

SNG-Balance the state budget-5-1-17

The pols won't do it, so you balance state budget

By Jim Nowlan

As we enter a third year without a state budget, I turn to readers to close a gap of about \$9 billion between state expenditures of \$72 billion (hard numbers difficult to nail down, as no budget) and annual revenues of about \$63 billion.

There are of course two ways to do this: cut expenditures and/or increase revenues. Nearby I lay out a necessarily compressed and incomplete set of prominent, quite real budget options. Can you select among the options to come up with \$9 billion in actions that would close the budget gap?

I am hoping many readers will at least try. The layout will undoubtedly prompt questions, which I would try to answer, if you emailed me. There is, unfortunately, neither time nor technical expertise on my part to make this exercise interactive.

I want to encourage summary responses from readers, whatever they are—to my email address below. What would you do if you were in charge.

I will put all respondents' names into a hat and draw out five. The lucky winners will receive a copy of my racy political novel, "The Editor's Wife," a period-piece romp through Illinois politics from the 1940s to the 1970s.

Now, a few comments on the options provided.

Cutting expenditures may be more difficult than you imagine. For example, most people want to spend more, not less, state money on K-12 education, which is a big piece of the budget pie.

Reducing spending on Medicaid is possible, I'm sure, though the potential is limited. Hospitals and doctors will say they already receive less than in most states for this program for 3 million+ low-income residents.

The albatross around our collective neck is the pension obligation. If we were current on our obligations to the five state pension systems, we would need only about \$2 billion a year to keep the system healthy, rather than the \$9 billion we are—and will be--spending to catch up. Without this albatross, we wouldn't have a budget problem.

I supported efforts a few years ago to reduce spending on state pensions, but the state high court nixed the proposal. I think tweaking the system to save a little could pass muster with the court, so I plug in a guesstimated half billion in annual savings.

“Waste and corruption” is always thought to be the “go to” place for cuts, but appreciate some cutting has been going on for the past decade, though maybe not enough to your taste.

For example, state employee rolls have been cut from 84,000 in 2002 to 62,000 last year.

As illustration, have you been to a state park recently? The parks and historic sites in my area, where I walk frequently, are either totally or partially closed, and all are decrepit, for lack of personnel and maintenance money.

I am told by an outside consultant that procurement of goods and services by the state, already rather tightly managed, can be cut by half a billion dollars a year. I'll believe it when I see it, but let's put that figure in on that line.

As for increased revenues, again the options are unattractive. The ones most often mentioned are to increase the individual and corporate income tax rates and expand the sales tax to services, as in Iowa.

What do you think makes sense? I will pass your responses along to lawmakers.