



Written by [Bob Adelman](#) on December 5, 2016

## Illinois Governor Vetoes Chicago Bailout Bill

Illinois Governor Bruce Rauner (shown) [vetoed a bill](#) on December 1 that would have provided a \$215 million bailout of the Chicago public schools. So certain were school officials that he would sign it — allowing them to make a past-due payment to the Chicago Teachers' Pension Fund — that they made it a part of their budget for next year.



The original bill passed by Democrat supermajorities in both houses was for \$700 million, but during negotiations Rauner, a Republican, agreed to \$215 million instead, in exchange for a promise that the Democrats would institute real pension reform. Once the bill hit Rauner's desk, however, all deals were off: Give us the money, said the Democrats, and forget pension reform.

Rauner's veto message is instructive in several regards. It shows how difficult it is for recalcitrant Illinois Democrats to grasp hard reality, and how willing they are to make agreements in order to get what they want — agreements they had no intention of keeping. The governor stated:

Today I return Senate Bill 2822, which would give \$215,000,000 to Chicago Public Schools [CPS] without having reached an agreement on comprehensive pension reforms for the State and local governments. In June we agreed on a six-month funding bridge [conditioned upon] an agreement to end the budget impasse. As a pre-condition to funding schools statewide ... we ... agreed to provide CPS with \$215,000,000 ... but only if we came together to pass comprehensive reform. Without [those reforms] taxpayer money would continue to be wasted on bailout after bailout.... Today [Senate leaders] denied ... that this bill would depend upon first enacting comprehensive pension reform.

Chicago Public Schools CEO Forest Claypool scoffed at the idea that there was any agreement, insisting that Rauner had an agenda that involved hurting the innocent school children in order to get his way. Involving hints of racism, Claypool's rant is textbook blame-shifting:

Governor Rauner has today acted impulsively and recklessly, reneging on his promise to our school children, their teachers and their parents.... By going back on his word, Governor Rauner is treating Chicago children like they deserve less than every other child in our state. With a stroke of a pen, the governor has relegated poor, minority children to second-class status....

Within hours of the veto, the Democrat supermajority in the Illinois State Senate overrode it and passed it on to the House. The House decided to wait until after the first of the year and adjourned for the year without an override vote.



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This is how the game of “kick the can” is played in Illinois. *Huffington Post* explained the rules of the game candidly in October:

Funding pensions in Illinois has been anathema for decades to the operating theory of most politicians, who greatly prefer to spend money today on things voters can see and love immediately [rather] than to sock it away in pension systems. Elected officials get a lot more bang from state budget bucks that lead to ribbon cuttings than from those that bring only nods of approval from pension actuaries.

Perhaps the greatest denial of reality was expressed by Chicago’s Mayor Rahm Emanuel, who declared:

Make no mistake: it’s our children who will pay the price. The governor is lashing out ... and proving just the latest example of his willingness to put the burden of his failures on the backs of the state’s most vulnerable citizens, whether it’s schoolchildren, college students, seniors, or those living with disabilities.

Estimates vary, but experts say that Chicago has unfunded pension liabilities approaching a *hundred billion dollars*. The \$215 million would have enabled the city to make an overdue pension payment to the teachers’ union of \$730 million.

The real issue isn’t funding Chicago’s shortfall, making good on teachers’ pensions, exercising some type of race- or class-based punishment on schoolchildren, or instituting a vendetta on one’s political enemies. It’s much deeper than that.

Chicago is bankrupt. It has been bankrupt for at least the last 10 years. It has been losing jobs, and tax revenues, for years, in an “unstoppable downward economic spiral,” said Michael Bargo at *American Thinker*. Chicago’s population has fallen below where it was in 1920, while the number of white people living in the city has declined to below where it was in 1890. In 2015, the Chicago area lost more than 6,200 residents, the “greatest population loss of any metropolitan area in the U.S.,” according to Bargo. And half of them are millionaires who got tired of bearing the increasing burden imposed by Democrats.

Since Mayor Harold Washington issued his Executive Sanctuary City Order in 1985, illegal immigration has put increasing burdens on those still working. Refusing to face reality, Democrats have continued raising property taxes, increasing the city’s bonded indebtedness and taxes on everything a resident buys: gasoline, cable TV, phone service, alcohol, and parking stickers, among other things.

The state lost 105,000 residents last year and now sports the lowest credit rating of all 50 states along with the highest unemployment rate in the lower 48.

And so far nothing has been said here about Chicago’s provable position as the murder capital of the country.

Why Governor Bruce Rauner, himself a millionaire, not only remains a resident but also the only apparent voice of reason as the state’s governor, is unknown. He sees the problem: pension promises that cannot be kept that were made by politicians who don’t care. To them it’s a hot potato to be passed on to the next legislature to solve.

But it isn’t solvable. Teachers who were planning to retire and move to Arizona or Florida (each retiree is actuarially expected to receive \$2 million from Illinois taxpayers over their retirement lifetimes) will be forced to make other plans. The students will see facilities continue to close. Taxpayers, most of whom are already on some form of federal welfare assistance, will continue to be crushed.

The only ones likely to escape Chicago’s descent into another Detroit are the politicians who voted



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promises that they knew couldn't be kept. They'll be long gone, leaving the mess they have created behind.

*Photo: AP Images*

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