

PEKIN **Daily Times**

Senator evaluates 'State of State'

By Tara Mattimoe

Times staff writer

PEKIN - In a "State of the State" luncheon at the Kelly Ave. Grill in Pekin Friday, State Sen. Bill Brady of the Illinois 44th District laid out an overview of financial pressures that Illinois is now facing, as well as a plan of attack for cutting back expenditures in state pension funds, Medicaid and social programs.

The luncheon drew about 145 people. In his introduction, former Tazewell County Sheriff Jim Donahue said they originally hoped for about 80 people, and the larger-than-expected crowd was testimony not only to how seriously Illinois residents take state politics, but to the popularity of Brady.

The audience hosted such attendees as Pekin Mayor Frank Mackaman, County Board Chairman Jim Unsicker, Democratic county chairwoman Shirley Houghton, Republican Chairwoman Demetra DeMonte, City Councilman Daryl Dagit, and Hopedale Mayor August Eilts, among others.

"This is not a political event," Brady started off his speech by saying. "I am here today as a state senator representing central Illinois." He said he hoped to leave the audience "with a few glimmers of hope about what we could do to turn this state around."

Illinois is "still headed in the wrong direction," Brady said, after Gov. Rod. Blagojevich took office. He said that instead of solving the budget problem that he inherited from former Gov. George Ryan, Blagojevich increased spending, started new programs and borrowed excessively, and job growth and job creation have suffered because of it.

Brady claimed that several of Blagojevich's policies killed jobs rather than produced revenues. Under scrutiny was Blagojevich's raising of truck registration fees, eliminating a percentage of sales and income tax exemptions for Illinois businesses, instituting fee increases that require businesses to pay more per year to the state, and increasing the minimum wage.

Brady said that Illinois' having a higher minimum wage than neighboring states puts it at a disadvantage and that "we can't ignore the fact that Illinois does not operate in a vacuum."

Pensions

Pensions are Illinois' single largest debt, Brady said, and will more than double over the next four years. He said that Illinois' pension systems are the worst-funded in the nation and need to be addressed. "These are constitutionally protected, folks," Brady said. "It doesn't just go away."

Brady proposed converting the pension plan from a "defined benefit" to a "defined contribution plan," a 401(k) system that would shift pension cost and risks away from taxpayers. He also suggested a refinancing of the existing pension debt, rather than raiding pension funds in the process "as Gov. Blagojevich did."

Medicaid

According to Brady, Medicaid growth is at an all-time high in Illinois, and it threatens education and other budget priorities. He said his proposed reforms include searching for private alternatives to healthcare coverage such as tax credits and health savings accounts, and instituting "managed care" for Medicaid patients.

With managed care, Brady said, the state would provide a fixed amount to private care businesses to be used for Medicaid patients. Medicaid recipients would then receive care from those businesses instead of the state. "We're one of the only states who are not doing this already," Brady said.

Property taxes

"Our property tax burden is growing," Brady said. "I happen to think that property taxes are crippling Illinois more than anything." Property taxes are growing at almost twice the rate of inflation over the last decade, Brady said.

Brady proposed dedicating 10 percent of new revenue growth each year to property tax relief.

"There are two ways to solve budget problems," Brady said. "Cut spending or raise revenue, or both." He blamed Blagojevich's unwise "spending path" for Illinois' increased debt burden.

"The governor had an opportunity to get the budget problems under control by holding the line on spending," Brady said, but instead he created and expanded such social programs as a universal pre-school, increased Medicaid spending, domestic partner health benefits for state employees, and All Kids, a state funded program which aims to make health insurance more available to lower- and middle-income families.

The bottom line, Brady said, is that the state of Illinois is broke.

In spite of how bad it all looks, he said, it is possible to solve these problems without increasing taxes. The state must focus on paying bills, not expanding social programs; making pension and Medicaid reforms; and increasing revenues through economic development and job growth rather than by raising taxes, he said.