

Feigenholtz lands state budget bill but says there's more to do

by GARY BARLOW on Jul 14, 2011 - 4:04 pm

CHICAGO – Ill. State Rep. Sara Feigenholtz (D-Chicago) said July 5 that the Illinois state budget passed by lawmakers and signed by Gov. Pat Quinn (D) June 30 cuts waste and puts the state on a sound financial footing but she cautioned that the state still needs to deal with reforming its pension system.

"We have to get our fiscal house in order," Feigenholtz said. "We're taking the steps we need to take to be debt-free in four years."

The veteran lawmaker's comments came at a town hall meeting she held at the Center on Halsted. Feigenholtz said legislators worked hard to craft the budget, noting that it was the first time in her 16 years in the House that legislators did the bulk of the work on the budget, rather than tweaking a budget bill sent down from the governor's office or legislative leaders.

"I've chaired the Human Services Committee for a decade and this year was the first year that I actually got to do the budget," Feigenholtz said. "We kind of turned the process upside down."

Lawmakers took over the process of writing the budget after Quinn's budget proposal was almost universally panned. It would have made more drastic cuts to health and human services than the budget passed by the Legislature, even though it proposed more spending overall at about \$36 billion. The budget that passed came in at about \$33.2 billion. Using his amendatory veto powers, Quinn cut another \$376 million when he signed the bill.

"Speaker (Michael) Madigan (D-Chicago) and all of us got the message last year. People want a more efficient government," Feigenholtz said. "We're going to live within our means. We're going to cut waste. We're going to pay our bills."

As chair of the Human Services Committee, Feigenholtz worked out a deal that largely preserves the AIDS Drug Assistance Program, which provides HIV medications for people who otherwise would not be able to afford them. Quinn had proposed major cuts and tighter eligibility restrictions for ADAP, but Feigenholtz argued successfully that the program is a long-term money-saver for the state because it keeps people with HIV/AIDS healthy and working.

"It's a very cost-effective program," Feigenholtz said. "This year I made ADAP a priority. Though it was slightly reduced, we were able to keep the program on secure footing."

Of the \$376 million in additional budget cuts Quinn made, \$276 million was achieved by lowering reimbursement rates received by medical providers for treating patients on Medicaid. Hospitals that serve Medicaid patients are already complaining that the rate cuts are unrealistic.

"I just don't know how that's going to work," Feigenholtz said. "I believe these cuts to hospitals, in addition to what we did, are completely unsustainable. It's breathtaking, really. There were some providers that were diminished significantly."

Feigenholtz said lawmakers still have to deal with reforming the state employee pension programs, which are the most under-funded state pension programs of any state in the country. Currently, they are about 45-percent funded, largely because the state hasn't been making the recommended annual payments into the programs, spending the money elsewhere instead.

"Pensions are the 800-pound gorilla of the state budget," Feigenholtz said. "If we don't begin to address the pension obligation question in Illinois we're never going to get out of the red."

While Tea Party adherents have pointed to the considerable pensions of former high-ranking government officials as examples of extravagance in the system, the reality is that the bulk of retirees receive relatively modest pensions. A former social worker at the meeting noted that her pension is less than \$30,000 per year, about the amount many retired school teachers receive as well.

"There are employees who – this is the only pension they will have. They will not have Social Security," Feigenholtz said. "This is the most difficult issue, the most charged issue, that I have ever dealt with."

Feigenholtz said Madigan and House Minority Leader Tom Cross (R-Plainfield) recently sent out a joint memo to other lawmakers to say that they and their staffs are working to solve the pension problem over the summer, with the aim of brokering a bill that can address the issue this fall.

"You have to have everyone at the table," Feigenholtz said. "There's not one member of the Illinois General Assembly who does not understand the problem."

Feigenholtz took questions from the audience at the end of her remarks. She also urged constituents to go to staterepsara.com and take her online survey on state issues.