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NEW ADMINISTRATIVE COMPENSATION REPORTING REQUIREMENTS AND REQUIRED POSTING OF COLLECTIVE BARGAINING AGREEMENTS

Salary Reporting

On August 13, 2009, Governor Quinn signed into law P.A. 96-434, creating new salary reporting requirements for administrative employees. The Act became effective August 13, 2009 and requires school districts to post on their website, if any, an itemized salary compensation report for every employee in the district holding an administrative certificate and working in a position requiring an administrative certificate, expressly including the Superintendent. Those employees holding an administrative certificate, but not working in a position requiring an administrative certificate, are not included within the Act. The salary compensation report must include, without limitation, base salary, bonuses, pension contributions, retirement increases, the cost of health insurance, the cost of life insurance, sick and vacation day payout, annuities, and any other form of compensation or income paid on behalf of each administrator separately.

The Act requires a salary compensation report for every administrative "employee." We believe the report is, therefore, employee specific and that compliance requires more than posting the required information for each administrative position. Rather, we believe that the required information must be posted for each named administrator.

We also do not believe the Act permits listing salary and benefits by category (such as aggregating the cost of health insurance, cost of life insurance, etc. for all administrators) rather than by each named administrative employee.

THE ADMINISTRATOR SALARY COMPENSATION REPORT MUST BE POSTED ON DISTRICT WEBSITES, IF ANY, ON OR BEFORE OCTOBER 1 OF EACH YEAR.

The salary compensation report must also be presented at a regular school board meeting, subject to applicable notice requirements. There is no timeline stated for presentation at a regular school board meeting. We suggest that the report be submitted at the regular school board meeting in October of 2009, after posting on the website, and at the September regular school board meeting in subsequent years, prior to posting on the website. Please note that no school board action is required on the report; therefore, we suggest that it be listed on the agenda of the regular school board meeting as an information item in the following form: "Administrative Salary Compensation Report."

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The administrative salary compensation report must also be submitted to the Regional Superintendent of Schools. Again, there is no timeline for submittal. We suggest that the report be submitted at the time it is posted on the website, unless a specific date is established by your Regional Superintendent.

The Act does not specify whether the required information is to be from the last fiscal year prior to reporting or for the current fiscal year. We believe that in order to include new hires and the last year of retirees, the report should contain the required information for the current fiscal year as contained in administrative contracts or the approved budget.

The Act expressly refers only to "school districts" and "special charter districts." Therefore, we currently believe that special education cooperatives, vocational education cooperatives and other joint agreements are not subject to the statute's requirements. Further clarification will hopefully be provided by the ISBE or the General Assembly.

The Governor also signed into law P.A. 96-266 on August 11, 2009, which requires the salary and benefits paid to administrators and teachers to be reported to the ISBE on or before July 1 of each year starting in 2010. This report must include base salary and benefits which are defined as, without limitation, vacation days, sick days, bonuses, annuities, and retirement enhancements. We anticipate that the report will be made on a form to be created by the ISBE. This form may help to answer some of the questions raised but unanswered by P.A. 96-434, such as whether a district must report the current or the prior fiscal year's salary and benefits.

Posting Collective Bargaining Agreements

P.A. 96-434 also requires all collective bargaining agreements to be posted online. Because the effective date of the Act is August 13, 2009, we believe school districts should immediately post all current collective bargaining agreements and post new agreements as they are ratified and approved. Again, this Act does not expressly apply to special education cooperatives, vocational education cooperatives or other joint agreements; therefore, we believe these entities need not comply until the statute is clarified.

Should you have any questions or comments regarding those requirements, please contact one of our attorneys.

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