



OFFICE OF GOVERNOR PAT QUINN

NEWS

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Governor Quinn Vetoes Budget Bill; Calls for \$1 Billion in Cuts

Says Legislators, Other Constitutionals Must Share Sacrifice

CHICAGO – July 7, 2009. Governor Pat Quinn today vetoed House Bill 2145 saying the General Assembly's bill fails to make any significant cuts in state operations. Instead, the Governor proposed passing a responsible "Tough Choices" budget, which calls for cutting an additional \$1 billion in state costs.

"I am vetoing this bill in its entirety because it favors preserving the government status quo and fails to make the necessary cuts and reductions in state government operations," said Governor Quinn. "It does not reflect the spirit of shared sacrifice that must prevail throughout our state government, particularly during these harsh economic times."

HB 2145 appropriates \$3.8 billion to fund state operations. However, HB 2145 fails to adequately cut the cost of state operations, including the budget of the General Assembly and other Constitutional Officers, including the Attorney General, Treasurer, Comptroller and Secretary of State. (Attached is the Governor's veto message)

Governor Quinn said the General Assembly and all statewide officers should cut their budgets by at least 10 percent, a cost-cutting move that includes an option of ordering up to 12 furlough days for all employees.

"I presented my budget to the General Assembly on March 18 with a clear message: When it comes to making cuts, we have to make tough choices, not bad choices. It was true then and it's true today," said Governor Quinn. "My goal has always been to pass a fair and comprehensive state budget that serves the fundamental needs of the people of Illinois."

The Governor's "Tough Choices" budget proposes cutting \$1 billion from the state budget including:

- \$185 million from state operations, including approximately 2,600 layoffs and 12 furlough days for state employees
- \$140 million from Medicaid and health insurance
- \$250 million in targeted reductions in grant programs
- \$125 million from the Department of Corrections
- \$175 million cut from proposed increases for K-12 education
- \$25 million from other state offices, departments and agencies not under the Governor
- \$100 million in additional reserves

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OFFICE OF THE GOVERNOR

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Pat Quinn
GOVERNOR

July 7, 2009

To the Honorable Members of the Illinois House of Representatives, 96th General Assembly:

In accordance with Article IV, Section 9 (b) of the Illinois Constitution, I return to the House of Representatives House Bill 2145, with this statement of my objections, vetoed in its entirety.

As I stated last week in vetoing Senate Bill 1197, balancing our State's budget will require making tough choices. This legislation I am vetoing today does not make significant cuts in spending, and, as a result, fails to solve Illinois' budget crisis. It does not require the shared sacrifices necessary to achieving a balanced budget that is decent and humane. This spirit of shared sacrifice is especially needed during a time of economic hardship. I am therefore vetoing House Bill 2145 in its entirety because I believe that it is part of a flawed overall approach to budget-making.

House Bill 2145 violates the requirement of Article IV, Section 8(d) of the Illinois Constitution that "appropriation bills shall be limited to the subject of appropriations." ILL. CONST., Article IV, Section 8(d). Appropriations bills cannot contain provisions which purport to change the existing substantive law. *Benjamin v. Devon Bank*, 68 Ill. 2d 142, 148 (1977). Nor may an appropriation bill restrict the use of funds not previously appropriated. *People ex. rel. Kirk v. Lindberg*, 59 Ill. 2d 38, 41-42 (1974). Thus, appropriations bills may not include substantive provisions. *Valstad v. Cipriano*, 357 Ill. App. 3d 905, 920 (2005). Accordingly, appropriation bills may only allocate money for specific purposes. *Bd. of Trustees of Comm. Coll. Dist. No. 508 v. Burris*, 118 Ill. 2d 465, 477-78 (1987).

House Bill 2145 goes beyond setting apart certain amounts of money for specific purposes by attempting to restrict the use of funds not previously appropriated. Specifically, this bill purports to prohibit the expenditure of appropriated funds for "professional and artistic services." Provisions banning the use of funds on professional and artistic services appear throughout the legislation. These provisions clearly attempt to restrict the use of funds not previously appropriated, and, therefore run afoul of Article IV, Section 8(d) as interpreted by the Illinois Supreme Court in *Kirk*. See *Kirk*, 59 Ill. 2d at 41-42.

Second, House Bill 2145 purports to modify existing statute by prohibiting the transfer of funds between line items. This provision flatly contradicts Section 13.2 of the State Finance Act, 30 ILCS 5/13.2, a statute that specifically authorizes such transfers. In *Benjamin v. Devon Bank*, our Supreme Court held that including language in an appropriation bill that modifies existing statute violates Article IV, Section 8(d). *Benjamin*, 68 Ill. 2d at 148.

Therefore, in accordance with the oath of office in which I swore to support the Constitution of Illinois, required by Article XIII, Section 3 of the Constitution; the Governor's supreme executive authority established by Article V, Section 8 of the Constitution; my duty to faithfully execute the laws as set forth in Article V, Section 8 of the Constitution; and my authority to act upon legislation pursuant to Article IV, Section 9, I hereby expressly disapprove all provisions of House Bill 2145 that contain or relate to subjects other than appropriations.

I am hopeful that through collaboration and cooperation, we can reach a mutually agreeable resolution of our budgetary challenges. My goal remains a fair and comprehensive state budget that serves the fundamental needs of the people of Illinois.

A handwritten signature in black ink that reads "Pat Quinn". The signature is written in a cursive style with a horizontal line underlining the name.

Pat Quinn
GOVERNOR

Governor Pat Quinn
State of Illinois
Fiscal Year 2010 Budget
Tough Choices – Not Bad Choices
Highlights and Principles

- Based on sound revenue estimates
- Captures maximum federal match and American Recovery & Reinvestment Act (ARRA) funds
- Reduces payment delays on social services, health providers and small businesses – reducing exposure to 12 percent in annual interest costs
- Makes \$1 billion in additional reductions:
 - State Operations (includes layoffs, 12 furlough days).....**\$185 million**
 - Medicaid and Health Insurance..... **\$140 million**
 - Grants..... **\$250 million**
 - Education.....**\$175 million**
 - Corrections.....**\$125 million**
 - Additional reserves..... **\$100 million**
 - Other State offices, departments and agencies not under the Governor..... **\$25 million**
- Incorporates restructuring of debt and fund sweeps:
 - Long-term debt restructuring
 - Pension Obligation Notes
 - Fund sweeps

Governor Quinn's *Tough Choices* Budget

\$1 Billion in Targeted Spending Cuts

The State of Illinois faces a \$9.2 billion gap in its Fiscal Year 2010 budget. To close that gap, Governor Quinn is proposing a budget that includes:

- \$2.2 billion in pension obligation notes, which free up cash for vital state services
- \$4.2 billion in revenues from an income tax increase
- \$1.8 billion in additional federal matching funds
- \$1 billion in targeted spending cuts

These proposed cuts are necessary to balance the FY10 budget, as required by the Illinois State Constitution. These cuts also are needed to keep the burden on taxpayers as low as possible while allowing the State of Illinois to provide fundamental services to residents hit hard by the current economic recession.

The General Assembly's 50 percent budget would force devastating, across-the-board cuts in funding to social service providers and result in more than 100,000 lost jobs statewide.

The Governor's Tough Choices budget makes difficult but responsible cuts that will preserve as many vital state services as possible and support Illinois' economy.

The proposed cuts include:

\$185 million in state operations, employee furloughs and layoffs

- 12 furlough days
- More than 1,600 layoffs of non-DOC staff

\$140 million in Medicaid and health insurance

- Includes \$100 million saved by moving Medicaid patients to managed care

\$250 million in grants

- Cuts will be targeted to maximize federal matching funds

\$175 million from education

- Maintains funding at FY09 levels and preserves all federal ARRA funds

\$125 million from the Department of Corrections

- More than 1,000 layoffs of DOC personnel

\$100 million in reserves

\$25 million from State offices, departments and agencies not under the Governor

Department of Human Services cuts total \$269 million and include:

- Reducing headcount by 870 positions
- 12 furlough days
- 10 percent reduction in most grants to social service agencies

Department of Healthcare and Family Services cuts total \$150 million and include:

- Reducing headcount by 66 positions
- 12 furlough days
- \$100 million managed care savings in Medicaid spending
- \$40 million reduction in Illinois Cares Rx

Department on Aging cuts total more than \$29 million and include:

- 12 furlough days
- 10 percent cut in some programs and grants
- \$20 million reduction in Circuit Breaker grants

Department of Public Health cuts total \$13 million and include:

- 12 furlough days
- 10 percent cuts in many grants

Illinois State Board of Education cuts total \$174 million and include:

- Maintaining funding at FY2009 level

Department of Corrections cuts total \$125 million and include:

- Reducing headcount by more than 1,000 positions
- 12 furlough days
- Downsizing some correctional facilities

Department of Juvenile Justice cuts total nearly \$8 million and include:

- Reducing headcount by 105 positions
- 12 furlough days

Department of Veterans' Affairs cuts total \$9 million and include:

- 12 furlough days

Department of Natural Resources cuts total more than \$9 million and include:

- Reducing headcount by 67 positions
- 12 furlough days

Department of Agriculture cuts total more than \$6 million and include:

- 12 furlough days
- \$5 million cut in grants to local agencies, programs and organizations

Department of Revenue cuts total more than \$15 million and include:

- Reducing headcount by 69 positions
- 12 furlough days
- \$4.9 million cut in grants to local governments

Illinois State Police cuts total \$24 million and include:

- 12 furlough days
- Eliminating class of 100 cadets

Department of Commerce & Economic Opportunity cuts total more than \$10 million and include:

- 12 furlough days
- \$5 million cut from grants

Central Management Services cuts total nearly \$8 million and include:

- 12 furlough days
- \$5 million cut in contractual services

Other agency cuts total more than \$2 million.

Additional reserves on spending total at least \$100 million.

Additional reductions in other State offices, departments and agencies not under the Governor total \$25 million.