

Illinois budget crisis deepens

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A number of reports and studies have emerged over the past several weeks that highlight the deepening economic and social crisis currently gripping the state of Illinois. The state with the fifth largest economy in the US currently faces an unprecedented \$12.8 billion budget deficit. Governor Pat Quinn and leading state lawmakers from both parties have repeatedly pledged to impose significant cuts to education and vital social services in order to close this gap.

Many of these cuts, which the governor will formally reveal in his March 10 budget address, will be imposed on services that are already woefully under-funded and are crucial to the welfare of society's most vulnerable sections. In almost every facet of life, working people and students in Illinois find themselves in increasingly untenable situations, and these will almost certainly be compounded by the looming austerity measures. A number of reports and statistics highlight the existing misery within the state:

- The official unemployment rate, which does not include those who are underemployed or those who have stopped looking for work, currently stands above the national average at 11.1 percent. The Illinois Manufacturers Directory reported that nearly 52,000 industrial jobs were lost in 2009 alone.

- Property foreclosures jumped up 25 percent over the last year, with 18,000 foreclosure-related notices being served just in the first month of 2010.

- According to the Northern Illinois Food Bank, direct demand for food bank services in Cook County has increased by one-third since 2006, bringing the total number of people receiving emergency food aid to 678,000 for 2009.

- The advocacy group Voices for Illinois Children reported that one in every five children under the age of 5 was living in poverty (defined as under \$22,000 for a family of four). They forecast that nearly one in four Illinois children would be living in poverty by 2012.

Reports of such social misery come as countless social programs and education systems await mandatory state funding, in some cases for several months now. A large portion of the deficit is bound up with unpaid bills to school districts and social service agencies.

The University of Illinois school system is currently owed \$735 million, while the Chicago Public School system is owed \$475 million, just to cite the two largest school systems in Illinois. Universities and county school districts are, in turn, firing thousands of teachers and workers and cutting services and programs. The CPS, for instance, has announced it will cut at least 1,000 jobs this year and close at least 14 schools. The Elgin-based school district U-46 has already cut 348 jobs and several athletic programs as it faces a deficit of over \$60 million. Similar trends are taking place in nearly every school district in the state.

Reports have also emerged that a significant portion of the unpaid bills—at least \$3.8 billion—are owed to a wide array of nonprofit agencies. A recent study by the Center for Tax and Budget Accountability, a Chicago-based think-tank, reported that without new revenue many important programs for homebound seniors, the developmentally disabled, people with mental illness, and children in poverty, will be scrapped. The report also noted that despite having the fifth largest population and economy in the US, Illinois had already ranked near the bottom in health and human services spending prior to 2009.

Transportation services, particularly in the city of Chicago, are also facing massive shortages. The Regional Transit Authority of northeastern Illinois is currently owed \$250 million by the state, and the Chicago Transit Authority faces a budget gap of \$95.6 million for this year. On February 7, the CTA announced that it would begin laying-off 1,059 workers and reducing services by 20 percent, with more cuts

expected to come.

As with every state in the country, the budget crisis in Illinois began to quicken after the sub-prime mortgage bubble burst in 2007. Prior to the recession, a booming housing market had temporarily buoyed the state's economy, particularly in the commercial hub of Chicago. The boom provided a significant number of service and construction jobs, and nearly doubled regional real estate taxes. Since 2007, however, the state's unemployment rate has skyrocketed and property values have plummeted. Many public schools depend heavily on real estate taxes, and have already been subjected to heavy cuts during the last three years of declining property values.

Leading lawmakers and business leaders have stated that they would use this crisis to impose reductions on living standards and wages. Democrat John Cullerton, the Illinois Senate president, announced last week that he would try to change the state's pension system by raising the minimum age at which retirees would receive a bulk of their benefits and lowering the payments for current maximum benefits.

Democratic governor Pat Quinn has already indicated that he plans to, at a minimum, raise income taxes by 2 percent and make significant cuts to social spending. It is believed, for instance, he will announce that schools will lose at least \$920 million dollars in funding for the coming fiscal year, on top of what they are already owed by state coffers this year.

The bulk of school budget cutting comes as a direct assault on the working class, first and foremost on the school workforce. Michael Jacoby, executive director of the Illinois Association of School Business Officials, openly stated to the Chicago Tribune that working people—in this case teachers and school workers—should pay for the deficit: “Eighty percent of what a district spends is on people. Cutting supplies or taking a copy machine out of a school—they are the low-hanging fruit but really won't balance the budget. People are the thing you need to remove to balance the budget.”

No significant media or political attention has been paid to the negligent role by played by Congress and the Obama administration in refusing to send crucial federal funds to the state of Illinois. Instead, most publications simply note that part of the current budget

crisis in Illinois is due to “a reduction in federal stimulus dollars.”

As part of Obama's national “stimulus” plan for education, Illinois received \$3 billion between 2008 and 2009. Judging by the massive deficits facing the state's educational system alone, that money was a mere drop in the bucket—both for what is required to improve public education in Illinois and in comparison to the trillion-dollar bailouts handed over to the banks during the same period.

Working people and students in Illinois, on the other hand, have been subject to declining living standards and educational resources for years. They are being forced to pay for the Obama administration's multi-trillion-dollar imperial adventures in Afghanistan and Iraq, and for the casino-style swindling of the banks and financiers.

The only alternative for workers and students in Illinois is to fight for a principled, socialist political program—one that places social need, democratic rights and rational planning above the drive for endless profit. Workers in Illinois should not view their growing struggles as separate, but rather, as fundamentally connected across all forms of industry and education, and without state or international borders.



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