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ALLIANCE LEGISLATIVE REPORT (100-05)

GOVERNOR PROPOSES INCREASE FOR EDUCATION

Governor Bruce Rauner proposed to increase public education spending to fully fund General State Aid (GSA) and to end proration of transportation reimbursements. The Governor delivered his constitutionally required State Budget Address today in the Capitol before a joint session of the Illinois General Assembly.

The proposed increase in K-12 education funding for Fiscal Year 2018 would total \$213 million over the FY 2017 budget. This includes an additional \$30 million to again fully fund the GSA foundation level of \$6,119 per pupil and \$107 million to – for the first time in years – fully fund the Regular Transportation reimbursement in the mandated categorical (MCAT) grant payments.

The rest of the MCAT grants (for the various special education categories) would be funded at the same level as FY 2017.

Other proposed increases include \$38 million more for English language learners and \$50 million more for early childhood education programs. The Governor also includes in his proposal \$5 million to match the federal E-Rate program to access funds for the “technology superhighway” program. This investment in technology, specifically to help with broadband connectivity in places across the State that do not have such infrastructure, is a plank in the Illinois Vision 20/20 agenda being pushed by the Alliance this year.

In Illinois, the Governor proposes a budget, but the General Assembly must approve legislation that appropriates the funds. The ball is now in the court of the legislature which is certain to dispute some of the Governor’s budget numbers. There may be some agreement on the education portion of the budget, but given the mire that the State is in (without having had a complete budget in place for nearly two years) the discussion on a comprehensive budget for all of State government will continue.

BROADER BUDGET PROPOSALS

For the overall budget, the Governor insisted that a balance cannot be found only with budget cuts, nor would he support trying to balance the budget only with revenue enhancements and tax increases. Instead, a combination of the two must be present. According to his proposal, between \$2 and \$3 billion could be saved by creating a new Tier III pension plan for all State pension systems, making changes to State employee salary and benefit packages, reforming the procurement code, and selling the James R. Thompson Center in Chicago.

The Governor also stressed the importance of some of his original Turnaround Agenda components, namely a property tax freeze, reform of the Workers’ Compensation Act, term limits for legislators, and a more fair remapping system of legislative boundaries.

Governor Rauner stated that he has deliberately not commented on the Senate “grand bargain” budget proposal as to not interfere with that process. But since he has had many questions about his reaction to those provisions, he did discuss today his position. His bottom line, he said, was that this be a good deal for the taxpayers. To that end, he has concerns about enacting a permanent increase in the State’s income tax rates, but only offering a temporary (two year) freeze on property taxes. The Governor

suggests that the property tax freeze be made permanent. Further, he could support a broadening of the sales tax base to specific services, but opposes adding the tax on the sale of food and medicine.

Continuing the discussions and the momentum of the Senate budget proposal is key, he said.

This legislative report was written and edited by the lobbyists of the Illinois Association of School Boards to provide information to the members of the organizations that comprise the Statewide School Management Alliance.

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