FINANCE-LEGISLATION MEETING

Maine South High School Board Room
1131 South Dee Road, Park Ridge
Friday, April 4, 2014
1:30 – 3:00 p.m.

AGENDA

1. Call to Order
2. Introductions
3. Approval of Minutes
4. New Business
5. Pension Update
6. Program: Mid-Session Update and Tax Talk

The General Assembly is quickly approaching the half way mark. So far this session, over 4,000 bills and amendments have been filed and hundreds of bills have been dedicated to education and revenue issues. We will highlight the top ten bills moving through the legislative process and provide suggestions for communicating with your local legislators.

The next state budget is already in development. Join us to learn:

- major sources of funding for state programs
- other ideas are on the table and the organizations supporting/opposing these concepts
- proposals to move to a progressive income tax structure

We will also discuss the education issues included in the Governor’s Budget Address and alternatives to the current GSA proration formula.

7. Adjourn

Next scheduled meeting:

- Note: we will not meet on Friday, May 2 due to the Illinois ASBO conference
- Finance-Legislation Meeting – Friday, June 6, 2014, 1:30 – 3:00 p.m., Maine South High School Board Room
How a bill becomes a law in Illinois

FIRST HOUSE
Bill drafted by Legislative Reference Bureau
- Introduced
  - Read 1st time (perf.), referred to Rules Committee
  - Assigned to substantive committee
  - Hearing. Amendment(s) may be added
  - Recommended "do pass" or "do pass as amended"
  - Recommended "do not pass" or not recommended
    - Full house votes to discharge
    - Full house doesn't discharge
  - Read 2nd time. Floor amendment(s) may be proposed*
    - Read 3rd time. Voted on
      - Fails
        - Bill dead
      - Passes
        - Sent to second house

SECOND HOUSE
Bill drafted by Legislative Reference Bureau
- Introduced
  - Read 1st time (perf.), referred to Rules Committee
  - Assigned to substantive committee
  - Hearing. Amendment(s) may be added
  - Recommended "do pass" or "do pass as amended"
  - Recommended "do not pass" or not recommended
    - Full house votes to discharge
    - Full house doesn't discharge
  - Read 2nd time.
    - Sent to 3rd reading with committee amendment(s) or floor amendment(s)*
    - Read 3rd time. Voted on
      - Passes
        - Sent to Governor
      - Fails
        - Bill dead

GOVERNOR
Places any kind of veto on bill
- Approves bill
  - Sent to first house
  - Bill becomes law

Concurs
- Returned to Governor
- Governor certifies that concurrence meets his objections
  - Bill becomes law in changed form
- Takes same action as first house

Total veto
- Item or reduction veto
  - Amendatory veto
    - Doesn't override
      - Deals with amount cut
    - Item or reduction veto
      - Amendatory veto

Sent to other house
MINUTES
ED-RED Finance-Legislation Meeting
Friday March 7, 2014
1:30p.m. – 3:00p.m.

The meeting was called to order at 1:34p.m.


Approval of Minutes: The minutes of the January 17th, 2014 meeting received a motion and a second and were unanimously approved.

Pension Update
Erika reported that a summary of the pending lawsuits challenging the constitutionality of SB 1 has been emailed to members and is available on the ED-RED website. A new development is that the four lawsuits have consolidated and will be heard together. There is also a new lawsuit from the State University Annuitants Association. We will continue to communicate updates to our membership.

2014 Spring Legislative Session
Erika summarized some of the primary initiatives from the Spring Legislative Session:

Charters
SB 2779 eliminates the appeal process for charter schools; therefore the decision is by the local school board only.
SB 2627/HB 3754 abolishes the Sate Charter School Commission and reverts the appeals process and decision back to the ISBE. HB 4287 states that if a local district denies a charter school, but the State Charter School Commission grants the charter school on appeal, the decision must go to a local referendum before the charter can be created.
ED-RED supports all of these bills since, through different means, they provide additional authority for local districts to determine if a charter school is appropriate for their community.

Student Discipline
SB 2760/HB 4191 creates a Student Bill of Rights. The bill creates new allowances for students suspected of misconduct including the right to refuse questioning and the right to a 48 hours notice period prior to questioning.
The role of Student Resource Officers will be diminished by the bill and ED-RED has concerns about the effectiveness of investigations and questioning when SROs are restricted. A survey has been sent out to schools to gather more information on the role of SROs in our member districts.
SB 2793 requires data on suspensions, expulsion etc to be included on the new school report card disaggregated by ethnicity, gender etc. SB 3004/HB 4655 limits the number of days a student could be suspended unless the situation threatens student/staff safety and eliminates the ability of law enforcement to arrest students or issue citations for an array of misdemeanors.
Student and Employee Bullying

**HB 4207** requires districts to create a policy on cyberbullying and determine the scope of their jurisdiction in investigating potential issues of cyberbullying. **HB 5427** requires districts to introduce several new measures in an effort to eliminate bullying, intimidation, and harassment. Measures include: two hours of training for teachers, administrators, and school board members, a public report on the number and status of investigations into incidents, appointing a school and district level anti-bullying specialist, and grading school districts in their efforts to reduce negative behavior. **HB 5707** requires districts to develop an extensive policy on bullying. Erika is working with the sponsor of each of these bills to develop amendments to address our concerns.

Property Taxes and Revenue

The current state bill backlog is $5.6 billion. With the potential imminent drop in the Illinois income tax rate from 5% to 3.75% in 2015, it is estimated that the revenue will drop by $1.5 billion in FY 2015. The ISBE is requesting $1 billion in additional funding, most of which is dedicated to fully funding GSA.

Senate Education Funding Advisory Committee (EFAC) report

The primary focus of the recommendations is implementing a single funding formula instead of distributing revenue based on the GSA and SGSA calculation, Special Education reimbursement, etc. Each district would receive funding through a new formula based on student weights; the result is districts with higher Special Education, bilingual, and low income students will receive more through the formula. There is concern that a district that relies heavily on categorical funding could be adversely affected. Legislation including the new formula is expected to be introduced in April.

Program: Ben Boer, Policy Director, Advance Illinois reported in the EFAC report

Ben provided a comprehensive illustration of the reasons why Illinois education funding is in need of change. It is clear that it is unlikely that significant new funds will be forthcoming from the state so the issue is: how should the current funding be divided to ensure more equality in education funding?

Low income students consistently perform less well on standardized tests, sometimes as much as 36% less than non-low-income students that score at or above proficient. Currently, the state is prorating General State Aid and Supplemental General State Aid (low income grant) at 89%. This has a disproportionate affect on state-dependent districts and districts with a significant low income population. Greater consideration of local income (or lack of it) would enable better direction of state dollars to where they are needed most.

In summary, there is a need for a new education funding system in Illinois to adhere to these principles:

- Target high needs students with a weighting system
- Simplify the current formula
- Connect funding from the state with the districts local income and ability to pay

And as a result of these principles the state may require districts to be more accountable for their use of funds and for improving students’ achievement.

New Business

Erika reported that she has informed the ED-RED Executive Board that she intends to leave her position as Executive Director on June 30, 2014. The Executive Board will be posting a new job description on March 17 to begin the search for a new Executive Director.

The meeting adjourned at 3:05 p.m.
Respectfully submitted by Mary Anne Brown.
SB 1: State Pension Reform
Primer on the lawsuits challenging the constitutionality of the law
April 4, 2014

To date, five separate lawsuits have been filed challenging Senate Bill 1/Public Act 98-599. While there are similarities in the lawsuits, the five complaints provide unique sets of arguments regarding the constitutionality of Senate Bill 1 and the events precipitating the lawsuits.

As discussed in more detail below, all five lawsuits have requested the court to order temporary, preliminary and permanent injunctive relief from Senate Bill 1/Public Act 98-599. Should the court grant an injunction pending the litigation, the implementation of the Act would be delayed beyond June 1, 2014. However, it is important to note that:

- TRS’s website currently advises that the agency continues to prepare for the implementation of the law effective June 1st, unless or until it is directed otherwise by the court.
- While an injunction could delay the June 1st implementation of the law, it would not necessarily change the effective date. In the event that the court ultimately rules that the law is constitutional, it could retroactively apply Senate Bill 1/Public Act 98-599 to June 1, 2014.

Although lawsuits have been filed, it is unknown whether:

- A preliminary injunction will be granted delaying the June 1, 2014 implementation date
- In the event that Public Act 98-599 is found to be constitutional, whether the court will order the Act to be applied retroactively to June 1, 2014 or prospectively as of the date of the ruling.
- If the lawsuits will move directly to the Illinois Supreme Court upon appeal, skipping the Appellate Court process
- Timeline of the court case procedures at the Circuit Court, subsequent appeals, and judgment

**Consolidation of Cases**

On March 6, 2014, the Illinois Supreme Court consolidated the first four complaints that were filed (IRTA/IASA, ISEA, RSEA and Coalition). The SUAA complaint was filed in Champaign County after the consolidation. The Attorney General’s office recently filed a motion with the Illinois Supreme Court to transfer and consolidate the SUAA case and with the other consolidated cases. SUAA objected to the consolidation and transfer of its case because of fundamental differences between SERS and the other three pension systems affected by SB1. First, SERS members make voluntary elections to one of three types of pension plans (portable, traditional defined benefit and self-managed). Second, unlike members of the other pension systems, many SERS members voluntarily elect to purchase years of service from SERS at a significant cost. The AG’s motion is pending before the Illinois Supreme Court.
Plaintiffs

Illinois Retired Teachers Association (IRTA)/Illinois Association of School Administrators (IASA)
- The lawsuit is filed on behalf of active and retired members of TRS who are not represented by the IEA or IFT. It names 8 active and retired TRS members as plaintiffs.

Illinois State Employees Association Retirees (ISEA)
- The lawsuit is filed on behalf of all retired SERS, GARS, TRS and SURS participants who have 20 years of creditable service and are not subject to a collective bargaining agreement. It names 5 retired individuals as plaintiffs.

Retired State Employees Association of Illinois (RSEA)
- The lawsuit is filed on behalf of all retired members of SERS. It names 4 SERS annuitants as plaintiffs.

We Are One Coalition (Coalition)
- Includes the Illinois Education Association, Illinois Federation of Teachers, AFSCME, SEIU, Illinois AFL-CIO, and several other state and local union organizations.
- The lawsuit is filed on behalf of Tier 1 active members and annuitants of TRS, SERS, and SURS. It names 25 active and retired members of the systems as plaintiffs.

State Universities Annuitants Association (SUAA)
- The lawsuit is filed on behalf of current and former employees of the Universities of Illinois at Champaign-Urbana and Parkland Community College who are all members of SURS.

Summary of arguments used by the Plaintiffs:

- The current Illinois Constitution was drafted in 1970. At that time, the State-sponsored pension funds were severely underfunded: GARS - 68.5% funded, JRS - 32.3% funded, TRS - 40% funded, SERS - 43% funded, SURS - 47% funded.
- Due to concerns over the funded levels of the state pension systems and in order to ensure adequate funding of the systems, the drafters of the Illinois Constitution included the Pension Protection Clause which defined “membership in a pension or retirement system” as an “enforceable contractual right.”
- For decades, the State failed to budget and sufficiently fund the state retirement systems, used funds that were earmarked for the pension systems for other projects, and declared multiple pension holidays during which the systems were not funded. These decisions directly resulted in the current unfunded liability. The legislature recognized the problem and created the 1995 “pension ramp” in an effort to short up the systems and reach a funded ratio of 90% by 2045.
- Employees have upheld their end of the bargain and have consistently paid their required contributions towards their pensions (currently 9.4% for TRS, 8% for SERS if they are not
covered by Social Security or 4% is they are, and 8.0% for SURS). Additionally, for TRS and SURLS members, 0.5% of the employee contribution is specifically assessed to pay for a portion of the 3% Automatic Annuity Increase.

- Specifically, employees were promised, as a term and condition of their employment and accompanying their membership in a pension system, the following “benefits”:

  o Entitlement to a 3% Compounded Automatic Increase in their annuity each year. Three of the lawsuits make the distinction that the 3% Automatic Increase was not specifically tied to a Cost of Living Adjustment (COLA), citing the disparities between the CPI and rate of annual increase at the time the Automatic Increase originated.

  o Entitlement to a full non-discounted pension annuity where the member meets prescribed minimum service credit and age requirements.

- The following provisions of Senate Bill 1/Public Act 98-599 impair the above benefits:

  o Changes the 3% Automatic Increase in two ways:

    ▪ For TRS annuitants, the increase is calculated by multiplying the years of creditable service by $1,000 and applying the COLA to that number. As an example, a retiree with 30 years of service will receive an adjustment on the first $30,000 of their pension. Beginning in 2016, the $1,000 multiplier will annually increase by CPI. For members of a state system other than TRS, the multiplier is $800.

    ▪ Future retirees will miss certain automatic annuity increase adjustments (between 1-5 adjustments depending on the employee’s age).

  o Limits pensionable salary earnings so that some retirees will not be able to realize their full non-discounted annuity.

  o Raises the age of retirement a member must obtain in order to be eligible to receive a non-discounted annuity.

Legal arguments used by the Plaintiffs

Violation of the Pension Protection Clause of the Illinois Constitution

The legal argument common to all five lawsuits is that Senate Bill 1/Public Act 98-599 violates the Pension Protection Clause of the Illinois Constitution which states that “membership in any pension or retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof, shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired.” Each Plaintiff has a contractual relationship with his or her pension system. Each Plaintiff has satisfied his or her obligations under the contract. The State cannot unilaterally diminish its contractual obligation.

Additional legal arguments include:

1) Violation of the Contract Clause of the Illinois Constitution (RSEA, ISEA, Coalition and SUAA lawsuits). The Contract Clause states that “[n]o ex post facto law, or law impairing the obligation of contracts or making an irrevocable grant of special privileges or immunities,
shall be passed.” Since membership in the pension system is an “enforceable contractual relationship” they are entitled to the benefit of their contract which is impaired by the law.

While the SUAA also claims a Contract Clause violation, its legal argument is uniquely different from the other three lawsuits. SUAA asserts that SURS members, unlike members of mandatory pension systems, have a contractual relationship with SURS even without the protections of the Pension Clause. This is because of the voluntary nature of SURS. Even prior to the inclusion of the Pension Clause in the Illinois Constitution, if participation in a pension system was optional, the employee’s right to those plan’s benefits vested upon the employee’s decision to participate in that system. Since SURS members all make a voluntary election to one of three pension plans, SURS employees have a vested interest in the plan benefits upon the selection of one plan and relinquishment of rights to the other two plans.

2) **Violation of the Equal Protection Clause of the Illinois Constitution** (The RSEA and ISEA lawsuits). The Equal Protection Clause states “[n]o person shall be deprived of life, liberty or property without due process of law nor be denied the equal protection of the laws.” There is no rational basis for allowing annuitants in the Judges Retirement System to continue to receive unaltered benefits while diminishing the benefits of annuitants in the four other state retirement systems.

3) **Impairment of Contract for ERI Participants only** (The RSEA and ISEA lawsuits). In 2002, the State of Illinois introduced an Early Retirement Program (“ERI Program”) intended to lower the State’s personnel costs by “pensioning off higher paid employees with many years of service.” Collectively, employees who took advantage of the program paid the State over $128 million to participate. The State benefitted by reducing payroll costs in excess of $2.9 billion between 2003-2012. Annuitants who retired under ERI were promised full pension benefits and relied on that promise when they decided to retire under the program.

4) **Violation of the Takings Clause of the Illinois Constitution** (Coalition and SUAA lawsuits). The Takings Clause of the Illinois Constitution states that “[p]rivate property shall not be taken or damaged for public use without just compensation as provided by law.” The Coalition offers two versions of this argument, although both are based on the premise that each Plaintiff has a private, vested contractual right to his or her pension and retirement benefits. Additionally, in exchange for that vested pension and those retirement benefits, each plaintiff has contributed a substantial portion of his or her salary to SERS, SURS or TRS, as required by the Pension Code.

   a. The first legal argument related to the Taking Clause asserts that the consideration offered by the State (1% reduction to the required employee contribution and the “illusory” State Pension System Funding Mandate) is insufficient. Therefore, Public Act 98-599 constitutes an unjust taking of each Plaintiff’s pension and other retirement benefits.

   b. The second legal argument, which is similar to that of SUAA, asserts that the State has acknowledged that it “knowingly and systematically” failed to adequately budget and fund each of the pension systems resulting in each system being severely underfunded. The State’s failure in this regard constitutes unlawful
conduct. Yet, the State seeks to remedy this unlawful conduct and resolve its financial crisis through the enactment of Public Act 98-599, which in itself is unconstitutional, as it takes a property interest from members of the State pension systems for a public purpose. The State failed to execute the “power, authority and ability” to fund the systems at a sufficient level and “cannot avoid its unconstitutional taking of the private property of each Representative Plaintiff and Class Member by further breaking the law.”

**Relief requested by the Plaintiffs**

1) Declaratory Judgment Requests  
   a. Declaration that Public Act 98-599 is unconstitutional and of no force and effect (all five lawsuits)  
   b. Declaration that each of the State Pension System Funds be funded with the amount needed to pay each Plaintiff his or her full pension amount to which he or she would receive if Public Act 98-599 had not been enacted. (Coalition lawsuit)

2) Temporary, and Preliminary and Permanent Injunctive Relief necessary to protect the status quo pending a declaration that Public Act 98-0599 is unconstitutional (all four lawsuits)

3) That the Court establish an escrow account into which the difference between the amounts to which the annuitants would be entitled as it existed prior to the effective date of Public Act 98-599 and as it exists pursuant to Public Act 98-599, be placed for distribution to the prevailing (ISEA and RSEA)

4) In the event that no injunction is issued, direct the pension systems to restore their members of their respective pension amounts, as if Public Act 98-599 had not been enacted

5) Miscellaneous requests/demands – attorney’s fees and other costs incurred to enforce their rights, additional relief as is just and equitable and Jury trial on any issues which are, or may become, triable by jury

**What action is available to the General Assembly if the Law is found unconstitutional?**

Most legislators cited the cost of the annual pension payment and the unfunded liability (roughly $100 billion) as the primary rationale for voting in favor of pension reform. While most legislators understood that the State’s failure to adequately fund the systems served as the primary reason for the low funded ratio (state system average = 41.1%; TRS = 42.5%), the general feeling was that the State needed to take steps to correct the immediate problem and all involved needed to “share the pain.” The impact of the increased annual pension payment resulted in reduced state funding for K-12 education, higher education, human services, and public safety.
Based on the philosophy that the cost of pension benefits is the key driver of reform, if the law is found unconstitutional, the legislature may consider the following options:

- Create a new package of changes to Pension Code based on the ruling of the Courts and its determination of what is/is not constitutional
- Reconsider the union-backed pension reform bill, **SB 2404**
- Seek efficiencies within the five pension systems; pool assets for greater investing power
- Increase the employee contribution rate
- Require school districts/higher education institutions to pay a higher contribution rate toward their employees' pension benefits (note: this may happen regardless of the final court ruling)
- Reduce appropriations for state agencies and public institutions to compensate for the cost of the annual pension payment
- Extend the payment schedule past 2045 in an effort to lower the annual pension payment
- Increase revenue or dedicate a funding source to support the annual pension payment
Charters

SB 2779 (Holmes, D-Aurora)/HB 4237 (Chapa LaVia, D-Aurora) as amended, eliminates the appeal process for charter proposals that are denied or revoked by the local school board. SB 2799 is assigned to the Subcommittee on Charter Schools; HB 4237 was approved in the House Education Committee and is pending on the House floor. ED-RED supports the bills.

SB 2627 (Lightford, D-Westchester)/HB 3754 (Chapa LaVia, D-Aurora) abolishes the State Charter School Commission. The Commission was created in 2011 as the government body responsible for reviewing appeals from charter entities that were denied by the local “home district.” Prior to this, the ISBE held the responsibility of reviewing charter appeals. The legislation seeks to revert to the old process and return the responsibility of monitoring charter programs and acting on appeals to the ISBE Board Members and agency staff. Concerns have been raised about the lack of balance in the composition of the Commission, the Commission’s ability to use private funding for operations, and if there is a reason to have a separate entity reviewing charter appeals. HB 3754 passed the House 78-33 and is sponsored by Sen. Lightford in the Senate; SB 2627 is assigned to the Subcommittee on Charter Schools. ED-RED supports the bills.

HB 3937 (Chapa LaVia, D-Aurora) extends the moratorium for creating new, multi-district virtual charter schools from April 1, 2014 to April 1, 2017. The State Charter School Commission released a report in February 2014 on virtual charter schools. HB 3937 passed the House 87-27 and is sponsored by Sen. Collins in the Senate. ED-RED supports the bill.

Student Discipline

SB 2760 (Lightford, D-Maywood)/HB 4191 (Welch, D-Westchester) creates the Student Bill of Rights and specifies a new process for questioning students who are suspected of being involved in an incident or students who may have information pertaining to an incident. Prior to being asked any question while in the presence of a police officer or a district-employed Student Resource Officer (SRO), a student must be informed of their right to refuse answering questions or making a statement, that they have the right to have a parent or attorney present during questioning, and that information given in the presence of a police officer or SRO may be used in school disciplinary action or criminal prosecution. Before police or a SRO may question a student, a parent or guardian must be notified 48
hours in advance and informed that they may be present during the questioning. We believe the bill will severely curtail the use of SROs. SB 2760 was approved in the Senate Education Committee with the agreement that the sponsor would engage in discussion with opponents before the bill advanced on the Senate floor; HB 4191 has not been assigned to committee. ED-RED is working with the sponsors and proponents to articulate our concerns with the legislation.

SB 2793 (Hutchinson, D-Olympia Fields) as amended, requires the ISBE to develop an annual report on student discipline including data on out-of-school suspensions, expulsions, transfers to alternative programs, and criminal citations/arrests on school grounds. ISBE will determine the ranking of districts based on the number of days in which students are excluded from instruction and racial disproportionality. Districts identified in the top quartile of will be required to develop a school discipline improvement plan and post the plan on the district website. SB 2793 was approved in the Senate Education Committee and is pending on the Senate floor. ED-RED is working with the sponsor and proponents to develop an amendment to address our concerns with the legislation.

SB 3004 (Lightford, D-Maywood)/HB 4655 (W. Davis, D-Hazel Crest) limits the ability of school districts to suspend or expel students unless the offense poses a significant threat of imminent serious harm to other pupils or staff (instead of relying on the definition of “gross disobedience” or providing discretion in cases including drugs, theft, etc.). For students removed for more than three days, districts must provide behavioral support in an effort to help students transition back to school. The bill prohibits the ability of police to arrest or cite students for a criminal offense committed on school grounds, in a school vehicle, or at a school activity unless the offense is a felony or the student committed an identical offense within the preceding six months. SB 3004 was approved in the Senate Education Committee and is pending on the Senate floor; HB 3655 was approved in the House Education Committee and is pending on the House floor. ED-RED is working with the sponsors and proponents to develop an amendment to address our concerns with the legislation.

HB 2880 (Ford, D-Chicago) as amended requires school personnel to meet with each student subject to suspension or expulsion to inform them of alternative educational options, the length of the suspension, the appeals process, and the ability of the student to receive and complete work during the suspension. We believe district policy and written documentation accompanying a decision to suspend or expel a student provides adequate information about the scope and duration of the punishment and discussing alternate educational options could be interpreted as an educator seeking to “counsel out” a student from returning to their school. HB 2880 has not been assigned to committee. ED-RED opposes the bill.

Curriculum and Assessment

SB 2682 (Hastings, D-Matteson) requires districts to provide instruction in the history of organized labor in America and the collective bargaining process in U.S. History courses in elementary and high
school. SB 2682 was approved in the Senate Education Committee and is pending on the Senate floor. ED-RED opposes the bill.  View our fact sheet regarding our opposition to new curricular mandates.

HB 3724 (D. Burke, D-Chicago) as amended requires high school curricula to include instruction in the proper administration of cardiopulmonary resuscitation and the use of an automated external defibrillator. HB 3724 passed the House 100-12-1 and is sponsored by Sen. Mulroe in the Senate. ED-RED opposes the bill.  View our fact sheet regarding our opposition to new curricular mandates.

HB 4260 (Morrison, R-Palatine) allows districts to discontinue, by publicly adopted resolution, any instructional mandate in the Courses of Study Article of the School Code during a period in which state funding is delayed by at least one payment cycle. The bill provides that if a student requests information on any instructional mandate that has been discontinued, then the school district shall provide the student with the requested information. The legislation exempts P.E. and Drivers Ed from the flexibility. HB 4260 has not been assigned to committee. ED-RED continues to support this approach to providing additional authority at the local level.

HB 5330 (Chapa LaVia, D-Aurora) creates the Assessment Review Committee under the auspice of the ISBE to review national, statewide, and local assessments administered by school districts and submit an annual report with recommendations to the General Assembly and State Superintendent. HB 5330 was approved in the House Education Committee and is pending on the House floor. ED-RED supports the bill.

HB 5333 (M. Davis, D-Chicago) requires districts to file a report with the ISBE summarizing its instruction in black history by August 1 each year. Black history is a required area of instruction and currently monitored through the annual review conducted by Regional Offices of Education. The bill passed the House 97-14 and has not been assigned to a sponsor in the Senate. ED-RED opposes the bill.

HB 5621 (Fortner, R-West Chicago) as amended changes graduation requirements for freshmen entering high school in the 2015-2016 school year and each subsequent school year by requiring students to take three years of math in high school and prohibiting courses in the high school sequence (algebra, geometry, and algebra 2) taken during junior high to count toward the three year requirement. HB 5621 was discussed in the House Education Committee and did not advance after committee members advised that the bill required additional discussion. ED-RED will continue working with the sponsor on the proposal.

Property Taxes/Funding

SB 16 (Manar, D-Bunker Hill) as amended includes recommendations from the Senate Education Funding Advisory Committee. The legislation collapses funding for General State Aid, SGSA (low
income grant), Special Education, Bilingual Education, and several other ISBE line items into a single formula including funding weights for each special student population. Early Childhood education, high cost Special Education, and capital funding is excluded from the formula. SB 16 has not been assigned to committee. ED-RED and other stakeholders are in the process of analyzing the legislation.

SB 2854 (Jones, D-Chicago) allows property owners in Cook County to seek refunds for an overassessment that occurred within the last twenty years (instead of the last five years). This follows a recent law providing a one year window for property owners to request a refund from their overpayment that occurred within the last twenty years. Proponents estimate that property owners are still owed approximately $300,000 in payments. SB 2854 passed the Senate 50-3 and is sponsored by Rep. Rita in the House. ED-RED opposes the bill.

HB 3727 (Sandack, R-Downers Grove) requires that districts in PTELL (tax capped) communities for which the total taxable Equalized Assessed Valuation (EAV) in the current levy year is less than the previous year, the allowable increase in a district’s extension is 0% or the rate approved by voters. HB 3727 has not been assigned to committee. ED-RED opposes the bill.

HB 4426 (Sandack, R-Downers Grove) is a variation of HB 3727. The bill limits the extension (0%) in the event that (i) the total taxable EAV is less than the previous year or (ii) if the median EAV for the current year and the two levy years immediately preceding the current year is less than the median EAV for the three levy years immediately preceding that three year period. HB 4426 is assigned to the House Revenue Committee. ED-RED opposes the bill.

HB 4680 (Pritchard, R-Sycamore) as amended increases the maximum tax rate for educational purposes unit districts (K-12) from 4.0% to 7.0% and the maximum tax rate for operations from 0.75% to 1.1%. This mirrors the allowable rates for a community supporting dual districts (one elementary district and one high school district). ED-RED opposed the original bill (which phased down the maximum tax rate for dual districts) and is neutral on the amended bill.

SJR 44 (Lightford, D-Maywood) recommends the abolishment of the proration of General State Aid and urges the members of the General Assembly to pass legislation that would equitably spread any education funding reductions among school districts by evenly cutting dollars on a per-pupil basis or using another non-regressive approach. The foundation grant, alternate level grant, flat grant, and the district’s Supplemental GSA/low income grant are prorated at 89% in Fiscal Year 2014. SJR 44 is assigned to the Senate Education Committee. ED-RED has engaged in discussion with the sponsor and other stakeholders about the “best way” to prorate GSA recognizing that the General Assembly will likely under-appropriate GSA in the next fiscal year.

HJRCA 51 (Madigan, D-Chicago) if approved by voters, assesses a 3% surcharge for income over $1 million and distributes the income to school districts on a per pupil basis. The surcharge is estimated
to generate $550 per pupil. The constitutional amendment was approved in the House Revenue Committee and is pending on the House floor.

**District Operations**

**HB 4207 (Fine, D-Evanston)** as amended requires districts to create a policy specifying the process of investigating whether a reported act of cyberbullying is within the scope of the district and, if not, the process for referral of such an act to the appropriate jurisdiction. HB 4207 is assigned to the House Education Committee. ED-RED opposed the introduced bill and is neutral on the amended bill after working with the sponsor to address our concerns.

**HB 4480 (Franks, D-Woodstock)** allows districts to opt out of serving as a polling place if the board determines that serving in this capacity makes it infeasible to enforce its written and standard policies regarding persons who are not students of/employed by the school entering the building. HB 4480 has not been assigned to committee.

**HB 4558 (Drury)** requires parents to provide written consent to authorize each instance in which a district or other organizations use student data for research purposes. HB 4558 was approved in the House Education Committee and is pending on the House floor. ED-RED is working with the sponsor and opponents to develop an amendment to address our concerns with the legislation.

**HB 4524 (Tabares, D-Chicago)** requires parents to identify and disclose any food allergies of their student(s) to school personnel, requires districts to disseminate the information to all relevant school personnel, and requires districts to develop and implement an individualized health care and food allergy action plan for each student with a life-threatening food allergy. HB 4524 was not called in committee prior to the deadline.

**HB 4779 (Welch, D-Westchester)** requires businesses and owners of private property to post a sign indicating that they allow individuals with concealed carry permits to carry firearms in their establishments (instead of requiring them to post if they do not allow individuals to carry). The legislation further removes the requirement for school districts to post signage indicating that individuals may not carry firearms in school buildings (schools are specifically exempt from the areas in which people can carry). HB 4779 has not been assigned to committee.

**HB 5332 (M. Davis, D-Chicago)** aligns state statute with the provisions of the “70/30 Rule” in state Administrative Code defining “general education classroom” and the allowable staff/student ratio. Districts report that the 70/30 Rule places an unnecessary restriction on the composition of general education classrooms, fails to consider the specific accommodations required under IEPs, and does not distinguish between students who require/do not require support in the content area. Over the last year, this issue has been a subject of vigorous debate at the ISBE. The State Superintendent supported
the elimination of the 70/30 Rule; however, the Board did not proceed with the rule change. The Illinois Association of Administrators of Special Education, ED-RED, and many other organizations supported the change. Some parents and teachers were concerned that without the 70/30 Rule in place, classrooms will be overloaded with students with IEPs; however, this does not acknowledge that districts make staffing decisions based on the accommodations required by each student and the parameters of their IEP. HB 5332 has not been assigned to committee. ED-RED opposes the bill.

HB 5427 (Cabello, R-Loves Park) requires several new policies and processes in an effort to eliminate harassment, intimidation, and bullying in school districts. The legislation requires two hours of training on these issues for teachers, student teachers, administrators, and school board members; it also requires the ISBE to create an online tutorial which may be used to satisfy the training requirement. The legislation further requires principals to provide a public report on the number and status of investigations into reported incidents of violence, vandalism, harassment, intimidation, and bullying. This information will be used to “grade” schools based on criteria set by the State Superintendent. Districts would also be required to appoint a district anti-bullying coordinator, an anti-bullying specialist at each school, and school safety teams at each school – all with specific responsibilities and meeting schedules. HB 5427 was not called in committee prior to the deadline. ED-RED opposes the bill.

HB 5537 (Currie, D-Chicago) as amended includes new parameters for ISBE intervention in local school districts. Current law allows ISBE to intervene if districts are on the academic watch list for three years. There are 77 districts eligible for this action; ISBE has taken action twice to remove the school board due to pervasive instances of poor governance decisions (East St. Louis and North Chicago). The bill provides that school districts on the academic watch list for at least three years with student performance in the lowest 5% would undergo an academic, fiscal, and governance review through an outside entity (chosen by ISBE based on the agency’s criteria). ISBE would consider this information and determine if the board failed to protect district assets, engaged in unethical behavior, or failed to adhere to district policy. If so, ISBE would have the authority to remove the board and replace it with an Independent Authority (IA). The IA would be appointed by the State Superintendent and have the same authority and responsibilities as the school board. Current board members would be allowed to serve on the IA; these individuals would also be eligible to run for future school board elections. Removed school board members who were not selected to serve on the IA would be unable to run for a board seat until the IA was out of the district for ten years. After removal, board members would be able to run in a school board election if they were selected to serve on the IA or after ten years after the IA is no longer working with the district. HB 5337 was approved in the House Education Committee and is pending on the House floor.

HB 5707 (Cassidy, D-Chicago) requires districts to develop an extensive policy on bullying including specific procedures for reporting bullying incidents to principals, communicating with parents, and the
timeline for conducting investigations. HB 5707 was approved in the House Education Committee and is pending on the House floor. ED-RED opposes the bill.

HB 5755 (Cassidy, D-Chicago) provides that a school district is encouraged to close the school or hold a teachers institute on that day with students not in attendance for the day of an election. HB 5755 passed the House 65-44-4 and is sponsored by Sen. Steans in the Senate.

HB 5832 (Mitchell) allows students to re-enroll in high school, an alternative school, or an IHOP program through the age of 24 (instead of 21). HB 5832 was approved in the House Education Committee and is pending on the House floor. ED-RED opposes the bill.

SB 3310 (Bertino-Tarrant, D-Shorewood) as amended reduces the frequency of required annual or biennial inservice training in several areas to only be required upon employment, renewal of a license, or if a position specifically requires the training. SB 3310 failed to advance out of the Senate Education Committee. ED-RED supports the bill.

Pensions

HB 3760 (Franks, D-Woodstock) changes pension benefits for individuals who retire after the effective date of the bill and become employed in a position that is eligible to receive benefits in the same or a different pension system. The bill allows the retiree to keep $2,000 per month of their annuity but considers any additional revenue an “offset” for the salary that they are receiving from their new employer. The bill further requires the state pension systems to cease assessing a contribution from an employee who has “maxed out” on their retirement benefit. HB 3760 has not been assigned to committee. ED-RED opposes the bill.