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Fwd: Capitol Watch: Pritzker Delivers Budget Address

1 message

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To: Bridgett Heinrich <bheinrich@panaschools.com>

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February 22 Board Meeting

----- Forwarded message -----

From: **IASA** <iasa@iasaedu.org>
Date: Wed, Feb 17, 2021 at 3:40 PM
Subject: Capitol Watch: Pritzker Delivers Budget Address
To: <jbauer@panaschools.com>



Pritzker's Budget Keeps Education Funding Level; Relies on Federal Dollars for Additional Support to Schools

For the second straight year, Gov. JB Pritzker has proposed a spending plan that does not include any additional state dollars into the Evidence-Based Funding Formula.

Instead, Pritzker seeks to keep the state's education budget for kindergarten to 12th grade level at almost \$9 billion and then rely on federal dollars to provide additional support to schools. Funding for early childhood programs and mandated categorical payments will remain flat.

"In March of 2020, I promised schools that they wouldn't lose funding because of the pandemic, and this budget keeps that promise," Pritzker said in his budget address today. "The federal government has made extraordinary efforts to support schools during this time, with \$2.8 billion allocated to schools thus far – and more is expected. Thanks to this funding, we can protect our K-12 investments at current spending levels."

Pritzker laid out his FY 2022 budget proposal today in a combined state budget and state of the state address, which was pre-recorded at the Illinois State Fairgrounds.

We knew a proposal that mostly treads water was coming when the governor released a framework last week that removed an income tax hike, implemented \$700 million in unspecified cuts to state agencies and sought to close \$932 million in "corporate tax loopholes."

According to the Pritzker administration, better-than-expected tax revenue that cut an anticipated deficit for the coming budget year to \$3 billion from \$5.5 billion, allowed him to avoid painful cuts and an income tax increase.

Of course, the budget address is only the starting point for discussion, even with his fellow Democrats holding supermajorities in both chambers of the legislature.

Early Opposition to Education Funding Proposal

There are already signals the governor's proposal could face a rocky path forward, especially with education funding.

State Rep. Fred Crespo, a Hoffman Estates Democrat and the chair of the House Appropriations Committee, told the Daily Herald Pritzker's education funding plan will be a "big issue of contention" if it doesn't pay for the state's evidence-based education model.

"(Pritzker is) feeling federal dollars can be used to offset \$350 million, but it doesn't work that way," Crespo said.

Representative Will Davis (D-Hazel Crest) also indicated the legislature may not go along with a freeze to the education funding formula for a second straight year.

"It's unfortunate that the governor's budget doesn't prioritize education properly in the way it should to make sure that we are putting new money into the education formula," Davis said.

It's great to see members of the General Assembly already expressing support for the state making at least a \$350 million contribution to EBF.

We know not investing in EBF will push districts further away from their adequacy targets and make it harder for schools to provide additional academic and social-emotional support for students.

Hopefully, revenue projections will continue to improve, and the Pritzker administration can increase funding for schools in FY22. This pandemic has dealt the governor a dire fiscal hand and many vital services and programs are also in need of additional funding.

Make Our Voices Heard

Therefore, it will be incredibly important this legislative session to make our voices heard. If you haven't already, I encourage you to introduce or reacquaint yourself to your local legislator in the [House](#) and [Senate](#). Establishing a strong relationship and keeping a regular dialogue is the best strategy to make your voice heard on issues that matter the most.

That regular dialogue, while always important and needed, with legislators carries extra weight this year because of safety precautions in place due to the pandemic that limits access to the capitol.

Both the House and Senate have passed new rules that allow legislative committee hearings to be conducted remotely, meaning a limited number of witnesses will be able to testify virtually. As a result, there will definitely be new obstacles this session and your advocacy will be critical.

Other Budget Address Highlights

Here's a closer look at other parts of Pritzker's budget address and how everything could play out.

Pritzker is framing this proposal as a balanced budget that does not increase the income tax and closes tax loopholes. His plan would make the required contribution to the state's pension systems.

Here are the bullet points Pritzker released in a statement:

- Ends \$1 billion in giveaways to corporations;
- Strengthens safety net services for all Illinois residents in need;
- Protects education funding as the federal government directs billions to schools;
- Continues investments in economic development, infrastructure and the environment;
- Creates a more equitable Illinois through criminal justice reforms.

However, the reality is much more complicated. In addition to a possible \$3 billion deficit, the state still faces a nearly \$4.9 billion backlog of unpaid bills and \$2.8 billion still outstanding from the \$3.2 billion Illinois borrowed from a special Federal Reserve program to help shore up its past two budgets during the pandemic, money that must be paid back within three years.

Undoubtedly, the Pritzker administration is holding out hope for more federal aid from Washington now that President Joe Biden is in the White House and Democrats control both houses of Congress.

However, a federal relief package is not guaranteed, and it's also a short-term fix. The state still has a structural budget hole that needs to be addressed.

As I said earlier, today's budget address is only the starting point for discussions. A lot can change from now and the end of May.

We will do our best to keep you informed of the changes via Capitol Watch and other legislative updates. Stay warm and stay safe.

Sincerely,

Diane Hendren
Director of Governmental Relations
Illinois Association of School Administrators

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