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MEMORANDUM

To: Brian Lawlor
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From: Terry Steczo
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Re: Legislative Report

Date: December 30, 2016

“The Bickersons”

The stroke of midnight on December 31 has become very significant in Illinois. Two years ago, as 2014 became 2015 it meant the loss of over \$4 billion in annual revenue as the temporary income tax expired, a total of \$8 billion over the last two years. With a budget deficit approaching \$11 billion according to the Comptroller how handy would those additional resources have been? Now, as 2016 melds into 2017, midnight brings the nightmare of a state without a budget as the "stopgap" approved last June fades out of existence. Here we go again.

During the first two years of the budget debacle things went from bad to worse as both sides dug in and wouldn't budge. There was some hope that there would be a cooling off in the post-election environment allowing some sanity to creep into the process. Not only did that not happen but bad to worse has become bad to "worser".

During the election season hardly a discussion about the budget was held as both sides worked to gain an electoral advantage over the other. The result was a draw as Governor Rauner's side picked up four House and two Senate seats but legislative Democrats kept solid majorities in both chambers meaning that the playing field stayed right where it was. Honestly, even if there were to have been an electoral shift toward one side or the other the two sides are so entrenched that it's doubtful that either would have acknowledged it. Since the election a number of discussion sessions with the Governor and legislative leaders have been held and the chasm has gotten wider as a result.

After one of the "negotiating" sessions there was a dispute as to whether there was ever a deal between the parties regarding additional assistance to Chicago schools in exchange for the legislature approving a pension reform bill before December 31. The Chicago school support bill had passed but had been held until early November then sent to the Governor, who had until January 6 to sign or veto it. After one meeting in early December President Cullerton hinted that

there wasn't an actual deal on both issues. Upon hearing that comment the Governor immediately vetoed the Chicago bill. His veto was sustained thereby not only killing the chances for either of the issues to succeed, but also the opportunity to show that some bipartisanship could prevail. And in the aftermath both sides have become even more polarized. The Governor has questioned whether or not Democrats really want to see an end to the impasse and Democrats have done the same. In fact, trust has been so absent that Speaker Madigan as played a card that was used during the Blagojevich administration by insisting that there me a Memorandum of Understanding (MOU) instituted every time both sides happen to see eye to eye on anything. During the Blagojevich years there was so much distrust of the Governor that the General Assembly required scores of MOUs after each session so there could be no misinterpretation of any agreements.

Since there have been a scant number of negotiating sessions since the early December fracas there is no telling whether or not the MOU demand will even be considered seriously or whether it will be seen as another hindrance to productive talks. But, once, again, the clock has run out and there is no lifeline in sight.

The General Assembly is scheduled to be back in session on January 9 and 10, the two days before the next session is due to be inaugurated January 11. Is it possible that something productive could occur during those two days? With 16 lame ducks in attendance and with the vote requirement for a law to become effective immediately reduced from a three-fifths to a simple majority the environment would be ripe for positive action. But that's a big "if". Neither side has shown no inclination to give an inch on their base policy issues. And, even if there was success on that front, the 5,000 pound gorilla of new revenues, a must if there is to be any real chance of getting an under control budget, looms and dooms.

Once the 100th General Assembly session begins everything starts from scratch so even if lightning should strike and there is some agreement it will take time for the legislative process to allow appropriate action. But don't hold your breath. Note that February 15, the day after Valentine's Day, is the day that the Governor is scheduled to give his annual Budget Address. It's almost a guarantee that there won't be much love.

Governor's "Scorched Earth" Program Moving Forward

Just how deep is the animosity between Governor Bruce Rauner and Speaker Michael Madigan? It makes the Grand Canyon look like a pothole. And for the last two years it has taken center stage in the effort, or lack thereof, in discussing the "reforms" on the Governor's agenda and the state budget that the legislative Democrats insist upon. Both see each other as the impediment toward making progress and both have proven to be immovable.

The Governor's big promise in 2014 was to "Shake Up Springfield". That hasn't happened of course. In the private sector he was a highly successful business person who has pretty much always been able to get his way and the continuing impasse with little or no progress has to be a major frustration. In the private sector there are ways to finesse, negotiate or intimidate your way to a triumph, especially when you hold the upper hand. Those tactics, many times, don't apply in government and the "Illinois Budget Debacle" is one of those.

It's possible that Governor Rauner has never met an individual as impenetrable as Speaker Madigan. You can't intimidate him and he doesn't cater to pressure or bullying, all of which the Governor has attempted repeatedly over the past two years. At times it has even appeared that his focus on humbling Madigan has taken precedence over his attempts to enact his "Turnaround Agenda". From "Day One" there has been no respite from the Governor's charges that Madigan's recalcitrant posture has inhibited the state from moving forward according to his vision. At press conferences, after negotiating sessions, with editorial boards and elsewhere the Rauner/Madigan "feud" has taken the front seat to all other issues. The reaction and response to all this from Madigan has been negligible to none which must make Rauner want to pull his hair out.

To be sure, the Governor's *modus operandi* through the last two years has been curious. Through the 2015 and 2016 spring legislative sessions Governor Rauner's aim was squarely on making Madigan and House Democrats the focal point of pressure. He tried to cuddle with Senate President John Cullerton hoping to drive a wedge between the two caucuses, and even though the two caucuses have always tended to be somewhat distant, the tactic failed. It failed primarily because the issues the Governor has stressed are at the heart of Democratic philosophy, something that bridges any wedge that he is trying to create among his "negotiating partners".

In the 2016 General Election the Governor decided to go "all in" with an anti-Madigan message and spent over \$30 million to do so. Publicly, the Governor maintained that he was not focused on legislative races. Yet, the organizations doing the messaging were funded almost completely with the Governor's money. Curiously, again, there was no logical way that the GOP would be able to capture a majority of House districts meaning that the person you've spent oodles to disparage would once again be on the opposite side of the table. There is speculation that the 2016 election cycle and the mountains of money spent was only a prelude to 2018 where the GOP would go after the brass ring and House control. That would suggest, of course, that the Governor would be content to spend the next two years conducting that same tactics, with the same combatants that have been so unsuccessful so far. But, with the Governor having transferred \$50 million into his campaign fund just last week it does make you wonder.

Now, as the 99th session of the General Assembly prepares to give way to the 100th session the Governor and his tacticians have developed another scheme in the anti-Madigan "scorched earth policy". That is, try to convince enough Democratic legislators to vote for another candidate for Speaker on January 11.

General Assembly observers know that the first day of a legislative session is the most important date on Madigan's calendar. The first vote taken in a new House session every two years is a vote to elect a Speaker of the House. It's really the only vote that he really, really cares about and he works 24/7 through sessions and election campaigns to make sure that he accumulates at least the 60 votes required to maintain his office. In order to try to derail another term as Speaker the GOP has created a "Boss Madigan" website that names various Democratic House members, provides examples of how they have benefitted from Madigan's largess in the past (campaign contributions and assistance) and tries to pressure them into voting for another candidate (who has not and may not surface) on January 11. The Governor has said, once again, that he's "not focused" on this effort but it's the same groups that he's financially funding that have spearheaded the effort. So the big question to be asked is, "What's been gained?" Realistically, it's more than likely that Madigan will be re-elected Speaker. That being the case, how does spending \$30 million on a "scorched earth" negative campaign and the Anybody But Madigan

attempt at influencing the Speakership election get anyone closer to a budget, or even a civil conversation for that matter?

Having spent decades observing and participating in state government the strategies employed for the last two years, all void of any attempt at diplomacy, have been head scratchers at best. Hopefully, those employing them are some realistic view of a positive end game that will come sooner rather than later.

New Legislators Set To Take Office January 11

Turnover in the General Assembly is usually slow and steady, as evidenced by the four new state senators and sixteen new state representatives that will be sworn into office on January 11. Those numbers represent almost a 10% change in the membership of each chamber. Below is a list of the new members who will be seated on that date.

Senators:

- Cristina Castro (D-Elgin) is replacing Sen. Michael Noland (D- Elgin)
- Dale Fowler (R-Harrisburg) is replacing Sen. Gary Forby (D-Benton)
- Jill Tracy (R-Quincy) is replacing Sen. John Sullivan (D-Quincy)
- Paul Schimpf (R-Waterloo) is replacing Sen. replaces Sen. Paul Luechtefeld (R-Okawville)

Representatives:

- Melissa Conyears (D-Chicago) is replacing Rep. Pam Reaves Harris (D-Chicago)
- LaToya Greenwood (D-E. St. Louis) is replacing Rep. Eddie Jackson, Sr. (D-E. St. Louis)
- Brad Halbrook (R-Shelbyville) is replacing Rep. Adam Brown (R-Champaign)
- Michael Halpin (D-Rock Island) is replacing Rep. Patrick Verschoore (D-Rock Island)
- Jerry Long (R-Streator) is replacing Rep. Andy Skoog (D-Peru)
- Theresa Mah (D-Chicago) is replacing Rep. Edward Acevedo (D- Chicago)
- Tony McCombie (R-Savanna) is replacing Rep. Mike Smiddy (D-Port Byron)
- Lindsay Parkhurst (R-Kankakee) is replacing Rep. Katherine Cloonen (D-Kankakee)
- Steven Reick (R-Harvard) is replacing Rep. Jack Franks (D-Woodstock)
- Nick Sauer (R- Lake Barrington) is replacing Rep. Ed Sullivan (R-Mundelein)
- Dave Severin (R-Benton) is replacing Rep. John Bradley (D-Marion)
- Allen Skillicorn (R- East Dundee) is replacing Rep. Michael Tryon (R-Crystal Lake)
- Ryan Spain (R-Peoria) is replacing Rep. David Leitch (R-Peoria)
- Juliana Stratton (D-Chicago) is replacing Rep. Ken Dunkin (D-Chicago)
- Katie Stuart (D-Edwardsville) is replacing Rep. Dwight Kay (R-Edwardsville)
- Daniel Swanson (R-Alpha) is replacing Rep. Donald Moffitt (R- Galesburg)

In addition to the newly elected legislators there were four others, two in both the Senate and House, that were appointed during last summer due to resignations and who will be serving their first full term in 2017:

- Sen. Omar Aquino (D-Chicago) replaced Sen. William Delgado (D-Chicago)
- Sen. Tom Rooney (R-Palatine) replaced Sen. Matt Murphy (R-Palatine)

- Rep. David S. Olsen (R-Downers Grove) replaced Rep. Ron Sandak (R-Downers Grove)
- Rep. David Welter (R-Morris) replaced Rep. John Anthony (R-Morris)

Session Schedule/Deadline Dates

Here are relevant dates for the remainder of the 2016 and the 2017 legislative session:

- "Lame Duck" January Session - January 9-10
- January 10 – 99th General Assembly Ends

- January 11 - 100th General Assembly Begins
- January 25 - Governor's State of the State Address
- February 3 - Last day to request House Bills to be drafted
- February 10 - Bill introduction deadline - House and Senate
- February 15 - Governor's Budget Address
- March 17 - Senate Committee Deadline
- March 31 - House Committee Deadline
- April 10 - April 23 - Spring Break
- April 28 - 3rd Reading Deadline - House and Senate
- May 12 - Senate Committee Deadline - House Bills
- May 19 - House Committee Deadline - Senate Bills
- May 26 - 3rd Reading Deadline - House and Senate
- May 31 - Adjournment