

OFFICE OF THE LIEUTENANT GOVERNOR
EVELYN SANGUINETTI – LIEUTENANT GOVERNOR

Local Government Consolidation and Unfunded Mandates Task Force
Meeting Minutes

Wednesday, May 20, 2015
 Illinois Municipal League
 500 E. Capitol Avenue
 Springfield, IL 62701
 4 PM

Name	Title	Organization	Present
Evelyn Sanguinetti	Lt. Governor	State of Illinois	Y
Tom Demmer	Representative	90 th District	N
Mark Batinick	Representative	97 th District	Phone
Jack Franks	Representative	63 rd District	N
Emmanuel Chris Welch	Representative	7 th District	N
Dan Duffy	Senator	26 th District	Y
Dale Righter	Senator	55 th District	Y
Martin A. Sandoval	Senator	12 th District	N
Linda Holmes	Senator	42 nd District	N
Karen Darch	Mayor	Barrington	Phone
Karen Hasara	Former Mayor	Springfield	Y
Brad Cole	Executive Director	Illinois Municipal League	Y
Ryan Spain	City Council Member	Peoria	N
Dan Cronin	Chairman	DuPage County	N
Michael Bigger	Former Chairman	Stark County	Y
Mark Kern	Chairman	St. Clair County	N
John Espinoza	Board Member	Whiteside County	Y
Rev. James T. Meeks	Chairman	Illinois State Board of Education	N
Dr. Darlene Ruscitti	Regional Superintendent	DuPage Schools	N
Steffanie Seegmiller	Chairman	Arthur School Board	Y
M. Hill Hammock	Senior Fellow	Metropolitan Planning Council	N
Char Foss-Eggemann	Trustee	Park Ridge Library Board	Phone
Warren L. Dixon III	Township Assessor	Naperville	Y
George Obernagle	Chairman	Kaskaskia Regional Port District	N
	Non-Voting Member		
Clayton Frick		Deloitte Services LP	Y

The Local Government Consolidation and Unfunded Mandates Task Force met for the fifth time on May 20th, 2015 with Lieutenant Governor and Chair Evelyn Sanguinetti presiding.

MEETING LOCATION

Illinois Municipal League
500 E. Capitol Avenue
Springfield, IL 62701
4 PM

MEETING START

Meeting Schedule Start: 4:00PM
Meeting Actual Start: 4:06PM

AGENDA

- I. Call to Order and Roll Call**
 - a. Lt. Governor Evelyn Sanguinetti called the meeting to order at 4:06PM CT and welcomed members
 - b. Roll Call was taken. Quorum was not met.

- II. Approval of meeting minutes from April 8, 2015**
 - a. Minutes from the last meeting were opened for corrections. No correction suggestions were made.

- III. Approval of meeting minutes from April 13, 2015**
 - a. Minutes from the last meeting were opened for corrections. No correction suggestions were made.

- IV. Chairman's Remarks – Lt. Governor Evelyn Sanguinetti**
 - a. Lt. Governor Sanguinetti welcomed Task Force Members and explained that Task Force members would be voting on proposals that address issues previously discussed by the Task Force. Additionally she remarked that instead of voting on specific bills, members will be voting on concept recommendations that can then be presented to the Governor and the General Assembly

- V. New Business: Voting on Consolidation and Unfunded Mandate Recommendations**
 - A. Recommendation #1: Enact a 4-year moratorium on creating new local governments**
 - a. Lt. Governor Sanguinetti mentioned this recommendation is based on HB 228, introduced by Rep. Jack Franks and discussed at the April 8th task force meeting.
 - b. Lt. Governor Sanguinetti introduced Brian Costin, Policy Director to the Lt. Governor, to give a brief summary on the first proposal.
 - c. Brian Costin then summarized the proposal and said it recommends that no new local government to be created by the General Assembly for a period of 4-years. Additionally

there is an exemption if creation of new local government stems from consolidation of two or more local governments. Since July 2014 there are 19 new units according to the Illinois Comptroller. Since 1998, there has been a net increase of 148 units of government, or 8 per year. The vast majority of that growth has been special purpose districts. Costin mentioned that the highest grower of local government has been Public Library Districts, while the greatest consolidators of local government have been school districts. By enacting a four year moratorium on creating local government, Costin said it is estimated that there would be a reduction of thirty-five to sixty units of local government.

- d. At this time, Senator Duffy arrived and it was believed that quorum had been met.
- e. Lt. Governor Sanguinetti then opened this item up for discussion.
 - i. Warren Dixon III: "What was the last unit of local government that the General Assembly actually created? The only ones created out of acts of legislation are the counties and townships." Warren Dixon III then asked for clarification on how this recommendation relates to special service districts.
 - Brian Costin responded that in regard to the special service units, the Task Force is not looking at them in regards to their own government agency, rather as part of a different government agency such as a municipality. He also said they can get clarification on if this proposal affects special service districts, though Costin's understanding is that it does affect these districts. He also mentioned that neither the IL Comptroller nor the US Census Bureau count special service areas in the units of government count.
 - ii. Karen Hasera: "Can you go over the bill that passed?"
 - Costin said that the bill that passed yesterday says that no new local government or agency to be created by the General Assembly for four years. The exemption being if the new unit results from the consolidation of multiple units. Consolidation is encouraged but growth is blocked.
 - iii. Brad Cole: "I would like to clarify that what we are doing is making recommendations to the Governor, and then the Governor will put this together as he so wishes and bring that to the General Assembly. We are not enacting any of these item and they will be deliberated by the Governor or General Assembly?"
 - Lt. Governor Sanguinetti responded that is correct.
- f. Lt. Governor Sanguinetti then sought a movant for the approval of recommendation #1
 - i. Michael Bigger moved the motion to approve. John Espinoza seconded.
 - ii. Roll was called on this measure.

Name	Title	Organization	Present
Evelyn Sanguinetti	Lt. Governor	State of Illinois	Y
Tom Demmer	Representative	90 th District	N
Mark Batinick	Representative	97 th District	Phone
Jack Franks	Representative	63 rd District	N
Emmanuel Chris Welch	Representative	7 th District	N
Dan Duffy	Senator	26 th District	Y
Dale Righter	Senator	55 th District	Y
Martin A. Sandoval	Senator	12 th District	N
Linda Holmes	Senator	42 nd District	N
Karen Darch	Mayor	Barrington	Phone
Karen Hasara	Former Mayor	Springfield	Y
Brad Cole	Executive Director	Illinois Municipal League	Y
Ryan Spain	City Council Member	Peoria	N
Dan Cronin	Chairman	DuPage County	N
Michael Bigger	Former Chairman	Stark County	Y
Mark Kern	Chairman	St. Clair County	N
John Espinoza	Board Member	Whiteside County	Y
Rev. James T. Meeks	Chairman	Illinois State Board of Education	N
Dr. Darlene Ruscitti	Regional Superintendent	DuPage Schools	N
Steffanie Seegmiller	Chairman	Arthur School Board	Y
M. Hill Hammock	Senior Fellow	Metropolitan Planning Council	N
Char Foss-Eggemann	Trustee	Park Ridge Library Board	Phone
Warren L. Dixon III	Township Assessor	Naperville	Y
George Obernagle	Chairman	Kaskaskia Regional Port District	N
	Non-Voting Member		
Clayton Frick		Deloitte Services LP	Y

- iii. At the time of the tally it was realized that quorum was one individual short of being met.

B. Recommendation #2: Expand DuPage County consolidation powers to all 102 Counties

- a. Lt. Governor Sanguinetti mentioned that this proposal is based on the DuPage County consolidation bill SB494 that was discussed at the April 8th task force meeting by DuPage County Chairman Dan Cronin and that these measures have helped save taxpayer money and make local government more accountable
- b. She then invited Brian Costin to give a brief summary of the proposal.

- c. Costin summarized that in many counties across Illinois, there are a number of local government agencies where a majority, or all, of the board members are appointed by the county. Without a connection to voters, the agencies often lack transparency and escape public accountability. These agencies often provide duplicative services which can be absorbed by other government agencies, or are “paper” agencies contracting all service provision out to other local governments or private businesses. The bipartisan Senate Bill 494 was signed into law in 2013, giving DuPage County the ability to dissolve or consolidate 13 different government units within the County, and this is a recommendation to expand this process to all counties in the state.
- d. Lt. Governor Sanguinetti then opened this item up for discussion
 - i. Mike Bigger: “Would this be giving counties the option, or compelling them to engage in this action?”
 - Costin responded it would be giving them the option.

C. Recommendation #3: Empower Illinois citizens to consolidate or dissolve local governments via referendum

- a. Lt. Governor Sanguinetti invited Brian Costin to give a brief summary of the proposal.
- b. Costin stated that this recommends the citizens of Illinois should be empowered to consolidate or dissolve local government in effort to control costs, improve service delivery and reduce corruption. He also said the proposal recommends:
 - i. Maximum petition signature requirement of 5 percent of the votes cast in the last general election, with a minimum of 180 days to collect petition signatures
 - ii. Require either three-fifths of those voting on the amendment or a majority of those voting in the election from both the dissolving and receiving unit of local government for referendum approval. Same as amending the Illinois Constitution
 - iii. Require simple, understandable referendum language on ballot; “Shall the [dissolving unit of local government] be dissolved on [date of dissolution] with all of its property, assets, personnel, obligations and liabilities being transferred to [receiving unit of local government]?”
 - iv. Provide for the timely transfer of all assets, liabilities, property, personnel and contractual obligations from dissolving unit to receiving unit of local government
 - v. Transfer rights and duties to receiving unit
 - vi. Allow different types of local government to be consolidated or combined (general purpose into general purpose, special purpose into general purpose, special purpose into special purpose).
 - vii. Maintain other citizen-initiated consolidation laws with lower petitioning and voting requirements
- c. Lt. Governor Sanguinetti then opened the floor for discussion.
 - i. Warren Dixon III: “There are many mechanics to this recommendation. Who is the picker of the unit, who says who is going to assume the unit of government

in a sufficient manner? I don't think the 10% is a very high threshold to reach in 90 days. I think there should be mechanisms to consolidate special service units that have no mechanism but there should be middle ground."

- Costin responded that they did look at other petition signature requirements for statewide officials, and for example the gubernatorial requirement is 5000-10000 statewide, which is .2%, and similar for US senatorial petition. For US Representative it is .5% and for both IL Representative and Senate it is approximately 3%. Comparing these numbers to the 5% recommended in this recommendation, Costin noted their signature requirements are higher to maintain a threshold but not be too high.
 - Lt. Governor Sanguinetti responded that in regards to Mr. Dixon's first question about which governmental units will absorb others, that this is just a recommendation that will go to the General Assembly which can then evaluate the particulars.
- ii. Brad Cole: "Does this require both the unit dissolving and the unit receiving to pass? What if the receiver does not approve it?"
- Costin answered that both the dissolving and receiving units must approve.

D. Recommendation #4: Create a Board of Legislative Repealers to review unfunded state mandates on local government

- a. Lt. Governor Sanguinetti mentioned that on the April 13th meeting in Carbondale, the Task Force discussed a bill introduced by Representative Sandack to establish a board of repealers, and that the proposal is modeled based off of this discussion.
- b. Lt. Governor Sanguinetti invited Brian Costin to give a brief summary of the proposal.
- c. Costin said that the recommendation is to create a Board of Legislative Repealers that would
 - i. Creation of a board to systematically review Illinois law, including unfunded mandates
 - ii. Allow board to repeal an unfunded mandate older than 15 years with 2/3 vote of board, subject to legislative review
 - iii. Issue an annual report to the legislature to recommend changes to revise, repeal or replace Illinois law
 - iv. Creation of a website where citizens and local government officials can submit suggestions for state laws to review
 - v. The Joint Committee on Legislative Support Services, the Legislative Reference Bureau, the Legislative Information System, and the Legislative Research Unit shall provide technical and other research support to the Board of Legislative Repealers
 - vi. Costin noted that this recommendation would help relieve the overwhelming burden of unfunded mandates.

- d. Lt. Governor Sanguinetti then opened the floor for discussion.
 - i. Mike Bigger: “Would the Governor appoint the members of this board?”
 - Costin replied that it is left up to the General Assembly how to establish the membership.
 - ii. Mike Bigger: “For the mandates that are 15 years old and subject to repeal, does the board also have veto power over that action?”
 - Costin responded that if they choose not to take action over a certain period of time, then it would be repealed.

E. Recommendation #5: Repeal or reform prevailing wage

- a. Lt. Governor Sanguinetti noted that there has been consistent discussion on prevailing wage throughout the Task Force meetings and that many units of local governments have asked for relief, and have noted that prevailing wage increases project costs by an average of twenty percent.
- b. She then asked Brian Costin to provide a brief summary.
- c. Costin summarized by saying the recommendation is to
 - i. Repeal the Illinois Prevailing Wage Act
 - ii. Reduce the categories of jobs covered by prevailing wage to only cover highly-skilled positions
 - iii. Take into account average market wages instead of only wages on “public works” when calculating prevailing wage rates, as is done on the federal level and most other states
 - iv. Increase the dollar threshold for projects subject to prevailing wage rates to \$250,000
 - v. He added that the idea here is that prevailing wage increases costs for local government and results in higher taxes or fewer public projects being completed. Many other states have thresholds for the application of prevailing wage based on the size of the project.
- d. Lt. Governor opened the floor for discussion.
 - i. No questions were raised.

F. Recommendation #6: Modernize public notice mandates

- a. Lt. Governor Sanguinetti said that this recommendation was also discussed by multiple units of government. She added that at the April 2nd meeting in Bloomington, Lake County Chairman Aaron Lawler spoke about these onerous mandates and asked for flexibility.
- b. She then asked Brian Costin to provide a brief summary.
- c. Costin explained this recommendation asks that
 - i. Local governments who post public notices on their website should be exempted from having to also publish in newspapers, saving taxpayer dollars and increasing transparency and accountability

- ii. When local governments are forced to mail notices to residents and businesses, such as property tax assessments, and the information is also online they shouldn't be forced to publish the same information in newspapers
 - iii. Mandates to maintain public documents in antiquated and costly formats, such as microfilm or microfiche, should be updated to allow digital storage of documents
 - iv. Using the Illinois Transparency and Accountability Portal and the Comptroller's "Warehouse" website, the state of Illinois should help local governments who can't afford websites to publish more information online
 - v. He added that citizens' preferences in how they consume information is shifting rapidly. As newer technologies are adopted by more people, local governments need to change the way they communicate with the public. In 2013, twice as many homes had internet access (74 percent) than had newspaper subscriptions (37 percent). Home internet access is growing, while newspaper subscriptions are falling to all-time lows.
- d. Lt. Governor Sanguinetti opened the floor for discussion.
- i. No questions were raised

G. Recommendation #7: Provide third-party contracting mandate relief for school districts

- a. Lt. Governor Sanguinetti noted this stems from the April 2nd meeting in Bloomington, where Roger Eddy from the IL Association of School Boards presented testimony about the third-party contracting to relieve mandate burden.
- b. She then asked Brian Costin to provide a brief summary.
- c. Costin elaborated on the recommendation and summarized that the proposal recommends that
 - i. A board of education may enter into a contract with a third party for non-instructional services that are currently provided by any employee or bargaining unit member.
 - ii. Reduce notice requirement from 90 days to 30 days
 - iii. Eliminate anti-competitive regulations on contractors requiring them to provide a benefits package comparable to the existing public employee contract
 - iv. Costin noted that this would be optional for school districts
- d. Lt. Governor Sanguinetti opened the floor for discussion.
 - i. No questions were raised.

H. Recommendation #8: Implement physical education mandate relief for school districts

- a. Lt. Governor Sanguinetti noted this comes from the second meeting in Bloomington, and that as a parent this proposal makes sense to her because it provides flexibility to a current physical education mandate for schools.
- b. Lt. Governor Sanguinetti invited Brian Costin to provide a brief summary.
- c. Costin explained that this recommendation will

- i. Allow for more flexible waivers for children who are involved in other physical activity in school or out of school, but in a manner that ensures that each student engages in appropriate fitness activities
 - ii. Expand existing statutory provisions for students to be exempted from physical education on a case by case basis, as determined by district policy
 - iii. Again, he noted that this would be optional for school districts
 - d. Lt. Governor Sanguinetti then opened the floor for discussion
 - i. No questions were raised.

I. Recommendation #9: Provide drivers education mandate relief

- a. Lt. Governor Sanguinetti noted that this was the subject of a discussion with Roger Eddy in Bloomington on April 2nd.
 - b. Lt. Governor Sanguinetti invited Brian Costin to give a brief overview of the proposal
 - c. Costin then summarized the proposal which recommends that
 - i. School districts may offer a driver education course by contracting with qualified commercial driver training schools
 - ii. He noted that schools can use savings from this proposal to put back into the classrooms to enrich student learning.
- J. Lt. Governor Sanguinetti noted that there are seven more months of Task Force service ahead. She also invited any members that would like to see certain proposals added to Task Force efforts to work with her office to draft the language. Additionally, she added that the final Task Force recommendations are due to the legislature by December 31st of this year.

VI. New Business: Member Comments

- a. No member comments were brought forth.

VII. Public Comment

- a. Dr. Mary Henninger, Illinois Association of Health, Physical Education, Recreation and Dance

Good afternoon. My name is Mary Henniger and I am from the Illinois Association of Health, Physical education, Recreation and Dance, and I am also here as the parent of two children in the K-12 public education system. I am here to advocate for keeping physical education mandate in the state of Illinois. Quite simply, extensive research shows that physical education enhances the well-being of students, as well as positively influences students academically. Research consistently shows a positive relationship between students who perform well on academic tests and those who perform well on fitness indicators. I am aware of no research that

concludes that removing physical education, and placing students in more math, science, history or language arts classes goes on to enhance academic performance. In the twenty first century students are becoming less and less movement-orientated due to a variety of factors. This generation of children is projected to be the first in many generations to have a shorter life span than their parents. Part of the reason this for this occurring is based strictly on students lack of access to movement oriented activities for sixty minutes a day. Removing physical education, which is one of the few movement oriented activities, would not enhance academic performance, and would contribute to the increase in sedentary lifestyles. You know that activity habits are formed very early in life. People who are active when young have a higher likelihood of becoming active adults. It has been projected that the United States spends nearly 150 billion dollars a year to treat sedentary lifestyles. Removing physical education from K-12 schools will not only not save money in the short term but will cost us more in the long run. We know that engaging in physical education can help students develop the skills knowledge and attitudes necessary to become lifelong leaders. Students who attend physical education in class see a decrease in levels of stress, anxiety, social isolation, and depression while simultaneously benefitting from effects ranging from increased self-esteem, confidence, academic performance and feelings of well-being. All of these positive side effects mean that students are benefitting physically, positively, and emotionally. Removing the state physical education mandate will have a negative effect for generations to come. Negative effects that will cost all of us far more than it costs us to offer for physical education. I would like to thank you for allowing me this time to address this issue to the task force on behalf of the Illinois Association of Health, Physical Education, Recreation and Dance. I leave you with this: physically educated students are happier, healthier, and smarter because of the time they spend in K-12 physical education.

b. Cynthia Riseman Lund, Illinois Federation of Teachers

I'm Cynthia Riseman Lund and I am legislative director for the Illinois Federation of Teachers. I would like to address a few recommendations specifically. There are currently two processes for mandate waivers. The school districts can go to the State Board of Education and request a waiver if they need the flexibility. Over the past five years about 700 districts have asked for the waiver requests, so the process is working. My first concern is with recommendation #7. This recommendation cuts corners. We want workers in the schools from the community, not an outsider who works for a company and might not have the students' best interest at heart. Research has shown inexperience with training with employees coming in from these contracted companies. The other recommendation I have issue

with is the physical education one. I am in agreement with the previous commenter. It is very important to our teachers for kids to have time to get recess and physical education. Regarding drivers education, we support the efforts to make drivers education affordable and accessible. By saying they should be contracting out, this might limit accessibility. We feel that it should be in public schools so it is affordable and accessible to all students. This keeps all of us safer, including all drivers on the road.

c. Jason Keller, IL AFL-CIO

Hello, I am the legislative director with the IL AFL-CIO. I would urge the task force to move public comment before the vote as opposed to after. Regarding Recommendation #2, we believe the collective bargaining process should be protected. As the recent vote in the House shows, there is not support to take away collective bargaining. Moving on to Recommendation #5 we also oppose this proposal to repeal prevailing wage. Recommendation #6, in the rationale it says that Illinois has the third highest public corruption rate in the country, I'm not certain how that is quantified but if I were a local government official I would not want to be endorsing that.

d. Mark Poulos, IH, IL, IA FFC

Mr. Poulos later submitted documents to the record by mail.

Regarding Recommendation #5, we would adamantly oppose reforms in this area. There were several claims from prior meetings that prevailing wage increased the cost of project contracts. I sent FOIA requests to these municipalities and they responded they did not have supporting documentation. One thing that advocates of the repeal will say is that in order to reduce construction costs, we should lower wages. I live in Indiana and they just repealed prevailing wage laws recently. It's easy to balance budget when you say we're going to pay people less money. In Indiana, where they just repealed prevailing wage, they rank 36th in per capita income and 6th in income inequality. In Illinois we are 50th in income equality and 17th in personal income. Why is prevailing wage so important? Because governmental bodies are the biggest contributor to the construction market in IL and across the country. Wages in the private sector are established primarily with unions and collective bargaining. There is a misconception that collective bargaining and prevailing wage are equated wages when really they are negotiated between labor and management. Contractors make decisions based on if they can be competitive in the marketplace and unions make decisions based on if their

workers can participate in these roles as careers and not just jobs. Prevailing wage is about creating careers. It reflects the market wage in the 102 counties of Illinois. From May 2014 to May 2015, in the northern counties there was 1.2B in IDOT work contracted for, and 1.16B was done with contractors required to pay prevailing wage. Individuals who work for prevailing wage support careers, not jobs, through accreditation training programs. These individuals have spent more time training for their career upon finishing their accredited program than does a student finishing a four-year program with a typical 120 credit hour course load. We need to support prevailing wage.

e. Steve Scott, IL High School & College Driver Education Association

Contracting already exists and is in place. We don't understand the recommendation when it is already in SB3367. I want to remind everyone that Drivers Education is a funded mandate when school fees and reimbursement come in. Drivers Ed teachers are at a lower cost than other teachers when these funds come through. Drivers Ed in schools also ensures that students have equal opportunity. Our concern is with the 73% of students that take Drivers Ed in public high schools. We have a lot to offer this Task Force in terms of objective information to make an informed decision and we would like to have opportunity to provide this.

f. Brent Johnston, IL High School & College Driver Education Association

Mr. Johnston submitted documents to the record.

Thank you for the opportunity to present to you today. We represent not just the teachers but the young people who enjoy our services. I would like to read a small segment from the waiver law, "Waivers or modifications of administrative rules and regulations and modifications of mandates of this School Code may be requested when a school district demonstrates that it can address the intent of the rule or mandate in a more effective, efficient, or economical manner or when necessary to stimulate innovation or improve student performance." The most important part of this waiver created by our legislators I will read to you, "Waivers may not be requested from laws, rules and regulations pertaining to special education, teacher certification, or teacher tenure and seniority or from compliance with No Child Left Behind Act of 2001." That is a very key statement and very contradictory to where this recommendation has gone. We are on a very slippery slope when we start challenging teacher certification on teaching our students. If we are challenging Drivers Ed now what will be next? Art, music, or PE? My next document that I created is in regards to study I did 2 years ago. Everyone says Drivers Ed is too expensive in public high schools.

Compared to what? No one has ever done a study looking at or comparing the cost of other subjects in schools. So I FOIAed every school district in the state. Out of six disciplines studied, public high school Drivers Ed ranked in the 5th or 6th least expensive slots in 82.5% of all high schools investigated. It ranked in the bottom half for expensiveness in 91.3% of high schools studied. Other academic subjects were consistently more expensive than Drivers Ed. Drivers Ed was consistently the least expensive subject taught. If we are going to start attacking academically mandated subjects, we need to start looking at the electives. I love sports, but if money is so tight that we are going to start attacking the certification of instructors, then we need to get rid of sports and extra-curriculars before we start attacking academics.

Adjournment

Lt. Governor Sanguinetti announced the next meeting is June 24th from 1-3pm in Room 212 of the Capitol Building.

Lt. Governor Sanguinetti motioned to adjourn at 5:14PM. Brad Cole moved the motion and Warren Dixon III seconded. All ayes with no nays recorded.

Next Meeting

June 24th 1pm-3pm
Room 212, Capitol Building
Springfield, IL