Illinois prepares wide-ranging budget cuts

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In the midst of a growing economic crisis in the United States, many state governments have announced major budget cuts to essential public services, parks and infrastructure. In August, the Illinois legislature joined those of California, New York, New Jersey, South Carolina and Arizona in enacting deep cuts, along with wage freezes for state workers.

The office of Democratic Illinois Governor Rod Blagojevich quietly announced the nearly $1.5 billion budget cut last month in the middle of the Democratic National Convention. The cuts include 325 layoffs among state employees and the indefinite closure of 24 state parks and historical sites. Wage freezes and at least two unpaid furlough days have been imposed on nonunion employees for the next fiscal year, while hiring freezes, eradication of overtime pay, and furlough days are being negotiated in those offices still reconciling the new budget.

Of the state sites closed, at least 3 date back to the eighteenth century French colonization of Illinois, and 11 are state parks or forest preserves. The Lincoln Log Cabin, the historical site of Abraham Lincoln's family homestead near Charleston, is probably the most recognizable landmark to be indefinitely closed as of October 1.

According to the *State Journal-Register*, in a September 7 report, the Illinois Historic Preservation Agency saw its funds cut by $2.8 million. Funds for the Department of Natural Resources, responsible for overseeing state parks as well as mines and protected sites, were cut by $14 million.

After years of regressive tax structures that have included billions of dollars in giveaways to wealthy individuals, the cuts come wholly at the expense of the working class. In states struggling with an exodus of industry and rising unemployment, including the Democratic Party stronghold of Illinois, these giveaways—packaged as "business incentives" and corporate tax breaks—have taken a severe toll on public welfare.

Similar tax policies at the federal level—and the massive siphon of military spending—have left state governments with substantially less funding for costly joint federal-state programs like Medicaid and highway maintenance.

At the same time, inflation has soared in the US, pushing up the funding requirements for medical programs, food and energy assistance, road repair, state-managed student loan corporations, and many other programs. Such programs, along with their workforces, are increasingly seen as dead weight by political leaders in both parties of big business. State jobs and social services are slashed; schools, hospitals and historical landmarks are put at risk of collapse.

As in the Midwest "rustbelt" at large, residents of Illinois are experiencing a precipitous decline in living standards and jobs. Last month, the Illinois Commission on Government Forecasting and Accountability reported average unemployment in the state to be 7.3 percent in July, up more than 2 percent from a year ago. Alongside the jobs lost, the average rate of inflation in the state increased more than 3.5 percent to 9.5 percent in July.

Illinois also outpaced the rest of the country in the rate of bankruptcy filings this year, racking up more than 27,000 filings by individuals and businesses, with individual filings up more than 35 percent from last year. Financial analysts explain this significant increase in individual filings by pointing to the mortgage crisis: filing for bankruptcy is a way to hold onto a home when falling behind on mortgage payments.

In the Department of Child and Family Services, 179 state employees are to be laid off and the department must reassign remaining employees to only the most critical positions. According to the *Chicago Tribune*, the largest staffing cuts in the Human Services

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Department affect the office that administers food stamps, medical care and childcare. These job cuts result in the loss of services crucial to families struggling to remain employed while raising children, and will have far-reaching negative effects among those who rely on the state for basic needs.

Chicago suffers the most intense economic distress in the state. The city has experienced record joblessness among teenagers, increased violence in schools, and recession that has weighed heavily on working class households for the last 18 months. The worsening social situation has combined with long-standing funding and infrastructure inequities in the poorer areas of the city to force the closure of essential services.

Infrastructure is strained still further by the decline in tax revenue throughout the city, due in part to the rapid collapse of the housing market. As a result, more services are inevitably put in line for the chopping block. On September 8, the Chicago Transit Authority announced projected losses in excess of $66 million for 2009, and indicated a rise in fares and layoffs.

Besides a large fiscal shortfall, Blagojevich, who faces the possibility of investigation for illegal kickbacks during his 2006 reelection campaign, is confronted by mounting political crisis and a public approval rating of only 13 percent. While introducing a state preschool program and widening the children's health insurance program, funding shortfalls and poor healthcare provider reimbursement rates have plagued state social services. In addition, the governor has long singled out other basic departments for cuts, such as the State Board of Education, which he publicly dismissed as a "Soviet-style bureaucracy." Rather than raise taxes on the state's numerous billionaires, Blagojevich and the Democrat-controlled Senate are moving to lease out the state's public-funded lottery system to private enterprise.

Many other states are implementing cuts and divestitures. Tennessee reduced its state workforce by more than 12,000 through buyouts. Kentucky education budget cuts have resulted in drastic tuition hikes at state universities.

Georgia's budget falls short by $1.6 billion for the year, an occasion Republican Governor Sonny Perdue took to call for departmental funding cuts of 6 to 10 percent. Six state parks, half of all state historic sites, hazardous waste cleanup projects, wildlife management offices and land conservation efforts have all been targeted for closure.

Other state governments, including those of Pennsylvania and Maine, have proposed partial sell-offs, private lease agreements, or outright closure of major highways for lack of funds.

Federal transportation funds, partially dependent on gasoline sales, have flagged as millions of Americans cut back on gas purchases. The Highway Trust Fund, as a result, has verged on running dry for months. Combined with state-level shortfalls, the federal funding gap leaves tens of thousands of bridges and roadways already classified as safety-deficient to fall into further disrepair.

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