

# HB3537



## 95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB3537

Introduced 2/28/2007, by Rep. Robert W. Pritchard

### SYNOPSIS AS INTRODUCED:

105 ILCS 5/17-1

from Ch. 122, par. 17-1

Amends the School Code. Makes a technical change in a Section concerning the annual budgets of school districts other than the Chicago school district.

LRB095 07001 NHT 27120 b

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 Section  
5 17-1 as follows:

6 (105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

7 Sec. 17-1. Annual Budget. The ~~The~~ board of education of  
8 each school district under 500,000 inhabitants shall, within or  
9 before the first quarter of each fiscal year, adopt and file  
10 with the State Board of Education an annual balanced budget  
11 which it deems necessary to defray all necessary expenses and  
12 liabilities of the district, and in such annual budget shall  
13 specify the objects and purposes of each item and amount needed  
14 for each object or purpose.

15 The budget shall be entered upon a School District Budget  
16 form prepared and provided by the State Board of Education and  
17 therein shall contain a statement of the cash on hand at the  
18 beginning of the fiscal year, an estimate of the cash expected  
19 to be received during such fiscal year from all sources, an  
20 estimate of the expenditures contemplated for such fiscal year,  
21 and a statement of the estimated cash expected to be on hand at  
22 the end of such year. The estimate of taxes to be received may  
23 be based upon the amount of actual cash receipts that may

1 reasonably be expected by the district during such fiscal year,  
2 estimated from the experience of the district in prior years  
3 and with due regard for other circumstances that may  
4 substantially affect such receipts. Nothing in this Section  
5 shall be construed as requiring any district to change or  
6 preventing any district from changing from a cash basis of  
7 financing to a surplus or deficit basis of financing; or as  
8 requiring any district to change or preventing any district  
9 from changing its system of accounting.

10 To the extent that a school district's budget is not  
11 balanced, the district shall also adopt and file with the State  
12 Board of Education a deficit reduction plan to balance the  
13 district's budget within 3 years. The deficit reduction plan  
14 must be filed at the same time as the budget, but the State  
15 Superintendent of Education may extend this deadline if the  
16 situation warrants.

17 The board of education of each district shall fix a fiscal  
18 year therefor. If the beginning of the fiscal year of a  
19 district is subsequent to the time that the tax levy due to be  
20 made in such fiscal year shall be made, then such annual budget  
21 shall be adopted prior to the time such tax levy shall be made.  
22 The failure by a board of education of any district to adopt an  
23 annual budget, or to comply in any respect with the provisions  
24 of this Section, shall not affect the validity of any tax levy  
25 of the district otherwise in conformity with the law. With  
26 respect to taxes levied either before, on, or after the

1 effective date of this amendatory Act of the 91st General  
2 Assembly, (i) a tax levy is made for the fiscal year in which  
3 the levy is due to be made regardless of which fiscal year the  
4 proceeds of the levy are expended or are intended to be  
5 expended, and (ii) except as otherwise provided by law, a board  
6 of education's adoption of an annual budget in conformity with  
7 this Section is not a prerequisite to the adoption of a valid  
8 tax levy and is not a limit on the amount of the levy.

9 Such budget shall be prepared in tentative form by some  
10 person or persons designated by the board, and in such  
11 tentative form shall be made conveniently available to public  
12 inspection for at least 30 days prior to final action thereon.  
13 At least 1 public hearing shall be held as to such budget prior  
14 to final action thereon. Notice of availability for public  
15 inspection and of such public hearing shall be given by  
16 publication in a newspaper published in such district, at least  
17 30 days prior to the time of such hearing. If there is no  
18 newspaper published in such district, notice of such public  
19 hearing shall be given by posting notices thereof in 5 of the  
20 most public places in such district. It shall be the duty of  
21 the secretary of such board to make such tentative budget  
22 available to public inspection, and to arrange for such public  
23 hearing. The board may from time to time make transfers between  
24 the various items in any fund not exceeding in the aggregate  
25 10% of the total of such fund as set forth in the budget. The  
26 board may from time to time amend such budget by the same

1 procedure as is herein provided for its original adoption.

2 Beginning July 1, 1976, the board of education, or regional  
3 superintendent, or governing board responsible for the  
4 administration of a joint agreement shall, by September 1 of  
5 each fiscal year thereafter, adopt an annual budget for the  
6 joint agreement in the same manner and subject to the same  
7 requirements as are provided in this Section.

8 The State Board of Education shall exercise powers and  
9 duties relating to budgets as provided in Section 2-3.27 of  
10 this Code and shall require school districts to submit their  
11 annual budgets, deficit reduction plans, and other financial  
12 information, including revenue and expenditure reports and  
13 borrowing and interfund transfer plans, in such form and within  
14 the timelines designated by the State Board of Education.

15 By fiscal year 1982 all school districts shall use the  
16 Program Budget Accounting System.

17 In the case of a school district receiving emergency State  
18 financial assistance under Article 1B, the school board shall  
19 also be subject to the requirements established under Article  
20 1B with respect to the annual budget.

21 (Source: P.A. 94-234, eff. 7-1-06.)