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## Fwd: Bills to raise 3% pay raise cap stalled

1 message

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

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FYI

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From: **State School News Service** <j.m.broadway74@gmail.com>  
Date: Fri, May 17, 2019 at 1:03 AM  
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## Bills to raise 3% pay raise cap stalled

By Jim Broadway, Publisher, Illinois School News Service

In 2005, the 4th bill of the 94th General Assembly to be signed into law [cut from 6% to 3% the maximum pay increase](#) that employers could give Teachers Retirement System members, unless employers were willing to pay into the pension system the costs calculated to result from raises higher than that maximum.

That law tended to be a drag on educators' salaries, of course, and this year - in a time when teacher shortages have hit a crisis stage in Illinois and elsewhere - efforts to restore the 6% maximum were launched in the House ([HB 350](#)) and Senate ([SB 1952](#)). It now appears that those efforts will not succeed.

HB 350 was approved in committee on Valentines day and had already reached third-reading by February 26. Its support in the House was very strong, if the number of co-sponsors (45) is an indication (which it is). But it never received a vote on the floor of the House and was sent back to Rules Committee (graveyard) on April 12.

SB 1952 also had a ton of co-sponsors. It passed the Senate 50-5 and arrived in the House on April 11 with momentum to spare. It looked like a sure winner. But, again, there was no third-reading vote. It was sent to Rules to die Tuesday but was revived on the same day - then *stripped of its TRS provisions* on Wednesday.

The bill now contains only provisions relating to teacher preparation and credentialing that were added to SB 1952 by amendments while it was still in the Senate. Those amendments are now all that's left in the bill. Is there any hope that the pay cap will be raised in legislation enacted this year? I think not.

**There is a history to the pay increase cap**, a background that surely hampers efforts to change it back to 6%. In the early years of ISNS there was no cap. Following the law at that time, school boards were taking actions that legislative leaders considered to be an infuriating "gaming" of the pension system.

Late-career pay raises of 20% per year were common. The perception was that administrators who had reason to expect huge pay hikes in their final years - the years when their salaries would affect their pension calculations - were willing to work at bargain rates for their districts in the preceding years.

That way, the administrators enjoyed pension benefits far beyond what they would otherwise expect, and their employers gained in two ways: they got administrative services on the cheap for a period of years; then the pension-impact of the late-career raises burdened the state's budget, not the district's.

This practice became a source of sensational media headlines, especially in the Chicago suburban area. (It was one of the reasons why a shift of the entire employers' share of pension contributions from the state to the districts, and to others who employ TRS members, appeared for a couple of years to be inevitable.)

**Will it ever be possible to return to a 6% cap?** I believe that could happen, but probably not this year or next year. The state's long-term fiscal stability will be established - or not - based on the outcome of a vote in November of 2020 on a constitutional amendment allowing a graduated-rate income tax in Illinois.

If flat-rate advocates succeed in keeping the graduated-rate question off the ballot - or if the proposal receives fewer than the 60% of votes required for ratification - the employers' share of pension contributions will most certainly shift from the state's responsibility to the school districts and other LEAs, the actual employers.

In that circumstance, the impact of late-career pay hikes will be of zero concern to state officials; it will be a local issue entirely. Would local districts get back into the habit of negotiating 6% raises for educators nearing retirement? Some may. But the impact of such actions would not spill over beyond their boundaries.

Many important aspects of Illinois' future will depend on the outcome of the graduated-tax question in 2020. The TRS (and State University Retirement System) members certainly will have a strong personal interest in that vote. So will all citizens who care about education in general, about the safety net, the environment ....

**What policy remains in SB 1952?** That House amendment adopted Wednesday simply removed the pages, the pension code elements, all the way down through line 22 on page 41 of the [bill in its "Engrossed" form](#). (If you read it, remember that everything above Line 23 on Page 41 *is now gone*.)

After that, only the words that are underlined (meaning they are to be added to existing law) or stricken through (meaning they are to be deleted) now matter. Everything else is currently in law and would not be changed. Example: Words added on page 43 permit early childhood student teachers to be compensated.

On page 44, language relating to provisional certification of armed forces members (or their spouses) would be deleted from current law. Requirements to pass a "test of basic skills" are deleted throughout the remaining bill. Assessment fee refunds are provided for licensees who teach a year in certain schools.

On page 83, school districts are authorized to put student teachers on salaries. That's pretty much what's left in SB 1952. Nothing still in the bill relates to any pension policy. Could that change before adjournment? Technically, that's possible. But the message of the House amendment clearly says it won't happen.

### **Snippets:**

**The House and Senate are scheduled** to be in session today. I will update the bill-tracking page by Saturday afternoon. The [next major deadline](#) is Friday of next week. By

the end of that day, all non-appropriation bills are to be passed in the second chamber or die (or get lucky with a deadline extension).

**Schools should be included in any state "capital bill,"** [education leaders made clear](#) Wednesday. There's been talk all session about "infrastructure" funding. No bill has surfaced, but none would be expected before about May 29. But Gov. JB Pritzker has estimated PK-12 school "deferred maintenance" needs at \$9.3 billion.

**Abe Lincoln was tall, for sure, but not that tall.** A 31-foot tall, 19-ton bronze [sculpture of the 16th President](#), created by artist Seward Johnson, is being moved from Peoria to the Abraham Lincoln Presidential Library and Museum in Springfield, where it will remain on display until September of 2020. You should see it.

**School custodian Bob Hudzik hits the target.** The dart-throwing champion, employed at Mt. Olive High School, started an event that has raised almost \$175,000 for children with costly medical needs, the [National Education Association](#) has reported. I'll write it again: education is an ennobling profession.

**Rural schools, whole rural communities,** struggle with population loss. Can young people be convinced to stay put, to live and work and raise their own families in the countryside and small towns? Aside from exceptions, these areas "are not growing and will not grow," a University of Iowa [Scientist of Economics](#) explains.

**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 May 13, so only ISNS readers can access them.)

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