or indebtedness of funds from the Treasury of the
7 State in excess of the funds appropriated to the University.

8 Any lease to the Board of lands, buildings or facilities
9 which will support scientific research and development in such
10 areas as high technology, super computing, microelectronics,
11 biotechnology, robotics, physics and engineering shall be for a
12 term not to exceed 18 years, and may grant to the Board the
13 option to purchase the lands, buildings or facilities. The
14 lease shall recite that it is subject to termination and
15 cancellation in any year for which the General Assembly fails
16 to make an appropriation to pay the rent payable under the
17 terms of the lease.

18 Leases for the purposes described herein exceeding 5 years
19 shall have the approval of the Illinois Board of Higher
20 Education.

21 The Board's power to enter into contracts includes but is
22 not limited to the power to enter into contracts with
23 municipalities within which the university or any branch
24 thereof is located, in whole or in part, for such municipality
25 to provide fire protection or other essential municipal
26 services upon properties leased to for-profit entities the

1 title to which properties is held by the Board.

2 (Source: P.A. 84-780.)

3 (110 ILCS 520/8) (from Ch. 144, par. 658)

4 Sec. 8. Powers and Duties of the Board. The Board shall
5 have power and it shall be its duty:

6 1. To make rules, regulations and by-laws, not
7 inconsistent with law, for the government and management of
8 Southern Illinois University and its branches.

9 2. To employ, and, for good cause, to remove a
10 president of Southern Illinois University, and all
11 necessary deans, professors, associate professors,
12 assistant professors, instructors, and other educational
13 and administrative assistants, and all other necessary
14 employees, and contract with them upon matters relating to
15 tenure, salaries and retirement benefits in accordance
16 with the State Universities Civil Service Act; the Board
17 shall, upon the written request of an employee of Southern
18 Illinois University, withhold from the compensation of
19 that employee any dues, payments or contributions payable
20 by such employee to any labor organization as defined in
21 the Illinois Educational Labor Relations Act. Under such
22 arrangement, an amount shall be withheld from each regular
23 payroll period which is equal to the pro rata share of the
24 annual dues plus any payments or contributions, and the
25 Board shall transmit such withholdings to the specified

1 labor organization within 10 working days from the time of
2 the withholding. Whenever the Board establishes a search
3 committee to fill the position of president of Southern
4 Illinois University, there shall be minority
5 representation, including women, on that search committee.

6 3. To prescribe the course of study to be followed, and
7 textbooks and apparatus to be used at Southern Illinois
8 University.

9 4. To issue upon the recommendation of the faculty,
10 diplomas to such persons as have satisfactorily completed
11 the required studies of Southern Illinois University, and
12 confer such professional and literary degrees as are
13 usually conferred by other institutions of like character
14 for similar or equivalent courses of study, or such as the
15 Board may deem appropriate.

16 5. To examine into the conditions, management, and
17 administration of Southern Illinois University, to provide
18 the requisite buildings, apparatus, equipment and
19 auxiliary enterprises, and to fix and collect
20 matriculation fees; tuition fees; fees for student
21 activities; fees for student facilities such as student
22 union buildings or field houses or stadium or other
23 recreational facilities; student welfare fees; laboratory
24 fees and similar fees for supplies and material.

25 6. To succeed to and to administer all trusts, trust
26 property, and gifts now or hereafter belonging or

1 pertaining to Southern Illinois University.

2 7. To accept endowments of professorships or
3 departments in the University from any person who may
4 proffer them and, at regular meetings, to prescribe rules
5 and regulations in relation to endowments and declare on
6 what general principles they may be accepted.

7 8. To enter into contracts with the Federal government
8 for providing courses of instruction and other services at
9 Southern Illinois University for persons serving in or with
10 the military or naval forces of the United States, and to
11 provide such courses of instruction and other services.

12 9. To provide for the receipt and expenditures of
13 Federal funds, paid to the Southern Illinois University by
14 the Federal government for instruction and other services
15 for persons serving in or with the military or naval forces
16 of the United States and to provide for audits of such
17 funds.

18 10. To appoint, subject to the applicable civil service
19 law, persons to be members of the Southern Illinois
20 University Police Department. Members of the Police
21 Department shall be conservators of the peace and as such
22 have all powers possessed by policemen in cities, and
23 sheriffs, including the power to make arrests on view or
24 warrants of violations of state statutes, university rules
25 and regulations and city or county ordinances, except that
26 they may exercise such powers only within counties wherein

1 the university and any of its branches or properties are
2 located when such is required for the protection of
3 university properties and interests, and its students and
4 personnel, and otherwise, within such counties, when
5 requested by appropriate State or local law enforcement
6 officials. However, such officers shall have no power to
7 serve and execute civil processes.

8 The Board must authorize to each member of the Southern
9 Illinois University Police Department and to any other
10 employee of Southern Illinois University exercising the
11 powers of a peace officer a distinct badge that, on its
12 face, (i) clearly states that the badge is authorized by
13 Southern Illinois University and (ii) contains a unique
14 identifying number. No other badge shall be authorized by
15 Southern Illinois University.

16 10.5. To conduct health care programs in furtherance of
17 its teaching, research, and public service functions,
18 which shall include without limitation patient and
19 ancillary facilities, institutes, clinics, or offices
20 owned, leased, or purchased through an equity interest by
21 the Board or its appointed designee to carry out such
22 activities in the course of or in support of the Board's
23 academic, clinical, and public service responsibilities.

24 11. To administer a plan or plans established by the
25 clinical faculty of the School of Medicine for the billing,
26 collection and disbursement of charges for services

1 performed in the course of or in support of the faculty's
2 academic responsibilities, provided that such plan has
3 been first approved by Board action. All such collections
4 shall be deposited into a special fund or funds
5 administered by the Board from which disbursements may be
6 made according to the provisions of said plan. The
7 reasonable costs incurred, by the University,
8 administering the billing, collection and disbursement
9 provisions of a plan shall have first priority for payment
10 before distribution or disbursement for any other purpose.
11 Audited financial statements of the plan or plans must be
12 provided to the Legislative Audit Commission annually.

13 The Board of Trustees may own, operate, or govern, by
14 or through the School of Medicine, a managed care community
15 network established under subsection (b) of Section 5-11 of
16 the Illinois Public Aid Code.

17 12. The Board of Trustees may, directly or in
18 cooperation with other institutions of higher education,
19 acquire by purchase or lease or otherwise, and construct,
20 enlarge, improve, equip, complete, operate, control and
21 manage medical research and high technology parks,
22 together with the necessary lands, buildings, facilities,
23 equipment, and personal property therefor, to encourage
24 and facilitate (a) the location and development of business
25 and industry in the State of Illinois, and (b) the
26 increased application and development of technology and

1 (c) the improvement and development of the State's economy.
2 The Board of Trustees may lease to nonprofit corporations
3 all or any part of the land, buildings, facilities,
4 equipment or other property included in a medical research
5 and high technology park upon such terms and conditions as
6 the Board of Trustees may deem advisable and enter into any
7 contract or agreement with such nonprofit corporations as
8 may be necessary or suitable for the construction,
9 financing, operation and maintenance and management of any
10 such park; and may lease to any person, firm, partnership
11 or corporation, either public or private, any part or all
12 of the land, building, facilities, equipment or other
13 property of such park for such purposes and upon such
14 rentals, terms and conditions as the Board of Trustees may
15 deem advisable; and may finance all or part of the cost of
16 any such park, including the purchase, lease,
17 construction, reconstruction, improvement, remodeling,
18 addition to, and extension and maintenance of all or part
19 of such high technology park, and all equipment and
20 furnishings, by legislative appropriations, government
21 grants, contracts, private gifts, loans, receipts from the
22 operation of such high technology park, rentals and similar
23 receipts; and may make its other facilities and services
24 available to tenants or other occupants of any such park at
25 rates which are reasonable and appropriate.

26 12.5. To assist in the provision of lands, buildings,

1 and facilities that are supportive of the University's
2 purposes and suitable and appropriate for the conduct and
3 operation of the University's education programs as
4 follows:

5 A. The Board may sell, lease, or otherwise transfer
6 and convey all or part of real estate deemed by the
7 Board to be surplus real estate, together with the
8 improvements situated thereon, to a bona fide
9 purchaser for value without compliance with the State
10 Property Control Act and on such terms as the Board
11 shall determine are in the best interests of the
12 University and consistent with the University's
13 objects and purposes.

14 B. The Board may retain the proceeds from the sale,
15 lease, or other transfer of all or any part of the real
16 estate deemed surplus real estate under clause (A) of
17 this item 12.5 and the improvements situated thereon in
18 the University treasury in a separate student
19 scholarship fund account that the Auditor General
20 shall examine to ensure the use or deposit of those
21 proceeds in a manner consistent with the purposes of
22 that student scholarship fund account.

23 13. To borrow money, as necessary, from time to time in
24 anticipation of receiving tuition, payments from the State
25 of Illinois, or other revenues or receipts of the
26 University, also known as anticipated moneys. The

1 borrowing limit shall be capped at 100% of the total amount
2 of payroll and other expense vouchers submitted and payable
3 to the University for fiscal year 2010 expenses, but unpaid
4 by the State Comptroller's office. Prior to borrowing any
5 funds, the University shall request from the Comptroller's
6 office a verification of the borrowing limit and shall
7 include the estimated date on which such borrowing shall
8 occur. The borrowing limit cap shall be verified by the
9 State Comptroller's office not prior to 45 days before any
10 estimated date for executing any promissory note or line of
11 credit established under this item 13. The principal amount
12 borrowed under a promissory note or line of credit shall
13 not exceed 75% of the borrowing limit. Within 15 days after
14 borrowing funds under any promissory note or line of credit
15 established under this item 13, the University shall submit
16 to the Governor's Office of Management and Budget, the
17 Speaker of the House of Representatives, the Minority
18 Leader of the House of Representatives, the President of
19 the Senate, and the Minority Leader of the Senate an
20 Emergency Short Term Cash Management Plan. The Emergency
21 Short Term Cash Management Plan shall outline the amount
22 borrowed, the terms for repayment, the amount of
23 outstanding State vouchers as verified by the State
24 Comptroller's office, and the University's plan for
25 expenditure of any borrowed funds, including, but not
26 limited to, a detailed plan to meet payroll obligations to

1 include collective bargaining employees, civil service
2 employees, and academic, research, and health care
3 personnel. The establishment of any promissory note or line
4 of credit established under this item 13 must be finalized
5 within 90 days after the effective date of this amendatory
6 Act of the 96th General Assembly. The borrowed moneys shall
7 be applied to the purposes of paying salaries and other
8 expenses lawfully authorized in the University's State
9 appropriation and unpaid by the State Comptroller. Any line
10 of credit established under this item 13 shall be paid in
11 full one year after creation or within 10 days after the
12 date the University receives reimbursement from the State
13 for all submitted fiscal year 2010 vouchers, whichever is
14 earlier. Any promissory note established under this item 13
15 shall be repaid within one year after issuance of the note.
16 The Chairman, Comptroller, or Treasurer of the Board shall
17 execute a promissory note or similar debt instrument to
18 evidence the indebtedness incurred by the borrowing. In
19 connection with a borrowing, the Board may establish a line
20 of credit with a financial institution, investment bank, or
21 broker/dealer. The obligation to make the payments due
22 under any promissory note or line of credit established
23 under this item 13 shall be a lawful obligation of the
24 University payable from the anticipated moneys. Any
25 borrowing under this item 13 shall not constitute a debt,
26 legal or moral, of the State and shall not be enforceable

1 against the State. The promissory note or line of credit
2 shall be authorized by a resolution passed by the Board and
3 shall be valid whether or not a budgeted item with respect
4 to that resolution is included in any annual or
5 supplemental budget adopted by the Board. The resolution
6 shall set forth facts demonstrating the need for the
7 borrowing, state an amount that the amount to be borrowed
8 will not exceed, and establish a maximum interest rate
9 limit not to exceed the maximum rate authorized by the Bond
10 Authorization Act or 9%, whichever is less. The resolution
11 may direct the Comptroller or Treasurer of the Board to
12 make arrangements to set apart and hold the portion of the
13 anticipated moneys, as received, that shall be used to
14 repay the borrowing, subject to any prior pledges or
15 restrictions with respect to the anticipated moneys. The
16 resolution may also authorize the Treasurer of the Board to
17 make partial repayments of the borrowing as the anticipated
18 moneys become available and may contain any other terms,
19 restrictions, or limitations not inconsistent with the
20 powers of the Board.

21 For the purposes of this item 13, "financial
22 institution" means any bank subject to the Illinois Banking
23 Act, any savings and loan association subject to the
24 Illinois Savings and Loan Act of 1985, and any federally
25 chartered commercial bank or savings and loan association
26 or government-sponsored enterprise organized and operated

1 in this State pursuant to the laws of the United States.

2 The powers of the Board as herein designated are subject to
3 the Board of Higher Education Act.

4 (Source: P.A. 96-909, eff. 6-8-10; 97-333, eff. 8-12-11.)

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.