

SNG-A state budget Plan B-6-27-16

A Plan B emerges to end state budget impasse

By Jim Nowlan

In a June 21 editorial in the Chicago Tribune, Gov. Bruce Rauner outlined a long overdue Plan B for resolving the state budget impasse.

In the editorial (unusual place to make news), Rauner proposes a much pared back agenda as the basis for his willingness to deal on a budget. This pact will have to include a tax increase, which is unfortunately absolutely necessary to pay back \$10 billion in unpaid bills and balance a budget going forward.

Rauner calls for changes in the workers' (injury) compensation law, modest pension reforms that Democratic Senate President John Cullerton has crafted, and local government relief from some collective bargaining strictures.

If House Speaker Mike Madigan fails to come forward to negotiate on these reasonable proposals, rank-and-file Dems should rise up and smite him.

Until now, Gov. Rauner has obviously had no Plan B for getting House Speaker Mike Madigan to knuckle under to his demands for a lengthy "turn-around agenda" that included such obvious political non-starters as term limits.

No matter how attractive term limits might be to readers, it is seen as a political slap in the face to Madigan, who has served in the House for going on half a century.

[A good friend of mine passed along a telling story about the Rauner team. Friend had been invited right after the 2014 election to sit down with Rauner's top staff to talk about the transition into the new governorship.

[After explaining elements of the turn-around agenda, my friend asked: “What if that doesn’t fly? What is your Plan B?”

[“Oh, Gov.-elect Rauner is very, very persuasive, and he will prevail,” they responded with great confidence, as if to say that no Plan B would ever be needed or even contemplated.]

Rauner made a persistent frontal assault in behalf of fundamental change but ran up against a brick wall manned by the entrenched House speaker and his heavy Democratic majorities. Voters know he has taken the battle to them.

But after a year without funding for food for prison inmates, electric power for state facilities all over the state, and even toilet paper for state employees, among many shortages, Rauner is desperate for some funding.

Madigan has let Rauner—and all of us citizens—twist slowly in the wind by refusing to deal with the governor.

I predict that in the coming week or two, the governor and speaker will agree, at the least, to both an education budget to fund the coming school year and also a stop-gap budget to fund social services to get the state through at least until after the November elections.

It would be much superior to agree to a full-year budget now.

Even if Rauner and Madigan were to agree to a “grand bargain” to stabilize the Illinois fiscal situation into the coming year and beyond, which is unlikely, they would then have to go to legislators of both parties to gin up support for a big tax increase.

This will be a tough sell, even for them.

A revenue boost of about the equivalent of two additional percentage points in the rate of the individual income tax, to 5.75 percent, will be needed. The rate might be cut back a bit after the huge backlog of bills is paid off.

Many of the 177 legislators rely heavily for their livelihoods on their pay of around \$80,000 a year and pension credits. The pay includes varying bonuses for heading committees and being in leadership, which most benefit from, other than freshmen and those out of favor with leaders.

So becoming a “profile in courage” is not in the vocabulary of many lawmakers.

That makes it very difficult for the governor and Madigan to “structure” a roll call in the House that lets those members fearful of competition off the hook. And Madigan will insist that Republicans put a good number of votes on the roll call for passage.

Rauner is already taking his fight to the November elections for legislators.

The governor is making Madigan the primary issue in the summer-fall campaign. This has been tried in the past, unsuccessfully. But earlier campaigns lacked Rauner’s \$20 million and counting in personal campaign cash.

Absent agreement on something like Plan B, which is far from assured, I foresee the state limping along until after the 2018(!) election, passing stop-gap budgets until then. This will create further destructive uncertainty for all the programs and people of state government as well as for economic development.