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CENTER FOR GOVERNMENTAL STUDIES Northern Illinois University

issue: *Modernizing Illinois' Governments And Improving Their Efficiency*

by Norman Walzer and Sri Chockalingam

- *The severe fiscal stress facing Illinois' local governments is made worse by the antiquated structure within which they must operate.*
- *A bi-partisan Government Consolidation and Unfunded Mandates Task Force has been working to modernize the local government system.*
- *The Task Force's recommendations are described herein along with the outcomes of similar efforts being made in other states.*
- *Illinois can learn valuable lessons from the experiences of other states.*
- *Illinois local governments should be offered inducements to promote local responses to the need for further discussion and actions regarding local government modernization proposals.*

Editor's Note: Like Illinois' state government, many of its local governments are experiencing severe fiscal stress, much of which is a product of outdated provisions for delivering public services. It is time for Illinois leaders and citizens to take a good look at what other states comparable to Illinois are doing to modernize their fiscal and service delivery concerns. The authors of this *Policy Profiles* have taken such a look and share their findings here.

With the State of Illinois, the City of Chicago, and the Chicago Public Schools all facing serious fiscal issues, Illinois voters and their public officials have *every reason—indeed an obligation*—to be concerned about the escalating costs of delivering state and local public services.

The decline in Illinois' population relative to other states, recent declines in the size of Illinois' congressional delegation, and the *increasing* competition to retain and attract industry—especially after the 2008 recession—all combine to give Illinois taxpayers *further reasons* for concern about the way public services are financed and delivered.

There are a variety of structural causes of the current fiscal crises in Illinois. They have evolved over time and have been very resistant to change. Some are directly related to the way that the state has structured and failed to modernize its local government system. These are set forth in Figure 1 on the next page.

These long-term local government issues led Illinois Governor Bruce Rauner to launch a major initiative in 2015 to modernize local governments by creating a 28 member bi-partisan *Government Consolidation and Unfunded Mandates Task Force*, chaired by Lt. Governor Evelyn Sanguinetti. The Task Force was to help local governments be more efficient by removing obstacles preventing modernization efforts. The basic premise was that successful changes must start with residents' desires to revise the system, not state-imposed changes based on a one-size-fits all approach.

Especially important in reducing costs is to identify burdensome unfunded state mandates and find ways to remove or change them. The Task Force held 17 meetings across the state at which local groups presented information about how mandates affected their operations. Task Force members analyzed this input and generated 27 recommendations regarding mandates and how their burdens could be alleviated. It issued its final report on December 31, 2015.

The Consolidation and Unfunded Mandates Task Force was not the first such effort to address governmental structure in Illinois. A Local Government Consolidation Commission, chaired

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by Representative Jack Franks, held 11 hearings and issued a report in 2013 calling for actions including a detailed examination of unfunded mandates imposed by the Illinois General Assembly that drive up local costs. The 2015 Task Force built on this previous work by examining state mandates in considerable detail and several previous Commission members also served or participated in the Task Force efforts to provide continuity.

This *Policy Profiles* issue describes Task Force activities and recommendations, comparing them with similar efforts or outcomes of statewide initiatives in other states. The discussion begins with the rationale for the Illinois initiative, continues by describing Task Force recommendations, and then examines progress made in other states to deal with the same problems. Illinois can learn valuable lessons from the experiences in other states.

Why did Illinois need this statewide effort?

Basic sources differ in their count of the number and classification of local governments in Illinois. The 2012 Census of Governments reported 6,963 independent local governments in Illinois, but the Illinois Office of the Comptroller identified 8,480 legal entities.ⁱ By comparison, Texas had 5,147 independent units and Pennsylvania had 4,897 in 2012. However, these counts in other states may not include all local governments, as is true in Illinois, but comparable information is not available for all states. Also true is that not every governmental unit can levy property taxes with some financed from user charges or other federal or local sources.

Nevertheless, the patchwork quilt of local governments impedes transparency, making it difficult for residents to know exactly which governmental units are responsible for providing a service, let

Figure 1 Structural Problems Confronting Illinois State and Local Governments

- Illinois has far more units of local government than any other state.
- Illinois ranks high among states in effective property taxes which have sometimes been blamed for residents and businesses leaving the state.^a
- Unfunded mandates imposed on local governments by state and national governments significantly increase the cost of local governance.
- State imposed limitations on the taxing authority of local governments, especially on property tax levies, contributed greatly to the growth of all kinds of overlapping government agencies, many with independent power to impose their own property taxes.
- Service delivery arrangements that must be maintained despite being outdated by population changes and technology advances.
- Government structures that were designed well over a hundred years ago when transportation, telecommunications, and technology were entirely different.
- The expansion of urban populations beyond city boundaries into what were once rural areas, but have since become suburban communities requiring new governments to provide them with needed urban services.
- Limited efforts to plan and coordinate suburban development provided a hodge-podge of overlapping governments in suburbia.

^a Effective tax rate is calculated as tax collected divided by market value of property.

alone knowing the associated costs. Equally likely is that a more complex governmental structure leads to more reliance on property taxes in financing public services since many small governments are often limited in their use of other revenue instruments. The Tax Foundation reported that effective residential property taxes (taxes divided by residential market value) in Illinois ranked second highest among states in 2014, up from seventh in 2005.ⁱⁱ Likewise, based on Census of Governments data, the overall operating expenditures for local public services in Illinois increased 23.8 percent between 1992 and 2012, after adjusting for inflation. Thus, Illinois has the largest number of governments, second highest effective property tax rates, and

had a substantial increase in operating expenditures by local governments.

Illinois also has a long history of General Assembly imposed *unfunded* mandates requiring services or actions by local governments without also providing revenues to pay for them.ⁱⁱⁱ For instance, in prepared testimony to the Task Force, the Illinois Municipal League identified 266 unfunded mandates on municipalities since 1982 and the Illinois Association of School Boards documented 145 state mandates since 1992. These mandates increase local costs and, in some cases, brought higher property taxes.

So, how did the Task Force respond?

Task Force actions were based on input from taxpayers and local public officials using three main sources.

- First, residents and local public officials posted information about burdensome unfunded mandates on the Lt. Governor's website for Task Force deliberations.
- Second, the Center for Governmental Studies at NIU (CGS), working with seven statewide local government organizations such as the Illinois Municipal League, Township Officials of Illinois, and Illinois Association of School Business Officials, surveyed their members about burdensome mandates with a total of 500 responses from local governments.
- Third, after completing its report, the Task Force issued 27 recommendations to the Governor and the General Assembly addressing the issues raised. These recommendations are listed in the **Appendix**.

In light of the importance of promoting the modernization of local public service delivery, the Task Force also invited testimony from public agencies in Illinois that had successfully reduced their costs by collaborating and sharing resources. DuPage County, Lake County, the Arthur School District located southeast of Decatur, and Sangamon County were among those providing detailed information about their experiences with cost-savings. This information is provided in the Task Force report on the Lt. Governor's website. After the report was filed in December 2015, the Office of Lt. Governor Sanguinetti worked with local legislators and other groups to draft legislation placing Task Force recommendations in the legislative

process, and proposed legislation has been introduced.

What have other states done?

Indiana, Michigan, New York, Ohio, and Pennsylvania, among other states, actively reviewed their governmental structures and unfunded mandates in the past several years, and are now engaged in consolidation, shared services, mandate relief, and other activities. These states, like Illinois, are facing a shortage of resources which makes collaboration and other cost-reduction measures even more important. Illinois can learn from approaches and experiences used in these states, although the issues in each state differ. Some of the most important initiatives are examined next.

Collaboration and Shared Services: Ohio. Ohio is one state that focused many efforts on shared services as a result of its research on consolidation.^{iv} It created a website, *SkinnyOhio*, which provides a database for building "skinnier, smarter government by providing efficient, cost-effective services by Ohio's local governments and communities."^v

The website has three categories that address ways to reduce the number of local governments. *Think it, See it, and Do it*, are the main tabs for viewers on the user-friendly database. The *Think it* section explores common opportunities for savings in a variety of important governmental functions: operations, financial, shared services, and facilities.

The *See it* section is a performance database providing real-world examples to improve operations, identify costs-savings, and generate sustainable, balanced budgets. In this section, users can search ideas by county and category to obtain samples of efforts currently underway.

The *Do it* section contains resources to help other states begin the process of reducing the costs of local government. This section covers funding sources, research studies, and feasibility or networking opportunities for best practices. The site incorporates the innovation and research about Ohio's community shared resources and government consolidation in one user-friendly and efficient database.^{vi}

Consolidation and Shared Services: New York. New York has a long history of sharing community services to promote government efficiency. Cooperative agreements between two or more local governments typically fit into two categories: service agreements and joint agreements. One of the most popular shared service arrangements involves sharing facilities. These agreements are simple and convenient with all parties gaining benefits and cost-savings. For example, police departments in New York have shared-service agreements to cover other cities for police services. In 2013, a reported 39 percent of agreements were inter-municipal in New York State. Twenty-six percent of these agreements share services by contracting with another government and six percent of shared services are through informal understandings.^{vii} Many of these shared-service agreements involve public safety, transportation, and social services.

Collaboration and Shared Services: New York and Ohio. New York and Ohio both implemented innovation grants to help interested communities create more efficient and effective service delivery. Ohio created a Local Government Innovation Fund (LGIF) from which a \$100,000 award is available to local governments exhibiting efficiency, shared services, and successful merging of local government services.^{viii} In New York, Governor Andrew Cuomo introduced a municipal consolidation and

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efficiency competition which challenges counties, cities, towns, and villages to develop innovative consolidation action plans that create significant and permanent property tax reductions. The consolidation partnership that can implement the highest permanent reduction in property taxes receives a \$20 million award.^{ix}

Consolidation and shared services: Pennsylvania. Pennsylvania's Department of Community and Economic Development compiled a *Boundary Change Procedure Manual* with standards for units of government considering consolidation.^x For example, boroughs (a version of Illinois villages) must have at least 500 residents and be self-sufficient, which means demonstrating sustainability through their own services and an ability to solve local community problems. This requirement translates into the ability to provide local public safety services, such as police and fire, as well as community facilities, including water, sewage treatment, and streets, among others.

Consolidation and shared services: Indiana. Indiana's, *Commission on Local Government Reform* made several recommendations to the state legislature regarding consolidation of communities and services. One was to consolidate emergency public safety dispatch by county or multi-county region. Legislation enacted in 2008 required no more than two public safety answering units (any service needed to respond to a 911 call; police, 911 operators, facilities, etc.) per county by December 2014 in an effort to consolidate services and save money. Police departments have worked together to improve officer efficiency in responding to calls, thereby saving taxpayer money.^{xi}

Indiana created the Marion County Small Claims Court Task Force in 2012, and, by 2014, 33 recommendations passed

that have been implemented. The task force recommended that Marion County's township courts be abolished. It also transferred township small claims courts to larger superior courts in the state to reduce legal expenses in small communities. This elimination of small courts provides a centralized case management system to make courts faster and more efficient. It also allows judges with smaller caseloads to be assigned to other township small claims courts.

The Indiana Supreme Court has begun requiring debt collectors in Marion County to file their cases in the township where the person accused of owing money lives, works, or signed the contract. This eliminates "forum shopping" by the plaintiff, and streamlines judicial and legal services for Indiana's residents. Indiana also took other steps to eliminate smaller units of government described in **Figure 2.**^{xii}

Figure 2 Indiana House Bill 1309 to Eliminate Townships by 2019

This bill has not been put into effect officially. It provides that on January 1, 2019, in all counties (except Marion County) the following will occur:

- (1) All township governments are dissolved and all township powers and duties are transferred to the county (including township assistance, fire protection, cemetery maintenance, weed control, parks, fence viewing, and any township libraries).
- (2) The duties and responsibilities of the township trustee are transferred to the county executive or the county executive's designee.
- (3) The duties and responsibilities of the township board are to be transferred to the county fiscal body.

Consolidation and Shared Services: Michigan. In recent years, Michigan has tried to consolidate its growing number of school districts. According to a Michigan study,^{xiii} consolidation is cost effective and shared services help community school districts save money. This idea of consolidating small and rural districts can go well beyond cost-savings and improve curriculum and educational opportunities for students. Legal obstacles, such as statutory referendums, can take months or years to pass, so consolidation is not always the fastest way to save costs; shared service agreements are often more expeditious.

Unfunded Mandates. New York, Pennsylvania, and Indiana also provide examples of legislative recommendations regarding unfunded mandates. Some have been enacted while others are still being discussed, but several recommendations provide useful models for Illinois.

New York is actively engaged in mandate relief for schools (K-12), and the New York State School Board Association submitted several recommendations to allow school districts to operate more efficiently and effectively. These are described in **Figure 3**^{xiv} on the next page.

Pennsylvania and Indiana compiled a list of legislative recommendations regarding unfunded mandates. Some recommendations have been enacted into law and have been implemented,

but others have been submitted and efforts are underway to advance them in the legislature. See **Figure 4^{xv}** on the next page. Several of the examples cited in Figure 4 overlap with issues faced by the Illinois Task Force.

Prevailing wages for public works projects in Pennsylvania have increased project costs. Several options were discussed, including: raising the dollar

threshold for public works projects requiring prevailing wages; expanding the definition of maintenance exemptions from prevailing wage to include projects such as road resurfacing and repair, bridge cleaning, resurfacing and painting; in-kind replacement of guide rails and curbs; and line painting. Restructuring the method by which prevailing wages are determined is intended to encourage use of comparable local wages in the area where the work is being undertaken.

What can Illinois learn from implementation efforts in other states?

Comparable efforts in states such as Indiana, Michigan, New York, Ohio, and Pennsylvania, with similar statewide commissions or task forces, suggest several strategies that might be used to maximize successes in Illinois. These are described in the following paragraphs.

Focus on long-term perspectives. Illinois' governmental structure and service delivery systems have evolved over many years as residents requested additional, or different types of, services and arrangements for providing them. Over time, with changes in population characteristics and distribution, even the adjustments became dated and less suitable to current conditions. At the same time, the delivery systems were often created by state statutes or the state's constitution, neither of which is easy to change.

Further, efforts to modify or revise governmental structure in Illinois must recognize that potential cost-savings will not necessarily happen immediately; rather they will evolve over a period of years. However, a lack of obvious and immediate gains may lessen the enthusiasm for changes, especially when they involve a loss of jobs or positions for elected officials or their constituents. Therefore, maintaining a long-term focus is important, if not essential, to successful implementation of a restructuring process.

Similarly, a long-term perspective is essential for attempts to target and plan changes for areas where there is widespread agreement that changes are needed. When change is sought, it can be advantageous to target initial changes in geographic areas in which there is greater, widespread agreement on the need for change. Achieving initial and early successes builds

Figure 3 New York Schools Unfunded Mandate Recommendations

Teacher Accountability New York allows districts to terminate tenured teachers if they have been convicted of a felony, their certification has been revoked by the state education department, or they have failed to obtain permanent teaching certification.

Pension Reform School district employees should be able to enroll in either an existing defined-benefit retirement system or a defined contribution retirement plan similar to those currently offered to other state employees.

Employee Benefits The state should not give away benefits that could be negotiated between school boards and employees. Statutory barriers that prevent school districts from providing employee benefits in an efficient and cost-effective manner should be removed.

New Unfunded and Under-funded Mandates All state mandates should be fully funded and new unfunded and under-funded mandates should not be enacted.

Streamline Reporting Requirements Efforts to reduce or eliminate excessive, and often duplicative, reporting requirements imposed on school districts are encouraged. Many current requirements divert staff time and resources from districts' primary objective of educating students. They also place a heavy burden on state Education Department staff who must spend countless hours reviewing the reports. A comprehensive, streamlined reporting system would benefit everyone.

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Figure 4 Actions in Pennsylvania and Indiana

Notice and Publication: Pennsylvania

House Bill 1268 would authorize electronic legal advertising. This legislation will lower advertising costs since many residents have access to online news and databases. This recommendation has not been adopted to date. However, it is in the 2015-16 legislative session.

Prevailing Wages: Pennsylvania

This legislation (created and adopted as of January, 2014. Act 89 of 2013) raised from \$25,000 to \$100,000 the prevailing wage threshold for locally-funded transportation highway and bridge projects that qualify as a “public work.” Public work means construction, reconstruction, demolition, alteration and repair work performed under contract and paid for in whole or part from funds of a public body if the estimated cost of the total project cost will exceed \$100,000. Maintenance is excluded from the provision. The general Prevailing Wage law did not change, but local highway and bridge projects now are subject to the \$100,000 threshold.

Collective Bargaining: Pennsylvania

Collective Bargaining Arbitration - requires both parties involved in arbitration to share equally all costs. It requires consideration of financial status of a municipality and local economic conditions in determining arbitration awards. Provided for limited judicial review of the determination of the board of arbitration. This recommendation has not been adopted as of yet.

Miscellaneous: Indiana

1. Move funding of child welfare from counties to state. Legislation was passed and implemented.
2. Place property tax assessment under county governments and eliminate up to 160 positions.
3. Transfer municipal health responsibilities to counties and eliminate financial costs for cities. Will also make health departments more efficient and streamlined.

confidence for addressing similar changes in areas where change will be more difficult to achieve.

Emphasize local initiative and control. Successful outcomes will be more likely when local control is emphasized. Rather than taking statewide action to eliminate specific types of government or force other actions, local officials and residents should be empowered to analyze local conditions and design appropriate actions that best meet local needs. In other words, a “one-size-fits-all” solution is not likely to work since what is appropriate in one part of the state may not be effective in other areas. Each region must evaluate local opportunities to modernize its

structure based on local needs and existing political conditions. That process has already started in Champaign, DuPage, Lake, and Sangamon Counties as well as in other communities that have taken steps to modify their delivery system for local public services.

Remove obstacles and barriers. State requirements and regulations become outdated with changes in local needs and sometimes are obstacles in modernization efforts. Rural areas, especially in southern and western Illinois, have lost populations for decades making provision of even basic services difficult in some communities. At the same time, efforts to meet the service needs of rapidly growing populations in

metropolitan areas, such as Chicago—where existing local governments have lacked the authority or taxing powers to respond to residents’ demands for higher levels of services in areas such as park development, libraries, and fire protection—have led to a maze of local governments that is beyond the control, let alone the comprehension, of local residents. Regional governments can play a stronger role(s) in rearranging service delivery in these cases, but state regulations can sometimes limit or prevent such changes. Thus, the greatest contribution the Task Force deliberations can make is to remove barriers and obstacles preventing local officials and residents from making needed changes in structure.

Share information on best practices. Many examples exist of collaborations among local governments in Illinois that reduce the costs of services and they are cited in the Task Force report. Public safety and emergency medical services are especially attractive for sharing specialized equipment and personnel. Unfortunately, such best practices are not often known outside of their immediate vicinity. These actions should be publicized and local officials encouraged to take advantage of new opportunities.

Efforts in Ohio to share public information about effective collaborations have been important in stimulating local governments to innovate and collaborate. Similar efforts could also succeed in Illinois.

Provide incentives for action. Changing the structure of local government is not without its costs financially, politically, or in human resources. Extensive research and evaluation efforts may be needed to determine alternative and better-suited structures or arrangements, and local leaders sometimes have neither the knowledge nor the resources to undertake such analyses.

Recognizing these issues, Ohio provides small innovation funds to local governments interested in examining and implementing new approaches. New York's governor offered a similar incentive by making financial assistance available to communities that initiate ideas for consolidation and government reform. Such inducements help foster further discussions and actions while maintaining local control and initiatives.

What can be learned from the Task Force deliberations?

The largest number of governments, the second highest effective property tax rates, and rising real costs of local public services place Illinois at a significant disadvantage in competing with other states on economic development issues. The recent, almost year-long discussions and deliberations of the state's Government Consolidation and Unfunded Mandates Task Force, and the recommendations sent to the Illinois General Assembly provide local governments with an opportunity to examine seriously ways to provide high quality services at lower costs. A list of the bills now pending before the Illinois General Assembly as a result of the Task Force's work is presented in the **Appendix**.

Many local government agencies and leaders are evaluating and formulating actions based on the work of the Task Force. Sharing these examples and promising practices will encourage others to follow suit. Efforts are underway to identify and document the outcomes from these local initiatives.

But the important lesson to be learned from this discussion is that Illinois Task Force efforts can best stimulate productive local initiatives when local leaders are informed about successful practices elsewhere. Successful local actions must be based on informed decisions. The Task Force efforts and results can provide much of this information.

Illinois is off to a promising start on a long-overdue initiative.

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Appendix: Task Force Recommendations and Consolidation Bills

Citizen Empowerment Act

HB 4967 – SB 2464

(Rep. McSweeney & Rep. Demmer) (Sen. Connelly)

Provides that electors may petition for a referendum at the next general election to dissolve/merge a unit of local government. Requires signatures from electors representing 5% of the total votes cast in the preceding general election. Sets forth the requirements for the petition, together with the form and requirements for the ballot referendum. Referendum is approved when three-fifths of those voting on the amendment or a majority of those voting in the election from the dissolving unit and receiving unit of local government.

Provides for the transfer of all real and personal property, and any other assets, together with all personnel, contractual obligations, and liabilities of the dissolving unit of local government to the receiving unit of local government.

County Consolidation of Local Governments with County Appointed Boards (DuPage County Expansion)

HB 4979 – SB 2463

(Rep. Franks) (Sen. Righter)

Expands the Local Government Reduction and Efficiency powers to dissolve units of local government to all 102 counties. Currently powers only provided to DuPage County.

Allows county board, by ordinance, to propose the dissolution of a unit of local government located entirely within one county, to which the county board chairman or county executive directly appoints a majority of its governing board with the consent of the county board, per P.A. 98-126, excluding fire protection districts with full-time employees and special districts organized under the Water Commission Act of 1985. Dissolution of local government is subject to backdoor referendum.

Township Consolidation: Eliminating Obstacles, Optional Highway & Assessor Consolidation

HB 4980 – SB 2470

(Rep. Franks) (Sen. Duffy)

Eliminating Obstacles to Township Consolidation:

- Removes limitation restricting townships to 126 square miles.
- Provides protection against tax hikes from township consolidation.
- Gives counties the choice to retain current form of government when merging townships into county, rather than being forced into commission-form.

Township Assessor Consolidation:

- Allows for the dissolution of the office of Township Assessor and Multi-Township Assessor in counties with less than 15,000 parcels and less than \$1,000,000,000 in equalized assessed valuation.
- Via resolution of county board, resolution of county board for referendum, or by citizen referendum

Township Road & Bridge District Consolidation

- Allows the abolishing of a road district with less than 25 miles of road
 - by a resolution supported by three-fifths of the board of trustees
 - by a resolution of a majority of the board of trustees to hold a referendum
 - by filing of a citizen petition signed by at least 5% of the votes cast in the township in the last general election, and referendum.

Township Consolidation Coterminous Expansion (Evanston)

HB 4968 – SB 2462

(Rep. Demmer) (Sen. Duffy)

Provides that all townships within a coterminous, or substantially coterminous, municipality may be consolidated via a referendum. Referendum may be initiated by a municipality board or petition signed by 10% of registered voters of the township. Provides for the transfer of all rights, powers, duties, assets, property, liabilities, obligations and responsibilities of the township to municipality.

Power currently only applies to the City of Evanston. Would apply to 20 coterminous townships in Illinois.

Unfunded Mandates**School Mandates Relief: Third-Party Collective Bargaining, Drivers Education, Physical Education**

HB 6164 - SB 3098

(Rep. Sandack) (Sen. Barrickman)

Third Party Services: This bill would ease restrictions and financial pressures on schools by removing restrictions on the outsourcing of certain services. Removes a provision that requires any third party that submits a bid to perform the non-instructional services to provide a benefits package for the third party's employees who will perform the non-instructional services comparable to the benefits package provided to school board employees who perform those services.

Commercial Driver Training: Following a public hearing, this proposal would permit school districts to utilize commercial driver training schools for driver's education.

Physical Education: This proposal would provide options to schools and students by providing a better definition of physical education requirements and allowing for alternative means to fulfill these requirements. It would allow school districts to expand the current provisions for exemptions on a case by case basis. An important aspect of this proposal recommends requiring a public hearing at the school board level to approve any relaxation of physical education mandates.

Not Economically Feasible Unfunded Mandate Waiver and Annual Mandate Review

HB 6094 - SB 3182

(Rep. Demmer) (Sen. Righter)

Mandate Exemptions: Creates the Local Unfunded Mandate Exemption Act to provide that all units of local government, school districts, and public colleges and universities may, by a majority vote of the governing body, exempt themselves from any mandate that is unfunded if it is determined that it is not economically feasible to comply with the unfunded mandate.

- Provides for notice, public hearing, and other requirements in order for a governing body to exempt itself from any mandate.
- Prohibits exemption from federally required mandates, mandates pertaining to health and public safety, mandates pertaining to civil rights, and instructional mandates for school districts.
- Provides for appeal procedures by State agencies affected by exempted mandates.

Annual Review: Provides that the Department of Commerce and Economic Opportunity shall submit yearly to the Governor and the General Assembly a review and report on mandates remaining in effect at the time of submittal of the report (this report was last conducted in 1987).

Minimum Manning Repeal and PSEBA Catastrophic Injury Definition

HB 6095

(Rep. Demmer)

Manning Repeal: Provides that in the case of fire fighters, fire departments, or fire district paramedics, arbitration decisions concerning conditions of employment do not include manning levels. The proposal gives elected local officials the decision making authority over manning issues so they can allocate their limited resources in the most efficient manner possible.

PSEBA Definition: The bill contains an additional provision providing clear and reasonable standards consistent with the federal definition for what is considered a “catastrophic injury” under the Public Safety Employee Benefit Act (PSEBA).

Financial Consideration Collective Bargaining

HB 6096 - SB 3179

(Rep. Ives) (Sen. Duffy)

This bill would require arbitrators to use a local government or school districts actual existing revenues as the primary consideration when making wage and benefit determinations during interest arbitration.

Pension Freedom for New Local Government Employees

HB 6097 - SB 3276

(Rep. Morrison) (Sen. Murphy)

Under this bill, local governments would be able to opt-out of existing pension plans for new employees. Blended pension plans of Social Security and 401(k) for non-public safety employees could be created, while blended defined contribution/defined benefit pension plans could be created for public safety employees. Local governments would be permitted to give employees investment control of 401(k) style contributions, such as a choice of mutual funds, stocks or bonds. Under the proposal these options would not be a mandatory subject of collective bargaining.

The bill would also provide that service credit received under an alternative retirement plan may not be transferred to any other fund and may not be used under the Retirement Systems Reciprocal Act.

Public Notice Modernization

HB 6098 - SB 3181

(Rep. Demmer) (Sen. Duffy)

Provides that a school district or unit of local government may publish any notice, agenda, record, or other information or material required by law electronically instead of in a newspaper.

Further provides that any requirement to store or maintain any public record in microfilm or microfiche form shall be satisfied by the school district or unit of local government’s maintenance of such public record in digital form.

Provides that the Illinois Transparency and Accountability Portal webmaster must compile and update notices and digital public records from all school districts and units of local government without websites

Constitutional Amendment re: unfunded mandates

HJRCA 35 -

(Leader Durkin) (Sen. Althoff)

Requires the State to reimburse units of local government for increased expenses resulting from activities mandated by the General Assembly or State executive action. Exempts mandates requested by a local government or predating the effective date.

Makes unfunded mandates unenforceable unless passed by three-fifths of the members elected to each house of the General Assembly and specifically characterized as non-reimbursable.

Endnotes

ⁱEven that number may be an understatement according to testimony presented by the Illinois Association of Drainage Districts at a Task Force Hearing.

ⁱⁱTaxpayers' Federation of Illinois, http://www.iltaxwatch.org/pages/show/tax_facts

A State Mandates Act (PA 81-1562) was signed into law in 1981 requiring the General Assembly to reimburse certain mandates imposed on local governments. See Norman Walzer and Mary G. Holmes. *State Mandates Act: The First Year*. (Springfield, IL: Illinois Cities and Villages Municipal Problems Commission.)

ⁱⁱⁱA complete copy of the Task Force report is available on the Lt. Governor's website at: <http://www.illinois.gov/ltg/issues/localgovernments/Documents/Local%20Government%20Consolidation%20and%20Unfunded%20Mandates%20Task%20Force%20Final%20Report.pdf>

^{iv}Ohio Initiatives can be found at: <https://ohioauditor.gov/skinnyohio.html>

Shared Services Among New York's Local Governments Best Practices and Tips for Success, <https://www.osc.state.ny.us/localgov/pubs/research/sharedservices.pdf>

^vThe State of Ohio's SkinnyOhio is described at: <http://skinnyohio.org/>

^{vi}Ohio community grants are described at: https://development.ohio.gov/cs/cs_localgovfund_rd3.htm

^{vii}9th Proposal of Governor Cuomo's 2016 Agenda: Municipal Consolidation Competition to Continue Making New York Affordable, <https://www.governor.ny.gov/news/9th-proposal-governor-cuomo-s-2016-agenda-municipal-consolidation-competition-continue-making>

^{viii}Ohio community grants are described at: https://development.ohio.gov/cs/cs_localgovfund_rd3.htm

^{ix}9th Proposal of Governor Cuomo's Agenda: Municipal Consolidation Competition to Continue Making New York Affordable, <https://www.governor.ny.gov/news/9th-proposal-governor-cuomo-s-2016-agenda-municipal-consolidation-competition-continue-making>

^xPennsylvania Boundary Change Procedures 2014, http://community.newpa.com/download/local_government/handbooks_and_guides/intergovernmental_cooperation/Boundary_Change_2014.pdf

^{xi}Indiana LGR Legislative Update 2015, <https://www.indianalocalgovreform.iu.edu/index.html> J. Palmer (Personal Communication, January, 11 2016).

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^{xiii}Michigan Consolidated State Application Accountability Workbook, <https://www2.ed.gov/admins/lead/account/stateplans03/micsa.pdf>

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