

HB1160



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB1160

Introduced 2/17/2021, by Rep. Emanuel Chris Welch

SYNOPSIS AS INTRODUCED:

105 ILCS 5/1B-22

Amends the School Code. Makes a technical change in a Section concerning a financial oversight panel's powers.

LRB102 03176 CMG 13189 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 1B-22 as follows:

6 (105 ILCS 5/1B-22)

7 Sec. 1B-22. Additional Powers of the Panel. For Panels
8 established under Section 1B-4 for a district which had its
9 financial plan rescinded by the ~~the~~ State Board for violating
10 that plan as provided in Section 1A-8, the Panel shall have the
11 following additional powers:

12 (a) As necessary to carry out its purposes when district
13 resources are not readily available or appropriate for use by
14 the Panel, the Panel may make and execute contracts, leases,
15 subleases and all other instruments or agreements necessary or
16 convenient for the exercise of the powers and functions
17 granted by this Article.

18 (b) As necessary to carry out its purposes when district
19 resources are not readily available or appropriate for use by
20 the Panel, the Panel may purchase personal property necessary
21 or convenient for its purposes; mortgage, pledge or otherwise
22 grant security interests in such properties; and convey to the
23 district such of its property as, in the judgment of the Panel,

1 is no longer necessary for its purposes.

2 (c) As necessary to carry out its purposes when district
3 resources are not readily available or appropriate for use by
4 the Panel, the Panel may appoint officers, agents, and
5 employees of the Panel, define their duties and
6 qualifications, and fix their compensation and employee
7 benefits.

8 (d) In order to investigate allegations of or incidents of
9 waste, fraud, or financial mismanagement which the Board is
10 unable or unwilling to properly investigate as requested by
11 the Panel, the Panel may appoint an Inspector General who
12 shall have the authority to conduct investigations into such
13 allegations or incidents. The Inspector General shall make
14 recommendations to the Panel about its investigations. The
15 Inspector General shall be independent of the operations of
16 the Panel and the Board and perform other duties requested by
17 the Panel. The Inspector General shall have access to all
18 information and personnel necessary to perform the duties of
19 the office. If the Inspector General determines that a
20 possible criminal act has been committed or that special
21 expertise is required in the investigation, he shall
22 immediately notify the State's Attorney in the county in which
23 the district is located. All investigations conducted by the
24 Inspector General shall be conducted in a manner that ensures
25 the preservation of evidence for use in criminal prosecutions.
26 At all times the Inspector General shall be granted access to

1 any building or facility that is owned, operated, or leased by
2 the Panel or the Board. The Inspector General shall have the
3 power to subpoena witnesses and compel the production of books
4 and papers pertinent to an investigation authorized by this
5 Code. Any person who (1) fails to appear in response to a
6 subpoena; (2) fails to answer any question; (3) fails to
7 produce any books or papers pertinent to an investigation
8 under this Code; or (4) knowingly gives false testimony during
9 an investigation under this Code is guilty of a Class A
10 misdemeanor. The Inspector General shall provide to the Panel
11 and the State Board of Education a summary of reports and
12 investigations made under this Section for the previous fiscal
13 year no later than January 1 of each year. The summaries shall
14 detail the final disposition of those recommendations. The
15 summaries shall not contain any confidential or identifying
16 information concerning the subjects of the reports and
17 investigations. The summaries shall also include detailed
18 recommended administrative actions and matters for
19 consideration by the State Board of Education or the General
20 Assembly.

21 (e) No hiring or appointment of any person in any position
22 by the Board, the superintendent, or any other officer or
23 employee of the Board shall be made or entered into unless it
24 is consistent with the Financial Plan and Budget in effect and
25 the staffing plan approved by the Panel under this Section.
26 The hiring or appointment of any person shall not be binding on

1 the Board unless and until it is in compliance with this
2 Section. The Board shall submit to the Panel for approval by
3 the Panel a staffing plan for the upcoming school year at the
4 same time as the submission of the Budget, except that the
5 staffing plan for the fiscal year ending in 1997 shall be
6 submitted to the Panel within 90 days after the effective date
7 of this amendatory Act of 1996. The staffing plan shall be
8 accompanied by a cost analysis and such other information as
9 the Panel may require. The Panel may prescribe standards,
10 procedures, and forms for submission of the staffing plan. The
11 Panel shall approve the staffing plan if the information
12 required to be submitted is complete and the staffing plan is
13 consistent with the Budget and Financial Plan in effect.
14 Otherwise, the Panel shall reject the staffing plan. In the
15 event of rejection, the Panel shall prescribe a procedure and
16 standards for revision of the staffing plan. The Panel shall
17 act on the staffing plan at the same time as the approval of
18 the Budget, except that the staffing plan for the fiscal year
19 ending in 1997 shall be acted upon within 60 days of the
20 submission of the staffing plan by the Board. The Board shall
21 report to the Panel, at such times and in such manner as the
22 Panel may direct, concerning the Board's compliance with each
23 staffing plan. The Panel may review the Board's operations,
24 obtaining budgetary data and financial statements, may require
25 the Board to produce reports, and shall have access to any
26 other information in the possession of the Board that it deems

1 relevant. The Panel may issue directives to the Board to
2 assure compliance with the staffing plan, including the
3 issuance of reduction in force notices, non-renewal of
4 employment contracts, or any other notices or actions required
5 by contract or law. The Board shall produce such budgetary
6 data, financial statements, reports, and other information and
7 shall comply with such directives. After approval of each
8 staffing plan, the Board shall regularly reexamine the
9 estimates on which it was based and revise them as necessary.
10 The Board shall promptly notify the Panel of any material
11 change in the estimates in the staffing plan. The Board may
12 submit to the Panel, or the Panel may require the Board to
13 submit, modifications to the staffing plan based upon revised
14 revenue or expenditure estimates or for any other good reason.
15 The Panel shall approve or reject each modified staffing plan
16 within 60 days of its submission in a manner similar to the
17 provisions of this subsection for the approval or rejection of
18 the initial staffing plan.

19 (f) The Panel shall examine the business records and audit
20 the accounts of the Board or require that the Board examine its
21 business records and audit its accounts at such time and in
22 such manner as the Panel may prescribe. The Board shall
23 appoint a certified public accountant annually, approved by
24 the Panel, to audit its financial statements. The audit
25 conducted pursuant to this paragraph shall be in lieu of the
26 audit that the Board is required to undertake pursuant to

1 Section 3-7.

2 (g) The Panel shall initiate and direct financial
3 management assessments and similar analyses of the operations
4 of the Board as may, in the judgment of the Panel, assure sound
5 and efficient financial management of the Board. Upon the
6 completion of these assessments, the Panel shall give
7 directives to the Board regarding improvements and changes
8 that derive from these assessments, which the Board shall
9 implement. In conjunction with its budgetary submission to the
10 Panel for each fiscal year, the Board shall demonstrate to the
11 satisfaction of the Panel that the directives of the Panel
12 have been implemented in whole or in part or, in the
13 alternative, are not capable of being implemented. In
14 consideration of whether to approve or reject the budget for a
15 fiscal year, the Panel shall adjudge whether the Board has
16 fully considered and responsibly proposed implementation of
17 the Panel's directives.

18 (h) The Panel shall initiate and direct a management audit
19 of the Board at least once every 2 years. The audit shall
20 review the personnel, organization, contracts, leases, and
21 physical properties of the Board to determine whether the
22 Board is managing and utilizing its resources in an economical
23 and efficient manner. The audit shall determine the causes of
24 any inefficiencies or uneconomical practices, including
25 inadequacies in internal and administrative procedures,
26 organizational structure, uses of resources, utilization of

1 real property, allocation of personnel, purchasing policies,
2 and equipment.

3 (i) In the event that the Board refuses or fails to follow
4 a directive of the Panel to issue notices of non-renewal of
5 contracts, to issue notices of reduction in force to
6 employees, to issue requests for bids or proposals, or to
7 obtain financial or other information that the Panel finds
8 necessary for the implementation of its responsibilities under
9 this Article, the Panel may take such action in the name of the
10 district, and such action shall be binding the same as if the
11 action had been taken by the Board. The powers established by
12 this paragraph do not authorize the Panel to enter into
13 contracts in the name of the Board.

14 (j) The Panel shall meet with the Board or its designees in
15 closed session prior to the Board commencing any collective
16 bargaining negotiations to discuss the financial issues
17 relevant to the bargaining and for the purpose of the Panel
18 approving the budget limitations for the potential collective
19 bargaining agreement. The Board shall not make or consider any
20 proposal which does not comply with the collective bargaining
21 budget approved by the Panel. The Board shall keep the Panel
22 apprised as to the status of the bargaining. The Board shall
23 present any proposed change in the approved collective
24 bargaining budget to the Panel in closed session for approval.
25 Prior to the Board taking a final vote on any tentative
26 agreement approved by the employee organization, the Board

1 shall discuss the tentative agreement with the Panel in closed
2 session. Upon final approval of a collective bargaining
3 agreement by both the Board and the employee organization, the
4 Board shall submit the final collective bargaining agreement
5 to the Panel for approval. At the same time that the Board
6 submits the final agreement to the Panel, the Board shall
7 notify the employee organization that the final agreement has
8 been submitted and the date of the Panel meeting at which the
9 final agreement will be considered. The employee organization
10 shall be provided an opportunity to discuss the final
11 agreement with the Panel prior to the Panel taking action on
12 the agreement. No collective bargaining agreement shall be
13 binding upon the district unless the Board has followed the
14 requirements of this paragraph and the final agreement has
15 been approved by the Panel.

16 (k) The budget of the Panel or any revisions to the budget,
17 including any costs to the Panel associated with the
18 appointment of an Inspector General, shall be approved by the
19 State Superintendent upon request of the Panel and after
20 opportunity for response by the Board.

21 (Source: P.A. 89-572, eff. 7-30-96.)