



1274 NEWSLINE



NORTH SUBURBAN TEACHERS UNION – LOCAL 1274, CFL, IFT/AFT, AFL-CIO

Lawmakers Reject Rauner's Turnaround Agenda to Pass Illinois Budget



Illinois State Rep. Steve Andersson, R-Geneva, center, shakes hands with Illinois Speaker of the House Michael Madigan, D-Chicago, right, after the Illinois House voted to override Gov. Rauner's veto. (Chicago Tribune, 7/7/2017)

After a record 736 days, the Illinois General Assembly finally passed a budget during the extended session this past summer. Both sides made compromises, but the final outcome is a budget that does not include the anti-worker, anti-union, and anti-education proposals demanded by Governor Rauner. Instead, teacher pensions and school funding have been preserved, although the struggle will continue and we must remain vigilant.

Governor Rauner vetoed the final budget package because it did not include his turnaround agenda of political demands that hurt working families -- workers' compensation cuts, pension cuts, and a property tax freeze. Ten Republicans joined Democrats to narrowly override the Governor's veto in a 71 - 42 vote on July 6. Governor Rauner's defeat prevented the Illinois credit rating

falling to junk bond status and allowed Illinois to begin paying \$15 billion of unpaid bills.

The Illinois budget package consists of three components: **Spending (SB6)**, **Revenue (SB9)**, and **Budget Implementation (SB42)**.

Spending (SB6) calls for spending \$36.1 billion this year. It includes a \$350 million increase for K-12 education, which is reliant on the new school funding reform bill (SB1947) passed on August 28. IFT was in support of the original school funding bill (SB1), but opposed the final SB1947. (see *School Funding Law: The Good and the Bad in this issue*). The spending bill also funds the Monetary Award Program (MAP), which provides grants to Illinois residents who attend approved Illinois colleges and demonstrate financial need.

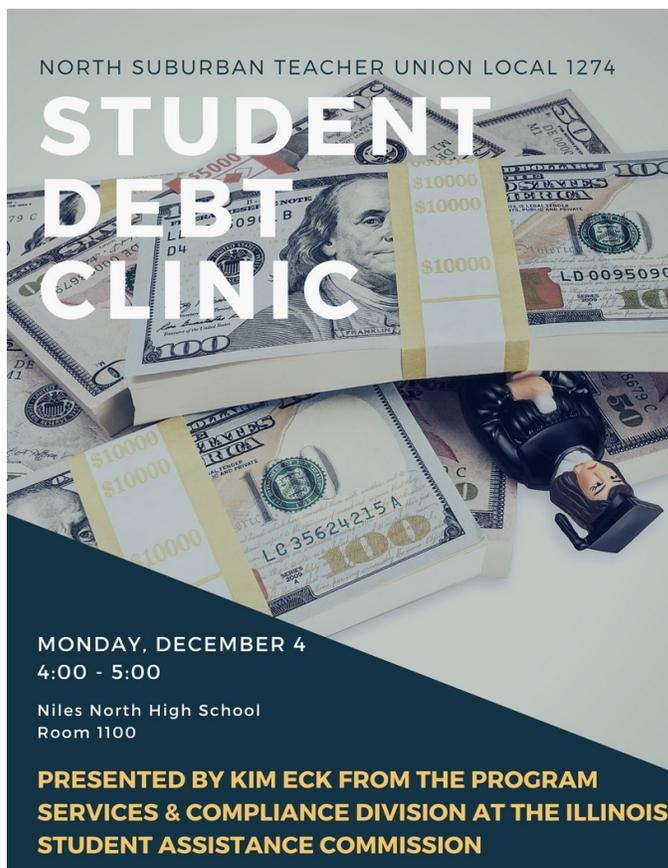
\$2.5 billion in spending cuts are also included in SB6. The \$1.1 billion slated for universities represents a 10 percent cut from the last time Illinois had a budget (2015). Universities lost out on tens of millions of dollars during the two year budget crisis and this will not be fully rectified by SB6. Although this budget provides \$560.5 million to universities to make up for state revenue not provided last year, it does not provide for the previous year of

revenue shortages (see *Disaster for Higher Ed: Unimaginable* in the April 2017 Newslines). Also included in the \$2.5 billion spending cuts are 5 percent across-the-board reductions to most state agencies.

Revenue (SB9) generates an additional \$5 billion annually. \$4.3 billion of that will come from raising the personal income tax rate from 3.75 percent to 4.95 percent. This means that a family with a net income of \$100,000 will pay \$1,200 more than last year. Another \$460 million will be generated by raising the corporate income tax rate from 5.25 percent to 7 percent. In addition, SB9 increases the earned income tax credit for low-income families, ends some corporate tax breaks, and provides an additional \$250 tax credit for educators who purchase classroom supplies with personal funds.

IFT supported the tax hike in SB9 because it provides for new revenue desperately needed. It is widely agreed by experts that the budget deficit in Illinois is a revenue problem, not a spending problem. Illinois has the 5th largest economy in the nation, yet ranks 31st in service spending per capita. 90 percent of Illinois service spending is on education, social services, health care, and public safety, and these have already been cut to the bone. Our state tax policy does not generate enough revenue to continue funding the same level of services over time. This is what the Center for Tax and Budget Accountability calls a "textbook 'structural deficit'." Ultimately, IFT supports a constitutional amendment that changes our tax policy from a flat to progressive income tax.

Rauner understood our structural deficit when he let the 2011 income tax hike expire in 2015, dropping tax rates for individuals from 5 percent to 3.75 percent, and from 7 percent to 5.25 percent for corporations. This added billions to an already rising deficit and allowed Rauner to hold Illinois hostage for his turnaround agenda in exchange for a state hike. We almost lost this standoff when the Senate Democrats -- under Cullerton -- agreed to a grand bargain with Republicans in the spring legislative session that included toxic elements from Rauner's agenda: property tax caps that would deprive public schools of essential funding, workers' comp changes that would harm those disabled in work-related accidents, and yet another unconstitutional attack on public pensions. When the bill went to the House, Madigan outmaneuvering Rauner and Cullerton to get the budget passed in a special summer session.



NORTH SUBURBAN TEACHER UNION LOCAL 1274

STUDENT DEBT CLINIC

MONDAY, DECEMBER 4
4:00 - 5:00

Niles North High School
Room 1100

PRESENTED BY KIM ECK FROM THE PROGRAM SERVICES & COMPLIANCE DIVISION AT THE ILLINOIS STUDENT ASSISTANCE COMMISSION

Rather than the drastic pension cuts passed in the Senate's grand bargain, the final bill leaves our Tier I and Tier II pensions intact. Instead, **Budget Implementation (SB42)** creates a Tier III hybrid pension/401(k) plan for newly-hired members of the state's five pension systems. Teachers will contribute 6.2 percent toward the pension portion and a minimum of 4 percent toward the 401(k) portion. School districts are responsible for the employer share of the plan and state will make a 2 percent contribution. Tier III assumes a savings of \$500 million for the state. The implementation date was not specified in the budget and will be determined by the individual pension systems.

The two year budget stalemate has been disastrous for Illinois and will take years of recovery. The Democrat-led tax hike was a political risk and progressive candidates will need our help during the next elections. We must not forget that Governor Rauner is willing to sink the state of Illinois to enact anti-worker reforms. He will not hesitate to manufacture a budget crisis again next year.

"Crisis creates leverage to change. And we've got to use that leverage of the crisis to force structural change."

Governor Rauner, April 6, 2015, during an appearance before the Chicago Tribune Editorial Board to discuss the state budget.

Coming Soon...

Primary Election Endorsements

Keep an eye on your email for our survey on the upcoming primary elections.

Historic School Funding Law: The Good and the Bad



Children hold signs outside Feitshans Elementary School in Springfield during a rally for Senate Bill 1. *Chicago Reader, 8/29/2017*

The school funding bill (SB1947) signed into law by Governor Rauner isn't perfect but does bring Illinois closer to much-needed fair and equitable school funding. IFT supported SB1, the original bill, but opposed the final SB1947 because it included several "poison pill" provisions added in a compromise with House Republicans to override Rauner's veto.

The passage of a school funding bill was a requirement of SB6, the spending bill contained in the Illinois budget package passed in July. The goal of new school funding legislation was to get more money to under-funded schools without reducing funding to any other district. The General Assembly had already passed a progressive school funding bill (SB1) in May that accomplished this. Research by the Center for Tax and Budget Accountability found that SB1 "creates a proportional, equitable distribution of new state funding for K-12 education."

Rauner, however, used his amendatory veto powers to rewrite SB1. The Senate overrode the veto,

but there were not enough votes in the House to do the same. All four legislative leaders and the Governor struck a compromise to pass amended school funding bill SB1947 on August 29th.

The Good: An Equitable School Funding Formula

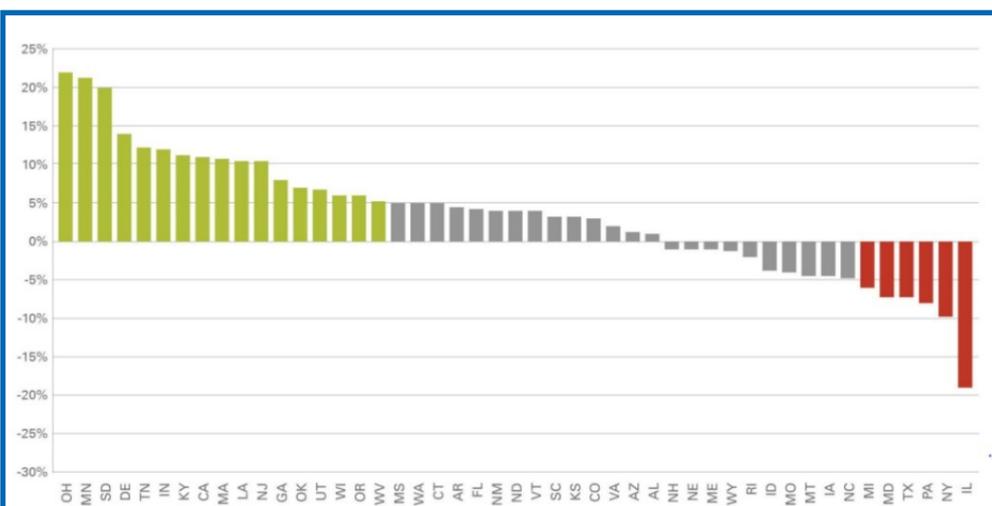
The funding distribution piece of SB1947 moves Illinois away from an inequitable allocation of school funding to an evidence-based model that is progressive and fair. This piece of legislation is historic for Illinois, and IFT supported it as a good and much needed reform for our students.

IFT and other progressive organizations have long advocated for reforming how funds are distributed among districts. Our previous formula created an educational system where school quality is largely determined by zip code and race. In 2015, Illinois ranked number one as having the most regressive allocation of school funding in the nation. Our highest poverty districts received nearly 20 percent less than the lowest poverty districts. No other state even came close to this dubious distinction (see table below). Beside income inequity, this is also a racial equity issue. Districts in Illinois that serve the most students of color receive over 15 percent less in funding than those serving the fewest students of color, ranking us the third worst in the nation. Illinois has been cheating our low-income students and students of color for decades, and this legislation begins the process of creating equity.

Previous bids to change the Illinois school funding allocation failed because they took funds away from wealthier districts to give to poorer districts. This legislation contains a “hold harmless” clause that ensures no district will lose money. Each district -- with no exceptions -- keeps the same amount of funding as it received in FY2017, known as their *Base Funding Minimum* for this year. Going forward, no district will ever receive less funding than the previous year, and their Base Funding Minimum will rise proportionate to new funding. All new dollars in the future will be on top of what districts currently receive.

The new formula for distributing funds applies only to the additional \$350 million per year provided in the new budget package. This modest start means that progress toward equity will proceed slowly, but priority is given to the poorest districts. Over 85 percent of the new dollars will go to districts with greater than 50 percent low-income families. This is done by using a set of procedures for determining the *Adequacy Target* for each district. The greater the student need, the higher the Adequacy Target. The districts furthest from their

Gaps in State and Local Revenues per Student Between Districts Serving the Most and Fewest Students in Poverty. Illinois had the most inequitable funding in the U.S.



Adequacy Target will have priority for new dollars. In addition, the new formula ties school funding to evidence-based practices that support student achievement in the classroom.

Governor Rauner falsely claimed that SB1 was a “bailout” to CPS, but this is not true. The formula for funding and the methodology for calculating adequacy is the same for all districts in Illinois, including CPS. Teachers at CPS will finally have pension funding contributions aligned with every other teacher in Illinois. The state will increase the contribution to the Chicago pension fund from \$12.2 million to \$221 million, although this will be inserted in the laws for the state’s retirement system instead of the school funding bill. In addition, the Chicago School Board will be allowed to raise property taxes to help fund pensions, estimated to bring in \$120 to \$148 million.

The Bad: Poison Pills

Rauner wanted a school funding bill that included a school voucher system, statewide property tax freeze, and broader mandate relief such as allowing greater privatization of union jobs like janitorial services . . . provisions that hurt education and benefit the wealthy over low-income families. Although the governor was not able to get exactly what he wanted, Democrats agreed to variations of his turnaround agenda in the compromise bill. AFT strongly criticized these provisions and did not support the final bill.

Private School Tax Credit Scholarship Program

School vouchers are a major component of Rauner’s turnaround agenda. IFT has long opposed his so-called “school choice” efforts to di-

vert public education funds to private schools, which do not have the same standards of transparency and accountability. A last-minute and sparsely debated compromise to Rauner’s school vouchers is a private school tax credit scholarship program that offers \$75 million in state income tax credits for donations up to \$1 million for private school tuition, including religious schools.

While not exactly a voucher program, the tax credit affects public education by lowering the amount paid into the state coffers that fund public education. Depending on the donations, this will amount to 6,000 to 20,000 scholarships per year, all to low-income students. The scholarships will likely be awarded and administered by not-for-profit organizations that charge administrative fees. This is a five year program, which represents as much as \$375 million worth of tax credits through 2023. Although this program will sunset after five years, it will be very difficult to rescind, as it would disrupt students who lose scholarships. This is a backdoor version of a voucher program and has already been implemented in at least 17 other states.

Property Tax Freeze Referendum

A statewide freeze on property taxes has long been a dream of the Governor. Since property taxes provide the bulk of school funding across the state, this would have a devastating effect on public schools and create yet another crisis that Rauner could use to further his turnaround agenda. It’s important to remember that not one penny of property taxes go to the state. Last year, 59 percent of property taxes in Illinois went to local school systems, which accounted for 63 percent of schools’ operating expenses. A two year freeze,

according to the Center for Tax and Budget Accountability, would cost public schools as much as \$830 million. Instead of a statewide freeze, a provision was added to SB1947 that allows districts to hold referendums to freeze property taxes if certain conditions are met -- such as budget surpluses in education. This will likely apply to wealthier districts (mostly Republican) in the suburbs.



Elimination of Drivers' Ed and P.E. Requirements

Under the guise of reducing state mandated rules and regulations, Rauner wanted to add provisions to the bill allowing districts to privatize good union jobs like school janitors. Instead, the compromise bill eliminated several teaching requirements. Now districts only need hold a public hearing and get board approval to privatize drivers' ed instruction. Students are best served by licensed teachers as opposed to outsourced instructors, who are less likely to have the same educational and accountability requirements. Physical education requirements were also reduced. Districts can now offer three classes per week instead of five, and students in grades 7 - 12 may opt out of P.E. if they play interscholastic or extracurricular sports. The benefits of physical education for students far outweigh the financial benefits gained from reducing classes.

WEDNESDAY, NOVEMBER 15TH

PSRP Day

PARAPROFESSIONALS AND SCHOOL-RELATED PERSONNEL DAY

Thank you to all paraprofessionals and school-related personnel! Without your hard work, our schools could not function. We appreciate all that you do!

DO SOMETHING SPECIAL FOR YOUR SCHOOL SUPPORT STAFF!

A photograph of a young child sitting on a yellow water filter. The filter has 'AMPAZ' written on it. The child is wearing a blue shirt and shorts.

OPERATION AGUA

aff.org/operation-agua

Donate water filters for families in Puerto Rico in need of safe water.

One hundred percent of your tax-deductible contribution will be used to fund water filtration and purification systems for families and communities in need.

From the President: D67 Support Staff Says Union, YES

On August 21st of this year, as most of us were either settling into or preparing for the start of a new school year, the support staff at Golf School District 67 went to the polls to vote on whether to become a part of the teachers union for the very first time. Their vote - by a margin of better than 4 to 1 - was a resounding "YES." We welcome those workers into Local 1274 and applaud their initiative, solidarity, and courage.

For many of us across the local, it is perhaps easy to take for granted the benefits of belonging to a union. After all, most of us were hired into districts with existing collective bargaining agreements and became members of unions that were chartered decades ago. So let us consider for a moment what it is like for workers, like the D67 support staff, who toil away without the rights and protections afforded by union representation.

To begin with, those workers have no contract - they are at-will employees. Their wages, hours, and working conditions are determined solely by their employers, without any input from the employees, and can be changed at a moment's notice. Furthermore, if an injustice does exist - unfair scheduling or assignment of duties, wage theft through practices such as being expected to work beyond clocked-in hours, disciplining employees without just cause, or a host of other inequities - the workers have no rights or procedures by which to address those abuses. If they do choose to complain, they have no one to represent them and no pro-

tection from the reprisal that is likely to follow. And of course, workers without a union, and no right to collectively bargain their wages, hours and working conditions, will earn less and have fewer benefits than their unionized counterparts. The bottom line is this: without a union, the worker has no VOICE.

All of the above was true for the support staff workers of D67 who work daily, side-by-side with their teacher counterparts of the Golf Teachers Association, doing the essential work that keeps

their schools - Hynes Elementary and Golf Middle School - running. But that will be changing soon because the support staff workers in those schools have just taken the bold step of joining

the teachers union, and our local, and will soon begin the process of negotiating their first contract.

This edition of the Local 1274 Newsline is scheduled to be delivered to our members on November 15th which happens to be PSRP (Paraprofessional and School-Related Personnel) Day in Illinois, created by a law passed at the urging of the IFT to honor the work done by those employees in our schools. So this is a particularly fitting time to give a shout out to the newest members of our local - the support staff of D67. D67 support staff - you now have your voice!

**"The bottom line is this:
without a union, the
worker has no VOICE."**

In solidarity,




New Contract for District 219

Outsourced Positions Brought Back into the District

Niles Township Federation of Teachers and Support Staff (NTFTSS) signed a three-year agreement on August 10th with District 219. This is the first time in recent memory that a contract has been settled before the first day of school, and it also marks the first full scale negotiations since the teacher and support staff unions merged in 2013. Both the district and the union made some compromises but ended up with a fair and strong agreement that satisfies both parties.

The most significant gains from the agreement are the 37 outsourced support staff positions brought back into the district. These positions had been outsourced over the last several years by the previous district administration and board, whose stated goal was to outsource all support staff except for paraprofessionals. The battle to end the outsourcing and win back those positions was long and difficult. The NTFTSS campaign focused on informing the school board, the administration, and the public of the inherent value of having those who work in its schools be district employees, as well as on the inequities created by outsourcing work to private, for-profit contractors. Changes in the school board and upper-administration since the last round of contract negotiations created a more receptive audience to that message. In the end, the two sides agreed to bring all secretarial, maintenance, technology, and library staff back into the bargaining unit.

The new agreement provides fair raises for teachers and support staff, and maintains retirement benefits and healthcare with no substantial

changes. Teachers benefit from an improved sick leave policy that awards all existing and future employees a one-time chunk of sick days to cover for child rearing and catastrophic illnesses - or to be saved for service credit towards retirement. The agreement also adds a brand new benefit of a 403(b) matching contribution from the district to all Tier II or III employees and it lowers class size for regular level courses.

Instead of traditional bargaining, the negotiations were conducted using the more collaborative method of interest-based bargaining. Not only did this method prove successful, it also served to build a more trusting relationship between the union, board, and administration.

1274 Newsline

Produced and published by the North Suburban Teachers Union Local 1274 – IFT/AFT, AFL-CIO

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