



## ALLIANCE LEGISLATIVE REPORT (94-63)

### TENTATIVE BUDGET AGREEMENT REACHED

The Governor, Speaker of the House, and Senate President have reached a tentative agreement on the Fiscal Year 2007 State budget. An amendment (863 pages long) has been filed on **SB 1520 (Trotter, D-Chicago)** that contains appropriations for all of State government for the next fiscal year. The appropriations committees in the House and Senate are meeting today to discuss the contents of the plan. Pending these discussions and meetings of the four partisan caucuses, the bill is expected to be called for a vote later this week.

#### ELEMENTARY AND SECONDARY EDUCATION BUDGET

The budget for elementary and secondary education follows closely the recommendations made earlier this year by the State Board of Education. SB 1520 contains an increase for ISBE of nearly \$416 million over the FY '06 funding levels. The Governor had initially requested a \$400 million increase. The following are some of the highlights of the education budget:

- The foundation level would increase by \$170 per pupil to a total of \$5,334 per pupil (over \$238 million must be put into the State aid formula to reach this level);
- Mandated categorical grants are prorated at the same level as FY '06 (over \$56 million must be put into these grants to reach this level);
- The School Safety and Educational Improvement Block Grant (ADA Block Grant) would see a \$10 million increase over FY '06;
- The Early Childhood Block Grant would see a \$45 million increase over FY '06. This is necessary to fund the Governor's universal pre-school program;
- The "poverty grant" would be funded at 100%;
- Transition Assistance is funded at \$11.8 million. This is to guarantee that no school district can receive less State funding in FY '07 than it did in FY '06;
- The Teacher Education/National Board Certification line item would see a nearly \$5 million increase over FY '06;
- The bilingual education line item would see a \$4.5 million increase FY '06;
- The After School and Student Support Programs/Mentoring program would see a nearly \$12 million increase over FY '06;
- The Arts and Foreign Language line item would see a \$2 million increase over FY '06;
- The summer school line item would see a \$500,000 increase over FY '06;
- The Alternative Learning/Regional Safe Schools line item would see a \$500,000 increase over FY '06;
- The Truant Alternative Optional Education line item would see a \$500,000 increase over FY '06;
- The Agriculture Education line item would see a \$500,000 increase over FY '06;
- The Career and Technical Education line item would see a \$500,000 increase over FY '06;
- The District Consolidation costs line item would see an increase of \$150,000 over FY '06.

Several new line items are established in SB 1520, including:

- \$10 million for a new class size reduction grant necessary to fund the Governor's pilot program for class size reduction (contained in SB 2882);

- \$5 million for grants to law enforcement agencies for school security;
- \$5 million for the School Technology Revolving Loan Fund that was “zeroed out” last year and not funded. There is speculation that this could be used for the Lieutenant Governor’s laptop computer proposal;
- \$3 million for the “Children’s Mental Health Partnership”;
- \$2 million for the Teacher Mentoring Pilot Project;
- \$1 million for costs associated with a Bullying Prevention program established in SB 2630;
- \$800,000 for a new principal mentoring program established in SB 860;
- \$500,000 for “Regional Superintendent Initiatives”;
- \$500,000 for “Building with Books”;
- \$500,000 for implementation of the ISBE’s strategic plan;
- \$100,000 for “Autism Training and Technical Assistance”.

Language to implement the Transition Assistance payment, to distribute the Arts Education funding increase, to set the new foundation level, and to retain the poverty payment at 100%, will be contained in the education budget implementation bill: **SB 176 (Shadid, D-Peoria)**. Language to implement the Governor’s universal preschool program will be amended onto **HB 4974 (Smith, D-Canton)**. The implementation language for the rest of these new programs is not yet available. More exact parameters could emerge through legislation in another budget implementation bill, a memorandum of understanding between the Governor’s office and the legislature, or in ISBE rules or policies.

### **PENSION LEGISLATION AMENDED, MOVED FORWARD**

The House of Representatives approved a bill Monday containing an agreement on the adjustments to the TRS pension bill from last year. As reported in earlier Alliance Legislative Reports (94-60 and 94-62), Speaker of the House Michael Madigan has convened meetings to find compromise on a bill to make adjustments to the 6% salary limitation provision of last year’s SB 27 (Public Act 94-0004). The contents of this agreement between the Alliance, the Illinois Education Association (IEA), the Illinois Federation of Teachers (IFT), and House Democrat Leadership is now contained in **SB 49 (Silverstein, D-Chicago)**. Similar provisions were previously onto HB 1813.

The bill makes the following changes to Public Act 94-0004:

- States that a change in employment of a teacher/administrator in a school district due to consolidation/reorganization would constitute a “change in employer”, thereby exempting a salary increase from the 6% salary limitation;
- Gives the local school district an opportunity to request that TRS re-calculate the amount of the payment if the district disputes the calculations used to determine the amount due;
- Places a July 1, 2011 expiration date (a “sunset provision”) on these changes;
- Exempts salary from the 6% limitation if the salary increases resulted from “overload” work (including summer school), as long as the work is for the sole purpose of classroom instruction and the salary increases are the same as (or less than) the rate of pay for other teachers on the current salary and work schedule;
- Exempts salary from the 6% limitation if the salary results from an in-district promotion, if the promotion requires the employee to hold a certificate or supervisory endorsement that is different than the certificate or endorsement needed for the employee’s previous position;
- Exempts salary from the 6% limitation paid to a teacher at a time when the teacher is 10 or more years from retirement eligibility;
- Exempts salary from the 6% limitation if the salary is a payment to the teacher from the State of Illinois or the State Board of Education over which the school district does not have discretion (i.e. Master’s Teacher Certificate);

- Require TRS to prepare a report that gives: the number of re-calculations requested by school districts; the dollar amount by which a school district's payment was changed due to the re-calculation; the total amount TRS received from school district contributions due to the 6% limitation;
- Gives school districts 90 days (instead of 30 days) to pay the contribution to TRS if payment is due because of the 6% salary limitation provision. School districts could take up to 3 years to may the payment to TRS, but anything after 90 days would include an 8.5% "interest" payment to TRS. 8.5% is the rate of return TRS would lose by not having the money to invest; and
- Clarifies sick leave payment provisions in the law.

Though the bill still does not contain everything that many organizations wanted included, it is a vast improvement over the current law. The bill is pending consideration by the Senate.

## **PROPERTY ASSESSMENT LEGISLATION NEEDS YET ANOTHER TRY**

The House Revenue Committee considered yet another version of a bill on the controversial extension of the "7% assessment cap" (**SB 2350, Lang, D-Skokie**). The bill, opposed by the Alliance, needed two attempts to meet approval of the revenue committee last week (see Alliance Legislative Report 94-61 at [www.iasb.com/files/alr-9461.htm](http://www.iasb.com/files/alr-9461.htm)). The bill was amended again today (Tuesday) on an 8-4 vote of the committee. **Amendment #3** removes several of the provisions added by House Democratic leadership and makes the bill similar to provisions contained in the original SB 2691.

The bill, as amended, only includes:

- A modification of the Alternative General Homestead (7%) Exemption that makes the "base year" the 2004-2005 tax year, and an extension of the application of the Alternative General Homestead Exemption to assessment year 2010 (it is scheduled to expire December 31, 2006). This portion of the bill would apply to all 102 counties by allowing them to choose to participate. Currently the only county that has chosen to implement the exemption is Cook.
- A requirement that Cook County pass a new ordinance to participate in the program for the each allowable period.
- And increase in the cap to the exemption for any individual homeowner from \$20,000 to \$60,000 for all participating counties.

The bill still needs the approval of the full House of Representatives and the full Senate. The bill will likely be called for a vote on the House floor today or tomorrow. While it may seem repetitive to continue calls to your representative regarding this bill, with each change your representative needs to know that the bill still contains provisions we oppose.

**Please contact your State Representative TODAY and urge a "no vote" on SB 2350.**

**Alliance Legislative Reports:**  
**Bill Text/Status: Illinois General Assembly**

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