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Fwd: Education key priority in Pritzker's budget

1 message

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February Board Meeting

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From: **State School News Service** <j.m.broadway74@gmail.com>
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Education key priority in Pritzker's budget

By Jim Broadway, Publisher, Illinois School News Service

While proposing a state budget for FY 2020 that he considers "austere," Gov. JB Pritzker has [recommended](#) that legislators appropriate nearly a half-billion dollars more in funding through the [budget of the State Board of Education](#) for the fiscal year beginning July 1 than was appropriated for the current fiscal year.

At the top of the list, dollar-wise, is Evidence-Based Funding to schools, for which he proposes \$7.21 billions - which is a \$375 million increase (5.5%) over the current year's \$6.84 billion appropriation. That brings the school funding base up by more than \$1 billion over FY 2017, with most of that going to the poorest districts.

Arguably the bigger winner in the ISBE budget would be the Early Childhood Block Grant program, for which Pritzker urges \$593.7 million in spending, a \$100 million (20.3%) increase over the current \$493.7 million. Pritzker was unrestrained in his expression of the importance of the Early Childhood program:

"Real focus on the learning that happens from birth to age 5 can determine the entire arc of a person's life," he told a joint session of the legislature Wednesday. "Investing in early childhood is the single most important education policy decision government can make, and it has proven to provide a significant return on investment."

Most everything else in the ISBE budget lines would be the same next year as currently. Exceptions would be Career and Technical Education, for which Pritzker urges \$43 million, a 5% increase (first one in years) over current CTE funding, and Advanced Placement-Low Income Test Fee which would get \$2 million (zero this year).

Regarding the AP test fee funding, Pritzker said he generally hopes to provide adequate "funding for programs that have an outsized benefit to the economy for traditionally neglected communities." For example, he said, "The \$94 it costs to take an AP History exam is a huge burden for a low-income family."

The Pritzker proposal for FY 2020 relies on revenue increases of more than \$1.1 billion, as well as on actions to "smooth out the pension ramp" pending voter approval of a progressive income tax amendment to the Constitution, but it is also a proposal that he almost apologized for due to its timidity:

"This is a constrained budget - more austere than I would like," he told the senators and representatives, "but I think it's important that we be disciplined and focused over the next few years to pay down our bill backlog and the debt left over from prior administrations."

What about the revenue? Pritzker likened his proposal to a "bridge" from the fiscal neglect of the past to a forward-looking future with debts disposed of and revenue sufficient to cover the priorities of education, human services and public safety. But doing all that requires some controversial steps.

He proposes that cannabis be legalized and taxed to generate \$170 million in licensing and other fees in FY 2020. But it's not just the money: "I think we should take this action ... because of the beneficial criminal and social justice implications and the jobs it will create. And let's be honest, like it or not, cannabis is readily available right now. I would rather the state tax it and regulate it than deny the reality of its use and accessibility."

He also supports legalizing and taxing sports betting (recently allowed by the U.S. Supreme Court) which, unlike casinos, does not pit regions of the state against each other. Legislators should "bring sports betting into a regulated environment that will protect citizens from bad actors," he said. "If we do it this year and become the first state in the Midwest to move on this initiative, we can realize more than \$200 million from sports betting fees and taxes in FY 2020."

An assessment on managed care organizations, such as other states have imposed, could generate \$390 million to cover part of the state's FY 2020 Medicaid costs and be a "smart way to increase our federal match." [Federal funding matches Illinois spending on Medicaid - healthcare for the poor - dollar for dollar.]

Thorniest issue? It is unfunded pension system liability. Pritzker stressed the need for "real fiscal stability," which he defined as "a long-term commitment to paying down debt, investing in critical infrastructure, and stabilizing our pension system." It's big-picture thinking, as Pritzker explained it Wednesday.

Graduated income tax rates are key to all of that, but Illinois' ill-conceived flat tax rate scheme - truly the cause of the fiscal failures for decades - can't be undone by a mere law. It takes a constitutional amendment, which can't be ratified until November of 2020 and can't affect a full fiscal year until FY 2022.

So his bridge to fiscal stability requires stretching the statutory "ramp" by seven years and foregoing pension payments by \$800 million in FY 2020, among other steps. (There's a great article on [Pritzker's pension plan in Crain's](#).)

"To get to fiscal stability and eliminate our structural deficit, there's no quick fix. It took decades to get us into this mess. It will take at least several years to get us out of it. We must therefore embrace a multi-year approach with fair principles and smart investments in our people," the governor told legislators.

The reaction was not bipartisan. As [Crain's veteran analyst Greg Hinz](#) reported, House Speaker Michael Madigan said House Democrats "stand ready to work with Gov. Pritzker and our Republican colleagues." That is, he said nothing. Senate President John Cullerton at least said the speech was "filled with ideas-real, doable constitutional ideas." But he added that it just "remains to be seen" if any of them happen.

GOP voices were immediately negative. Senate Republican Leader Bill Brady said the speech was "about more spending, more taxes, and concepts tried in the past." He added that "I have grave concerns about the pension plan and I remain opposed to a graduated income tax." Tough negotiations ahead.

My own impression was that Pritzker gave an honest and accurate description of the state's fiscal problems, of how they came about and of what it will take - and how long it will take - to *actually* address them (as opposed to just acting as if they have been addressed, as was the case with the 1995 pension "fix").

The Democratic leaders' initial reactions were cautious, and the Republican's comments made it seem that they would rather do the same nothing that the state has been doing for decades. State GOP Chairman Tim Schneider told Hinz, "Skipping pension payments, borrowing new debt, raising taxes, increasing spending-it's clear that J.B. Pritzker is the new Rod Blagojevich." It appears, at the outset, that the heels are already dug in.

I guess honesty is just an inevitable casualty of politics. We're changing the subject here. There's an election coming up in May, an election of a retired educator to a position on the [Teachers Retirement System Board](#) of Trustees. Former IEA President Cinda Klickna is the incumbent. Who would lie about Cinda?

Apparently Fred Klonsky, a retired educator about whom I have previously expressed positive views, would do such lying. "In 2005, the IEA's Cinda Klickna agreed to a state pension payment holiday of \$2 billion dollars," Klonsky asserted in a [large headline for his blog](#) late last year. Klonsky supports [retiree Doug Strand](#).

Strand seems like a nice guy, too nice a guy to be a party to Klonsky's lie about Klickna. The fact is, as Dave McKinney reported in a dynamite Crains article on the origins of the pension mess (you should [subscribe to Crain's](#)), *Klickna was not even in an IEA union leadership position* in 2005. She was not a party to that holiday.

That was the Blagojevich pension holiday. Klickna had nothing to do with it, but she would not impugn the motives of her IEA leadership predecessors in the interview with McKinney. Two points: 2005 was far in the past and cannot be changed; also, it is sometimes wise for lobbyists to support the "inevitable."

By way of disclaimer, Cinda is a friend. But I usually enjoy Klonsky's hard-hitting commentaries, too. It is a bit discomfiting to read such a gross untruth about Cinda Klickna in his blog.

The ISNS bill-tracking web page will be updated for Friday morning, but there will be no newsletter to link you to it. To check on how your favorite policy initiatives did in committee this week, [you'll need to check this link](#). But all events are contingencies, of course. If a bomb goes off, then I will email you about it.

Speaking of your favorite bills, there's a [miscellaneous](#) number that's attracted a lot of interest. [HB 330](#) is the one that would *abolish the Illinois High School Association*. It's assigned to the House committee on PK-12 administration etc., but it's not been posted for a hearing. I doubt it will ever get considered.

Why not? If you click the bill's number, then click the link marked "[Witness Slips](#)" at the top of the status page, you'll see that the bill has attracted just four proponents - but 648 (at this writing, perhaps you'll add yourself to the listing) think this bill, HB 330, is one bad idea. [Rep. Thaddeus Jones](#) occasionally files a loser.

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