

School District U-46
Elgin, Illinois

January 13, 2020

The Legislation Committee of the Board of Education met at 4:30 p.m. in Room 140 of the Educational Services Center, 355 East Chicago Street, Elgin, Illinois, to have a legislative discussion with Ben Schwarm, Deputy Executive Director for the Illinois Association of School Boards (IASB). Board members in attendance were Sue Kerr, Melissa Owens, and Kate Thommes. Also in attendance were Tony Sanders, Chief Executive Officer, Dr. Suzanne Johnson, Deputy Superintendent of Instruction, Dr. Josh Carpenter, Assistant Superintendent for Teaching and Learning, Ann Chan, Assistant Superintendent of Human Resources, and Mary Fergus, Director of School and Community Relations.

1. Call to Order

Ms. Owens called the meeting to order and everyone present stated their name and title.

2. Presentation and Legislative Discussion with Representative Ben Schwarm from the Illinois Association of School Boards

Mr. Schwarm stated the legislation is now going into a new year which would be the 2nd year of the 101st general assembly. Mr. Schwarm stated generally all the bills that were introduced last year are generally viable as most of those would need to go through hurdles to get kicked out of committee again. Mr. Schwarm stated all of those bills are still on the docket and then the new bills are introduced. IASB typically will go through 5,000 or 6,000 bills. Mr. Schwarm stated election years prompt more legislation. Mr. Schwarm stated usually anywhere from 20-30% of the bills affect school districts.

Mr. Schwarm stated the issues coming this spring; the first being legislation related to a progressive income tax. Mr. Schwarm stated the proposal would go from flat income tax to graduated income tax rates. In response to Ms. Owens, Mr. Schwarm stated there is going to be a really heavy campaign on both sides of the issue. The Governor is supportive of the graduated income tax rates. Mr. Schwarm stated unions are very much in favor of it. Mr. Schwarm stated the Illinois Association of School Boards does not currently have a position stating they would support a progressive income tax as they cannot use any funds, manpower, or resources for this. Mr. Schwarm stated depending on how that looks and what the revenues are, it will help the budget at some point but will not be a quick fix. Typically, many do not vote for a tax increase in an election year. If that happens, it would usually be during the veto session after the election. In response to Ms. Thommes, Mr. Schwarm stated generally nothing specifically is earmarked for schools; however, the current structure already says “x” amount of revenue is going to the Common School Fund.

Mr. Schwarm proceeded to discuss school construction. One of the things they did last year and one of the many things that caused increases in taxes was the want to do a statewide infrastructure program. Legislation had four different bills and they did earmark certain revenues for certain projects. There is a school construction component of the vertical construction which will come up to \$2 billion statewide for school construction. Those

funds have started coming in now through gas tax, parking tax, etc. Mr. Schwarm stated some are coming through. They also earmarked the expansion in gaming for this purpose. The snag they have hit was a land-based casino in Chicago. The tax for the City of Chicago was very high and when they put out the bid no one wanted it. Mr. Schwarm stated the legislators will have to restructure it. Mr. Schwarm stated the spending side of construction is where things are uncertain. For years, they had a school construction grant until it was no longer funded. The question now is what criteria they will use. The need is in the double digits of billions, which is nowhere near the amount they have.

Mr. Schwarm stated a lot of activity is expected in the area of collective bargaining. Generally, the makeup of the general assembly and the governor are supported by the union. Two or three significant bills were approved such as the minimum teacher salary across the state.

Ann Chan, Assistant Superintendent of Human Resources, joined the meeting at 4:36 p.m.

Mr. Schwarm stated a lot of activity is also expected in the area of pensions and that courts have been strong in stating the benefits cannot be changed and the liability cannot be touched. Mr. Schwarm stated it leads to a cost shift, which would be the only thing that would help the state. In response to Mr. Sanders, Mr. Schwarm discussed Tier II and the state not being able to reach the threshold and needing to undo Tier II and bring them into Tier I bringing a new load of problems. Mr. Schwarm stated this issue has been discussed since Tier II began. Mr. Schwarm stated no one from Tier II would be able to retire for the next 15-20 years. Mr. Schwarm stated there would be no unfunded liability being accrued as it is overly paid for. Mr. Sanders asked if they do try to push pension costs on school districts, is there a way to build that into the adequacy target for funding. In response, Mr. Schwarm stated they tried to do that originally but there was some pushback although that was the intent.

In response to Ms. Owens, Mr. Schwarm stated the state is not going to go back to only social security as the unions will have a tremendous amount of pushback. Illinois is generally a strong union state.

Dr. Suzanne Johnson, Deputy Superintendent of Instruction, joined the meeting at 4:55 p.m.

Mr. Schwarm went on to discuss property taxes as there was a big push from the legislator stating if the state taxes are raised then property taxes should be raised. Due to this, the state put together a taskforce. Mr. Sanders stated property tax relief and evidence based funding being fully funded would be the path to take. Ms. Owens stated even if they don't cap property taxes and shift pension costs without changing anything in the property tax ratio, even if it just stays the same, the district would be pulling money out of services because the district cannot raise their property taxes to match that shift. Mr. Schwarm stated several of their proposals they had in their taskforce have nothing to do with property taxes. He stated it is back to the school district and how much money they spend.

Mr. Schwarm stated school consolidation comes up every time. Most of the time the only

thing being saved is a Superintendent salary and that will be eaten up by adding Assistant Superintendents as the same number of everything else remains such as the same number of students. Mr. Sanders stated when you close the building you save the utility costs and potentially a few secretaries, but it is typically nothing significant.

Mr. Schwarm stated the legislators have considered mandating the school districts with significant cash reserves and to abate the tax reserves to the tax payers. That is a business decision. Mr. Schwarm stated there are benchmarks about what is appropriate to have and a lot of time the reserves are there for a reason because the state does not have a School Construction Program. Mr. Schwarm stated the state doing this arbitrarily can leave a lot of districts in a bad spot.

Mr. Schwarm stated the senate president said he is stepping down leaving a huge void that does not come up very often. There will be a lot of internal political ranking going on. There are 3 or 4 strong contenders.

Mr. Schwarm stated charter schools were another topic he expected to come up in the legislative session. Mr. Schwarm stated when the charter school renewal comes up that the school district involved will have a say. Mr. Sanders stated he would be in support of legislation that states charter schools must be within the boundaries of the school district in which it serves. Mr. Sanders stated the State Charter School Commission approved a charter school in our district that resides in District 300, which then takes income from U-46.

Mr. Sanders asked Mr. Schwarm whether there was more legislation on teacher shortage coming. Mr. Schwarm stated they have passed something each of the last three or four years to address the shortage but it will be a slow change. Mr. Schwarm stated the problem is there are fewer students in college to become teachers so even if there is a plan to correct the shortage, the state will still be four or five years away from students graduating. Mr. Sanders stated U-46 would be on board with a proposal the Latino Policy Forum brings forward provided they are not asking for funding in place of the evidence-based funding model money as that might not make sense for the district as we are the furthest from adequacy.

In response to Mr. Sanders, Mr. Schwarm stated IASB is working closing on the issue of seclusion and restraint. They currently have the Illinois Counsel of School Attorneys working on the issue. Mr. Schwarm stated it is hard to distinguish between isolation, restraint, and a timeout as everything was lumped together and there are times where a student needs to be separated from the group for a bit. Ms. Thommes stated there is a tremendous difference of whether seclusion and restraint is being used to punish the student or to support the student to help them calm back down and regulate themselves. Ms. Thommes stated she is a part of the special needs community and has been made aware of situations where seclusion and restraint are used to punish the student and stated it needs to be more closely monitored.

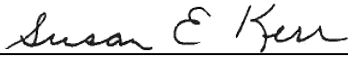
3. Public Participation

There were no public comments.

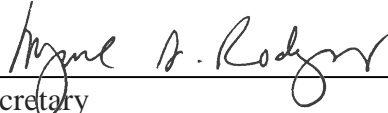
4. Adjournment

Ms. Owens adjourned the meeting.

Approved this 2nd day of March, 2020.



President



Secretary