

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 1A-12 as follows:

6 (105 ILCS 5/1A-12 new)

7 Sec. 1A-12. Powers of the State Board in assisting schools
8 and districts deemed in management difficulties.

9 (a) In this Section:

10 "Board" means a local board of education.

11 "Chairperson" means the Chairperson of the Panel
12 appointed pursuant to this Section.

13 "District" does not include a school district
14 organized under Article 34 of this Code.

15 "Management Oversight Panel" or "Panel" means a
16 Management Oversight Panel created under this Section.

17 "State Board" means the State Board of Education.

18 "State Superintendent" means the State Superintendent
19 of Education.

20 (b) To promote the managerial integrity of school
21 districts, the State Board shall have the necessary powers to
22 promote sound management of Illinois public schools. The State
23 Board, after the State Board's proper investigation of a school

1 district's condition, may certify that a district is in
2 management difficulty if the district has been engaged in a
3 continuing and repeated pattern of documented and
4 substantiated mismanagement, which includes any instance where
5 the school or district has been engaged in documented and
6 substantiated acts of mismanagement in regard to hiring
7 practices, including without limitation the hiring of persons
8 who do not meet minimal certification requirements for the
9 positions being filled whether due to the submission of
10 falsified credentials or simply a lack of credentials, that has
11 placed the academic integrity of the school or district in
12 question or has placed students in physical danger and that is
13 determined to be in need of intervention by the State Board,
14 but does not include the hiring of persons without the specific
15 qualifications for a position due to the unavailability of
16 persons possessing those specific qualifications, such as in
17 areas of teacher shortages.

18 (c) A district must not be certified to be in management
19 difficulty if the sole basis for mismanagement is the failure
20 of the county to make a distribution of property tax money due
21 to the district at the time the distribution is due.

22 (d) When a district is first certified to be in management
23 difficulty, the State Board may do each of the following:

24 (1) Require the school district to develop, adopt, and
25 submit a district management improvement plan within 45
26 days after certification. The plan must be developed to

1 address the acts of mismanagement that caused the district
2 to be certified in management difficulty. Within 14 days
3 after certifying a district to be in management difficulty,
4 the State Superintendent shall provide the board a summary
5 of management issues to be addressed in the plan. The plan
6 must be approved by the State Superintendent.

7 (2) Advise the district on recommended or suggested
8 methods of improving managerial success consistent with
9 the district's management improvement plan approved by the
10 State Board.

11 A district certified to be in management difficulty shall
12 report to the State Board, at such times and in such manner as
13 the State Superintendent may direct, concerning the district's
14 compliance with its approved management plan. The State Board
15 may review the district's operations and may obtain or require
16 the district to produce reports or any other information in the
17 possession of the district that it deems relevant. A district
18 shall remain certified in management difficulty until the
19 district clearly demonstrates to the satisfaction of the State
20 Board that the circumstances leading to the certification no
21 longer exist; or, if the State Board determines that a district
22 has failed to comply with its management plan, the State Board
23 may rescind approval of the plan and appoint a Management
24 Oversight Panel for the district. This action shall be taken
25 only after the district has been given notice and an
26 opportunity to appear before the State Board to discuss its

1 failure to comply with its management plan.

2 (e) Within 10 days after the State Board has placed a
3 district under a Management Oversight Panel, the State
4 Superintendent shall approve the appointment of 5 members to
5 serve at the State Superintendent's pleasure. One member shall
6 be appointed by the union representing a plurality of the
7 district's employees; in the absence of a plurality, the union
8 appointment shall be filled by the State Superintendent. Two
9 members shall be appointed by the State Superintendent, one of
10 whom must be an attorney. Two members shall be appointed by the
11 Regional Superintendent of Schools with jurisdiction over the
12 district, both of whom must live in the school district. The
13 State Superintendent shall designate one of the members of the
14 Panel to serve as its Chairperson. In the event of vacancy or
15 resignation, the State Superintendent shall appoint a
16 successor within 10 days after receiving notice of the vacancy
17 or resignation.

18 Members of the Panel shall be selected on the basis of
19 their experience and education in areas identified as needed. A
20 member of the Panel may not have a direct financial interest in
21 the district for which the Panel is constituted, nor may a
22 member be a board member or employee of that district, except
23 that a member who is appointed by or as a representative of a
24 union representing district employees may be an employee of the
25 district.

26 Panel members shall serve without compensation, but may be

1 reimbursed for travel and other necessary expenses incurred in
2 the performance of their official duties by the State Board.
3 The amount reimbursed to Panel members for their expenses shall
4 be charged to the school district.

5 The first meeting of the Panel shall be held at the call of
6 the Chairperson. The Panel may elect such other officers as it
7 deems appropriate. The Panel shall prescribe the times and
8 places for its meetings and the manner in which regular and
9 special meetings may be called and shall comply with the Open
10 Meetings Act. Three members of the Panel shall constitute a
11 quorum, and the affirmative vote of 3 members shall be
12 necessary for any decision or action to be taken by the Panel.

13 The Panel and the State Superintendent shall cooperate with
14 each other in the exercise of their respective powers. The
15 Panel shall report not later than September 1 annually to the
16 State Superintendent with respect to its activities and the
17 condition of the school district for the previous school year.

18 The Panel may exercise veto power over board decisions
19 concerning the district, in an effort to ensure that the
20 district management improvement plan is implemented as needed.

21 The purposes of the Panel shall be to exercise control over
22 the district and to furnish management assistance so that the
23 district can provide public education within the district's
24 jurisdiction while permitting the district to meet its
25 obligations for sound management practice. Except as expressly
26 limited by this Section, the Panel shall have those powers

1 necessary to meet its responsibilities and to carry out its
2 purposes and the purposes of this Section, including without
3 limitation all of the following powers, provided that the Panel
4 shall have no power to violate any statutory provision, to
5 impair any contract or obligation of the district, including
6 collective bargaining agreements, or to terminate any employee
7 without following the statutory procedures for such
8 terminations set forth in this Code, the relevant rules of the
9 State Board, and the procedures of the collective bargaining
10 agreement covering the employee:

11 (1) To sue and to be sued.

12 (2) To make and execute contracts, leases, subleases,
13 and all other instruments or agreements necessary or
14 convenient for the exercise of the powers and functions
15 granted by this Section.

16 (3) To purchase real or personal property necessary or
17 convenient for its purposes; to execute and deliver deeds
18 for real property held in its own name; and to sell, lease,
19 or otherwise dispose of such of its property as, in the
20 judgment of the Panel, is no longer necessary for its
21 purposes.

22 (4) To appoint officers, agents, and employees of the
23 Panel, including all of the following, to administer and
24 manage, under the direction of the Panel, the operations
25 and educational programs of the district, in accordance
26 with this Section and all other provisions of this Code; to

1 define their duties and qualifications; and to fix their
2 compensation and employee benefits.

3 (A) Chief executive officer. The Panel may appoint
4 a chief executive officer who, under the direction of
5 the Panel, shall supervise the Panel's staff,
6 including the chief educational officer and the chief
7 fiscal officer, and shall have ultimate responsibility
8 for implementing the policies, procedures, directives,
9 and decisions of the Panel.

10 (B) Chief educational officer. The Panel may at a
11 regular or special meeting find that cause exists to
12 cancel the contract of the school district's
13 superintendent who is serving at the time the Panel is
14 established. If there is no superintendent, then the
15 Panel shall, following consultation with the district,
16 employ a chief educational officer for the district,
17 who shall have all of the powers and duties of a school
18 district superintendent under this Code and such other
19 duties as may be assigned by the Panel in accordance
20 with this Code. The chief educational officer shall
21 report to the Panel or the chief executive officer
22 appointed by the Panel. The district shall not employ a
23 superintendent during the period that a chief
24 educational officer is serving in the district. The
25 chief educational officer shall hold a certificate
26 with a superintendent's endorsement issued pursuant to

1 Article 21 of this Code.

2 (C) Chief fiscal officer. The Panel may appoint a
3 chief fiscal officer who, under the direction of the
4 Panel, shall have all of the powers and duties of the
5 district's chief school business official and any
6 other duties regarding budgeting, accounting, and
7 other financial matters that are assigned by the Panel,
8 in accordance with this Code. The district may not
9 employ a chief school business official during the
10 period that the chief fiscal officer is serving in the
11 district. The chief fiscal officer may, but is not
12 required to, hold a certificate with a chief school
13 business official's endorsement issued under Article
14 21 of this Code.

15 (5) To transfer to the district such sums of money as
16 are not required for other purposes.

17 (6) To procure all necessary goods and services for the
18 Panel in compliance with the purchasing laws and
19 requirements applicable to the district.

20 (7) To take action on behalf of the district, as the
21 Panel deems necessary and in accordance with this Section
22 and all other provisions of this Code, based on the
23 recommendation of, if applicable, the chief executive
24 officer, chief educational officer, or chief fiscal
25 officer; the district shall be bound by such action in all
26 respects as if the action had been approved by the district

1 itself.

2 (8) To do any and all things necessary or convenient to
3 carry out its purposes and exercise the powers given to it
4 by this Section.

5 (9) To provide for its organization and internal
6 management.

7 (10) To require and approve a school district financial
8 plan and academic plan, if the Panel deems it necessary,
9 and to monitor the school district's compliance with these
10 plans.

11 (11) To approve and require revisions of the school
12 district budget.

13 (12) To approve all contracts and other obligations, as
14 the Panel deems necessary and appropriate.

15 (13) To request that the Regional Superintendent of
16 Schools make appointments to fill all vacancies on the
17 board, as provided in Section 10-10 of this Code.

18 (14) To engage the services of consultants for
19 rendering professional and technical assistance and advice
20 on matters within the Panel's power.

21 (15) To contract for and to accept any gifts, grants,
22 or loans of funds or property or financial or other aid in
23 any form from the federal government, State government, a
24 unit of local government, a school district, or any agency
25 or instrumentality thereof or from any other private or
26 public source and to comply with the terms and conditions

1 thereof.

2 (16) To pay the expenses of its operations based on the
3 Panel's budget as approved by the State Superintendent from
4 the district's general State aid.

5 (17) To require a board member training plan, in
6 conjunction with one or more statewide school management
7 organizations.

8 (18) To require the development of a district
9 management improvement plan or revision of an existing
10 district management improvement plan if the Panel deems it
11 necessary and to monitor the district's compliance with the
12 management improvement plan.

13 (19) To provide assistance to the district with
14 developing a staffing needs analysis and plan, in
15 cooperation with the board, that can address (i)
16 performance of an analysis of critical staffing needs
17 within the district to support any district improvement
18 plans, (ii) development of a strategy for attracting
19 candidates and posting positions to meet the district's
20 critical staffing needs, and (iii) approving and
21 monitoring of the school district's policies and
22 procedures for conducting hiring.

23 (20) To develop a plan for maintenance, repair, and
24 improvement of district facilities (including, but not
25 limited to, buildings used for instructional and
26 administrative functions, indoor and outdoor recreational

1 facilities, landscaping, parking, and infrastructure
2 related to traffic circulation) and the correction of any
3 violations of the Health/Life Safety Code for existing
4 facilities.

5 (f) If the State Board has appointed a Financial Oversight
6 Panel to a school district and subsequently places the same
7 district under a Management Oversight Panel or if the State
8 Board has appointed a Management Oversight Panel for a district
9 and subsequently places the same district under a Financial
10 Oversight Panel, the State Superintendent shall create a new
11 Panel and appoint 5 members to serve at the State
12 Superintendent's pleasure. The Panel shall accrue all the
13 necessary powers and duties of a Financial Oversight Panel and
14 a Management Oversight Panel. The State Superintendent shall
15 designate one of the members of the Panel to serve as its
16 chairperson. In the event of vacancy or resignation, the State
17 Superintendent shall appoint a successor within 10 days after
18 receiving notice of the vacancy or resignation. Members of the
19 Panel shall be selected on the basis of their experience and
20 education in areas identified as needed. A member of the Panel
21 may not have a direct financial interest in the district for
22 which the Panel is constituted, nor may a member be a board
23 member or employee of that district, except that a member who
24 is appointed as a representative of a union representing
25 district employees may be an employee of the district.

1 Section 90. The State Mandates Act is amended by adding
2 Section 8.31 as follows:

3 (30 ILCS 805/8.31 new)

4 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
5 of this Act, no reimbursement by the State is required for the
6 implementation of any mandate created by this amendatory Act of
7 the 95th General Assembly.