

# Illinois Review

Monday, March 01, 2010

## A few ideas for the Governor's portal

*by Joe Calomino*

Americans for Prosperity applauds Governor Quinn for opening an online comment portal offering the general public an opportunity to view and comment on the states budget dilemma. On March 10, 2010 Governor Quinn will be making his annual budget address. Governor Quinn has made it clear that he believes the only way out of the states financial mess is to raise our taxes. Americans for Prosperity strongly disagrees!

Americans for Prosperity believes Governor Quinn has failed to recognize that the taxpayers of Illinois will not accept tax increases as a solution to the state's expansive spending and borrowing problems that has brought the state to near bankruptcy.

For all practical purposes, established think tanks such as the Heritage Foundation, Heartland Institute, Cato Institute, Club for Growth, etc. have developed public policy initiatives/concepts that most fiscally conservative groups have utilized as talking points for reform and/or fiscal conservatism. In short, there are very few new ideas on how to effectively run a fiscally responsible form of government with even fewer elected officials that have the courage to enact those policies.

The numbers don't lie. We're one of the least business friendly states in the nation and we have a high rate of unemployment both of which are major contributors to lost revenues.

We don't need more taxes; we need more taxpayers with jobs!

Subsequently, AFP-IL offers the following recommendations to the governor and members of the General Assembly going forward:

### 1. Real Budget Reform:

Illinois' budgetary system is broken. How can we solve the budget deficit when we really don't know the scope of the problem? We must stop the myriad of accounting tricks, non-transparent procedures and in some cases, a total subversion of the law in order to pass the state's budget. We must enact a "Fact Based" budgeting process that uses standard accounting procedures. To learn more visit the Institute for Truth In Accounting.

### 2. Develop a Long-Term, Free-Market Jobs Strategy:

The state of Illinois has been killing the business community by a "thousand cuts." Increased taxes, overregulation, and burdensome mandates are causes that have made Illinois one of the country's least business friendly states thus, contributing to the high rate of unemployment and loss revenues.

### 3. Make Medicaid More Efficient:

Medicaid spending has increased dramatically in the last seven years and grows at twice the rate of state revenues. This growth rate is unsustainable. Recommendations for efficiency gains include:

-Managed Care, which would cut down on unnecessary utilization and keep Medicaid patients from using our hospital

emergency rooms as doctors' offices.

-Requiring stricter guidelines to prove income levels and requiring proof of residency status will help make sure that only those individuals who qualify for Medicaid are actually on the program.

-Enact a level of co-pay or cost sharing on those who are receiving coverage. Without a small disincentive to use health care services, it becomes a free, unlimited resource that invites huge amounts of waste.

#### 4. Don't Use One-Time Revenue to pay for Ongoing Spending:

Stop funding new base spending with one-time revenues. We should not use borrowed money (pension bonding), and fund sweeps to pay for ongoing programs. This practice expands the spending base, without expanding the revenue base and creates bigger problems in future years.

#### 5. Reform Pensions:

The state's pension systems are in dire financial straits and need to be reformed for future generations of taxpayers. However, because these pension benefits are constitutionally protected, most major reforms can only be applicable to future employees. Some possibilities for reform include:

-For newly hired employees, raise the retirement age to 65. Currently, most retire at 60, some much earlier under the Rule of 85. This could save tens of billions of dollars over the next 40 years.

-For newly hired employees, limit COLA increases on pension benefits. Currently, it's an automatic three percent.

-For newly hired employees, create a defined contribution pension plan where pension benefits are defined by the employee's contribution, not by a defined package of benefits.

-Cap pensions from state funded systems at a certain level such as \$100,000.

-For current employees, increase the employee contribution to pension systems. State employees now pay four percent, while teachers pay 9.4 percent.

#### 6. Greater Transparency in State Budgeting:

The Seven Days of Sunshine Proposal which would require all budget bills to be on file, and available online for at least seven days before enactment. This would eliminate the last minute passage of huge budget bills that members are asked to vote on before they know everything that is in them.

These concepts aren't new and certainly they're not rocket science. But they are basic public policy initiatives that should be considered prior to enacting archaic cuts and/or tax increases.

If Governor Quinn is to lead our state back into prosperity, his administration must have the courage to force the General Assembly to adopt public policies that reform how the state does business on several fundamental levels.

Hope may run eternal...but elections are in November!

Joe Calomino | [Permalink](#) | [ShareThis](#)

[Reblog](#) | [Digg This](#) | [Save to del.icio.us](#) | [Tweet This!](#)

#### TrackBack

TrackBack URL for this entry:

<http://www.typepad.com/services/trackback/6a00d834515c5469e20120a8e5d0e0970b>

Listed below are links to weblogs that reference [A few ideas for the Governor's portal](#):

#### Comments

#### Verify your Comment