

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **Lawmakers Unite Against Governor to Give Chicago Some Pension Relief.**

State lawmakers dealt a surprise loss to Gov. Bruce Rauner on Monday when a handful of Republicans joined with Democrats to override his veto of a bill to provide Chicago with financial relief in paying for police and fire pensions.

Meeting on the eve of Tuesday's scheduled adjournment, the move came almost exactly one year after the bill originally passed and only a few days after Rauner vetoed it, prompting a weekend of heated words between the Republican governor and Democratic mayor who once were vacation friends.

The override avoids another immediate City Hall property-tax hike following last year's record increase. The Monday vote also injected a major element of drama into the ongoing battle between Rauner and Democrats who control the General Assembly, one that has left Illinois without a formal state government spending plan for nearly a year.

But there was no sign that the Republicans who backed the override were bolting from Rauner's larger agenda. And as lawmakers faced a midnight Tuesday deadline for the end of the session, no resolution to the impasse appeared imminent. Instead, rhetoric continued to fly from Rauner's Republican allies aimed at veteran Democratic House Speaker Michael Madigan.

An override of the Chicago pension veto had been expected in the Senate, where Democrats hold a 40-19 majority over Republicans. The measure got 39 votes, three more than the minimum. Republican Sam McCann of Downstate Plainview, who beat back a March primary election challenge funded by Rauner allies, joined Democrats in the override.

An override in the House had been questionable, if not doubtful. Democrats have 71 members, the minimum required to overturn a veto, and the bill got just 65 votes when it was approved.

But three Republicans joined with the House Democratic majority — Reps. David Harris of Arlington Heights, David McSweeney of Barrington Hills and Michael McAuliffe of Chicago. McAuliffe's Northwest Side district is home to many police officers and firefighters.

It was the first time that the Democrat-controlled General Assembly has succeeded in overturning a major Rauner veto without first reaching a deal with the governor.

The bill was long sought by Emanuel and provides short-term relief to the city by reducing in the short term how much taxpayers contribute to the retirement funds by hundreds of millions of dollars a year through the creation of a new payment schedule. But it also comes at a price, adding billions of dollars in long-term costs while the city's pension debt continues to grow.

"I particularly want to thank the Democrats and Republicans in the General Assembly for putting politics aside and doing the right thing for Chicago taxpayers, and for our first responders," Emanuel said in a statement. "We in the city agreed to step up and finally do our part to responsibly

fund these pensions, and I want to thank Springfield for doing their part as well.”

Rauner, who has been critical of Emanuel’s governance of the city, in particular for failing to take on the Chicago Teachers Union, issued a statement deriding the override vote.

“Clearly, those who supported this measure haven’t recognized what happens when governments fail to promptly fund pension obligations,” he said. “Instead of kicking the can down the road, local and state governments should instead focus on reforms that will grow our economy, create jobs and enable us live up to the promises we’ve made to police and firefighters.”

In vetoing the bill Friday afternoon, Rauner called the measure “irresponsible” and warned “the cost to Chicago taxpayers” in the long run is “truly staggering.”

That led Emanuel to spend much of the holiday weekend protesting the move and ripping Rauner, saying the governor had “told every Chicago taxpayer to take a hike” and questioning the governor’s trustworthiness. Without the changes in the pension funding schedule, Emanuel said, Chicago taxpayers faced a property tax hike of as much as \$300 million.

Democratic Rep. Barbara Flynn Currie of Chicago, Madigan’s top deputy, called Rauner’s veto “an outrage.” Democrats argued that delaying the pension payment schedule wasn’t ideal, but was necessary to try to prop up the city’s finances.

Some Republicans made that argument, too.

“I very respectfully disagreed with (Rauner),” said Harris, who voted “present” on the bill last year. “I understand his logic in terms of saying that it’s kicking the can down the road, and it does stretch out the payments, absolutely. But at the same time, I believe the mayor has taken some really significant actions to try to address the problem.”

Harris said he notified House Republican leadership of his plans to override Rauner but emphasized his action was “totally separate and distinct” from the governor’s agenda, focused on pro-business changes and altering collective bargaining and workers’ compensation rules.

McSweeney said he voted for the override to prevent a tax hike in Chicago. “I looked at it and I’m not voting for a property tax increase. I never have, never will,” he said.

But opponents sought to play the regionalism card in arguing Chicago was seeking a special deal.

“The truth is, Chicago is basically, they’re coming here again with their hand out,” said Rep. Jeanne Ives, R-Wheaton. “They’re expecting the General Assembly to make a difficult decision for them, but they have the ability to clean up their own mess ... they just don’t want to.”

Following the vote, Madigan and Senate President John Cullerton walked one floor down from the legislative chambers to Rauner’s second-floor Statehouse office for a previously scheduled meeting on the end of session. Asked afterward about Rauner’s response to the override, Madigan said the governor “had nothing to say” about it.

“And,” the speaker added, “I was raised not to cause embarrassment for people, so I didn’t raise it.”

As for chances on a comprehensive budget agreement by Tuesday night, Madigan said he already has planned on scheduling House sessions “every Wednesday through June starting next week.”

It was Madigan and his House Democrats who sent the Senate a budget bill that provides hundreds

of millions of dollars to schools but is at least \$7 billion short of what the state expects to bring in. If it gets to his desk, Rauner has vowed to veto the bill in its entirety.

Many rank-and-file Senate Democrats dislike Madigan's plan, but Cullerton indicated it likely was the one his chamber will vote on Tuesday.

"The budget bill, I should point out, was passed out of the House first but was negotiated by the speaker and myself together. And, especially, the education part of the budget, which increased the education funding by \$760 million, that was totally signed off on by myself and we're working that issue in our caucus," Cullerton said.

Rauner has sought to build pressure on Madigan to agree to some of his wish list by organizing bipartisan groups of rank-and-file lawmakers to negotiate key agenda items. Madigan said his members will continue to take part in those groups, though he said they are unwilling to "sacrifice the interests of the middle class."

On Monday, Madigan held briefings to update House Democrats on the status of those working groups. But in a symbol of the deep partisan divide, the Rauner-controlled Illinois Republican Party issued a news release that likened the briefings as brainwashing "re-education meetings."

Republicans also sought to score points when GOP Sen. Matt Murphy of Palatine tried to enter the Democratic meetings and later asked Madigan's members to "not fall victim to the speaker's ongoing personal vendetta against the governor."

"This seems to me like his attempt to derail (his members) and run out the clock," Murphy said of Madigan.

TRIBUNE NEWS SERVICE | MAY 31, 2016

By Monique Garcia, Kim Geiger and Celeste Bott

Chicago Tribune's Rick Pearson contributed.

(c)2016 the Chicago Tribune

Copyright © 2024 Bond Case Briefs | [bondcasebriefs.com](http://bondcasebriefs.com)