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MEMORANDUM

TO: OPERATING COMMITTEE
GOVERNING BOARD

FROM: DR. TINA HALLIMAN

SUBJECT: POLICY UPDATES

DATE: JUNE 7, 2018

I recommend adopting the attached PRESS Plus policy updates as outlined below.

POLICY	RECOMMENDATION
4:40 – Incurring Debt	<ol style="list-style-type: none">1. Change Superintendent to Business Manager.2. Adopt the language in Paragraph 1 & 2 under Bond Issue Obligations.3. Adopt the Optional 3rd Paragraph under Bond Issue Obligations.
5:20 – Resolution to Prohibit Sexual Harassment	Adopt resolution as presented and include in Policy Manual.

Document Status: Draft Update

OPERATIONAL SERVICES

4:40 Incurring Debt

The District may borrow up to 50% of any State categorical or grant payments due and payable to the District, if a hardship exists. Interest shall not be in excess of that provided for by the Bond Authorization Act. Principal and interest shall be repaid from the categorical or grant payments immediately upon receipt of those payments. The Superintendent shall notify the State Board of Education before the District issues any form of long-term or short-term debt that will result in outstanding debt that exceeds 75% of the debt limit specified in State law. PRESSPlus1

Bond Issue Obligations PRESSPlus2

In connection with the Board's issuance of bonds, the Superintendent shall be responsible for ensuring the District's compliance with federal securities laws, including the anti-fraud provisions of the Securities Act of 1933, as amended and, if applicable, the continuing disclosure obligations under Rule 15c2-12 of the Securities Exchange Act of 1934, as amended.

Additionally, in connection with the Board's issuance of bonds, the interest on which is excludable from gross income for federal income tax purposes, or which enable the District or bond holder to receive other federal tax benefits, the Board authorizes the Superintendent to establish written procedures for post-issuance compliance monitoring for such bonds to protect their tax-exempt (or tax-advantaged) status.

The Board may contract with outside professionals, such as bond counsel and/or a qualified financial consulting firm, to assist it in meeting the requirements of this subsection. PRESSPlus3

LEGAL REF.: Securities Act of 1933, 15 U.S.C. §77a et seq.

Securities Exchange Act of 1934, 15 U.S.C. §78a et seq.

17 C.F.R. §240.15c2-12.

Bond Authorization Act, 30 ILCS 305/2 and

Bond Issue Notification Act, 30 ILCS 352/1 et seq.

Local Government Debt Reform Act, 30 ILCS 350/.

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What's (green)
Chunglag*

*Consult
w/ Ray or Yaris.*

Keep

Tax Anticipation Note Act, 50 ILCS 420/.

CROSS REF.:4:10 (Fiscal and Business Management)

ADOPTED: December 11, 2014

* Question 1. See Comment PRESSPlus 1. What title would the Board like to list in this policy as the person who performs the duties described? You may enter Superintendent, Business Manager, Chief School Business Official, or another locally-equivalent title.

Answer:

* Question 2. See Comment PRESSPlus 2. Has the Board adopted the new, optional subsection Bond Issue Obligations? Type yes to adopt this language, or type no if the Board did not adopt the Bond Issue Obligations subsection.

Answer:

* Question 3. See Comment PRESSPlus 3. If the Board has adopted the optional Bond Issue Obligations section, the final paragraph is optional. Type yes to adopt the final paragraph, or type no if the Board did not adopt the Bond Issue Obligations subsection.

Answer:

PRESSPlus Comments

PRESSPlus 1. Boards that employ business managers may want to substitute "Business Manager", "Chief School Business Official", or another locally-equivalent title for "Superintendent or designee" and "Superintendent" as they appear throughout this policy; the business manager most commonly performs the duties described in this policy. Please see **Question 1** to indicate the appropriate title for your district. **Issue 97, January/February 2018**

PRESSPlus 2. For continuous improvement purposes, a new, optional section has been added to expressly address districts' obligations to comply with federal securities laws in connection with bond issues, and to authorize the creation of written procedures to protect the status of tax-exempt (or otherwise tax-advantaged) bonds issued by a board. As a matter of best practice and to reduce potential future liabilities, many attorneys recommend that board policy address these obligations. Consult the board attorney and/or bond counsel for guidance.

The Internal Revenue Service strongly encourages, but does not currently require, issuers of tax-exempt bonds to establish written post-issuance compliance monitoring procedures. For guidance regarding the recommended content of such procedures, see *IRS Publication 4079, Tax-Exempt Governmental Bonds*, at: www.irs.gov/pub/irs-pdf/p4079.pdf. Such procedures may be included in a written bond resolution for a specific bond issue, and/or they may be established more generally. Consult the board attorney and/or bond counsel regarding the establishment of such procedures for tax-exempt bonds.

For a detailed set of sample procedures designed to facilitate a district's compliance with disclosure requirements of federal securities laws, see 4:40-AP, *Preparing and Updating Disclosures*, available by logging in to PRESS Online at www.iasb.com.

Please see **Question 2** to indicate whether your Board has adopted this new, optional section. **Issue 97, January/February 2018**

PRESSPlus 3. The final paragraph in this subsection is optional. Boards that regularly utilize outside professionals to assist them in meeting bond disclosure requirements may want to include this language to memorialize their current practice. Contracts for the services of individuals possessing a high degree of professional skill, such as attorneys and financial consultants, are exempt from competitive bidding requirements. 105 ILCS 5/10-20.21(a)(i). See **Question 3** to delete the last paragraph of this subsection if the board does not want to include a sentence in this policy that addresses the use of outside professionals for assistance with compliance. **Issue 97, January/February 2018**

Document Status: Draft Update - New

5:20-E Resolution to Prohibit Sexual Harassment

New/Unpublished Section

[PRESSPlus1](#) WHEREAS, Section 10-20 of the School Code (105 ILCS 5/10-20) grants school boards other powers that are not inconsistent with their duties;

WHEREAS, Section 1-5 of the State Officials and Employees Ethics Act (5 ILCS 430/1-5) includes school districts within the definition of a *governmental entity*;

WHEREAS, Section 5-65 of the State Officials and Employees Ethics Act (5 ILCS 430/5-65, added by P.A. 100-554) provides that all persons have a right to work in an environment free from sexual harassment;

WHEREAS, Section 70-5 of the State Officials and Employees Ethics Act (5 ILCS 430/70-5, amended by P.A. 100-554) requires governmental entities to adopt an ordinance or resolution establishing a policy to prohibit sexual harassment which, at a minimum, includes: (1) a prohibition on sexual harassment; (2) details on how an individual can report an allegation of sexual harassment, including options for making a confidential report to a supervisor, ethics officer, Inspector General, or the Ill. Dept. of Human Rights; (3) a prohibition on retaliation for reporting sexual harassment allegations, including availability of whistleblower protections under the Act, the Whistleblower Act (740 ILCS 174/), and the Ill. Human Rights Act (775 ILCS 5/); and (4) the consequences: (a) of a violation of the prohibition on sexual harassment; and (b) for knowingly making a false report;

THEREFORE, BE IT RESOLVED, by the Board of Education of [insert name], [insert county] County, Illinois, as follows:

Section 1: The Board adopts Board policy 5:20, *Workplace Harassment Prohibited*, attached as Exhibit A, which contains the following: (1) a prohibition on sexual harassment; (2) detail regarding how an individual can report an allegation of sexual harassment, including options for making a confidential report to an immediate supervisor, the Building Principal, an administrator, the Nondiscrimination Coordinator, a Complaint Manager, or the Ill. Dept. of Human Rights; (3) a prohibition on retaliation for reporting sexual harassment allegations and a statement regarding the availability of whistleblower protections under the State Officials and Employees Ethics Act, the Whistleblower Act, and the Ill. Human Rights Act; and (4)

the consequences: (a) of a violation of the prohibition on sexual harassment; and (b) for knowingly making a false report.

Section 2: Any prior versions of Board policy 5:20, *Workplace Harassment Prohibited*, adopted by the Board are superseded by this Resolution.

Adopted this ____ day of _____, 20__.

Attested by: _____, Board President

Attested by: _____, Board Secretary

Question 1. If including this Resolution in the Board Policy Manual, please indicate the county or counties to be inserted in the body. If not including the Resolution, type "Not Including" and select Not Adopted as the status before saving.

Answer:

PRESSPlus Comments

PRESSPlus 1. The State Officials and Employees Ethics Act, 5 ILCS 430/70-5(a), amended by P.A. 100-554, requires school districts to adopt a resolution establishing a policy to prohibit sexual harassment. See pending **Issue 97** updates to policy 5:20, *Workplace Harassment Prohibited*. This Resolution is not required to be included with the Board Policy Manual. If the Board would like to include it, the updated policy 5:20, *Workplace Harassment Prohibited* must be adopted as well. **Issue 97, January/February 2018**