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Illinois schools are left hanging during budget crisis

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SPRINGFIELD, Ill. — Even as school districts around Illinois prepare for the delay of millions of dollars in scheduled state aid this week because of the state's budget crisis, a pending law that could ease their plight sits unsigned on the desk of Gov. Rod Blagojevich.

State lawmakers and school district officials expressed frustration Tuesday that Blagojevich had yet to sign into law House Bill 357, which would allow school districts to more easily move money among various funds within their budgets.

The bill is a routine three-year extension of a legal authority that expired for the districts on June 30. It was sent to Blagojevich almost two months ago without a single "no" vote in the Legislature. It gives districts more leeway in moving money around among their different budgetary funds — such as transportation, maintenance and education — to shift the money to where it's most needed.

"Right now, we're not even sure if we have the authority to do that," said David Elson, superintendent of Alton School District 11.

The district is preparing for the delay of some \$623,000 that it is supposed to get from the state by Monday.

State Rep. Roger Eddy, R-Hutsonville, a co-sponsor of the fund transfer bill, said it was designed to address situations such as this one, in which school districts need to juggle their finances to deal with unexpected funding losses or delays.

"It gives school districts flexibility," he said. "In the current situation, flexibility from day to day is crucial."

Rep. Jim Watson, R-Jacksonville, another of the many co-sponsors of the bill from both parties, said Blagojevich's lack of action on it illustrated a wider frustration with his governing style.

"He hasn't signed much of anything, unless it's high-profile," said Watson.

In fact, delays in taking action on bills have been the norm for Blagojevich lately. Of more than 700 bills sent to him this year, he had acted on about 30 of them as of Tuesday, according to legislative records.

The administration didn't immediately return messages asking why the fund transfer bill hadn't been acted upon.

If Blagojevich doesn't sign or veto the bill by Saturday, it automatically becomes law, under a constitutional provision that requires the governor to act on legislation within 60 days of receiving it.

But some school districts would have liked to have had that authority in the past few weeks. More than 900 districts are shuffling their budgets to cover the delay of \$170 million that schools were supposed to get from the state within the next few days but now probably won't because of the budgetary impasse.

"It absolutely does make it easier" if districts can move money around among funds when facing the delay of state checks, said Brent Clark, executive director of the Illinois Association of School Administrators.

Clark said school officials statewide were experiencing anxiety about the state budget showdown. Although virtually all districts affected by the funding delays will be able continue operating after next week, the problem will only get worse if the impasse continues, because school aid checks are scheduled in bimonthly payments.

"We're doing our best to prepare for a worst-case scenario," said East St. Louis District 189 Superintendent Theresa Saunders, whose district is supposed to get about \$2.5 million from the state twice a month, including a payment late this week or early next week that is likely to be delayed by the Springfield budget impasse.

Lee Triefenbach, the East St. Louis district's chief financial officer, said the district's budgetary reserves could get it past a few missed payments, assuming that money is repaid upfront by the state as soon as a budget agreement is finally reached. Saunders predicted that would happen soon.

"I don't believe either party wants to incur the wrath of their communities" by putting schools in jeopardy, said Saunders. "We're not panicked here. We're concerned, but we expect things to turn around."

However, there was little indication of that on Tuesday in Springfield, where the Legislature remains in session more than a month into the new fiscal year without a budget.

Blagojevich is demanding major new spending on health care, education and infrastructure. Legislative leaders say the state can't afford Blagojevich's budgetary agenda. Neither side has budgeted.

State Comptroller Dan Hynes, whose office issues state checks, says the state lacks legal authority to send out school aid, government employee pay or other kinds of state government payments.

Blagojevich's office disputed that conclusion on Tuesday, saying the state should be able to pay workers because the state still has money even if it lacks a budget. However, an appellate court decision cited by the attorney general's office specifies that state paychecks can't legally go out in the absence of a budget.

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