

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 adding Section 17-1.10 as follows:

(105 ILCS 5/17-1.10 new)

Sec. 17-1.10. Operational funds expenditure report and reserve reduction plan.

(a) In the 2024-2025 school year and in each subsequent school year, the school board of any school district that does not receive federal impact aid funding shall calculate the combined, annual average expenditures of its operational funds for the previous 3 fiscal years, as reported in the school district's most recently audited annual financial reports. Operational funds shall include the district's educational, transportation, and operations and maintenance funds. The school board shall annually present a written report covering the annual average expenditures of its operational funds for the previous 3 fiscal years at a board meeting.

(b) With respect to a school district to which subsection (a) applies, if the school district's combined cash reserve balance of its operational funds, as most recently reported by the district pursuant to Section 17-1.3 of this Code, exceeds

2.5 times the annual average expenditures of its operational funds for the previous 3 fiscal years, the school board shall adopt and file with the State Board of Education by December 31 a written operational funds reserve reduction plan to reduce, within 3 years, the district's combined cash reserve balance of its operational funds to an amount at or below 2.5 times the annual average expenditures of its operational funds for the previous 3 fiscal years. The State Board shall post any operational funds reserve reduction plans received on the State Board's Internet website.

Section 99. Effective date. This Act takes effect upon becoming law.