TUA NEWS RELEASE

TAXPAYERS UNITED OF AMERICA

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FOR IMMEDIATE RELEASE July 30, 2015

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Illinois Budget Impasse Preferable to Business as Usual

Chicago—Taxpayers United of America (TUA) released five analyses of the ongoing Illinois budget dispute over the past two weeks, outlining various ways the Illinois General Assembly and Governor Bruce Rauner (R) could implement reforms to pass the state's first balanced budget since 2001.

"Taxpayers need Illinois' political class to properly address the current budget impasse by enacting meaningful reforms," said Jared Labell, TUA's director of operations. "But if the bureaucrats in Springfield insist on upholding the status quo, which has brought the state to financial ruin, then a continued budget deadlock is preferable to higher taxes, new state income and sales taxes, more debt, and increased spending."

"Illinois' state pension systems total nearly \$200 billion in unfunded liabilities and the whole racket is inevitably unsustainable, as we discuss in Part I of TUA's budget analyses. The politicians have shown for years that they cannot be trusted to manage other peoples' money, let alone their savings for retirement, nor should this be the role of government," said Labell. "Each day that passes without transitioning new government employees from the current defined benefit plans to 401(k)-styled defined contribution plans is another lost opportunity to manage this ever-growing economic catastrophe. Not only would this change shield taxpayers from great financial risk, but it enables government employees to better manage their finances for their retirement needs and allows portability as they save for their own retirement."

"Spending reform must be made a priority, as is clear in <u>Part II of TUA's budget series</u>," continued Labell. "The proposed level of appropriations for all state funds in fiscal year 2016 tops \$60 billion. As TUA president Jim Tobin put it, "The political class and some media outlets frame the budget crisis as an issue of revenue, but that's just not the case. The problem with Illinois' budget is the result of years of profligate spending by the General Assembly and a series of governors who encouraged it."

"The budget appropriations game is one that is played by both members of the Illinois General Assembly and the governor," said Labell. "Even though Gov. Rauner has put forth a serious effort to make cuts to the bloated Illinois budget, in the Part III of TUA's budget analyses, we point out that more than \$15 billion in spending remains constant from fiscal year 2015's actual appropriation totals compared to Gov. Rauner's 2016 proposed appropriations. The time has come for more budget cuts."

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"The Illinois State Police are the Praetorian Guard for the political class and are inessential," said Labell. "Sweeping cuts to the superfluous Illinois State Police force would save taxpayers untold billions in expected salaries, benefits, and pension costs, as outlined in Part IV of TUA's budget series."

"Although there appears to be a growing bipartisan consensus in Springfield to cut loose the Illinois Department of Commerce and Economic Development (DCEO) from the clutches of the state government, it's hard for politicians to give up on old habits," said Labell. "So they are only proposing to turn some of its functions into 'public-private partnerships,' instead of abolishing the agency altogether. Part V of TUA's budget overview encourages the complete privatization of this department's operations, rightfully leaving the economic prosperity of Illinois and its businesses to the market, not the whims of bureaucrats. The government should not be in the business of doling out corporate welfare or subsidizing politically connected firms with our tax dollars as Illinois faces such grave financial difficulties."

"The state of Illinois has been without an operating budget for nearly a month, and the sky has not fallen. The members of the Illinois General Assembly and Gov. Rauner can work together to protect taxpayers from further economic calamity, or the political gridlock should persist. The government cannot expect Illinoisans to continue to send their tax dollars to Springfield if the political class is intent on fiddling while Rome burns, all the while using taxpayers' hard-earned money as kindling," concluded Labell.