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June School Board Meeting Agenda Reminders

As school district officials prepare the agenda for their June school board meetings, it is best to remember two routine but essential annual actions which should be on that agenda.

Prevailing Wages. The Illinois Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) establishes a policy under which school districts and other public bodies must require their construction contractors to pay their laborers, mechanics, and other workers no less than that level of wages which are determined to be prevailing in each district's locality or county. To effectuate this policy, this law contains several mandates relevant to school districts. (We are aware of some currently pending proposals would remove the Prevailing Wage Act mandates for school districts as part of various restrictions on property taxes, but none of these proposals has been enacted to date.) One of those mandates provides that, during the month of June each year, each public body must investigate and ascertain the local prevailing wages, publicly post or keep them available

for inspection, and file them with the Illinois Department of Labor. Generally, this means that every school board must approve a resolution each June adopting the State's published wage rates for the county as its prevailing wages.

Accrued Interest. School Code Section 10-22.44 (105 ILCS 5/10-22.44) allows school boards to freely transfer interest accruing on any district fund (except Tort Immunity, IMRF, Life Safety, and Capital Improvements) to any other district fund. However, this authority is effectively limited by an Illinois State Board of Education Rule (23 Ill. Admin. Code Section 100.50), first imposed in 2008, which provides that all interest earnings "shall be added to and become part of principal as of June 30 of the fiscal year" *unless* "otherwise provided by statute or specified by board resolution adopted prior to June 30 of a fiscal year." Thus, to the extent that a school board does not exercise its authority to transfer interest in a given year, then, to fully preserve that authority, it must pass a resolution before June 30 to designate all the interest accruing during the fiscal year as interest for the coming fiscal year as well.

We strongly recommend that every school board take both of these



actions every year during their regular June board meeting. If you have questions about email access to board members, please contact one of our attorneys in Flossmoor (708-799-6766) or Oak Brook (630-928-1200).