

2014 ICCTA LEGISLATIVE UPDATE

by Jessica Nardulli

When the legislative session began in January, the House bills were heard in House committees and then on the House floor, and Senate bills were heard in Senate committees and then on the Senate floor. This week marks the beginning of the second half of the legislative session. It is the Senate's turn to consider House bills that have passed the House, and the House is considering the Senate bills that have passed the Senate – essentially, we repeat the process in the second chamber. The legislators have a few short weeks to negotiate and debate the legislation before they must take final action and vote on whether to send the bills to the Governor. Adjournment is scheduled for May 31. It is important to keep in mind that if any amendments are added in the second chamber, the bill must go through the first chamber again in order to approve the changes.

Typically, during the final week of session, the legislators will take up the big issues. This year, those issues most likely will revolve around \$\$\$dollar signs\$\$\$. Those issues could include, but of course are not limited to, the following:

- ❖ Will the temporary income tax increase (from 3.5% in 2011 to 5% set to expire January 1, 2015) be made permanent?
 - If yes, the budget is anticipated to be level as compared to FY14 appropriations.
 - If not, however, the budget will have to suffer major cuts – a “doomsday” scenario.

Both the Board of Higher Education and the Illinois Community College Board have testified before appropriations committees on the impact to community colleges under both scenarios. The Governor's proposed budget depends on the extension of the temporary tax increase. The Speaker of the House and President of the Senate have expressed their support for the extension, but it remains to be seen if they can get the votes.

- ❖ Will a progressive tax replace Illinois' current flat tax structure, which will require a constitutional amendment on the November ballot?
- ❖ Will Illinois see an increase in the minimum wage?
- ❖ Will there be some “technical corrections” to remedy a “drafting error” in the pension reform legislation, as urged by SURS?
- ❖ Will there be a re-write of Illinois' tax code? This session has seen numerous hearings on Illinois' current tax policy. Members of the House are examining possible reforms to remedy Illinois' slow economic growth.

Other issues we are following include:

SB 3306: MAP Funds to Dislocated Workers

Sen. Chapin Rose has crafted a two year pilot program that would enable dislocated workers (generally someone receiving unemployment benefits; was self-employed but is now unemployed; or a displaced homemaker) to apply for MAP funds after the enrollment period closes, but prior to the beginning of that academic year. ICCTA worked closely with the sponsor and actively supported this measure, which will bring more MAP funds to community colleges. The bill passed the Senate 55-0 and is sponsored by Rep. Sue Scherer in the House.

SB 2363: Regulating Contracting Policies & Practices at Illinois Community Colleges

Sen. Iris Martinez would like community colleges to comply with state (instead of local government) standards when selecting architects and engineers for projects. This would remove their sole source authority when they have ongoing, satisfactory relationships with contractors. ICCTA opposes this measure because it would interfere with long standing design firm contractual services. This bill has not moved this year, but ICCTA continues to watch for any developments.

HB 4910: Private-Public Partnerships between Community Colleges and Manufacturers

Rep. David McSweeney is encouraging the creation of private-public partnerships between community colleges, manufacturers, labor unions, school districts, high schools, workforce investment boards, and others. ICCTA educated the sponsor about all the positive working relationships community colleges currently have with manufacturers. As a result, the sponsor was convinced to move away from his original mandatory language to the current permissive nature of the bill. This bill passed the House 107-0 and is sponsored by Sen. Michael Connelly in the Senate.

HB 5323 / SB 3451: Pay It Forward

Two different bills, sponsored by Rep. Jack Franks and Sen. Michael Frerichs, support a program commonly referred to as "Pay It Forward" to provide loans to eligible students who would pay back those loans according to that student's income. Rep. Franks has changed his bill to be a study of the idea, modeled off of Pennsylvania's program, to determine the practical and fiscal impact in Illinois. Sen. Frerichs' proposal is currently in the form of a pilot program at just one public institution, with repayment not to begin until 10 years after graduation. Sen. Frerichs has also recognized problems with the proposal and promised to hold the bill until he drafts an amendment.

PENSION LAWSUIT UPDATE

The pension reform issues are now being heard before the courts. Five lawsuits have been filed that contest the constitutionality of the pension reform bill that was passed last spring. One lawsuit was filed in Chicago, one in Champaign and three in Sangamon County. The Supreme Court ordered all of the cases consolidated to Sangamon County. The Attorney General is required to file answers to all of the cases before May 15.

The University of Illinois and SURS have asked the legislature to change the law as it pertains to money purchase option for SURS employees. A drafting error in the pension reform law has caused many SURS employees to consider retirement earlier than anticipated. Universities and community colleges have many employees who might rush to retirement leaving many vacancies to be filled before school begins in the fall of 2014.

Additionally the Board of Trustees of the State Employees' Retirement System (SERS) recently passed a resolution asking that the pension reform law be stayed. A stay is a court order that maintains the status quo and does not allow the law to become effective until the court has decided the issue. SERS wants the courts to decide the issues before they spend the time and money to change their system. Their point is to make the changes only once rather than to change now only to have the courts declare part or all of the law unconstitutional which would require a different set of changes to be implemented. Interestingly, Governor Quinn was quoted during a press conference as agreeing that a stay was appropriate.