

Secretary of Education calls on Chicago Public Schools to support pension reform plan legislation

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SPRINGFIELD – Illinois Secretary of Education Beth Purvis today called on Chicago Public Schools (CPS) to support legislation being filed by Senators Michael Connelly and Jil Tracy, which would enact statewide pension reform while providing CPS with \$215 million for its pension payment.

"At a time when cost-effective, logical solutions are scarce, it is imperative that our state's leaders support any measures that can fill budget gaps and move the state forward in funding our schools," Secretary Purvis said. "The Connelly-Tracy pension package offers a solution to achieving comprehensive statewide pension reform, and provides \$215 million in funding for CPS. CEO Claypool, Mayor Emanuel and education leaders across the state should join together to support this bill as a way to provide statewide pension reform and support the children and teachers of Chicago."

Senator Connelly and Senator Tracy's proposal takes the pension bill (SB 16) from the so-called "Grand Bargain" and combines it with SB 2822 from the 99th General Assembly to provide \$215 million to Chicago Public Schools for its teacher pensions. The bill would include the Tier 3 hybrid plan and budgetary items of SB 16 to make statewide changes to the pension system. Such a package could likely win bipartisan support considering that SB 16 came within four votes of passage and SB 2822 passed both chambers of the General Assembly last summer.

Last June, Governor Rauner and the four legislative leaders agreed the state would pay for one year of CPS' teacher pensions as long as lawmakers passed statewide pension reform. Following President Cullerton breaking that agreement, Governor Rauner vetoed the bill that would have contributed \$215 million from the state to CPS to pay its pensions. Recently, the Rauner Administration offered two paths to help CPS fill its multi-million dollar budget hole, including this proposal or by allowing the city to use its available TIF funds.

The governor <u>announced yesterday</u> that he would sign the Connelly-Tracy package when it reaches his desk.