

88's Leadership Council News

June 29, 2017



Upcoming Events

- August 14 - Institute Day, 8 a.m., Addison Trail
 - August 14 - Regular Business Board Meeting, 7:30 p.m., District Boardroom
 - August 16 - First Day of School
 - August 28 - Educational Focus Board Meeting, 7:30 p.m., District Boardroom
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FILLING OF THE BOARD VACANCY

With the acceptance of Lisa Lullo's resignation from the Board of Education on Monday, June 26, 2017, our time line to begin the process and fill the vacancy begins immediately per Section 10-10 of the School Code (105 ILCS 5/10-10) and Board Policy 2.70 (please see below in italics).

In reviewing the State Code and Board Policy, we have fulfilled our first responsibility which is the notification of the Regional Superintendent of Schools. As of Monday, June 26, 2017, we have 648 days until the next school board election (unless the law changes) and we must begin the process to fill the vacancy created by Lisa's resignation within the next 45 days (by August 4, 2017).

Interviews for prospective Board Members

To complete this process and meet all time lines --

Please send me the dates that you would be free to meet to interview candidates and also meet as a Board of Education.

I am looking for a weeknight between 6 p.m. and 9 p.m. from Monday---Please send me your availability between Wednesday, July 12, 2017 through Friday, August 4, 2017, as soon as possible.

Section 10-10 of the School Code (105 ILCS 5/10-10) sets forth the procedure for filling this vacancy until the election. This section provides as follows:

Whenever a vacancy occurs, the remaining members shall notify the regional superintendent of that vacancy within 5 days after its occurrence and shall proceed to fill the vacancy.... (If) the vacancy occurs with less than 868 days remaining in the term, or if the vacancy occurs less than 88 days before the next regularly scheduled election for this office then the person so appointed shall serve the remainder of the unexpired term.... Should (the Board) fail so to act, within 45 days after the vacancy occurs, the regional superintendent of schools under whose supervision and control the district is operating... shall within 30 days after the remaining members have failed to fill the

vacancy, fill the vacancy as provided for herein. Upon the regional superintendent's failure to fill the vacancy, the vacancy shall be filled at the next regularly scheduled election. Whether elected or appointed by the remaining members or regional superintendent, the successor shall be an inhabitant of the particular area from which his or her predecessor was elected if the residential requirements contained in Section 10-10.5 or 12-2 of this Code apply.

Our own Board Policy 2.70 VACANCY ON SCHOOL BOARD – FILLING VACANCIES states,

Elective office of a School Board member becomes vacant before the term's expiration when any of the following occurs:

- 1. Death of the incumbent;*
- 2. Resignation in writing filed with the Secretary of the School Board;*
- 3. Legal disability of the incumbent;*
- 4. Conviction of a felony, bribery, perjury, or other infamous crime or of any offense involving a violation of official oath or of a violent crime against a child;*
- 5. Removal from office;*
- 6. The decision of a competent tribunal declaring his or her election void;*
- 7. Ceasing to be an inhabitant of the District or a particular area from which he or she was elected, if the residential requirements contained in The School Code are violated;*
- 8. An illegal conflict of interest; or*
- 9. Acceptance of a second public office that is incompatible with School Board membership.*

Filling Vacancies

Whenever a vacancy occurs, the remaining members shall notify the Regional Superintendent of Schools of that vacancy within 5 days after its occurrence and shall fill the vacancy until the next regular school board election, at which election a successor shall be elected to serve the remainder of the unexpired term. However, if the vacancy occurs with less than 868 days remaining in the term, the person so appointed shall serve the remainder of the unexpired term, and no election to fill the vacancy shall be held. Members appointed by the remaining members of the Board to fill vacancies shall meet any residential requirements as specified in The School Code. The Board shall fill the vacancy within 45 days after it occurred by a public vote at a meeting of the Board.

Immediately following a vacancy on the School Board, the Board will publicize it and accept résumés from District residents who are interested in filling the vacancy. After reviewing the applications, the Board may invite the prospective candidates for personal interviews to be conducted during duly scheduled closed meetings.

LEGAL REF.: 105 ILCS 5/10-10 and 5/10-11.

ADDISON TRAIL EAST PARKING LOT -WATER LINE LEAK

On Monday, June 26, 2017, a pipe from a line that feeds the outdoor sprinkler system at Addison Trail (from a well) developed a leak. Since the pipe is buried under the east parking lot at Addison Trail, large amounts of water started to appear on the surface of the parking lot.

The water was shut off immediately and repair services (Neri Construction) were called immediately. Today, the repairs were completed. The leak was created by a 4" hole in the top of the pipe. A section of pipe, approximately 5 feet in length, was cut out and replaced. We are working with Denler (company doing parking lot patching/sealcoating) to patch the area that was cut open.

EXTERIOR LIGHTING ASSESSMENT FOLLOW-UP

Per last week's LC News (see italicized text below), Twin Supplies has replaced a few of the older lights at Addison Trail with newer lights to evaluate their impact on the lighting of the parking lots.

After assessing the lighting needs at Addison Trail, they will be conducting the same study at Willowbrook.

In response to the concerns about the exterior lighting quality at Addison Trail, we had Twin Supplies LTD. complete an assessment of all fixtures to determine the actual lumens currently displaying. As expected, many of the fixtures are extremely low and not within even the minimum levels set by the local Village of Addison. Twin Supplies has worked with us for many years upgrading lighting inside and outside both schools along with securing state funding to offset these projects. We now have a proposal that will upgrade all of the exterior lighting at Addison Trail, net of ComEd rebates, for \$11,236. In addition, since the new lighting is primarily LED type the overall energy use will be significantly reduced and lower our annual operating expense. Before we make a recommendation to proceed with this replacement, a few sample fixtures will be installed in the north parking lot to re-measure the lumens and determine if these are what we want. If so, we will present a recommendation to the board for approval to complete this over the summer. In addition, having recently upgraded some exterior parking lot lighting at the Willowbrook campus in 2015, we will complete an assessment of the remaining exterior lighting to see what if any changes might be needed there too.

LEGISLATIVE UPDATE FROM PEG AGNOS AND LEND FROM WEDNESDAY, JUNE 28, 2017**COMMITTEE ACTION**

SB 484, HA-1 (Zalewski) passed out of the House Revenue Committee yesterday on a partisan roll call. Majority Leader Barbara Flynn Currie was at the table to explain the amendment and answer members' questions. Leader Currie said this is just what the Governor has asked for, a 4-year freeze on property taxes and property tax relief for all property owners. Encouraging support from all members of the committee she particularly encouraged the Republicans' consideration. The bill passed on a partisan roll call 7 -1 and moved to the House floor.

SCHOOL REFORM

In a recent conversation with Deputy Secretary for Education Beth Purvis, she confirmed that the Governor will veto or amendatory veto SB 1. As part of the Democratic effort to pass a budget in his compromise package, Speaker Madigan wants SB 1 and is willing to consider changes. We encourage the parties to come together, identify the areas where change and or compromise can be achieved so a new formula can be adopted this year.

A LONG WAY TO GO

- **SB 484, FAILS - property tax freeze failed in the House today!**
- **HB 4045, pension reform passed the House**, however the clock may run out on Special Session before the Senate can take final action on the bill.
- The House Democrats also voted on workers' compensation and government consolidation. These four bills are a part of their "compromise package."
- It is important to note this is the opportunity for the Speaker's members to vote on "non-budget" items and show "good faith" as requested by the Governor.

ONE MORE BUDGET IN THE MIX

Yesterday, the House Democrats introduced their spending plan for FY 18, with no suggestions on how to pay for it! This is Budget #3, joining the Senate Budget that has been sent to the House and the Governor's Budget presented to both Chambers earlier this spring.

HERE WE GO, JUNE 28 and

The Governor just announced "If the legislature fails to send a balanced budget package to my desk by Friday, we will have no choice but to keep them in session until they get the job done."

Illinois House Speaker Michael Madigan's spokesman Steve Brown called extra special session days "not surprising." "All he (Rauner) needs to do is understand that the Legislature has gone way past middle ground to compromise," Brown said. "We've been working on his reforms."

Check your e-mail for frequent updates and call me with any questions.

NEXT WEEK

Have a great 4th of July, I hope you get a chance to rest and enjoy time with your families.

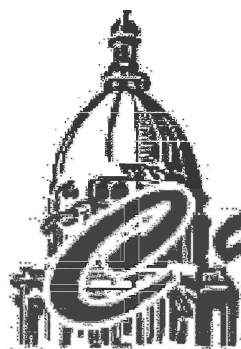
I will be traveling to Florida on Saturday, July 1, 2017 (with a stop in Nashville to see family). I will be back in town on Sunday, July 9, 2017. If you need to get in touch with me---please call---630-254-5183.

There will be **NO LC NEWS** next **Thursday, July 6, 2017.**

The next LC News will be issued on Thursday, July 13, 2017. If an issue arises, I will communicate via e-mail or phone call.

Thanks for your leadership.

Enclosures:
Capitol Fax
Community Night flyers



Capitol Fax

POLITICAL INTELLIGENCE *by Rich Miller*

Voice 312.371.0689 Fax 312.275.8513 capitolfax.com RichMiller@capitolfax.com FRIDAY, June 23, 2017

DURKIN; CHICAGO; PARANOIA

FIRST BIG TEST We should know later today whether further talks between House Speaker Michael Madigan and House Republican Leader Jim Durkin will be worth having.

Durkin has reportedly told Madigan that a meeting scheduled for last night to discuss workers' compensation insurance reform will be a "test." If significant progress is made, then Durkin will conclude that Madigan is serious about working on a solution to ending the impasse. The two leaders are supposed to meet again today.

The talks were supposed to be held after yesterday's House "committee of the whole" hearing on workers' comp reform, which lasted over five hours yesterday instead of the hoped-for two hours. Reps. Jay Hoffman (D-Swansea), who chaired the hearing, and Dan Brady (R-Bloomington), the House GOP point person on workers' comp, were scheduled to sit down and try to make some progress.

The topic is considered an important test because Madigan has steadfastly refused to budge on the issue. He passed a very minor bill a while ago codifying a court case, but other than that he has stuck to his talking points about how he will never agree to legislation that will put injured working people on welfare.

The Democrats have also countered with proposals to regulate insurance company profits and to create a state-funded not-for-profit workers' comp insurance company. Those seem unlikely to go anywhere at a time when Republican votes must be part of a solution and in a state that relies heavily on insurance industry jobs and has therefore taken a hands-off approach to the sector for decades.

So, we'll see how this goes. But it's a smart move by Durkin. Gov. Rauner and his folks don't believe that Madigan is at all interested in doing a deal. Madigan obviously feels the same way about the governor, complaining to reporters yesterday that Rauner moves the goal posts whenever talks begin to bear fruit.

If this experiment works, they'll likely move on to the thorny issue of a property tax freeze. Speaker Madigan is reportedly against any freeze for the city of Chicago and Leader Durkin is said to be OK with that. Mayor Daley avoided raising property taxes like the Plague, which is basically what got the city into the mess it's now in because Daley did things like not make pension payments which ballooned many of the funds' unfunded liabilities to the point of near insolvency. Chicago residents enjoyed lower property taxes than most of the rest of the state, but those days are over and more tax hikes are undoubtedly on the way.

WHAT. A. MESS. A "trust-building" exercise blew up in everybody's collective face yesterday because there is no trust.

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Long story short, Mayor Rahm Emanuel proposed a deal on the governor's desire to sell the Thompson Center, granting the state a large increase in the allowed size of whatever gets built on the land after the behemoth is sold to a developer. The Rauner administration wanted an even larger zoning increase and wanted some fees waived. The city uses those fees to spur neighborhood developments.

The mayor's office balked at that and instead wanted the Rauner administration to agree to sign some pension bills in exchange for the zoning changes they had offered. The Rauner folks said the changes weren't enough and, besides, the pension bills were part of a much larger Statehouse deal on the governor's Turnaround Agenda. The mayor's people said a deal on the Thompson Center and the pension bills would build trust and show that Rauner was willing to actually end this impasse.

No dice. The mayor's office then went to the media to complain that the governor didn't know how to get to the word "Yes." And then all heck broke loose.

The governor's office abruptly announced that Rauner would veto the bipartisan 911 emergency phone system fee increase bill that had passed both chambers with overwhelming margins. Chicago gets a nice little mobile phone fee hike out of the bill, which will free up some money to make pension payments. Rauner's people said they will veto the bill after June 30th. Because of that, the bill's current language which extends the state oversight laws on phone and cable companies beyond June 30th would be inoperative even after a likely veto override. That sent lawmakers and lobbyists scrambling to come up with a solution. The House Democrats quickly shelled out a Senate bill (SB 1381) and will apparently use that as a vehicle for whatever they decide to do.

Then, just for funsies, the governor's folks piled on the mayor, claiming he and his Democratic allies were deliberately holding up the gun crimes bill that the mayor had fought so hard to pass for years. The Rauner folks claimed Emanuel didn't want to give the governor a victory even while gun violence victims are piling up on Chicago's streets.

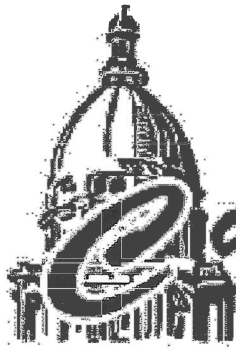
Have you ever been in an intense argument where one side decides to say the cruelest thing they could think of to inflict maximum pain? Yeah, it was kind of like that.

The Senate has some silly internal tradition that bills are not sent to the governor for 30 days unless the sponsor asks for an expedited process. The Republicans pointed to a bill to authorize George Lucas' museum which landed on the governor's desk mere minutes after passage. If they could expedite that bill, why not the gun bill?

The bill's sponsor, Sen. Kwame Raoul, said he didn't realize the delay had become an issue and said he would have the bill sent to the governor right away. Rauner is expected to sign it this afternoon.

The bottom line is the same as it's been for a long while now. The governor will not agree to give the city anything at all until he gets what he wants. And Rauner is willing to go to great lengths to make his point, up to and including all but accusing the mayor of abetting violence in his own city's streets.

THE WATCHWORD IS CAUTION Members were warned by staff yesterday that some reporters were cruising past golf course parking lots looking for legislative license plates on cars. Meanwhile, it seems like fewer legislators than usual are out at bars or even restaurants after hours. The paranoia is real. © 2017 BY AHEAD OF OUR TIME PUBLISHING, INC.



Capitol Fax

POLITICAL INTELLIGENCE *by Rich Miller*

Voice 312.371.0689 Fax 312.275.8513 capitolfax.com RichMiller@capitolfax.com SATURDAY, June 24, 2017

MONEY; MADIGAN

THE FISCAL CLIFF Illinois' finances will be moving from horribly bad to disastrous very soon. Comptroller Mendoza released projections yesterday showing that state "core" expenditures are about to overtake available state revenues. Core expenditures are defined as the 90 percent of state expenses which are either mandated by statute or by court order. They total about \$1.85 billion per month and include bond payments, General State Aid for schools, payroll, pension payments, local government revenue sharing, etc.

In July, the comptroller projects the state will bring in just barely enough to make the core expenditure payments and nothing else. By August, however, the state will fall \$185 million short of even having enough to make the core payments. Mendoza predicted yesterday that people will die because of this. Nursing homes will close, she said.

And five days from now, things are likely to get even worse. Medicaid-funded managed care organizations have demanded to be included in the state's core expenditure category. They're already operating under a federal consent decree to keep money flowing without an appropriation, but the state owes the providers over \$2 billion and is sitting on vouchers from as far back as last September. They've been negotiating with the state, and on June 29th a federal judge is expected to issue a ruling on how much Illinois has to pony up.

But, there's no money. As noted above, the state will just barely have enough money to make its required core payments in July. Add in another \$2-300 million and somebody or something else is gonna get burned. And by August, when the state won't even have enough cash for core priorities, things will get even tougher.

The most likely victim is probably the state's five pension systems. The state is supposed to set aside \$593 million every month for those systems - its largest single core item (to give you an idea of how big it is, monthly state payroll is \$370 million). While occasionally delaying pension payments is relatively common for cash flow purposes, those systems can sue the state if they don't get their cash. And since the state's core expenditure category is about to be expanded by a federal judge, the systems will have a fiduciary duty to sue before they are permanently crowded out.

MADIGAN DOWNPLAYS DURKIN MEETINGS Meetings between House Speaker Madigan and House GOP Leader Durkin are "really not how anything's gonna get accomplished," Madigan's press secretary said this morning. Instead, he said, meetings between people like Madigan's budget point person, Rep. Greg Harris, and Republicans and Senators are what will bring this thing to a resolution. Madigan himself seemed upset at Durkin for not showing up to a meeting of all four legislative leaders yesterday. Durkin said he wanted to focus on negotiating with just Madigan. But it doesn't appear that Madigan is much interested.

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Voice 312.371.0689 Fax 312.275.8513 capitolfax.com RichMiller@capitolfax.com SUNDAY, June 25, 2017

MADIGAN; BUDGET

KEEP IT MOVING Despite all the back and forth yesterday about whether or not the four legislative leaders should meet together without the governor, there was some significant movement on workers' compensation insurance reform behind the scenes. But don't get your hopes up yet because there's still a long way to go.

House Speaker Michael Madigan seems to be going back and forth on meetings. In public, Madigan wants a meeting with the other three legislative leaders, and he's said so twice in two days. In private, he's been putting off meeting again one-on-one with House Republican Leader Jim Durkin. Madigan is said to be upset that some details of his last meeting with Durkin leaked to this publication. Even so, he is said to be speaking with Durkin on the phone.

Senate President John Cullerton has said that all the attention should be focused on the House because the Senate completed its business before the May 31st deadline. But he's getting heat from his caucus to "do something" because they're all getting hammered in the media for sitting around and doing nothing during the governor's special session - even though the Senate passed a budget bill on time with new state revenues and several reform measures.

Cullerton tried to organize a four-leaders meeting for Friday, then held a press conference to denounce Gov. Bruce Rauner for pulling the plug on the meeting. After Speaker Madigan told reporters yesterday that he'd reached out to the other leaders to schedule a Sunday afternoon meeting, Cullerton's office went unusually quiet and didn't respond to repeated requests for comment. He reportedly talked with Senate Republican Leader Christine Radogno and she may have talked him in to letting the House process play itself out a bit.

The GOP fear is that Madigan would use the meetings as "cover" to publicly declare throughout the coming week that progress has been made without the governor and then with the clock running out emerge to say the governor had nixed their agreement.

UPDATE: Mary Ann Ahern is reporting that the meeting is back on today. Stay tuned.

Gov. Rauner told reporters on Friday that he hoped the House could repeat the "relative" success of the Senate's grand bargain talks. But he also said Friday that the Democrats were operating in "bad faith" and preferred "chaos" to a deal.

One of the biggest dangers, however, is if Rauner repeats his mistakes from February and May and inserts himself too much into the process and derails it. I'm told the governor's folks will not do that again. Durkin, they insist, has the authority and trust to make whatever deals he can and Rauner will live with it. Yes, he checks in occasionally, but they say Madigan and Cullerton likely check in with the unions and trial lawyers as well.

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We'll see. Simply put, the governor has time and time again shown himself to be what used to be called a control freak.

Throughout it all, the House negotiators have reportedly made surprisingly strong progress on workers' comp. They aren't ready to wrap it up yet, but the Republicans have reportedly agreed to opening up the workers' comp insurance industry to the same scrutiny as the health insurance industry. The state won't be able to regulate rates, but the companies will have to justify them.

The next step is to see whether Madigan designates negotiators on pension reform, a property tax freeze, etc. as he did with the budget and workers' comp. Time is fast running out and a lot of items remain on the table.

HILARIOUS GIMMICK IN GOP BUDGET The GOP budget plan endorsed by the governor contains a huge accounting gimmick that makes the proposal look much more "austere" than it really is.

The Republicans and the governor claim their "Capitol Compromise" budget reduces spending by \$5.19 billion.

The agreed Senate "Grand Bargain" plan (which the Republicans refused to support because they were yanked off by the governor) claimed to reduce spending by \$3.76 billion.

The Senate Democrats' plan claimed to reduce spending by \$3.03 billion. You'll recall the Democrats came up short on passing the previously agreed-to budget implementation bill because lots of Democratic members refused to vote for the harsh cuts and the Republicans wouldn't put votes on it, so they had to come up with a proposal that could pass with only Democratic support within their revenue parameters.

All of these plans use gimmicks to come up with their final numbers. For instance, pension savings are booked even though the underlying reforms could be unconstitutional. One-time skims from special funds are also used. The Democrats' proposal doesn't address the state's backlog of state bills, currently sitting at \$15 billion (and neither did Rauner's initial plan back in February, which the Democrats use to excuse their own proposal).

But the GOP's "Capitol Compromise" contains a stupendous whopper of an accounting trick. Local governments are given a piece of the state income tax every month. The grand total is estimated to be about \$1.18 billion next fiscal year. The tax money is distributed from the state's General Revenue Fund.

What the Republicans have done is change the way the Local Government Distributive Fund is moved around in the budget. Instead of cutting the LGDF checks out of the General Revenue Fund, the locals' portion of state income tax money will be automatically deposited into a non-GRF fund and then distributed from there.

On the books, that looks like almost \$1.2 billion less "spending" out of GRF and makes the Republicans look like budget-cutting heroes. But, in all reality, every dime of that money is still being spent (less a small skim agreed to in the Senate).

Whatever gets you through the night, I suppose. If it helps pass a final budget then I'm all for it. The gimmick doesn't really hurt anything, after all. If the governor and his Republican legislators want to thump their chests about how they've cut the budget far more than the Democrats ever could, then let them - just as long as it leads to an agreement.

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POLITICAL INTELLIGENCE *by Rich Miller*

Voice 312.371.0689 Fax 312.275.8513 capitolfax.com RichMiller@capitolfax.com MONDAY, June 26, 2017

GOOD; BAD

THE GOOD Usually, when Speaker Madigan is serious about concluding a deal, he'll start talking about three things: 1) The structured roll call split; 2) What he wants; and 3) What he's willing to do in return. He did all of that yesterday, so let's take them one at a time.

1) Madigan reportedly told the other legislative leaders yesterday that he wanted the Republicans to come up with 30 votes for the tougher bills and he'd put on 41. Thirty out of 71 was not an unexpected number. It's almost exactly the same percentage that the Republicans have in the House as a whole when compared to the Democrats.

Word has been going around for days that the House Republicans and the governor's office were confident they could put 28 or 29 votes on a tax hike bill. Thirty will be a bit of a lift, but if Gov. Rauner can't get there after pumping millions into that caucus and after two years of total impasse, then, man, that's on him.

Also, it would seem pointless to lay down a marker like that if Madigan wasn't ready to start moving - unless this is all a trap, but we'll get to the "bad" in a moment. You usually only agree to the structure of a roll call when you're ready to do a roll call.

2) Speaker Madigan told reporters yesterday that he has made three "non-budget" counter-demands to the Republicans' "non-budget" agenda: 1) He wants SB 1 - the education funding reform bill - signed into law, but he also said he'd be open to some negotiations on the particulars of a new funding reform law; 2) He wants regulation of workers' compensation insurance rates, but didn't specify how that would be done; and 3) He wants Rauner to halt his foray into Medicaid managed care and redo the process by following the state's procurement laws.

Democrats and Republicans were this/close to agreeing to an education funding reform bill before talks broke down in late May and the Democrats ran their own bill. A reconciliation wouldn't be too difficult as long as Republicans can finally allow Chicago and other poverty-stricken districts which are losing students to gain instead of suffer.

As I told you over the weekend, the Republicans have already said in private that they could agree to some new state regulations on workers' comp insurance companies that mirrors current regulations on health insurance companies. It wasn't clear yesterday, however, how far Madigan wants to go and there's a much bigger immediate problem (see below).

The Rauner administration quietly announced a postponement of the Medicaid managed care program revamp in late May. It was supposed to kick into a higher gear on June 1st, when contract winners were to be announced. But there's been strong push-back from Latino legislators over the way this whole thing was handled because it seemed designed to exclude the not-for-profit owner of a network of Latino hospitals that relies on the money it gets from the program to stay afloat. They've warned that several of those hospitals could

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close. They've also claimed that the minority front-runner for the Cook County contract could simply sell the new company in the coming months to a larger, white-owned company. Democratic legislators have complained that the new managed care system would cut them out of Medicaid program oversight. It all seemed far too rushed and non-transparent.

Anyway, if you're trying to kill a bill, you don't offer your own counterproposals, unless your counterproposals are designed to be unreasonable. You usually only make a reasonable counteroffer when you're ready to do a deal. The Devil is always in the details, but Madigan's demands seem reasonable and he could've demanded far more stuff that he knew Rauner would oppose, like perhaps an income tax surcharge on millionaires. The important thing is that Madigan is finally laying his cards on the table after two long years.

3) As I told you last week, Madigan reportedly told House GOP Leader Jim Durkin he was willing to talk about the governor's proposed four-year property tax freeze as long as it excluded Chicago. Madigan told reporters yesterday that the governor's property tax freeze is "part of the extreme right agenda." But Madigan also said he was open to negotiating the length and breadth of the governor's proposal.

Frankly, Madigan's not totally wrong about the governor's agenda. The whole idea of a freeze from the very beginning was to couple it with harsh reductions to municipal and school unions' collective bargaining rights. Rauner eventually stopped insisting on his collective bargaining demands, but unions still believe the freeze is part of a plan to put the big squeeze on them at the local level. Either way, Madigan says he's willing to talk turkey and that's not a bad thing. He's spent two years refusing to do so.

Madigan also refused to comment to reporters yesterday about the governor's demand for a temporary income tax increase that's tied directly to the length of the property tax freeze, saying he'd leave that up to the leaders' negotiations (but see below for some problems).

Leader Durkin said yesterday that it was pointless to meet again with Madigan until the House Democrats presented their own budget plan. Madigan said a plan was on the way, and not long after he said that his budget working group sat down to go over a plan. The House Democratic budget folks are meeting with their Senate Democratic counterparts this morning, and the Senators are hopeful that they can wrap this up by Tuesday's scheduled leaders' meeting. We'll see.

THE BAD Both sides are understandably worried that they're walking into an elaborate trap. Rauner repeatedly tanked the Senate deal and Madigan hasn't been willing to budge. The trust level is nonexistent. But beyond the justifiable paranoia, Madigan is reportedly taking a position on workers' comp that could kill the progress. He's refusing to reduce rates paid to medical providers, even though in the past that's all he ever wanted to do. Business interests which helped along the Senate's negotiations are threatening to staunchly oppose anything that doesn't reduce rates. It could be a deal-killer.

Senate President Cullerton reportedly mentioned a 5.25 percent income tax rate (although Madigan did not immediately register his approval). And Madigan seems to be against a new service tax. Rauner wants to keep the income tax rate below 5 and has pushed to broaden the sales tax base since his 2014 campaign. Could be trouble ahead.

Madigan is unwilling to budge on term limits, so we'll see how far Rauner is willing to take that fight. And the Republicans aren't yet sure whether Madigan will agree to pension reform. So, this ain't done. Far from it. Stay tuned. © 2017 BY AHEAD OF OUR TIME PUBLISHING, INC.



Voice 312.371.0689 Fax 312.275.8513 capitolfax.com RichMiller@capitolfax.com TUESDAY, June 27, 2017

RAUNER; PROPERTY TAXES; BUDGET

NEW TV ADS TO AIR Democrats have often sharply criticized Gov. Rauner for running TV ads attacking Speaker Madigan and other Democrats. But now, some of those very same critics are joining the fray.

A new not-for-profit named Do Your Job, Inc. has budgeted \$350,000 for "dark money" TV and social media ads that begin running today. The ads feature audio of former Republican Gov. Jim Edgar from a recent Downstate radio interview.

"The fact that we've gone now without a budget for over two years has put this state in the worst condition I can ever remember," Edgar can be heard saying. "Even during the Blagojevich years it wasn't this bad."

A narrator then speaks while images of Rauner and unfavorable newspaper headlines are displayed on-screen. "Governor Rauner has brought Illinois to the brink of collapse. Rauner is standing in the way of a budget deal – refusing to compromise, putting funding for our schools and roads in jeopardy. Call Governor Rauner. Tell him to sit down, pass a budget and do his job."

The group is chaired by Illinois AFL-CIO President Michael Carrigan. Rep. Lou Lang and Sen. Michael Hastings are also on the group's board, which doesn't have to disclose its contributors.

Lang and Hastings are two of the most vocal anti-Rauner legislators in the building.

Rep. Lang regularly rises on the House floor to deliver what some call "Lou Lectures." Lang often recounts Rauner's latest political spending, including TV ads and mailers, and demands that Rauner "lay down his arms and put away his weaponry."

And Sen. Hastings has become somewhat of a specialist inquisitor of Rauner agency directors during committee hearings. Not long ago, Hastings sent out a press release calling on the governor to "stop campaigning and do your job."

Reached this morning, Rep. Lang explained his change of heart. "Since the governor has refused to stop the attacks at the same time he refuses to engage on the budget, it was time to educate the public," Lang texted. "Perhaps the people of Illinois will tell him to do his job."

The cable TV ad buy shows the spots are scheduled to run through July 2nd, but that'll likely only happen if the session goes into double overtime. A press release says the ads "will run in conjunction with the legislature's special session schedule in hopes of helping to secure a budget."

The governor usually refuses to talk about his own TV ads, calling them "direct

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communication" with voters and essentially saying Democrats are all big boys and girls and can take a little heat.

House Republican Leader Jim Durkin also recently defended Rauner's television attack ads, which aired on many of the same TV stations either shortly before or after Rauner's live "unity" speech this month. Senate Republican Leader Christine Radogno has publicly defended the governor's ad campaigns as well.

So, we'll see how the GOP reacts now that the shoe is on the other foot. They've insisted over and over since June of 2015 that their own ads were designed to bring the Democrats to the table. Still, it should be interesting to see what the next "Lou Lecture" is about.

GOP ALREADY ATTACKING HDEM FREEZE BILL The House Democrats unveiled their property tax freeze bill yesterday afternoon, filing an amendment to SB 484.

The measure exempts Chicago from the four-year levy freeze and also exempts debt service and pension payments. Schools that are on the state's financial watch list can also be exempted for a year at a time.

But the governor has fought to include pension payment levies in the freeze, mainly because lots of police and fire pension systems are drastically underfunded and taxes are expected to rise to pay for them. Rauner can effectively squeeze a bunch of local governments by disallowing any tax hikes for pension payments.

Rauner and the Republicans also want provisions to allow local voters to reduce the annual levy and extend the freeze, but those are not included in the House Democratic plan.

Gov. Rauner's legislative people were already lobbying House Republicans against the bill yesterday and the House GOP staff distributed an analysis comparing their plan to the Democrats' proposal. I'll post that analysis at the blog later this morning.

Both sides expect to negotiate further throughout the week. Rep. Mike Zalewski is carrying the proposal for the Democrats and Rep. Patti Bellock is handling freeze negotiations for the Republicans.

Whatever happens today and the rest of the week, keep in mind that the House Democrats have run countless phony property tax freeze bills. This is a legitimate proposal. They need to keep working, but not allow the perfect to be the enemy of the good.

BUDGET STUFF Folks who've been briefed on the House Democrats' budget plan say it spends about the same amount as the Senate Democratic proposal. The SDem proposal reduced spending by about \$3 billion. The Senate's "agreed" plan, which couldn't pass because the Republicans wouldn't put any votes on it, reduced spending by about \$3.76 billion. Without including that phony GRF game I told you about over the weekend, the Rauner/GOP "Capitol Compromise" reduces spending by about \$4 billion.

And check the blog later this morning because Reuters is reporting that negotiations over how much money the state should pay Medicaid managed care providers have failed and the providers are demanding that the state pony up \$500 million extra per month for the next four months. As I've already told you, the state barely has enough money to cover its "core" payments in July and will fall way short of having enough cash for those core payments in August. We'll see what the federal judge does today at a scheduled hearing.

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Capitol Fax

POLITICAL INTELLIGENCE *by Rick Miller*

Voice 312.371.0689 Fax 312.275.8513 capitolfax.com RichMiller@capitolfax.com WEDNESDAY, June 28, 2017

BAD; GOOD; UGLY

THE BAD There were five significant "blowups" behind the scenes and in public yesterday: 1) Workers' compensation insurance reform; 2) The budget; 3) Property tax freeze; 4) AT&T's bill; 5) Term limits. Let's take them one at a time, but read everything carefully.

1) Illinois Manufacturers' Association CEO Greg Baise has been quietly guiding workers' comp reform behind the scenes for months. His basic goal has been to obtain a deal good enough that he can credibly give Gov. Rauner political cover for signing a tax hike bill. Baise was millimeters away from approving a deal in the Senate before everything blew up there. But Baise claims that the House Democrats' bill has morphed from workers' comp reform to a "union bill." Baise was all set to leave town this morning in disgust, but decided last night to stick around a little bit longer to see if something else might happen. And something else might happen, but we'll get to that in a moment.

2) To hear Rep. Greg Harris (D-Chicago) outline the House Democrats' budget proposal yesterday, you'd think we were living in an alternate universe. The bill spends a ton of money to do things like fully fund employee health insurance (appropriating \$435 million more than any other plan), restoring cuts to Medicaid (which was slashed by \$548 million), halving the cuts to higher education (\$74 million in costs), increasing spending on the Community Care Program and a bunch of other stuff.

How the heck are they gonna pay for this? One way would be eliminating \$900 million from Gov. Rauner's proposed spending on computer system upgrades. The other is not addressing the state's monstrous bill backlog. Combined, that's well over \$2 billion. Rauner's pet project is the computer system upgrade. But, more importantly, if the House Democrats persist in their insistence that there will be no new service taxes, then they'll have to bump up the income tax with a "temporary" surcharge which could be anywhere from a quarter percentage point to a full percentage point to pay off the bonds. Rauner will never, ever agree to a plan that puts the personal income tax rate above 5 percent.

3) If you saw the blog yesterday, you know that Speaker Madigan's proposed property tax freeze was attacked by the Rauner-funded Illinois Republican Party as "not real relief." The four-year plan wouldn't freeze taxes in Chicago and would exempt pension payments.

4) According to House Republican Leader Durkin, Madigan added the AT&T bill to his list of non-budget demands yesterday. The bill passed both chambers with huge super-majorities, but the governor has threatened to veto it because he hates the monthly mobile phone fee increase for Chicago residents and the resulting fiscal windfall.

5) I received this unsolicited statement from Senate Republican Leader Christine Radogno's spokesperson yesterday: "Leader Radogno has consistently pushed for term

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limits and a vote on the Senate floor. Based on discussions today, she is not anticipating a vote tomorrow." Sources say that during yesterday's leaders' meeting Madigan strongly objected to a Senate vote on Radogno's term limits constitutional amendment, which is now on 3rd Reading in the Senate and has to be voted on today if it has any chance of passage in the House by June 30th. Republican sources say that Senate President Cullerton has acceded to Madigan's demand, but Cullerton's spokesman said we should just watch and see what happens today. Radogno has not actively tried to move her proposal all year.

THE GOOD The House Democrats have scheduled votes today on pension reform, workers' comp, a property tax freeze and government consolidation. Speaker Madigan essentially followed Gov. Rauner's lead by incorporating just enough GOP ideas in his plans to call them a "compromise." These two guys are more alike than they will ever admit.

Anyway, a top House Democratic leadership source called today's bills "defensive measures." Madigan, the leadership source said, believes Rauner doesn't really want a deal, so Madigan wants to give his members cover by allowing them to vote for "non-budget" items just in case Rauner blows everything up, as he repeatedly did in the Senate.

In reality, sources say, Madigan has told his negotiators to keep talking with Republicans. They characterized today's scheduled votes as just show biz.

Some insiders say that Madigan is also engaging in a bit of "member management." He wants to give his folks an opportunity to publicly vent at the governor today and lay down their own markers. And if and/or when the bills come up short of the 71 votes needed for passage, the Democrats can move on to more productive activities. The Democrats have 67 seats, so they can't pass anything on their own. But, man, the session clock is ticking.

Leader Durkin has reportedly told confidantes that there may be as many as 10 HGOP members who could break ranks and vote for a Democratic budget and tax hikes. But it's doubtful that Madigan will put 61 of his 67 members on those roll calls. He told the other leaders that he wouldn't try to override a Rauner tax hike veto. Sending Rauner a bill that the governor would kill wouldn't make much sense. Whether those ten Repubs will vote with Madigan on the "reform" bills is another question. Stay tuned.

They can figure out government consolidation. The pension reform bill is almost close enough. The AT&T bill overwhelmingly passed both chambers and was co-sponsored by Leader Radogno. The Senate Democrats' property tax freeze, workers' comp reform, etc. aren't looking too horrible to Rauner allies right now. As for term limits, Raunerites have to know that they won't get them. It's a throwaway item that they can use in the campaign next year to hammer House Democrats and whomever ends up being Rauner's opponent. The budget and tax hikes are still big issues, however.

THE UGLY I keep hearing from House Democrats that the "real" deadline isn't June 30th. The deadline isn't even mid-July because the state doesn't have to worry about making state payroll after a judge ruled that workers must be paid without an appropriation. The "real" deadline, they say, is near the end of July, before the school aid payment goes out.

I beg to differ. The House Democrats don't seem to care about the state hitting junk bond status, but the national association in charge of higher education oversight has warned that some of our universities could lose their accreditation if no budget is approved by the end of this month. Any universities that lose accreditation will likely go out of business. We need a budget deal by the end of the July 4th weekend at the latest. This week is a test to see which party loves their state more than they hate their political enemies. © 2017



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POLITICAL INTELLIGENCE *by Rich Miller*

Voice 312.371.0689 Fax 312.275.8513 capitolfax.com RichMiller@capitolfax.com THURSDAY, June 29, 2017

END; COSTELLO; EDGAR; RAUNER

TEA LEAVES I'm told the four legislative leaders didn't experience any major setbacks during their meeting yesterday. And none of the four talked to reporters afterward, which in the past has almost always been a sign that things were going well.

But the governor's folks and lots of Republicans and even some Democrats believe there's no way that Speaker Madigan actually does a deal until the state has reached junk bond status. They believe Madigan wants Gov. Rauner to wear the "Gov. Junk" label that the Wall St. Journal's editorial page so helpfully concocted.

For their part, the Madigan people have flatly declared for months on end that Rauner has zero interest in ever doing a deal. That was pretty much their entire theme on the House floor yesterday while they held votes on four of their "non-budget" bills. They repeatedly accused the governor and the Republicans of negotiating only up to a point, but never going far enough to actually close the deal. It's the same argument the Senate Democrats used against the Republicans during the grand bargain talks. The Republicans kept saying "Keep negotiating, we are so close and just need a little more time" and the Senate Democrats simply stopped waiting.

But there have been no discernible breakthroughs from the Democrats in the past couple days. Workers' comp talks yesterday were "decent," one involved Republican said last night, but added that they could have "decent" meetings for months into the future with no resolution. Top Republicans have claimed since the end of May that Senate President Cullerton couldn't move himself to the point where he'd be responsible for putting Speaker Madigan on the hot seat by allying with the Republicans.

Talks on education funding reform also didn't go anywhere substantial yesterday. Republicans made a big pitch, but the Democrats weren't impressed. And budget talks were reportedly put off until today. The governor's folks see Democratic withdrawal everywhere they look. The Democrats see polite but firm opposition to ever reaching the finish line. But both sides are still talking, so at least there's that. And if the leaders meet again today, it's not out of the question that something might happen. It's just that few believe it will. Keep your fingers crossed.

One of the big hang-ups is supposedly that the Democrats put money for Chicago teacher pensions into the education funding reform bill instead of dealing with the issue in the pension bill. Rep. Tom Demmer (R-Dixon) said yesterday that the issue was the one big thing that has delayed resolution of the pension reform issue and has also impacted the property tax freeze issue and, of course, the education funding reform proposal.

Legislators working on both sides of the pension issue confirmed that they had agreed to allow Speaker Madigan and House GOP Leader Durkin and the other leaders to try and

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figure out what to do with the Chicago Teachers Pension Fund. If that ever happens, then the logjam might break.

Or not. It's pretty darned easy to find ways not to agree and the governor has yet shown no sign that he's willing to bend on anything that benefits Chicago. It's easy to see a scenario where Madigan puts up his budget plan and the Senate tax plan Friday afternoon, watches them both go down in flames and then announces that the Democrats made a legit try and then sit and wait for the carnage to force the other sides' hand.

Forcing a capitulation has been the plan since Day One by both Madigan and Rauner. Engage in trench warfare until the other side collapses in revolt. The Democrats always think they see signs of this happening. And there is occasionally some GOP pushback against Rauner.

Yesterday, for instance, 47 Senators voted for a reworked AT&T bill, which includes mobile phone fee increases to help fund 911 emergency phone networks. Rauner threatened to veto the previously passed bill because of those fees hikes, and particularly the fee hikes which help Chicago. Two Republicans voted "Present" (including Bill Brady, who has his sights set a bit higher these days) and the only two "No" votes were Democrats (including Daniel Biss, who's running for governor).

But passing a budget and a tax hike over a Rauner veto is the scenario that the governor likely favors most. He'd get the money to spend on shiny programs and the tax issue to use against the Democrats. Heck, he'd probably help put GOP votes on an override motion. Then again, if that's what it takes to get a budget, then that's just what it's gonna take.

SO VERY HELPFUL If you saw the blog yesterday, you know that Rep. Deb Conroy (D-Villa Park) was recently whacked with a negative mailer accusing her of blocking progress on a balanced budget and reforms. But she's not the only one.

The district represented by Rep. Jerry Costello (D-Smithton) has been inundated with at least five mailers in the past seven days, all paid for by the Illinois Republican Party. "Jerry Costello and Mike Madigan will do anything to keep power... even take down Illinois," blares one, which features unflattering photos of both men.

"Jerry Costello and Mike Madigan may let Illinois collapse," says another. One mailer is headlined "Jerry Costello and Mike Madigan reject reform and let Illinois crumble" and features a photo of Gov. Rauner wearing his trademark Carhartt jacket with an outline of his "reform plan." Costello is hit at the top for favoring a \$5 billion tax hike, while additional taxes are not mentioned in the outline of the governor's proposal at the bottom.

EDGAR SAID HE WAS SURPRISED BY AD The "dark money" group behind the new anti-Rauner TV ads did not reach out to former Gov. Jim Edgar before the spots went on the air, Edgar said yesterday. Edgar said he'd heard some rumors about the ad the day before because people around Gov. Rauner were talking about it and that chatter reached him in Colorado. But he said he didn't know what the group was actually doing until he read about it here.

But, he understands the rules of the game. "If you say something and then it gets picked up by the press," Edgar said, then it's fair game to use in an ad. He noted that he didn't specifically compare Rauner to former Gov. Rod Blagojevich, he just said during a radio interview about the gridlock and the state's fiscal condition "Even in the Blagojevich years it wasn't this bad."

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You're invited to attend Addison Trail High School's

Blue and White Community Night!

Experience what it means to be a Blazer!

Enjoy a showcase of Addison Trail's sports teams, performing arts, clubs and more!



DETAILS

WHEN: August 18, 2017

(Doors open at 6 p.m.;
activities begin at 6:30 p.m.)

WHERE: Addison Trail,
213 N. Lombard Road in Addison
(at the football stadium)

COST: Admission is free! Donations
will be accepted, and proceeds
benefit District 88 students.

FOR MORE INFORMATION: Call
630-530-3989 or e-mail
dbrink@dupage88.net



This event is sponsored by the
District 88 Foundation, which
raises funds to benefit

District 88 students. Learn more at
www.dupage88.net/foundation.

Tasty
treats also
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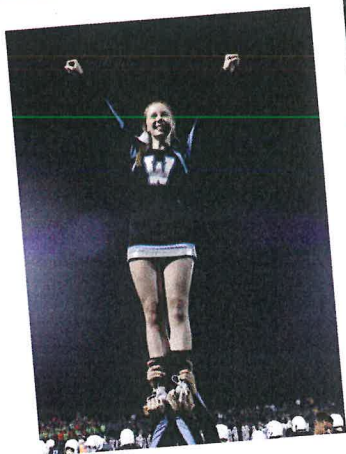


You're invited to attend Willowbrook High School's

Silver and Blue Community Night!

Experience what it means to be a Warrior!

Enjoy a showcase of Willowbrook's sports teams, performing arts, clubs and more!



DETAILS

WHEN: August 18, 2017

(Doors open at 6 p.m.;
activities begin at 6:30 p.m.)

WHERE: Willowbrook,
1250 S. Ardmore Ave. in Villa Park
(at the football stadium)

COST: Admission is free! Donations
will be accepted, and proceeds
benefit District 88 students.

FOR MORE INFORMATION: Call
630-530-3989 or e-mail
dbrink@dupage88.net



This event is sponsored by the District 88 Foundation, which raises funds to benefit District 88 students. Learn more at www.dupage88.net/foundation.

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a time for
fun, food
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