

Illinois budget crisis sharpens

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As the budget crisis in Illinois deepens, the state government is more openly seeking to use its deficits to push through long-planned attacks on the working class. Many of the measures being planned will severely impact students and youth, as well as teachers and educational workers, both active and retired.

Many states in the US are facing severe budget crises, and Illinois's is among the very worst, with the state expecting a nearly \$13 billion deficit for the upcoming fiscal year. According to the *Wall Street Journal*, the shortfall is equal to roughly half of the state's operating budget; in terms of share of the 2010 budget, Illinois faces the largest deficit of any state, including California.

One reason for the large deficit is the unresolved deficit from the previous year's budget, which essentially pushed approximately \$5 billion dollars into this year's budget, for which there was no funding source outside of short-term loans. Another strategy employed by the state government has been the conscious decision to delay payments to service providers of various kinds. The immediate consequence of this has been the very visible failure of the state to pay out money that it appropriated and promised to government agencies, as well as to municipalities and other service providers. The result of this continued non-payment has been the *de facto* implementation of cuts by these entities themselves.

Prominent among the agencies owed vast sums are the state universities and local school districts. Illinois is \$725 million behind in payments to the Chicago Public Schools (CPS), out of \$1 billion still owed to local school districts. The state's nine public universities are due \$900 million, \$487 million of that to the University of Illinois alone. The worsening position of many local school districts has led to the use of school signs and websites to display the amount of money they are currently still owed by the state. So imperiled are the finances of the state universities that their presidents signed a joint statement appealing to the governor and legislature to work out a reliable and stable payment schedule.

For the fiscal year scheduled to start in July, Democratic Governor Pat Quinn has proposed \$2 billion in cuts, with \$922 million to be taken from spending on primary and secondary education, and another \$400 million from state universities and colleges. According to a report from the *Associated Press*, this would represent an 11 percent decrease. The consequences of these cuts will be drastic and have a profound impact on students and workers. David Vaugt, Quinn's budget director, estimated that "schools would have to lay off about 17,000 teachers."

Controlling as it does all branches of state government and all major

statewide offices, the Democratic Party bears full responsibility for these attacks. So too, the trade unions, which supported the election of these same Democrats and which actively work to suppress worker resistance to their measures.

Following Quinn's announcement of the cuts in state spending, the CEO of CPS, Ron Huberman, announced that CPS would be facing a \$975 million deficit of its own next year. Huberman claimed that without pension reductions, concession from its unions, and job cuts, the district would be forced to increase class sizes, layoff teachers, and cut important programs. Huberman, Arne Duncan's successor, has been a career Daley appointee since his meteoric rise through the ranks of the police department. His most recent assignment was president of the Chicago Transit Authority (CTA). Prior to that he was Daley's chief of staff, which followed a stint as head of the city's Office of Emergency Management and Communications. Huberman's main assignment from Daley has been to continue the program of school closings and privatizations.

Already in the past year, CPS announced the layoffs of 500 administrative and support staff and has ordered three weeks of furlough days for all non-union workers. This is on top of the layoff of 587 workers and the elimination of 132 vacant positions due to the deficit with which the district started the school year. The earlier measure also mandated six furlough days for non-union workers and the imposition of a wage freeze for most central office staff. The CPS made a number of these cuts with the assumption that it would never receive \$200 million that was budgeted but never paid.

Proceeding along similar lines to the other budgetary crises afflicting Illinois and Chicago, such as that involving the CTA, CPS has placed a significant amount of blame for its budgetary problems on the shoulders of teachers and other education workers. Local media, prominently the *Chicago Tribune* and *Chicago Sun-Times*, have eagerly printed numerous stories emphasizing the high wages, pensions, and other benefits enjoyed by public sector employees in an attempt to stoke up animosity against them from other sections of the working class. The hope of the CPS and its media allies is to make the CPS workers feel isolated, so that when moves are made to gut their pay and pensions the unions can easily sell them out.

The plans CPS aims to implement will be devastating to the quality of education it provides to the working class youth of Chicago, though by any measure its quality was already poor to begin with. The official high school graduation rate for CPS in 2009 was only 54.5 percent, and scores for the Prairie State Achievement Examination (PSAE), given to high school students, indicated that 71.5 percent of 11th

graders were below standards, or worse, in reading, writing, and science measures. According to a report in the *Sun-Times*, Huberman has planned for the possibility of increasing class sizes from an average of 30 to 37, which would save \$160 million. On top of the elimination of sophomore athletics and the shortening of a freshman orientation program, which were already announced, CPS would also reduce funding for “full-day kindergarten, magnet schools, gifted programs, early childhood programs, and bilingual education.”

Other school districts across the state have announced their own planned cuts in response to the state budget, in many cases building in the assumption that the state will not pay even what it has budgeted. The school district of Elgin, the second largest in Illinois, has been forced to shutter five swimming pools and eliminate some athletic programs. According to a report in the *Chicago Sun-Times*, some schools in the district are running out of paper and are forced to be increasingly careful with its use. The Illinois Valley Central School District unveiled a budget for next year that includes \$20-\$40 fees for all students in band, chorus, and athletics.

Common programs being eliminated across the state are early childhood education, the arts, and athletics. The Roxana school district, in southwestern Illinois announced that Pre-K education is to be eliminated for the next school year. The school district in Elmhurst announced that it would be laying-off 48 teachers and 12 staff, as well as instituting fees for certain programs and clubs, and raising its facilities rental fee. Spanish language instruction was also pared down. The Morton school district in west suburban Cook County announced the layoff of 230 teachers on March 10, and the previous week Indian Prairie District 204 sent notices to 145 teachers, 6.5 percent of the total.

In response to the announced cuts for next year, the president of the University of Illinois, Stanley Ikenberry, said the school is considering a 20 percent tuition increase. Still waiting on \$487 million in promised funding, the university was forced to make \$82 million in cuts to its operating budget in January, which included the furlough of 11,000 employees. According to a commentary in the *Chicago Sun-Times*, “Two decades ago, the state’s general revenue fund shouldered 38.8 percent of the costs of running the University of Illinois system, but now covers only 16.4 percent. Tuition has spiraled upward to make up the difference. If this continues, some have speculated, the state’s public universities will become virtually private institutions.”

The other state universities are no doubt planning tuition and fee increases of their own, and the effect will be that many students will be unable to afford the increased costs. Those that do enroll will face higher levels of debt, as student loans are the primary means of paying tuition for a majority of students.

Included in Quinn’s budget is also the beginning of what will certainly become a coordinated attack on all workers’ pensions throughout the state. Both the State Universities Retirement System and the Teachers’ Retirement System will be the subject of draconian cuts. According to *Medill Reports*, their budgets will be cut by about \$148 million and \$793 million, representing reductions of 97 percent and 83 percent, respectively.

The crisis in Illinois will by no means be resolved by Quinn’s

proposed budget, and it is almost universally acknowledged that whatever the specifics of the final budget that passes, the state will be borrowing nearly \$5 billion, and pushing around \$6 billion into the budget for the following year. Ratings agencies such as Moody’s have already downgraded Illinois’s credit rating, and currently the only state with a worse rating is California. Increased debt payments due to higher interest rates for state debt are the likely outcome, and of course, even more budget cuts and attacks on the living standard of working people.

There is every indication that the unions are preparing to assist in the destruction of Illinois’s education system, and in the assault on teachers. Quinn’s budget includes \$300 million in pension savings, and the Democratic Senate President John Cullerton, who has been pushing for pension reductions and changes, namely a higher retirement age for new hires, has been confident that a deal on pensions would come through, according to *Crain’s Chicago Business*. The introduction of a two-tier benefit system has been implemented in other industries, notably the auto industry, where it has been used to divide new and old workers against each other and prevent them from engaging in a common struggle to defend living standards.

CPS CEO Huberman also maintains the right, under the current contract with the Chicago Teachers Union (CTU), to declare a fiscal emergency, through which he can compel the union to reopen negotiations over the contract. That such a measure could even be agreed upon speaks volumes about the CTU leadership and the thoroughly bourgeois outlook they share with the ruling elite of Illinois. Through this mechanism, Huberman could prevent scheduled raises from occurring or impose furloughs.

The destruction of the public education system in Illinois is, of course, not merely a local phenomenon. All over the country and throughout the world there is an all-out assault on education, bound up with the crisis of the capitalist system, and receiving its specific character in this sphere from the rejection of the very concept of public education on the part of the bourgeoisie. The successful defense of public education requires that the working class break with the Democratic Party and its adjuncts, the trade unions, and take up a socialist program.



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