

Illinois: Partial spending plan will keep the lights on



David M. Kall | Saturday, July 9, 2016

On the last day of the fiscal year, Governor Bruce Rauner signed a [bridge spending plan](#) that the Associated Press (AP) [characterized](#) as “a rare bipartisan accomplishment but one that won’t end the yearlong gridlock on a full budget.” Illinois is the only state in the country that does not have a full budget for this year.

The [Illinois Policy Institute](#) (Institute), an independent research and education organization, considered the most significant provisions to be for road projects, human services, state vendor contracts, and higher education. What is more, the impasse was all the more dramatic because schools were uncertain as to whether they would be able to open when the 2016-17 school year begins soon. Now, they will open on time, thanks to the additional \$250 million in poverty grants contained in the bridge plan. Approximately \$100 million of this will go to Chicago schools, and the rest will be spread out among downstate districts according to their low-income student populations.

Other funds will increase the state’s contribution to the Chicago Public Schools’ pension costs, making it more like other districts’ pension programs. To give lawmakers more time to pass a pension reform plan, this increase does not take effect until 2017. The bridge plan also gives Chicago the authority to raise property taxes to help fund teachers’ pensions.

In addition to the school funding, the Institute pointed out that the budget agreement will allow operations for transportation and infrastructure to continue, will prevent vendors from ceasing to provide service and suing for money owed, and will prevent social services from having to continue turning away the most vulnerable.

Beyond these matters, a Department of Commerce (DOC) [press release](#) described the plan’s details that are relevant to its mission. These include assistance for low-income households, workforce training, small business loans and export assistance, tourism promotion, and energy efficiency programs. The Acting Director Sean McCarthy supported the measure for its sustenance of DOC programs that help the disadvantaged and support economic development.

Among these programs are the Low Income Home Energy (LIHEAP) program, which helps over 260,000 eligible low-income households pay for energy services like winter heating, and programs that help prepare youth for in-demand careers. The plan also allows the Department of Commerce to continue funding small business loans, and international marketing and export assistance.

The program “Illinois Energy Now” received an allotment of funds for energy efficiency improvement projects for public sector and low-income customers. The appropriation for USDA Biofuels grants will leverage nearly \$28 million in private investment to make ethanol fuel more widely available at Illinois gas stations.

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Finally, the DOC applauded the full year of funding for Illinois tourism promotion. The tourism and hospitality industries are economic drivers for many communities because they attract visitors from around the country, generate revenue, and create jobs for Illinois residents.

The prevention of catastrophe is not the same as having a functioning government. The AP quoted Democratic House Leader Barbara Flynn Currie, who lamented the fact that the plan doesn't solve the state's fiscal mess; “[i]t is meant to keep the lights on.” And in a piece titled “[Illinois' budget and schools deal: Half a loaf? Not even](#),” a *Chicago Tribune* Editorial Board expressed its disgust at the “duck and cover” ploy that enables state “politicians [to] avoid the debacle of going back home to campaign despite a feckless inability to get ... anything ... done.”



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