



ALLIANCE LEGISLATIVE REPORT (99-12)

HOUSE APPROVES BUDGET BILLS FOR FY15

The Illinois House of Representatives Tuesday approved a pair of bills that would make mid-year cuts to the current Fiscal Year 2015 State budget. The bills, an agreement between Democrat leadership in the House and Senate and Republican **Governor Bruce Rauner**, seek to close a \$1.6 billion hole in the current budget. **HB 317** contains the appropriations; **HB 318** contains the substantive language to implement the appropriations. The bills are co-sponsored by **House Speaker Michael Madigan** and House **Republican Leader Jim Durkin**. In the Senate, the bills are expected to be picked up by **Senate President John Cullerton**.

The budget shortfall is addressed by finding 80% of the necessary monies through fund transfers (or fund sweeps as they are commonly known) from dedicated funds throughout State government. The other 20% is generated by a 2.25% budget cut across all State agencies and programs. Some budget items are excluded (like pension payments), and some programs receive funding in order to make them solvent through the end of the fiscal year (like Department of Corrections and child care programs).

Included in HB 318 are provisions to give the Governor the latitude to transfer up to 4% of the funds from one budget line item to another line item, agency, or program. The Governor is given even greater discretion for K-12 education spending.

For elementary and secondary education, HB 317 cuts 2.25% from all Illinois State Board of Education (ISBE) budget line items – including General State Aid (GSA) – for a total of approximately \$150 million. It is not clear yet how, exactly, the GSA cut will manifest itself. But the bills also provide a lump sum of \$97 million to “backfill” the GSA loss for those school districts in the most dire of fiscal conditions and give the Governor the unprecedented discretion to direct the funds to specific school districts. Again, it is unclear exactly how that process will work at this time.

The bills were passed unanimously Tuesday morning by the House Executive Committee and approved by the full House Tuesday afternoon. Now on the fast track, the bills will likely be considered in a Senate committee within the next 24 hours with final action by the end of this week.

This legislative report was written and edited by the lobbyists of the Illinois Association of School Boards to provide information to the members of the organizations that comprise the Statewide School Management Alliance.

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