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What taxpayers covered in school pension fines

BY JAKE GRIFFIN

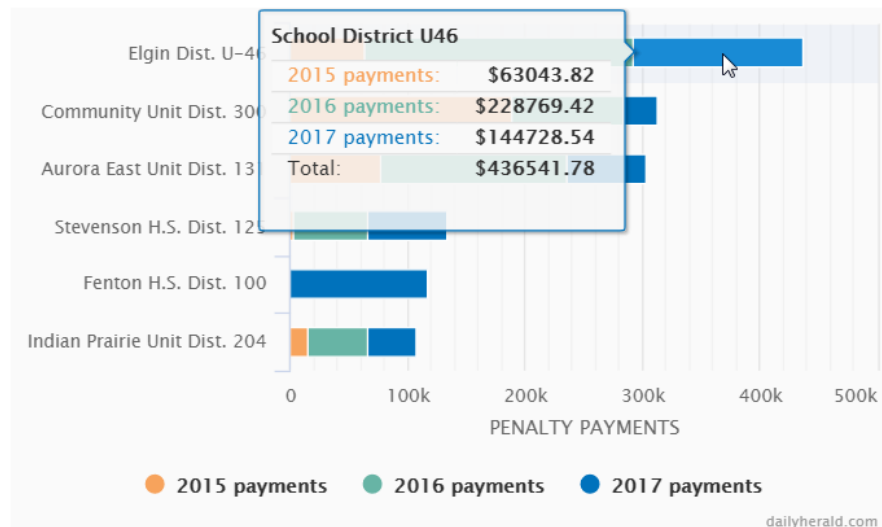
Taxpayers in 58 suburban school districts spent a combined \$820,980 last year to cover state penalties for dozens of teachers and administrators whose annual pay raises exceeded 6 percent.

Those penalties are only expected to rise after [Gov. Bruce Rauner signed legislation a week ago](#) that lowers the threshold to 3 percent and makes school districts responsible for any increase in pension costs triggered by pay raises higher than that. The lower limit goes into effect for new teacher and administrator contracts.

Paying penalties

From 2015 through 2017, taxpayers in six suburban school districts had to pay more than \$100,000 in penalties for pension obligations created by raises for educators in excess of 6 percent.

The chart below is interactive: [click](#) or [touch](#) to see more.



Source: Analysis of Illinois Teachers' Retirement System data

Tim Broderick | [Daily Herald News Art](#)

School districts throughout the state have paid millions in penalties since the original law was passed 13 years ago as a step toward curtailing Illinois' growing public pension costs.

Many teacher and administrator contracts call for higher-than-usual pay increases for employees in the final three years before retirement, though some suburban school districts are doing away with the practice.

From 2015 through 2017, 86 suburban school districts combined to pay more than \$2.7 million in penalties to the Illinois Teachers' Retirement System to cover pension

obligations created by raises above 6 percent given to school employees. That's according to a Daily Herald analysis of TRS records acquired through a public records request that also show taxpayers statewide covered \$11.2 million in penalties over those three years.

Elgin Area School District U-46 paid the most among the suburban school districts -- \$436,542 -- during those three years as a result of raises topping 6 percent a year for nearly 100 employees, according to the analysis. Algonquin-based Community Unit District 300 paid \$312,949, Aurora East Unit District 131 paid \$303,151, Stevenson High School District 125 in Lincolnshire paid \$133,178, Bensenville-based Fenton High School District paid \$117,152, and Indian Prairie Unit District 204 in Naperville and Aurora paid \$107,055.

"We see absorbing these penalties as fiscally responsible because we know we'll recoup savings on the other side in pretty quick order by replacing those positions with younger individuals earning smaller salaries," Stevenson spokesman Jim Conrey said.

U-46 officials said they stopped offering higher raises as a retirement incentive in 2014, but 2017 would have been the last year anyone who participated in that program would have benefited.

District 300 officials said they have made a concerted effort to reduce penalty payments in recent years.

District 300 paid \$194,171 in penalties in 2014 after two previous years of six-figure payments. In 2015, the district paid \$189,203 in penalties, then dipped to \$94,362 in 2016, but only had \$29,384 in penalties in 2017, according to the analysis.

Spokesman Anthony McGinn said stipends for coaching or other extracurricular activities often pushed the pay raises above 6 percent.

"The decreasing amount is an intended strategy and part of our negotiation process," McGinn said. "The district has taken steps to significantly reduce overload pay through contract negotiations."

The penalties essentially shift some of the pension burden back to the schools that created it, proponents said.

But others argue such a shift has little effect on decreasing the pension fund's debt, which is about \$73 billion, according to TRS officials.

"Go ahead and do it, it's not bad government, but it's not going to solve the real problem," said Ralph Martire, [executive director of the Center for Tax and Budget Accountability](#), a bipartisan government finance think tank based in Chicago.

"It's a debt problem; it's never been a benefit problem."

TRS is funded annually by a set percentage of the employees' salaries, investment earnings and a state contribution. However, for years the state did not pay the full contribution, leading to a shortfall that has left it only 41 percent funded.

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Taylor YMCA to bring preschool to Elgin

BY JAKE GRIFFIN



Taylor Family YMCA wants to open a preschool for up to 60 children at 1111 Van St. in the former Good Shepherd Lutheran School that closed in 2012. *Brian Hill | Staff Photographer*

A new preschool run by [Taylor YMCA](#) is planned on the near west side of Elgin, which proponents say addresses the need for more early childhood classes.

The planning and zoning commission Monday OK'd a proposal by the YMCA to establish the preschool at 1111 Van St., in the building that used to house Good Shepherd Lutheran School until it closed in 2012. The building is owned by [Good Shepherd Lutheran Church](#) on Nesler Road, where there is also a preschool.

The preschool on Van Street -- about half a mile from the YMCA on McLean Boulevard - will accept up to 60 students and employ about 10 staff members, including part-timers, said David Burisek, executive director of the Taylor YMCA. The goal is to hire at least one bilingual teacher, he said.

The preschool first will accommodate 3- and 4-year-olds, and 5-year-olds might be added in the future, he said.

"After having discussions with representatives from **(Elgin Area School District) U-46** and ACE (the Alignment Collaborative for Education), we understand there is really a need for early childhood education," he said. "And with the church and the YMCA's mission, it makes sense."

Less than 2,000 of the 6,000 children ages 3 or 4 within U-46 boundaries are being served by public and private preschool classes, according to data presented by the YMCA to the planning and zoning commission.

"The sooner we can educate and get children learning and develop at their grade level, the better they are in life," Burisek said.

The Rev. Steve Maske, Good Shepherd senior pastor, said the church has been working on connecting more with the community and runs a Hispanic ministry, "[Vida y Fe](#)," or "Life and Faith," out of the Van Street church building.

"We were approached by the YMCA to consider hosting the preschool, which I thought was a great fit," he said.

The YMCA already runs Zumba and art classes in the school building, whose existing classrooms and gymnasium can accommodate the preschoolers. A grant for \$25,000 from the Grand Victoria Foundation will pay for desks, chairs and school materials, and about \$5,000 from operating expenses will pay for a new, fenced-in playground, Burisek said.

The city council will consider approving the project's conditional use permit March 8 with a final vote expected March 22, Elgin senior planner Damir Latinovic said.

If all moves forward, the YMCA will work on finalizing its licensing process through the Illinois Department of Children and Family Services with the goal of registering kids in April or May and starting classes in the fall, Burisek said.

Staff members will help families who can't afford school fees apply for state subsidies, and some YMCA scholarships will be available, he said.

The Elgin YMCA is part of the Golden Corridor Family YMCA, which also runs a preschool in Schaumburg.