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Fwd: State budget gets a forward look for a change

1 message

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September Board Meeting

--- Forwarded message ----

From: State School News Service < j.m.broadway74@gmail.com>

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State budget gets a *forward* look for a change

By Jim Broadway, Publisher, Illinois School News Service

In recent years, we spent summers either without a state budget - or with a budget we totally knew would unravel long before the end of a fiscal year come July 1. But the focus now seems not to be about how this year's budget will be fixed (or maybe even passed). No, we're looking ahead to the FY 2021 budget.

But for some heads of state agencies, and for organizations that depend upon them, it's not a completely pleasant picture. Gov. JB Pritzker has notified departments under his authority that they need to identify operational budget items that they would see as their least painful targets for budget cuts after July 1, 2020.

The agency directors have been told to find ways to slice at least 6.5% from current spending. But final cuts are not to be across-the-board, according to key staff, but instead would be case-by-case. Efforts will be made to put some agencies in as little pain as possible. The State Board of Education is mentioned in that regard.

Specifically, last week's memo from Deputy Director (and former Illinois Comptroller) Dan Hynes and Director of the Governor's Office of Management and Budget (GOMB) Alexis Sturm addressed the more than \$7 billion in unpaid bills still pending on July 1 and directed the agency directors to:

Propose an "actionable scenario" under which their 6.5% reductions in FY 2021 spending could be achieved; propose a minimum 10% reduction in the number of boards and commissions under an agency's purview; and identify "at least two significant efficiency and savings ideas" with benefits for FY 2021.

Meanwhile, revenue-generating strategies are also under consideration. As Crain's Chicago Business has reported, the state moved closer to unloading the costly-to-operate Thompson Center in Chicago, an achievement that eluded for four years the Rauner Administration. But finalizing it is still a couple of years away.

A prospect with more immediate impact for FY 2021 would be applying the income tax to retirement revenue over a certain high amount, as the Chicago Sun-Times has proposed. Actually it's been suggested often in the past, since Illinois is one of only three states that let retirees ride free no matter how rich they are.

(On a positive note, the Sun-Times has given up on its demonstrably unconstitutional recommendation that the state climb out of its fiscal black-hole by eliminating state pension system retirees' 3% cost-of-living increases. (Those are contractual obligations, not mere "promises," the Sun-Times should acknowledge.)

But there is no contractual obligation (or even a promise) not to apply the income tax to retirement incomes. The editors of the Sun-Times referred not to educators, but to retired employees and board members of the Chicago Transit Authority who enjoy amazingly comfortable pension benefits.

"Finance experts on both the left and right" agree that "All income, from whatever source, should be treated equally," the editors asserted, citing the Civic Federation and the Civic Committee of the Commercial Club (on the right) and the Center for Tax and Budget Accountability (let them represent the left).

Then the editors seem to have adopted an often-repeated ISNS position:

"So let's get on with it and do right by the young people of Illinois. They didn't create this pension mess. [Emphasis ISNS] Those of us with a little gray in our hair did. We looked away as the state, Chicago and other local governments made big pension promises for decades but failed to sock away the money."

But if they pay a tax on their retirement income, won't the wealthy retirees just up and leave Illinois? Good guestion. But another good guestion is, "Where would they go?" All but two other states do tax retirement income, as noted above. And, as the Sun-Times observed, the they-will-move argument is a myth.

Getting back to the FY 2021 state budget, the situation is serious. If PK-12 education is to be spared the pain, something significant on the revenue side will have to happen. Will it? That's to be seen. Will Illinois ever be able to provide world-class programs and services - and actually pay for them? That's also to be seen.

Will the legislators deal with revenue next month, when they convene for a "veto session" with very little vetoed? That is very unlikely. Raising revenue takes a lot of time to gain consensus. It almost has to be a bipartisan action, as has been the case in Illinois so far this century. And the veto session will be too short.

The House and Senate will convene October 28-30 and then again on November 12-14. Of the 599 bills that passed in the spring, Pritzker signed 591 into law. Only eight bills could be on the agenda. Seven were vetoed outright, and no "override" seems likely for them. He sought changes - likely to be accepted - in the other.

Pritzker vetoed HB 423, which would suspend the Basic Skills Test, since he had signed into law SB 1952 which eliminates the test entirely. He vetoed SB 2126 because its provisions, relating to adult education, were included in HB 3628, which he signed. He just didn't like the exclusionary discipline in SB 2124. Neither did I.

The other five bills included a couple more that were duplicated in bills that he signed, two that he regreted having to veto but promised to work with the sponsors toward policy he could support, plus a bill that would have given some high-valued state land to a non-profit organization - for no money. Why do that?

The veto session won't have to be wasted, however. There are always half-baked bills on the record that could be baked a little more and passed. An bill unfinished in

the spring, for example, would cap insulin costs of for people with diabetes. A hearing or two and that one might be ready for a third-reading vote.

Here's an idea I got while driving to the "UP" to visit my daughter, Amy, Road repair projects were annovingly frequent. But a sign was posted by each one: " The penalty for hitting a worker is a fine of up to \$10,000 and 14 years in prison." Yes, it's a large price to pay - properly - for a moment of distraction.

But it works. And it got me to thinking about school shootings. Most shooters are current or former students, as you know, and they rarely own the guns they wield. They get them from the closet where they know their father or grandfather keeps them. But dad and grandpa should keep their guns locked away more securely.

What if you were fined when someone gets your gun and brandishes it? What if your penalty was "a fine of up to \$10,000 and 14 years in prison" if someone is shot with your gun, the one you should have stored in a locked container that no one else could open? Would that be sufficient motivation for grandpa?

Snippets:

The opioid crisis hit Illinois hard. As the National Institutes of Health revealed in a report updated earlier this year, the state had an opioid death rate of 17.2-per-100,000, far higher than the national 14.6 rate, for a total of 2,202 Illinois opioid deaths in 2017. West Virgina had it worst with an amazing 49.6 rate.

Dealing with the crisis was a high priority for Pritzker, who signed into law SB 1839, which comprehensively documents and regulates "third party logistics proviers" companies that ship prescription drugs into Illinois.

Tobacco companies say they never target teens when advertising their products, not even their "e-cigarettes," the kind that are "harmless" because you just inhale vapors, not smoke that's loaded with the carcinogens they denied were there for decades. Credible researchers say they spend "billions" on such targeting.

Teen "vaping" has surged in recent years, according to the Illinois Department of Public Health, which issued a warning last month about teens that had been hospitalized. HB 345, which Pritzker signed into law, makes it illegal to sell tobacco products, including e-cigarettes, to anyone under 21 in Illinois. Spread the word.

Interesting historical item: In 1987, young Illinois congressman Richard Durbin sponsored the first successful federal legislation that was opposed by the tobacco industry. It was to ban smoking on domestic airline flights under two hours. That got the ball rolling. By 1989, federal law banned smoking on all flights.

Durbin, now the second-ranking member of the U.S. Senate, continues to care about corporations that encourage nicotine addiction of children as well as adults. He has called on Ned Sharpless, acting head of the Food and Drug Administration, to "stop this vaping epidemic" - or else "you should resign your post."

Today is "Constitution Day." I learned this from the U.S. Census Bureau, which sends me messages quite frequently just because I consulted their web site for some public information recently. Anyway, they highlight a spat between Hamilton and Jefferson. I'll let Barack and Michelle introduce my favorite.

A school "climate strike" is set for Friday. What is a climate strike? It is a demand from young people - and they're even willing to sacrifice some school time for it - that the rest of us stop fouling the environment that they will have to live with. Will the strike come to a school near you? Put your zip code in the search field to see.

The leaders are young people, just teenagers. But they do seem to have identified the concern that has the most serious implications for their future - and they know who should (but probably won't) try to address it. A wonderful little girl from Sweden started all this uproar. Someday we may all thank her.

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