ED-RED Finance – Legislation Meeting

Maine South High School – Board Room
1131 South Dee Road, Park Ridge

Friday, April 17, 2015
1:30 – 3:00 p.m.

AGENDA
1. Call to Order
2. Introductions
3. Approval of Minutes
4. New Business
5. Program: Spring Legislative Update and ISBE SB 1 Funding Scenarios

Join ED-RED staff for a discussion on the education issues included in the FY 15 budget supplemental, the impact of the ISBE SB 1 funding scenarios, and
for an update on the latest legislation pending before the 99th General
Assembly. Bring your questions and help us tailor our advocacy messages
as we enter the second half of the Spring Legislative Session.

No RSVP is necessary to attend this event.

6. Adjourn

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Next Meetings:

ED-RED Finance Legislation Meeting, Friday, June 5, 2015, Maine South High School
MINUTES
ED-RED Finance-Legislation Meeting
Friday March 6, 2015
1:30p.m. – 3:00p.m.

The meeting was called to order at 1:30p.m.


Approval of Minutes
A motion and a second were made to approve the minutes of the meeting on January 9, 2015 and February 13, 2015. The minutes were unanimously approved.

Executive Director Report
PARCC Testing
Caryn explained to the members that ED-RED is not taking a position of supporting PARCC but wants to be a part of working groups to address the issues affecting districts such as technical problems. CPS is now administering the test having originally stating they would not. The u-turn was likely brought about over concern about losing substantial State and Federal funding if they did not administer the test.

HB131 (Flowers) HB 306 (Guzzardi) These bills both aim to offer parents a formal means of having their child opt out of PARCC testing. HB131 requires that forms be made available to families to excuse their child. HB306 also requires that schools provide supervised instruction during testing hours to students opting out.

School Funding
SB1 (Manar)
Sarah created an SB1 analysis and SB1-SB16 side-by-side comparison documents which were shared with the members. Important changes in SB1 vs. SB16 are:

- Weight changes
- New regional cost adjustment
- High cost special education no longer in weighting formula
- New adequacy grant

The working group headed by Rob Grossi that worked on SB16 is likely to be re-formed to work on SB1 and ED-RED will continue to work with the committee. One proposal from Grossi is to remove PTELL
caps and allow districts to recover lost funds locally. It is felt that actual numbers are needed to illustrate the impact of the bill on individual districts.

**Student discipline**
Sarah created a side-by-side document comparing the current school discipline laws with SB 100 (formerly SB3004). The key changes are:

- Requiring schools to allow students to make up missed work for academic credit
- No zero tolerance except for required by federal law
- For out of school suspension, students must be guilty of gross disobedience AND pose a threat to school safety/other students learning opportunities
- Additional clauses not currently addressed in the current code such as
  - Role of law enforcement in schools
  - Providing services to students suspended for more than four days or expelled
  - Re-engagement policy for students
  - Professional development for staff
  - Prohibition on advising students to drop out
  - Prohibition of monetary fines on students except for restitution/damage to property

Other bills mentioned by Caryn were:

- **SB1403 (Barickman)** stems from a 2010 report on equity and adequacy in schools. Barickman is working with Manar and Vision 20/20 and has new ideas on equity. It is not clear who will craft the bill and where the additional funding required for equity and adequacy will come from but it is headed to committee.

- **HB3535 (Golar)** This is a broad mandate relief bill, which would permit non-compliance on mandates with the exception of any that were federal or life and safety mandates.

- **HB1458 (Welch)** is a “Miranda Rights” bill requiring that students have certain rights in the process of discipline.

All these bills are going to committee this week.

**ED-RED WEBSITE**
Mary Anne demonstrated the new ED-RED website to the members. The site is still being added to but is now live. A future plan for the site is to have a member’s only login to access information exclusive to our membership. The website can be accessed at ed-red.org

**PROGRAM**
Ares Dalianis, Partner at Franczek Radelet made a presentation on property tax bills in the 99th GA. There are 128 bills related to property taxes which fall into the five general categories of PTELL, Exemptions, Abatements, TIF districts and miscellaneous. The overall theme of all the bills is that school districts will receive and/or keep less of the property tax revenue.

**PTELL Proposals**
There are 12 proposals in the House and Senate which include some of the following changes:

- “Extension limitation” set at 0% or at a limit approved by voters
- Freeze property taxes until 2017
- Apply PTELL to all taxing district
- Create the pension levy as a special purpose levy
- Suspend application of PTELL for 5 years following a tornado disaster

Exemptions
There are 24 proposals in the House and Senate which include some of the following changes:

- Many focus on Senior Citizen Assessment freezes including
  - Increase income limit for eligibility
  - No need to reapply after 70
  - Include disabled persons in Senior Citizen Assessment Freeze
- Create a Lake County long term HO exemption
- Property would be exempt from taxation if occupied by a veteran with 30% or great disability
- Index HO exemption to CPI
- Property tax exemption for hospices
- Create indemnity fund to pay delinquent taxes

Abatements
- $1 million abatement for business relocating to Illinois
- Incentives for wind/solar energy
- Manufacturing abatement

TIF districts
- Tax bills to report on TIF districts: location of property and % of taxes deposited in TIF
- TIF district extensions

Miscellaneous
- Many shell bills
- Eliminate stipends for township and county assessing officials
- Truth in Taxation notice must be posted on taxing district website

Meeting adjourned at 3:01pm
ED-RED Finance Legislation Meeting

April 17, 2015

Caryn Valadez, ED-RED

Welcome/Introductions

99th GA

- House Education Reform Task Force
  - The Education Trust
  - Vision 20/20
- Gubernatorial Appointments
  - ISBE appointees confirmed
  - ISBE board vacancy (James Baumann)
- State Superintendent
  - Effective May 1, 2015
- PARCC
Assessments

- HB131 (Flowers) – Opt Out
  - House Rules, not anticipated to move forward
- HB 306 (Guzzardi) – Opt Out
  - Provide instructional opportunities if opting out
  - House 2nd Reading, ISBE work anticipated
- HR 58 (Drury) – Urges ISBE to consider assessment other than PARCC
  - Assigned to House – School Curriculum and Policies. April 21st
- SB 1247 (Biss) – Prohibits K-2 assessment other than diagnostic
  - Senate Assignments
- SB 1455 (Delgado) – ISBE shall assess high school students
  - Senate – 2nd Reading

Charters

- HB 397 (Welch) – maintain local control for charter
  - House 2nd Reading
- HB 1360 (Gabel) – Charter School health safety required
  - House – 3rd Reading
- HB 2810 (Welch) – Charter school funding reform
  - House – Rules, not anticipated to move forward
- SB 1301 (Hutchinson) – Charter School Proration
  - Senate Education, deadline extended to April 24

Vision 20/20

- HB 2637 (Gresso) – Contract Bid Exemptions
  - House – 2nd Reading
- HB 2557 (Pritchard) – Educator Licensure Reciprocity Agreements
  - House – 2nd Reading
- HB 2583 (Davis, W) – Multiple Measure Index
  - House, 2nd Reading
- HB 3100 (Lienes) – County – Wide Sale Tax for Technology
  - House – Rules Committee
- HB 5595 (Golar) – Mandate Relief
  - House – Rules Committee
- SB 1401 (Bedel) – Evidence-Based Judgment Panel
  - Senate – Education: Special Issues Subcommittee, deadline April 24th
- SB 1506 (Hutchinson) – 3 current educators on ISBE
  - Approved by the Senate, currently on House – 1st Reading
Pensions

- Supreme Court — Possible ruling by May 31st
- Rauner — Constitutional Amendment
- Rauner — Pension Proposal
  - Ending Tier I system, moving all employees to Tier II
  - Effective July 1, projected savings $2.2 billion in FY16
  - Formal Review of Rauner Plan
  - Tier II — issue with Social Security Requirements

FY15 Budget (99-0001)

- 2.25% reduction to line items
  - Education — cuts to 2.15% GSA and 2.18% MCAIs
  - Career & Tech Education and Free and Reduced Lunch not impacted
  - Medicaid & Hospital Assessment — rate reductions
- $654 M increase in lines to state agencies
- $13.6 M increase to Governor’s office
- $97 M increase for Distressed Schools
- 80% of revenues are one-time through fund sweeps
- Every SD will lose — proration goes from 89% to 87%

ISBE $97 Distressed School Appropriation

Watch or Warning Status:
- 180 days COH
- Quartile 1 and 2 — local wealth
- Quartile 1 — low income

Process for Partial Hold Harmless
- 30 days or less COH (32 districts) — 95% proration ($36.4M)
- 546 districts — 73.6% proration ($60.6M)
- 278 districts — not eligible
- ISBE Board Voted 8-0 to approve this method for FY15
Education Funding Reform (SB 1)
Sen. Andrew Manar/Rep. Will Davis

- Weight changes
  - ELL, Low Income, Special Education
  - Special Ed Extraordinary
- Regional Cost Adjustment – updated annually
- Hold Harmless
  - $500 M in new revenue
- Adequacy Study

ISBE Runs SB 1

- 3 Funding Scenarios
  - FY14 w/ $500 M
  - FY14 w/$92 M
  - FY13 w/$86 M

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<tr>
<th>ISBE Scenario</th>
<th>ED-RED Loss</th>
<th>ED-RED Gain</th>
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<tbody>
<tr>
<td>FY14 w/ $500 M</td>
<td>($143,270,734)</td>
<td>$20,637,601</td>
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<tr>
<td>FY14 w/$92 M</td>
<td>($148,196,325)</td>
<td>$15,294,390</td>
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<tr>
<td>FY 13 w/ $86 M</td>
<td>($144,548,059)</td>
<td>$17,482,160</td>
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