



## ALLIANCE LEGISLATIVE REPORT (95-51)

### BUDGET IMPLEMENTATION BILL APPROVED

Both the Senate and the House of Representatives voted this week to accept Governor Rod Blagojevich's amendatory veto of the budget implementation bill (BIMP) and the bill is now law. **SB 783** was changed by the Governor to clarify that the increases for special education personnel reimbursement become available to school districts for the current 2008 Fiscal Year. Enactment of the budget implementation bill is necessary for the State Board of Education to begin disbursing school aid payments that include the \$400 per pupil increase that was contained in the FY 2008 budget bill. A more complete analysis of SB 783 can be found at the end of this report.

Also this week, the Governor signed into law **HB 4148 (Bradley, J., D-Marion)** regarding extraordinary expenses for special education. The bill becomes Public Act 95-0705, effective January 8, 2008. HB 4148 continues the "hold harmless" provision for the extraordinary special education services reimbursement formula. It permanently extends the provision so that school districts cannot receive less funding for these services than they received in Fiscal Year 2007. However, a companion bill (**HB 4149**) that would have appropriated the money (\$21 million) to cover the costs of the hold harmless provision for FY '08, was defeated in October.

In other legislative business, the General Assembly approved a bill regarding funding for mass transit in the Chicago and suburban Chicago areas. The Governor could again make changes to the CTA/RTA bill, **HB 656**, via an amendatory veto.

### SCHOOL ACCOUNTABILITY STILL PART OF GAMING PLAN

As highlighted in the last Alliance Legislative Report, the House Gaming Committee met Tuesday to discuss **HB 4194**, the bill that would expand gaming in Illinois. The bill is intended to use gambling receipts from the addition of new riverboat casinos and a land-based casino in Chicago for a statewide construction program for roads and bridges, school construction, and school operations.

As currently drafted, the bill contains several new "school accountability" provisions, including additional financial reporting for school districts and mandatory training for school board members. Alliance Legislative Report 95-48 contains more details (<http://www.iasb.com/govrel/alr9548.cfm>) on HB 4194.

The Alliance testified in opposition to the bill in committee; no vote was taken in committee on Tuesday. However, the bill – including the accountability proposals – is very much alive. Though the education provisions of the bill will be re-drafted, the gaming bill will contain the provisions for: the new financial reporting requirements; mandatory school board training; and some mechanism for citizens and school personnel to report wrongdoing by school board members, school administrators, and school district employees (possibly an "Education Inspector General").

**YOU ARE URGED TO CONTACT YOUR STATE REPRESENTATIVE AND SHARE YOUR CONCERNS ABOUT THIS PROPOSAL.**

The bill will be drafted to:

- require all school board members to complete at least 4 hours of training within one year of the effective date of this act or within one year after election to the board;

- require school districts to use a competitive request for proposal process in selecting auditors for the annual audit and add to provisions in the annual audit;
- require school boards to adopt a formal financial policy;
- require school boards to develop a long-term financial plan and a 5-year capital improvement plan;
- require school districts to include a “user-friendly” executive summary as part of the district’s budget; and
- establish a mechanism for citizens to report wrongdoing in a school district.

### **PROVISIONS OF THE “BIMP” BILL – SB 783**

The following provisions are contained in SB 783 and now become law:

- authorizes the School Safety and Educational Improvement Block Grant funds ("ADA block grant") to be distributed to non-public schools;
- provisions from SB 194 (Sieben) regarding the reorganization of the Paw Paw and Franklin Center school districts;
- “Transitional Assistance” – ensures that no school district will receive less State funding in Fiscal Year 2008 than it did in FY '07;
- Lincoln's Challenge Academy – to conduct a study to consider the need for an expansion of this non-traditional program for dropouts;
- “Pay for Performance” Teacher Compensation – beginning with all newly-negotiated collective bargaining agreements (entered into after the date this bill becomes law), the school board and the teachers' union may agree to include a performance-based compensation plan that would allow for increased teacher pay above a teacher's base salary if certain criteria are met;
- “Severely Overcrowded Schools” Grants – creates a grant program to relieve overcrowding in such schools as defined in the bill;
- reporting of contracts – requires school boards to list on the school district's website all contracts over \$25,000 and all collective bargaining contracts. The report must include the total number of contracts awarded by the school district, the total value of all contracts awarded, the number of contracts awarded to minority owned businesses, female owned businesses, businesses owned by a person with a disability and locally owned businesses;
- Special Education funding – increases the personnel reimbursement amount for special education teachers by \$1,000 (from \$8,000 to \$9,000) and for non-certified special education personnel by \$700 (from \$2,800 to \$3,500);
- “Foundation Level” Increase – increases the per pupil foundation level amount in the school aid formula by \$400 (from \$5,334 to \$5,734);
- “Poverty Grants” – continues the "hold harmless" provision for school districts receiving funding for supplemental general State aid based on Low Income Concentration Levels; and
- “Hard-to-Staff Schools” – creates a salary incentive program for teachers and administrators who are employed by such schools (\$3,000 for teachers and \$5,000 for principals). The ISBE would allocate and distribute funds to "qualifying schools".