



Dara Thompson &lt;dthompson@panaschools.com&gt;

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**Fwd: Governor says he will sign budget after House approval**

1 message

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**Jason Bauer** <jbauer@panaschools.com>  
To: Dara Thompson <dthompson@panaschools.com>

Fri, Jun 1, 2018 at 8:07 AM

June board meeting

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

From: **IASA** <[iasa@iasaedu.org](mailto:iasa@iasaedu.org)>  
Date: Thu, May 31, 2018 at 5:28 PM  
Subject: Governor says he will sign budget after House approval  
To: [jbauer@panaschools.com](mailto:jbauer@panaschools.com)



May 31, 2018

**Governor says he will sign budget after House approval**  
*More information about end-of-career salary caps available*

For the first time in four years, the Illinois House and Senate passed a budget by the May 31 deadline, thanks to renewed bi-partisan support and desire to restore some stability to Illinois.

The House approved the budget bill, HB 109, Thursday by a vote of 97-18. The budget implementation bill, HB 3342, notched 100 votes. Gov. Bruce Rauner said today he will be taking action quickly to enact the FY 19 budget, marking the first full budget he has signed since taking office. Just think about that for a moment.

We haven't seen this level of bi-partisan support from lawmakers in years. Therefore, I want to encourage each of you to say thank you and let your local legislator (if he or she supported the budget) know how appreciative you are for their willingness to get a deal done. (Here are the roll calls in the [Senate](#) and [House](#) on the budget bill).

I realize some of you may take issue with certain aspects of the budget (

*I have more details below on the end-of-career salary cap*), but this bill truly was a compromise that both sides can live with. For the past few years, there hasn't been a willingness to meet in the middle, so let's be grateful this didn't extend into the summer and further damage Illinois.

Here's a statement from IASA Executive Director Dr. Brent Clark on the passage of the budget:

"With a singular focus on the budget bill, we are pleased with the bi-partisan commitment to continue the investment into the EBM. Districts will take another step toward adequacy with this act. I'd be finding my legislators and personally thanking them for getting the job done."

We talked in yesterday's Capitol Watch about many aspects of the budget bill, but here are some highlights and more details that have become available.

- \$350 million increase in new tier funding for K-12 education, ensuring every school district in Illinois will see an increase. \$50 million of this total, as mandated by law, will automatically be set aside for the Property Tax Relief Fund.
- \$50 million increase for early childhood programs.
- The budget deal does not include shifting millions in state pension costs onto local school districts.
- State support for the retired teacher health insurance program (TRIP) is maintained.
- Regular/vocational transportation funding, transportation special education and special education-private tuition funding all remain flat
- \$15 million for after-school programs

- Level funding for MAP grants, and allowing a new option for 4-year grants

I also want to share a document Capitol Fax obtained with more details regarding pension cost-savings measures included in the budget implementation bill. You can view that [here](#).

Regarding the end-of-career salary caps being lowered from 6 to 3 percent, I believe this was intentionally kept under wraps until extremely late in the game in order not to derail budget negotiations.

I realize many of you have questions, and I want to let you know we have carefully studied the language in the bill and what it means. Here is what we believe to be the case.

The current interpretation in the field is that collective bargaining agreements and/or employment contracts that were entered into prior to the effective date of the bill (the day the Governor signs the bill) will be grandfathered. For example, if a school district has a collective bargaining agreement that has been ratified and acted upon by the Board before the Governor signs the bill but doesn't go into effect until July 1, 2018, under the current language and interpretation, the CBA would be grandfathered and thus any creditable earnings increases that exceed 3% but not more than 6% used to calculate the employee's final average creditable earnings for the purpose of retirement (which is defined as the highest consecutive four years in the employee's final 10 years, which is usually the final four years of an employee's career) will NOT be subject to an excess employer contribution (i.e. what was referred to in the field as the "6% penalty", which will now be referred to as the "3% penalty"). This same analysis would apply to administrative contracts as well.

Going forward, any collective bargaining agreement and/or employment contract that is entered into, renewed and/or amended on or after the effective date of the bill (the day the Governor signs the bill) will not be grandfathered and any creditable earnings increase in excess of 3% in any of the years used to calculate the employee's final average creditable earnings (which is defined as the highest consecutive four years in the employee's final 10 years, which is usually the final four years of an employee's career) will be subject to an excess employer contribution.

At this point, we do not believe this is applicable to collective bargaining agreements and/or employment contracts of IMRF employees. More will be forthcoming from TRS and we will keep you updated as implementation begins.

Thanks for reading.

Sincerely,

Diane L. Hendren  
Director of Governmental Relations  
Illinois Association of School Administrators

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