

Implementing New Laws

An interactive, participant led session meant to help your peers find solutions to difficult legislation



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Introductions

Kent Floros, Moderator
- *Partner, Chapman and Cutler LLP*

CHAPMAN
Focused on Finance

Patrick Palbicke, Speaker
- *Assistant Superintendent for Business/CSBO,
Lincolnshire-Prairie View School District 103*



Trevor J. Moore, Speaker
- *Executive Director of Finance/CSBO, Troy CCSD 30-C*



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HB2396/PA 103-0410

School Code Full Day Kindergarten

Beginning with the 2027-2028 school year, each school board must establish a kindergarten with full-day attendance.



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What makes this difficult or concerning?

- Concerns regarding staff, supplies, furniture, etc.
 - Not just financial concerns, but also availability of teachers
- Facility capacity
 - Timeline to be ready to implement for fall of 2027 is already tight
 - Consider Design-Build (upcoming discussion topic)
 - This is being mandated when construction costs are at historic highs



SB1570/PA 103-0491

School Design-Build Authorization Law

Creates the School Design-Build Contracts Article in the School Code, which may be cited as the School Design-Build Authorization Law. Provides that a school district may enter into design-build contracts.

[February 2024 Will County IASBO Presentation](#)



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What makes this difficult, concerning, or downright confusing?

- \$12,000,000 Project Threshold presents two different paths
- Architect needed for Phase I but CANNOT be part of Phase II
- Projecting the costs can be difficult based on project size
- Price locked in once accepted and all changes are change orders
- Design-Build Advantages may exist for cost control and shorten timeframes
- Risks exist for lack of checks and balances
- The onus is on the District for:
 - Responsive decision making
 - Vetting program during Phase I
 - Properly evaluate ROI
 - Limited control of deviations from the program



SB1994/PA 103-0394

School Code Cash and Funds

The new law requires school boards that do not receive federal impact aid funding to present annually a written operational funds expenditure report at a board meeting starting in the **2024-2025** school year. The report must include the annual average expenditures of the school district's operational funds for the previous three fiscal years, as reported in the school district's most recently audited annual financial reports.

If a district's combined cash reserve balance of its operational funds exceeds **2.5** times annual average expenditures of its operational funds for the previous three fiscal years, the school board shall adopt and file with the State Board of Education a written operational funds reserve reduction plan by December 31.



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What makes this difficult or concerning?

- The calculations in this statute resemble the precedent for excess accumulation tax rate objections established by the Illinois Supreme Court in Central Illinois Public Service Co. v. Miller.
- The calculation of excess accumulation for tax rate objections are based on individual funds while this statute **aggregates** the operational funds for its calculations.
- Fund accumulation may be due to upcoming construction or other needs
- If applicable, the first of such reports would be due December 31, 2024. Any plans received by ISBE will be posted on ISBE's website.



HB300/PA 103-0515

Minimum Teacher Salary

Provides that the minimum teacher salary for a school year shall be increased each year by a percentage equal to the annualized percentage increase, if any, in the CPI for the 12-month period ending on June 30 of the school year that ended 12 months prior to the school year in which the adjusted salary is to be in effect. ***When assessing the additional contribution that an employer shall make to the System for salary increases greater than 6%, the System shall exclude salary increases necessary to bring a school board in compliance.***



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SB 0010 Minimum Teacher Salary
Effective Date: Not law at this time

- Increases the minimum salary for Teachers. Increase would be incremental and may not be less than:
 - \$32,076 for the 2020-2021 School Year
 - \$34,576 for the 2021-2022 School Year (7.8% increase)
 - \$37,076 for the 2022-2023 School Year (7.2% increase)
 - \$40,000 for the 2023-2024 School Year (7.9% increase)
- Each year after shall be reviewed and increased by CPI of previous year

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Why is this Difficult?

- Unfunded mandate to current school districts that may be below the current minimum salary
- Future increases could be higher than negotiated contracts
- Could affect teachers at higher salary levels

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Requires the Commission on Government Forecasting and Accountability to certify and publish the minimum salary rate for teachers by September 30, 2023 for the 2024-2025 school year and July 20 for each school year after.



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September 29, 2023

The Honorable J.B. Pritzker
Governor
Stratton Office Bldg, 7th Fl.

Re: Certification of Minimum Salary Rate for the 2024-2025 School Year

Dear Governor and Legislative Leaders,

Pursuant to Public Act 103-515 (HB 300 of the 103rd General Assembly), which became effective on August 11, 2023, and which amends Section 24-8 of the School Code (105 ILCS 5/), the Commission on Government Forecasting and Accountability is required to certify and publish, no later than September 30, 2023, the minimum salary rate for teachers who serve on a full-time basis for the 2024-2025 school year. This letter serves as the required certification and will be published on the Commission's website.

Per the act, such rate shall equal the minimum salary rate for the previous school year increased by the percentage equal to the annualized percentage increase, if any, in the Consumer Price Index for All Urban Consumers for all items, published by the United States Department of Labor for the 12-month period ending on June 30 of the school year that ended 12 months prior to the school year in which the adjusted salary is to be in effect.

In order to fulfill this obligation, the Commission's actuary, The Segal Company, reviewed the applicable index and computed the minimum salary rate for full-time teachers that are employed for the 2024-2025 school year. Their calculations and the subsequent minimum salary rate are shown below.

(1) Minimum Salary Rate for the 2023-2024 School Year	\$40,000
(2) Applicable Percentage Increase ¹ (not less than 0)	<u>2.97%</u>
(3) Minimum Salary Rate for the 2024-2025 School Year: (1) x [1 + (2)]	\$41,188

Questions regarding this certification may be directed to Clayton Klenke, Executive Director of the Commission on Government Forecasting and Accountability, at 217.782.5322.

¹ Based on annualized percentage increase, if any, in the Consumer Price Index for all items in U.S. city average, all urban consumers, not seasonally adjusted, as published by the U.S. Department of Labor, for the 12-month period ending on June 30 of the school year that ended 12 months prior to the school year in which the adjusted minimum salary rate is to be in effect.



What makes this difficult or concerning?

- If you are a district who does not currently meet this minimum, the financial implications are obvious.
 - People are our more important asset and largest investment.
 - Mandate could be troublesome year after year.
- This essentially forces districts to maximize their levy (if tax capped)
 - No 5% cap to increase like PTELL
 - If not tax capped, it reduces the district's ability to levy according to geographic wage norms (political issue for board)
- Reduces the district's ability to negotiate



Other Items on our radar:

- **SB3606 Amendment 1 (Cappel)** - Special Education Funding - SB3606 passed out of the Senate on Wednesday and now heads to the House for consideration. It was amended to remove opposition by adding privates to the Illinois Purchased Care Review Board's membership and oversight.
- **HB 2822/HB3991 (Crespo)** - Supporting Newcomer Student
- **HB 3907 Amendment 2 (Stuart)** - Teacher Plan Time
- **HB4709 (Hirschauer) / SB3383 (Villivalam)**: Deprioritizing School Polling Places



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Sources

- *New School Laws* published by the Illinois Association of School Boards
- www.ilga.gov
- www.cgfa.ilga.gov
- www.franczek.com/blog/school-law-legislative-update-2023
- ED-Red



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Questions and Answers

Any new laws we missed?

Anything related to legislation that this group should know?

We thank you for your time!



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Presenters:

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