



3. Taxpayer Empowerment and Government Reform Package

- Make income taxes low and competitive with other states.
- Freeze property taxes for two years by amending Illinois' Property Tax Extension Limitation Law. The total property tax extension could not increase above the 2015 levy year, except for new construction or property in a TIF district. Voters would still be allowed to override the freeze via referendum.
- Modernize the sales tax to include service taxes that keep us competitive with neighboring states.
- Preserve a fair and flat income tax by protecting low-income families with an increase in the Earned Income Tax Credit, and provide additional exemption relief to working families.
- Launch a government consolidation and unfunded mandate taskforce chaired by Lt. Governor Sanguinetti to reduce the number of Illinois' 7,000 units of government and provide more flexibility to local communities.
- Extend to municipalities bankruptcy protections to help turn around struggling communities.
- Pass a constitutional amendment implementing 8-year term limits for statewide elected officials and members of the General Assembly.
- Protect historically accrued state pension benefits for retirees and current workers, while moving all current workers into the Tier 2 pension plan and/or a 401(k) for their future work. Police and firefighters should receive separate special consideration.
- Pursue permanent pension relief through a constitutional amendment.
- Codify Executive Order 15-09 prohibiting the revolving door from state government to lobbying and extend revolving door restrictions to the General Assembly.
- Empower government employees to decide for themselves whether or not to join a union.
- Empower local voters to control collective bargaining issues in their local governments and take more direct responsibility for their employees' benefits.
- Extend the prohibition on political contributions for businesses with state contracts to all organizations with a state collective bargaining agreement and organizations funded by entities receiving state Medicaid funds.
- Prohibit trial lawyer donations to elected judges to address conflicts of interest in the courts.
- Pass a constitutional amendment to create merit-based judicial selection as supported by the American Bar Association (2018 ballot).
- Reward state workers with performance pay and incentivize employee-inspired cost-saving measures.
- Pass a constitutional amendment merging the offices of Comptroller and Treasurer and return \$12 million in annual savings to taxpayers.
- Require more vigorous enforcement of minority contracting guidelines and hiring in state government.
- Pass a binding Balanced Budget Amendment to the Illinois Constitution that prohibits the carry-over of past-due bills (2018 ballot).
- Reform the criminal code to ensure sentences are commensurate with the severity of the crime, and reduce penalties for non-violent offenses.
- Launch a bipartisan Criminal Justice Reform Commission with a goal to improve public safety and reduce prison population by 25 percent in 10 years.
- Provide additional investment in community-based reentry and diversion programs for persons reentering the community.
- Increase correctional officer staffing to improve officer and inmate safety.



1. **Economic Growth and Jobs Package**

- Pass a phased-in minimum wage increase of 25 cents every year for seven years.
- Implement true workers' compensation reform legislation that updates how injuries are apportioned to ensure employers pay for injuries that occur on the job; clarifies the definition of "traveling employees" to ensure a reasonable standard that excludes risks that would impact the general public; and implements American Medical Association guidelines when determining impairment.
- Enact lawsuit reforms to prevent unreasonable trial lawyer venue shopping, address unfair joint and several liability requirements and provide a balanced approach to medical malpractice cases to keep doctors in Illinois.
- Pass a constitutional amendment to cap unreasonable judgments (2018 ballot).
- Make Illinois unemployment insurance fair for beneficiaries and employers, including legislation that cracks down on benefit fraud for those who voluntarily leave employment but receive benefits and provides a more fair definition of misconduct in the workplace.
- Implement true competitive bidding in public works projects, limit prevailing wage requirements and eliminate project-labor agreements.
- Restructure the motor fuel tax to appropriately invest in infrastructure.
- Create local employee empowerment zones. Let voters in a county, municipality or other local unit of government decide via referendum whether or not business employees should be forced to join a union or pay dues as a condition of employment.
- Create a Minority Enterprise Small Business Investment Program to assist minority entrepreneurs in startups throughout Illinois.
- Require unions that contract with the state to have their apprenticeship programs reflect the demographics of Illinois communities, and to have their membership on public construction projects reflect the diversity in the surrounding area.

2. **Student and Career Success Package**

- Increase state support for pre-K-12 education, especially for low-income families.
- Expand access to high-quality early childhood education and make programs easier to navigate for families.
- Consolidate and refocus all state boards, agencies and programs to manage an integrated comprehensive cradle-to-career statewide system of education and vocational training.
- Launch an effort to increase parent participation in the classroom.
- Initiate statewide task force to analyze the challenges of teenage pregnancy and loss of two-parent families.
- Give local school boards the ability to modify overly burdensome unfunded mandates.
- Lift the arbitrary cap on public charter schools, reduce funding disparities for public charters and provide more high-quality educational options to students through tax credit scholarships.
- Reform teacher tenure and incentivize local school districts to reward high-performing administrators and educators.
- Improve teacher recruitment, ensure a diverse educator base and streamline licensure requirements to bring the best and brightest teachers to Illinois.
- Eliminate unnecessary testing and institute a rigorous K-12 student growth measure, using ACT and other national metrics.
- Expand vocational and technical program resources and grow partnerships among employers, high schools and community colleges.

Date: February 18, 2015

Re: Governor Rauner's FY16 Budget: Highlights

Revenues/Spending Overview

- \$32 billion general fund revenue, \$31.5 billion general fund spending.
- Spending in the proposed budget is \$4.1 billion less than the current year
- The budget relies on no new taxes or borrowing
- The budget cuts revenue sharing to local governments by nearly \$800 million
 - Impacts counties, municipalities and transit districts statewide

Pensions

- Assumes \$2.2 billion in savings for FY16 associated with a new plan to cut pensions for existing employees
- The plan involves rolling Tier 1 employees into Tier 2 by July 1, 2015
- The plan makes other changes to pensionable income for teachers and university employees and how individuals who accumulate overtime (e.g. correctional officers) are able to apply that overtime to their pensions
- It's unusual for a Governor to bank savings from a major pension reform plan requiring legislative action in his introduced budget

Medicaid

- Proposes a \$1.5 billion cut to the Medicaid program
- That level of savings relies on rolling back changes made in Medicaid benefits in SB741 from the 98th GA (e.g., restoring adult dental services, podiatric services and some exemptions from prescription drug limits)
- To achieve the savings, the Governor also proposes eliminating Medicaid coverage for renal dialysis, hemophiliacs, eliminating funding for Specialized Mental Health Rehabilitation Facilities, cutting hospital rates, and cutting services for individuals who benefit from the state's breast and cervical cancer program

Human Services

- Cuts to human services agencies are deep. Programs like supportive housing, homeless youth services and addiction prevention services are eliminated in this budget.
- The budget cuts funding for programs that assist individuals with developmental disabilities
- The budget cuts funding for a range of programs that treat individuals with mental health diagnoses and removes services for individuals who benefit from DHS rehabilitation services
- The Community Cares Program, which is focused on keeping seniors in their homes and out of long term care environments, narrows its eligibility scope, which will result in seniors being cut from the program
- DCFS funding is cut by nearly \$140 million, which in addition to other changes will eliminate funding for youth who matriculate out of DCFS care at age 18
- AIDS/HIV services are cut \$6 million, and funding for SIDS research and outreach, along with mobile health care services, are eliminated

P-20 Education

- General State Aid receives additional support in the Governor's budget, with a total increase of nearly \$500 million all funds taking the GSA proration from 89 to 95 percent
- Early childhood education also receives an increase, adding \$25 million to its bottom line
- Smaller lines in the State Board of Education's budget are cut, including funds for Arts/Foreign Language, Advanced Placement, Agricultural Education, National Board Certified Teachers and the Children's Mental Health Partnership
- Public universities are cut by 31 percent. While we are gathering feedback from universities, a cut of that size will either exacerbate tuition and fee increases for incoming freshman or lead to massive layoffs
- Community Colleges will see a small increase to their base operating and equalization grants; however, other lines they may have used to fund grants will be eliminated in this budget
- MAP is held level to FY15

Other Agencies

- IHPA is eliminated and folded into DCEO. The Abraham Lincoln Presidential Library and Museum is funded as a stand-alone agency

- IDOC receives an increase in an effort to cut overtime costs at correctional facilities. The Joliet facility is funded as a center to treat mentally ill inmates. DJJ also receives an increase over FY15, and staff will evaluate the extent to which this increase will be used to fund court mandated services for incarcerated youth
- State employee group health insurance is cut by \$600 million from the base cost of FY16. The Governor believes these savings can be achieved at the bargaining table and by requiring universities to contribute more to their healthcare costs
- Legislative, judicial and constitutional agencies are all reduced 10 percent