



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4017

Introduced 3/11/2025, by Rep. Curtis J. Tarver, II

SYNOPSIS AS INTRODUCED:

See Index

Amends the School Finance Authority Act of the School Code. Reinstates the School Finance Authority and reverts any powers, duties, rights, or property granted to the Chicago Board of Education upon the abolition of the original Authority established by the Article back to the Authority. Provides that any powers, duties, rights, or property granted to the Board before the abolition of the original Authority and after the reinstatement of the Authority under the amendatory Act shall remain vested in the Board. Updates the expiration dates of terms of the Chairman, the 2 Directors of the Authority appointed by the Governor, and the 2 Directors of the Authority appointed by the Mayor. Requires the Board to adopt and submit for approval a financial plan on or before March 1, 2027 and adopt and submit for approval a budget on or before February 1, 2027 with respect to the remaining portion of the fiscal year ending in 2027. Requires the Board, beginning in fiscal year 2029 and every second year thereafter, to adopt a financial plan covering a period of 2 fiscal years. Requires the Board to submit a staffing plan for the fiscal year ending in 2027 to the Authority within 90 days after the effective date of the amendatory Act. Makes other changes.

LRB104 12646 LNS 23374 b

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 Sections
5 34A-102, 34A-103, 34A-201, 34A-302, 34A-403, 34A-404,
6 34A-405.2, 34A-602, 34A-604, and 34A-606 as follows:

7 (105 ILCS 5/34A-102) (from Ch. 122, par. 34A-102)

8 Sec. 34A-102. Findings and purpose.

9 (a) The General Assembly finds:

10 (i) A fundamental goal of the people of the State, as
11 expressed in Section 1 of Article X of the Illinois
12 Constitution, is the educational development of all
13 persons to the limits of their capacities. When a board of
14 education faces financial difficulties, continued
15 operation of the public school system is threatened.

16 (ii) A sound financial structure is essential to the
17 continued operation of any school system. It is vital to
18 commercial, educational, and cultural interests that the
19 public schools remain in operation. To achieve that goal,
20 public school systems must have effective access to the
21 private market to borrow short and long term funds.

22 (iii) To promote the financial integrity of boards of
23 education of cities having a population exceeding 500,000,

1 it is necessary to provide for the creation of school
2 finance authorities with the powers necessary to promote
3 sound financial management and to assure the continued
4 operation of the public schools.

5 (b) It is the purpose of this Article to provide a secure
6 financial basis for the continued operation of the public
7 schools. In addition, it is the further purpose of this
8 Article to facilitate implementation of school reform in the
9 continued operation of the public schools in accordance with
10 the provisions of this amendatory Act of 1991 and in
11 accordance with the reinstatement of the Authority by this
12 amendatory Act of the 104th General Assembly. The intention of
13 the General Assembly, in enacting this legislation, is to
14 establish procedures, provide powers, and impose restrictions
15 to assure the financial and educational integrity of the
16 public schools while leaving principal responsibility for the
17 educational policies of the public schools to the boards of
18 education within the State, consistent with the requirements
19 for satisfying the public policy and purpose herein set forth.

20 (Source: P.A. 85-1418; 86-1477.)

21 (105 ILCS 5/34A-103) (from Ch. 122, par. 34A-103)

22 Sec. 34A-103. Definitions. As used in this Article:

23 (a) "Authority" means the "(Name of City) School Finance
24 Authority";

25 (b) "Board" means any board of education to which this

1 Article is applicable;

2 (c) "Budget" means the budget of the Board as defined in
3 Section 34-43 of this Act, as from time to time in effect;

4 (d) "Chairman" means the chairman of the Authority
5 appointed pursuant to paragraph (c) of Section 34A-301 of this
6 Article;

7 (e) "City" means the city wherein the school district of
8 such Board is located;

9 (f) "Financial Plan" means the financial plan of the Board
10 to be developed pursuant to Section 34A-403 of this Article,
11 as from time to time in effect;

12 (g) "Fiscal Year" means the fiscal year of the Board;

13 (h) "Governor" means the Governor of the State of
14 Illinois;

15 (i) "School year" means the school year of the Board;

16 (j) "Approved System-Wide Educational Reform Goals and
17 Objectives Plan" means the system-wide educational reform
18 goals and objectives plan that has been accepted and approved
19 by the Authority;

20 (k) "Investment Obligations" means any of the following
21 which at the time of investment are legal investments under
22 the laws of the State for the money proposed to be invested
23 therein:

24 (i) Direct obligations of, or obligations the
25 principal of and interest on which are unconditionally
26 guaranteed by, the United States of America;

1 (ii) Bonds, debentures, or notes or other evidence of
2 indebtedness issued or guaranteed by any of the following
3 agencies: CoBank; ~~Bank for Cooperatives; Federal~~
4 ~~Intermediate Credit Banks; Federal Land Banks;~~ Federal
5 Home Loan Banks; the Federal National Mortgage
6 Association; the United States Postal Service; the
7 Government National Mortgage Association; ~~the Federal~~
8 ~~Financing National Mortgage Association;~~ the Federal
9 Financing Bank; or any other agency or instrumentality of
10 the United States of America now existing or hereafter
11 created;

12 (iii) New Housing Authority Bonds issued by public
13 agencies or municipalities and fully secured as to the
14 payment of both principal and interest by a pledge of
15 annual contributions under an Annual Contributions
16 Contract or Contracts with the United States of America,
17 or Project Notes issued by public agencies or
18 municipalities and fully secured as to the payment of both
19 principal and interest by a requisition or payment
20 agreement with the United States of America;

21 (iv) Direct and general obligations of, or obligations
22 guaranteed by, the State, to the payment of the principal
23 of and interest on which the full faith and credit of the
24 State is pledged;

25 (v) Negotiable or non-negotiable time deposits
26 evidenced by certificates of deposit issued by banks,

1 trust companies or national banking associations (which
2 may include the trustee) which are members of the Federal
3 Deposit Insurance Corporation and savings and loan
4 associations which are members of the Federal Savings and
5 Loan Insurance Corporation, provided that such time
6 deposits in any such bank, trust company, national banking
7 association or savings and loan association are
8 continuously secured by obligations described in clause
9 ~~clauses~~ (i), (ii), (iii), or (iv) of this definition,
10 provided further that such obligations at all times have a
11 market value at least equal to the maturity value of the
12 deposits so secured, including accrued interest; and

13 (vi) Repurchase agreements with banks (which may
14 include the trustee) described in clause (v) of this
15 definition and government bond dealers reporting to,
16 trading with, and recognized as primary dealers by a
17 Federal Reserve Bank, the underlying securities of which
18 are obligations described in clause ~~clauses~~ (i) or (ii) of
19 this definition, provided that the underlying securities
20 are required to be continuously maintained at a market
21 value not less than the amount so invested;

22 (l) "Mayor" means the Mayor of the City;

23 (m) "Obligations" means bonds and notes of the Authority;

24 (n) "State" means the State of Illinois.

25 (Source: P.A. 85-1418; 86-1477.)

1 (105 ILCS 5/34A-201) (from Ch. 122, par. 34A-201)

2 Sec. 34A-201. General powers. The purposes of the
3 Authority shall be to exercise financial control over the
4 Board, and to furnish financial assistance so that the Board
5 can provide public education within the Board's jurisdiction
6 while permitting the Board to meet its obligations to its
7 creditors and the holders of its notes and bonds. Except as
8 expressly limited by this Article, the Authority shall have
9 all powers necessary to meet its responsibilities and to carry
10 out its purposes and the purposes of this Article, including,
11 but not limited to, the following powers:

12 (a) to sue and be sued;

13 (b) to provide for its organization and internal
14 management and, subject to agreements with or for the
15 benefit of holders of its Obligations, to make rules and
16 regulations governing the use of its property and
17 facilities;

18 (c) to make and execute contracts, leases, subleases,
19 and all other instruments or agreements necessary or
20 convenient for the exercise of the powers and functions
21 granted by this Article;

22 (d) to purchase real or personal property necessary or
23 convenient for its purposes; to execute and deliver deeds
24 for real property held in its own name; to mortgage,
25 pledge, or otherwise grant security interests in such
26 properties; and to sell, lease, or otherwise dispose of

1 such of its property as, in the judgment of the Authority,
2 is no longer necessary for its purposes;

3 (e) to appoint officers, agents, and employees of the
4 Authority, define their duties and qualifications, and fix
5 their compensation and employee benefits;

6 (f) to lend or otherwise transfer to the Board such
7 sums of money as are not required for other purposes;

8 (g) to borrow money and to issue Obligations pursuant
9 to this Article, to fund, refund, or advance refund the
10 same, to provide for the rights of the holders of its
11 Obligations, and to repay any advances;

12 (h) subject to the provisions of any contract with or
13 for the benefit of the holders of its Obligations, to
14 purchase or redeem its Obligations or to purchase the
15 notes, bonds, or obligations of the Board or the notes,
16 bonds, or obligations of the City;

17 (i) to procure insurance against any loss in such
18 amounts and from such insurers as it deems desirable;

19 (j) to engage the services of consultants for
20 rendering professional and technical assistance and advice
21 on matters within the Authority's power;

22 (k) to contract for and to accept any gifts, grants, or
23 loans of funds or property or financial or other aid in
24 any form from the federal government, the State ~~state~~
25 government, a unit of local government, a school district,
26 or any agency or instrumentality thereof, or from any

1 other private or public source, and to comply with the
2 terms and conditions thereof;

3 (l) as security for the payment of the principal of
4 and interest on its Obligations and for the performance of
5 any agreements made in connection therewith, to grant a
6 security interest or lien upon all or any part of its
7 property or revenues;

8 (m) to pay the expenses of its operations; and

9 (n) to do any and all things necessary or convenient
10 to carry out its purposes and exercise the powers given to
11 the Authority by this Article.

12 The powers granted to the Authority under this Section
13 that were passed to and vested in the Board upon the
14 Authority's abolition before the effective date of this
15 amendatory Act of the 104th General Assembly shall be
16 reinstated to the Authority on the effective date of this
17 amendatory Act of the 104th General Assembly, and the Board
18 shall not have any of the powers set forth in this Section.

19 (Source: P.A. 81-1221.)

20 (105 ILCS 5/34A-302) (from Ch. 122, par. 34A-302)

21 Sec. 34A-302. Terms, vacancies, and removal. This Section
22 applies to the Authority reinstated by this amendatory Act of
23 the 104th General Assembly. Of the initial Directors appointed
24 by the Governor, with the approval of the Mayor, one each shall
25 be selected for terms expiring on January 31, 2027 ~~1981~~ and

1 January 31, 2028 ~~1982~~. Of the initial Directors appointed by
2 the Mayor with the approval of the Governor, one each shall be
3 selected for terms expiring on January 31, 2027 ~~1981~~ and
4 January 31, 2028 ~~1982~~. The initial Chairman shall be selected
5 for a term expiring on January 31, 2029 ~~1983~~. Thereafter, each
6 Director shall hold office for a term of 3 years, and until his
7 successor has been appointed as provided in Section 34A-301.
8 Any vacancy which shall arise, shall be filled as provided in
9 Section 34A-301. Any Director appointed to fill a vacancy
10 shall serve until the expiration of his predecessor's term,
11 and until his successor has been appointed as provided in
12 Section 34A-301. A vacancy shall occur upon resignation,
13 death, conviction of a felony, or removal from office of a
14 Director. Directors shall be eligible for reappointment. Any
15 Director may be removed for incompetence, malfeasance, or
16 neglect of duty, at the instance of the occupant of the office
17 entitled to appoint that Director, or in the case of the
18 Chairman at the instance of the occupant of each office so
19 entitled.

20 (Source: P.A. 81-1221.)

21 (105 ILCS 5/34A-403) (from Ch. 122, par. 34A-403)

22 Sec. 34A-403. Financial Plans. The Board shall develop,
23 adopt, and submit to the Authority on or before March 1, 2027
24 ~~1980~~, for approval by the Authority, an initial Financial Plan
25 with respect to the remaining portion of the Fiscal Year

1 ending in 2027 ~~1980~~ and for the 2 ~~two~~ succeeding Fiscal Years.
2 The Board shall develop and adopt subsequent Financial Plans
3 in accordance with this Section. Beginning with the Fiscal
4 Year beginning in 2030 ~~1993~~, and every second year thereafter,
5 the Board shall adopt a Financial Plan covering a period of 2
6 fiscal years. After adoption by the Board, the Board shall
7 submit each plan to the Authority for its approval not later
8 than 30 days prior to the commencement of the first Fiscal Year
9 to which the Financial Plan relates, ~~except that the Financial~~
10 ~~Plan to be developed for the Fiscal Years beginning in 1993 and~~
11 ~~1994 shall be submitted to the Authority within 90 days of the~~
12 ~~effective date of this amendatory Act of 1993.~~ The Authority
13 shall approve or reject the Financial Plan within 15 days of
14 its receipt of the Financial Plan from the Board. No Financial
15 Plan shall have force or effect without approval of the
16 Authority. Each Financial Plan shall be developed, submitted,
17 approved, and monitored in accordance with the following
18 procedures:

19 (a) The Board shall determine and submit to the
20 Authority, at a time and in a manner prescribed by the
21 Authority, estimates of revenues available to the Board
22 during the period for which the Financial Plan is to be in
23 effect. The Authority shall approve, reject, or amend the
24 revenue estimates. If ~~In the event~~ the Board fails, for
25 any reason, to submit to the Authority estimates of
26 revenue as required by this paragraph, the Authority may

1 prepare such estimates. The Financial Plan submitted by
2 the Board shall be based upon revenue estimates approved
3 or prepared by the Authority. As soon as practicable
4 following the establishment of the Authority, the
5 President of the Board shall, at the request of the
6 Chairman of the Authority, make available to the Chairman
7 of the Authority copies of the audited financial
8 statements and of the books and records of account of the
9 Board for the preceding 5 fiscal years of the Board.

10 (b) Each Financial Plan for each Fiscal Year or part
11 thereof to which it relates, shall contain (i) a
12 description of revenues and expenditures, provision for
13 debt service, cash resources and uses, and capital
14 improvements, each in such manner and detail as the
15 Authority shall prescribe, (ii) a description of the means
16 by which the Budget will be brought into balance in
17 accordance with Section 34A-402 of this Article, and (iii)
18 such other matters that the Authority, in its discretion,
19 requires. The initial Financial Plan shall also include a
20 description of the means by which any outstanding
21 short-term indebtedness shall be paid or refunded by the
22 Board. The Authority may prescribe any reasonable time,
23 standards, procedures, or forms consistent with this
24 Section for preparation and submission of the Financial
25 Plan.

26 (c) The Authority shall approve the initial and each

1 subsequent Financial Plan if, in its judgment, the plan is
2 complete, is reasonably capable of being achieved, and
3 meets the requirement set forth in Section 34A-402 of this
4 Article. Otherwise, the Authority shall reject the
5 Financial Plan. If the Financial Plan is rejected ~~In the~~
6 ~~event of rejection,~~ the Authority may prescribe a
7 procedure and standards for revision of the Financial Plan
8 by the Board.

9 (d) The Board shall report to the Authority, at such
10 times and in such manner as the Authority may direct,
11 concerning the Board's compliance with each Financial
12 Plan. The Authority may review the Board's operations,
13 obtain budgetary data and financial statements, require
14 the Board to produce reports, and have access to any other
15 information in the possession of the Board that it deems
16 relevant. The Authority may issue recommendations or
17 directives within its powers to the Board to assure
18 compliance with the Financial Plan. The Board shall
19 produce such budgetary data, financial statements,
20 reports, and other information and comply with such
21 directives.

22 (e) After approval of each Financial Plan, the Board
23 shall regularly reexamine the revenue and expenditure
24 estimates on which it was based and revise them as
25 necessary. The Board shall promptly notify the Authority
26 of any material change in the revenue or expenditure

1 estimates in the Financial Plan. The Board may submit to
2 the Authority, or the Authority may require the Board to
3 submit, modified Financial Plans based upon revised
4 revenue or expenditure estimates or for any other good
5 reason. The Authority shall approve or reject each
6 modified Financial Plan pursuant to paragraph (c) of this
7 Section.

8 (Source: P.A. 88-511.)

9 (105 ILCS 5/34A-404) (from Ch. 122, par. 34A-404)

10 Sec. 34A-404. Budgets. The Board shall develop and adopt
11 and submit to the Authority on or before February 1, 2027 ~~1980~~,
12 for approval by the Authority, a revised Budget for the
13 remaining portion of the Fiscal Year ending in 2027 ~~1980~~ and,
14 thereafter, an annual Budget for each Fiscal Year. After
15 adoption by the Board, the Board shall submit each Budget to
16 the Authority for its approval not later than 30 days prior to
17 the commencement of the Fiscal Year to which the Budget
18 relates. The Authority shall approve or reject the Budget
19 within 15 days of its receipt from the Board. No Budget shall
20 have force or effect without approval of the Authority. Each
21 Budget shall be developed, submitted, approved, and monitored
22 in accordance with the following procedures:

23 (a) Each Budget submitted by the Board shall be based
24 upon revenue estimates approved or prepared by the
25 Authority, as provided in paragraph (a) of Section 34A-403

1 of this Article.

2 (b) Each Budget shall contain such information and
3 detail as may be prescribed by the Authority. The
4 Authority may also prescribe any reasonable time,
5 standards, procedures or forms for preparation and
6 submission of the Budget. Any deficit for the Fiscal Year
7 ending in 2028 ~~1981~~ and for any Fiscal Year thereafter
8 shall be included as a current expense item for the
9 succeeding Fiscal Year.

10 (c) (1) The Authority shall approve each Budget if, in
11 its judgment, the Budget is complete, is reasonably
12 capable of being achieved, will meet the requirement set
13 forth in Section 34A-402 of this Article, and will be
14 consistent with the Financial Plan in effect. Otherwise,
15 the Authority shall reject the Budget. In the event of
16 rejection, the Authority may prescribe a procedure and
17 standards for revision of the Budget by the Board.

18 (2) For any Fiscal Year, the Authority may approve a
19 provisional budget that, in its judgment, will satisfy the
20 standards of subdivision (c)(1) of this Section if,
21 notwithstanding the provisions of the Illinois Educational
22 Labor Relations Act or any other law to the contrary, the
23 amount appropriated therein for all spending for
24 operations shall not at any time, on an annualized basis,
25 exceed an Expenditure Limitation established by the
26 Authority. The Authority may establish and enforce,

1 including by exercise of its powers under Section
2 34A-409(b), such monitoring and control measures as it
3 deems necessary to assure that the commitments,
4 obligations, expenditures, and cash disbursements of the
5 Board continue to conform on an ongoing basis with any
6 Expenditure Limitation. No commitment, contract, or other
7 obligation of the Board in excess of the Expenditure
8 Limitation shall be legally binding, and any member of the
9 Board or any local school council, or officer, employee or
10 agent thereof, who violates the provisions of this Section
11 shall be subject to the provisions of Sections 34-52 and
12 34A-608. An Expenditure Limitation established by the
13 Authority shall remain in effect for that Fiscal Year or
14 until revoked by the Authority.

15 (d) The Board shall report to the Authority at such
16 times and in such manner as the Authority may direct,
17 concerning the Board's compliance with each Budget. The
18 Authority may review the Board's operations, obtain
19 budgetary data and financial statements, require the Board
20 to produce reports, and have access to any other
21 information in the possession of the Board that the
22 Authority deems relevant. The Authority may issue
23 recommendations or directives within its powers to the
24 Board to assure compliance with the Budget. The Board
25 shall produce such budgetary data, financial statements,
26 reports and other information and comply with such

1 directives.

2 (e) After approval of each Budget, the Board shall
3 promptly notify the Authority of any material change in
4 the revenue or expenditure estimates in the Budget. The
5 Board may submit to the Authority, or the Authority may
6 require the Board to submit, a supplemental Budget. The
7 Authority shall approve or reject each supplemental Budget
8 pursuant to paragraph (c) of this Section.

9 (Source: P.A. 100-201, eff. 8-18-17.)

10 (105 ILCS 5/34A-405.2)

11 Sec. 34A-405.2. Staffing levels.

12 (a) No hiring or appointment of any person in any position
13 by the Board, the general superintendent, any other officer or
14 employee of the Board, or any local school council shall be
15 made or entered into unless it is consistent with the
16 Financial Plan and Budget in effect and the staffing plan
17 approved by the Authority under this Section. The hiring or
18 appointment of any person shall not be binding on the Board
19 unless and until it is in compliance with this Section.

20 (b) The Board shall submit to the Authority for approval
21 by the Authority a staffing plan for the upcoming school year
22 at the same time as the submission of the Budget, except that
23 the staffing plan for the fiscal year ending in 2027 ~~1994~~ shall
24 be submitted to the Authority within 90 days after the
25 effective date of this amendatory Act of the 104th General

1 Assembly of 1993. The staffing plan shall be accompanied by a
2 cost analysis and such other information as the Authority may
3 require. The Authority may adopt, and from time to time amend,
4 rules ~~regulations~~ to implement this Section and may prescribe
5 standards, procedures, and forms for submission of the
6 staffing plan.

7 (c) The Authority shall approve the staffing plan if, in
8 its judgment, the information required to be submitted is
9 complete and the staffing plan is consistent with the Budget
10 and Financial Plan in effect. Otherwise, the Authority shall
11 reject the staffing plan; in the event of rejection, the
12 Authority shall prescribe a procedure and standards for
13 revision of the staffing plan. The Authority shall act on the
14 staffing plan at the same time as the approval of the Budget,
15 except that the staffing plan for the fiscal year ending in
16 1994 shall be acted upon at the same time as approval of the
17 Financial Plan for that fiscal year.

18 (d) The Board shall report to the Authority, at such times
19 and in such manner as the Authority may direct, concerning the
20 Board's compliance with each staffing plan. The Authority may
21 review the Board's operations, obtaining budgetary data and
22 financial statements, may require the Board to produce
23 reports, and shall have access to any other information in the
24 possession of the Board that it deems relevant. The Authority
25 may issue recommendations or directives within its powers to
26 the Board to assure compliance with the staffing plan. The

1 Board shall produce such budgetary data, financial statements,
2 reports, and other information and shall comply with such
3 directives.

4 (e) After approval of each staffing plan, the Board shall
5 regularly reexamine the estimates on which it was based and
6 revise them as necessary. The Board shall promptly notify the
7 Authority of any material change in the estimates in the
8 staffing plan. The Board may submit to the Authority, or the
9 Authority may require the Board to submit, modifications to
10 the staffing plan based upon revised revenue or expenditure
11 estimates or for any other good reason. The Authority shall
12 approve or reject each modified staffing plan pursuant to
13 subsection (c) of this Section.

14 (Source: P.A. 88-511.)

15 (105 ILCS 5/34A-602) (from Ch. 122, par. 34A-602)

16 Sec. 34A-602. Indemnification. ~~Limitations of actions~~
17 ~~after abolition; indemnification.~~

18 (a) (Blank). ~~Abolition of the Authority pursuant to~~
19 ~~Section 34A-605 shall bar any remedy available against the~~
20 ~~Authority, its Directors, employees, or agents, for any right~~
21 ~~or claim existing, or any liability incurred, prior to such~~
22 ~~abolition unless the action or other proceeding thereon is~~
23 ~~commenced prior to the expiration of 2 years after the date of~~
24 ~~such abolition.~~

25 (b) The Authority may indemnify any Director, officer,

1 employee, or agent who was or is a party⁷ or is threatened to
2 be made a party to any threatened, pending¹, or completed
3 action, suit¹, or proceeding, whether civil, criminal,
4 administrative¹, or investigative¹, by reason of the fact that
5 the person ~~he~~ was a Director, officer, employee¹, or agent of
6 the Authority, against expenses (including attorney's
7 ~~attorneys'~~ fees), judgments, fines¹, and amounts paid in
8 settlement actually and reasonably incurred by the Director,
9 officer, employee, or agent ~~him~~ in connection with such
10 action, suit¹, or proceeding⁷, if the Director, officer,
11 employee, or agent ~~he~~ acted in good faith and in a manner the
12 Director, officer, employee, or agent ~~he~~ reasonably believed
13 to be in⁷ or not opposed to the best interests of the Authority
14 and, with respect to any criminal action or proceeding, had no
15 reasonable cause to believe the Director's, officer's,
16 employee's, or agent's ~~his~~ conduct was unlawful. The
17 termination of any action, suit¹, or proceeding by judgment,
18 order, settlement, conviction, or upon a plea of nolo
19 contendere or its equivalent, shall not, of itself, create a
20 presumption that the person did not act in good faith in a
21 manner which the person ~~he~~ reasonably believed to be in or not
22 opposed to the best interest of the Authority, and, with
23 respect to any criminal action or proceeding, had reasonable
24 cause to believe that the person's ~~his~~ conduct was unlawful.

25 To the extent that a Director, officer, employee¹, or agent
26 of the Authority has been successful, on the merits or

1 otherwise, in the defense of any such action, suit, or
2 proceeding referred to in this subsection or in defense of any
3 claim, issue, or matter therein, the Director, officer,
4 employee, or agent ~~he~~ shall be indemnified against expenses
5 (including attorney's fees) actually and reasonably incurred
6 by the Director, officer, employee, or agent ~~him~~ in connection
7 therewith. Any such indemnification shall be made by the
8 Authority only as authorized in the specific case, upon a
9 determination that indemnification of the Director, officer,
10 employee, or agent is proper in the circumstances because the
11 Director, officer, employee, or agent ~~he~~ has met the
12 applicable standard of conduct. Such determination shall be
13 made: (1) by the Board of Directors by a majority vote of a
14 quorum consisting of Directors who are not parties to such
15 action, suit, or proceeding; or (2) if such a quorum is not
16 obtainable, or, even if obtainable, a quorum of disinterested
17 Directors so directs, by independent legal counsel in a
18 written opinion.

19 Reasonable expenses incurred in defending an action, suit,
20 or proceeding shall be paid by the Authority in advance of the
21 final disposition of such action, suit, or proceeding, as
22 authorized by the Board of Directors in the specific case,
23 upon receipt of an undertaking by or on behalf of the Director,
24 officer, employee, or agent to repay such amount, unless it
25 shall ultimately be determined that the Director, officer,
26 employee, or agent ~~he~~ is entitled to be indemnified by the

1 Authority as authorized in this Section.

2 Any Director, officer, employee, or agent against whom any
3 action, suit, or proceeding is brought may employ the
4 Director's, officer's, employee's, or agent's ~~his or her~~ own
5 attorney to appear on the Director's, officer's, employee's,
6 or agent's ~~his or her~~ behalf.

7 The right to indemnification accorded by this Section
8 shall not limit any other right to indemnification to which
9 the Director, officer, employee, or agent may be entitled. Any
10 rights hereunder shall inure to the benefit of the heirs,
11 executors, and administrators of any Director, officer,
12 employee, or agent of the Authority.

13 The Authority may purchase and maintain insurance on
14 behalf of any person who is or was a Director, officer,
15 employee, or agent of the Authority against any liability
16 asserted against the Director, officer, employee, or agent ~~him~~
17 and incurred by the Director, officer, employee, or agent ~~him~~
18 in any such capacity, or arising out of the Director's,
19 officer's, employee's, or agent's ~~his~~ status as such, whether
20 or not the Authority would have the power to indemnify the
21 Director, officer, employee, or agent ~~him~~ against such
22 liability under the provisions of this Section.

23 (Source: P.A. 82-97.)

24 (105 ILCS 5/34A-604) (from Ch. 122, par. 34A-604)

25 Sec. 34A-604. Reinstatement ~~Abolition~~ of Authority; Board

1 powers, duties, rights, and property. The Authority shall be
2 reinstated on the effective date of this amendatory Act of the
3 104th General Assembly. All powers and duties granted to the
4 Authority under this Article shall also be reinstated. Any
5 rights and property that were passed to and vested in the Board
6 upon the abolition of the original Authority established by
7 this Article or that were granted to the Board under this
8 Article after the abolition of the original Authority shall be
9 reinstated to the Authority on the effective date of this
10 amendatory Act of the 104th General Assembly. The Board shall
11 not have any powers, duties, rights, or property granted to
12 the Authority under this Article. Any powers, duties, rights,
13 or property granted to the Board under this Article prior to
14 the abolition of the original Authority or after the
15 reinstatement of the Authority under this amendatory Act of
16 the 104th General Assembly shall remain vested in the Board.
17 ~~abolished one year after all its Obligations have been fully~~
18 ~~paid and discharged or otherwise provided for. Upon the~~
19 ~~abolition of the Authority, all of its rights and property~~
20 ~~shall pass to and be vested in the Board.~~

21 (Source: P.A. 96-705, eff. 1-1-10.)

22 (105 ILCS 5/34A-606) (from Ch. 122, par. 34A-606)

23 Sec. 34A-606. Reports.

24 (a) The Directors, upon taking office and annually
25 thereafter, shall prepare and submit to the Governor, Mayor,

1 General Assembly, and City Council a report which shall
2 include the audited financial statement for the preceding
3 Fiscal Year of the Board, an approved Financial Plan or a
4 statement of reasons for the failure to adopt ~~such~~ a Financial
5 Plan, a statement of the major steps necessary to accomplish
6 the objectives of the Financial Plan, and a request for any
7 legislation necessary to achieve the objectives of the
8 Financial Plan.

9 (b) Annual reports shall be submitted on or before May 1 of
10 each year.

11 (c) The requirement for reporting to the General Assembly
12 shall be satisfied by filing copies of the report with the
13 Board, the Governor, the Mayor, and as required by Section 3.1
14 of the General Assembly Organization Act, and filing such
15 additional copies with the State Government Report
16 Distribution Center for the General Assembly as is required
17 under paragraph (t) of Section 7 of the State Library Act.

18 (d) Each annual report required to be submitted ~~through~~
19 ~~May 1, 1995,~~ shall ~~also~~ include: (i) a description of the
20 activities of the Authority; (ii) an analysis of the
21 educational performance of the Board for the preceding school
22 year; (iii) an Approved System-Wide Educational Reform Goals
23 and Objectives Plan or a statement of reasons for the failure
24 to adopt ~~such~~ an Approved System-Wide Educational Reform Goals
25 and Objectives Plan; (iv) a statement of the major steps
26 necessary to accomplish the goals of the Approved System-Wide

1 Educational Reform Goals and Objectives Plan; (v) a commentary
2 with respect to those Board policies and rules and those
3 provisions of this ~~The School~~ Code and collective bargaining
4 agreements between the Board and its employees which, in the
5 opinion of the Authority, are obstacles and a hindrance to
6 fulfillment of any Approved System-Wide Educational Reform
7 Goals and Objectives Plan; and (vi) a request for any
8 legislative action necessary to achieve the goals of the
9 Approved System-Wide Educational Reform Goals and Objectives
10 Plan.

11 (Source: P.A. 100-1148, eff. 12-10-18.)

1 INDEX

2 Statutes amended in order of appearance

3	105 ILCS 5/34A-102	from Ch. 122, par. 34A-102
4	105 ILCS 5/34A-103	from Ch. 122, par. 34A-103
5	105 ILCS 5/34A-201	from Ch. 122, par. 34A-201
6	105 ILCS 5/34A-302	from Ch. 122, par. 34A-302
7	105 ILCS 5/34A-403	from Ch. 122, par. 34A-403
8	105 ILCS 5/34A-404	from Ch. 122, par. 34A-404
9	105 ILCS 5/34A-405.2	
10	105 ILCS 5/34A-602	from Ch. 122, par. 34A-602
11	105 ILCS 5/34A-604	from Ch. 122, par. 34A-604
12	105 ILCS 5/34A-606	from Ch. 122, par. 34A-606