

## **Governor Quinn Makes Good Start, Faces Perilous Budget Crisis**

By State Rep. Lou Lang\*

Governor Pat Quinn marked his 30th full day in office on March 1st.

And he has been busy since day one repairing a tattered state government.

Quinn has quickly attempted to repair executive branch relationships with the legislature and the public battered by his disgraced predecessor Rod Blagojevich. Quinn has met with state lawmakers—both Democrats and Republicans, held an open house at the governor's mansion, and, unlike Blagojevich, actually moved into the residence.

Personally, I have had more conversation with the new Governor in the last 30 days than I had in the previous six years with Blagojevich. Virtually every lawmaker is breathing a deep sigh of relief.

In addition to his legislative outreach, Quinn is busy cleaning house and preparing to address the critical budget issues facing Illinois.

To begin, Quinn replaced former Blagojevich officials. He fired newly-appointed Department of Natural Resources Director, Kurt Granberg; Blagojevich spokesman Lucio Guerrero, and Deputy Governor Louanner Peters; and ousted Clayton Harris as chief of staff.

However, the biggest issue facing Quinn is Illinois' massive budget deficit. And the Governor has been a whirl of behind-the-scenes activity preparing a budget and budget message to present to a joint session of the legislature on March 18<sup>th</sup>.

The message won't be pretty.

Based on current revenue and expenditure estimates, the current state budget faces a deficit of approximately \$8.95 billion to 11.5 billion. Billion. The federal stimulus money may push that number down to \$6 to 8.5 billion, but that still a staggering figure.

By the end of the state's fiscal year on June 30, declining tax revenues and ongoing spending pressures will create a backlog of unpaid bills totaling \$4.5 billion, according to Illinois Comptroller Dan Hynes.

The state will be forced at the beginning of the new fiscal year on July 1 to pay last year's bills with next year's tax money. The combined financial obligations of this year's budget and next will leave the state short by more than \$2 billion.

According to Hynes, "Without a major infusion of cash from borrowing or another source, the state will be virtually insolvent."

This is a grim situation for the new Governor to face.

To his credit, upon taking office, Quinn ordered all state agencies under his control to cut 1% from their current budgets—effective immediately. This cut will shave \$250 million off the deficit this year. However, much more will need to be done.

The budget that Quinn will present on March 18<sup>th</sup> will likely contain a combination of spending cuts and tax increases. No politician likes to raise taxes. None. But Illinois—like the rest of the country—faces a fiscal disaster. The state cannot simply cut its way out of a \$9 to 11.5 billion deficit.

The bulk of state spending is on education, healthcare, and public safety. To cut our way out the deficit, the state would need to close prisons and turn thousand criminals back to communities, eliminate health care to at least 10,000 children, and slash state aid to schools which could bankrupt local school districts, forcing them to fire thousands of teachers.

Lawmakers are not going to slash and burn our state. We are going to work with Governor Quinn to prudently manage the state's finances and find the money to pay for services—education, healthcare, and public safety—that our constituents demand.

Quinn is aggressively establishing relationships with the legislature that his predecessor spurned. Lawmakers appreciate those efforts and are ready to work with him. Those relationships will be crucial—and tested—when Quinn makes some painful but necessary decisions to confront the state budget peril.

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