

SB0648



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB0648

Introduced 2/8/2011, by Sen. John J. Cullerton

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.

LRB097 04385 NHT 44424 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.)