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## Senate and House pass competing budgets

*By Jamey Dunn*

Both the Illinois Senate and House have passed the bulk of their budget bills, but the work to complete the state budget is far from over.

The Senate's budget contains about \$1 billion more spending than the House's version. The Senate calls for about \$63 million more spending on education, \$885 million more on human services and \$21 million more on public safety, along with more spending on economic development and other government services.

The discrepancy in the budgets started early in the process, [when each chamber chose to work from different revenue estimates for Fiscal Year 2012](#). The Senate based its larger number on estimates from the legislature's Commission on Government Forecasting and Accountability. The House took what members described as a "conservative" estimate that would push legislators to make cuts.

However, members of House budgeting committees for human services and education – the two committees that took the most time settling on cuts – say they are hoping for additional revenue to come in to lessen cuts.

Both the Senate and House human services plans rely on reducing the rate that health care providers are paid for treating Medicaid patients, as well as delaying payments to providers.

Howard Peters, executive vice president of policy and advocacy for the Illinois Hospital Association, told the house budgeting committee that his members favored a delay in payments over a cut in rates. "We know that extending the payment cycle is not desirable. It's not desirable for you. It's not desirable for our members. But it is a far better solution. A far better solution than taking an inadequate Medicaid payment and making it even more inadequate," Peters said. "Given the choices that you may have before you, we would encourage you to think extending the payment cycle rather than cutting the rates across the board. Much greater harm is done by cutting the rates."

Hospitals and some other health care providers have been consistently getting Medicaid payments on a 30-day cycle because it meant a larger federal

Medicaid match for the state. But the elevated match ends before the next fiscal year, so legislators will have less financial incentive to pay hospitals quickly.

Putting off Medicaid payments would allow the state to cut costs out of the Fiscal Year 2012 budget by pushing them into FY 2013. However some lawmakers have warned that delaying the payments along with a loss in federal dollars could mean trouble on the horizon for Medicaid budget in FY 2013. Chicago Democratic Rep. Sara Feigenholtz, who chairs the House Human Services Appropriations Committee, said the overall Medicaid budget – which is spread out over several state agencies – is slated to lose \$765 million in federal stimulus funding in FY 2012.

“In FY 13, when we come look at our Medicaid numbers, we’re all going to faint. We’re all going to faint,” she said.

Sen. Matt Murphy, a Palatine Republican, warned that the state must do more to slow down growing Medicaid costs. “There are no real fundamental changes to the Medicaid program, which was expanded to the breaking point over the last decade. That keeps us on the path of spending we can’t afford. This budget does nothing to take us off that course and, again, is another brick in the wall of making that [recent state income] tax increase permanent.”

The two legislative chambers’ approaches to education cuts differ. The House calls for a 4 percent cut to general state aid to schools. Members of the House Education Appropriations committee say [they want to backload the reduction so it comes at the end of FY 2012](#), in the hopes that more revenue could come in and soften the blow. The Senate budget would not cut general aid but instead reduce mandated categorical grants that go toward specific programs such as special education.

Senate Republicans were critical of this move because the Senate’s education spending plan also calls for new programs to address overcrowded classrooms and high school dropout rates. “I think it shows a very poor decision making approach when we are trying to share or equally distribute the pain in our reductions and yet we still find money for new programs regardless of what the value of those new programs are. I think it sends a very poor message,” Said Sen. Pamela Althoff, a McHenry Republican.

Senate Republicans did not support the budget passed in their chamber today because they say it spends too much and would not allow the recent tax increase to be phased out, as the law is written. They also took issue with the

fact that the Senate did not take committee votes on most of its budget bills.

Senate Democrats ripped into Republicans for not presenting any on their own legislation. “If you don’t have any suggestions, then just stop whining. Stop talking about a process that you could have very well participated in, that you chose not to,” Maywood Democratic Sen. Kimberly Lightford said to Republicans during floor debate.

House Speaker Michael Madigan congratulated his members at the close of today’s legislative session for taking the budgeting process into their own hands and out of legislative leaders’ meetings, where a handful of people would make most of the decisions. “Everybody should appreciate the historic significance of this event. Since 1991, the Illinois legislature has basically engaged in preparing a one-bill budget. Prior to 1991, the appropriations process was very similar to what we’ve just done. ... But starting in June of 1991, for a variety of reasons, we went to a one-bill budget – which has brought on a lot of criticism and complaint that the governor and the four [legislative] leaders would gather in the governor’s office and make all the decisions on budget making,” Madigan said.

He added: “And so what we’ve done this year, especially in the House, is to completely change that process. Take it out of the governor’s office, take it out of the hands of the governor and the leaders.”

Madigan told reporters that he does not think the House’s budget will be the spending plan that Gov. Pat Quinn signs into law. He said there is still work to do because the House, Senate and Quinn still have to negotiate and come to a final agreement. “We’re not sending any ultimatums by the adoption of this budget today. We recognize it’s a two chamber legislature.”

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