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# COOK-WITTER REPORT

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## Legislative Update: Still Working on the Budget

**A**fter overtime sessions in June and July, Illinois lawmakers passed a state budget which Governor Pat Quinn immediately signed. However, the budget is not adequate to fully fund state operations to the end of the current (2010) fiscal year, and the governor will continue to work with legislators to explore spending cuts and funding options to pay for it.

Budget problems dominated this spring's legislative session. Very early in the session Illinois leaders realized the state was nearly \$12 billion short in meeting its financial obligations. While Governor Quinn and some legislators advocated a tax increase to help decrease that deficit, lawmakers couldn't reach an agreement on hiking taxes. Similarly, they rejected proposals to raise revenue by expanding casinos in the state. Lawmakers did, however, agree to use federal stimulus money to bring the state budget deficit down to just over \$9 billion.

Prior to the May 31st adjournment deadline, members of the 96th General Assembly approved a bare bones budget that funded state agencies at fifty percent of what the governor had requested earlier in the year. Governor Quinn quickly vetoed the budget lawmakers sent him and denounced the General Assembly for passing an unbalanced budget. By this time, the May 31st deadline had passed, meaning any budget would need approval of three-fifths of the lawmakers to pass each chamber, and would therefore require support from the Republican minority. For six days throughout June and July, lawmakers returned to Springfield to address the impending budget crisis.

On July 15, after thousands of state workers had gone without a paycheck due to the budget stalemate, the General Assembly finally negotiated a \$26 billion budget and Governor Quinn immediately approved

it. While the budget is not fully funded, lawmakers passed it to ensure state workers would be paid and to avert a virtual shut down of state government.

This budget is the first to provide lump sum amounts to agencies for the governor to allocate. Many of the appropriation bills state that funds will be released "after the purpose and the amount of such expenditure has been approved in writing by the governor."

The approved budget heavily relies on short term borrowing (\$3.5 billion), postpones payments on \$3.2 billion in debts, and mandates furlough days for state employees. Even with these drastic budget adjustments, there is still an estimated \$5 billion hole to be corrected later.

The borrowed money will help the state make its scheduled contribution to the state's public employees pension funds and frees up General Revenue Funds for other state operations, including \$2.2 billion for community-based human services and \$1.2 billion to be used at the governor's discretion. In return, the legislature directed the governor to find



\$1 billion in cuts.

The postponed payments mean certain state service providers will have to wait even longer to be paid for \$3.2 billion worth of services they have already provided, and they will have to keep providing vital state services with the hope they will be paid in the future.

While the budget requires lawmakers to take 12 furlough days (which equals a five percent pay reduction), thousands of state workers may have to be laid off and others will be furloughed one day a month to help balance the budget.

The governor has already implemented drastic cuts in many state services. Legislative leaders said they do not plan to revisit the budget during the

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## Legislative Update

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fall Veto Session in October. As the full impact of the budget cuts continues to unfold, it is anticipated that legislators will be hard pressed to consider tax increases when they reconvene in January for the spring legislative session.

Outside of budget issues, the legislature passed various ethics reform legislation this past spring which awaits the governor's action. One would limit the amount and type of campaign contributions politicians can receive. Another would tighten restrictions on lobbyists by requiring them to take ethics training, submit weekly expenditure reports during session, and pay a higher annual fee. A third would revise how legislators receive pay raises. While the House approved a resolution to let voters accept or reject the recall of a sitting governor, the measure still requires the Senate's approval. Governor Quinn has been a long-time advocate for gubernatorial recall.

The legislature and governor did eventually agree on capital plans for the state. Early in the spring legislative session they approved a mini-capital plan to spend \$4 billion on transportation and mass transit projects. During the July overtime session, they approved a major \$31 billion construction plan to help build and improve roads, bridges, high-speed rail, and

schools. To pay for the plan, the General Assembly and governor legalized video gambling, authorized online lottery ticket sales, and increased taxes on alcohol and fees for drivers. It was Illinois' first major capital plan in ten years and the governor estimates it will create 439,000 new jobs.

The General Assembly is currently scheduled to reconvene for the fall veto session from October 14th through 16th, and October 28th through 30th.



## Want to Check on Legislation?

If you would like to check on the status of a specific bill or legislation dealing with a particular topic, you can do so at the Illinois General Assembly's web site: [www.ilga.gov](http://www.ilga.gov). In the left hand column on the home page, you can search for legislation by bill number or topic (keyword). You'll learn about any amendments to the bill, changes in sponsorship, dates of action, and the latest action taken on the legislation.

## The Illinois State Fair's Early Days

*This circa 1890 photo shows the former larger "Dome Building" at the State Fair, which held exhibits of food and floral displays. It was constructed in 1893 for the Columbian Exposition in Chicago. The dome was dismantled and reconstructed in Springfield with a new building. It was proclaimed the second largest dome building in the world, but was destroyed by fire in 1917. Photo courtesy of the Sangamon Valley Collection at Lincoln Library in Springfield.*



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## The Illinois State Fair's Early Days

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August in central Illinois means two things: sweltering heat and the State Fair. (Nature rarely lets us have the latter without the former.)

But the fair wasn't always held in Springfield or during the dog days of summer. The first fair was held in 1853 as a gathering for farmers and was sponsored by the newly created Illinois State Agricultural Society, which worried that farmers wouldn't attend.

The Society gave Springfield the first choice to host the fair and the fledgling capital city accepted, donating 20 acres of land for the event, according to the Illinois Department of Agriculture's web site ([www.agr.state.il.us](http://www.agr.state.il.us)). New railroads made travel to and from Springfield easier. As a result, groups started to hold conventions and gatherings here, according to Paul Angle's "Here I Have Lived: A History of Lincoln's Springfield" (Abraham Lincoln Book Shop, 1971).

The fair was held after harvest, from October 11 through 14, 1853. Springfield and the State Ag Society had prepared for months. Simeon Francis, editor of Springfield's Illinois Journal newspaper, was an avid fair advocate. Beginning that August, his paper practically begged farmers and Springfieldians to support the event.

"Fellow Citizens!" wrote a member of the State Ag Society in the August 26, 1853 Journal, "Can you not, for a single week, remit your toils, (and) meet your comrades at our Metropolis...to aid in this new effort for the development and perfection of the intelligence and resources of our still youthful, but at no distant day,

rich and powerful State?"

"A failure would be a State disgrace," said the Sept. 8, 1853 Journal. The editorial asked editors throughout Illinois to promote the fair. "Push it forward with all your power. Make every one of your readers feel its importance...Agriculture is the great spring from which our wealth is to flow..."

The State Ag Society feared that Springfield wouldn't be ready if big crowds attended. Through the Journal, it pleaded to the city: "I hope you will have certain arrangements immediately made for the accommodation of at least twenty-five thousand persons (*italicized*), and provisions made for erecting bunks and sheds for more in case of emergency requiring it. It will not do to be unprepared."

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*The Exposition Building has stood on the state fairgrounds for 105 years, as evidenced by this 1890s photo. It was the first permanent building constructed for the fairgrounds and was built in 1894. Photo courtesy of the Sangamon Valley Collection at Lincoln Library in Springfield.*

## The Illinois State Fair's Early Days

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### Springfield was unprepared.

Although many locals made accommodations for visitors in their attics or extra rooms, it wasn't enough, according to Angle. "On the night of October 11 -- opening day -- 400 were registered at both the American House (a popular Springfield hotel) and the City Hotel, smaller taverns were similarly crowded, and hundreds of men and women who were unable to find accommodations anywhere slept in chairs and on the floors." As fair attendance increased to 20,000, visitors had a hard time finding any place to sleep.

Still, "The first fair proved a great popular success," according to "Illinois State Fair: A 150 Year History" by Ed Russo, Melinda Garvert and Curtis Mann (G. Bradley Publishing, 2002). "Altogether there were 765 individual entries with attendance ranging between fifteen and twenty thousand people by the third day, and 'not one inebriated man was seen!'

The fair focused on family activities and "promoted not only improved methods of agriculture and raising livestock, but also displays of improvement

for labor, industry, education, arts, and sciences," says the Illinois Department of Agriculture's Web site. Admission was 25 cents. Nine hundred forty-four dollars were paid in premiums.

"The fruit department was well supplied, and 'Floral Hall' presented a tasteful appearance," says Angle's book.

But one east coast journalist wasn't impressed. According to the Illinois State Historical Society Journal, Vol. 43, he wrote: "swine were more numerous in the streets of the city of Springfield than in the pens of the fairground." (It might not have been an exaggeration: Springfield was known for its porcine problem.)

Despite the pigs, the fair was a success and the Society held another, better-attended one in Springfield the next year. Highlights were speeches by Stephen A. Douglas and Abraham Lincoln.

After 1854, Illinois cities competed to host the State Fair and it was held around the state (with the exception of 1862 and 1893 when there was no fair) until 1894, when it returned to Springfield permanently.



## Two State Agencies Keep or Regain Independence

The Illinois Department of Insurance and the Illinois Historic Preservation Agency are officially independent entities. That's a relatively new status for the Department of Insurance, which became part of the Illinois Department of Financial and Professional Regulation in 2004 as part of former governor Rod Blagojevich's efforts to streamline state government. Prior to that it was an independent department.

On June 1 of this year, Insurance regained its independent status as a result of Governor Pat Quinn signing Executive Order #4. According to that order, the Department's mission is: "to protect consumers by providing assistance and information, efficiently regulating the insurance industry's market behavior and financial solvency, and fostering a competitive insurance marketplace."

For the Illinois Historic Preservation Agency (IHPA), which oversees the state's historic

sites, independence is a recent victory. In his March budget address, Governor Quinn proposed merging IHPA with the Illinois Department of Natural Resources and on April 1 signed Executive Order #6 stipulating that the two entities join on July 1.

However, after receiving objections to combining the two units, Quinn signed legislation (House Bill 88) on August 7 that immediately enabled IHPA to once again become an independent agency. It has been its own agency for 24 years, since former governor Jim Thompson's administration separated it from the Illinois Department of Conservation. Although the now defunct Executive Order would have dissolved IHPA's board, the new legislation lets the board stand and mandates that IHPA report directly to its board, not to the governor.

