

C Illinois

“Emergency Session.” The very words connote drama and intense maneuvering at any state capitol. Yet when Illinois Governor Rod Blagojevich called the legislature into an emergency session, just after the start of this year, that was hardly the reaction he got. Exhausted by an increasingly bitter and extended budget brawl with their governor, legislators mostly just stayed away. Even the House speaker and the Senate president, both Democrats like the governor, ignored him and remained on vacation.

The Blagojevich administration has been troubled from the start, and the consequences for Illinois government have been serious. The administration began with high hopes: Blagojevich’s election victory in 2002, bringing his party control over all three branches and replacing a Republican regime tainted by corruption, generated widespread interest in bringing the state’s shaky management into good shape. But intraparty battles have continually stymied

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progress. Political disagreements have been delaying a new infrastructure-spending plan for years, to cite just one example, and the state may soon lose federal matching funds intended for roads and bridges.

It can’t be easy to manage a state such as Illinois, with huge outstanding bills and troubled revenue streams. But when the state’s leaders are effectively stuck in the mud, the difficult becomes all but impossible. Last year, the governor proposed a major expansion of health care supported by a gross receipts tax on business. The House rejected the plan 107-0. “We weren’t even talking about coming to some resolution,” says state Senator Christine Radagno. Months later, the legislature passed its own budget, Blagojevich vetoed about \$500 million of it to make room for his health care expansion and the whole mess wound up in the courts.

Fortunately for citizens, some positive change is occurring underneath the radar. In the past few years, the governor has re-

quired agencies to report more performance information. And some of the yardsticks now used, such as the percentage of ex-offenders who avoid going back to prison, are measuring solid outcomes.

Performance information is particularly vital in a state where long-term financial prospects are a bit frightening. Pensions and retiree health care benefits are probably the biggest fiscal problems. Illinois has struggled for years with an underfunded pension system, and although \$10 billion in pension obligation bonds were issued in 2003, it’s still one of the worst-funded systems in the nation at 53 percent. The governor has proposed issuing bonds and creating a long-term lottery lease to generate \$26 billion to deal with the pension shortfall. But before those plans bear fruit—before any significant fiscal improvement can take place, for that matter—the administration and the legislature need to restore a working relationship. Many things hang in the balance, such as the \$25 billion capital program for roads, bridges, schools, higher education and economic development. “There are schools around the state that have been waiting since 2002” for repairs, says Ginger Ostro, the budget director.

Clearing the poisoned political atmosphere so that productive work can take place may not be impossible. In earlier years, despite a fair amount of animosity, Blagojevich and the legislature at least worked together long enough to expand the state’s pre-K school program and children’s health insurance.

For now, unfortunately, acrimony reigns. In January, buoyed by an influential audit from the auditor general, the legislature ended months of negotiation by agreeing to fund mass transit with some higher sales taxes. At the eleventh hour, the governor nearly sank the deal by tossing in a proposal to let seniors ride free. The legislators clenched their teeth, swallowed their anger, and voted for it. “I’ve been here for 12 years,” Radagno says, “and universally people say they have never seen anything like this.”

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Money	C-
Long-Term Outlook	●
Budget Process	●
Structural Balance	●
Contracting/Purchasing	●
Financial Controls/Reporting	●

People	C-
Strategic Workforce Planning	●
Hiring	●
Retaining Employees	●
Training and Development	●
Managing Employee Performance	●

Infrastructure	C
Capital Planning	●
Project Monitoring	●
Maintenance	●
Internal Coordination	●
Intergovernmental Coordination	●

Information	C+
Strategic Direction	●
Budgeting for Performance	●
Managing for Performance	●
Performance Auditing & Evaluation	●
Online Services & Information	●

Population (rank): 12,831,970 (5)
Average per capita income (rank): \$26,514 (15)
Total state spending (rank): \$55,767,569,000 (7)
Spending per capita (rank): \$4,346 (40)
Governor: Rod R. Blagojevich (D)
First elected: 11/2002
Senate: 59 members: 37 D, 22 R
Term Limits: None
House: 118 members: 67 D, 51 R
Term Limits: None