

Public Comment – Gerri Songer
September 19, 2017

REQUEST #1: To better facilitate the democratic process, I'm requesting that the **placement** and **duration** of "Public Comment" is specifically stated on the agenda.

REQUEST #2: I'm requesting that **expense reports for Board reimbursements**, including **receipts**, are posted and made publically available in a timely manner prior to Trustee Board meetings at which they're to be approved.

AGENDA ITEM NO. 9.1 (May 23, 2017) – **CONTRACTS AND GRANTS**
LOBBYIST SERVICES

Cheryl Axley, LLC, working with her colleague, **Alfred Ronan**.

The existing Agreement allows for annual renewals. The budgeted amount is \$60,000.00. The Board of Trustees approved a one (1) year contract extension with Cheryl Axley, LLC of Mount Prospect, Illinois for lobbyist services in a not to exceed amount of \$5,000.00 per month.

REQUEST #3: I'm requesting that monthly reports are posted and made available to the public **identifying lobbying activities** with **expense reports**, including **receipts**. Lobbyist reports are required by Springfield, so they should already be prepared.

AGENDA ITEM NO. 9.2 (May 23, 2017) – **CONTRACTS AND GRANTS**
ACCEPTANCE OF BAXTER INTERNATIONAL INC. GIFT FOR NAMING RIGHTS FOR
BAXTER INNOVATION LAB

The College of Lake County Foundation has been awarded a gift in the amount of **\$175,000** from Baxter International Inc. for the twenty-year naming rights of Rooms T119- T121 at the Grayslake Campus to be known as the **Baxter Innovation Lab**.

The gift will be used for **facility renovation, furniture, equipment, staffing and consumables**. The payment period is from June 30, 2017 to June 30, 2018 and no CLC matching funds are required.

- “Gifts” and/or “Donations” do NOT come with strings attached
- A contract for 20 years of signage does NOT constitute a gift
- CLC should NOT provide Baxter, a private corporation, with annual status reports for 5 years – status reports of any kind should be posted electronically on the CLC website and made available to the public.
- A \$175,000 gift does not make Baxter a shareholder nor does it entitle this private corporation to any sort of annual status report.

Summary of Key Baxter Innovation Lab Gift Agreement Points:

- Gift of \$175,000 to CLC Foundation; \$100,000 paid by 6/30/2017; \$75,000 paid by 6/30/2018.
- Gift is restricted for use for preparation and operation of the Fab Lab to be called Baxter Innovation Lab.
- CLC Foundation Board Executive committee accepted the gift pending receipt of gift authorization from Baxter. **Completed May 5, 2017.**
- Baxter International Incorporated grants the gift. **Completed. May 8, 2017.**
- College of Lake County Board of Trustees approves the naming rights and authorizes the construction of the Fab Lab. **Pending 5/23/2017.**
- CLC Foundation Board approves and accepts the Gift agreement. **Pending 5/25/2017.**
- Construction of Fab Lab is in space known as T119, 120, & 121.
- Fab Lab to be known as **Baxter Innovation Lab**; no less than **20 years or the useful life** of the Fab Lab; **CLC retains right to terminate naming rights if adverse circumstances arise.**
- All parties agree to joint promotion.
- **Annual status reports from CLC to Baxter for 5 years.**

It is recommended that the Board of Trustees approve acceptance of the gift agreement between Baxter International Inc., College of Lake County, and the College of Lake County Foundation for Twenty-Year Naming Rights of the Baxter Innovation Lab from Baxter International Inc. and authorize build out of the Rooms T119-T121 for the Baxter Innovation Lab.

EMAIL TO PROVOST (May 24, 2017)

Dear Dr. Haney,

I'm writing to share a few thoughts regarding the conversation about naming rights as discussed at the CLC Board of Trustees meeting this past Tuesday.

My question to you and the Board: Is Baxter REALLY a company that's worthy of serving as a "role model" for CLC students? The corporation's background is certainly a far cry from immaculate.

CLC doesn't need corporate "endorsements"; it should be able to stand on its own merits as an exemplar of quality higher education that's still affordable. Baxter's reputation could negatively impact CLC's good standing. Are there any strings attached to Baxter's \$175,000 donation, other than naming rights? Making a donation is one thing, naming rights and other potential perks [5 years of status reports] are inappropriate.

Conversations about the cost of naming rights, as discussed at the meeting, however, are very appropriate - marketing is expensive, and Baxter could have household name recognition in Lake County for a pittance of what 20 years of signage would cost in the free market!

The issue of naming rights should be brought back for a vote based on a lack of pertinent information regarding Baxter's questionable background. CLC would be better off identifying noteworthy, inspirational individuals to honor, as traditionally done, rather than glorifying seedy pharmaceutical corporations. The excuse that "other community colleges are doing it" doesn't mean that it's a good idea - remember what's said about the cliff. The CLC Board should lead, not follow.

Below is what I researched about Baxter International - this should have been done, and information made [publically] available, prior to a vote.

Sincerely,

Gerri Songer

In 1982, Baxter acquired Medcom, Inc., a New York-based firm founded by Richard Fuisz and his brother, that had large markets in the United States and Saudi Arabia. Baxter chief executive Vernon Loucks fired Fuisz who then brought anti-boycott charges against Baxter to the U.S. Commerce Department Office of Anti-Boycott Compliance (OAC). Fuisz alleged that **Baxter had sold their profitable Ashdod facility to Teva Pharmaceutical Industries in 1988 while simultaneously negotiating the construction of a similar plant in Syria in partnership with the Syrian military in order to be removed from the Arab League blacklist in 1989. In 1993, Baxter pleaded guilty to a felony in relation to an anti-boycott law in the United States.**

In 1991, Baxter's home infusion subsidiary, Caremark, "**was accused by the government of paying doctors to steer patients to its intravenous drug service.**" In 1992 Caremark spun off from Baxter International. Caremark was fined \$160 million for the "**four-year-long federal mail-fraud and kickback**" scheme in which the "home-infusion business unit made **weekly payments to scores of doctors that averaged about \$75 per patient** for referring those patients to its services. **Some doctors earned as much as \$80,000 a year from the kickbacks**, according to government documents."

In 1996, the company entered into a **four-way, \$640 million settlement** with

haemophiliacs 1999 in relation to **blood clotting concentrates that were infected with HIV**. Under pressure from shareholders due to poor performance and an unsuccessful merger, Loucks was forced to resign.

BAXTER CONTROVERSIES

1975 Hemofil Hepatitis B Outbreak

In August 1975, Baxter / Travenol withdrew a clotting factor product Hemofil after the **product was associated with an outbreak of hepatitis B**.

1983 Prison Plasma Collection

Baxter, unknown to the FDA, **continued to use prison plasma in factor concentrate production** until October 1983, despite having entered into an agreement with the FDA (*11 months earlier*), that they would no longer use US prison plasma, **which posed a high-risk of virus transmission**.

1996 Japanese Haemophiliac HIV Lawsuit

It was announced in quarter 1 of 1996 that Baxter had agreed to settle a lawsuit involving **200 Japanese haemophilia patients who had become infected with HIV as a result of using contaminated haemophilia products which were unheated**. The Japanese courts ordered for each victim to receive \$411,460 by 29 March that year.

2001 Althane Disaster

The Baxter Althane disaster in autumn 2001 was a series of 56 sudden deaths of renal failure patients in Spain, Croatia, Italy, Germany, Taiwan, Colombia and the USA (*mainly Nebraska and Texas*). All had received hospital treatment with Althane hemodialysis equipment, a product range manufactured by Baxter International, USA.

2008 Chinese Heparin Adulteration

In 2008, **the quality of blood thinning products produced by Baxter was brought into question when they were linked to 19 deaths** in the United States. Upon inspection, **one of the raw ingredients used by Baxter was found to be contaminated** – between 5 and 20 percent – with a substance that was similar, but not identical, to the ingredient itself. The company initiated a voluntary recall, temporarily suspended the manufacture of heparin, and launched an investigation.

Investigation into the contamination has focused on raw heparin produced by Changzhou Scientific Protein Laboratories, a China-based branch of Scientific Protein Laboratories, based in Waunakee, Wisconsin. **Due to procedural errors, Changzhou SPL's facilities were never subjected to inspection by US FDA officials, as required by FDA regulations**. In addition, **Changzhou SPL's products were also never certified as safe for use in pharmaceutical products by Chinese FDA officials**, due to Changzhou SPL's registration as a chemical company *rather than* a pharmaceutical manufacturer. Though Baxter was first to recall heparin because of increased adverse reactions, after the contaminant was identified and testing protocols were shared with other manufacturers globally, over a dozen other companies in nearly a dozen countries issued recalls, which linked back to certain supply points in China.

2009 Avian Flu Contamination

In early 2009, samples of viral material supplied by Baxter International to a series of European laboratories were found to be **contaminated with live Avian flu virus** (*Influenza A virus subtype H5N1*). Samples of the less harmful seasonal flu virus (*subtype H3N2*) were found to be mixed with the deadly H5N1 strain after a vaccine made from the material killed test animals in a lab in the Czech Republic. Though the **serious consequences were avoided by the lab in the Czech Republic**, Baxter then claimed the failed controls over the distribution of the virus were 'stringent' and there was 'little chance' of the lethal virus harming humans.

2009 Drug Cost Inflation

On July 2, 2009, Kentucky Attorney General Jack Conway announced a settlement between the state and Baxter Healthcare Corporation, a subsidiary of Baxter International, worth \$2 million. **The company had been inflating the cost of the intravenous drugs sold to Kentucky Medicaid, at times as much as 1300%.**

2010 Hepatitis C Infections

In 2010, a jury in Las Vegas, Nevada, **ordered Baxter and Teva Pharmaceuticals to pay \$144 million to patients who had been infected with hepatitis C after doctors wrongly reused dirty medical supplies to administer propofol to patients.** The jury granted the award, although the label for propofol clearly states that it is for single-patient use only and that aseptic procedures should be used at all times. Per a 2009 indemnity agreement between Teva (*the manufacturer*) and Baxter (*acting as a distributor on behalf of Teva*), the litigation and related settlements were defended and paid by Teva.

2010 Infusion Pump Recall

In 2010, Baxter was ordered by the FDA to **recall all of their Colleague infusion pumps** from the market **due to 87 recalls** and **deaths** associated with the pump.

2008–2010 Tax Dodging

In December 2011, the non-partisan organization Public Campaign criticized Baxter for **spending \$10.45 million on lobbying** and **not paying any taxes** during 2008–2010, **instead getting \$66 million in tax rebates**, despite making a **profit of \$926 million.**

REQUEST #4: I'm requesting the issue of **naming rights** as they pertain to Baxter International be **brought back to the Board of Trustees for a vote**, and that this **agreement be terminated** due to "adverse circumstances". The Board should exercise due diligence by thoroughly investigating the background of this company and by presenting this information and allowing for public comment prior to a vote.

RESPONSE (May 25, 2017):

Ms. Songer,

Thank you for taking the time to share your thoughts on this issue.

Rich

Rich Haney

ISSUES: ACCUMULATION OF DEBT AND DIRECTION EDUCATIONAL PROGRAMMING

<https://www.youtube.com/watch?v=cddy42I75AU> (18:38)

Staff Report presented by **Gary Grace**, Executive Director and Dean of UCLC (*University Center* - <http://www.ucenter.org>).

“We are at a crossroads right now, and if we are unable to secure at least a million dollars, it’s clear that **we don’t have adequate reserves to last until fiscal year 2019. We would dissolve at some point during that fiscal year.** ... We would like to establish a set of operating principles. We really want to be able to come together and determine what’s in the best interest of the College of Lake County, what’s in the best interest to sustaining a University Center, and we’re hoping that we can work on some planning during the next 12 months that would address the issue of ownership once and for all of the building because that’s a great concern to the college, but it’s also a great concern to us because we have always felt that what our job is to provide a service and a response to the market place, but we understand that the building and the equipment that’s amassed over the last 15 years will revert to the college, and we don’t want that to slip away to somebody else or we believe it’s our responsibility to make it happen.”

QUESTION: “... address the issue of ownership once and for all of the building ... we understand that the building and the equipment that’s amassed over the last 15 years will revert to the college, and we don’t want that to slip away to **somebody else** ...”

- Who is this “somebody else”? Who “else” could ownership of the University Center and its equipment go to and why?

Moving forward on multi-million dollar construction projects at this time and under current economic conditions is not fiscally responsible (*see data below*). Construction, at this point in time, should consist exclusively of **essential maintenance projects**.

CLC’s Master Plan includes a variety of other upgrades and improvements, including:

- Addition of a **\$4.8 M** geothermal system, which will provide heating and cooling to the entire campus
- A nearly **\$25 M** renovation to the campus’ Main Lobby include s extensive remodeling

and the addition of a new café

- Further renovations will modernize existing HVAC and sprinkler systems, create a centralized student services center, and update classrooms

Other improvements include:

- A new 53,000-square-foot building at Waukegan campus
- More than 19,700 square feet of existing space will undergo renovations to expand educational offerings and enhance services and programs at Waukegan campus
- A **\$1.67M chemistry lab expansion** at CLC Southlake Campus in Vernon Hills

Currently, there are three active CDB projects. The first is a **Data Center project** that was approximately **\$2.0M** and was awarded in 2011. Completion of this project was projected to be June 30th.

The largest and more complicated project is the **Science Building**. The project suffered from many delays. The delay of this project led to delays in other projects that were contingent on its completion.

Potential options will be complicated and contingent on the CDB, legal implications, and cost increases.

New science and engineering building on the south end of the campus (**\$25M**) – a brand new, three-story, 41,900-square-foot Grayslake building is to be paid for in part by using \$17.5 million in state dollars, with the remaining \$7.5 million picked up by CLC. . This is the first in a series of major upgrades taking place throughout CLC's various campuses, **totaling \$163M**.

New project managers and changes to the contractors' scope of work led to minor delays. The **change orders have added up to about \$644,000**, less than the contingency built into the contract.

Once the work on the science building and newly renamed C wing is complete, the **wing adjoining the science building will also be renovated**.

The third project is the **CDB Lakeshore Campus expansion** that is currently being funded by CLC through an IGA with CDB. The Board approved utilizing college funds to restart the project during the September 2016 Board of Trustees meeting.

Lakeshore campus in Waukegan — another project put on hold due to the state budget troubles — is also moving forward once again, with **Legat Architects** preparing the schematic designs for **\$47.7M in improvements**.

The plan is to build a new six-story building along Genesee Street, Madison Street and Sheridan Road; connect the new and existing buildings to each other and an existing Sheridan Road parking garage; and develop an outdoor space for students.

The design phase is expected to last about a year to be followed by about two years of construction.

<http://www.chicagotribune.com/suburbs/lake-county-news-sun/news/ct-lns-college-of-lake-county-construction-st-0207-20170208-story.html>

QUESTIONS:

- Was a **needs and/or interest assessment** taken to support the legitimacy of moving forward on programming and construction? If so, is this report online and available to the public?
- Why did CLC decide to make substantial investments in science and engineering? Since **39% of the Lake County population is blue collar** and **47.6% has an associate degree, or less**, targeting the trades and small business administration may be more appropriate.
- Is there information available to the public showing the **percentage of students who enter CLC's science and engineering programs** that earn **associate's degrees** versus those moving on to **4-yr. programs** in these areas? What is the **employment rate** of these students (*2-yr. vs. 4-yr. certification/degree*) in each program?
- What information is available from the **private health care service sector** to **support the need for growth** in human resources and to support expanding services and local educational programming in Lake County? If data has been generated, **what method was used to determine reliability and legitimacy** of information?

Based on **Lake County Comprehensive Annual Financial Reports**, trends from 2006 to 2015 **DO NOT** support the need for expansion to **Health Care Services** in Lake County. There are **308 fewer** Health and Services FTE, **294 fewer** outpatient counseling cases, **8,564 fewer** outpatient counseling sessions, **765 fewer** immunizations and vaccines given, **9,437 fewer** public health nursing/family case mgmt. visits, and **238 fewer** workforce training services registrations. Yet, there are **46,297 more** primary ambulatory care patient visits, **3 more** primary health clinics, and **\$194 more** Food Service Inspections/Education.

- Why is service increasing when need doesn't seem to be following the same trend? This doesn't appear to be a data-based approach.
- Maintaining **quality full-time faculty** seems to have taken a back seat to **facility expansion**. College-level FTEs are down by **1,447 employees**, 2012 to 2016 in lieu of **adjunct staff**. Do benefits outweigh cost? What **data** is available to support decision to employ adjunct staff over FTEs?

CLC FINANCIALS

Revenue/Expenses: FY2016 (p54) & FY2006 (p66)

\$67.01M increase in Total Operating Expenses from 2003-2016 (likely from retirement contributions despite 1,447 reduction in FTEs)

\$74.33M increase in Total Revenue from 2003-2016 (most from local property taxes and tuition)

	Total Operating Revenue <i>(*Tuition and fees, auxiliary enterprises, other operations)</i>	<i>*Are monies generated from bonds included as revenue?</i> Net Nonoperating Revenues <i>(*Local property taxes, personal property replacement tax, state appropriations, federal grants and *contracts, local grants and *contracts, investment income)</i>	Total Revenue	<i>*Are pension contributions included in cost of instruction?</i> Total Operating Expenses <i>(*Instruction, academic support, student services, public service, institutional support, operations and maintenance of plant, financial aid, depreciation, auxiliary enterprises)</i>
2016	35.213	117.293	152.506	146.271
2015	35.188	121.177	156.365	143.187
2014	35.492	119.836	155.328	145.846
2013	36.197	118.432	154.629	144.084
2012	35.303	104.850	140.153	131.442
2011	35.948	99.698	135.646	121.746
2010	35.043	91.825	126.868	120.180
2009	33.453	78.903	112.356	108.874
2008	31.425	72.902	104.327	100.996
2007	28.139	68.963	97.102	94.324
2006	25.580	63.815	89.395	85.774
2005	23.523	61.390	84.913	83.923
2004	21.991	79.626	101.617	101.769
2003	20.839	57.336	78.175	79.259

NOTE: Over the duration of the past 13 years, revenue has nearly doubled, as have expenses.

FY2016 FINANCIAL REPORT (p 29)

Future Debt Service Payments (2017-2036) general obligation bonds:

Total to be **paid through FY2036:**

Total Principal: \$69.265M

Total Interest: \$20.128M

Total: \$89.393M

FY2006 FINANCIAL REPORT (p 32)

Future Debt Service Payments (2007-2018) general obligation bonds:

Total to be **paid through FY2018:**

Total Principal: \$17.155M

Total Interest: \$3.525M

Total: \$20.680M

Debt Payments

In fiscal year 2015, the College refunded **\$2.8M** in bond principal to reduce interest costs.

FY2016 FINANCIAL REPORT (p 59):

Total Outstanding Debt:

2016: \$70.990M

2015: \$76.469M

2014: \$81.719M

2013: \$22.598M

2012: \$23.892M

2011: \$9.525M

2010: \$11.327M

2009: \$13.513M

2008: \$15.567M

2007: \$17.333M

\$54M increase in Total Outstanding Debt 2007-2016

FY2006 FINANCIAL REPORT (p 71):

Total Outstanding Debt:

2006: \$17.155M

2005: \$19.010M

2004: \$16.570M

2003: \$19.175M

2002: \$18.320M

2001: \$20.980M

2000: \$23.340M

1999: \$22.295M

1998: \$24.325M

1997: \$18.415M

\$1M decrease in Total Outstanding Debt 1997-2006

Total Outstanding Debt has increased from **\$17M** in 2007 to **\$71M** in 2016 (+ **\$54M**).

QUESTION:

- Is it fiscally responsible to carry **\$71M Total Outstanding Debt**, nearly 4 times that which has been carried historically (*based on information available online*)?

CLC can't rely on property taxes, nor can it rely on the State for funding. The **State** of Illinois provides the largest source of pension contributions (*approx. 95%*) through State appropriations from the **Common School Fund**. Unless the State's debt (*see below*) is refinanced and/or additional revenue collected, **it's likely the State will find ways to access local revenue sources**. For example, *moving all future funding of education to the local level, which has already happened in River Forest (District 90)*.

Also, tuition at CLC has declined. Enrollment at the Lakeshore campus, for instance, has **decreased 37%** over the last five years to just over 1,000 students.

NOTE: **\$23.653M** in interest is scheduled for payment. These are funds that should go toward students, programs, and educators – not banks.

STATE LEVEL

The State continues to spend more than it generates in revenue, while increasing debt. As of FY2016, the State **collected \$68B**, **spent \$73B**, and increased its **debt to \$147B**.

In **FY2015**, Illinois brought in **\$71B revenue**, spent **\$75B on expenses**, and carried **\$141B in total debt**. Last year, **FY2016**, **Total Revenue was \$68B**, **Total Expenses were \$73B**, and the state increased its debt to **\$147B Total Debt** (*\$1.5B Interest Costs*).

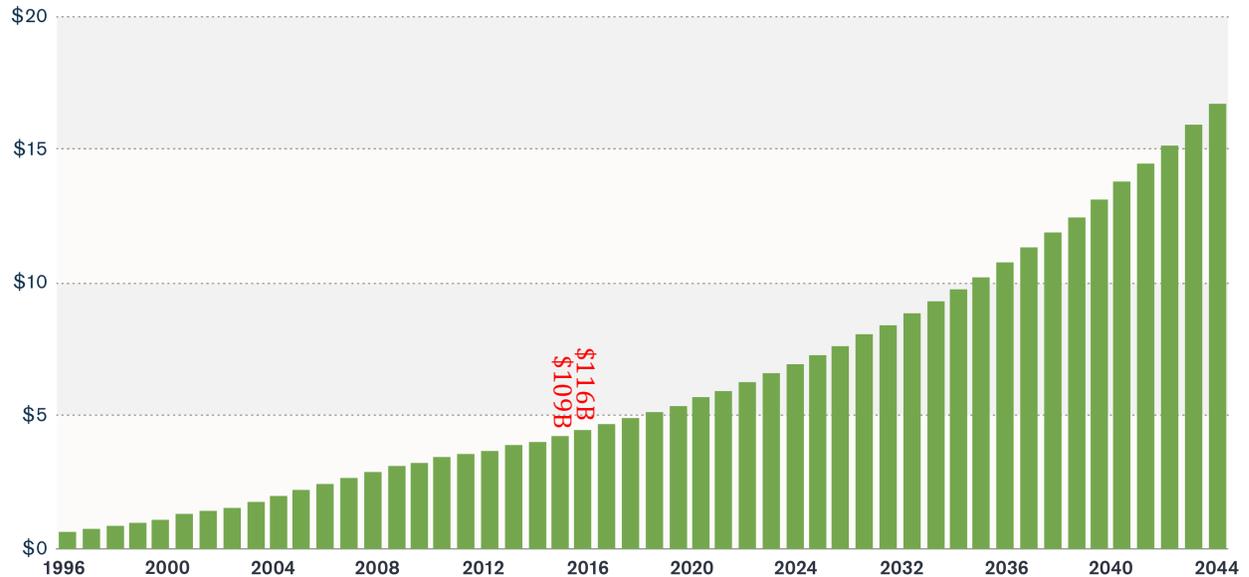
Revenue decreased by **\$3B**. Expenses were down by **\$2B**, but there was still a **\$5B** shortfall resulting from a decrease in revenue (*reduced individual and corporate income tax rates*). The State raised income tax rates for FY2017 to slightly below that used in FY2015, so it will likely collect just under \$71B, while debt has continued to increase.

The majority of debt is pension debt, which is financed in what looks like a balloon mortgage. Total pension debt went up **\$7B** (*\$109B in 2015 to \$116B in 2016*).

Also, the State's bond ratings may be downgraded; therefore, interest rates are likely to increase.

The Edgar ramp: A plan with skyrocketing taxpayer pension contributions

Original 1996 projected employer contributions to all 5 state pension funds (in billions)



Source: Commission on Government Forecasting and Accountability

@illinoispolicy

State funding law provides for a 50-year funding plan that includes a 15-year phase-in period.

This isn't sustainable! There was a **\$7B increase** from 2015 to 2016. At this rate, we'd be looking at an additional **\$203B over the current \$116B** by FY2045 (*probably more based on the incline of the slope*)!

LOCAL LEVEL

To give you an idea of what this looks like at the local level, my District's (*D214*) pension contributions have increased from **\$9M** in 2002 to **\$57M** as of FY2016. District 211 is in the same boat (**\$10M** in FY2002, **\$57M** in FY2016).

There's a privatization agenda out there and bankrupting our schools leaves them ripe for privatizer pickings.

REQUEST #5: I'm requesting the Board only approve construction consisting exclusively of **essential maintenance projects**, and that the Board **prioritizes repayment of debt** and **the hiring of FTEs over adjunct staff** until a point in time that investing in facility expansion is financially responsible and feasible.

**PURCHASING
BIDDABLE ITEMS**

ISSUE: BIDDING PROCESS (In-Sourced, Out-Sourced, Private, Public)

NEED:

1. Standards for calculating cost estimates and justifying insourcing or outsourcing decisions
2. Data related to negotiated service contract billing rates
3. Published government information about number of actual contractor employees holding specific occupational positions under any given contract
4. Universal job classification system

System must be in place to determine how much money is saved or wasted by outsourcing, insourcing, or retaining services provided by public versus private sector contractors. This system **should compare contractor billing rates and full cost** rather than **employee compensation rates** (*total cost of job vs. FTE*). Must require real public sector alternative proposal rather than using notation 'public sector comparator' - profit viability

For projects in which only private sector contractors are available, a universal system of cost breakdown and comparison needs to be in place and made available to the public.

REQUEST #6: I'm requesting **bid comparisons** (*minimum 3*) with **summaries** and **explanations** including information pertaining to **number of employees, employee pay, cost of product(s)/service(s), retained profit by company**, and **etc.** are posted and made publically available three (3) weeks prior to vote for approval at Board of Trustee meetings.

ISSUE: VOTING POLICY

REQUEST #7: I'm requesting a Trustee **voting policy** that states voting will NOT take place the same day new items are discussed. Voting should be scheduled a minimum of one (1) Board meeting AFTER Board discussion takes place regarding agenda items to allow for follow-up review, public comment, and diligent and due consideration.

AGENDA ITEM NO. 7.2 (June 27, 2017) - FINANCIAL FY17 BUDGET TRANSFERS

REQUEST #8: I'm requesting that **the Board cite the statute(s) authorizing the Treasurer to make Budget Transfers** as recommended on the June 27, 2017 Monthly Financial Report.

Budget transfers approved in the June 27th board meeting aren't clear in terms of the funds for which they are, or should be, appropriated.

(110 ILCS 805/7-15) (from Ch. 122, par. 107-15)

Sec. 7-15. The board may at any regular meeting **on or after July 1** in any year, by a **vote of 2/3 of all its members**, authorize the making of transfers **within any fund under its jurisdiction of sums of money appropriated for one object or purpose to another object or purpose**, which action shall be entered in its proceedings; but no appropriation for any purpose may be reduced below an amount sufficient to cover all obligations incurred or to be incurred against the appropriation for that purpose.

Can "transfers **within any fund**" be read broadly to make a **transfer to another fund for a different object or purpose**? There is no relevant case law on this or the related (almost identical) passage in the school code.

Under the **IL School Code section 105 ILCS 5/17-2A**, "Interfund transfers," there are strict requirements for one-time transfers between funds. This section **does not exist** in the **Public Community College Act**, which indicates that similar interfund transfers are not available.

Interfund Transfers can be made between Educational Fund, Operations and Maintenance Fund, and Transportation Fund solely for the purpose of meeting **one-time, non-recurring expenses.**

The transfer from **Operations and Maintenance Fund** (*Restricted*) to **Operating Funds** on the June 27 agenda is also problematic.

07.4 Resolution Authorizing Transfer of Funds from the Operations and Maintenance Fund (Restricted) to the Operating Funds (p. 29-31)

The Board is not authorized to **do a one-time transfer between those funds**, but can instead do a **loan between the funds**.

There is a **different standard for transfer from the "working cash fund"** to other funds, but this doesn't appear to be fund your working from. **The Board can instead loan money from one fund to the other**, but must **repay the loan within one year**:

(110 ILCS 805/3-34) (from Ch. 122, par. 103-34)

Sec. 3-34. To authorize the treasurer to make **interfund loans from any fund to any other fund** maintained by the board and to **make the necessary transfers** therefor, but **each such loan must be repaid** and **retransferred to the proper fund within one year**.

If the Board believes they are authorized to make such a transfer, please cite the statute that authorizes it.