

SNG-Chicago may trigger budget pact-10-5-15

Chicago mess may trigger state budget pact

By Jim Nowlan

I am going out on a limb to predict that Chicago's fiscal plight, arguably even worse than that of the state, will force Gov. Bruce Rauner and House Speaker Mike Madigan into serious bargaining to ink a state budget. Somebody or something has to bring them together.

This past week I "ran my traps" of savvy lawmakers and lobbyists to find out what was going on in the budget stalemate. To quote Edward G. Robinson, who played gangsters in old black-and-white movies, "Nobody knows nuttin'."

Even leading political pundit Rich Miller has thrown up his hands in frustration at the lack of information coming out of the hermetically sealed Rauner Administration.

My sources, to a man (and woman), see no end to the budget impasse, one saying that it will only end when the state runs out of money in March or April.

Another close observer opined that Madigan wants to wait until he sees what his caucus will look like after the filing deadline for reelection in December.

Further, if Madigan holds out until January, he will need only a simple majority, rather than a three-fifths vote until then, to enact a tax increase and budget reductions, the latter even more painful to many of his members than extracting more from taxpayers.

I called several social service agencies in my territory to see if they were turning away clients yet, and they were not. The agencies were relying on their own reserves and the fact that court decisions have mandated that the state continue paying for most services, even without a budget.

But day-to-day state administration must be under pressure. For example, the state has no money to pay for food for prisoners, nor for life insurance premiums for state employees, nor for electricity to run its buildings.

One lobbyist told me Rauner's people have told the electric utilities that they wouldn't be paid but they had better keep providing the power regardless. Tis probably the same for other vendors to state government.

One frustrated GOP state lawmaker did express concern for the elderly and mentally ill whom he believes are being denied services. He noted that one statewide home health care provider has closed its doors.

“The pain is being inflicted on the wrong people,” he said, “the old and helpless.”

But that isn't enough to force Rauner and Madigan out of their bunkers to bargain. The two did meet briefly a week ago, but returned immediately to their respective redoubts.

Rauner insists on reforms in workers' compensation, unemployment insurance and tort reform (big payments to plaintiffs in lawsuits, often against insurance companies). He also wants lawmakers to vote on term limits (wildly popular with the public) and redistricting reform.

Democrats have demurred on any significant policy changes, from what I can tell.

Enter Chicago mayor Rahm Emanuel, who has big, big pension, debt, budget and school problems.

Emanuel has proposed stretching out pension funding a few years and imposing hefty property tax increases—but he needs Rauner's signature on a couple of bills in Springfield to achieve his ends.

This puts Chicagoan Madigan in the middle, and gives Rauner some leverage that he has been lacking to this point.

Madigan would let Chicago burn rather than force his members to vote on term limits and redistricting reform. After all, Madigan has been in the legislature since I served with him almost half a century ago, and maintaining power by protecting his members from such votes has been his hallmark.

Yet on some issues on Rauner's agenda, Madigan can deal.

As Emanuel has himself famously said, we should not let this crisis go to waste.

I would hope that the Chicago crisis would force the two political warlords together to craft a grand bargain that would reform the state's revenue system, stabilize the budget and create the predictable fiscal future that business craves, and maybe even reform school funding.

What I fear is more stop-gap, year-to-year agreements that really solve no problems.

And I fear that the present, wasting political war will extend to the 2016 elections, then to the 2018 gubernatorial race, and beyond.

Instead, while we can, let's take good advantage of this crisis.