

SNG-New Dem comptroller-11-21-16

New Dem comptroller could wreak havoc

By Jim Nowlan

I promise readers this is the last column, at least for a while, about my near-obsession, understandable as I think it is, over the failure of the governor and Illinois House speaker to come together somehow to forge a responsible state budget.

In the recent election, GOP Gov. Bruce Rauner reduced the speaker's House Democratic majority from 71-47 to 67-51, and in the state Senate he gained two GOP seats, which brings the Dems' majority in that chamber down to just under two-thirds.

The governor was unable, however, to hang onto the office of Illinois Comptroller, which had been rather securely in GOP hands under the late Judy Baar Topinka until 2014, when Rauner appointed Leslie Munger, a businesswoman, to the post on Judy's passing.

At that time, the Democrats enacted a bill that limited Munger's appointed tenure to two years, rather than the four years it would have been otherwise.

This is a ministerial, rather than policy, office. The comptroller writes the checks to pay the state's bills. Yet the office has been critical to Rauner.

Because of the lack of a balanced budget, the state has been racking up billions of dollars in bills each recent year, which it lacks the revenue to pay.

So Munger has focused on paying those overdue bills that will keep the lights on in the capitol, literally, while piling up other unpaid bills in the back office. For example, payments for employee health care services are nearly two years in arrears and are toting up 12 percent penalty charges for vendors.

The new comptroller, Susana Mendoza, was to be sworn in December 5, but she recently and inexplicably asked for a month's delay before she takes office.

Mendoza enthusiastically seconded Madigan's re-election as House speaker two years ago and is seen by observers I talk with as a staunch Madigan ally.

I can see a scenario in which Mendoza decides to start paying down the mountain of long overdue bills without regard to the governor's bill-paying priorities.

This might rather quickly lead to a situation where a critical payment for, say, bond indebtedness comes due. But, alas, there might then be no money in the state's till to pay make the payment. This would create a genuine crisis and send the state's abysmal credit rating deeper into the tank.

After all, what is the definition of bankruptcy but "the legal proceeding of a person or business that is unable to repay outstanding debts."

Technically, our "sovereign" states cannot declare bankruptcy, but you can see the public relations crisis that the state might endure, as if we don't have enough already.

Would Mendoza/Madigan encourage such a dastardly thing? Well, how could anybody suggest as much, you ask!

On the other hand, we have Rauner's almost limitless money supply for use in duking it out with Madigan in the 2018 election cycle. (I think we can take the "almost" out of the characterization of Rauner, who reported \$190 million in income this past year.)

Rauner spent \$40+ million of his own money against Democrats this past election season, effectively vilifying Madigan in the minds of Illinoisans.

Madigan came close to matching Rauner in spending, yet the pockets of the speaker, various unions and trial lawyer allies must be about empty, and re-stocking fully for 2018 may be nigh impossible.

Might Madigan, or at least some of his House members who see themselves as vulnerable in 2018, be willing to consider an arms race ceasefire in return for a budget deal and avoidance of “bankruptcy”?

Unfortunately, this is not likely.

Neither Rauner nor Madigan seems willing to stop grappling until the other cries out, unconditionally, “Uncle.”

The partial budget enacted earlier this year—to get the state through the election without a tax increase—expires December 31.

About 80 percent of state services will continue to be paid after that date because of federal and state court orders. In my humble opinion, these court directives ride roughshod over the Illinois Constitution, which states clearly that Illinois cannot spend money absent appropriations enacted by the legislature and governor.

Public colleges and universities, college students and a number of social programs for poor people will be cut off cold turkey in the new year.

I have run the traps of my inside sources and none sees a way out of our budget impasse in the coming months.

But the new comptroller might force a resolution. Certain bills such as those for bond debt simply have to be paid, unless you’re a Third World country.