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Topinka Proposes Two-Year Education Property Tax Freeze Statewide & Record Funding for Illinois Schools

Part of Groundbreaking Four-Year Budget Recovery Plan

***Solves State Budget Nightmare with No Tax Increase;
Establishes Chicago casino as a Gaming Asset to take pressure off taxpayers***

ELMHURST, IL – Illinois GOP Gubernatorial Nominee Judy Baar Topinka today announced an unprecedented four-year budget recovery plan for the State of Illinois that will solve the state's worst in the nation budget crisis without raising taxes.

The highlights of the plan include a two-year property tax freeze for every property tax payer in Illinois and a record four-year level of funding for Illinois schools.

“Our plan will get Illinois’ fiscal house in order, balance the budget, get people working again and provide critical tax relief for the people of Illinois,” Topinka said. “Every Governor has their priorities. My priority will be the taxpayers – and this plan will help them.”

“In Illinois, we rely too heavily on property taxes for education. So today I am announcing the cornerstone of my campaign for Governor. I will fix the budget, provide record funding for schools – and I will freeze property taxes for education for two years for property tax payers throughout Illinois.”

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It is time to begin the discussion on property taxes. They're too high. The state needs to pay a greater share of education in this state."

Under Topinka's plan, the state makes up a \$10 billion shortfall over the next four years and is able to provide critical resources for schools, road construction, building safe and modern classrooms, and public safety.

The proposal says how she will pay for it: Through budget cuts and establishing a land-based casino in the state's tourism and convention hub – Chicago. Out of fairness, the nine existing Illinois riverboats will be allowed to purchase additional gaming positions to meet market demand.

In contrast to Rod Blagojevich's plan to sell state assets, Topinka's proposal is actually "establishing long-term revenue assets for the taxpayers."

The Chicago casino and additional positions at the existing nine casinos, along with a licensing change for riverboats and other related revenues, will reap an estimated \$5 billion for taxpayers over four years.

"There are no good options to address the Governor's enormous budget mess. While the plan makes dramatic cuts, the problem is too great for cuts along," she said.

"It's time we put the state's 10th riverboat license to work for taxpayers. So today, I am proposing that Illinois establish a land-based casino in Chicago where millions of tourists visit our state every year. It will pump billions into our economy and will become a long-term asset to bring in revenue for the taxpayers of this state."

"Through this proposal, Illinois can generate billions, spur economic development and create jobs. It will also help the largest city in the state compete in the convention and tourism industry.

Other highlights of the plan include:

- No tax increases.
- Billions in budget cuts including pork projects in the state budget and political jobs.
- Full funding of state pension obligations.
- Gas tax relief in the form of Topinka's proposal to cap the sales tax on gas at \$2.50

This plan also provides critical funding in the following areas:

- Tuition relief for students at colleges and universities - \$950 million for higher education entities throughout the state
- \$2 billion road program to expand and maintain Illinois roads, bridges and state facilities.
- \$3 billion to build new safe and modern classrooms throughout Illinois.

The plan eliminates the raids on dedicated state funds and provides new resources for public safety, veterans, state parks, as the state will build up the state's cash reserve.

Under the Topinka-Birkett Four-Year Budget Recovery Plan there will be no income or sales tax increases. The plan provides for record education funding and the state fully funding its pension obligations.

Two-Year Property Tax Freeze for Education Statewide

A centerpiece of the plan calls for a cap on property taxes for education for two years for every property tax payer in Illinois. Tax caps have been effective in limiting the total amount of growth in tax bills, but over-reliance on property taxes continues to grow and tax bills are rising every year

Because education levies comprise nearly 60 percent of the property tax bill, Judy Baar Topinka wants to freeze the total amount of property taxes collected by school districts for two years and replace the affected school revenues with additional funding by the State.

Illinois schools will continue to realize additional revenues as if property tax collections were not frozen, and no school district will lose funds due to this proposal. The combination of the freeze and new state revenues will provide more than \$2 billion in tax relief to Illinois taxpayers.

"It's a fact," said Topinka. "Illinois' reliance on property taxes is too heavy. Taxpayer's need and deserve a break."

Record Education Funding & School Construction

Topinka's plan provides for the largest four-year funding increase for schools in Illinois history. The total additional funding for education and teacher pension payments over four years would be \$8.2 billion.

In addition, the plan calls for a \$3 billion school construction bond program that would build safe and modern schools. Blagojevich did not provide a school construction program during his four-year term.

Establishing gaming Assets for Taxpayers

The Topinka-Birkett plan is markedly different than that of Rod Blagojevich. Following four years of borrowing and attempts at selling state assets, Topinka has proposed a solid, long-term funding mechanism by establishing a land-based casino in the City of Chicago.

"While I have been a critic of gaming for many years, I recognize the serious financial problems this state faces," said Topinka. "

Currently, Illinois law provides for 10 casino licenses, but only nine are in operation. The Illinois Gaming Board revoked the 10th license and has attempted to take jurisdiction of it, but due to legal challenges, the Board does not have the authority to put it out to bid, and therefore the State is losing precious revenues.

Illinois Gaming Board Integrity

The Topinka-Birkett plan also calls for integrity at the Illinois Gaming Board. Reform proposals include:

Gaming Board Independence

The Illinois Gaming Board (the "IGB") should be an independent entity, separate and apart from the Illinois Department of Revenue, or any other State agency.

Gaming Integrity Unit - Establish Independent Gaming Board investigators

The Illinois Gaming Board will hire its own investigative officers, known as the Gaming Integrity Unit, and the unit members shall be provided with all appropriate police powers.

The IGB should be free to regulate casino gaming in Illinois without political influence

Prohibit gaming lobbyists from having any contact with Gaming Board employees or Governor's Office employees regarding employment at Illinois Gaming Board.

New Qualifications and Eligibility for members of the Illinois Gaming Board

- No person holding any elective office or any officer or official of any political party is eligible for appointment to the Board.
- Not more than three members of the Board shall be of the same political party affiliation.

Gaming Board Integrity

The IGB should be empowered to investigate allegations of improper political influence, including political influence in the process of awarding a license.

The Governor has an obligation to the people of the State of Illinois to ensure that at all times, the IGB is comprised of the most qualified persons available and that the IGB has a sufficient number of members to meet the quorum requirements.

Greater Access and Openness of State Budget

The plan also calls for serious budget reform. Components of the budget reform include:

Open Budgeting – "Seven Days of Sunshine" Constitutional Amendment

The constitutional amendment would be proposed to the legislature in January 2007. Pursuant to Section 2 of Article XIV of the Illinois Constitution, a 3/5ths vote of the members of each chamber of the Illinois General Assembly would place the amendment on the 2008 General Election ballot in Illinois. The amendment is required to be passed at least six months before the 2008 General Election.

Easy-to-Read Budget Documents on the Web

During Seven Days of Sunshine, Judy Baar Topinka proposes making available an easy to read and search document and/or database that provides details about the state budget. Web project will include comparisons to previous years' state budget information.

Require Full-Page Newspaper Ads or Newspaper Inserts with State Budget Information

Working with good government groups such as the Taxpayers federation of Illinois and the Illinois Campaign for Political reform – as well as higher education government and policy experts – establish a program to print and easy-to-read facts of the Illinois state budget in newspapers throughout Illinois.

Establish State Budget Hotline & Web-Based Information Center

Provide taxpayers with a telephone hotline and Web-based where they can call or e-mail to learn more about the Illinois state budget. The hotline and Information center aim to provide taxpayers with greater detail regarding the spending and revenues of the \$56 billion Illinois state budget.

Include State Comptroller and Treasurer in Budget Discussions

As Governor, Topinka would open up the budget process to the state comptroller and state treasurer. Currently, the state treasurer and state comptroller are excluded from budget discussions with the Governor, but Topinka believes it makes common sense that a Governor would want the fiscal expertise of the office of treasurer and comptroller when discussing spending priorities for the state.

“These are common sense changes to the process,” said Topinka. “It’s only right that Illinoisans know how their money is being spent.”

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