

HIGHER EDUCATION WATCH

Blue Civil War, Illinois Edition

In Illinois, the symbolic capital of blue model governance, two progressive priorities—public sector pensions and public higher education—are colliding with one another at breakneck speed. *The Illinois News Network* reports:

Illinois public universities continue to suffer from the state’s ongoing financial challenges.

Only two months ago, Moody’s Investor Services downgraded the credit ratings of seven state universities, saying their dependence on state funding made them less desirable for investors. [...]

[The deputy director for fiscal affairs and budgeting for the Illinois Board of Higher Education] said the biggest obstacle for turning around the downward spiral of the state’s credit rating is the massive amount of underfunded pension commitments, which are estimated at more than \$111 billion.

This conflict is an example of the the phenomenon we call the “blue civil war”: the state-level conflict over scarce resources between different elements of the Democratic coalition.

Democrats in places like Illinois and New York and California have historically tried to serve the interests both of the beneficiaries of government services (like students at Illinois State University) and the producers of those services (the public sector unions whose pensions are breaking the budget). This coalition held together for decades, but it will become more tenuous as the blue social model breaks down, and the tax revenues it produces become insufficient to fund the big public programs it aspires to provide.

With public pension returns stagnating from coast to coast, this conflict is likely to intensify in the long run, pitting longtime allies against each other and mixing up America’s already-scrambled political coalitions even further.

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