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So, why does Reboot Illinois exist?

The short answer is we're here to give people who are fed up with Illinois government's dismal performance – in corruption, in mishandling the state budget, in its commitment to schools and in failing to make the state more business- and job-friendly – a place to make their voices heard. And by using social media to connect Reboot Illinois users who share the same concerns, we hope to help them take action.

Really, though, understanding the roots of Reboot Illinois requires understanding a political culture that evolved and prospered over many decades – a culture that placed rewarding clout-heavy insiders over providing the most effective, efficient government for everyone. That culture set in motion a sequence of events that led to the current state of affairs in Illinois: two governors in federal prison, a state budget on the verge of collapse, **an education system strained by the state's precarious finances and an uncertain tax outlook that makes business owners shudder and impedes job growth.**

To better understand how we got here, let's take a quick look back at the last decade in Illinois government.

LEGACY OF CORRUPTION

At this time 10 years ago, Gov. George Ryan was becoming ever more combative as rumors of his pending federal indictment – for acts committed during both his time as secretary of state and as governor – became rampant. Ryan already had abandoned plans for a second term and now newspaper editorials called on him to leave office immediately. The run-up to the 2002 gubernatorial election also became, in the public mind, the countdown to federal charges being filed against Ryan. The 22-count indictment **would arrive in December 2003, followed by Ryan’s conviction in 2006 and a six-and-a-half-year prison sentence.**

This was the perfect atmosphere for a candidate who brought a message of reform; who **pledged to part with what passed as “business as usual” in Illinois politics. And because** Ryan was a Republican – the third in a line of three GOP governors who had kept the executive branch in Republican hands for 26 years – it was the perfect atmosphere for **the Democrats to retake the governor’s office. Even a Democratic candidate with a name like Rod Blagojevich would have no trouble winning in November 2002. (It didn’t hurt that his Republican challenger had the last name Ryan.)**

On Nov. 5, 2002, Blagojevich was elected governor with 52 percent of the vote. At his **victory celebration, he declared, “Tonight, ladies and gentlemen, Illinois has voted for change.”** A little more than six years later, Illinois would learn that Blagojevich’s “change” **didn’t refer to ending the cronyism and challenged ethics that led to his predecessor’s** imprisonment and the convictions of dozens of his associates. Blagojevich brought a new **level of what’s-in-it-for-me** attitude to Illinois politics; an attitude that was put on display nationally in reams of FBI wiretap recordings that caught the governor, among many other things, plotting the reward he could reap in selecting a replacement for President-Elect Barack Obama in the U.S. Senate.

Nearly 10 years later, Illinois still is trying to recover from Blagojevich's departure from what he called "business as usual." As Blagojevich played the role of absentee governor and engaged in open warfare with Illinois House Speaker Michael Madigan, the state amassed billions of dollars in unpaid bills. The state now is roughly \$9 billion in arrears, owing money to creditors ranging from doctors and social service providers (many of whom have to take out lines of credit to meet payroll) to school districts and state universities (where students face higher tuition and employees have been forced to take furlough days).

But Illinois can no longer blame its problems on Blagojevich. More than anything, he was a super-sized manifestation of a political culture that has existed in Illinois for decades. **It's a pay-to-play culture** in which the spoils go to the connected. And to a large extent, Illinois got the governor it deserved when it elected Blagojevich to a second term in 2006 – when it was common knowledge that his administration had attracted the close attention **of the same U.S. Attorney's Office that had just sent his predecessor to prison.**

BRINK OF FINANCIAL DISASTER

Blagojevich has been out of office for nearly four years and Illinois faces the most serious **threat to its finances in state history. For years, the state's political leaders sweetened** public employee pensions to gain favor with public sector labor unions. They also **habitually skipped the state's payments into the pension systems.** Combined with market collapses in 2001 and 2008, this has put the state on a course to be \$89 billion short of where it needs to be in its pension system funding in 2045.

What does that mean for you? If you are a public employee, it means there easily could be no money to pay for your retirement when you get there. For all of us, it means that more and more of our tax dollars will go toward making back payments into the pension systems. When the state raised its income tax in 2011, virtually all of the new money went

into the pension funds. It will continue to take money away from essential government functions like education and public safety in greater chunks with each year the system goes unchanged.

As a taxpayer, consider this: When the state's largest retirement fund – Teachers Retirement System, which covers public school teachers outside Chicago – in September downgraded its projected investment earnings from 8.5 percent to 8 percent, it instantly **added another \$670 million to the state's pension bill** for fiscal year 2014. And remember, this is a state that reduced its spending on education by \$210 million between fiscal 2012 and 2013.

No lawmaker in Illinois disputes this, yet we have seen inaction, gridlock and stalling from the legislature. Meanwhile, **failure to take action has led to downgrades in the state's** credit rating – so taxpayers pay more interest when the state borrows for important public projects. Terrified of offending the unions that represent most of the public employees in the state, lawmakers now plan to act on pensions (maybe) in January, when the November election is safely in their rear-view mirrors.

This act of putting political safety over the financial well-being of the state is beyond **irresponsible. It's having real consequences** for taxpayers. When the legislature squandered an opportunity to take action at a special session on Aug. 17, Standard & **Poor's took note, knocking the state's credit rating down a notch. Lawmakers may be** content with no action on pensions until January; the ratings agencies have shown no such patience. Why should they?

DYSFUNCTIONAL GOVERNMENT, SUFFERING ECONOMY

The state's frightening financial situation isn't limited to causing terror among elected officials and frustration for taxpayers. It scared billionaire Nassef Sawiris – **head of Egypt's**

largest company and a University of Chicago alum – away from building a \$1.4 billion **fertilizer plant in Illinois. He’s putting the plant in Iowa even though he admits Illinois’ existing tax code and an incentive package it offered were “financially superior” to Iowa’s,** Sawiris told the Chicago Tribune.

“Whatever tax regime exists today we have to take with a grain of salt,” Sawiris said. “The unfunded pension liabilities of the state of Illinois were a big concern to us, let alone the hypothetical situations that exist in doing business in Illinois and Chicago.”

Ah, yes. Hypothetical situations in doing business in Illinois. Like the hypothetical situation the FBI recorded involving Blagojevich plotting to squeeze a \$100,000 campaign donation from a horse track owner in exchange for signing a bill favorable to the track owner. Or **perhaps Sawiris is referring to a workers’ compensation system weighted so heavily in favor of plaintiffs that Illinois businesses pay one of the highest workers’ comp insurance rates of any state.** Hypothetically, a state that places a minimal burden on an injured employee to demonstrate that the injury actually happened at work could cause big problems for a company with hundreds of employees, **as Sawiris’ new Iowa plant will have.**

Sawiris’ reservations resonated because of the size of Illinois’ missed opportunity. But he voiced concerns that face thousands of Illinois business owners every day. Concerns about the state’s financial future have caused countless businesses to put off expansion plans. Those who do business with the state often wait months for payment for their **services, caught in the state’s backlog of nearly 200,000 unpaid bills.**

Put simply: Illinois’ economic health will suffer until the state’s leaders address the pension crisis. And the state’s reputation for corruption will give pause to businesses considering locating in Illinois until the state demonstrates that it wants no part of that legacy.

REBOOTING EDUCATION

As if these problems weren't enough, Illinois faces an even greater problem in fixing its K-12 education system. A funding formula that relies heavily on local property taxes has created a public school system of haves and have-nots: School districts in wealthy areas have new buildings, diverse class offerings and high test scores. Those in poor areas – especially urban areas – **struggle on every front. Analyzing data from the state's 2011 School Report Card, the Chicago Tribune found “the 10 poorest schools on average spent 30 percent of what the 10 richest schools spent on average to educate each student...”** That's a difference of \$15,000 per student, the Tribune reported. Put another way, in Illinois your zip code determines the quality of education your kids will get.

But merely sending more money to poor school districts won't solve the problem of getting better results.

“Funding has to be used strategically to make the difference. Instead, it oftentimes gets sucked into a ‘step and lane’ salary schedule that compensates our educators based on two things: years of experience and level of higher education,” writes Jessica Handy, policy director of the education reform group Stand for Children Illinois, in an op-ed you can read on this site. “Masters’ degrees in education don't correlate to higher students outcomes, but they are a basis for compensating our teachers. And Illinois devotes the more money per pupil **to Masters’ degree bumps than any other state in the nation: about \$1 billion total, or \$446 per child.**”

In 2011, Illinois passed a landmark set of school reforms that included ideas that had long been considered impossible to pass. At the top of this list was linking teacher pay to student achievement. A system that rewards the most effective teachers had long been **coveted by education reformers and hotly opposed by teachers’ unions. (While Illinois’ teachers’ unions participated in drafting the reforms, implementing teacher evaluations**

became one of the flashpoints for the Chicago Teachers Union's seven-day strike as the 2012-2013 school year got under way.)

But having put these reforms into law, Illinois now may not have the money to put them into action. The growing pension debt has crowded out funding for essential government services including education. The legislature this year reduced education funding by \$210 million so it could devote more money to paying down the state's back bills.

DOWNWARD SPIRAL

Notice a pattern here? We do. All of these problems are interconnected. The state's reputation for corruption and its inability to deal with a historic budget crisis give businesses good reason for caution about building or expanding in Illinois. With resources ever-shrinking, the state can't properly address the widely disparate quality of schools statewide; a system that fails to give all children an equal chance at a quality education. Those resources will continue to shrink until lawmakers correct the pension funding equation. This is a self-perpetuating downward spiral that must end.

The recent elections were bountiful for Democrats in the Illinois Legislature. They already held the governor's office and had majorities in the House and Senate. On Nov. 6, they gained supermajorities in both chambers, meaning they can now override any veto by Gov. Pat Quinn. It also means, theoretically, that they'll never need any votes from their Republican counterparts to pass any bill, even in an overtime session. The question is, will they?

Will they address the pension situation that built to crisis status over the same decade they held the governor's office and both chambers of the Legislature? Will they take on issues like continued reform of the state's workers' compensation laws, which constrict business and employment? Will they actually cut state government? Will they put Illinois

on a long-term course to a balanced budget, one that will let the 2011 tax increase they passed expire on schedule in 2015? In short, will they reboot Illinois government?

Getting Illinois into its sorry condition was a bipartisan effort over **many years**. **We can't** wait any longer for our leaders in Springfield to make the painful decisions necessary to fix it.

Do you agree? Do you want to connect with others who agree and take action to address these problems? Do you want to hear from experts with ideas on reforming government, education, the state budget and state economy? Do you want a forum to make your voice heard?

That's why Reboot Illinois is here. Join us to stay informed, take action, and let those who got Illinois into this predicament know that we demand change.

<https://rebootillinois.com/2013/07/07/illinois-lost-decade-leadership-brought-us-brink-disaster/>