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House members want to use future tax receipts to pay old bills

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Illinois House members Thursday laid out the outline of a new state budget, which calls for paying down \$1.3 billion in old bills and making deep cuts in state programs.

The House voted 91-16 to adopt two resolutions that would divide state revenues among various programs, such as education, human services and public safety.

The plan also calls for using \$800 million of next year's tax receipts to reduce the backlog of unpaid state bills, now estimated at \$8 billion or more. Using matching Medicaid funds from Washington, the state could pay off \$1.3 billion of those bills.

But after doing so, meeting pension obligations, making bond payments and other required payments, budget negotiators will be left with less money for ongoing state programs than they now have. Rep. Frank Mautino of Spring Valley, a lead House Democrat budget negotiator, estimated budgets will have to be cut 5.5 percent.

The budget outline was negotiated by both Republicans and Democrats in the House.

"This is the beginning of many difficult choices," said Rep. John Bradley, D-Marion, one of the negotiators. There will be sacrifices throughout the state. I don't like the situation we are in, but this is all the money we have."

"This reflects the terrible situation the state is in," said Rep. David Harris, R-Arlington Heights, another negotiator. "Many services are going to be reduced and programs cut."

'Very painful'

Just where the cuts will fall is up to the **various appropriations committees** in the House. They handle spending for areas like elementary and secondary education, higher education, human services, public safety and general state operations. Each of those committees was allocated a lump-sum amount that the committees will divide among various programs.

Rep. Sara Feigenholtz, D-Chicago, chairs the House Human Services Appropriations Committee.

“We have to start paying our bills. This is our reality,” Feigenholtz said. “It’s going to be very painful, but we have no choice.”

The options include closing state facilities to save money that can then be used to shore up other human services programs.

Negotiators decided to take some expenses off the top of next year’s revenues, making the money unavailable for other state spending. That includes \$5.1 billion for pensions, \$1.1 billion for employee health insurance, \$2.2 billion for bond payments and \$6.6 billion for **Medicaid**.

Negotiators said the Medicaid money is what Gov. Pat Quinn requested in his budget, which is built around \$2.7 billion in cuts to the program. Lawmakers are working now to come up with those cuts. If they fall short of the target, more money will have to be trimmed elsewhere.

The biggest share of the remaining revenue, \$6.4 billion, is earmarked for elementary and secondary education, followed by \$5 billion for human services programs.

Senate next

Several representatives voiced opposition to the budget outline. Rep. Ken Dunkin, D-Chicago, said the plan is like “swinging a machete throughout state government.” Rep. Rosemary Mulligan, R-Des Plaines, accused negotiators of “basically wrecking the budget” because of cuts that will be made to human services.

Rep. Will Davis, D-Homewood, said lawmakers should consider raising revenue before making cuts and hinted at payback for some cuts. Davis is chairman of the House Elementary and Secondary Appropriations Committee.

“They aren’t going to like what comes out of my committee,” Davis said.

House Minority Leader Tom Cross, R-Oswego, said the plan is significant because it begins to pay down bills, calls for significant reductions in Medicaid and calls for the state to spend less money than it takes in next year.

He acknowledged that will come at a price.

“This is going to be as difficult a year as we’ve had, if we do it right,” Cross said.

It is unclear if the Senate will adopt the House budget outline. The two chambers use different approaches to crafting a spending plan. However, Senate President John Cullerton, D-Chicago, is committed to working in conjunction with the House on a budget, said spokeswoman Rikeesha Phelon.

Phelon noted the Senate adopted the House revenue estimate that is the basis of its budget outline. She said the Senate also wants to reduce the bill backlog and make significant cuts in Medicaid.

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