



City of Chicago



R2016-93

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 2/10/2016

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Type: Resolution

Title: Call for Chicago City Council Office of Financial Analysis to negotiate more sustainable revenue streams for Chicago Public School crisis

Committee(s) Assignment: Council Office of Financial Analysis Oversight Committee

RAUNER PREMIUM RESOLUTION

WHEREAS, The State of Illinois, the City of Chicago, the Chicago Public Schools, and units of government across Illinois face unprecedented fiscal challenges caused by Governor Rauner's inability to work with the State Legislature to pass a budget; and

WHEREAS, Governor Rauner delivered his second budget address without passing a 2015 budget and has not presented a plan to pass a 2016 budget because of his obsession over right-to-work and other anti-union policies; and

WHEREAS, there is no end in sight to the Springfield budget stalemate caused by Governor Rauner's failure to recognize that his so-called "Turnaround Agenda" is not supported by the vast majority of working families across Illinois; and

WHEREAS, due to Governor Rauner's callous cuts and dereliction of duty, thousands of low-income families no longer qualify for childcare subsidies, funding for autism programs has been decimated, and countless social service agencies have closed their doors due to unpaid bills; and

WHEREAS, in contrast to Governor Rauner, the Chicago City Council and Mayor Emanuel took collective action to address the City's fiscal issues in the 2016 budget; and

WHEREAS, the City of Chicago raised its property tax levy in 2015 to shore up funding for the Policeman's Annuity & Benefit Fund and the Firemen's Annuity & Benefit Fund; and

WHEREAS, property taxes are the only revenue option available to local governments because of Governor Rauner's unwillingness to sign legislation creating progressive revenue streams at the State level and refusal to allow Chicago and other home rule municipalities to explore local revenue options to properly fund schools, social services, and basic services; and

WHEREAS, in addition to the inequities caused by a broken public education funding formula, Chicago Public Schools is the only school district in the State of Illinois responsible to fund the pension liabilities for Chicago teacher pensions and every teacher pension system across Illinois; and

WHEREAS, the combination of relying on property taxes to fund public education, a broken state education funding formula, and the unequal treatment of CPS on teacher pensions, reduces the amount of dollars available to spend on students and teachers; and

WHEREAS, even Governor Rauner's own State Board of Education Chairman James Meeks decried the funding inequities which shackle Chicago Public Schools. In 2007, Chairman Meeks attempted to register CPS high school students at New Trier High School to highlight per pupil spending disparities. Yet despite these disparities, CPS manages to serve a student population where over 90% of the students live at or below the poverty line; and

WHEREAS, Governor Rauner's recent actions to sabotage CPS bond issues and constant calls for bankruptcy will force draconian cuts to classrooms, programs, and deepen the divide between working families in Chicago and the ultra-wealthy donor class Governor Rauner seems to favor; and

WHEREAS, while Governor Rauner's failures have led to a deadlocked state government, City Council must once again take action and do what it can to prevent cuts to the classroom; and

WHEREAS, in light of the current economic circumstances for our school system, a short-term infusion of funds back into the Chicago Public School operating budget will offset drastic cuts, helping achieve the ultimate goal of preserving essential programs, alleviating potential mass layoffs, and thereby investing in our city's future generations; and

WHEREAS, 65 ILCS 5/11-74.4-7 requires that any monies held by a municipality and not required for the payment and securing of obligations of a tax increment financing district and/or redevelopment project costs shall be deemed to be "Surplus Funds"; and

WHEREAS, Alderman Carlos Ramirez-Rosa has led the effort on an immediate emergency surplus of unallocated Tax Increment Financing (TIF) funds (separate from the annual TIF surplus) back to Chicago Public Schools to prevent classroom cuts; and

WHEREAS, It is clear, given the inaction and continued failure of Governor Rauner, that any emergency surplus of TIF funds and the process to identify surplus dollars should be led by the City Council in partnership with Mayor Emanuel, the Office of Budget and Management, the City Council Office of Financial Analysis, individual aldermen; and

WHEREAS, while any emergency TIF Surplus would generate one-time revenue, solving Governor Rauner's crisis will require more sustainable revenue streams; now, therefore

BE IT RESOLVED, that we, the Members of the City Council, assembled this day on February 10, 2016 direct the Chicago City Council Office of Financial Analysis to:


1. Work cooperatively with the Office of Budget & Management and local aldermen to determine a surplus amount by ward and TIF district, with focus on higher balance TIF districts to ensure citywide equity.
2. Provide an analysis of City Council actions that could aid the Chicago Public Schools in its current fiscal crisis and identify potential revenue options for City Council to consider should Governor Rauner continue to fail to pass a budget with equitable funding for Chicago schools.
3. Quantify the amount of revenue that could be raised for Chicago Public Schools and critical social services should Governor Rauner raise state income taxes, advance a graduate income tax, and/or sign legislation which enables the City of Chicago to enact a Chicago Corporate Income Tax.
4. Present options on how the State of Illinois could better aid the City of Chicago for capital improvement and economic development projects as the City begins the process on an emergency surplus of TIF funds which might have been spent on

schools, parks, libraries, public infrastructure, and other projects to spur economic development.


BE IT FURTHER RESOLVED, that the Council Office of Financial Analysis shall deliver its report to the City Council within 30 days of the adoption of this resolution.



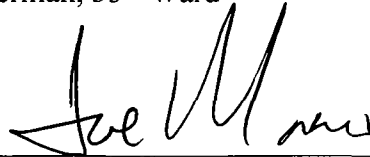
Ameya Pawar
Alderman, 47th Ward



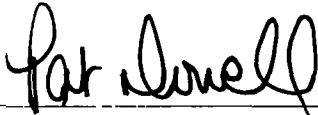
Carlos Ramirez-Rosa
Alderman, 35th Ward



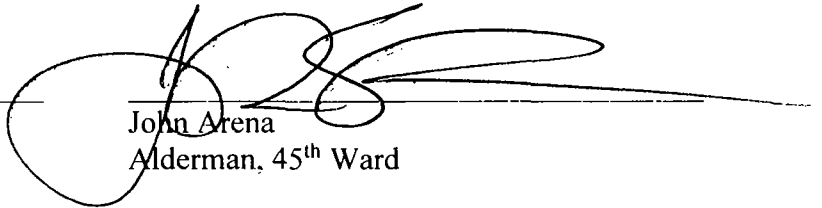
Patrick O'Connor
Alderman, 40th Ward



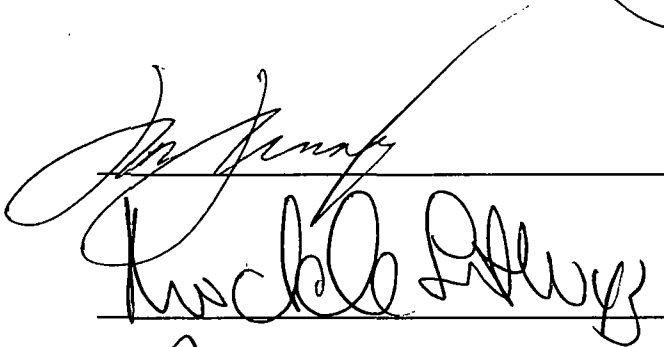
Proco "Joe" Moreno
Alderman, 1st Ward



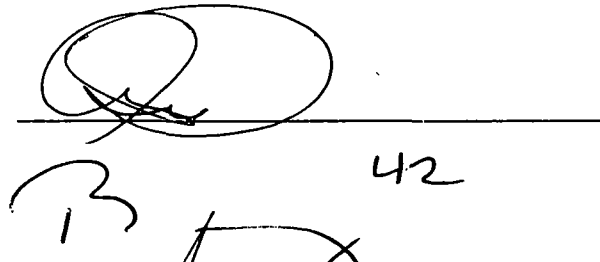
Pat Dowell
Alderman, 3rd Ward



John Arena
Alderman, 45th Ward

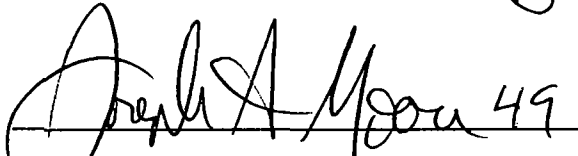


Nicole Pittman

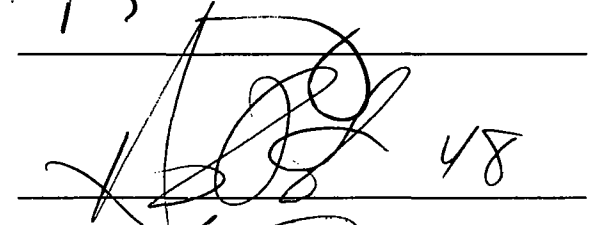


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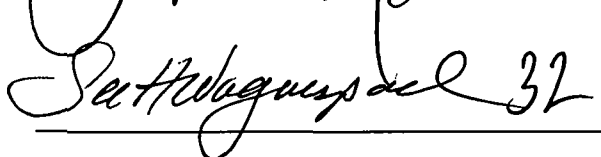
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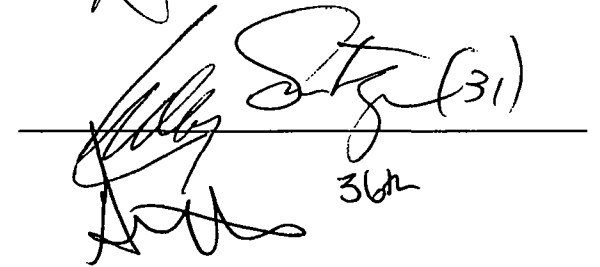
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32



(31)

36th



33

Robt May 22¹¹

Amel Scott 24

Wm J. Oke 19

Susan Sadlow 10

Lulu N. Houston 5

Robt A. 5 (6)

C. L. T. 19

[Large signature] 2

Mr. J. P. 16

W. J. 17

M. J. 13

J. W. 21

[Large signature] 2

Mr. Lawrence 39

Miss 23

Wm J. 25

Wm D. 24

[Signature] 2
