

## Senate Floor Action for May 17, 2017

**School-Funding Reform (SB 1):** Implements a new evidence-based school funding model for the 2017-2018 school year and beyond. Provides that the state will pick up the pension costs for federally-funded teachers (\$100 million cost in year one). Provides that the state will pay the normal pension cost for CPS beginning in FY17, including a continuing appropriation. Retains the Chicago Block Grant, dedicating \$250 million more funding for CPS than if it was treated the same as all the state's other school districts.

The Evidence-based Model works as follows:

- It establishes an adequacy target for each school district. How much does it cost to educate the kids in each school district?
- A local capacity for each school district is calculated. How much can the district taxpayers contribute locally towards that adequacy target?
- A base funding minimum level is then established. How much does the state currently contribute towards the adequacy target for each district?
- The local capacity and the base funding minimum are added together to establish a percent of adequacy for the school district. How adequately is the district currently funded? What is the gap to the adequacy target?
- New state money is distributed first to those who are the farthest from adequacy.

**Local Government Consolidation (SB 3):** Gives DuPage County powers to consolidate/abolish to all counties. Provides a consolidation process for multiple townships, merger of a single township with two others and discontinuance of a township within a coterminous township.

**Refinancing Debt (SB 4):** Provides a \$7 billion borrowing plan to help eliminate backlog of overdue bills quickly. Repaid over seven years. Goal is to bring state close to 30-45 day payment cycle, and prevent interest payments. Earmarks \$250 million for pension buy-out from Senate Bill 16.

### **Fiscal Year 2017 and Fiscal Year 2018 Spending (SB 6): FY17 Component:**

- Completes the FY17 budget year
- Higher Education, Human Services, Group Health and State Government Operations funding
- Brings full-year FY17 higher education funding to no less than FY15
- Full-year MAP grant funding
- Human Services: Funds all programs not completely covered by court order, consent decree or stopgap budget
- State government operations funded to cover food vendors, medical services and utilities, state police vehicle maintenance, postage, etc.
- Ensures state employee pay

### **FY18 Component:**

- Comprehensive FY18 appropriations bill.
- Largely reflects the Appropriations bill filed by Senator Brady and negotiations of the budget working group.
- Includes a 15 percent cut to Universities and Community Colleges below the FY15 level.
- Full-year MAP grant funding.
- K-12 Education funding is up \$343 m over FY17
  - o \$250 million increase for GSA evidence based funding model
  - o \$36 million increase for Bilingual Education

- o \$30 million increase for Transportation
- 5 percent across-the-board cuts to most agencies and programs – including Medicaid.
- Assumes \$435 million in savings in the Group Health Insurance program in FY18.
- Five -year phase out of CIP/TRIP funding.
- \$221 million included for CPS pension parity.
- Reduces State pension payments by \$1.25 billion.
- Does not include spending for capital projects.

**Gaming (SB 7):** Expands gaming.

- Six new casinos would be authorized: Chicago, Lake County (Park City, Waukegan or North Chicago), Rockford, South Suburban Chicago (Bloom, Bremen, Calumet, Rich, Thornton or Worth Township), Danville, and Unincorporated Williamson County.
- Casinos could increase gaming positions to 1,600 from 1,200. Unused positions bid out by Gaming Board to maximize revenue up to 2,000 positions in use per casino.
- Chicago casino limit at 4,000 positions
- Allows for land-based casinos
- Slot machines at racetracks in Arlington Heights, Collinsville, Cicero and Quad-Cities.
- Slot machines at O’Hare Airport.
- Up-front licensing fees go to GRF; All other revenue to the Education Assistance Fund.
- Chicago casino revenues earmarked for the Policemen’s and Firemen’s Pension funds.

**Negotiated Procurement (SB 8):** Provides for procurement reforms (combines Governor’s, Chief Procurement Officer, State Chamber) to eliminate barriers to vendor participation,

competition, cost savings and efficient procurement practices while maintaining transparency.

**Pension Reform (SB 16):**

- Offer/consideration model for SERS, TRS, SURS and CTRS: Choose compounded COLA w/ raises NOT pensionable; or delayed, simple COLA w/ pensionable raises and reduced contributions to system (SERS, effective July 1, 2019; TRS, SURS, CTRS, effective Jan. 1, 2018.) Saves \$700 million to \$1 billion.
- Governor’s Tier 3 defined benefit/defined contribution plan for new hires; Saves \$500 million
- High salary cost shift – schools, universities pay state’s share of pension contribution for salaries \$140,000+
- End-of-career spiking limit set at CPI, instead of current 6 percent for teachers
- Voluntary 401(k) style retirement option for up to 5 percent of Tier 1 employees
- Abolish General Assembly Retirement System for future lawmakers
- Implements a pension buy-out (70 percent of value) for former employees who have vested but not yet begun receiving their pension

**House Bills passed by the Senate**

**PACE Financing Districts (HB 2831):** Creates the Property Assessed Clean Energy Act to provide for communities to create PACE financing districts, so that commercial and industrial property owners within those districts can voluntarily pay for clean energy improvements through an assessment on their property.

**Chicago Liquor Exemptions (HB 3164):** Allows the City of Chicago to be able to issue a liquor license to the following establishments which are located within 100 feet of a church or

school, if certain requirements are met. This applies to Revel Motor Row, Pizano's Pizza, and Murphy's Lounge and Medici Restaurant. The bill also includes a correction to the existing exemption for Nando's Peri-Peri Restaurant, to specify that the business is less than 3,000 square feet (instead of 4,350 square feet).