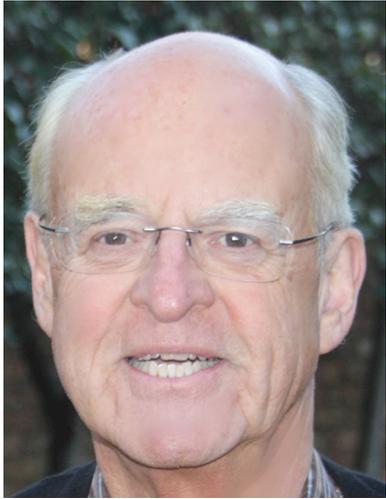


# Fixing Illinois, 2019

By Jim Nowlan\*



Jim is a jack-of-all-trades in Illinois public affairs. He has been an Illinois legislator, statewide candidate, state agency director, senior aide to three unindicted governors, campaign manager for U.S. Senate and presidential candidates, professor, newspaper publisher and columnist.

Jim received his BA, MA and PhD degrees in political science, with minors in economics, from the University of Illinois at Urbana-Champaign. Whenever kicked out of government or politics, Jim has taken

refuge as a senior fellow at the University's Institute of Government and Public Affairs. He has also taught courses in American politics at the U. of I. in both Urbana and Chicago, Northern Illinois University, and Knox College

Jim is a "foreign expert" with the School of International Relations and Public Affairs at Fudan University in Shanghai, where he has taught courses in American politics on three different occasions in recent years. When in China, Jim has also been invited to give lectures at major universities throughout China, including at Beijing, Nanjing, Suzhou and Northwestern (Xian) universities.

Jim is the author or co-author of seven books, including *Illinois Politics* (University of Illinois Press, 2010) and *Fixing Illinois* (U. of I. Press, 2014). Jim recently completed a four-year term as member, then chair, of the Illinois Executive Ethics Commission.

At present, Jim is publisher at Stark County Communications, which publishes newspapers in his rural home county in central Illinois. For the past decade, Jim has also written a weekly column on "Understanding Illinois" for 25 Illinois newspapers. The columns are archived [here](#).

## *Fixing Illinois, 2019*

*The following essays appeared during September to November of 2018 as columns for Jim Nowlan's syndicate of 25 Illinois newspapers.*

### **First, enact balanced budgets and a predictable fiscal system**

By Jim Nowlan

The first order of business in transforming Illinois from a laggard to a leader, once again, among the American states is to enact balanced budgets and create a stable, transparent, predictable fiscal system, something the state has not accomplished even once in the past two decades. Only then will business leaders, entrepreneurs and creators be confident they can locate, build and expand in our state.

The numbers tell the sad story of our fiscal disarray. The 2017 Comprehensive Annual Financial Report of the Office of the Illinois Comptroller shows that the net assets of the State of Illinois declined from a negative \$6 billion in 2002 to minus \$141 billion in 2017. This number will plummet even further next year, when new accounting rules require Illinois to report its unfunded future employee health care costs.

Even with the return last year to an individual income tax rate of almost 5 percent (4.95 percent), the present 2019 fiscal year budget, ballyhooed by governor and legislature as balanced, will actually end the year with a deficit of about \$2 billion, probably more. How so? For example, buried in the murky detail of the \$36 billion general funds budget is a provision to borrow \$800 million from other special state funds—which will have to be repaid in subsequent years.

Then there is the James R. Thompson State of Illinois Center in Chicago. This is the third straight year the building has been sold, and the \$300 million from the sale banked as revenue in each annual budget. Yet I swear when I walk by the spaceship-shaped building, I

still see state employees walking in and out. That's how you balance a budget in Illinois.

Readers might think it would be easy to find \$2 billion of waste and corruption in the state budget, thus solving our problem. Actually, cutting has been going on since 2002, when Rod Blagojevich took office. In his first year, there were 82,000 state employees; today there are 59,000, a reduction of almost 26 percent.

Al Bowman, executive director of the Illinois Board of Higher Education, reports that state spending on our colleges and universities is less than half what it was in 2002. Further, appropriations and staffing for our overwhelmed state children's agency are actually down, and, another of many examples, budget cuts have left our state parks decrepit.

We could cut more from higher education, probably driving even more of our students out of state, where they tend to stay upon graduation. I simply can't find \$2 billion of waste and corruption left in our budget.

Three untouchables make up most of the general funds budget—pension costs, Medicaid and K-12 education, all of which grow, inexorably it seems. My friends say, "It's simple, let's cut back pension benefits." But the state high court says we can't. Spending for health care and education seems to move up, not down.

What to do? The transformative approach would be to broaden the sales tax to include many services, reimpose the tax on retirement income (excluding Social Security, and the equivalent income of pensioners not covered by Social Security), and eliminate a host of exemptions, exclusions from sales and other taxation.

This transformation could generate more than \$12 billion, without increasing any tax rates, also balance the budget—AND reduce local property tax bills by one-third (\$10 billion from the total of \$30 billion paid annually in property taxes), a greater tax burden than of any state in the nation.

Economists would call this dramatic property tax reduction regressive (that is, bad), because most of the benefits would go to folks with above average income, and it would provide a windfall to property owners, who might see property values climb. Yet what a boost to our struggling economy!

But let's get real. There are no giants today like one-term governor Thomas Ford (1842-1846). Facing state default, Ford induced a highly reluctant legislature into paying off fully, and painfully, holders of massive state bond debt, thus opening the state for equally massive Eastern investment.

More modest options being floated to balance our state budget include taxing retirement income (but who will sponsor the bill?), and a graduated income tax, as proposed by Democratic gubernatorial candidate J. B. Pritzker. I think the Pritzker idea is a bad one, certainly at this time; right now, our business climate is perceived to be among the worst in the nation. Higher tax rates for entrepreneurial job creators would wave another red flag at investors.

## **Fix exploding pension costs**

The State of Illinois and many of our municipalities are drowning in unsustainable pension costs. We must act to save the state from itself.

Brief background: Since World War II, Illinois has been underfunding and overpromising its five state employee pension systems. For example, half of all judges receive more net pension benefits the day they retire than they did the last day they sat on the bench (at \$188,000 and up). I also know of persons receiving state pensions of more \$300,000 a year.

It should be noted that many State of Illinois retirees receive modest pensions. And all paid in their contributions as required, though such did not generally cover funding for the many over-promised, costly benefits added over the years, such as the minimum annual 3 percent compounded increase in benefits.

Largely as a result of such pension “sweeteners,” each of Illinois’ nearly 13 million citizens is on the hook for at least \$10,000 (Moody’s, the financial services firm, suggests it’s more like \$20,000) in unfunded state pension obligations, and an unknown additional amount for local pensions.

Local police and fire pension funds are arguably in even worse shape than at the state level. Space limitations here force me to save that crisis for a later column.

In 1994, Gov. Edgar and the legislature enacted a plan of progressively increasing state payments for pensions, so that by 2045 the assets set aside would equal 90 percent of the amount necessary to fund future benefits.

These increased state payments have now reached \$10 billion a year. This is equal to almost one-third of state general funds revenue and is the primary reason we have one of the highest state and local tax burdens in the country.

If our state pensions were fully funded, as they are in Wisconsin, Illinois would spend about \$3.6 billion a year, rather than \$10 billion, to meet its ongoing pension obligations. This difference is equal to 30 percent of the revenue from the Illinois individual income tax.

Illinois must cut pension benefits where they are excessive, and also reduce the oppressive pension burden on our state budget. But how?

The Illinois Supreme Court has said emphatically in unanimous decisions that our state constitution guarantees pension obligations, and they cannot be cut.

In response, the Civic Committee of the Commercial Club of Chicago mounted an effort several years ago to challenge this state guarantee on the legal theory that the state's power to save itself from itself overrides the constitutional guarantee. The Illinois Supreme Court brushed off the effort without even a hearing on the merits.

The Illinois Supreme Court must be persuaded that the situation has subsequently become worse than dire and the merits of the Civic Committee case should be heard. (I have an idea for using the political system to get the court's attention, but that also will have to await a later column.)

Chicago attorney James Spiotto is a leading national expert on government finance. Spiotto notes that required spending for pension benefits can sometimes force reductions in appropriations for essential services, such as child welfare and education, to levels that harm the public welfare. If so, he writes that federal bankruptcy authorities can in theory intervene to reduce pension obligations.

I believe Spiotto is correct that essential services are being squeezed at present in Illinois. However, I believe his theory will be a decade or more away, if ever, in being applied to state pension systems.

In the meantime, Illinois lawmakers enacted a buy-out option for participants in the state pension systems. In essence, they could receive a lump sum now in return for giving up later pension payouts, on the theory that a bird in hand is worth two in the bush. This idea might save several hundred million in annual state appropriations and should be pursued.

In Illinois, my generation (I am 77) created our pension mess. The present generation is paying for our "sins" with oppressive, unfair tax burdens. Then, if all goes according to plan, by 2045 the burden will be erased, and the post-2045 generation will get off almost Scot-free, that is, will have a very minimal annual pension burden.

Thus, I propose a re-set of the program to fund our pension obligations and unfunded obligations, just as we did in 1994. The "pig would continue moving through the python," and still be digested, but more slowly.

I estimate we could do so and "save" about \$2 billion in present annual spending for pensions. This would spread the burden onto the post-2045 generation and help Illinois address its present crisis. My conservative friends are outraged by this suggestion.

Our state constitution and the state high court have put us in a box.

The re-set is an awful idea. Given the present constraints, I cannot come up with anything less awful. I invite reader ideas.

We must save Illinois from itself.

## Rescue Illinois' higher education system

In 2000, a national group that knows about such things declared Illinois to have the best higher education offerings among the states for quality and affordability. Today, in contrast, nearly half all Illinois high school grads headed to college flee to institutions out of state. This can be turned around, but not without a renewed collaboration among state leadership on affordability, focus and understanding of the new realities.

Some background. Though not everyone needs a bachelor's degree, every youngster who can benefit needs post-high school training and education. To meet these needs for three-quarters of a million of our citizens, Illinois offers four "layers" of higher education.

There are graduate research universities (think University of Illinois) and teaching universities (such as Illinois State University). And private colleges (e.g., Northwestern and Knox, which in total educate more four-year college students than the publics), and community colleges, which blanket the state. There are also for-profit colleges, which range from good to rip-offs.

There was dramatic growth and lavish spending on higher education and student financial aid post-World War II up to the 1980s, when student numbers boomed and the state had some money.

In recent decades, Medicaid (health care for the poor) spending and commitments to state pensions have squeezed higher ed support in Illinois. In 1978, Illinois devoted 10 percent of all state spending to higher education; in 2014 (the latest year of a completed, real state budget), the percentage for our colleges had shrunk to 3 percent. In the same time frame, the spending pie slice for Medicaid grew from a 12 to 23 percent, and for pensions, from 3 to 11 percent. The 2014 budget had more real money in it than in 1978, but the relative slice changes are dramatic reflections of changed, maybe forced priorities.

Also, appreciate that colleges have their own objectives, which are often different from the best interests of the larger society—it is the nature of human organizations to aspire to be bigger and better, especially when compared to their peer groups.

For example, the University of Illinois, among the highest-ranked research institutions in the world, has been crying in anguish over the sharp reduction in its state funding over the past decade, which is true and lamentable.

But now the U. of I. is planning another, new public law school in Chicago, as if we don't already have enough law schools and lawyers.

Because of reduced state spending for higher ed in recent years, Illinois public universities jacked up their tuition, making our student costs among the highest in the nation.

This made it possible for top universities in neighboring states, themselves hungry for students from a shrinking pool of high school graduates, to offer lower tuitions than at our schools. And so, many of our best and brightest are in classrooms in Iowa, Indiana and elsewhere, probably never to return.

In addition to a shrinking pool of Illinois high school graduates in coming years, more students are benefiting from dual-credit college courses during high school years, plus the availability of on-line course offerings. This will reduce demand for spaces in a higher education system that is already overbuilt.

Overseeing all this is the Illinois Board of Higher Education, created in 1961 by the legislature to constrain the desires of institutions to be all things to all people.

Once a respected agency, the IBHE is now a toothless tiger, with board members formally representing not the public but higher education interest groups. For example, the president of Western Illinois University is a member of this board, which oversees his own institution.

To their credit, some university leaders and lawmakers are belatedly addressing the problems. Tuitions levels are being frozen, and more financial aid is being scrounged for students, though there is much more to do.

The IBHE should be completely revamped: Throw off all the higher ed representatives with their vested interests. Replace them with highly successful, totally independent civic and business leaders who want

the best, not necessarily the most, for our colleges, students and the public.

And reinvigorate the IBHE authority and credibility to reject new programs of low value to the larger society, like the new public university law school in Chicago.

Our higher education system can be among the best again, though it won't be easy or painless.

## **Restore Illinois' crown jewel: its infrastructure**

Transportation infrastructure is our crown jewel, sparkling atop the lid on Illinois' economic development toolkit. Neglect the jewel, and it might just slip off. And we are neglecting it.

Illinois has more miles—2,200—of interstate highways than all states but Texas and California. Just look at a highway map. The density of interstates crisscrossing Illinois stands out, in stark contrast to the road systems of our neighbors.

The interstates and 12,000 miles of federal and state two-lane highways in our state make it efficient for you and me to get around. More important, the ribbons of concrete move the goods we produce to a big swath of the nation, in just a day.

Add the following: The nation's seven major railroads all flow into and out of metro-Chicago, and several go into the metro-St. Louis region; East and West Coast railroads come together in these cities. The president of the Union Pacific Railroad recently observed that 25 percent of all rail cargo in the nation originates, terminates and passes through Chicago.

A recent study by MIT found O'Hare Airport to have the best domestic as well as international connections of any airport in the nation!

And of course, water transportation: Lake Michigan, the Mississippi, Illinois and Ohio rivers course through and around our state, carrying our grain on majestic barges to the world.

In the three-state metropolitan Chicago region, with its 11 million people, suburban commuter rail plus the trains and buses of the Chicago Transit Authority make it possible for most who wish to get to work without an auto. Try that in Atlanta, Dallas and most cities!

Located in the heart of the heartland, Illinois and its transportation infrastructure are the envy of the nation.

Yet we neglect it. For example, according to a recent projection by the Illinois Department of Transportation, in 2026 less than half our 7,000 miles of federal two-lane highways will be in acceptable condition;

and only about 30 percent of our state-marked highways will be up to snuff. Your rides will be getting much rougher, readers.

Illinois has not had a major transportation funding program since 2008. Did I mention neglect above?

For decades, the standard funding source for capital investments in transportation has been the motor fuel tax (MFT). Although more reliable than video poker (a highway funding source), the inflation-adjusted revenue produced by the MFT has eroded over time.

Illinois has not raised the MFT from the flat rate of 19 cents per gallon in over 28 years. Since that time, road construction costs have soared, while gas tax revenue has been stagnant. Since 2013, 24 states have raised or reformed their gas taxes, including three that border Illinois. The Chicago Metropolitan Agency for Planning suggests that Illinois may need to increase the tax by 10 to 15 cents a gallon to meet its transportation needs.

For the future (something Illinois leaders never consider), the motor fuel tax is not going to do the job we need done. Fuel efficiency keeps going up, and electric car use will also continue upward.

Looking ahead, we will need some combination of charges for “vehicle miles traveled,” congestion pricing, more tolls, and auto license fees based on vehicle weight. These are all user-based, which is how we should pay for our expensive yet invaluable transportation infrastructure. It ain’t free, folks.

The option of charging on the basis of vehicle miles traveled has become a hot potato in the present governor’s race. Both major candidates declare they oppose the idea. Yet it makes sense, and the technology is available. Right now in the metro-Chicago area, wireless windshield transponders tabulate tolls without slowing drivers. Some fear loss of privacy if vehicle activity is tracked. Do you have a cell phone—we already know where you are!

We have to look ahead, and we have to maintain our top-drawer yet neglected transportation infrastructure in Illinois.

## **Remember that Downstate matters too**

Much of Downstate Illinois (the vast 94-county region outside the 8 metro-Chicago counties) appears to be dying.

Recently at mid-day, I went out onto the three-block main street of my county-seat town—and there wasn’t a solitary auto on the streets of my once-lively little burg!

Mid-size cities like Peoria and Decatur have also been hurt, by the flight of flagship corporate offices to Chicagoland. Several downstate public universities have seen enrollments implode, their host communities twisting in the wind.

The population loss that Illinois suffered in recent years is almost wholly from Downstate.

Our state is one of interdependent regions. The suburbs wouldn’t exist were it not for Chicago. And Chicago wouldn’t exist absent the 19<sup>th</sup> Century synergies with Downstate (and the Midwest), which sent its corn and hogs to Chicago, and then to the East.

Today, however, metropolitan Chicago has to prop up Downstate schools, universities, parks and social services. Chicagoland sends much more in taxes to Springfield than it gets back in services. Downstate takes the rest.

We’re better than that, Downstate. We don’t want to be a drag on Illinois.

But where and how to start, if we want over time to rebuild our region?

CEO magazine annually ranks the Illinois business climate at 48<sup>th</sup>, or worse, among the states. I don’t think that’s fair, but if you were a CEO thinking about locating a new plant Downstate, who would you believe—Jimmy Nowlan or your peers?

First, we have to stop wringing our hands; the sky has not fallen.

Illustrations of Downstate success are everywhere. As for economic vitality, Rochelle, in northern Illinois, has attracted more than a billion dollars in investment in recent years, and the jobs to go with it.

There are vibrant, charming small towns, from Galena and Mt. Carroll to Princeton, Pittsfield, Arcola, and way down to Anna-Jonesboro, to name but a few.

Year after year, the National Science Foundation awards more research dollars (hundreds of millions every year) to the University of Illinois than to any university in the nation. This is one reason the U. of I. is among the very top institutions in the world in patents and inventions, such as the world-wide web, which was hatched in Urbana-Champaign.

Second, we need to develop an agenda for reinvigorating the parts of Downstate that have withered, and it is possible to do so, though it won't happen overnight.

I have just created two organizations: Downstate Matters Too and the Downstate Caucus. The first is a tax-exempt (awaiting IRS okay) educational organization that will strive to revive flagging spirits.

Downstate Matters Too will be a compelling social media presence, overflowing with content, to rally, inform, illuminate and have some fun telling the world—and ourselves—about all that is going on, and of what we have on the drawing board. Our goal is to attract scores of thousands of active followers.

I am recruiting a dynamic creative digital manager to run this operation. The good-paying job will not require relocation, so if you are—or know of—such a person who has an affection for Downstate Illinois, contact me at [jnowlan3@gmail.com](mailto:jnowlan3@gmail.com). Let's make things happen for Downstate.

The Downstate Caucus will be an advocacy group with broad individual, civic and business membership, to push elected officials and civic leaders to enact policies that can help jumpstart Downstate Illinois.

The focus will be on business climate, higher education, natural resources, and long-term thinking, something never, for some inexplicable reason, ever done in Illinois. Go to my book *Fixing Illinois* (University of Illinois Press, 2014) and to [jimnowlan.com](http://jimnowlan.com) for more specifics.

For example, I believe we should enact Right to Work legislation for Downstate only. This is arguably legal under the long-accepted legal doctrine in Illinois of classification, by population. How many laws are on the books that say: “In counties of more than one million. . .” In the same way, classification could be applied to identifiable geographic regions such as “Downstate,” that is, all counties outside the Chicago metropolitan region.

And reduce our high workers' compensation costs related to medical costs and “causation” (who caused the injury, worker or workplace?). I am not anti-union, yet unions have lost the RTW issue in neighboring states, and we can no longer compete for economic development with one hand tied behind our back.

The Downstate Caucus would, of course, collaborate with other advocacy organizations on issues of specific Downstate import. We would provide support to Downstate lawmakers, and also educate metro-Chicago lawmakers about how they can help make Downstate more productive, to the benefit of all Illinois.

As former president and lobbyist for a prominent statewide trade group, I can take the lead with the Downstate Caucus until a younger, more dynamic executive can be found.

Downstaters have to stop bemoaning our enervated state of affairs—and do something about it.

## **Pritzker transition afterglow will fade, fast**

Gov.-elect J. B. Pritzker has begun the typical minuet of transition to office in January, creating committees to look, respectively, at how he can improve education, infrastructure, social services, whathaveyou.

I have been a part of three gubernatorial transitions over past decades, and headed one (and was just now, while writing this, invited to serve on a Pritzker committee, which I accepted).

Large committees of insiders and outsiders to government will sit around conference tables and offer prescriptions for saving our state. The well-meaning committee members may help educate the incoming governor, who in J. B.'s case came to his candidacy with little background in Illinois state government.

Most prescriptions will require more money, lots of it. There will be projections that much money can be saved in the future, if only we spend lots more now to address problems, e.g. prisoner recidivism, gang violence, abused children, poorly educated children and more. And they may be right.

Yet there is really only one "committee" that matters, and it is a committee of a solitary person—the incoming director of the state budget.

This director will have the uncomfortable task of playing the skeleton at the feast, dimming the election afterglow with the stark reality that there is simply no money to do what they want.

In 1976, I helped staff the transition of newly elected governor Jim Thompson. "Big Jim," like Pritzker, was and is a man of goodwill who wanted to do right by Illinois. Back then, and still today, doing good seemed to mean spending lots more money for new and expanded programs.

Yet his budget director tried to block him at every turn, as there was no money then, either.

I recall Thompson shouting out in exasperation to his budget chief Bob Mandeville: "Okay, Bob, how much money *can't* I spend today."

No different today.

In his campaign, Pritzker called for a graduated income tax (higher rates for higher incomes), but declared most people other than millionaires would see their taxes go down. The result of such would mean at best modest net new dollars for the state treasury. The new dollars would probably not cover the \$3 billion annual deficit projected for the future, let alone the \$8 billion in unpaid bills.

And the new tax, if ever enacted, would not likely begin generating revenues until the 2022 budget year, the last year of Pritzker's term.

First, the legislature has to vote (Spring of 2019) to put the question on the ballot—at the next general election (November 2020). Then a new legislature has to enact the tax (Spring 2021), which means significant revenue from any such tax wouldn't flow until the 2022 fiscal year.

In the meantime, the legislature and governor could increase and/or broaden existing taxes, which the voting public is anything but enthusiastic about doing. The voters say: Cut waste and corruption instead.

I'm sure there is some waste, though far from enough to eliminate the deficit and pay off old bills. In fact, state government has already been hollowed out by budget cuts over the past decade. State employment is down from 84,000 in 2002 to 62,000 today.

The state children's department and its staff have been cut significantly in recent years, even though it is obvious to those in the know that the agency is inadequate to its task, a disaster. And have you been to a state park recently? The ones where I walk trails are decrepit. I could go on.

State employee pension costs and Medicaid have been eating the state budget alive, squeezing everything else down or out. We are spending \$9 billion a year for pensions, one quarter of the state general funds budget. I'm all for decent, but not egregious pensions, of which there are too many. Pension sweeteners and inadequate state funding over the decades may bring our state to its knees.

And this past week the state high court declared in a 7-0 decision that union officials can glom onto government pension rolls at ridiculous annual benefits, far greater than they would have received from their union jobs.

We have to find a way to convince courts that their interpretations of the state constitutional guarantee of pension benefits do not extend to the minimum 3 percent annual compounded increase, nor to union officials who game us taxpayers.

Until then, the afterglow of gubernatorial transitions in Illinois will fade, fast.

## **Finally: Illinois: From leader to laggard, and back again?**

In an old cartoon, Pogo surveyed the world around him and declared: We have discovered the enemy—and he is us! So it may be in Illinois. We are so glum about our fiscal, tax, political and corruption problems that many of my friends have given up on Illinois. And their dour attitude is infectious.

We all need a strong dose of Norman Vincent Peale's power of positive thinking, which can also be infectious.

First, we are not alone in our travails. Many states face big problems. Coastal states are being hammered by more frequent and more ferocious storms. Texas and the Southwest are ever more beastly hot and desperately parched, wondering where their next drop will come from. California has not only punishing taxes but also housing prices that are pushing many out of that state.

Yet some states with big problems thrive. Minnesota has an individual income tax top marginal rate that is twice that of our tax: 9.85 percent versus our 4.95 rate. And winters that can be brutal. Yet Minnesota has a healthy, growing economy and increasing population.

For most of our state's history, our great strengths—location in the middle of the country, dense networks of interstate highways and railroads, the nation's leading airport for domestic and international connections, an incredibly vibrant central-city Chicago, copious surface and underground water supplies, and much higher than typical percentages of population with bachelor's and advanced degrees—have made Illinois a leader among the states in innovation and wealth.

We can regain our leadership status, but it won't be easy.

First, we have to stabilize and make our state fiscal system predictable for business. The state has for years been running a deficit (more spending than revenue) of around \$2-3 billion a year. Rep. Steve Reick (R-Woodstock) has proposed a major Illinois budget efficiency and savings commission.

Incredibly, there hasn't been a serious attempt at this in decades, if ever. Our appropriations (spending authority) process is in shambles—

each year (when indeed we have a budget) a small group of legislative leaders gather in secret at the end of a legislative session and hammer out a budget based on last year's spending.

I doubt Steve's efforts would result in enough savings to close our deficit gap but, hey, we have to try, and we have to show taxpayers we are serious about our desire to spend their money responsibly.

Second, we have to address the oppressive burden placed on taxpayers by efforts to shore up our underfunded state employee pension systems. At present, we are spending each year the equivalent of 30 percent of our individual income tax revenue solely on building up pension assets—beyond the normal cost of each year's additional pension obligations incurred for employees.

We have already severely reduced future pensions for new employees, and we have tried repeatedly—but been rebuffed by the state's highest court—to eliminate overly generous benefits, such as the minimum 3 percent annual compounded increases.

I have concluded that the best, most practicable option from an array of terrible ones is to stretch out our efforts to rebuild pension assets. Instead of 90 percent of full funding by 2045, maybe 70 percent by 2055. All benefits would continue to be paid. Our budget crisis is now, not in 2045, when taxpayers would see their pension burden cut dramatically under the present law.

Third, we need to start a process of long-term thinking about where we want to be in 10-20 years, and of how to get there. This will require collaboration among lots of experts as well as of elected officials. This has *never* been done in Illinois.

To make such a process work, we must reject our toxic, hideously negative, politics-by-billionaires process. Conflict will always be central to politics; resolving conflict is the *raison d'être* of representative government. And we have had stretches in our state's history of feisty yet ultimately collaborative, bi-partisan conflict resolution.

To accomplish the above, the graduates of the Edgar Fellows Program must step up, and soon. What is that, who are they, readers ask?

For the past seven years, former governor Jim Edgar has gathered a bi-partisan, statewide group of younger, destined-for-success leaders for an intensive week of seminars and across-the-aisle bonding. The Fellows hear from the likes of former Indiana U.S. senator Dick Lugar and congressman-cabinet member Ray LaHood of Peoria about how to get constructive things done in a civil way.

More than two-thirds of the Fellows have become state legislators, congressmen, mayors and civic leaders. And they have proved they can work together to get things done, as with the recent, complex school funding reform, hammered out by Edgar Fellows in the legislature of both parties.

The Fellows need to step up their game in a couple of ways. First, convene an annual, big gathering for long-term thinking. Second, start running for the top offices; don't wait to be anointed by the money bags and political powers that be. Third, remember that it is all about Illinois and your fellow citizens, not about you.

Illinois has all the pieces to be a leader again; we just have to put them together.