



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0548

Introduced 2/8/2021, by Rep. Rita Mayfield

SYNOPSIS AS INTRODUCED:

105 ILCS 5/1H-15
105 ILCS 5/1H-115

Amends the Financial Oversight Panel Law of the School Code. Requires the State Board of Education to establish a financial oversight panel for Waukegan Community Unit School District 60. Provides that 10 years after the creation of the panel, the State Board shall determine whether to abolish the panel. Requires the State Board to establish a transition plan once the determination is made to abolish the panel.

LRB102 12137 CMG 17474 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 1H-15 and 1H-115 as follows:

6 (105 ILCS 5/1H-15)

7 Sec. 1H-15. Establishment of Financial Oversight Panels;
8 duties of district.

9 (a) A school district may petition the State Board for the
10 establishment of a Financial Oversight Panel for the district
11 or the State Board may establish a Panel without a petition
12 from the district. The petition shall cite the reasons why the
13 creation of a Financial Oversight Panel for the district is
14 necessary. In determining whether or not to place a district
15 under a Panel, the State Board shall consider all of the
16 following:

17 (1) If a Panel is in the best educational and
18 financial interests of the district.

19 (2) If a Panel is in the best interest of other schools
20 in the area and the educational welfare of all the pupils
21 therein.

22 (3) Whether the board of education has complied with
23 the requirements of Section 1A-8 of this Code.

1 Notwithstanding the other provisions of this subsection
2 (a), the State Board shall establish a Panel for Waukegan
3 Community Unit School District 60.

4 (b) Upon establishment of a Financial Oversight Panel, all
5 of the following shall occur:

6 (1) There is established a body both corporate and
7 politic to be known as the "(Name of School District)
8 Financial Oversight Panel", which in this name shall
9 exercise all authority vested in a Panel by this Article.

10 (2) The powers and duties of a Financial Oversight
11 Panel established pursuant to this Article shall include
12 the duties and obligations of financial oversight panels
13 established under Article 1B of this Code, in addition to
14 any duties and obligations established under this Article.
15 However, if there is any conflict between the provisions
16 of this Article and the provisions of Article 1B of this
17 Code, the provisions of this Article control.

18 (3) The Financial Oversight Panel, the school board,
19 and the district superintendent or chief executive officer
20 shall develop goals and objectives to assist the district
21 in obtaining financial stability. The goals and objectives
22 must be developed as part of the financial plan that the
23 school board is required to develop, adopt, and submit to
24 the Panel in accordance with Section 1B-12 of this Code.
25 The goals and objectives must be formally reviewed at
26 agreed to intervals, but at least one time per year.

1 Review shall include progress made and recommendations and
2 modifications needed to achieve abolition of financial
3 oversight provided for under Section 1H-115 of this Code.

4 (c) Any school district having a Financial Oversight Panel
5 established under Article 1B of this Code or any Financial
6 Oversight Panel established under Article 1B may petition the
7 State Board for the establishment of a Financial Oversight
8 Panel under this Article and concurrent dissolution of the
9 Article 1B Panel. All records, papers, books, funds, or other
10 assets or liabilities belonging to the dissolving Financial
11 Oversight Panel shall be transferred to the newly established
12 Financial Oversight Panel.

13 (Source: P.A. 97-429, eff. 8-16-11.)

14 (105 ILCS 5/1H-115)

15 Sec. 1H-115. Abolition of Panel.

16 (a) Except as provided in subsections (b), (c), (d), ~~and~~
17 (e), and (f) of this Section, the Panel shall be abolished 10
18 years after its creation.

19 (b) Except as provided in subsection (f), the ~~The~~ State
20 Board, upon recommendation of the Panel or petition of the
21 school board, may abolish the Panel at any time after the Panel
22 has been in existence for 3 years if no obligations of the
23 Panel are outstanding or remain undefeased and upon
24 investigation and finding that:

25 (1) none of the factors specified in Section 1A-8 of

1 this Code remain applicable to the district; and

2 (2) there has been substantial achievement of the
3 goals and objectives established pursuant to the financial
4 plan and required under Section 1H-15 of this Code.

5 (c) Except as provided in subsection (f), the ~~The~~ Panel of
6 a district that otherwise meets all of the requirements for
7 abolition of a Panel under subsection (b) of this Section,
8 except for the fact that there are outstanding financial
9 obligations of the Panel, may petition the State Board for
10 reinstatement of all of the school board's powers and duties
11 assumed by the Panel; and if approved by the State Board, then:

12 (1) the Panel shall continue in operation, but its
13 powers and duties shall be limited to those necessary to
14 manage and administer its outstanding obligations;

15 (2) the school board shall once again begin exercising
16 all of the powers and duties otherwise allowed by statute;
17 and

18 (3) the Panel shall be abolished as provided in
19 subsection (a) of this Section.

20 (d) Except as provided in subsection (f), if ~~if~~ the Panel
21 of a district otherwise meets all of the requirements for
22 abolition of a Panel under subsection (b) of this Section,
23 except for outstanding obligations of the Panel, then the
24 district may petition the State Board for abolition of the
25 Panel if the district:

26 (1) establishes an irrevocable trust fund, the purpose

1 of which is to provide moneys to defease the outstanding
2 obligations of the Panel; and

3 (2) issues funding bonds pursuant to the provisions of
4 Sections 19-8 and 19-9 of this Code.

5 A district with a Panel that falls under this subsection
6 (d) shall be abolished as provided in subsection (a) of this
7 Section.

8 (e) Except as provided in subsection (f), the ~~The~~ duration
9 of a Panel may be continued for more than 10 years after the
10 date of its creation if the State Board extends the Panel's
11 duration under paragraph (3) of subsection (e) of Section
12 18-8.15 of this Code.

13 (f) Ten years after the creation of the Waukegan Community
14 Unit School District 60 Financial Oversight Panel, the State
15 Board shall determine whether to abolish the Panel. Once the
16 determination is made to abolish the Panel, the State Board
17 shall establish a transition plan for the transfer of the
18 Panel's powers and duties to the school board.

19 (Source: P.A. 101-643, eff. 6-18-20.)