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The Struggle for Resources in Illinois

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IFT-AFT-AFL/CIO
The title of this plenary has given me much to reflect upon. In so doing I thought about how I wanted to present our situation in Illinois to you. I poked and prodded at the plenary title, and in the end came away with the conclusion that the title itself is part of the problem that we’re confronting, not only in Illinois, but across our nation and globe.

Being a journalist by profession words mean a lot to me, and when I look at the word *struggle* I see a great deal of energy being expended by people attempting to get something they believe they need. Struggles, like the tango, generally take at least two participants. Struggles can be internal or external, but generally speaking they take up a whole lot of self-directed energy. And, while all that energy and time are being expended, there’s a whole lot going on in other venues that our *strugglers* are of necessity pretty oblivious to. Struggles often mean that two or more participants want the same thing, and that sets up situations where there have to be winners and losers.

And that’s where I began to hear myself asking the question, “What is wrong with this picture?” Now to understand where I’m coming from, you have to come to grips with the fact that I’m from the Land of O . . . that’s O as in Oprah and O as in Obama. And in this land we understand the power of talking up books and ideas with titles like *The Secret*¹ and *The Audacity of Hope*².

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Well to get us out of the fix we’re in for higher education in our state we’re going to need to know how to make the powers of The Secret work and we’re going to have to have a whole lot of Audacity of Hope.

Democrat Governor Rod Blagojevich is in his 2\textsuperscript{nd} term. Democrats control both the House and the Senate. And, it’s no secret that the Governor and his team inherited deep-seated economic problems:

- Our pension systems, including our State University Retirement System, (SURS), have been the forgotten step-children of previous administrations, left unfunded by the state to the tune of $41 billion, according to the latest figures released by Auditor General William Holland.\textsuperscript{3} Participants have continued to pay their share, but the state failed to put in what it owed the systems. (And if you’d like to hear more about that I’d encourage you to attend the workshop following this plenary where Illinois’ SURS Executive Director Dan Slack and Illinois Federation of Teachers President Jim Dougherty will be panelists.)

- As for Higher Education . . . well, we’d be happy to get back to 2002 funding levels. Yes, it’s that bad.

- College in Illinois has become less affordable for middle and low-income families\textsuperscript{4}

- For the 40\% of Illinois families with the lowest income, it takes a third of their income to attend a community college, and more than half to attend a public university


\textsuperscript{4}Measuring Up 2006 p. 9
• The Illinois Department of Employment Security estimates that 34% of Illinois jobs will require a bachelor’s degree between 2002 and 2012.

• More than half (55%) of the new jobs created by 2012 will require a postsecondary education and a third (34%) will require at least a bachelor’s degree.\(^5\)

• Illinois is losing our best and brightest to other states. Illinois ranks 2\(^{nd}\) in the net loss of first year students (residents enrolling out of state minus non-residents enrolling in state). Only New Jersey is losing more.

In a nutshell, tuition is rising, state funding has stalled out its spiraling descent of the past five years, and we appear to have a bit of an increase to look at this year. The distance between “S” and “T” is just one letter in the alphabet, but the gap that exists between surviving and thriving for public higher education in Illinois is much greater. If you’d like to get a better grasp of the situation in our state let me refer you to the web page of the Illinois Board of Higher Education for more facts and figures. That’s [http://www.ibhe.org](http://www.ibhe.org).

No one disagrees that the P-20 school funding system in Illinois is broken. And that’s among the issues that the Illinois House and Senate will be addressing in coming weeks as they debate the pros and cons of essentially two different revenue proposals:

1. HB/SB750 The Education and Fiscal Responsibility Act

• Argues that the state revenues cannot meet the cost of existing human services, education and pension obligations

• Proposes solutions that include
  a. Closing the structural deficit
  b. Reforming the education funding formula
  c. Adequately funding human services
  d. Meeting pension obligations

• Methods:
  a. Reducing property taxes by 25% and increasing state income tax from 3-5%
  b. Adjusting the state sales tax to include consumer services
  c. Providing a refundable Family Tax Credit

• Result:
  a. A Pension bill would allow the state to amortize and pay its $41 Billion pension debt over 50 years at a flat rate of $3.4 billion per year – money from new revenue generated.
  b. A Human Services Cost of Doing Business Trust Fund would be pulled out of the General Revenue Fund to the tune of $175 million annually – new dollars would be generated from the sales tax increase.

Details of this plan, which has been put together by Ralph Martire’s Center for Tax and Budget Accountability, are available on the center’s website www.ctbaonline.org
2. Meanwhile Governor Blagojevich is touting a different plan – a sweeping gross receipts tax\(^6\) coupled with the leasing of the State Lottery and sale of additional pension obligation bonds (POBs) to bring the $41 Billion pension debt down to $15 Billion. The Governor’s plan has won the endorsement of four major unions in the state including my own union the Illinois Federation of Teachers, the Illinois Education Association, SEIU and AFSCME. But Blagojevich’s Lieutenant Governor Pat Quinn, Comptroller Dan Hynes, Jesse Jackson and a gaggle of others led by the business lobby have voiced opposition to the plan.

The Governor’s proposal, while calling for raises in the Pre K-12 per pupil foundation level and improving the overall education budget with $1.5 billion in new money the first year of the proposal, holds no firm promises for Higher Education other than an additional $50 million in the first year. And, it’s only fair to mention that Higher Education has been the Peter robbed to pay Paul during the first term of Blagojevich’s governorship; thus, those of us in Higher Ed have been a tad more guarded in our support for the plan than our pre-K-12 colleagues.

\(^6\) GRT is a low-rate, broad-based form of sales tax on transactions at all business levels. It replaces Illinois’ corporate income tax as the main source of business revenue for state services. The corporate income tax is riddled w/loopholes enabling scores of the largest corporations to pay nothing despite billions of dollars in sales and corporate profits. Last year, 12,000 Illinois’ largest corporations paid on average $150 in state income taxes. GRT’s have been utilized in Washington State since the 1930s and Texas and Ohio both recently enacted a GRT. (Source: Illinois Federation of Teachers Commit to Quality Campaign. http://www. ift-aft.org )
Now let me go back to something I mentioned much earlier about struggles. Obviously there is going to be just such a tussle going on in the Illinois Statehouse in coming months. And, as I mentioned, while such struggles go on there are other things going on in other venues.

One of those venues is a lobbying body that essentially three of us got together and started just three years ago. Donna Manering, of the Illinois Education Association; Leo Welch, currently the President of AAUP in Illinois, an IFT member and the chairman of the board of trustees at Eastern Illinois University, and I met at Donna’s instigation to form what has become the Illinois Higher Education Legislative Coalition. Our coalition began with representatives of unions in the state and has now grown to include representatives from our public universities and community colleges, as well as state government agencies related to Higher Education including SURS and the Illinois Student Assistance Commission.

I’m not going to go into great detail about the growth and success of this coalition, because that’s what Donna Manering is going to be doing in the Improving Advocacy for Public Higher Education Case Studies workshop Tuesday morning at 10:45.

What’s important here is that we are anticipating the biggest Higher Ed Lobby Day ever on April 25th this year, AND we have finally reached a point where we are looking at how all of these coalition representatives – from disparate and sometimes adversarial groups – are willingly pulling together to say that nothing is more important than pushing
higher education up on the state’s priority list, tying it with the obvious priority of
economic health and expansion, and beginning to talk about looking at the lessons
learned in other states, such as Minnesota where a state-wide advocacy campaign for
higher education is ongoing\textsuperscript{7}.

Back to that book \textit{The Secret} that Oprah touted. One of the people quoted was Lisa
Nichols\textsuperscript{8}, and what she said made me think that perhaps what we need to be doing is to
focus less on the \textit{struggle} and more on what we have as resources to be grateful for and
happy about . . . and to my mind, that’s about the people we have who make-up our
colleges and universities: students, faculty-staff, administrators, alums, parents,
community backers and unnamed others – our human capital if you will. Here’s what
Nichols said:

\begin{quote}
When you focus on lack and scarcity and what you don’t have, you fuss about it
with your family, you discuss it with your friends, you tell your children that you
don’t have enough – “We don’t have enough for that, we can’t afford that” – then
you’ll never be able to afford it, because you begin to attract more of what you
don’t have. If you want abundance, if you want prosperity, then focus on
abundance. Focus on prosperity.
\end{quote}

\textsuperscript{7} \url{http://www.pa.mnscu.edu/}
\textsuperscript{8} \url{http://www.lisa-nichols.com}
So in the end perhaps that’s what we need to be doing – changing our focus from struggle to hope and prosperity for higher education . . . just as the two big “O’s” from Illinois have been telling us.

And, perhaps then when the legislative pixie dust settles – and we do have the audacity of hope that the Good Fairy will sprinkle some over the Springfield Statehouse - we can only hope to see a more abundant and prosperous economic picture come into focus for Higher Education in Illinois.