

Rep. Jil Tracy Newsletter

July 7, 2009

State Budget Lacks Fundamental Reforms, Business as Usual Continues

As the last days of the fiscal year came to an end, there was some positive action and some serious setbacks. On the final day before a new budget must be in place, the three Democrat leaders, including Governor Quinn, met for several hours. However, the Republican leaders were not invited and again left out of negotiations. This obvious partisan slant to craft an acceptable budget has left the state deadlocked and created an unneeded crisis for numerous citizens who depend on Illinois services. Prior to this most recent one party budget meeting, there had been little discussion on a spending plan between any of the leaders over the past week, which leads us to where we currently stand, without a budget.

Just last week Governor Quinn had addressed the House Republican caucus with a positive attitude to work towards a consensus, and so, this week I was stunned by his seemingly lack of effort to find a responsible solution to the state's fiscal dilemma. In the previous meeting, the Governor assured House Republicans that he did not want to cut human services and stated his intention to keep the Illinois School for the Deaf and the Illinois School for the Visually Impaired open. Also during our discussion, the Republicans and the Governor talked about how to fund the State's operating budget. Quinn suggested an option to free up \$2.2 billion in funds by using short term bonding of the current year's pension obligation payment. In normal circumstances House Republican members would not see this as a reasonable alternative; however, due to the dire financial deficit looming over the State's budget process and the relatively low interest rates, the House Republicans remained open to the idea with a few conditions. One, that we know exactly what governmental services would be funded with this new revenue, and two, that the funds be directed toward restoring vital human service programs.

The Governor's staff presented a budget proposal that included the additional \$2.2 billion in revenue and that plan was still under funded by about one billion dollars, requiring further cuts. We again asked for a complete outline of the new budget proposal that would detail where these cuts would occur by the end of the day on June 29. We also requested reform measures be included in the spending agenda so that the State would conform its spending practices within the perimeters of its revenue and thus avoid an annual budget crisis. Some of the reform measures presented to Gov. Quinn for his consideration were as follows:

- A state freeze on travel, hiring and new expenditures until the state's deficit is cleared.
- Reforms of current workmen's compensation laws to better serve workers and business owners and improve the State's overall business climate.



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- Adoption of a pay as you go policy, requiring the legislature not to add any new programs without an identified revenue source or the elimination of an existing program to offset costs.
- Pursuing reform of the Medicaid system, including eligibility standards, managed care options and following the recommendations of the Medicaid reform task force. Also, elimination of the past governor's costly illegal expansions to Medicaid programs.
- An analysis of all leases and contracts, including holdover leases and contracts of the past Governor.

Sadly, after the House passed the pension obligation bond funding, the Senate defeated the measure twice. That puts us back to finding extra dollars to fund vital human services. The Governor later vetoed the appropriations bill, meaning we will head back to Springfield on July 14th to work towards crafting a dependable budget for the residents of Illinois. One interesting note is that Governor Quinn disclaims any authorship for the 50% doomsday budget for human services and instead points the finger at the House Democrat budgeteers. It is important to remember that House Republicans did not vote for that budget and have been searching for workable, reliable funding solutions since that budget was passed at the end of May.

The reform suggestions listed above are common sense steps that will help to ensure we do not find ourselves in the same disastrous fiscal circumstances year after year. These are not over the top suggestions, but practices that should have happened years ago in order to avoid future financial meltdowns. If we are going to resolve the current budget crisis, we can not look for temporary solutions that simply mask the fundamental problems which led us down a path of fiscal uncertainty. We must get to the core causes of what created this mess, first and foremost that means improving the accountability of how our state spends funds and abiding by economic practices every family throughout Illinois lives, which means living within our means and not spending money we don't have. Until these changes occur, it is likely next year will end in similar fashion as the past three years; with no budget, threats to vital state services and no real plan for the future of our great state.

I mentioned some positive highlights earlier, and during these circumstances you usually have to search pretty hard for a silver lining. The July 2nd edition of USA Today points out that New York holds the distinct honor for most dysfunctional legislature, and further states that they had to work pretty hard to best Illinois for this reputation. Also, a Wall Street Journal and Chicago Tribune article recently commended the Illinois House and Senate Republicans for staying the course in order to force needed reforms during such tough economic times. Both of these articles will be posted on my website, www.jiltracy.com.

Sincerely,

Rep. Jil Tracy