

Illinois House sets tight spending limits requiring cuts to Medicaid, schools, more

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- First Posted: March 29, 2012 - 8:49 pm
- Last Updated: March 29, 2012 - 8:50 pm

SPRINGFIELD, Ill. — Virtually every part of state government would be forced to cut spending under a budget outline approved Thursday by the Illinois House, where even supporters called it a "painful, painful" decision.

The spending plan calls for slashing billions of dollars from the Medicaid health program. Officials acknowledge they don't know how they'll reach that target, but it's likely to involve eliminating services such as dental care or prescription drug coverage for adults.

Other government programs, from schools to prisons to agriculture, would be hit with cuts of about 5 percent.

State leaders say government must cut spending dramatically or risk a virtual collapse of key services.

"It is going to be a painful, painful year, but we have the future of these children and the future of the poorest and most vulnerable in our hearts," said Rep. Sara Feigenholtz, D-Chicago.

The situation has grown desperate because revenues have been stagnant for years, but state expenses for health care and government pensions are climbing dramatically. That's leaving less and less money for other programs. Even a major income tax increase last year did not put government into the black.

Illinois faces a deep financial hole, with unpaid bills of roughly \$8 billion. The House plan calls for paying about \$1.3 billion of that backlog, mostly to doctors and hospitals that have provided care under Medicaid.

The budget outline was approved 91-16. It now goes to the state Senate, where leaders support the same general approach but not necessarily the specific amounts approved in the House.

Gov. Pat Quinn's office said he opposes the education cuts that would be required by the House plan.

Some legislators strongly opposed the deep cuts, saying they will fall heavily on the people who most need the state's help. Illinois should borrow money or find new revenue, they said. One legislator warned he might push for dipping into the state road fund to pay for other services, an idea that is virtually taboo in Springfield.

"This is a failure. We should not go down this path," said Rep. Mary Flowers, D-Chicago. "We should not balance this budget on the backs of poor people."

The House plan assumes officials find a way to cut Medicaid by \$2.7 billion or about 14 percent, a target that was first proposed by the Democratic governor. In percentage terms, that may be more than any other state has ever cut from Medicaid in one year.

Nearly 3 million people in Illinois use the program.

Officials also hope to find a way to slow the annual rise in the state's contribution to government pensions. Thanks to years of skimping on pension contributions, Illinois now has to quickly make up ground to keep the retirement systems healthy. That means a 20 percent increase in the coming year, to \$5.1 billion.

Once obligations like pensions, overdue bills and Medicaid are addressed, the spending outline leaves \$16.3 billion to operate the rest of government. That's \$900 million less than current levels.

The amount devoted to education, for instance, would drop from nearly \$6.9 billion to 6.5 billion.

"This is all the money we have," said Rep. John Bradley, a Marion Democrat who heads the House Revenue Committee. "I don't like this. You don't like it. None of us like it."

The measure is HJR69.

