

ICCTA ACTION ALERT

June 2, 2005

The Illinois General Assembly adjourned the 2005 spring session late Tuesday night (May 31) before a midnight deadline. The expected adjournment concluded a session that focused on budget, revenue and education funding reform issues. The General Assembly is scheduled to return to Springfield for a fall veto session on October 25 - 27 and November 2 - 4.

In the final analysis, the Democrat majorities in the House and Senate passed a Fiscal Year 2006 state budget that is built upon a small natural revenue growth and additionally reduces state contributions to the five state-funded pension systems (including the State Universities Retirement System) by \$1.2 billion during the upcoming year. This budget was approved by a mostly partisan vote without the support of any Republican legislators.

Significant new legislation was approved during the session to provide for the FY 2006 budget, as well as other initiatives.

FY06 STATE BUDGET

The state's \$24 billion General Revenue Fund budget for FY06 was passed via a partisan vote. Some of the elements of the new budget are detailed below:

- Reduces state contributions to the five public pension fund systems by \$1.2 billion. Those dollars will be used to fund state operations in FY06.
- Increases K-12 funding by \$326 million above FY05 levels. Much of the increase is allocated to raise foundation funding levels by \$200 up to \$5,164 per student.
- Sends \$46 million to the Chicago Transit Authority.
- Funds higher education at FY05 funding levels, plus a \$3.7 million increase for community colleges, \$3.7 million increase for universities, and an \$11.7 million increase in the Monetary Award Program grant for the Illinois Student Assistance Commission (\$8 million in state funds and \$3.7 million in federal funds).
- No increases in the state income tax or sales tax and no increases in proposed cigarette or software taxes were approved.

FY06 COMMUNITY COLLEGE BUDGET

The Illinois community college system's FY 2006 budget was approved at a higher level than recommended by Gov. Rod Blagojevich in his March budget address to the General Assembly. The following components were added to the Governor's recommended budget:

- The FY06 community college budget is nearly the same as the FY 2005 budget. No changes were made to equalization funding.
- \$1.1 million is transferred from the Illinois State Board of Education to the Illinois Community College Board for administration of GED testing.
- A \$1 million increase in the P-16 initiative grant was approved.
- \$600,000 in additional initiatives were added.

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PENSION SYSTEM CHANGES

Lawmakers approved Senate Bill 27, which makes changes to the five state-supported public pension plans. The State Universities Retirement System (SURS), Teachers Retirement System, State Employees Retirement System, Judges Retirement System and General Assembly Retirement System will receive \$2 billion less in state (employer) funded contributions in FY06 and FY07 than would have been provided before Senate Bill 27 passed. This "pension holiday" will provide only partial state funding of the pension systems. \$1.2 billion from this reduction in state funding of the pension systems will be used for the operations of state government in FY06, while the balance is planned to be used in the FY07 state budget.

SB 27 also provided for several benefit changes in order to generate savings that will reduce future pension liability. The following details the major changes for SURS beneficiaries. The Governor is expected to sign SB 27 very soon.

SURS benefits changes

- Requires a SURS member's employer to pay for the actuarial value of increased benefits because of salary earnings during the final-rate-of-earnings period in excess of 6% over the prior year's earnings. End-of-career salary increases up to 20% will continue to be counted for retirement under current contracts. Those who file retirement notices under a current contract will be able to retire under the current rules, even if the retirement carries over into a new contract. For employees who file a retirement notice under a new contract after the date the Governor signs SB 27, the actuarial value of raises that exceed 6% must be paid by the employer to SURS.
- Removes the money purchase formula as a method of calculating retirement benefits for new employees hired on or after July 1.
- Removes the SURS Board of Trustees' power to set the effective rate of interest credited to member contributions for money purchase formula retirements and gives that power to the state Comptroller. This change is effective beginning July 1.
- Creates an Advisory Commission on Pension Benefits to prepare a report to the Governor and the General Assembly by November 1. The Commission will report on all five pension systems.
- Every benefit enhancement enacted in the future must expire after 5 years unless renewed by the legislature and the governor. Every benefit enhancement enacted in the future must be fully funded.

COMMUNITY COLLEGE-RELATED BILLS ON THE GOVERNOR'S DESK

The following bills of interest to community colleges were passed by the General Assembly and either have been or will be sent to the Governor for his consideration (enactment, veto or amendatory veto).

SB 2112 / HB 1487 **Trustee & Faculty Member Appointments to ICCB** (Demuzio / McCarthy)
ICCTA Position: **SUPPORT**

Provides that beginning on July 1, 2005, one of the 11 members appointed to the Illinois Community College Board by the Governor must be a currently serving community college trustee. Additionally, requires that one of the 11 members appointed to the Illinois Community College Board by the Governor must be a faculty member at an Illinois public community college. This bill originally was an initiative of the Illinois Federation of Teachers and was amended by ICCTA to include the "trustee" requirement. (*SB 2112, which is identical to **HB 1487**, was one of ICCTA's priority issues during the association's May 4 Lobby Day in Springfield.*)

SB 226 Agenda / Minutes Postings on Web Site (Cullerton)

ICCTA Position: MONITOR

With respect to a public body that has a website maintained by the public body's full-time staff, requires that the public body post on the website (i) notice of any agenda of a regular meeting of the public body's governing body, (ii) notice of all meetings of the governing body, and (iii) beginning July 1, 2006, minutes of regular meetings of the governing body open to the public. Specifies how long the postings must remain on the website. Provides that failure to post on the website does not invalidate meetings or actions of the governing body.

SB 445 Use of Student's Social Security Number (Martinez / Fritchey)

ICCTA Position: MONITOR

Provides that a community college or a university may not print an individual's social security number on any card or other document required for the individual to access products or services provided by the community college.

SB 463 GED Transfer to the ICCB (Maloney)

ICCTA Position: SUPPORT

Amends the School Code and the Public Community College Act to transfers all powers and duties of the State Board of Education and State Board of Education with regard to high school equivalency testing and certificates under the School Code to the Illinois Community College Board. (*SB 463 was one of ICCTA's priority issues during the association's May 4 Lobby Day in Springfield.*)

SB 575 Additional Course Requirements for High School Graduation (del Valle / Giles)

ICCTA Position: MONITOR

Makes changes concerning the course prerequisites to receive a high school diploma. Provides for an additional year of mathematics beginning with the 2005-2006 school year. Provides for two years of writing intensive courses beginning with the 2006-2007 school year, which may be counted towards the fulfillment of other graduation requirements. Provides for an additional year of science beginning with the 2007-2008 school year. Provides for an additional year of language arts beginning with the 2008-2009 school year.

SB 1857 Review of Closed Session Minutes (Cullerton)

ICCTA Position: MONITOR

Amends the Open Meetings Act. Provides that a public body's failure to strictly comply with the requirements of the semi-annual review of closed meetings minutes does not make the minutes or verbatim recordings open to the public or available in judicial proceedings (other than those for violations of the Act) if the public body, within 60 days of the discovery of its failure, conducts the review and reports in an open meeting that the need for confidentiality remains or no longer exists.

HB 715 Student Voter Registration (Chapa LaVia)

ICCTA Position: MONITOR

Amends the Election Code. Requires public institutions of higher learning to post voter registration forms on their websites, include voter registration information and forms in Illinois student registration mailings, and provide voter registration forms at in-person student registration.

HB 1051 Teacher Scholarship Program (Mendoza)

ICCTA Position: MONITOR

Makes changes concerning Minority Teachers of Illinois scholarships with respect to exceptions to the teaching obligation requirement. Makes changes concerning the Illinois Future Teacher Corps Program with respect to the teaching obligation requirement. Makes changes concerning special education teacher scholarships with respect to eligibility, certification of applicants, and the teaching obligation requirement. Repeals the Child Development Teacher Scholarship Act.

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HB 2435 Demuzio Governmental Intern Program (Demuzio)

ICCTA Position: SUPPORT

Amends the Southern Illinois University Management Act. Subject to appropriation, requires the president of the University to create the Vince Demuzio Governmental Internship Program for full-time undergraduate students. Sets forth goals for the program. Provides that participating students shall receive academic credit and be compensated financially.

HB 2515 Transfer Courses Posted on the Web (Schock)

ICCTA Position: SUPPORT

Requires the Board of Higher Education to implement and administer a statewide program, using the World Wide Web, to assist students, advisors, faculty, and administrators from public and private institutions of higher education in obtaining consistent and accurate information about transfer courses and their applicability towards degree completion by publishing course equivalency guides, academic programs, courses offered, transfer course evaluations, and degree requirements. The initiative is subject to appropriation.

HB 3724 Military Service / Higher Education (Jenish)

ICCTA Position: MONITOR

Requires public institutions of higher education to allow a currently enrolled student who is called to active military service to complete any unfinished courses at a later date at no additional charge, unless course credit has already been given or the student received a full refund upon withdrawing from the course (in which case the student's record shall reflect that the withdrawal is due to active military service). Provides that the student must be given priority over other students in re-enrolling in the course or courses.

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