



HR0038HAM001

LRB100 06901 MST 23104 a

1 AMENDMENT TO HOUSE RESOLUTION 38

2 AMENDMENT NO. ____ . Amend House Resolution 38 as follows:

3 by deleting everything and replacing it with the following:

4 "WHEREAS, Article X, Section 1 of the Illinois Constitution
5 provides our shared principle that "A fundamental goal of the
6 People of the State is the educational development of all
7 persons to the limits of their capacities; the State shall
8 provide for an efficient system of high quality public
9 educational institutions and services; education in public
10 schools through the secondary level shall be free; there may be
11 such other free education as the General Assembly provides by
12 law; the State has the primary responsibility for financing the
13 system of public education; and

14 WHEREAS, Illinois' continuing budget crisis and slow
15 economic recovery has motivated discussion on how to save the

1 State money, including a misguided proposal to shift the
2 State's funding of the normal pension cost for the State
3 Universities Retirement System and the Teachers' Retirement
4 System to local entities, such as school districts and
5 community colleges, and to public universities; and

6 WHEREAS, Decades of the State's chronic mismanagement of
7 funds and failure to adequately fund its five pension systems
8 has resulted in a ballooning pension payment that has been
9 crowding out funding to critical State programs and services
10 for education, human services, and public safety; and

11 WHEREAS, The FY18 projected normal cost for the State
12 Universities Retirement System will be \$424.9 million and for
13 the Teachers' Retirement System will be \$967.5 million; and

14 WHEREAS, If these costs were combined they would represent
15 a pension liability shift from the State to local governments
16 of \$1.392 billion for FY18 alone; and

17 WHEREAS, Illinois already has one of the largest
18 residential property tax burdens in the nation; and

19 WHEREAS, The consideration of a State cost shift of this
20 magnitude, particularly when it is combined with the Property
21 Tax Extension Limitation Law, will dramatically impact a school

1 district's and community college's ability to allocate funds to
2 pay for the normal cost of pensions; and

3 WHEREAS, The Property Tax Extension Limitation Law hinders
4 the ability of a school district and community college to
5 increase revenues to accommodate a significant cost shift of
6 State obligations to local budgets; and

7 WHEREAS, The proposed cost shift would force significant
8 local budget reductions, which means teacher layoffs and
9 reductions in curricular offerings; and

10 WHEREAS, High property tax burdens in combination with the
11 pervasiveness of school district financial instability, the
12 unpredictability in State funds directed towards education,
13 and a whole host of statutorily required unfunded mandates have
14 made it especially hard for local school districts to operate
15 effectively; and

16 WHEREAS, It is anticipated that the cost shift for the
17 State Universities Retirement System will force community
18 colleges and universities to raise tuition in order to cover
19 the increased costs; and

20 WHEREAS, The unpredictable nature of pension costs makes it
21 difficult to provide an accurate account of the total impact of

1 a cost shift to local taxing districts, and it is even more
2 difficult to ask a school district or institution of higher
3 education to plan for these unknown factors over time; and

4 WHEREAS, The concept of shifting additional financial
5 burdens onto the State's already cash-strapped school
6 districts and institutions of higher education would
7 ultimately raise property taxes and increase tuition; and

8 WHEREAS, It is unfair and reckless to transfer an already
9 well-established State financial responsibility onto local
10 taxing districts, especially during this time of financial
11 uncertainty; therefore, be it

12 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
13 HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the
14 normal cost of pensions for our State educators is the
15 responsibility of the State; and be it further

16 RESOLVED, That the current budget crisis should not be used
17 as a reason to shift its financial responsibility for State
18 pension costs to the local taxpayers."