ED-RED Finance – Legislation Meeting

Maine District #207 Administrative Offices – Board Room
1177 South Dee Road, Park Ridge

Friday, January 13, 2017
1:30 – 3:00 pm

AGENDA
1. Call to Order
2. Introductions
3. Approval of Meeting Minutes (December 6, 2016)
4. New Business
5. Program: 100th GA/Legislative Update

On December 31 2016, the State’s authority to spend under the FY17 stop-gap budget ended. It was anticipated during the Lame Duck Session Democrats would move to advance enhanced state revenues and implement a second stop-gap budget to finish the FY17 fiscal year. That however, did not happen. Instead, the Senate introduced a bi-partisan 10-bill package, which included both reforms wanted by Republicans and revenues Democrats have been calling on. In the House, discussion focused on property tax relief and advancing a second 6-month stop-gap proposal. The 99th General Assembly concluded without either chamber advancing an agreed proposal that would be sent to the Governor’s desk for signature.

ED-RED invites you to join us on Friday to discuss the outcome of the Lame Duck Session and look ahead to the agenda anticipated under the 100th General Assembly. Please bring your questions and help us shape our legislative agenda for the 2017 Spring Session.

No RSVP is required for this event.

6. Adjourn

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Next Meetings:

- 46th Annual Legislative Dinner, Monday, January 30, 2017, Chicago Marriott O’Hare, 4:00-9:00 pm — REGISTRATION OPEN

- ED-RED Member Meeting, Tuesday, February 7, 2017, Via Webinar, TNT

- ED-RED Finance Legislation Meeting, Friday, March 3, 2017, Maine South High School, 1:30-3:00 pm
Minutes
Joint NWSSBO/ED-RED Meeting
December 2, 2016
1:30 to 3 PM

Attendees: Nelson Gray (CCSD 62), Cathy Lauria NWSSBO, Danielle Stanley CTBA, Jordi Camps (63), LeeAnn Taylor (220), Mike Eichhorn (Wold Architects), Jim Poskozim (62), Mary Kalou (207), Karen Roloff (Elmhurst College), Stacey Mallek (D25), Brad Goldstein (73), Gail Buscemi (D39), Albert Lerman (Horace Mann), Joe Koselleck (GCA Services), Bill Harrison (21), Mike Scharringhausen (211), Michael Gilmore (28), Anne Sills (202), Lyndl Schuster (26), Gretchen Livingston (202), Mary Werling (21), Cathy Johnson (214), Michael Adamczuk (15), Brian Imhoff (63), Ric King (54), Ed Condon (90), Floyd Williams (CCSD 62), Tim Neubauer (220), Ray Coyne (Oppenheimer), Patrick Mogge (214), Cyndi Cohen (73.5), Maryanne Brown (72), Martha Eldredge Stark NSERVE, Mary Kay Pawlak (109), Nick Polyak (212), Mary Rodino (202), Erick Trimberger (219)

Meeting called to order at 1:30 p.m.

Motion to begin providing minutes to membership only in electronic form and no longer in paper form was made, seconded and unanimously approved.

Motion was made to approve minutes dated June 10, 2016 was seconded and approved unanimously.

2016 Election Update:
In Illinois, while Democrats maintained control of the legislature, House Democrats lost five seats eliminating their supermajority. While the Senate also lost seats, it still held onto the supermajority. Another major win for Democratic was picking up the State Comptroller seat. The Legislature is scheduled to return January 9-10 for Lame Duck Session, and the 100th General Assembly will commence later that week.

In Washington D.C., with sweeping change, Donald J. Trump was selected as the 45th President of the United States. In January, Republicans will now control both the White House and Legislature. Many are watching to see if Mr. Trump will follow through on campaign promises he discussed. Since the election, the President-Elect has been busy interviewing for his top advisors and cabinet. Appointments to date have included:

- Reince Priebus - Chief of Staff
- Steven Bannon – Chief Advisor
- Governor Nikki Haley – UN Ambassador
- Elaine Chao – Secretary of Transportation
- Senator Jeff Sessions – Attorney General
- John Kelly – National Security Advisor
- James Mattis – Secretary of Defense
- Ben Carson – Secretary, House and Urban Development
- Mike Pompeo – CIA Director
- Betsy DeVos – Secretary of Education
- Steven Mnuchin – Secretary of Treasury
- Representative Tom Price – Secretary of Health and Human Services
- Michael Flynn – National Security Advisor
- Wilbur Ross – Secretary of Commerce
**Impact on Education:**
Betsy DeVos has had a lifetime of private institutions, and thus no experience in public education. Additionally, she is a strong supporter of school vouchers and expansion of charter schools. As part of his campaign, the President Elect discuss minimizing the side of the Education Department and returning control to the States. He is also a strong supporter of school choice, and has discuss providing every low income student with a school voucher sum of $10,500 to attend the school of their choice. To pay for program, he has discussed having the federal government pick up a small portion and requiring the States to identify nearly 2/3 of the revenues needed.

**Update in Illinois:**
**ESSA:**
ISBE is on track to file the ESSA State Plan in the Spring with the final deadline recently being pushed back by the U.S. Department of Education to early April. The second draft of the ESSA State Plan has been released and is more substantive than the first draft. While there were many positive changes and additions in the second draft, the Working Group ED-RED convened is still concerned with some of the portions of the Plan, including the long term goals in ESSA, as they are similar to those from NCLB, but with 90% threshold instead of 100%. Moving along, ISBE is asking for comments on draft two by December 27, 2016.

**Funding:**
The potential of the Chicago Urban League lawsuit being settled has impacted the talks about funding and the on the evidence base model. Talks about revenue and funding in the State have created dialogue about the consequences of the event no new money is seen. Both funding models require additional money in order to function properly.

**Budget:**
The governor has continued pushing for his turnaround agenda items, including a property tax freeze and term limits. Neither of these issues will help the State gain more money to fund education. Whether a budget will be passed for 2018 is unknown and if one isn’t passed on time, it will be a problem for school districts around Illinois. Currently, only K-12 education has funding for 2017.

**Fall Veto Session:**
- Licensure Reciprocity (SB2912) was approved by chambers and now moves onto the Governor for signature.
- Lead Testing (SB 550): The measure as approved by the House Environment Committee, would require local municipal and water supply companies to provide lead testing in all schools.
- Social Emotional Screening (SB 565) The bill would allow parents/guardians to request their students to be tested, however, school districts are given the ability to ultimately determine testing.
- CPS Pension Parity (SB2822): The language would provide CPS with State revenues to cover their normal cost of $215 for FY18 and beyond. The measure was approved by both chambers and now moves onto the Governor’s signature.
- Chicago pensions (SB2437): The bill reestablished a levy line for Chicago consolidated in 1995 as part of a restructuring package, thus allowing the CPS to levy for costs to cover pensions. The measure was approved by both chambers and moves onto the Governor for signature.
Going Forward 2017:
Lame Duck and 2017:
• ESSA – ISBE on track to file Illinois State Plan with the US DOE in April 17.
• School funding reform – Governor Commission to make recommendations February 1, 2017
• Possible property tax freeze
• Statewide pension reform
• ISBE Initiatives (Article 7 re-write, Districts of Innovation, Obsolete/Duplicative, and continued movement of implementation for ESSA.

Guest Speaker, Rich Frankenfeld, TRS Update:
The Teachers’ Retirement System was created in 1939 with the purpose to provide Illinois teachers outside of Chicago with retirement, disability, and survivor benefits. As of now TRS has 159,707 active members, 125,969 inactive members, and 114,922 Annuitants/Beneficiaries.

The passing of K-12 Budget includes the state’s contribution to TRS, fully funding TRS for FY17. The Early Retirement Option (ERO) was not extended and has expired as of June 30, 2016. This has no impact for retirees. However, active teacher’s contributions have been reduced from 9.4% to 9% as a result. In addition any TRS active/inactive members who have paid towards the ERO since July 1, 2015 will be refunded for contributions made. Refund applications will be available mid-November to mid-December 2016. Members have three options for refund: cash, rollover to non-TRS retirement plan - 401K, 403b, IRA, etc., and default - leave with TRS but with no interest. TRS asks that members do not call the office, but handle it through the mail information that was sent out.

This fiscal year the shared costs for employer/employee are as follow: employee 9% salary, employer 8.27% of payroll, and payment on the unfunded 30.86% of payroll. Projection for the next year shows an increase in both employer shared cost to 10.10% and unfunded to 35.80%, but is projected to fall in the years after.

Under Constitutional Protection there are two provisions: Contracts Clause and Pension Right Clause Article X111, Section 5. “Members under these pension plans have a legally enforceable right to receive the benefits they have been promised.” The most recent Pension Overhaul Proposal is Consideration. Consideration, proposed by Senate President John Cullerton, includes two options. Option 1: All future salary increases will be pensionable, if a member trades current 3% from Tier 1 COLA for the Tier II COLA, being half the rate of inflation. Option 2: All future salary increases will be non-pensionable, if members keep the 3% COLA. Under the Consideration both options seem to diminish or impair the member’s benefits. Furthermore, Revenue Proposals include: Increase the Income Tax, Expand the Sales Tax Rate to cover more services, “Re-amortize the debt” - Martire, Tax Retirement Income, Shift Pension Costs to local school districts. A study conducted at the Southern Illinois University asked individuals how they thought the revenue issue should be solved. Polling purposed such solutions: 47% Cuts, 10% Raise Revenue, 33% Both, and 10% Other. General Assembly has yet to take action on Revenue matters.

- Minutes respectfully submitted by Arabed Hernandez
HB230  Higher Ed-Uniform Admission (Thapedi A)
HB231  State Holiday-Obama Birthday (Thapedi A)
HB243  Sch-Police Job Training Prog (Flowers M)
HB256  Interscholastic Athletic Org (Beiser D)
HB261  Educ-Homeless Child-Assistance (Mussman M)
HB262  Min Wage-$15 Per Hour (Flowers M)
HB265  Sch Report Card-Lead-Chicago (Flowers M)
HB266  Sch CD-St Assessments-Opt Out (Flowers M)
HB268  Sch CD-Chi-Sch Nurse Required (Flowers M)
HB269  Sch CD-Summer School-No Charge (Flowers M)
HB273  Lottery-After School Rescue (Ford L)
HB276  Pen CD-Gars-Limit Membership (Moynan M)
HB279  Sch CD-Restore Ga Scholarship (Jones T)
HB284  Procurement-Mobilization Pay (Davis W)
HB285  Elec CD-Top Two Primary (Fortner M)
HB286  Elec CD-Online Publishing (Fortner M)
HB287  Prop TX-Tax Bills-Pension (Olsen D)
HB289  Prop TX-Senior Homestead (Olsen D)
HB291  Pen CD-I MRF-Elected Officials (Olsen D)
HB293  Pen CD-Gars-No New Ga Members (Olsen D)
HB294  Elec CD-Cnty Bd Of Elec (Olsen D)
HB295  Pen CD-Trs-Salary (Olsen D)
HB297  Prop TX-Appeals (Olsen D)
HB305  Munip-Dpd College Requirements (Bennett T)
HB315  Pen CD-Accel Benefit Payment (Batinick M)
HB322  Ethics-Gift Ban (Drury S)
HB323  Lobbyist-Economic Association (Drury S)
HB324 GA MEMBERS-NO OTHER EMPLOYMENT (DRURY S)
HB325 ETHICS ACT-LOBBY RESTRICTIONS (DRURY S)
HB329 CONCEALED CARRY-PROHIBITED PLACE (DRURY S)
HB330 ELEC CD-OPEN PRIMARY (DRURY S)
HB331 SCHOOLS-CALORIE TRANSPARENCY (DRURY S)
HB333 FINANCE-APPROPRIATIONS (DRURY S)
HB334 ELEC CD-PRI MARY DATE (DRURY S)
HB336 PTELL-EXTENSION LIMITATION (MCSWEENEY D)
HB337 PROP TX-ASSESSMENT FREEZE (MCSWEENEY D)
HB338 PEN CD-GARS-G.A. MEMBER ELIG (MCSWEENEY D)
HB341 GA COMPENSATION-COLA (MCSWEENEY D)
HB342 MUNI CD-TIF BONDS (MCSWEENEY D)
HB343 STATE BUDGET-GA MEMBER SALARY (MCSWEENEY D)
HB344 BUDGET-GOV SPECIAL SESSION (MCSWEENEY D)
HB346 GENERAL ASSEMBLY COMPENSATION (MCSWEENEY D)
HB353 SCH CD-POST-RETIREMENT BONUS (MCSWEENEY D)
HB354 SCHOOL WATER SUPPLY TESTING (MCSWEENEY D)
HB357 INC TX-RATES (MCSWEENEY D)
HB358 PROP TX-PTELL FREEZE (MCSWEENEY D)
HB359 PROP TX-PTELL (BATINICK M)
HB360 PROP TX-DISABLED VETS (SKILLICORN A)
HB361 PROP TX-TIF INFO ON BILL (SKILLICORN A)
HB362 PEN CD-IMRF-ELECTED OFFICIALS (SKILLICORN A)
HB363 PEN CD-GARS-NO NEW GA MEMBERS (SKILLICORN A)
HB368 PEN CD-SURS-DISABILITY ANNUITY (NEKRITZ E)
HB370 SCH CD-CHILD ABUSE HOTLINE (MAYFIELD R)
HB377 CON CARRY-BUSINESS LICENSE (REICK S)
HB378 ISBE-RULES-UNFUNDED MANDATES (REICK S)
HB379  HIGHER ED-ONLINE DEGREE-STUDY (REICK S)
HB381  PROP TX-SENIOR FREEZE (YINGLING S)
HB382  PTELL-EXTENSION LIMITATION (YINGLING S)
HB385  GAMING-CASINO AUTHORIZATION (HARRIS D)
HB390  INC TX-INTERNSHIP CREDIT (BENNETT T)
HB399  INC TAX CREDIT INTERNS (REIS D)
HB400  INC TX-TRAINING EXPENSE (REIS D)
HB401  INS CD-POLICY FORMS-EXEMPT (REIS D)
HB412  WORK COMP TRANSPARENCY (REIS D)
HB414  PROP TX-SENIOR FREEZE-AGE 55 (WEHRLI G)
HB416  PEN CD-GARS-NO NEW GA MEMBERS (WEHRLI G)
HB417  PROP TX-SR FREEZE-DISABILITY (WEHRLI G)
HB419  PROP TX-FALLING EAV (WEHRLI G)
HB420  PROP TX-FALLING EAV (WEHRLI G)
HB421  PEN CD-GARS SELF-DIRECTED PLAN (WEHRLI G)
HB425  SCH CD-REG SUPERINTENDENT (WELCH E)
HB428  GA LEADER TERM LIMITS (BOURNE A)
HB430  PROP TX-GEN HOMESTEAD EXEMPT (BOURNE A)
HB431  PROP TX-SENIOR HOMESTEAD (BOURNE A)
HB433  VEH CD-SCHOOL BUS-NO TRESPASS (BUTLER T)
SB1   EDUCATION-TECH (CULLERTON J)
SB2   MINIMUM WAGE-WITHHOLDING (LIGHTFORD K)
SB3   LOCAL GOVERNMENT CONSOLIDATION (CULLERTON T)
SB4   GO RESTRUCTURING BONDS (TROTTER D)
SB5   PEN CD-CTPF-STATE CONTRIBUTION (CULLERTON J)
SB6   $FY17 VARIOUS (CULLERTON J)
SB7   GAMING-VARIOUS (LINK T)
SB8   PROCUREMENT-OMNI BUS (HARMON D)
SB9  REVENUE-VARIOUS (HUTCHINSON T)
SB10 LOCAL GOV-ASSIGN RECEIPTS (CULLERTON J)
SB11 PEN CD-TIER 1 ELECTION (CULLERTON J)
SB12 WORKERS' COMP-VARIOUS (CONNELLY M)
SB13 PROP TX-PTELL FREEZE (RADOGNO C)
SB14 PEN CD-CHI MUNI & LABOR (CULLERTON J)
SB75 VEH CD-SEAT BELTS-SCHOOL BUS (SILVERSTEIN I)

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