

SNG-Tears for Illinois-7-17-17

Tears fell on Illinois

By Jim Nowlan

I had a dream during the recent turmoil over enactment of a state budget. The statuary on the Capitol campus in Springfield had tears running off their bronze cheeks onto the manicured lawn.

The box score for the recent enactment of a full-year yet incomplete budget would read: Illinois House Speaker Mike Madigan, 1; Gov. Bruce Rauner, 0, though indeed nobody in Illinois came out a winner.

Madigan won the box score because he prevailed in his quest to enact a budget without any of the business-friendly reforms demanded by Rauner.

Rauner may have won the politics of this ongoing soap opera, at least for the present, as he now has some money to spend and avoids blame for supporting the tax boost.

Early in his term, Rauner had been told by veteran outside counselors that the new governor could work with Madigan on a budget plus get some reforms.

And he could do this all the while campaigning aggressively on the outside to oust Madigan and his majority from office, as nothing was ever personal with Madigan. But no, outsider Rauner knew better.

The problem with the Rauner strategy was, from the git-go, that the hostage state of Illinois was much less important to Madigan than was maintaining his near-dictatorial lock on power in Illinois politics.

So the hostage was meaningless, offering no leverage whatsoever. Madigan would wait out Rauner, which he obviously did, until such time as Democrats and a few Republicans said, “Enough already. This damaging dysfunction can’t go on any longer.”

The irony of this tragedy is that Rauner is correct in his belief that the Springfield government/political Establishment should be thrown out. This Establishment—of Democrats and Republicans, lawmakers, governors, judges, bureaucrats, staff, lobbyists, union leaders—has been around for several decades now, though the cast of characters changes.

The Establishment determined that while it was doing good for some, it could also do well for itself. Few of us who have been around the game are blameless.

[The present public employee pension albatross is both symbol and substance of the damage The Establishment has wrought.]

In the early 1990s, I headed a statewide trade group that lobbied in the Capitol. I recall “shining the rail” under the capitol dome on the third floor, where our types as well as lawmakers and reporters would kibitz during lulls in the action.

“The ‘pension bill’ is on the move,” I remember one lobbyist reporting. This was the biennial, thick bill of pension sweeteners for judges, lawmakers, public employees, widows, local firefighters and police, and more.

The bill always moved through the process very quietly, near the end of each session when people were busy with other stuff.

Just one of many illustrations: As a result of sweeteners over the years, judges receive 85 percent of their salary after 20 years of service. They can even count toward the 20 years the time they

spent prior to going on the bench for service as assistant state's attorney, lawyer for a park district, or whatever.

In retirement, judges receive more net than they did on the bench (at least \$188,000), as they no longer pay into the system, the pensions are untaxed in Illinois, they receive free health care and a 3 percent minimum increase annually.

“Not my issue,” I remember thinking to myself, not knowing what was in the pension bill, other than sweeteners. My plate was plenty full with my own trade group's agenda, I said to myself. I should have made it my issue.

It was so easy for The Establishment to take care of its own on pensions, as there were no out-of-pocket budget costs at the time.

The chickens have come home to roost.

Moody's, the credit rating business, says the unfunded liabilities of the five state pension systems have reached \$251 billion, fully twice what any Illinois agency admits to. That works out to almost \$20,000 for every man, woman and child in Illinois.

There is no way the state of Illinois can ever, belatedly, salt away enough money to make pension payments independent of state funding.

Right now, we are paying about \$9 billion a year into pension systems, trying to catch up. I'm sure that isn't enough, even though it amounts to fully one quarter of our general funds budget spending.

So, as to the recent budget, to paraphrase Churchill: “We aren't at the end; we aren't at the beginning of the end; we may be at the end of the beginning”—if that.

The statues have a right to be shedding crocodile tears.