



## ALLIANCE LEGISLATIVE REPORT (95-10)

### GOVERNOR'S PROPOSALS TO HAVE HEARINGS

The Illinois Senate will hold hearings next week on Governor Rod Blagojevich's ambitious plans for health care, education reform, and taxation. Senators will meet in committees next Wednesday, April 18, their first day back after a two week break.

The Senate Revenue Committee and the Senate Education Committee will meet in a joint hearing on April 18 at 1:00 p.m. to discuss amendment #1 to **SB 1 (Jones, E., D-Chicago)**. The amendment contains the Governor's Gross Receipts Tax (GRT) proposal.

The Senate Public Health Committee and the Senate Human Services Committee will meet in a joint hearing on April 18 at 3:00 p.m. to discuss amendment #1 to **SB 5 (Trotter, D-Chicago)**. The amendment contains the Governor's "Illinois Covered" universal health insurance proposal.

The Senate also has to consider Senate bills on the Senate floor next week since the chamber did not complete its work before its self-imposed deadline of March 30. The House of Representatives will reconvene on Tuesday, April 17, to consider House bills on the House floor.

### GOVERNOR'S PLAN HAS MAJOR EDUCATION REFORMS

To review the entire 273 page bill that contains the Governor's GRT plan, go to the General Assembly website at: [www.ilga.gov](http://www.ilga.gov), type in "sb1" in the small box on the left-hand side, click on "full text", then click on "Senate Amendment 001". The following are the main components of the bill:

- **Gross Receipts Tax:** "A Tax is hereby imposed on each taxpayer for the privilege of doing business in this State equal to the Illinois gross receipts of the taxpayer". The "tax imposed is a tax on the taxpayer and may not be separately billed or invoiced to another person".

The GRT is .85% on the sale of products and 1.95% on the sale of services for those organizations whose Illinois gross receipts are \$2 million or more. Some exemptions from the tax include retail food sales, non-prescription medicines, insurance products, pension reversions, and riverboat gaming.

**\$7.6 billion** per year is expected to be generated by the tax; **\$1.5 billion** is pledged for public education in the first year.

- **Targeted Intervention Strategies:** the ISBE is "authorized to make rules necessary to define and implement strategies to support school districts". The targets are schools that remain on academic watch status after 3 years. The ISBE will select schools that need help and will offer the opportunity for the school districts to accept or decline participation in targeted intervention strategies. If a school declines, the school district must demonstrate academic improvement over a 2-year period. If the school does not show improvement, the ISBE can direct the Regional Superintendent of Schools to remove the school board members and reassign the district staff.

A school that chooses to participate in the intervention strategy, will be assigned a "State Intervention Team" selected by the ISBE, that includes an "academic improvement specialist" and representatives from the Department of Human Services, Department of Healthcare and

Family Services, the Department of State Police, and the Department of Children and Family Services (as deemed appropriate by the ISBE). The academic improvement specialist shall develop an intervention plan for the school and must consult with the intervention team and “attempt to reach consensus” with representatives from the school district. The plans may include: extended school year or summer school, after school tutoring, integration of technology, improved library services, professional development for administrators and teachers, and improvement to school curriculum and materials.

- **New Superintendent Mentoring:** requires new superintendents in Illinois to participate in a mentoring program for 2 years (the ISBE establishes requirements of the program through rules). A superintendent who has worked for at least 3 years and “who has demonstrated success as an instructional leader” (as determined by ISBE rule) is eligible to be a mentor. Mentors shall complete training through a provider selected by the ISBE.
- **Rural Learning Initiative:** the ISBE shall establish by rule this initiative to upgrade computer lab facilities, upgrade classroom materials, and fund professional development.
- **Small School Support:** the ISBE shall establish by rule this program to provide grants to schools with more than 2,000 students to create small school projects to serve no more than 500 students (a “school within a school” concept).
- **Full-Day Kindergarten:** provides funds for school districts to expand half-day kindergartens into full-day kindergartens.
- **Special Education Personnel Reimbursement:** would increase the personnel reimbursement for special education teachers from \$8,000 to \$13,170 and for non-certificated personnel from \$2,800 to \$4,610.
- **Administrative Cost Cap:** retains the current provision that prohibits a school district’s administrative costs from increasing more than 5% from one year to the next – and adds another provision that states that a school district’s administrative expenditures may not exceed 5% of the district’s budget. Violations of this provision could result in the withholding of general State aid.
- **Foundation Level:** increases the per pupil foundation level of the school funding formula to \$6,058 for the 2007-08 school year – a \$724 per pupil increase.
- **Textbook Replacement:** sets a schedule for textbook replacement to maintain an average textbook age of 6 years. Replacement of textbooks is required in FY ’08 for grades 9-12; in FY ’09 grades K-4; in FY ’10 grades 5-8; and in FY ’11 and thereafter the cycle repeats.
- **Master Teacher Certification:** provides a one-time incentive (equal to the fee expense of applying for National Board Professional Teaching Standards Certificate) for a group of 3 or more teachers from the same targeted intervention school who attempt to receive Master Certification – and an additional one-time incentive of \$1,000 for each teacher when all teachers in the group receive the certificate.
- **Illinois Education Roundtable:** creates a new organization to support the academic achievement of students at all levels by structuring a comprehensive and collaborative statewide strategy to improve education. The group would be comprised of: the Governor (or his/her designee); two members of the House of Representatives, two members of the Senate; and appointments by the Governor to include: representatives of business; municipalities/counties; “teachers parents, and administrators in this State, including representatives of professional organizations, associations, and labor unions”; the Board of

Higher Education, the ISBE, the Illinois Community College Board, the Illinois Student Assistance Commission, the Illinois Workforce Investment Board, the Department of Commerce and Economic Opportunity, and the Illinois Early Learning Council.

- **Education of Homeless Children:** establishes a grant program that parallels and supplements the federal grant program to allocate funds for the education of homeless children.
- **Early Childhood Construction Grants:** authorizes the Capital Development Board (CDB) to make construction grants to early childhood education providers, “including school districts, non-profit and for-profit community-based entities, license-exempt entities, and faith-based schools”.
- **Teacher and School Leadership Preparation:** provides funds for teacher training and mentoring through “high quality Professional Development Schools”.
- **Education Property Tax Relief Program:** after the County Clerk determines the final extension for education purposes for all taxable property in each school district, “the County Clerk shall then reduce the extension for education purposes for each school district or portion of a school district in the county by the amount of the Education Property Tax Relief Payment paid by the Illinois State Board of Education to each school district”.

The ISBE calculates a property tax relief payment to school districts based on the type of school district, the median EAV per pupil, and the “median multiplier”. A total of **\$1 billion** would be paid out in property tax relief: \$200 million is earmarked for Chicago and \$800 million would be distributed throughout the rest of the State. The Department of Revenue would be required to certify the amount of the payment to each school district by January 15 of each year.

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

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