

Union President, Bill Iacullo Press Conference Remarks

Good morning. Thank you for attending. I'm Bill Iacullo, President of the International Union of Operating Engineers Local 143. Today's press conference is being held to oppose passage of the Integrated Facilities Management Program (IFM) citywide which is on the Chicago Board of Education's agenda tomorrow, January 25th.

I'm asking the Board to vote NO on IFM and for the Governor and legislative leaders to weigh in and ask for a cost/impact study before hundreds of millions more are wasted at CPS.

I'm joined today by President Troy LaRaviere of the Chicago Principals and Administrators Association and Vice President Jesse Sharkey from the Chicago Teachers Union.

As the President of Local 143, I represent 500 skilled, experienced and professional operating engineers who are facing mass terminations by Mayor Rahm Emanuel through CPS. Mayor Emanuel wants to expand the failed IFM program which will cost taxpayers hundreds of millions more annually.

IFM's pilot program was initiated nearly three years ago in 33 schools and expanded to 80 schools last year. Tomorrow's vote could expand the failed concept to all CPS facilities by 2018. Taking public employees like custodians and operating engineers out of the pension system will have a devastating effect on an already underfunded pension fund. The IFM program has added layers of more management, a lack of accountability to principals and cost overruns in the millions.

Instead of the time honored tradition of dedicated public employees providing clean, safe, public schools under the direct authority of principals, Mayor Emanuel is pushing for an expansion of the IFM business model where public schools are filthy, unsafe and driven by profits from a distant corporate location.

This is what the pilot program has produced. This is what our engineers and principals in the field have witnessed firsthand. This is Rahm Emanuel's vision for the future of Chicago's public school children under IFM. The filthy conditions of schools under Sodexo and Aramark's management in the 80 pilot program schools are well documented and shameful.

Funds have been so short in our departments that engineers have been asked to cover 2 and 3 schools, regardless of the City Boiler Ordinance calling for a licensed engineer on duty when a boiler is operating that has a capacity of over 10 pounds of steam. All school buildings that have steam boilers have a safety valve capacity of 15 pounds of steam or more.

This is an ongoing safety concern that will only be made worse by Sodexo and Aramark's skeleton crews... Sooner or later, sad to say, innocent school children and staff are going to get hurt or worse. They know it and the mayor knows it. Now the Board's on notice.

Speaking with 43 years' experience as a senior operating engineer in Chicago's public schools, there's no doubt in my mind and among frontline principals that IFM will ultimately fail and our children will suffer.

Since 1902 not one child has been hurt under Local 143's watch because we're in every school and we know them inside and out. This experience is not transferable to private contractors who prefer skeleton crews and distant offsite managers.

You've heard the safety facts, here are the money facts. Based on our initial analysis with little information from the board, we believe the three-year plan for just the two companies is roughly \$427 million and doesn't include all the schools.

Based on their numbers, Fiscal Year 2018 will cost \$245,000 more a year per school based on \$108 million for roughly 175 schools.

If done in-house, the cost would be estimated at only \$375,000 versus \$617,000 per school...almost 40% cheaper.

(ANALYSIS) \$108 million for 175 schools = \$617,000 per school based on existing contracts covering Local 143 and custodians.

CPS originally touted IFM as a cost savings initiative. During Local 143's recent negotiations when presented with our costs, Director of CPS Facilities Leslie Norgren said IFM was no longer considered money saving but more efficient!

CPS' Chief Administrative Officer Jose Alfonso De Hoyos-Acosta said it was a mistake to pay Aramark Corporation \$80 million a year to oversee CPS custodians through IFM when operating engineers provided the same function for nothing.

Executive Director James Mohler of the Municipal Employees Annuity and Benefit Fund of Chicago said mass terminations of 500 operating engineers would cost the pension fund about \$134 million more over ten years.

Given this reality, CPS switched gears to tout IFM as "more efficient" because it provides principals with "a central point of contact." Unfortunately, CPS didn't ask frontline principals or engineers who are responsible for keeping schools clean, students' safe and aging boilers operating before claiming "greater efficiency."

President LaRaviere will address the lack of efficiency and gross mismanagement of IFM that his members have put up with under the IFM pilot program. His immediate predecessor President Clarice Berry said it best, quote: "The schools are filthy, the principals have said over and over again, the management is chaotic."

It's hard to imagine how Chicago taxpayers wouldn't benefit from financial transparency especially when Barbara Byrd Bennett hasn't even been sentenced yet for felony kickbacks and Mayor Emanuel keeps on

collecting millions from contractors doing business with Mr. Claypool. Are Chicagoans so desensitized to the culture of corruption that we just don't care anymore? I hope not!

IFM costs hundreds of millions more, renders our schools less clean and our students less safe, is opposed by frontline principals and discouraged by the General Assembly as the kind of wasteful spending that needs to stop before any "taxpayer bailout" occurs – then why would even one trustee vote tomorrow to expand it? WHY?

Again, I'm asking for two things. *One*, for the Chicago Board of Education tomorrow to say NO to Mayor Rahm Emanuel's wasteful IFM program.

And *two* for the Governor and legislative leaders to weigh in before tomorrow's vote and ask for a cost/impact study before public services are privatized. If nothing else, Illinois and Chicago taxpayers have an absolute right to know how their money is about to be wasted. It's simple transparency!

Governor Rauner recently vetoed CPS' bailout of \$215 million. The Mayor responded by punishing CPS employees with 4 forced furlough days estimated to save \$35 million instead of saving hundreds of millions over three years by abandoning this failed program.

Every Illinois school district except CPS is required to publish a cost/impact study before privatizing public services under the Illinois School Code. Had transparency provisions been in place... Rahm Emanuel would not be collecting \$250,000 in checks from Sodexo leading to a sweetheart IFM contract.

Taxpayers wouldn't be paying more and getting less for substandard services that jeopardize the safety of our school children. And 500 professional operating engineers wouldn't be looking at mass firings while the Board diverts hundreds of millions from classrooms to corporate profits.