

AN ACT concerning education.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The School Code is amended by changing Section 17-2A as follows:

(105 ILCS 5/17-2A) (from Ch. 122, par. 17-2A)

Sec. 17-2A. Interfund Transfers.

(a) The school board of any district having a population of less than 500,000 inhabitants may, by proper resolution following a public hearing set by the school board or the president of the school board (that is preceded (i) by at least one published notice over the name of the clerk or secretary of the board, occurring at least 7 days and not more than 30 days prior to the hearing, in a newspaper of general circulation within the school district and (ii) by posted notice over the name of the clerk or secretary of the board, at least 48 hours before the hearing, at the principal office of the school board or at the building where the hearing is to be held if a principal office does not exist, with both notices setting forth the time, date, place, and subject matter of the hearing), transfer money from (1) the Educational Fund to the Operations and Maintenance Fund or the Transportation Fund, (2) the Operations and Maintenance Fund to the Educational Fund or

the Transportation Fund, or (3) the Transportation Fund to the Educational Fund or the Operations and Maintenance Fund of said district, provided that, except during the period from July 1, 2003 through June 30, 2016 ~~2013~~, such transfer is made solely for the purpose of meeting one-time, non-recurring expenses. Except during the period from July 1, 2003 through June 30, 2016 and except as otherwise provided in subsection (b) of this Section ~~2013~~, any other permanent interfund transfers authorized by any provision or judicial interpretation of this Code for which the transferee fund is not precisely and specifically set forth in the provision of this Code authorizing such transfer shall be made to the fund of the school district most in need of the funds being transferred, as determined by resolution of the school board.

(b) Notwithstanding subsection (a) of this Section or any other provision of this Code to the contrary, the school board of any school district (i) that is subject to the Property Tax Extension Limitation Law, (ii) that has a population of less than 500,000 inhabitants, (iii) that is levying at its maximum tax rate, (iv) whose total equalized assessed valuation has declined 20% in the prior 2 years, (v) in which 80% or more of its students receive free or reduced-price lunch, and (vi) that had an equalized assessed valuation of less than \$207 million but more than \$203 million in the 2011 levy year may annually, until July 1, 2016, transfer money from any fund of the district, other than the Illinois Municipal Retirement Fund and

the Bonds and Interest Fund, to the educational fund, the operations and maintenance fund, or the transportation fund of the district by proper resolution following a public hearing set by the school board or the president of the school board, with notice as provided in subsection (a) of this Section, so long as the district meets the qualifications set forth in this subsection (b) on the effective date of this amendatory Act of the 98th General Assembly even if the district does not meet those qualifications at the time a given transfer is made.

(Source: P.A. 95-53, eff. 8-10-07; 96-1201, eff. 7-22-10.)

Section 10. The Tort Liability of Schools Act is amended by adding Section 9.5 as follows:

(745 ILCS 25/9.5 new)

Sec. 9.5. Tort immunity fund transfers. Notwithstanding any provision of the School Code to the contrary, if a school board determines that there are educational needs that will go unmet because of a lack of funds in the district's educational, operations and maintenance, and transportation funds, that there exists a sufficient fund balance in the district's tort immunity fund to meet those educational needs, and that a transfer will not cause the district to realize increased tort exposure, then the school board of any school district (i) that is subject to the Property Tax Extension Limitation Law, (ii) that has a population of less than 500,000 inhabitants, (iii)

that is levying at its maximum tax rate, (iv) whose total equalized assessed valuation has declined 20% in the prior 2 years, (v) in which 80% or more of its students receive free or reduced-price lunch, and (vi) that had an equalized assessed valuation of less than \$207 million but more than \$203 million in the 2011 levy year may annually, until July 1, 2016, transfer money from the tort immunity fund of the district to the educational fund, the operations and maintenance fund, or the transportation fund of the district by proper resolution following a public hearing set by the school board or the president of the school board, with notice as provided in subsection (a) of Section 17-2A of the School Code, so long as the district meets the qualifications set forth in this Section on the effective date of this amendatory Act of the 98th General Assembly even if the district does not meet those qualifications at the time a given transfer is made.