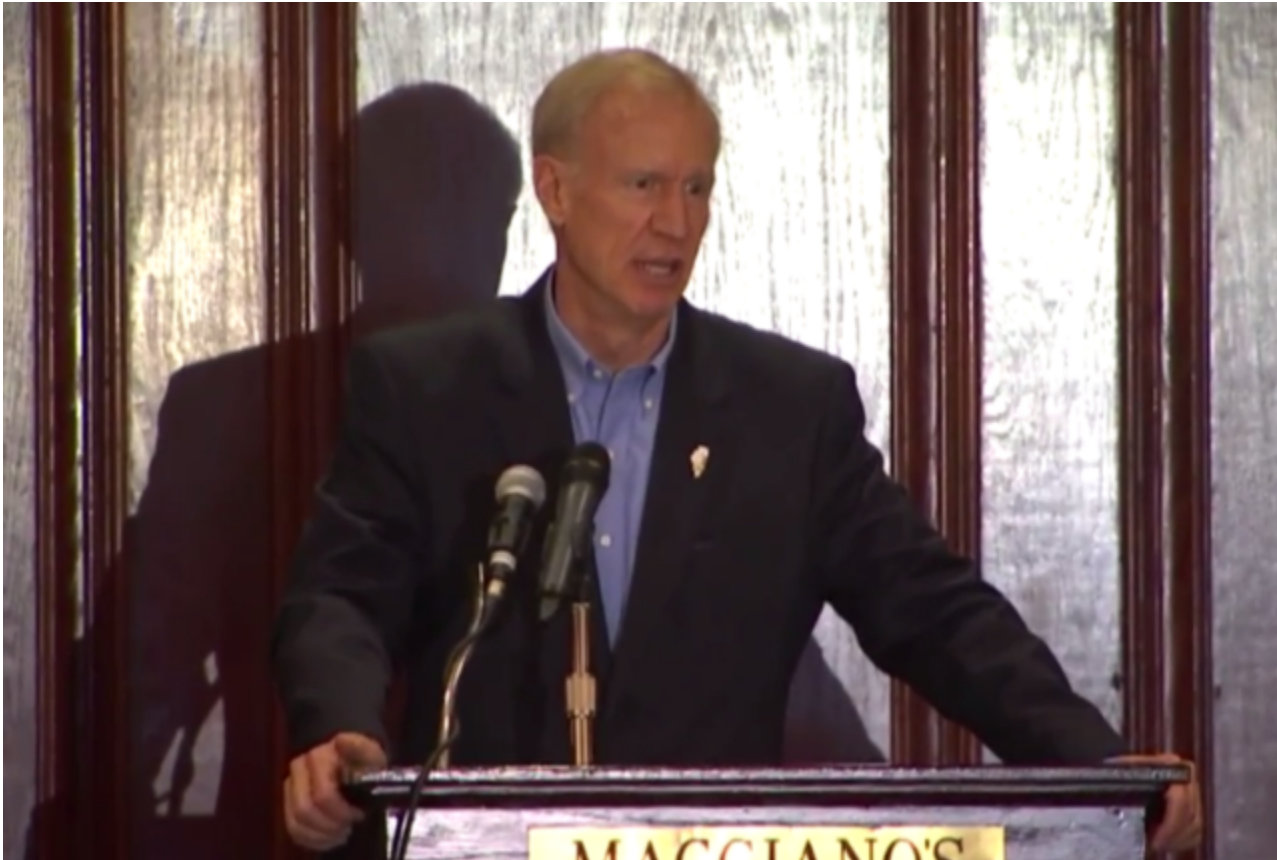


In case you missed it: then and now

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Senate President breaks his commitment on pension reform as negotiated in the June stopgap bridge

The [Chicago Sun-Times](#) on July 2, 2016:

As lawmakers left the Capitol after securing school funding and a stopgap state budget, it became clear CPS came away not only with the potential for long-sought “pension parity” and increased state aid but also a big chunk of a state grant.

CPS is in line for another \$350 million from the state and \$250 million more from property taxes legislators approved Thursday.

So what happened?

Sources close to the negotiations say Mayor Rahm Emanuel and Democratic leaders had asked for \$650 million from the state for Chicago's schools, insisting they otherwise wouldn't be able to open this fall. But Rauner and the Republican leaders balked.

It wasn't until the Rauner administration agreed to give state money for Chicago teacher pensions in exchange for a pension-reform bill that Democratic leaders and Emanuel came close to their target number — and Rauner and other Republican leaders came closer to the pension reform they wanted.

Democratic leaders initially had sought to have a \$217 million appropriation in the budget to pick up the normal cost of Chicago teacher pensions. The Rauner administration countered with a standalone bill to give \$205 million for pensions by June 1, 2017, if the General Assembly passes pension reform by Jan. 1, 2017.

If the pension-parity bill hadn't been tied to pension reform, it would have been viewed as a Chicago bailout.

The state will contribute \$205 million toward Chicago pensions — so far just for the 2017-18 school year, when CPS will owe about \$700 million. That goes away if the state doesn't pass pension reform by January.

“Looking ahead, Chicago taxpayers will be required to pay the full \$740 million in and higher amounts beyond,” according to a CPS fact sheet. “But CPS believes that it is an important indication of the state's willingness to pursue pension equity.”

The [Chicago Tribune](#) on June 30, 2016:

Illinois political leaders cut a deal on a makeshift budget Thursday to keep state government afloat for six months, ensure schools open this fall and rescue the financially struggling Chicago Public Schools — a temporary reprieve to the stalemate that's gripped the Capitol for a year and a half.

Quite temporary, as it turned out.

A few hours later, Rauner emerged from days of sequestration in his Capitol office and doled out praise to Democratic Senate President John Cullerton and Mayor Rahm Emanuel for their "flexibility" and "creativity" in the tricky negotiations.

the package of bills contained about \$100 million in extra state aid for the district and a promise of an additional \$202 million to pay Chicago teachers' pensions. **The pension help is tied to the idea that lawmakers and Rauner will be able to craft a broader plan for dealing with the state's own pension problems.**

The budget passed both chambers with overwhelming bipartisan support, and Rauner swiftly signed it into law. Lawmakers held off sending the governor the bill on the city's transit taxing districts. They also held onto the CPS pension bill because Rauner wants a separate measure to cut state employee retirement costs before he'll sign it.

From [Lee Enterprises'](#) Springfield Bureau from June 30, 2016:

Gov. Bruce Rauner and the Democratic leaders of the Illinois General Assembly put aside their differences long enough to pass a short-term deal Thursday that allows state government to continue operating through December and funds local schools for a full year.

A separate part of the agreement will allow Chicago to increase property taxes to pay down unfunded liabilities in its teacher pension fund, and another will have the state pay \$215 million to pick up the employer's share of city teachers' pensions, something it does for the rest of the state. The latter will be contingent on the Legislature approving additional pension reforms.

And today, Sen. Cullerton broke his commitment in a press conference after the Leaders' Meeting when talking about the agreed-to pension deal:

“We haven’t talked about putting two things together at this point in time.”

From the [Associated Press](#):

Republican Gov. Bruce Rauner has vetoed \$215 million aimed at helping with Chicago Public Schools' pension payments as negotiations with Democrats on an overdue state budget broke down again.

The parties agreed to that funding in June on the condition that lawmakers would work on a separate plan to overhaul a statewide pension system that's more than \$100 billion in debt.

But Rauner vetoed the funding immediately after Democratic Senate President John Cullerton denied Thursday there had been a deal in June.

From the [Chicago Sun-Times](#):

Gov. Bruce Rauner vetoed a bill Thursday that would have given the Chicago Public Schools \$215 million it needs to help pay for teacher pensions, blaming Illinois Senate President John Cullerton for the deal falling apart.

The bill was contingent on a pension reform being passed by the end of the year.

“The election is over. Despite my repeated request for daily negotiations and hope to reach a comprehensive agreement by the end of next week, we are no closer to ending the impasse or enacting pension reform,” Rauner wrote in his veto message. “Still, President Cullerton withdrew his motion to reconsider the bill, ruled that Leader Radogno’s motion was inapplicable and presented the bill to me for approval or veto — forcing me to take action.”

“Then, today, President Cullerton suddenly denied that the leaders had agreed that this bill would depend upon first enacting comprehensive pension reform,” Rauner wrote. “Breaking our agreement undermines our effort to end the budget impasse and enact reforms with bipartisan support.”

When the governor signed off on the deal giving Chicago \$215 million for teacher pensions, it was with the unwritten understanding that CPS would get the money — but only if there was an elusive deal to save state pensions.

Cullerton held onto the bill for months amid concern that Rauner would veto the legislation to squeeze cash-strapped Chicago and strengthen his own hand in the budget stalemate.