

Illinois governor vetoes \$215 million in pension funding for Chicago teachers

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6 December 2016

On Thursday, December 1, Illinois Republican Governor Bruce Rauner vetoed a bill that would have provided Chicago Public Schools (CPS) with \$215 million toward its roughly \$700 million required contribution to the Chicago Teachers Pension Fund. Because the CPS budget for the current fiscal year, approved August 24, assumed the state would disburse those funds, Rauner's veto creates a large deficit in the current CPS budget, bringing the likelihood of mass layoffs and other attacks on teachers and public education during the current year in order to cut costs.

While the Illinois Senate voted to override Rauner's veto, the House adjourned for the year without even taking a vote. A spokesman for Speaker Michael Madigan, the Democratic House leader, said that they "would not be able to override," despite formally holding a one-seat supermajority.

The truth is that the Democratic Party, including leading figures such as Chicago Mayor Rahm Emanuel, Madigan and Senate President John Cullerton, as well as its junior partner, the Chicago Teachers Union (CTU), were fully aware that the \$215 million in funding was illusory and likely to be vetoed by Rauner. But the promise of funding was used to block a strike and extract key concessions from teachers in order to continue the assault on public education and public sector workers that was begun before Rauner was even elected.

The CTU and the pseudo-left organizations, such as the International Socialist Organization (ISO), whose leading member, Jesse Sharkey, is CTU vice president, knowingly maintained the ruse long enough to sell a concessions contract to Chicago teachers and to drive support for the Democrats in the recent election. While CTU president Karen Lewis now claims Rauner "was never going to give us any money," the CTU did

nothing to mobilize teachers and wider layers of workers to defend either funding for public education or for public teacher pensions, which are woefully underfunded.

Indeed, one of the central issues that emerged in last-minute negotiations between CPS and the CTU was over a matter of \$200 million, which CTU president Karen Lewis claimed would provide, "everything we need to fund schools so that they work well." This helped CTU sell the concessions contract, which introduces a two-tier pension system, flatlines wages, and eliminates protections against "economic" layoffs, such as budget deficits.

The \$200 million, which would supposedly have provided funding for more counselors, teacher assistants, and other support staff direly needed by schools, was left to CPS, which claimed it would use "surplus" revenue from Tax Increment Financing (TIF) districts, as well as savings booked from not having to pay \$215 million in pensions out of its own revenues.

The CTU's bogus claims about the funding served to bolster illusions in the Democratic Party just prior to the November elections. It echoed the lies, promoted by the American Federation of Teachers and other unions that this party of austerity and war was actually working toward stabilization of school and pension fund finances.

The \$215 million in CPS funding was part of a stopgap budget deal approved by Rauner and the Democratic Party-controlled legislature at the end of June in order to keep state government running into the new fiscal year, which began July 1. The stopgap budget provided minimal funding for state government, social services and higher education through the end of 2016 as well as funding for public schools for a full year.

At the time the measure was passed, it was widely reported that the \$215 million was contingent on a comprehensive plan to cut pensions statewide, and Rauner justified his veto by explaining he supported the bill “only on condition that Democrats re-engage in serious, good faith negotiations.” Rauner said, “Despite my repeated requests for daily negotiations and hope to reach a comprehensive agreement by next week, we are no closer to ending the (budget) impasse or enacting pension reform.”

Democratic Senate President John Cullerton, for his part, denied that the CPS funding measure required passage of any specific pension reform bill and said, “If he wants to tie it to something else like pension reform, that’s something I am supportive of. We haven’t talked about putting the two things together at this point in time.”

As a matter of fact, Rauner and Cullerton, as well as Madigan and Emanuel, are all in fundamental agreement on the matter of cutting the pensions of teachers and other public sector workers. In 2013, before Rauner was governor, Cullerton and Madigan passed a bill to cut state worker pensions that was signed by the then-governor, Democrat Pat Quinn—a bill that was ultimately ruled unconstitutional by the Illinois Supreme Court. Emanuel’s own plan to cut city worker pensions was also struck down by the courts on the same grounds.

Moreover, the Democrats, who prior to Rauner’s election dominated state government for over a decade, have repeatedly cut education funding at all levels, slashed health care spending, particularly for those with mental health issues and developmental disabilities, and pushed ahead with the continued privatization and cutting of social services. In Chicago, the Emanuel administration has laid off thousands of teachers already through budget cuts and school closures.

Although Emanuel and other leading Democrats were aware the Rauner would likely veto the funding measure, Rauner’s veto itself is part of an overall strategy to force Democrats to enact provisions of his so-called “Turnaround Agenda,” a package of anti-worker provisions including cuts to workers’ compensation, restrictions on collective bargaining, limitations on lawsuits against corporations, privatization of state government and public schools, pension cuts, and term limits for legislators. Illinois has

operated without a full state budget since July 2015 due to Rauner’s insistence that any budget deal must also enact parts of his agenda.

Outside of the provision on term limits, practically none of the components of Rauner’s agenda are items that Democrats have not already passed in some form or another. But the Democrats are worried that some of the provisions in particular, such as an end to prevailing wage requirements and the placement of limitations on collective bargaining topics, would serve to drastically weaken the unions to the point that they could no longer carry out crucial roles upon which the ruling class relies—smothering worker anger and militancy and forcing through concessions.



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