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Fwd: Session's final month sure to be exciting

1 message

Jason Bauer < jbauer@panaschools.com> To: Nicole Blodgett <nblodgett@panaschools.com> Mon, Apr 15, 2019 at 6:27 AM

April Board Meeting

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

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

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Session's final month sure to be exciting

By Jim Broadway, Publisher, Illinois School News Service

Now that the General Assembly is on vacation, we have some time to chat. Have you filed of your tax return, by the way? Today's the deadline. Perhaps I'll see you at the post office this evening. Anyway, with the House and the Senate on their Easter break until April 30, we can take a look at the hot issues still pending.

After April 30, legislators will make many big decisions - mostly about money - and the month of May will go by them in a blur. Buckle up, folks, it's the law in Illinois.

Actually, many hot issues are still "pending" only in a technical sense. "Decided" may be more accurate. For example, you may wish to send a note of consolation to Illinois State Charter School Commission members; they'll lose their status as state officials - and their power over locally elected school boards.

I think that's been decided. As you see in the "Charter Schools" segment of the ISNS bill-tracking page (yes, the URL was changed as of this issue), both bills to abolish the SCSC reached the second chamber last week. SB 1226 got to the House on Thursday, and HB 2100 was welcomed by the Senate on Friday.

It won't happen overnight, of course, and charters will still be allowed after the SCSC is gone. And school boards' denials of charter applications will be subject to judicial review (like almost everything else). But the anonymous commission will impose no more charters on local school boards that don't want them.

Sen. Linda Holmes (D-Aurora) was the sponsor of SB 1226, and Rep. Emanuel Chris Welch (D-Westchester) file and guided HB 2100 through its first chamber. They are sponsoring each other's bill in the second chamber.

A "School District Efficiency Commission" also seems decided. HB 3053, sponsored by Rep. Rita Mayfield (D-Waukegan), reached the Senate for weeks ago and is now sponsored by Sen. Thomas Cullerton (D-Villa Park), who had sponsored a bill like it but it was allowed to die on Friday's third-reading Senate deadline.

This commission's goal will be to cut the number of school districts, largely by merging high school districts with the elementary districts that feed into them. The commission would make the case for more than 200 consolidations, but voters in the affected school districts could still reject them.

The clause requiring voter approval is probably what allowed HB 3053 to skate through the House without a single vote being cast against it, in committee or on the floor. If that clause were to be amended out, it's very unlikely that the bill could pass the Senate. But how likely are voters to approve a consolidation?

As background, consolidations happen every year. But they follow in-depth studies of the complicated effects that occur when two or more specific districts merge. No two consolidations are alike - or even similar - but policymakers want more of them because of the dollars they are believed to save. It's a steep hill.

The biggest issue, of course, will be the budget. Gov. JB Pritzker has described a multi-year plan to get the state back on a balanced-budget track. The thing that makes it possible would be a graduated income tax structure (such as the federal income tax and most other states' tax systems), but that's also what makes it multi-year.

It takes a voter-approved constitutional amendment to change Illinois' "flat" tax system (the rich pay the same rate I pay, no matter how many millions swell their incomes), and no referendum can happen before November of 2020. Even a fasttracked tax change could not have any significant effect before FY 2022.

That means there will be a long debate, which is excellent. SJRCA 1 was amended in the Senate on Wednesday to ask the voters if they would approve the elimination of the current constitutional requirement that Illinois' income tax rate be flat. Approval of SJRCA 1 would start a debate that would end in November of 2020.

Pritzker has described a graduated tax structure which, as confirmed by the Department of Revenue, would raise the rate of taxes just on the part of a person's income that is over \$250,000. Those of us with less income (we're the 97.3%) would pay just a little bit less in taxes than we would pay under the current flat rate.

The big question before the legislators now is not whether to change to a graduated rate tax system. The big question, rather, this: Who should make the decision? Legislators who want to block SJRCA 1 (Republican caucuses) want to be the "deciders," and to decide "no." Approving SJRCA 1 would let the voters decide.

Nothing more. In spite of GOP misdirection, SJRCA does not raise anyone's taxes.

As per Section 2 of Article XIV of the Constitution, a resolution asking the voters to decide a constitutional question takes a three-fifths majority vote in each chamber (71 in the House; 36 in the Senate) to put the question on the ballot. Then it takes 60% of those who vote on the question to "ratify" it, to make it possible.

That's a long way off. Our Constitution is, appropriately, hard to change.

Republicans apparently have to lie (headline*, 3rd paragraph**) to oppose SJRCA 1. (Truth: *Nothing now proposed would raise taxes on the middle class. ** The "better protections" of a flat tax benefit just the wealthy.) The GOP can't oppose taxing the wealthiest 3%, so they dissemble about of a non-existent "blank check."

All agree that the state is drowning in obligations incurred by policymakers' past fiscal malpractice, but the GOP won't say one substantive word about what they would prefer as an alternative to the very specific proposal made by the governor. This issue is about your future (not mine). We'll show how that is true.

Of far more immediate concern are the challenges of fashioning a balanced FY 2020 budget. Graduated tax rates are the key proposal for the state's fiscal health long-term, but some unpleasant stuff has to happen between now and the time that a revenue surge could flow from a constitutional amendment.

Pritzker has proposed, for example, a statutory change in the law currently setting 2045 as the target year for the pension systems to be "fully-funded" - using 90% to define "full." Changing that to 2052 would cut the FY 2020 dollars needed for that by more than \$800 million. That would help him get through FY 2020.

The Teachers Retirement System opposes that fiscal tactic, and for very persuasive reasons. The tax amendment is key to meeting the monstrous unfunded pension liabilities, but what if the amendment doesn't happen? A partial pension holiday in FY 2020 would just make matters worse. Yes, it's precarious right now.

There are many potential revenue streams under consideration. Like the Lottery, casinos and neighborhood video gaming, some revenue sources prey on people who are willing to be "losers," treating people - mostly poor and under-educated people -"like suckers." Even a former hoosier governor knows that.

I'm taking the rest of the week off, as I might have mentioned in Friday's missive. Next week about this time, I'll send you some information that will relate to some of the pending legislation and some of the challenges to be faced by our policymakers in May - and some consequences for us all if they falter.

These special ISNS features will be updated regularly: the bill-tracking web page showing the status of viable bills that could affect public education policy, and a page of links to all ISNS newsletters so far delivered in 2019. (The URL for these pages was changed for April 15, so only ISNS readers can access them.)

The only way to contact me: Use the link below. As soon as you "submit" your message, it is sent to me by email. Your message may be complex and "attached" to a document, or it may be as simple as "call me."

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