Update

American Federation of Teachers Local 604, AFL-CIO

October/November 2017

School funding bill—the Good, the Bad and the Ugly

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n August 31, Senate Bill 1947 that changes the way Illinois' schools are funded became law. This ended the hostage crisis in which Governor Rauner threatened the ability of many districts to even stay open to promote his anti-worker agenda and extracting tax-breaks for the wealthy. The effects of this bill can be summed up in three categories—the Good, the Bad and the Ugly.

First, the Good: The new law uses a new Evidence-Based Funding Formula (EBFF) to determine the level of funding each district receives from the state. First, the formula determines a district's cost of educating students, establishing an Adequacy Target. Next, a district's ability to meet the Adequacy Target through local resources, such as property taxes, is determined. Finally, additional money referred to as Tier Funding is provided to districts to fill the gap

between the local resources and the target. Additionally, each district will receive Base Minimum Funding from the state equal to the amount of funding it received last year, so that no district is harmed by the new formula (www.isbe.net.) In summary, this new approach provides additional funds where they are needed most, without creating a scenario of winners and losers across the state.

Next, the Bad: The new formula described above passed the Illinois Legislature in the form of Senate Bill 1 that was vetoed by the Governor. While there was hope the legislature would override the veto as they did to end the years-long budget stalemate; in the end, there were not enough votes. This gave the Governor the opportunity to insert so-called "mandate relief" into the subsequent bill. Specifically, districts are now allowed to contract with outside providers for driver

> education services as well as reduce students' physical education from five days per week to only three days per week. As districts move forward under these new parameters, we will likely see districts attempt to reduce staff in those instructional areas. These attacks on our members were part of the reason the IFT and Local 604 urged legislators to override the SB1 veto, rather than pass SB 1947.

> Finally, the Ugly: The other reason our Union did not support SB 1947 was its inclusion of tax

credits for donations to private school scholarships. This part of the law diverts \$75 million over five years to wealthy donors-money that could have otherwise gone to better fund our public schools (www.ift-aft.org.)

All in all, we can be relieved that school funding in Illinois is moving forward and becoming more equitable. However, it is unfortunate that Governor Rauner succeeded in his insistence to include attacks on our members and handouts to his wealthy friends.

Valley View council dedicated to their community

Members march in Bolingbrook parade

It was a long day, according to Valley View council president Claudine Sharko, but, once again, the members showed how dedicated they are to their communities, schools and students. On Sunday, September 10, several members walked in the Bolingbrook pathways parade. They reached out to community businesses and received coupons from Oberweis and Culver's for free ice cream; free laser tag games

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Extended leave for our great local leader

This is to inform you that on September 5, Dick was in a serious car accident on his way home from the office. Luckily, he did not sustain serious injuries.

His condition is stable and he is, thankfully, on his way to recovery. Dick will be on extended sick leave. The length of the sick leave is not known at this time.

If you would like to send a card or personal note, his address is below:

41 Oak Ridge Dr. LaSalle, IL 61301

The AFT Local 604 staff would like to ensure you that we are working together to fill in the gaps, and the office will continue to function as always.

If anyone has questions, please contact your local field staff or the local office.

Please keep Dick in your thoughts and prayers.



Dick Manley

Thank you from your union brothers and sisters at AFT Local 604

Tax credit scholarships

Should we be concerned?

B ack when I attended SS Peter & Paul School in Huntington, Indiana, I had 49 fellow classmates in the room for all but one of the eight years with one teacher, usually a nun, in control.

Then, all were Catholic, and the parents paid the tuition because they wanted their children to have a Catholic education. The relationship between the Catholic high school and the public one was outstanding. For classes that Huntington Catholic High School could not offer in a school of less than 200 students, Huntington accepted these students if there was room.

I mention this because in the recently-passed budget, Illinois will soon implement a tax credit scholarship program that will help private and parochial schools while hurting, some believe, public education. Moreover, in most cases, a working relationship between public and private schools can be strained.

Former Will County regional superintendent of schools and current Illinois state Senator Jennifer Bertino-Tarrant said, "Obviously, the greatest concern with the bill is the fact that it was never part of a larger discussion, while addressing education funding reform. However, the bigger picture was the funding formula, and we needed Republican votes to override the governor's veto. In my opinion, it was designed to benefit large donors."

In partial agreement, Dr. James Mitchem, Jr., superintendent of Valley View Schools, said, "While I feel no public funds should go toward private education endeavors, sometimes a compromise is necessary for the greater good of all. I look at it as without the credit, we might not have the EBM (Evidence-based Model) as our new foundation for financing education."

Representative Linsday Parkhurst (R), Kankakee, who voted no on the compromise school funding bill because she felt it included a Chicago bailout, said, "I applaud Illinois for moving in the right direction for school funding by implementing an evidence-based model."

The bill allows individuals and corporations to donate up to \$1 million a year. The *Chicago Tribune* reported, "That affects public education because state income taxes in large part are used for public schools in Illinois. When a donor gets a tax credit, it reduces their state income taxes, a portion of which would otherwise go into state coffers and then be sent to public school districts."

SB 1947 will provide up to \$75 million state wide on a first-come, first-served basis.

According to the executive director of the Center for Tax and Budget Accountability Ralph Martire, "Individuals may designate their donation to a specific school or group of schools; however, corporations and partnerships may not."

No matter who makes the donation, the money cannot be designated for a specific individual.

So, how does a resident of Illinois qualify and how much monies might be available?

Martire reported the following facts:

- Priority is given to a recipient of a scholarship the previous year; household income less than 185% of the federal poverty level (FPL); students in districts with underperforming schools and siblings of scholarship recipients.
- The recipient must be eligible to attend a public school in Illinois, registering for the first time in Illinois and reside in Illinois while receiving a scholarship.
- The base amount is the lesser of either the statewide average of operating costs or the actual tuition and fees at the school.

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Treasurers' corner

by Carla Hettinger, AFT Local 604 treasurer

The following information applies to councils that have a payroll.

To keep council treasurers informed and up-to-date, we are including a summary of the tax forms that need to be completed and the deadline for submitting these forms.

Tax Form Summary:

Councils with payrolls should pay especially close attention to the tax form summary information and the deadlines for filing the various forms.

- 1. **IRS 940 for 2016**—This is the Employer's Annual Federal Unemployment Tax Return (FUTA). This is to be filed by **February 1, 2017**.
- 2. **IRS 941 for 2016** Employer's Quarterly Federal Tax Return. This form shows payroll totals for each quarter. It is to be filed in **April for Q1**, **July for Q2**, **October for Q3 and January for Q4**.
- 3. **IRS Form 1099-MISC (Miscellaneous Income) for 2016**—This form is for the reporting of an individual's income you paid out that is not from a payroll source. This needs to be completed by **January 31** of each year and given to the individual.
- 4. **IRS 1096 for 2016**—You report the total of all the amounts reported on 1099–MISC forms. Filing deadline is **January 31, 2017**.
 - Forms identified in numbers 3 and 4 above are not used to report the pay of officers. These forms are used mainly for non-officers that have verified expenses that were paid.
- 5. IRS Form W-2 is the Wage and Tax Statement for individuals and IRS Form W-3 is the Transmittal of Wage and Tax System form. IRS Form W-2 is to be completed and given to employees by January 31, 2017. IRS Form W-3 it to be filed by January 31, 2017.
- 6. **UI-3/40M**—Illinois Unemployment form. This must be filed quarterly even if no wages were paid in the quarter.

7. IL 941—Total Quarterly Withholding Income Tax Return is used to file the total amounts withheld for each quarter. You need to file in April for Q1, July for Q2, October for Q3 and January for Q4.

FORMS DUE NOW: IL 941-Q3, Illinois Unemployment-Q3, and IRS 941-Q3—These are for councils with a payroll.

Note: Don't miss the deadlines for filing these forms. If you do, penalties are assessed for the late filing. Should you realize you missed a deadline and you have not received a notice from the IRS or the Illinois Department of Revenue, I advise you to contact the appropriate agency and straighten it out before you receive a penalty notice.

All councils that have a bank account need to be certain that the appropriate 990 form is filed on time. The IRS is sending notices and charging a fine for those that do not submit their form on time. The fine is assessed per day for every day the form is late. Don't let that happen to your council.

990 Filing:

It is that time of year for filing and/or preparing to file your 990 to maintain your tax-exempt status. Information on which form to file and the deadline for filing was sent to council presidents and treasurers. Some councils will no longer be filing the 990 e-postcard based on the amount of dues collected. Please make certain that you check the information sent and file the correct form. Those councils that must file the 990EZ or the 990 cannot do that online. A paper copy must be submitted to the IRS by the deadline. The 990 EZ and the 990 forms can be found on the IRS website, and a blank form can be printed, filled out and then submitted.

Those councils having to file the 990 form should have it done by a tax accountant. Make certain that whomever you choose is familiar with doing a 990 form for a tax-exempt organization.

Political Action Committee (PAC)

The process of endorsing candidates by Local 604 field staff and PAC chair Erik Jurgens

Pericles once said, "Just because you do not take an interest in politics doesn't mean politics won't take an interest in you." What Pericles said in 430 BC is still true today. Thus, the IFT has Political Action Committees (PAC) throughout the state that take a proactive approach to endorsing political candidates. The endorsement process is a three-step process: a regional meeting (local level), statewide meeting and state Executive Board meeting.

At the regional meeting, IFT members (this could be you) review the voting records of incumbent legislators, read through questionnaires submitted by lawmakers and candidates and interview those who are seeking office. Endorsements are made on a non-partisan basis as far as individual candidates and races are concerned. The overall goal is to increase the number of legislators in the

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Alternative to GED now Illinois law

A fter numerous changes to the original proposal, Governor Bruce Rauner has signed into law HB 2527 that allows community colleges and not-for-profit groups to award an adult learner high school diploma.

Because there was a perception by some employers that earning a GED was not the equivalent of a high school diploma, individuals will soon have an option to help them in their job hunts.

With the changes in language, the amendment to the original bill removed all funding language so that the new program would not take away or be eligible for state funding. The new program, with federal backing, is designed to be free to the individual.

According to IFT legislative director Cynthia Riesman Lund, the new bill has the following highlights:

- For community colleges, non-profits entities, Intermediate Service Centers and regional offices of education, or Chicago Public Schools that have not been able to partner with a local school district to provide high school diplomas to adult learners, this bill creates an alternative process
- The entity interested must show proof of trying to go through traditional processes

- Approvals for the alternative program will be through the Illinois Community College Board
- New programs must meet certain standards including:
 - 1. consistency with the Illinois Learning Standards
 - 2. meet the Illinois Content Standards for adult learners
 - 3. meet the minimum requirements of the school code for receipt of a high school diploma
 - 4. provide academic, behavioral and emotional support services
 - 5. may partner with a community college district to provide career and technical educational opportunities
 - 6. instructional staff MUST have an educator license valid for high school grades
- ◆ Initial approvals are for two years, renewals are for four years with specific outcomes documented
- A revocation process was established in the law for any applicants that fails to meet any of the standard qualifications

No timeline for the process to start has been established.

THE UNION DIFFERENCE

Union

- 1. Wages, benefits and working conditions are protected by a legal contract.
- 2. A contract spells out how much each worker earns.
- 3. Unions negotiate raises for everyone. Members vote on it, and if they feel it's unfair, they may vote it down.
- 4. If you are unfairly disciplined, unions provide due process to protect against unscrupulous supervisors.
- 5. If you don't like something at work you can work together with your union to change it.

Non-Union

- 1. Management can change wages, benefits and working conditions unilaterally.
- 2. No one knows how much anyone else earns. Disparate treatment/favoritism exists.
- 3. If you want a raise you must plead your case to a supervisor or manager.
- 4. If you are unfairly disciplined, you are on your own (at-will employee). You're subject solely to policy.
- 5. If you don't like something at work, you are at the mercy of management.

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Legislative update—bills that impact the education field

The IFT continues to play an active role in 2017 with legislation in Illinois. Below is just a sample of a few important bills that directly impact the education field. If you would like to see the complete list of 100 bills that the IFT has been tracking, please contact your council president. You can also get updated information on any current or new bills by visiting the IFT website at www.ift-aft.org and clicking on the "Legislative" tab.

Bill Number	Public Act	Sponsor	Description		
НВ 2527		Sosnoski/Stadelman*	Provide adult learners with an alternative process to obtain a high school diploma. Adds community colleges to "eligible applicants" to be able to create a high school diploma program for adult learners. Adjusts eligibility requirements for institutions to qualify to have a program.		
HB 2950	PA 100-267	Ervin/Van Pelt	Requires schools to designate personnel and quarterly provide students information about what to do and resources available if the student is being bullied.		
HB 2977		Welch/Lightford*	Mandates that every public elementary and high school include cursive writing in their curriculum.		
HB 3059	PS 100-147	Pritchard/Bertino-Tarrant	Requires school district report cards to include average daily attendance by grade level.		
HB 3139	PA 100-156	Chapa LaVia/Collins	Establishes a definition of chronic absenteeism and requires school districts to collect and review the data and determine needed resources to engage chronically absent students and their families.		
HB 3394	PA 100-176	Walsh/Morrison	Authorizes DCFS to recommend that a school district remove a school employee who is the subject of an investigation.		
НВ3869	PA 100-14	Wallace/Hunter	Creates a new section on in-service implicit bias training. Requires the in-service training to include training to develop cultural competency (rather than training on civil rights and in cultural diversity), including understanding and reducing implicit racial bias (rather than including racial and ethnic sensitivity and implicit racial bias). Defines "implicit racial bias."		
SB 550	PA 99-922	Steans/Harper	Requires all schools to test faucets and drinking fountains in K-5 buildings built before 1987. Schools built between 1987 and 2000 must be tested by December 31, 2018. If a lead test comes back showing lead levels higher than five parts per billion (5:1,000,000,000), school districts must send a notice to parents/guardians and mitigate the problem. Allows the district to use Health Life Safety money to pay for needed upgrades to faucets and drinking fountains.		
SB 1933	PA 100-464	Manar/Gabel	Reforms current voter registration laws so that whenever an eligible Illinois resident applies for, updates or renews a driver's license or state ID, he or she will be automatically registered to vote or have their registration updated, unless they opt out. It also creates a similar program for other state agencies, such as the Department of Human Services and Department of Natural Resources.		

^{*}Denotes bills waiting for the governor's signature at the time of this writing.

Your rights under the workers' compensation act

by James M. Ridge, attorney at law

n Friday, August 18, 2017, Governor Rauner vetoed House Bill 2622 that would have created a state-run workers' compensation insurance company chartered by the State of Illinois. Governor Rauner's veto essentially turned down an opportunity to help small businesses reduce workers' compensation premiums.

HB 2622 would have offered Illinois businesses the ability to reduce workers' compensation costs by creating a not-for-profit insurance provider (The Illinois Employers Mutual Insurance Company) that would be able to sell workers' compensation insurance to businesses throughout the state. The Illinois Employers Mutual Insurance Company would have offered the same quality insurance as for-profit companies, and the competition created would have encouraged for profit insurers to offer lower-cost options for Illinois employers. This would ensure employers would receive the lowest rates on workers' compensation insurance possible and ensure the 2011 workers' compensation reductions would be passed onto employers in the form of lower premiums. Currently, twenty other states have created state-run, not-for-profit workers' compensation insurance providers.

In 2011, Illinois adopted several changes to its workers' compensation system, including lowering reimbursement for doctors by 30 percent, standardizing disability ratings and putting time limits on wage differential awards. Since those changes were enacted, Illinois Workers' Compensation Commission annual reports have shown a decrease in benefit payouts and an increase in insurer profits. The 2011 re-

ductions have gone unrealized to employers, because the workers' compensation industry has continued to raise premiums and have not passed on the benefits of the 2011 changes.

On August 23, 2017, Speaker Madigan criticized Governor Rauner's veto of House Bill 2622, stating the governor's actions showed "not to do what's in the best interest of Illinois employers, but only to serve the interests of multibillion-dollar insurance companies and further enrich corporate CEOs." Speaker Madigan's press release further assured, "House Democrats will push to override the governor's veto and provide relief for Illinois employers."

In addition to the veto of HB 2622, Governor Rauner also vetoed House Bill 2525 on August 25, 2017, that would have required pre-approval of workers' compensation insurance rates among other changes to the Workers' Compensation Act and system. The bill would have required workers' compensation insurers to file premium rates with the Illinois Department of Insurance before the rates took effect, and would have given the department power to stop excessive rates from taking effect. A rate would qualify as excessive if it were "likely to produce a long-run profit that is unreasonably high for the insurance provided, or if expenses are unreasonably high in relation to the services rendered."

For more information on your rights contact us at:



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Tax credit scholarships (cont.)

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Superintendent of Kankakee District 111 Dr. Genevra A. Walters believes this program is better than taking state money for charter schools. "However, the scholarships can only go to students enrolled in school district that are lowest performing. On the surface, it may seem fair to students with limited income; but why wouldn't students with limited income who happen to live in affluent areas with higher test scores be afforded the same opportunities?"

Senator Bertino-Tarrant added, "The bill limits who can qualify for a scholarship, and priority must be given to low-income students and their siblings, as well as students in lowperforming districts."

WTTW's *Chicago Tonight* explained the program. "The taxpayer can donate in the amount owed to a nonprofit organization, sometimes referred to as a Student Tuition Organization, which then takes the money, packages it as a scholarship and gives it to parents to use at private or parochial schools."

Many might be surprised to learn that Illinois has been in the tax credit business since 1999, when the state began to offer parents up to \$500 credit for educational expenses at either a public or private school.

Dr. Walters added, "I think it will primarily impact our high-poverty, high-minority districts."

So far, the state has not indicated where they will get the money for the tax credits. Senator Bertino-Tarrant stated, "The Department of Revenue, ISBE, as well as JCAR still need to provide accurate guidelines before a roll out." She also believes that to connect this new program to a voucher system is "a pretty wide stretch."

Another issue that is a sore spot for public school teachers is that non-public schools do not have to live by the same rules, like admitting every child in the district and providing an education. However, the bill does provide one connection. Any child who receives a scholarship must take the state assessment test starting in 2019-20.

Currently, those enrolled in public schools in grades three to eight take math and reading exams, PARCC, as well as science exams in certain grades, including high school. Juniors also take college entrance exams.

The *Tribune* reported, "It's not clear yet if those will be the exams taken by scholarship kids in private schools; an Illinois State Board of Education spokeswoman said the agency is still analyzing all parts of the law."

On the positive side, the program sunsets in five years after its 2018 rollout.

By Bill Briggs, IFT field service director

Valley View council participates in local parade (cont.)

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from Bowlero and free jump time from Sky Zone to distribute to the spectators. They also distributed candy, bookmarks and pencils. Council president Claudine Sharko remarked, "We had our best showing yet from the membership! It was a beautiful day, and, as always, the crowd loved seeing their teachers out on a Sunday."

To encourage her members to participate, Claudine posted on their council Facebook, "Do you like walking? Do you like candy? Do you like walking and candy? Then I will see you this Sunday for the parade!"

Members thought it was important to participate in this community bonding experience that had a fitting theme—

"It's a Small World."

(top I) distributing goodies to the children; (top r) volunteer truck driver with their mascot; (r) lining up ready to walk; (far r) even skunks joined the festivities.









New Tier III Benefit Structure

- The law gives current Tier II members and future Tier II members—all new teachers—the option of joining a new "Tier III" retirement plan.
- The optional Tier III "hybrid" retirement plan has two parts—a small life-long "defined benefit" (DB) pension and a "defined contribution" (DC) plan similar to a 401(k).
- It is unknown at this time when Tier III will be available to members. Before Tier III can be implemented, the plan must be reviewed and approved by the U.S. Internal Revenue Service. It is unknown how long that process may take. The TRS Board will establish the final implementation date of the Tier III plan.
- For Tier III members, the full retirement age will be 67 years, and the automatic annual increase (AAI) is the same as the Tier II AAI—one-half of the previous year's consumer price index, not compounded.
- The calculation for an initial pension under Tier III is Service Years multiplied by Final Average Salary multiplied by 1.25 percent. The Tier I and Tier II pension calculation is Service Years multiplied by FAS multiplied by 2.2 percent.

None of the Pension Code changes enacted on July 6 affect active Tier I Members or retired members in any way. There are no changes to Tier II *except* that these members will be able to switch to Tier III.

For more information call:

(877-9-ASK-TRS) 877-927-5877

Or go to the TRS website at: http://www.trsil.org

Political Action Committee (cont.)

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General Assembly who support the IFT on key issues. All members at the regional meeting will reach consensus on each candidate and then those recommendations will be presented to the statewide PAC. The statewide PAC reports to the state Executive Board, and, lastly, the Executive Board approves the endorsements. It is very rare that a regional recommendation is changed by either the statewide PAC or executive board. With your help, WE can build a better state! Watch your email for the upcoming regional PAC meeting. There is no limit on how many members can attend the endorsement meeting, and this is a good chance for local leaders and members to meet and discuss issues with current and future lawmakers.

Your union brothers and sisters need your help!

Hurricane Harvey and Hurricane Irma have left a path of devastation throughout the Texas Gulf Coast, Florida, Puerto Rico and the U.S. Virgin Islands.

While we are calling on the federal and state government to help, this is the time for us to help too. We, as a union family, must respond as we have in past crises.

Please go to https://www.aft.org/our-community/disaster-relief-helpful-resources where you will find a collection of resources and links to help you navigate this disaster and offer help to fellow union members, friends, family and loved ones.

The AFT Disaster Relief Fund needs more contributions to continue with that assistance

Next Senate Meeting
Annual Holiday Party
Wednesday, December 13, 5:00 pm
Local office in Crest Hill



Update

American Federation of Teachers Local 604 www.aftlocal604.org

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