

## **Brady brings message of messy state finances to Decatur**

*By RON INGRAM - H&R Staff Writer*

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DECATUR - State Sen. Bill Brady painted a picture of the state's financial woes for about 40 people who attended his fifth State of the State presentation Friday morning at the Decatur Club.

The Bloomington Republican said he is stumping the 44th District trying to inform people of the financial situation facing the state and to suggest some solutions. He repeatedly said his remarks were intended to be nonpartisan.

While Brady pointed out the deficit spending shortcomings of three Republican governors beginning with Jim Thompson, he also made sure to point out that the state's deficit has grown over the last four years under Democrat Rod Blagojevich.

Blagojevich inherited a budget problem from George Ryan during a recession, but the Democrat also increased spending, started new programs and borrowed excessively so the problem has not been solved, said Brady, who unsuccessfully sought the GOP nomination to run for governor last year.

The state's total annual appropriations are about \$59 billion, of which about \$26 billion is in the General Revenue Fund, the focus of state taxing and spending policy debates, Brady said. For the first time in state history, the General Revenue Fund's budget allocations for Medicaid exceed those for elementary and secondary education, he said.

Revenue growth is needed and could come from tax increases or from job creation, Brady said. For every new job, about \$4,200 in new tax revenues flow into state coffers, he said.

Since Blagojevich took office, Illinois' record of job growth is the eighth worst nationwide, Brady said. The four-year national average for job growth has been 4.8 percent, while Illinois' growth rate has been 1.8 percent, he said.

Medicaid growth trends are not sustainable, Brady said. At the present pace, Medicaid will represent 80 percent of the state budget in 20 years, he said.

Also, the state's backlog of unpaid bills at the end of the last fiscal year was \$3 billion, meaning service providers must wait months to get reimbursed, he said.

Brady said the state must exercise discipline to control spending and implement Medicaid and pension reforms. He said the state should search for private alternatives to health care coverage, not add new government programs.

The minimum wage should be reduced to the federal level, pensions should be converted from defined benefit to defined contribution plans, and Blagojevich's fee increases that have hurt business should be repealed, Brady said.

Brady's audience appeared to take his points to heart.

"Some way, we've got to cut spending in Springfield," said David Weber, executive vice president of Main Street Bank & Trust. "We need to look at Medicaid, health care and pensions. Every year we don't deal with it will compound the problems for our kids and our grandkids.

"But I don't know how we as citizens get the message to Springfield to be more fiscally responsible."

"There are no easy answers," said Phil Hazenfield, a partner in Homer L. Chastain & Associates, a Decatur engineering firm. "Business people worry the state will balance its budget on the backs of businesses."

There is a lot of concern among businesspeople over the governor's proposed gross receipts tax, Hazenfield said. A business would not have to make a profit to still be liable for such tax payments, he said.

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