

Illinois governor rejects school funding legislation

FILE PHOTO: Bruce Rauner talks to the media after a meeting with U.S. President Barack Obama at the White House in Washington December 5, 2014. Larry Downing/File Photo

CHICAGO (Reuters) - Illinois Governor Bruce Rauner on Tuesday blocked hundreds of millions of new state dollars from going to cash-strapped Chicago Public Schools (CPS) by rewriting parts of a state school-funding overhaul bill, potentially imperiling the entire legislation and the flow of state money to all school districts.

The Republican governor said he used his amendatory veto on the bill, which creates a new model for education funding, to remove "an unfair diversion" of money to help fund CPS teacher pensions.

"Senate Bill 1, in its current form, took a significant increase in school funding I advocated for and diverted hundreds of millions of dollars from classrooms around the state to Chicago, unfairly hurting children across the state and unfairly advantaging one school district, a school district that has mismanaged its pension systems for decades," Rauner told reporters in the state capitol.

His action marks a return to the political gridlock that left Illinois without a complete budget for an unprecedented two-straight fiscal years.

The Democratic-controlled legislature gave CPS, which is struggling with escalating pension contributions, a funding boost for pensions and state aid in the bill passed in late May. The governor's office was not immediately able to say exactly how much money for CPS was cut by the veto action.

The \$36 billion fiscal 2018 state budget the legislature enacted in July over Rauner's veto prohibits the flow of \$6.7 billion in state money to schools in the absence of a funding overhaul like lawmakers approved.

Rauner called for quick action by the General Assembly to accept his changes to the bill or to pass separate legislation reflecting what he wants so school operations will not be threatened.

A failure by the House and Senate to muster a required three-fifths majority vote to override or accept the nine changes to the bill Rauner made would kill the measure.

The governor has accused Democrats of jeopardizing the ability of schools to open later this month by not sending him the bill until Monday, two months after it was passed.

The Illinois State Board of Education said it had not received any requests as of Tuesday from districts, which expect to receive their initial fiscal 2018 state funding by Aug. 10, to delay the start of their school year.

Chicago Mayor Rahm Emanuel, who controls the nation's third-largest public school system, said Rauner was "ignoring the needs of Illinois' school children" and school superintendents who supported the bill.