

Illinois budget to cut \$6.7 billion from pensions, health care, social services

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20 February 2015

The budget unveiled Wednesday by Governor Bruce Rauner of Illinois is an open declaration of class war against the working people of the fifth-largest US state, one of the major centers of the industrial working class, where some of the most important class battles in American history have been fought.

Rauner, the newly elected Republican governor, called for spending cuts totaling \$6.7 billion. Nearly half of the cuts will come from the pensions and health benefits of state employees, while the remaining half will hit Medicaid, higher education, transportation and other state services.

The cuts detailed by the governor's office include:

- \$2.2 billion from shifting most state employees to a scaled-back pension plan imposed on new hires in 2011, cutting their future benefits
- \$700 million from health benefits for current state employees, to be imposed in upcoming contract talks with the public employee unions
- \$1.5 billion from Medicaid by tightening eligibility standards, reducing payments to hospitals and nursing homes by 12 percent, and curtailing so-called "optional" services for adults such as dental care and podiatry
- \$387 million from higher education, including \$209 million from the University of Illinois
- \$127 million from mass transit for the densely populated Chicago metropolitan area
- \$167 million by denying Department of Children and Family Services aid to young adults aged 18 to 21
- \$600 million from state aid to local governments, devastating the budgets of cities, towns, counties and villages throughout the state
- \$82 million from mental health and substance abuse services and services for those with special needs, including adults living with autism and epilepsy

Many of Rauner's targets are the state's most vulnerable residents: homeless youth, poor families, the sick, immigrants, the disabled. The Medicaid cut is particularly cruel, since both enrollment and expenditures have doubled between 2000 and 2011, an indication of the enormous social need for health care.

Rauner rejected any tax increases on the wealthy and proposed only a single minor spending increase, about \$300 million for elementary and secondary education, which he had promised in his election campaign.

In his address to the state legislature, Rauner called for other longer term attacks on the working class, including significant reductions in workers compensation and unemployment insurance, further pension cuts, tax cuts for business and reduced regulation of businesses.

Far from facing opposition from the Democrats at either the state or federal level, Rauner is taking a leadership role in a bipartisan nationwide assault on the living standards of the working class, who are being bled to further enrich the financial aristocracy.

Representatives of Rauner's office and state Republicans have met over the last several weeks to discuss the proposed budget with US Senator Dick Durbin, the state's top Democrat, as well as Michael Madigan and John Cullerton, the Democratic leaders of the Illinois legislature.

After the budget was unveiled, Speaker of the House Madigan emphasized his openness to Rauner's approach, saying, "There are no non-starter proposals." Senate President Cullerton expressed his enthusiasm for getting to work with Rauner on the budget after the governor's State of the State address on February 4.

The attack on state worker pensions builds on the momentum of attacks by local Democratic Party politicians in Stockton, California and Detroit, where

flagrantly illegal and unconstitutional attacks on pension benefits have been pushed through using federal bankruptcy laws.

In Illinois the previous Democratic administration of Pat Quinn began the attack on pensions, first splitting state workers in 2011 into two tiers, then enacting a 2013 law that gradually eliminated the differences between Tier 1 and Tier 2.

Last year, a state court ruled that reducing pension benefits was a violation of the state constitution. The Illinois state supreme court is to hear arguments on the case on March 11.

Illinois Attorney General Lisa Madigan, a Democrat and the daughter of the House speaker, will argue that the 2007-2008 financial collapse so upset the state's finances that it is justified under the broad grant of "police power" to the states under the 10th Amendment to the US Constitution to override the state constitutional provision protecting public employee pensions, a legal argument that is both preposterous and reactionary.

The day after Rauner's budget was issued, President Obama visited the south side of Chicago for a photo-op ceremony establishing a US national park honoring Pullman porters, and to give his well-publicized endorsement of Mayor Rahm Emanuel for reelection. Neither Obama nor Emanuel said anything about the devastating attack on jobs, living conditions and social programs just announced in Illinois.

There was good reason for their silence. Obama at the national level and Emanuel in Chicago have carried out equivalent attacks on the social rights of working people. Obama's budget, issued February 2, calls for record levels of military spending, continued spending freezes and cuts for most federal programs, and a draconian \$400 billion cut over ten years in Medicare.

Emanuel, Obama's former chief of staff, has spearheaded the attack on public education in Chicago, closing 50 public schools and firing thousands of teachers. He has also pushed for pension cuts to Chicago municipal workers, eliminated health care for retirees and slashed mental health and other city services.

Emanuel is personally close to Bruce Rauner, and they come from the same social milieu—the extremely wealthy North Shore—with Emanuel himself having worked as an investment banker after a stint in

Congress, just before entering the White House to serve in the Obama administration. Rauner was an adviser to Emanuel in his implementation of school "reforms" which led to the Chicago teachers' strike in 2012.



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