

New Format for the School Statement of Affairs

Every year each school district in the State of Illinois is required to publish an annual statement of affairs. The Statement of Affairs must be published prior to December 1 of each year.

Beginning this year, the content of the school statement of affairs will mirror the same notice required of cities, villages and townships.

The statement will retain all personnel by name and all vendors, \$2500 and over.

All school district funds will be reported in the notice. Specifically, these funds will include the Educational, Operations & Maintenance, Transportation, Working Cash, Bond & Interest, Municipal Retirement/Social Security, Site & Construction/Capital Improvement, Rent and Fire Prevention & Safety Funds.

The formatting for the new school statement of affairs will be in a form prescribed by the State Board of Education.

BACKGROUND OF ISSUE

Two bills to eliminate the school statement of affairs were introduced in 2006 that were strongly supported by certain members of the Illinois General Assembly, the State Board of Education and local school officials. The IPA resoundingly defeated both measures. The defeat of these bills marked the third consecutive year that the IPA fought off attempts to eliminate the newspaper publication requirement.

The newly formatted notice came about as the result of a recommendation by the IPA to the Illinois State Board of Education that a better, more user friendly notice be developed. The IPA recommended that Illinois schools adopt a formatting for the statement of affairs that would be consistent with other units of local government.

The Illinois State Board of Education accepted the IPA recommendation for a formatting change. Senate Bill 2829 was signed by Governor Blagojevich on April 28, 2006, and became effective on July 1, 2006.

NEW MAXIMUM LEGAL LINE RATE

Allegations of over pricing by newspapers for the publication of the school statement of affairs took center stage throughout the on-going 2006 debate. The IPA defended industry pricing of public notices by citing the long standing practice of offering discounted rates for public notice advertising on the newspaper rate card.

The IPA stopped short, however, of defending alleged examples of inflated billing presented by some school districts during testimony before the House and Senate Education Committees. Instead, the IPA Board of Directors approved the introduction of a bill that would establish a maximum legal advertising rate for all Illinois newspapers.

The decision to establish a maximum legal rate was prompted by the need for the Illinois newspaper industry to demonstrate sensitivity to the on-going increase in costs incurred by all units of local government.

To do nothing would have further inflamed the growing number of critics who believe that newspapers are no longer the medium of choice for the publication/distribution of public notices. Neutralizing the debate over the cost of publication for the school statement of affairs allows the IPA to focus on the ever growing challenge to replace newspaper publication with internet posting.

The following is the new statutory language with the old statutory language stricken.

(105 ILCS 5/10-17) (from Ch. 122, par. 10-17)

Sec. 10-17. Statement of affairs.

(a) In Class I or Class II county school units the school board may use either a cash basis or accrual system of accounting; however, any board so electing to use the accrual system may not change to a cash basis without the permission of the State Board of Education.

School Boards using either a cash basis or accrual system of accounting shall maintain records showing the assets, liabilities and fund balances in such minimum forms as may be prescribed by the State Board of Education. Such boards shall make available to the public ~~publish~~ a statement of the affairs of the district prior to December 1 annually by submitting the statement of affairs in such form as may be prescribed by the State Board of Education for posting on the State Board of Education's Internet website, by having copies of the statement of affairs available in the main administrative office of the district, and by publishing in a newspaper of general circulation published in the school district an annual statement of affairs summary containing at a minimum all of the following information:

(1) A summary statement of operations for all funds of the district, as excerpted from the statement of affairs filed with the State Board of Education. The summary statement must include a listing of all moneys received by the district, indicating the total amounts, in the aggregate, each fund of the district received, with a general statement concerning the source of receipts.

(2) Except as provided in subdivision (3) of this subsection (a), a listing of all moneys paid out by the district where the total amount paid during the fiscal year exceeds \$2,500 in the aggregate per person, giving the name of each person to whom moneys were paid and the total paid to each person.

(3) A listing of all personnel, by name, with an annual

fiscal year gross payment in the categories set forth in subdivisions 1 and 2 of subsection (c) of this Section. In this Section, "newspaper of general circulation" means a newspaper of general circulation published in the school district, or, if no newspaper is published in the school district, a newspaper published in the county where the school district is located or, if no newspaper is published in the county, a newspaper published in the educational service region where the regional superintendent of schools has supervision and control of the school district. The submission to the State Board of Education shall include an assurance that the statement of affairs has been made available in the main administrative office of the school district and that the required notice has been published in accordance with this Section.

After December 15 annually, upon 10 days prior written notice to the school district, the State Board of Education may discontinue the processing of payments to the State Comptroller's office on behalf of any school district that is not in compliance with the requirements imposed by this Section. The State Board of Education shall resume the processing of payments to the State Comptroller's Office on behalf of the school district once the district is in compliance with the requirements imposed by this Section.

The State Board of Education must post, on or before January 15, all statements of affairs timely received from school districts. ~~in a newspaper of general circulation published in the respective school districts and if no newspaper is published in the district then in a newspaper published in the county in which the school district is located and if no newspaper is published in the county then in a newspaper published in the educational service region in which the regional superintendent has supervision and control of such school district in such form as may be prescribed by the State Board of Education. Not later than December 15 annually the clerk shall file with the regional superintendent a certified statement that the publication has been made together with a copy of the newspaper containing it. After December 15 annually the regional superintendent of schools shall withhold from each treasurer any public moneys due to be distributed to the treasurer until the duties required under this Section have been complied with.~~

(b) When any school district is the administrative district for several school districts operating under a joint agreement as authorized by this Code Act, no receipts or disbursements accruing, received or paid out by that school district as such an administrative district shall be included in the statement of affairs of the district required by this Section. However, that district shall have prepared and made available to the public, in accordance with subsection (a) of this Section ~~published~~, in the same manner and subject to the same requirements as are provided in this Section for the statement of affairs of that district, a statement showing the cash receipts and disbursements by funds (or the revenue, expenses and financial position, if the accrual system of accounting is

used) of the district as such administrative district, in the form prescribed by the State Board of Education. The costs of publishing the notice and summary of this separate statement prepared by such an administrative district shall be apportioned among and paid by the participating districts in the same manner as other costs and expenses accruing to those districts jointly.

School districts on a cash basis shall have prepared and made available to the public, in accordance with subsection (a) of this Section, ~~publish~~ a statement showing the cash receipts and disbursements by funds in the form prescribed by the State Board of Education.

School districts using the accrual system of accounting shall have prepared and made available to the public, in accordance with subsection (a) of this Section, ~~publish~~ a statement of revenue and expenses and a statement of financial position in the form prescribed by the State Board of Education.

In Class II county school units such statement shall be prepared and made available to the public, in accordance with subsection (a) of this Section, ~~published~~ by the township treasurer of the unit within which such districts are located, except with respect to the school board of any school district that no longer is subject to the jurisdiction and authority of a township treasurer or trustees of schools of a township because the district has withdrawn from the jurisdiction and authority of the township treasurer and trustees of schools of the township or because those offices have been abolished as provided in subsection (b) or (c) of Section 5-1, and as to each such school district the statement required by this Section shall be prepared and made available to the public, in accordance with subsection (a) of this Section, ~~published~~ by the school board of such district in the same manner as required for school boards of school districts situated in Class I county school units.

(c) The statement of affairs required pursuant to this Section shall contain ~~In Class I and Class II counties the statement of school districts on either a cash or accrual basis shall show~~ such ~~other~~ information as may be required by the State Board of Education, including:

1. Annual fiscal year gross payment for certificated personnel to be shown by name, listing each employee in one of the following categories:

- (a) Under \$25,000 ~~\$15,000~~
- (b) \$25,000 to \$39,999 ~~\$15,000 to \$24,999~~
- (c) \$40,000 to \$59,999 ~~\$25,000 to \$39,999~~
- (d) \$60,000 to \$89,999 ~~\$40,000 and over~~
- (e) \$90,000 and over

2. Annual fiscal year payment for non-certificated personnel to be shown by name, listing each employee in one of the following categories:

- (a) Under \$25,000 ~~\$15,000~~
- (b) \$25,000 to \$39,999 ~~\$15,000 to \$24,999~~
- (c) \$40,000 to \$59,999 ~~\$25,000 to \$39,999~~
- (d) \$60,000 and over ~~\$40,000 and over~~

3. In addition to wages and salaries all other moneys in the aggregate paid to recipients of \$1,000 or more, giving the

name of the person, firm or corporation and the total amount received by each.

4. Approximate size of school district in square miles.
5. Number of school attendance centers.
6. Numbers of employees as follows:
 - (a) Full-time certificated employees;
 - (b) Part-time certificated employees;
 - (c) Full-time non-certificated employees;
 - (d) Part-time non-certificated employees.
7. Numbers of pupils as follows:
 - (a) Enrolled by grades;
 - (b) Total enrolled;
 - (c) Average daily attendance.
8. Assessed valuation as follows:
 - (a) Total of the district;
 - (b) Per pupil in average daily attendance.
9. Tax rate for each district fund.
10. District financial obligation at the close of the fiscal year as follows:
 - (a) Teachers' orders outstanding;
 - (b) Anticipation warrants outstanding for each fund.
11. Total bonded debt at the close of the fiscal year.
12. Percent of bonding power obligated currently.
13. Value of capital assets of the district including:
 - (a) Land;
 - (b) Buildings;
 - (c) Equipment.
14. Total amount of investments each fund.
15. Change in net cash position from the previous report period for each district fund.

In addition to the above report, a report of expenditures in the aggregate paid on behalf of recipients of \$500 or more, giving the name of the person, firm or corporation and the total amount received by each shall be available in the school district office for public inspection. This listing shall include all wages, salaries and expenditures over \$500 expended from any revolving fund maintained by the district. Any resident of the school district may receive a copy of this report, upon request, by paying a reasonable charge to defray the costs of preparing such copy.

This Section does not apply to cities having a population exceeding 500,000.

(Source: P.A. 86-96; 86-1441; 87-191; 87-473; 87-895.)