

The following article appeared in the [Chicago Tribune](#) on March 27, 2010.

"Illinois legislators have taken a step toward solving a future problem of funding pensions, but it does absolutely nothing to solve the emergency now. They have to change who gets what benefits, when, for current public employees, too. ...

"The federal government bailed out Illinois and other states with stimulus money. They can't tell Congress it has no business demanding reform of these unsustainable pension plans."

U.S. Rep. Michael Quigley, D-Ill.

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We won't begrudge [Gov. Pat Quinn](#) and legislators their end-zone dance over Wednesday's approval of less generous pensions for future public workers in Illinois. We do, though, want to warn them that a Democratic congressman from Chicago intends to push lawmakers in this and other states to adopt much more demanding pension reforms.

Rep. Quigley sees Illinois lawmakers' reluctance to reduce current employees' pension benefits *going forward*

as an act of denial: "The private sector is being forced to change how it funds current employees' retirements. The public sector can't behave as if it exists in a vacuum." He tells the Tribune editorial board he's drafting federal legislation that would force states to have sustainable pension plans before they ask Washington for more money. In Illinois, with its nation's-worst pension funding, that would mean substantially raising taxes — or adjusting workers' pension benefits. "Some states would have gone under without the federal stimulus help," Quigley says. "To those who continue down this ruinous pension path, don't come knocking on Congress' door for more money."

This candor from their fellow Chicago Democrat won't cheer Quinn, [House Speaker Michael Madigan](#) or Senate

President John Cullerton. None has shown any moxie for curtailing current employees' future pension benefits, even though those obligations threaten to crowd out education and other vital funding for many years. In official Springfield, that which is necessary but difficult — such as speaking truth to public employees — can get dismissed as out of the question. It's easier to avoid unpleasanties now, wait until the next election passes, and then debate how high to raise taxes on citizens.

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Many of the pols who run Illinois blithely deflect calls to curb current employees' pensions. They say state lawyers tell them the state constitution forbids such revisions. Unfortunately for the pols, one of the nation's top law firms now says that's just false. A legal analysis by Chicago's Sidley Austin LLP concludes that, under the constitution, "(S)tatutory pension rights are not frozen in place for all eternity and may be amended to alter the parties' relationship on a prospective basis — meaning to alter benefits to be earned in the future." Sidley's analysis, performed for the Civic Committee of the Commercial Club of Chicago, says the state's authority in this realm is quite broad, provided it scrupulously protects benefits *already earned*.

We realize that any change to current employees' pensions could wind up before Illinois judges anticipating ... their public pensions. For that reason alone, the case for reducing future benefits wouldn't be the slam-dunk that timid clients always desire. The mere risk of legal battles frightens some pols: Last year, Quinn reversed course on firing two [University of Illinois](#) trustees because, he said, they might file a lawsuit.

But there's a far more dangerous strategy for the governor and legislative leaders: pretending that lower benefits only for future hires will rescue Illinois from the debacle that Illinois pols, with their impossible pension promises, have spent decades foolishly crafting.

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When lawmakers get serious about a fiscal 2011 budget, they'll have to admit that last week's pension bill does precious little to address their multiyear deficit of nearly \$13 billion. Some of them, we'd wager, will wind up using that failure as ... their argument for a tax increase.

Does Illinois need that tax increase and its inevitable drag on miserable job creation? Illinoisans still don't know.

Nearly three months into this legislative session, lawmakers behave much as they did last year: They simply won't make hard decisions to change how state government spends money *now*.

Excellent short- and longer-term cost reduction proposals from Quinn's Taxpayer Action Board, the Civic Committee, the Civic Federation, the Illinois Policy Institute and others are gathering dust while, each day, Illinois sinks deeper into insolvency.

It's as if a crisis has paralyzed lawmakers who won't, or simply can't, respond. Curbing current employees' pensions is only one blind spot: Legislators aren't moving most [Medicaid](#) patients to managed care. Or raising employee health care contributions. Or forcing agencies to manage smarter by rolling back expenditures to earlier years' levels. Or closing obsolete institutions. Or aggressively selling surplus land and other assets. Or privatizing food and janitorial services, Or sunsetting townships and other antiquities among the 7,000 local government taxpayers have to

support. Or revising retiree health costs. Or ...

Yes, legislators, you can do these things. Now. Maybe citizens will start demanding that, before you slash money for education or raise taxes, you make all manner of major spending reforms.

If, though, you can't manage state government through this challenge, voters have to elect legislators who can.

