

HB1257



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB1257

by Rep. Michael J. Madigan

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.

LRB100 02965 NHT 12970 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9 financial plan rescinded by the ~~the~~ State Board for violating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,

1 is no longer necessary for its purposes.

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

7 (d) In order to investigate allegations of or incidents of
8 waste, fraud, or financial mismanagement which the Board is
9 unable or unwilling to properly investigate as requested by the
10 Panel, the Panel may appoint an Inspector General who shall
11 have the authority to conduct investigations into such
12 allegations or incidents. The Inspector General shall make
13 recommendations to the Panel about its investigations. The
14 Inspector General shall be independent of the operations of the
15 Panel and the Board and perform other duties requested by the
16 Panel. The Inspector General shall have access to all
17 information and personnel necessary to perform the duties of
18 the office. If the Inspector General determines that a possible
19 criminal act has been committed or that special expertise is
20 required in the investigation, he shall immediately notify the
21 State's Attorney in the county in which the district is
22 located. All investigations conducted by the Inspector General
23 shall be conducted in a manner that ensures the preservation of
24 evidence for use in criminal prosecutions. At all times the
25 Inspector General shall be granted access to any building or
26 facility that is owned, operated, or leased by the Panel or the

1 Board. The Inspector General shall have the power to subpoena
2 witnesses and compel the production of books and papers
3 pertinent to an investigation authorized by this Code. Any
4 person who (1) fails to appear in response to a subpoena; (2)
5 fails to answer any question; (3) fails to produce any books or
6 papers pertinent to an investigation under this Code; or (4)
7 knowingly gives false testimony during an investigation under
8 this Code is guilty of a Class A misdemeanor. The Inspector
9 General shall provide to the Panel and the State Board of
10 Education a summary of reports and investigations made under
11 this Section for the previous fiscal year no later than January
12 1 of each year. The summaries shall detail the final
13 disposition of those recommendations. The summaries shall not
14 contain any confidential or identifying information concerning
15 the subjects of the reports and investigations. The summaries
16 shall also include detailed recommended administrative actions
17 and matters for consideration by the State Board of Education
18 or the General Assembly.

19 (e) No hiring or appointment of any person in any position
20 by the Board, the superintendent, or any other officer or
21 employee of the Board shall be made or entered into unless it
22 is consistent with the Financial Plan and Budget in effect and
23 the staffing plan approved by the Panel under this Section. The
24 hiring or appointment of any person shall not be binding on the
25 Board unless and until it is in compliance with this Section.
26 The Board shall submit to the Panel for approval by the Panel a

1 staffing plan for the upcoming school year at the same time as
2 the submission of the Budget, except that the staffing plan for
3 the fiscal year ending in 1997 shall be submitted to the Panel
4 within 90 days after the effective date of this amendatory Act
5 of 1996. The staffing plan shall be accompanied by a cost
6 analysis and such other information as the Panel may require.
7 The Panel may prescribe standards, procedures, and forms for
8 submission of the staffing plan. The Panel shall approve the
9 staffing plan if the information required to be submitted is
10 complete and the staffing plan is consistent with the Budget
11 and Financial Plan in effect. Otherwise, the Panel shall reject
12 the staffing plan. In the event of rejection, the Panel shall
13 prescribe a procedure and standards for revision of the
14 staffing plan. The Panel shall act on the staffing plan at the
15 same time as the approval of the Budget, except that the
16 staffing plan for the fiscal year ending in 1997 shall be acted
17 upon within 60 days of the submission of the staffing plan by
18 the Board. The Board shall report to the Panel, at such times
19 and in such manner as the Panel may direct, concerning the
20 Board's compliance with each staffing plan. The Panel may
21 review the Board's operations, obtaining budgetary data and
22 financial statements, may require the Board to produce reports,
23 and shall have access to any other information in the
24 possession of the Board that it deems relevant. The Panel may
25 issue directives to the Board to assure compliance with the
26 staffing plan, including the issuance of reduction in force

1 notices, non-renewal of employment contracts, or any other
2 notices or actions required by contract or law. The Board shall
3 produce such budgetary data, financial statements, reports,
4 and other information and shall comply with such directives.
5 After approval of each staffing plan, the Board shall regularly
6 reexamine the estimates on which it was based and revise them
7 as necessary. The Board shall promptly notify the Panel of any
8 material change in the estimates in the staffing plan. The
9 Board may submit to the Panel, or the Panel may require the
10 Board to submit, modifications to the staffing plan based upon
11 revised revenue or expenditure estimates or for any other good
12 reason. The Panel shall approve or reject each modified
13 staffing plan within 60 days of its submission in a manner
14 similar to the provisions of this subsection for the approval
15 or rejection of the initial staffing plan.

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

24 (g) The Panel shall initiate and direct financial
25 management assessments and similar analyses of the operations
26 of the Board as may, in the judgment of the Panel, assure sound

1 and efficient financial management of the Board. Upon the
2 completion of these assessments, the Panel shall give
3 directives to the Board regarding improvements and changes that
4 derive from these assessments, which the Board shall implement.
5 In conjunction with its budgetary submission to the Panel for
6 each fiscal year, the Board shall demonstrate to the
7 satisfaction of the Panel that the directives of the Panel have
8 been implemented in whole or in part or, in the alternative,
9 are not capable of being implemented. In consideration of
10 whether to approve or reject the budget for a fiscal year, the
11 Panel shall adjudge whether the Board has fully considered and
12 responsibly proposed implementation of the Panel's directives.

13 (h) The Panel shall initiate and direct a management audit
14 of the Board at least once every 2 years. The audit shall
15 review the personnel, organization, contracts, leases, and
16 physical properties of the Board to determine whether the Board
17 is managing and utilizing its resources in an economical and
18 efficient manner. The audit shall determine the causes of any
19 inefficiencies or uneconomical practices, including
20 inadequacies in internal and administrative procedures,
21 organizational structure, uses of resources, utilization of
22 real property, allocation of personnel, purchasing policies,
23 and equipment.

24 (i) In the event that the Board refuses or fails to follow
25 a directive of the Panel to issue notices of non-renewal of
26 contracts, to issue notices of reduction in force to employees,

1 to issue requests for bids or proposals, or to obtain financial
2 or other information that the Panel finds necessary for the
3 implementation of its responsibilities under this Article, the
4 Panel may take such action in the name of the district, and
5 such action shall be binding the same as if the action had been
6 taken by the Board. The powers established by this paragraph do
7 not authorize the Panel to enter into contracts in the name of
8 the Board.

9 (j) The Panel shall meet with the Board or its designees in
10 closed session prior to the Board commencing any collective
11 bargaining negotiations to discuss the financial issues
12 relevant to the bargaining and for the purpose of the Panel
13 approving the budget limitations for the potential collective
14 bargaining agreement. The Board shall not make or consider any
15 proposal which does not comply with the collective bargaining
16 budget approved by the Panel. The Board shall keep the Panel
17 apprised as to the status of the bargaining. The Board shall
18 present any proposed change in the approved collective
19 bargaining budget to the Panel in closed session for approval.
20 Prior to the Board taking a final vote on any tentative
21 agreement approved by the employee organization, the Board
22 shall discuss the tentative agreement with the Panel in closed
23 session. Upon final approval of a collective bargaining
24 agreement by both the Board and the employee organization, the
25 Board shall submit the final collective bargaining agreement to
26 the Panel for approval. At the same time that the Board submits

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

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

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