



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB2936

Introduced 2/6/2025, by Rep. Rita Mayfield

#### SYNOPSIS AS INTRODUCED:

105 ILCS 5/17-1.5

Amends the School Code. Provides that a school district shall not enter into an agreement that rescinds an employment contract entered into with an administrative employee in exchange for a payment that exceeds an amount greater than 6 time the monthly salary of the employee, due to the unsatisfactory performance of the employee's duties.

LRB104 11939 LNS 22032 b

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 17-1.5 as follows:

6 (105 ILCS 5/17-1.5)

7 Sec. 17-1.5. Limitation of administrative costs.

8 (a) It is the purpose of this Section to establish  
9 limitations on the growth of administrative expenditures in  
10 order to maximize the proportion of school district resources  
11 available for the instructional program, building maintenance,  
12 and safety services for the students of each district.

13 (b) Definitions. For the purposes of this Section:

14 "Administrative expenditures" mean the annual expenditures  
15 of school districts properly attributable to expenditure  
16 functions defined by the rules of the State Board of Education  
17 as: 2320 (Executive Administration Services); 2330 (Special  
18 Area Administration Services); 2490 (Other Support Services -  
19 School Administration); 2510 (Direction of Business Support  
20 Services); 2570 (Internal Services); and 2610 (Direction of  
21 Central Support Services); provided, however, that  
22 "administrative expenditures" shall not include early  
23 retirement or other pension system obligations required by

1 State law.

2 "School district" means all school districts having a  
3 population of less than 500,000.

4 (c) For the 1998-99 school year and each school year  
5 thereafter, each school district shall undertake budgetary and  
6 expenditure control actions so that the increase in  
7 administrative expenditures for that school year over the  
8 prior school year does not exceed 5%. School districts with  
9 administrative expenditures per pupil in the 25th percentile  
10 and below for all districts of the same type, as defined by the  
11 State Board of Education, may waive the limitation imposed  
12 under this Section for any year following a public hearing and  
13 with the affirmative vote of at least two-thirds of the  
14 members of the school board of the district. Any district  
15 waiving the limitation shall notify the State Board within 45  
16 days of such action.

17 (c-5) A school district shall not enter into an agreement  
18 that rescinds an employment contract entered into with an  
19 administrative employee in exchange for a payment that exceeds  
20 an amount greater than 6 time the monthly salary of the  
21 employee, due to the unsatisfactory performance of the  
22 employee's duties.

23 (d) School districts shall file with the State Board of  
24 Education by November 15, 1998 and by each November 15th  
25 thereafter a one-page report that lists (i) the actual  
26 administrative expenditures for the prior year from the

1 district's audited Annual Financial Report, and (ii) the  
2 projected administrative expenditures for the current year  
3 from the budget adopted by the school board pursuant to  
4 Section 17-1 of this Code.

5 If a school district that is ineligible to waive the  
6 limitation imposed by subsection (c) of this Section by board  
7 action exceeds the limitation solely because of circumstances  
8 beyond the control of the district and the district has  
9 exhausted all available and reasonable remedies to comply with  
10 the limitation, the district may request a waiver pursuant to  
11 Section 2-3.25g. The waiver application shall specify the  
12 amount, nature, and reason for the relief requested, as well  
13 as all remedies the district has exhausted to comply with the  
14 limitation. Any emergency relief so requested shall apply only  
15 to the specific school year for which the request is made. The  
16 State Board of Education shall analyze all such waivers  
17 submitted and shall recommend that the General Assembly  
18 disapprove any such waiver requested that is not due solely to  
19 circumstances beyond the control of the district and for which  
20 the district has not exhausted all available and reasonable  
21 remedies to comply with the limitation. The State  
22 Superintendent shall have no authority to impose any sanctions  
23 pursuant to this Section for any expenditures for which a  
24 waiver has been requested until such waiver has been reviewed  
25 by the General Assembly.

26 If the report and information required under this

1 subsection (d) are not provided by the school district in a  
2 timely manner, or are subsequently determined by the State  
3 Superintendent of Education to be incomplete or inaccurate,  
4 the State Superintendent shall notify the district in writing  
5 of reporting deficiencies. The school district shall, within  
6 60 days of the notice, address the reporting deficiencies  
7 identified.

8 (e) If the State Superintendent determines that a school  
9 district has failed to comply with the administrative  
10 expenditure limitation imposed in subsection (c) of this  
11 Section, the State Superintendent shall notify the district of  
12 the violation and direct the district to undertake corrective  
13 action to bring the district's budget into compliance with the  
14 administrative expenditure limitation. The district shall,  
15 within 60 days of the notice, provide adequate assurance to  
16 the State Superintendent that appropriate corrective actions  
17 have been or will be taken. If the district fails to provide  
18 adequate assurance or fails to undertake the necessary  
19 corrective actions, the State Superintendent may impose  
20 progressive sanctions against the district that may culminate  
21 in withholding all subsequent payments of general State aid  
22 due the district under Section 18-8.05 of this Code or  
23 evidence-based funding due the district under Section 18-8.15  
24 of this Code until the assurance is provided or the corrective  
25 actions taken.

26 (f) The State Superintendent shall publish a list each

1 year of the school districts that violate the limitation  
2 imposed by subsection (c) of this Section and a list of the  
3 districts that waive the limitation by board action as  
4 provided in subsection (c) of this Section.

5 (Source: P.A. 100-465, eff. 8-31-17.)