

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 adding Section
5 17-1.10 as follows:

6 (105 ILCS 5/17-1.10 new)

7 Sec. 17-1.10. Operational funds expenditure report and
8 reserve reduction plan.

9 (a) In the 2024-2025 school year and in each subsequent
10 school year, the school board of any school district that does
11 not receive federal impact aid funding shall calculate the
12 combined, annual average expenditures of its operational funds
13 for the previous 3 fiscal years, as reported in the school
14 district's most recently audited annual financial reports.
15 Operational funds shall include the district's educational,
16 transportation, and operations and maintenance funds. The
17 school board shall annually present a written report covering
18 the annual average expenditures of its operational funds for
19 the previous 3 fiscal years at a board meeting.

20 (b) With respect to a school district to which subsection
21 (a) applies, if the school district's combined cash reserve
22 balance of its operational funds, as most recently reported by
23 the district pursuant to Section 17-1.3 of this Code, exceeds

1 2.5 times the annual average expenditures of its operational
2 funds for the previous 3 fiscal years, the school board shall
3 adopt and file with the State Board of Education by December 31
4 a written operational funds reserve reduction plan to reduce,
5 within 3 years, the district's combined cash reserve balance
6 of its operational funds to an amount at or below 2.5 times the
7 annual average expenditures of its operational funds for the
8 previous 3 fiscal years. The State Board shall post any
9 operational funds reserve reduction plans received on the
10 State Board's Internet website.

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.