

SNG-Nowlan-Legislature produces-6-12-11

Illinois legislature has productive session

By Jim Nowlan

The magnificent soaring interior dome of the Illinois Capitol, in burnished bronze and forest green, looks down on the mere mortals who congregate on the third floor of the 1870 building to hammer out compromises among groups in often bitter conflict over spending, injured workers, state employee pensions, gambling, education and much more.

But mortals have no time for dome gazing on this final day (May 31) of the state legislative session. The Senate and House members scurry between committee meetings and party caucuses in gilded hearing rooms, and then back to the deep-carpeted decision-making floors of their chambers.

Education reform has already been addressed, as the result of protracted negotiations that began in 2010. It is now easier to fire incompetent teachers, and they must be retained in part on the basis of performance, rather than just length of service, among other changes that unions, school groups and business agreed to, if sometimes grudgingly.

The state budget has been enacted by the lawmakers, with spending based on actual revenues expected rather than on wishful thinking. The budget makes painful cuts in education and social services. Even so, the budget is probably not tight enough to allow the recent income tax increases to sunset, beginning in 2014, as is scheduled in the law.

To create a balanced budget, however, the legislature drew upon a bad budgeting practice, that of building in additional delays in paying medical vendors, which simply pushes obligations incurred one year to a later budget year.

Cuts in pension benefits for current state employees did not pass, and the topic is put over until the fall veto session. This is another painful issue, yet changes are needed or the state will soon be spending a majority of its individual income tax revenue just for pension benefits and debt service.

According to one savvy lobbyist, lawmakers just couldn't make cuts in the modest pensions of state workers without cutting their own sweet pensions, which allow long-time lawmakers to take home in retirement more than their \$70,000-80,000 salaries! Lawmakers should be put on 401-k type plans or maybe just Social Security, so as to avoid the conflicts of interest, but they won't do that.

Workers' compensation changes were enacted, which may shave \$500-700 million a year from the \$3 billion that business pays annually to cover its workers. The labor and business community negotiated for months to come to common ground. Certain abuses of the system are curtailed for the future, such as for prison workers in southern Illinois who claimed—and won—awards for carpal tunnel syndrome, supposedly caused by turning the keys in prison cell locks.

On this issue business and the medical establishment also butted heads, over how much to cut the high medical reimbursement rates received by doctors and hospitals for treating injured workers. Business insisted on cuts of at least 30 percent, which they won, while the docs resisted.

A bill to require state retirees to pay something monthly for their health care costs failed, but the topic will return.

Gov. Pat Quinn's initiative to borrow \$6 billion to pay off old state bills went nowhere, so state vendors will continue to see late payments, and they will continue to build the cost of money into their bids for state business.

Major gambling expansion was enacted late in the final day. Probably a result in large part of lobbying by new Chicago mayor Rahm Emanuel, that city wins a city-owned casino (if the governor approves) and Rockford, Danville, and the north and south suburbs of Chicago would also be home to new casinos. Race tracks, which suffer mightily from competition from the casinos, would now have slot machines, as would the major state airports. And casinos can move off the water to land.

The gaming expansion is expected to garner \$1.5 billion in licensing fees and \$500 million a year in revenue for the state. During tight budget times, the money was too much to pass up.

All in all it was a productive legislative session, though you may not agree with all their actions. Most of the lawmakers try hard to represent their own values and those of their constituents, which means there is often intense conflict among whites, blacks, Latinos, between labor and management, between downstaters and Chicagoans. The legislative process provides a venue in which to resolve those conflicts, and this year they did a pretty good job of it.

But wait. The governor now has to sign or veto all legislative actions. Stay tuned.