



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB2530

Introduced 2/6/2018, by Sen. Thomas Cullerton

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 5/3-1

from Ch. 15, par. 303-1

Creates the Public University Administrative Cost Decrease Act. Provides that all public universities shall annually submit a cost certification that certifies the level of spending dedicated to administrative costs for the current academic year. Provides that beginning with the 2020-2021 academic year, a Board of Trustees of a public university may not enact a budget that contains tuition or fee increases above that of the tuition and fees set in the 2017-2018 academic year until the Auditor General has verified that the cost certification submitted by the public university and due in the same calendar year of the proposed tuition or fees increase has shown a decrease of administrative costs by 25%. Amends the Illinois State Auditing Act. Makes related changes. Effective immediately.

LRB100 17405 AXK 32571 b

FISCAL NOTE ACT
MAY APPLY

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 1. Short title. This Act may be cited as the Public
5 University Administrative Cost Decrease Act.

6 Section 5. Definitions. In this Act:

7 "Administrator" means employees with executive,
8 administrative, and managerial assignments within the
9 university that involve planning, organizing, managing, and
10 directing the university and its subunits. If 50% or more of an
11 employee's time is spent teaching, then the employee shall not
12 be considered an administrator for the purposes of this Act.

13 "Board" means the Board of Higher Education.

14 "Public university" means Chicago State University,
15 Eastern Illinois University, Governors State University,
16 Illinois State University, Northeastern Illinois University,
17 Northern Illinois University, Southern Illinois University,
18 Western Illinois University, the University of Illinois, and
19 any other public university established or authorized by the
20 General Assembly.

21 Section 10. Administrative cost certification. All public
22 universities shall annually submit a cost certification to the

1 General Assembly, the Governor, the Auditor General, and the
2 Board that certifies the level of spending dedicated to
3 administrative costs for the current academic year. The
4 certification shall be due on January 31, 2019 and every
5 January 31 thereafter.

6 Section 15. Limitation on tuition or fee increases.
7 Beginning with the 2020-2021 academic year, a Board of Trustees
8 of a public university may not enact a budget that contains
9 tuition or fee increases above that of the tuition and fees set
10 in the 2017-2018 academic year until the Auditor General has
11 verified that the cost certification submitted by the public
12 university and due in the same calendar year of the proposed
13 tuition or fees increase has shown a decrease of administrative
14 costs by 25%.

15 Section 20. The Illinois State Auditing Act is amended by
16 changing Section 3-1 as follows:

17 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

18 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
19 General has jurisdiction over all State agencies to make post
20 audits and investigations authorized by or under this Act or
21 the Constitution.

22 The Auditor General has jurisdiction over local government
23 agencies and private agencies only:

1 (a) to make such post audits authorized by or under
2 this Act as are necessary and incidental to a post audit of
3 a State agency or of a program administered by a State
4 agency involving public funds of the State, but this
5 jurisdiction does not include any authority to review local
6 governmental agencies in the obligation, receipt,
7 expenditure or use of public funds of the State that are
8 granted without limitation or condition imposed by law,
9 other than the general limitation that such funds be used
10 for public purposes;

11 (b) to make investigations authorized by or under this
12 Act or the Constitution; and

13 (c) to make audits of the records of local government
14 agencies to verify actual costs of state-mandated programs
15 when directed to do so by the Legislative Audit Commission
16 at the request of the State Board of Appeals under the
17 State Mandates Act.

18 In addition to the foregoing, the Auditor General may
19 conduct an audit of the Metropolitan Pier and Exposition
20 Authority, the Regional Transportation Authority, the Suburban
21 Bus Division, the Commuter Rail Division and the Chicago
22 Transit Authority and any other subsidized carrier when
23 authorized by the Legislative Audit Commission. Such audit may
24 be a financial, management or program audit, or any combination
25 thereof.

26 The audit shall determine whether they are operating in

1 accordance with all applicable laws and regulations. Subject to
2 the limitations of this Act, the Legislative Audit Commission
3 may by resolution specify additional determinations to be
4 included in the scope of the audit.

5 In addition to the foregoing, the Auditor General must also
6 conduct a financial audit of the Illinois Sports Facilities
7 Authority's expenditures of public funds in connection with the
8 reconstruction, renovation, remodeling, extension, or
9 improvement of all or substantially all of any existing
10 "facility", as that term is defined in the Illinois Sports
11 Facilities Authority Act.

12 The Auditor General may also conduct an audit, when
13 authorized by the Legislative Audit Commission, of any hospital
14 which receives 10% or more of its gross revenues from payments
15 from the State of Illinois, Department of Healthcare and Family
16 Services (formerly Department of Public Aid), Medical
17 Assistance Program.

18 The Auditor General is authorized to conduct financial and
19 compliance audits of the Illinois Distance Learning Foundation
20 and the Illinois Conservation Foundation.

21 As soon as practical after the effective date of this
22 amendatory Act of 1995, the Auditor General shall conduct a
23 compliance and management audit of the City of Chicago and any
24 other entity with regard to the operation of Chicago O'Hare
25 International Airport, Chicago Midway Airport and Merrill C.
26 Meigs Field. The audit shall include, but not be limited to, an

1 examination of revenues, expenses, and transfers of funds;
2 purchasing and contracting policies and practices; staffing
3 levels; and hiring practices and procedures. When completed,
4 the audit required by this paragraph shall be distributed in
5 accordance with Section 3-14.

6 The Auditor General shall conduct a financial and
7 compliance and program audit of distributions from the
8 Municipal Economic Development Fund during the immediately
9 preceding calendar year pursuant to Section 8-403.1 of the
10 Public Utilities Act at no cost to the city, village, or
11 incorporated town that received the distributions.

12 The Auditor General must conduct an audit of the Health
13 Facilities and Services Review Board pursuant to Section 19.5
14 of the Illinois Health Facilities Planning Act.

15 The Auditor General of the State of Illinois shall annually
16 conduct or cause to be conducted a financial and compliance
17 audit of the books and records of any county water commission
18 organized pursuant to the Water Commission Act of 1985 and
19 shall file a copy of the report of that audit with the Governor
20 and the Legislative Audit Commission. The filed audit shall be
21 open to the public for inspection. The cost of the audit shall
22 be charged to the county water commission in accordance with
23 Section 6z-27 of the State Finance Act. The county water
24 commission shall make available to the Auditor General its
25 books and records and any other documentation, whether in the
26 possession of its trustees or other parties, necessary to

1 conduct the audit required. These audit requirements apply only
2 through July 1, 2007.

3 The Auditor General must conduct audits of the Rend Lake
4 Conservancy District as provided in Section 25.5 of the River
5 Conservancy Districts Act.

6 The Auditor General must conduct financial audits of the
7 Southeastern Illinois Economic Development Authority as
8 provided in Section 70 of the Southeastern Illinois Economic
9 Development Authority Act.

10 The Auditor General shall conduct a compliance audit in
11 accordance with subsections (d) and (f) of Section 30 of the
12 Innovation Development and Economy Act.

13 The Auditor General shall verify the cost certification
14 submitted by all public universities under the Public
15 University Administrative Cost Decrease Act. The verification
16 shall be submitted to the General Assembly, the Governor, and
17 the Board of Higher Education.

18 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09;
19 96-939, eff. 6-24-10.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.