

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 Sections  
5 17-1.5 and 34-43.1 as follows:

6 (105 ILCS 5/17-1.5)

7 Sec. 17-1.5. Limitation of administrative costs.

8 (a) It is the purpose of this Section to establish  
9 limitations on the growth of administrative expenditures in  
10 order to maximize the proportion of school district resources  
11 available for the instructional program, building maintenance,  
12 and safety services for the students of each district.

13 (b) Definitions. For the purposes of this Section:

14 "Administrative expenditures" mean the annual expenditures  
15 of school districts properly attributable to expenditure  
16 functions defined by the rules of the State Board of Education  
17 as: 2320 (Executive Administration Services); 2330 (Special  
18 Area Administration Services); 2490 (Other Support Services -  
19 School Administration); 2510 (Direction of Business Support  
20 Services); 2570 (Internal Services); and 2610 (Direction of  
21 Central Support Services); provided, however, that  
22 "administrative expenditures" shall not include early  
23 retirement or other pension system obligations required by

1 State law.

2 "Consumer price index" means the Consumer Price Index for  
3 All Urban Consumers for all items published by the Bureau of  
4 Labor Statistics of the United States Department of Labor.

5 "Expenditures per pupil" means the total administrative  
6 expenditures, general administration expenditures, or school  
7 administration expenditures divided by the average number of  
8 students reported to the State Board of Education as enrolled  
9 in the school district on October 1 and March 1, in the  
10 immediately preceding school year, as defined by "Average  
11 Student Enrollment" under Section 18-8.15 of this Code.

12 "General administration expenditures" means the sum of all  
13 annual expenditures of a school district that are attributable  
14 to expenditure functions that are defined by the rules of the  
15 State Board of Education as 2300 (Total Support Services -  
16 General Administration); however, "general administration  
17 expenditures" does not include early retirement or other  
18 pension system obligations required by State law.

19 "School administration expenditures" means the sum of all  
20 annual expenditures of a school district that are attributable  
21 to expenditure functions that are defined by the rules of the  
22 State Board of Education as 2400 (Total Support Services -  
23 School Administration); however, "school administration  
24 expenditures" does not include early retirement or other  
25 pension system obligations required by State law.

26 "School district" means all school districts having a

1 population of less than 500,000.

2 (c) For the 1998-99 school year through the 2018-2019  
3 school year and each school year thereafter, each school  
4 district shall undertake budgetary and expenditure control  
5 actions so that the increase in administrative expenditures for  
6 that school year over the prior school year does not exceed 5%.  
7 For 2019-2020 school year and each school year thereafter, each  
8 school district shall undertake budgetary and expenditure  
9 control actions so that the increase in each of the budgeted  
10 administrative expenditures per pupil, budgeted general  
11 administration expenditures per pupil, and budgeted school  
12 administration expenditures per pupil for that school year over  
13 the expenditures per pupil for the prior school year does not  
14 exceed the percentage increase, if any, in the consumer price  
15 index for the 12 months ending on December 31 prior to the  
16 budgetary year or 5%, whichever one is less. For purposes of  
17 this Section, for the 2018-2019 school year, the general  
18 administration expenditures per pupil shall be the lesser of  
19 the actual expenditures per pupil of the school district for  
20 the prior school year or the amount reported by the United  
21 States Census Bureau in its 2001 Annual Survey of School System  
22 Finances as the Illinois average per pupil for Support Services  
23 Expenditure - General Administration (Function 2300),  
24 increased by the percentage increase, if any, in the consumer  
25 price index for 2001 through 2018 compounded. For purposes of  
26 this Section, for the 2018-2019 school year, the school

1 administration expenditures per pupil shall be the amount  
2 reported by the United States Census Bureau in its 2015 Annual  
3 Survey of School System Finances as the national average per  
4 pupil for Support Services Expenditure - School Administration  
5 (Function 2400), increased by the percentage increase, if any,  
6 in the consumer price index for 2016, 2017, and 2018  
7 compounded. For the 2019-2020 school year and each subsequent  
8 school year, the State Board of Education shall publish on its  
9 Internet website the current year allowable percentage  
10 increase and a list of school districts that qualify to waive  
11 each of the applicable limitations under subsection (c-5) of  
12 this Section.

13 (c-5) School districts with administrative expenditures,  
14 general administration expenditures, or school administration  
15 expenditures per pupil in the 25th percentile and below for all  
16 districts of the same type, as defined by the State Board of  
17 Education, may waive the applicable limitation imposed under  
18 this Section for any year following a public hearing and with  
19 the affirmative vote of at least two-thirds of the members of  
20 the school board of the district. Any district waiving a ~~the~~  
21 limitation shall notify the State Board within 45 days of such  
22 action.

23 (d) School districts shall file with the State Board of  
24 Education by ~~November 15, 1998 and by~~ each November 15th  
25 ~~thereafter~~ a ~~one-page~~ report that lists (i) the actual  
26 administrative expenditures, general administration

1 expenditures, and school administration expenditures for the  
2 prior year from the district's audited Annual Financial Report,  
3 with the relevant average number of students reported to the  
4 State Board of Education, as set forth in the definition of  
5 "expenditures per pupil" under this Section, and (ii) the  
6 projected administrative expenditures, general administration  
7 expenditures, and school administration expenditures for the  
8 current year from the budget adopted by the school board  
9 pursuant to Section 17-1 of this Code, with the relevant  
10 average number of students reported to the State Board of  
11 Education, as set forth in the definition of "expenditures per  
12 pupil" under this Section, (iii) the administrative  
13 expenditures per pupil, general administration expenditures  
14 per pupil, and school administration expenditures per pupil for  
15 the prior year and the current year, and (iv) the percentage  
16 increase in current year per pupil expenditures over prior year  
17 per pupil expenditures.

18 If a school district that is ineligible to waive a ~~the~~  
19 limitation imposed by subsection (c) of this Section by board  
20 action exceeds that ~~the~~ limitation solely because of  
21 circumstances beyond the control of the district and the  
22 district has exhausted all available and reasonable remedies to  
23 comply with the applicable limitation, the district may request  
24 a waiver pursuant to Section 2-3.25g of this Code. The waiver  
25 application shall specify the amount, nature, and reason for  
26 the relief requested, as well as all remedies the district has

1 exhausted to comply with the limitation. Any emergency relief  
2 so requested shall apply only to the specific school year for  
3 which the request is made. The State Board of Education shall  
4 analyze all such waivers submitted and shall recommend that the  
5 General Assembly disapprove any such waiver requested that is  
6 not due solely to circumstances beyond the control of the  
7 district and for which the district has not exhausted all  
8 available and reasonable remedies to comply with the  
9 limitation. The State Superintendent shall have no authority to  
10 impose any sanctions pursuant to this Section for any  
11 expenditures for which a waiver has been requested until such  
12 waiver has been reviewed by the General Assembly. Except for a  
13 new district formed under Article 11E of this Code, any  
14 district that has current year expenditures per pupil but no  
15 prior year expenditures per pupil for a limitation must request  
16 a waiver under Section 2-3.25g of this Code.

17 If the report and information required under this  
18 subsection (d) are not provided by the school district in a  
19 timely manner, or are subsequently determined by the State  
20 Superintendent of Education to be incomplete or inaccurate, the  
21 State Superintendent shall notify the district in writing of  
22 reporting deficiencies. The school district shall, within 60  
23 days of the notice, address the reporting deficiencies  
24 identified.

25 (e) If the State Superintendent determines that a school  
26 district has failed to comply with the administrative

1 expenditure, the general administration expenditure, or the  
2 school administration expenditure limitation imposed in  
3 subsection (c) of this Section, the State Superintendent shall  
4 notify the district of the violation and direct the district to  
5 undertake corrective action to bring the district's budget into  
6 compliance with the applicable ~~administrative expenditure~~  
7 limitation. The district shall, within 60 days of the notice,  
8 provide adequate assurance to the State Superintendent that  
9 appropriate corrective actions have been or will be taken. ~~If~~  
10 ~~the district fails to provide adequate assurance or fails to~~  
11 ~~undertake the necessary corrective actions, the State~~  
12 ~~Superintendent may impose progressive sanctions against the~~  
13 ~~district that may culminate in withholding all subsequent~~  
14 ~~payments of general State aid due the district under Section~~  
15 ~~18-8.05 of this Code or evidence-based funding due the district~~  
16 ~~under Section 18-8.15 of this Code until the assurance is~~  
17 ~~provided or the corrective actions taken.~~

18 (f) The State Superintendent shall publish a list each year  
19 of the school districts that violate any ~~the~~ limitation imposed  
20 by subsection (c) of this Section and a list of the districts  
21 that waive a ~~the~~ limitation by board action as provided in  
22 subsection (c-5) ~~(e)~~ of this Section.

23 (g) For any school district that violates a limitation  
24 imposed by subsection (c) of this Section for a minimum of 2  
25 out of 3 years, the State Superintendent of Education may  
26 withhold payments of evidence-based funding due to the school

1 district under Section 18-8.15 of this Code in an amount equal  
2 to the amount the school district exceeded the limitation  
3 imposed.

4 (Source: P.A. 100-465, eff. 8-31-17.)

5 (105 ILCS 5/34-43.1) (from Ch. 122, par. 34-43.1)

6 Sec. 34-43.1. In this Section, "consumer price index",  
7 "expenditures per pupil", "general administration  
8 expenditures", and "school administration expenditures" have  
9 the meanings given to those terms under Section 17-1.5 of this  
10 Code.

11 (A) Limitation of noninstructional costs. It is the  
12 purpose of this Section to establish for the Board of  
13 Education and the general superintendent of schools  
14 requirements and standards which maximize the proportion  
15 of school district resources in direct support of  
16 educational, program, and building maintenance and safety  
17 services for the pupils of the district, and which  
18 correspondingly minimize the amount and proportion of such  
19 resources associated with centralized administration,  
20 administrative support services, and other  
21 noninstructional services.

22 For the 1989-90 school year and for all subsequent  
23 school years, the Board of Education shall undertake  
24 budgetary and expenditure control actions which limit the  
25 administrative expenditures of the Board of Education to



1 levels, as provided for in this Section, which represent an  
2 average of the administrative expenses of all school  
3 districts in this State not subject to Article 34.

4 For the 2019-2020 school year and for all subsequent  
5 school years, the Board of Education shall also undertake  
6 budgetary and expenditure control actions so that the  
7 increase in each of the general administration  
8 expenditures per pupil and school administration  
9 expenditures per pupil for that school year over the  
10 immediately preceding school year expenditures per pupil  
11 does not exceed the percentage increase, if any, in the  
12 consumer price index for the 12 months ending on December  
13 31 prior to the budgetary year or 5%, whichever one is  
14 less.

15 For purposes of this Section, for the 2018-2019 school  
16 year, the general administration expenditures per pupil  
17 shall be the amount reported by the United States Census  
18 Bureau in its 2001 Annual Survey of School System Finances  
19 as the average of the Support Services Expenditure -  
20 General Administration (Function 2300) per pupil for the  
21 district, increased by the percentage increase, if any, in  
22 the consumer price index for the years 2001 through 2018  
23 compounded. The school administration expenditures per  
24 pupil shall be the amount reported by the United States  
25 Census Bureau in its 2015 Annual Survey of School System  
26 Finances as the average of the Support Services Expenditure

1       - School Administration (Function 2400) per pupil for the  
2       10 largest school districts in the United States, increased  
3       by the percentage increase, if any, in the consumer price  
4       index for 2016, 2017, and 2018 compounded.

5       On or before May 1, 2019 and annually thereafter, the  
6       State Superintendent of Education shall certify to the  
7       Board of Education the allowable percentage increase  
8       applicable to the following year general administration  
9       expenditures per pupil and school administration  
10       expenditures per pupil.

11       (B) Certification of expenses by the State  
12       Superintendent of Education. The State Superintendent of  
13       Education shall annually certify, on or before May 1, to  
14       the Board of Education ~~and the School Finance Authority,~~  
15       for the applicable school year, the following information:

16               (1) the annual expenditures of all school  
17       districts of the State not subject to Article 34  
18       properly attributable to expenditure functions defined  
19       by the rules and regulations of the State Board of  
20       Education as: 2210 (Improvement of Instructional  
21       Services); 2300 (Support Services - General  
22       Administration) excluding, however, 2320 (Executive  
23       Administrative Services); 2490 (Other Support Services  
24       - School Administration); 2500 (Support Services -  
25       Business); 2600 (Support Services - Central);

26               (2) the total annual expenditures of all school

1 districts not subject to Article 34 attributable to the  
2 Education Fund, the Operations, Building and  
3 Maintenance Fund, the Transportation Fund and the  
4 Illinois Municipal Retirement Fund of the several  
5 districts, as defined by the rules and regulations of  
6 the State Board of Education; and

7 (3) a ratio, to be called the statewide average of  
8 administrative expenditures, derived by dividing the  
9 expenditures certified pursuant to paragraph (B) (1) by  
10 the expenditures certified pursuant to paragraph  
11 (B) (2).

12 For purposes of the annual certification of  
13 expenditures and ratios required by this Section, the  
14 "applicable year" of certification shall initially be the  
15 1986-87 school year and, in sequent years, each succeeding  
16 school year.

17 The State Superintendent of Education shall consult  
18 with the Board of Education to ascertain whether particular  
19 expenditure items allocable to the administrative  
20 functions enumerated in paragraph (B) (1) are appropriately  
21 or necessarily higher in the applicable school district  
22 than in the rest of the State due to noncomparable factors.  
23 The State Superintendent shall also review the relevant  
24 cost proportions in other large urban school districts. The  
25 State Superintendent shall also review the expenditure  
26 categories in paragraph (B) (1) to ascertain whether they

1 contain school-level expenses. If he or she finds that  
2 adjustments to the formula are appropriate or necessary to  
3 establish a more fair and comparable standard for  
4 administrative cost for the Board of Education or to  
5 exclude school-level expenses, the State Superintendent  
6 shall recommend ~~to the School Finance Authority~~ rules and  
7 regulations adjusting particular subcategories in this  
8 paragraph ~~subsection~~ (B) or adjusting certain costs in  
9 determining the budget and expenditure items properly  
10 attributable to the functions or otherwise adjust the  
11 formula.

12 (C) Administrative expenditure limitations. The annual  
13 budget of the Board of Education, as adopted and  
14 implemented, and the related annual expenditures for the  
15 school year, shall reflect a limitation on administrative  
16 outlays as required by the following provisions, taking  
17 into account any adjustments established by the State  
18 Superintendent of Education: (1) the budget and  
19 expenditures of the Board of Education for the 1989-90  
20 school year shall reflect a ratio of administrative  
21 expenditures to total expenditures equal to or less than  
22 the statewide average of administrative expenditures for  
23 the 1986-87 school year as certified by the State  
24 Superintendent of Education pursuant to paragraph (B) (3);  
25 (2) for the 1990-91 school year and for all subsequent  
26 school years, the budget and expenditures of the Board of

1 Education shall reflect a ratio of administrative  
2 expenditures to total expenditures equal to or less than  
3 the statewide average of administrative expenditures  
4 certified by the State Superintendent of Education for the  
5 applicable year pursuant to paragraph (B) (3); (2.5) for the  
6 2019-2020 school year and for all subsequent school years,  
7 the budget and expenditures of the Board of Education shall  
8 reflect an annual increase in each of the general  
9 administration expenditures per pupil and school  
10 administration expenditures per pupil over the immediately  
11 preceding school year expenditures per pupil equal to or  
12 less than the percentage increase, if any, in the consumer  
13 price index for the 12 months ending on the previous  
14 December 31 or 5%, whichever one is less, as certified by  
15 the State Superintendent of Education under paragraph (A)  
16 of this Section; (3) if for any school year the budget of  
17 the Board of Education reflects a ratio of administrative  
18 expenditures to total expenditures which exceeds the  
19 applicable statewide average, the Board of Education shall  
20 reduce expenditure items allocable to the administrative  
21 functions enumerated in paragraph (B) (1) such that the  
22 Board of Education's ratio of administrative expenditures  
23 to total expenditures is equal to or less than the  
24 applicable statewide average ratio; and (4) beginning with  
25 the 2019-2020 school year, if for any school year the  
26 budget of the Board of Education reflects an annual

1 increase in either general administration expenditures per  
2 pupil or school administration expenditures per pupil  
3 greater than the percentage increase, if any, in the  
4 consumer price index for the 12 months ending on the  
5 previous December 31 or 5%, whichever one is less, as  
6 certified by the State Superintendent of Education for the  
7 applicable school year under paragraph (A) of this Section,  
8 the Board of Education shall reduce expenditure items  
9 allocable to general administration expenditures or school  
10 administration expenditures to ensure the expenditures per  
11 pupil are equal to or less than the allowable increase  
12 amount.

13 For purposes of this Section, the ratio of  
14 administrative expenditures to the total expenditures of  
15 the Board of Education, as applied to the budget of the  
16 Board of Education, shall mean: the budgeted expenditure  
17 items of the Board of Education properly attributable to  
18 the expenditure functions identified in paragraph (B)(1)  
19 divided by the total budgeted expenditures of the Board of  
20 Education properly attributable to the Board of Education  
21 funds corresponding to those funds identified in paragraph  
22 (B)(2), exclusive of any monies budgeted for payment to the  
23 Public School Teachers' Pension and Retirement System,  
24 attributable to payments due from the General Funds of the  
25 State of Illinois.

26 The annual expenditure of the Board of Education for

1           2320 (Executive Administrative Services) for the 1989-90  
2 school year shall be no greater than the 2320 expenditure  
3 for the 1988-89 school year. The annual expenditure of the  
4 Board of Education for 2320 for the 1990-91 school year and  
5 each subsequent school year shall be no greater than the  
6 2320 expenditure for the immediately preceding school year  
7 or the 1988-89 school year, whichever is less. This annual  
8 expenditure limitation may be adjusted in each year in an  
9 amount not to exceed any change effective during the  
10 applicable school year in salary to be paid under the  
11 collective bargaining agreement with instructional  
12 personnel to which the Board is a party and in benefit  
13 costs either required by law or such collective bargaining  
14 agreement.

15           (D) Cost control measures. In undertaking actions to  
16 control or reduce expenditure items necessitated by the  
17 administrative expenditure, general administration  
18 expenditure, and school administration expenditure  
19 limitations of this Section, the Board of Education shall  
20 give priority consideration to reductions or cost controls  
21 with the least effect upon direct services to students or  
22 instructional services for pupils, and upon the safety and  
23 well-being of pupils, and, as applicable, with the  
24 particular costs or functions to which the Board of  
25 Education is higher than the statewide average.

26           For purposes of assuring that the cost control

1 priorities of this paragraph ~~subsection~~ (D) are met, the  
2 State Superintendent of Education shall, with the  
3 assistance of the Board of Education, review the cost  
4 allocation practices of the Board of Education, and the  
5 State Superintendent of Education shall thereafter  
6 recommend ~~to the School Finance Authority~~ rules and  
7 regulations which define administrative, general  
8 administration, and school administration areas which most  
9 impact upon the direct and instructional needs of students  
10 and upon the safety and well-being of the pupils of the  
11 district. No position closed shall be reopened using State  
12 or federal categorical funds.

13 (E) Report of Audited Information. For the 1988-89  
14 school year and for all subsequent school years, the Board  
15 of Education shall file with the State Board of Education  
16 the Annual Financial Report and its audit, as required by  
17 the rules of the State Board of Education. Such reports  
18 shall be filed no later than February 15 following the end  
19 of the school year of the Board of Education, beginning  
20 with the report to be filed no later than February 15, 1990  
21 for the 1988-89 school year.

22 As part of the required Annual Financial Report, the  
23 Board of Education shall provide a detailed accounting of  
24 the central level, district, bureau and department costs  
25 and personnel included within expenditure functions  
26 included in paragraphs (A) and paragraph (B)(1) of this



1       Section. The nature and detail of the reporting required  
2       for these functions shall be prescribed by the State Board  
3       of Education in rules and regulations. A copy of this  
4       detailed accounting shall also be provided annually to the  
5       ~~School Finance Authority and the~~ public. This report shall  
6       contain a reconciliation to the Board of Education's board  
7       ~~of education's~~ adopted budget for that fiscal year,  
8       specifically delineating administrative functions.

9             If the information required under this Section is not  
10       provided by the Board of Education in a timely manner, or  
11       is initially or subsequently determined by the State  
12       Superintendent of Education to be incomplete or  
13       inaccurate, the State Superintendent shall, in writing,  
14       notify the Board of Education of reporting deficiencies.  
15       The Board of Education shall, within 60 days of such  
16       notice, address the reporting deficiencies identified. If  
17       the State Superintendent of Education does not receive  
18       satisfactory response to these reporting deficiencies  
19       within 60 days, the next payment of ~~general State aid or~~  
20       evidence-based funding due the Board of Education under  
21       ~~Section 18-8 or~~ Section 18-8.15 of this Code, ~~as~~  
22       ~~applicable,~~ and all subsequent payments, shall be withheld  
23       by the State Superintendent of Education until the  
24       enumerated deficiencies have been addressed.

25             Utilizing the Annual Financial Report, the State  
26       Superintendent of Education shall certify on or before May

1 to the Board of Education ~~School Finance Authority~~ the  
2 Board of Education's ratio of administrative expenditures  
3 to total expenditures for the 1988-89 school year and for  
4 each succeeding school year and the Board of Education's  
5 general administration expenditures and school  
6 administration expenditures for the 2019-2020 school year  
7 and for each subsequent school year. Such certification  
8 shall indicate the extent to which the administrative  
9 expenditure ratio, general administration expenditures,  
10 and school administration expenditures of the Board of  
11 Education conformed to the limitations required in  
12 paragraph ~~subsection~~ (C) of this Section, taking into  
13 account any adjustments of the administrative expenditure  
14 limitations which may have been recommended by the State  
15 Superintendent of Education ~~to the School Finance~~  
16 ~~Authority~~. In deriving the administrative expenditure  
17 ratio of the Chicago Board of Education, the State  
18 Superintendent of Education shall utilize the definition  
19 of this ratio prescribed in paragraph ~~subsection~~ (C) of  
20 this Section, except that the actual expenditures of the  
21 Board of Education shall be substituted for budgeted  
22 expenditure items. In deriving the general administration  
23 expenditures per pupil and school administration  
24 expenditures per pupil of the Board of Education, the State  
25 Superintendent of Education shall utilize the percentage  
26 increase under paragraph (C) of this Section, except that

1       the actual expenditures per pupil of the Board of Education  
2       shall be substituted for budgeted expenditures per pupil.

3           (F) Approval and adjustments to administrative  
4       expenditure limitations. The School Finance Authority  
5       organized under Article 34A shall monitor the Board of  
6       Education's adherence to the requirements of this Section.  
7       As part of its responsibility the School Finance Authority  
8       shall determine whether the Board of Education's budget for  
9       the next school year, and the expenditures for a prior  
10      school year, comply with the limitation of administrative  
11      expenditures, general administration expenditures, and  
12      school administration expenditures required by this  
13      Section. The Board of Education and the State Board of  
14      Education shall provide such information as is required by  
15      the School Finance Authority in order for the Authority to  
16      determine compliance with the provisions of this Section.  
17      If the Authority determines that the budget proposed by the  
18      Board of Education does not meet the cost control  
19      requirements of this Section, the Board of Education shall  
20      undertake budgetary reductions, consistent with the  
21      requirements of this Section, to bring the proposed budget  
22      into compliance with such cost control limitations.

23           If, in formulating cost control and cost reduction  
24      alternatives, the Board of Education believes that meeting  
25      the cost control requirements of this Section related to  
26      the budget for the ensuing year would impair the education,

1 safety, or well-being of the pupils of the school district,  
2 the Board of Education may request that the School Finance  
3 Authority make adjustments to the limitations required by  
4 this Section. The Board of Education shall specify the  
5 amount, nature, and reasons for the relief required and  
6 shall also identify cost reductions which can be made in  
7 expenditure functions not enumerated in paragraphs (A) and  
8 ~~paragraph~~ (B) (1) of this Section, which would serve the  
9 purposes of this Section.

10 The School Finance Authority shall consult with the  
11 State Superintendent of Education concerning the  
12 reasonableness from an educational administration  
13 perspective of the adjustments sought by the Board of  
14 Education. The School Finance Authority shall provide an  
15 opportunity for the public to comment upon the  
16 reasonableness of the Board's request. If, after such  
17 consultation, the School Finance Authority determines that  
18 all or a portion of the adjustments sought by the Board of  
19 Education are reasonably appropriate or necessary, the  
20 Authority may grant such relief from the provisions of this  
21 Section which the Authority deems appropriate. Adjustments  
22 so granted apply only to the specific school year for which  
23 the request was made.

24 In the event that the School Finance Authority  
25 determines that the Board of Education has failed to  
26 achieve the required administrative, general

1       administration, and school administration expenditure  
2       limitations for a prior school year, or if the Authority  
3       determines that the Board of Education has not met the  
4       requirements of this paragraph ~~subsection~~ (F), the  
5       Authority shall make recommendations to the Board of  
6       Education concerning appropriate corrective actions. If  
7       the Board of Education fails to provide adequate assurance  
8       to the Authority that appropriate corrective actions have  
9       been or will be taken, the Authority may, within 60 days  
10      thereafter, require the board to adjust its current budget  
11      to correct for the prior year's shortage or may recommend  
12      to the members of the General Assembly and the Governor  
13      such sanctions or remedial actions as will serve to deter  
14      any further such failures on the part of the Board of  
15      Education.

16           To assist the Authority in its monitoring  
17      responsibilities, the Board of Education shall provide  
18      such reports and information as are from time to time  
19      required by the Authority.

20           (G) Independent reviews of administrative  
21      expenditures. The School Finance Authority may direct  
22      independent reviews of the administrative and  
23      administrative support expenditures and services and other  
24      non-instructional expenditure functions of the Board of  
25      Education. The Board of Education shall afford full  
26      cooperation to the School Finance Authority in such review

1 activity. The purpose of such reviews shall be to verify  
2 specific targets for improved operating efficiencies of  
3 the Board of Education, to identify other areas of  
4 potential efficiencies, and to assure full and proper  
5 compliance by the Board of Education with all requirements  
6 of this Section.

7 In the conduct of reviews under this paragraph (G)  
8 ~~subsection~~, the Authority may request the assistance and  
9 consultation of the State Superintendent of Education with  
10 regard to questions of efficiency and effectiveness in  
11 educational administration.

12 (H) Reports to Governor and General Assembly. On or  
13 before May 1, 1991 and no less frequently than yearly  
14 thereafter, the School Finance Authority shall provide to  
15 the Governor, the State Board of Education, and the members  
16 of the General Assembly an annual report, as outlined in  
17 Section 34A-606, which includes the following information:

18 (1) documenting the compliance or non-compliance of the  
19 Board of Education with the requirements of this Section;  
20 (2) summarizing the costs, findings, and recommendations  
21 of any reviews directed by the School Finance Authority,  
22 and the response to such recommendations made by the Board  
23 of Education; and (3) recommending sanctions or  
24 legislation necessary to fulfill the intent of this  
25 Section.

26 (Source: P.A. 100-465, eff. 8-31-17.)