

Proposed Illinois budget continues assault on workers and sets stage for November elections

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Illinois government Bruce Rauner released his fiscal year (FY) 2019 budget proposal on February 14. It largely enshrines and extends the savage cuts to state health care and human services programs imposed by his administration during the multi-year budget impasse. Rauner is betting that his continued intransigent opposition to social spending will earn him the continued support of the financial aristocracy in the November gubernatorial election, allowing him to eke out a win against the Democratic candidate, billionaire J.B. Pritzker.

Rauner, himself a billionaire investor, proposes that for fiscal year 2019 the state slash spending on human services, medical care, public health, education and other social services. Part of the savings would go to lowering the state income tax rate from 4.95 percent to 4.7 percent, which would largely benefit only the extremely wealthy.

Under his budget, human services spending would be \$6.3 billion, a \$300 million decrease from 2015, the last time the state passed a full budget, even without taking into account real cuts in service delivery resulting from inflation in the intervening years. Among programs slated for cuts are infant mortality prevention, autism and epilepsy services, and addiction prevention. Child-care for low income families is cut by \$96 million, described by the Rauner administration as “rightsizing.”

Rauner has tried to sell the budget with the claim that it increases primary and secondary education spending. However, although his proposal increases spending by \$98.1 million, once inflation is taken into account, the real result is at least a \$57.1 million decrease, according to the Center for Tax and Budget Accountability (CTBA).

Furthermore, the budget would begin a shift of

teacher and other educator pension costs from the state to local school districts, colleges and universities. This would lead to about \$547.1 million in pension costs to be absorbed by school districts throughout the state, inevitably requiring them to carry out further cuts and layoffs.

Spending for higher education compared to the previous year is flat, essentially enshrining the 10 percent overall cuts enacted in the previous budget. According to the CTBA, adjusted for inflation, the state is effectively spending 59 percent of what it spent on higher education in 2000. This has led to layoffs at many state universities and community colleges, which in turn has led to steep enrollment declines. According to a report from the Illinois State Board of Higher Education, 46 percent of 2016 high school graduates decided to attend an out-of-state school, up from 29 percent in 2002.

Additionally, a \$5 million cut is planned for the budget of the Office of the State Appellate Defender which represents indigent persons on appeal in criminal cases at the Supreme, Appellate and Circuit court level. This cut is coupled with a \$7.4 million increase in spending for the Illinois Law Enforcement Training and Standards Board.

The budget also assumes large savings linked to lawmakers’ enacting a pension cut plan, forcing workers to decide between having their pay raises count toward their pensions or receiving a 3 percent annual cost-of-living increase in their pension benefits after retirement. This bipartisan proposal was first floated by Democratic state senator John Cullerton as an alternative plan to the pension-cut bill originating with Democratic house speaker Michael Madigan, which was eventually struck down by the state Supreme Court.

Workers employed directly by the state would also see their health insurance costs rise, as the budget calls for decreasing the portion of the insurance that the state picks up from 90 percent to 60 percent. Given the rising cost of health insurance it is likely that workers will see these costs rise several times. Rauner estimates he can save \$470 million with this change.

The budget would also cut off state assistance toward the health insurance of retired downstate teachers and community college employees. This would have a devastating effect on retired workers whose household budgets are already strained.

Illinois' recent budget impasse was the result of Rauner tying his agreement on a budget to a series of anti-union legislation that would kneecap unions and through them the Democratic Party. The Democratic Party-controlled legislature, though not fundamentally opposed to the social cuts, having passed versions of most of them in the recent past, was compelled to defend their financial base in the labor bureaucracy.

As a result of the impasse, state agencies and services reliant on state funding were forced to operate on a shoestring budget and lay off workers, essentially enacting de facto cuts. A coalition of 97 human and social services agencies sued the state over unpaid bills for services provided. Additionally, public universities operated on less than half their normal state funding and were forced to lay off and furlough staff as well as raise tuition and eliminate majors.

The stalemate was ultimately resolved in July 2017 when some Republicans who represent districts with large numbers of state workers joined the Democrats to override Rauner's veto and enact a spending plan.

Should the legislature fail to approve the budget by June 30, or pass one of its own, the state will once again be without a budget, which could lead to the state's credit rating being downgraded to junk status, further exacerbating its financial difficulties. Despite this, there is a good chance no budget will be passed before the November election, as Pritzker and the Democrats would prefer not to reveal that their plans are essentially no different from that of Rauner and the Republicans.

The only way to fight against the endless string of cuts is to break from the Democratic Party, which has spearheaded the social counterrevolution in the state for decades, employing the unions to channel and divert

worker opposition to savage spending cuts and the erosion of democratic rights.



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