



Nicole Blodgett <nblodgett@panaschools.com>

Fwd: To see how Illinois works, follow the money

1 message

Jason Bauer <jbauer@panaschools.com>
To: Nicole Blodgett <nblodgett@panaschools.com>

Mon, Aug 19, 2019 at 7:38 AM

September Board Meeting

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

From: **State School News Service** <j.m.broadway74@gmail.com>
Date: Mon, Aug 19, 2019 at 6:48 AM
Subject: To see how Illinois works, follow the money
To: <jbauer@panaschools.com>

Subscribe to ISNS



Volume 25, Number 50, August 19, 2019

To view the web version, [click here](#).

To see how Illinois works, follow the money

By Jim Broadway, Publisher, Illinois School News Service

[NOTE: The [ISNS bill-tracking web page](#) lists 68 bills of interest to educators that passed the General Assembly in the spring. Gov. JB Pritzker has signed 38 into law and vetoed one (that duplicated a bill he had signed). Twenty-nine bills on our list remain in the governor's custody for action that should be taken by August 27.]

The best brief description of what the state does is found, I believe, in the annual "[Budget Summary](#)" produced by the Commission on Government Forecasting & Accountability, a legislative service agency governed by a bipartisan group of legislators who are appointed by the House and Senate caucus leaders.

The summary for FY 2020 is 211 pages long, but you don't have to read it all. I fact you should not read it all. To do so would suggest that you have nothing better to do with your time - a suggestion that none of us would wish to believe. The most *highly recommended pages* would be pages numbered 3 through 5.

There you would see the statutory responsibilities of the governor and the legislators regarding revenue projections and the distribution of revenue among state agencies and programs. You get a feel for the timeline; activities to profoundly influence the fiscal year starting next July 1 began more than two months ago.

The raw numbers of appropriations for each state agency begin with the funding allocated to PK-12 education (p. 34). Revenue history back to 1999 begins on p. 55. (The disastrous *Rauner Effect* years are clearly graphed.) State employee headcounts are tracked; the 1996 total of nearly 80,000 has fallen to just over 60,000.

The distribution of PK-12 school funding is just one of many illustrations of why the proposal that Chicago should be discarded and forced to form the "51st state" by itself ([HR 101](#)) reveals such a tenuous grasp of cause-and-effect on the part of its sponsor, [Rep. Chad Halbrook](#) (R-Shelbyville), and its co-sponsors.

Among [its complaints](#), Halbrook's resolution asserts that the "City of Chicago is often bailed out by taxpayers in the rest of the state" You'd think this tired old falsity would have expired with [last year's analysis](#) by the Paul Simon Public Policy Institute and [Greg Hinz's deft presentation](#) of it in Crain's Chicago Business.

Regarding EBF school funding, the 96 "downstate" counties' share of the state economy - as measured by total personal income - is about like that of the five "collar" counties (DuPage, Lake, Will, Kane and McHenry), but the 96 downstate counties get over \$2 billion of EBF dollars and the collars get just \$1.5 billion.

The reason, of course, is that EBF distributions coincide with "need." Downstate citizens' per-capita incomes are about \$10,000/year less than folks in the collars make. As to Chicago, the Windy City has more in common with the downstate counties. The collar counties - not the downstaters - pay more, get less.

[As The Navigator reports](#) online: "The figures from the [Simon Institute] study showed that Cook County receiving 90 cents for every tax dollar contributed, the five "Collar Counties" surrounding Cook receiving 53 cents per dollar contributed and the *remaining 96 counties receiving \$1.69 per dollar contributed*. It further broke down those 96 counties into four distinct regions, with the southern most 19 counties receiving \$2.81 per dollar taxed." [Emphasis by ISNS.]

PK-12 education was included - but just barely - in the \$45 billion capital program called "Rebuild Illinois" and described in the COGFA document (starting with p. 161). School construction projects totaling \$526 million, including \$211 million in local funding that districts would have to provide, is authorized in Rebuild Illinois.

Another \$111 million for early childhood education facilities (\$11 million of it local) is in the program, as is \$415 million (\$200 million of it local) for school maintenance projects. So the PK-12 education total of Rebuild Illinois amounts to just a small fraction of needs that have been identified.

Rebuild Illinois was enacted in spite of huge debts the state has amassed in recent decades, but policymakers passed many bills to increase revenue - with bipartisan support - which seems to have satisfied credit rating agencies to the point where they have resisted rating Illinois bonds at "junk status."

Moody's is quoted by COGFA: "The Baa3 [current rating] reflects the state's diverse, large and comparatively wealthy economic base, as well as its strong powers to control revenue and spending. These credit strengths are offset by unfunded pension liabilities and mounting fixed costs, as well as a large backlog of unpaid bills, reflecting ingrained weaknesses in its governance framework and policy decisions...."

"The accomplishments of the 2019 legislative session indicate improvement in political willingness.... The state's stable outlook reflects our view that nearterm risks - such as potential revenue underperformance in the coming fiscal year - are manageable, despite the state's heightened vulnerability to the next recession."

Bottom line: Illinois, which has dug its own fiscal black hole with smoke-and-mirror budgets almost every year that I have been on the scene to observe the policymakers (since 1981), now appears ready to make the tough decisions, to raise the revenue needed to pay its debts while still providing essential public services.

Pension system funding is another critical area covered well by the COGFA Budget Summary. Starting on page 109, the document describes pension legislation passed in the spring - leading with [HB 1472](#), now P.A. 101-0049, which extends the ability of retired teachers to teach again without a pension penalty.

The Budget Implementation (BIMP) bill, [SB 1814](#), also had pension policy tucked within its more than 1,000 pages, as the Budget Summary reports (p. 120), starting with

buyout plans and (p. 121) the educators' late-career salary increase cap being returned to 6% from the 3% that caused so much angst in the past.

The document also describes "historical" pension policy changes enacted, beginning in 1989 (p. 133), when the compounded 3% annual cost-of-living-adjustment (COLA) was enacted and applied to all five state-administered public pension systems. Lawmakers have since regretted that adjustment.

The "unfunded liabilities" of the pension systems by FY 2018 totaled \$133 billion - which would equal total state spending for about three-and-a-half fiscal years - as the summary reports on p. 157. A chart of the "causes" of soaring liabilities is presented on the following page. "Benefit increases" and "changes in actuarial assumptions" and "investment returns" are most often blamed. State underfunding, the true cause, is expressed in blurry terms if at all.

In another pension-related matter, remember that House Speaker Michael Madigan complained years ago that Chicago Public School District had to pay the "employer's" share of CTU pension payments, but downstate school districts had their "employer's" share to the TRS paid by the state - a ["free lunch," Madigan moaned](#).

At the time, former Sen. Daniel Biss was in the House, agreeing with Madigan and trying in vain to get his colleagues to see how having the state pay the employer's share to TRS amounted to a contribution to the richest districts in the state, how it undid any "equalization" created by the old School Aid Formula at that time.

Well, Biss is gone, him and his MIT doctorate in math. He ran for governor last year, but could not overpower JB Pritzker's bottomless bankroll. Then he [stumped the state to help Pritzker](#) achieve his highest priority, putting a graduated tax question on the 2020 ballot to give the middle class a chance at a tax break.

Well, Madigan delivered a free lunch to Chicago, so he's no longer interested in the employer's share issue, but that does not mean the end of it. Stand for Children executive director Jessica Handy, a true expert on Illinois pension policy, is now [on a mission to achieve](#) Madigan's 2013 goal. [Here's Jessica's rationale](#).

Final word on school resource officers: Last week's commentary on SROs evoked some readers' response, as I thought it would. I appreciate the interest in this important subject, and I'm gratified that all of the response was either positive or a clear effort to seek more information. Here are some additional thoughts:

Sources I found mostly agreed that research has been insufficient to clearly evaluate SRO effectiveness as a school safety strategy. Most is inconclusive and most is hidden behind the paywalls of scholarly journals. Also school environments and SROs' training levels are too wildly variable for conclusive judgments to be made.

A well-researched concern, however, is the SROs' *"criminalization of student behavior."* The [Journal of Criminal Justice](#) documents that when the question is subjective (just horseplay, or disorderly conduct; just a heated argument, or assault), SROs are more likely than school administrators to say a crime was committed.

A [less dry and scholarly article](#) was published online by [takepart.com](#) in 2016 (pre-Trump), when the U.S. Department of Education (post-Arne Duncan) was recommending that schools reduce their reliance on SROs and hire more counselors instead. USDE Secretary John King distributed [detailed explanation](#).

Finally, here's a [10-minute audio clip](#) of Justice Policy Institute director Marc Schindler explaining clearly and persuasively why he believes SROs are a "failed experiment." The assessment is made more difficult by the growing political power of the organizations representing SROs, but it's still a necessary examination.

Snippets:

Speaking of Daniel Biss, I still receive email from him. Turns out he agrees with me about U.S. Sen. Elizabeth Warren, that she should be the Democratic candidate for

president in 2020. [Here's his message](#). Illinois Treasurer Michael Frerichs [also endorsed Warren](#). (She responded to his endorsement, although not to mine.)

The irrepressible former Sen. Rickey Hendon [hopes to sell pot](#) (Not pots. Pot!) in the Chicago store he converted from a former cabaret lounge. I miss him. The man could turn a phrase. To distinguish his chamber from the House he would say, "We're the house of lords; they're the house of commoners!" He resigned in 2011.

The GOP apparently couldn't find anyone of substance to run against **U.S. Sen. Dick Durbin** in 2020. The best **Mark Curran**, a former sherrif, could do at the State Fair was to refer to Durbin as "slick Dick." **Tom Tarter**, 67, a cancer surgeon, [told Bernard Schoenburg](#) "it's time for him [Durbin] to leave." **Dr. Robert Marshall** of Burr Ridge, a radiologist, seems like a decent fellow, a contributor to the community - but *he's already about my age!*

I'll write more about Dick Durbin - and Elizabeth Warren - as time goes by.

To check on the status of a bill of interest to educators that the General Assembly passed in the spring (Has the governor signed the bill - or did he veto it?), [click on this link](#). Bills are labeled by topic and summarized as to their effects.

For a look at any ISNS newsletter distributed so far in 2019, [click on this link](#).

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."

IF YOU NEED TO SPEAK WITH ME directly, leave a phone number for me to call and tell me what would be a good time to converse. I am always connected to my email, and I promise to respond to you as soon as possible.

Invoice Reminder: All invoices are *emailed* via the PNC Bank. ISNS is *now paperless*. If you need me to resend an invoice, use the contact link to tell me. I deeply appreciate your support of ISNS. This service cannot exist without you.

Your input - questions, comments, suggestions - are valued. For twenty-four years ISNS has been guided by wisdom "from the field." To contribute in this way, just [click this link to my contact form](#).

State School News Service (C) 2018

Subscribe to ISNS

DO NOT CLICK THE 'UNSUBSCRIBE' LINK! That would automatically drop you from the ISNS subscriber list. The "unsubscribe" link is required so we cannot remove it. But to continue receiving the ISNS newsletter, DO NOT CLICK IT. If you wish to update your account, including choosing your email preference (HTML or text-only) please [submit this form](#). Otherwise, use the "contact form" link in the last paragraph of today's newsletter to contact Jim Broadway for any reason. Thank you.

State School News Service, [347 S Durkin Dr, Springfield, IL 62704](#)

SafeUnsubscribe™ jbauer@panaschools.com

[Forward this email](#) | [About our service provider](#)

Sent by j.m.broadway74@gmail.com in collaboration with



Try email marketing for free today!

--

Mr. Jason Bauer
Superintendent - Pana CUSD #8
[14 E. Main Street](#)
[Pana, IL 62557](#)
Phone: (217) 562-1500
Fax: (217) 562-1501