

TUA NEWS RELEASE

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CPS Financial Crisis is an Opportunity for Reform

Chicago—Illinois’ Republican legislative leaders announced their plan to address the ongoing financial crisis in the Chicago Public Schools (CPS) at a news conference Wednesday morning, calling for a takeover of CPS by the state and allowing for bankruptcy to restructure Chicago’s worsening financial condition. Jim Tobin, founder and president of Taxpayers United of America (TUA), says that this proposal is a good start, but taxpayers need more details.

“There is no doubt that CPS is in [big trouble](#) and has been for [years](#). Between government school retiree [pension costs](#), administrative mismanagement throughout the district, and the backlash from poor political decisions, taxpayers are facing a huge tax burden that is only getting worse by the day,” said Tobin. “We are pleased to see legislators attempt to address the systemic financial problems plaguing CPS, but we will remain cautious until actual legislation is proposed and it can be reviewed with the interests of taxpayers foremost in mind.”

Senate Republican leader Christine Radogno (R-41, Lemont) and House Republican leader Jim Durkin (R-82, Burr Ridge) [proposed](#) a state takeover of CPS, allowing the State Board of Education to replace the Chicago Board of Education with a newly created independent authority to run CPS until the financial crisis is resolved. This change would include CPS in a state financial oversight law that it is currently exempted from but applies to all other school districts in Illinois.

The other measure outlined by Illinois’ Republican leaders would allow school districts, like CPS, to declare bankruptcy, permitting the state board to negotiate new contracts with the Chicago Teachers Union (CTU), but not to renegotiate existing collective bargaining contracts.

“CPS and CTU must negotiate and implement real reform, because it is clear that Springfield is willing to hold out a lifeline to Chicago, but legislators and taxpayers are simply not prepared to bailout a district with a long history of financial insolvency and shady political maneuvering,” said Tobin. “We look forward to reviewing the details of the proposed legislation in the coming days, ensuring that taxpayers are not being saddled with billions of dollars’ worth of additional tax obligations while the politicians continue on with business as usual.”