

State of Illinois
OFFICE OF THE GOVERNOR
Springfield, Illinois 62706

George H. Ryan
GOVERNOR

June 10, 2002

To the Honorable Members of
The Illinois Senate
92nd General Assembly

Pursuant to Article IV, Section 9(d) of the Illinois Constitution of 1970, I hereby veto and return several appropriation items included in Senate Bill 2393 entitled "AN ACT regarding appropriations.", having taken the actions set forth below.

In February, I presented the General Assembly with a Fiscal Year 03 budget that included a total of \$685 million in spending cuts. That budget was based, in part, on the premise that the decline in state revenues - occurring since the terrorist attacks of September 11, 2001 - would stop by this Spring, that economic stability would return by the summer, and we would see modest economic growth through the balance of FY 03. Clearly, that scenario was too optimistic.

Accordingly, I presented the General Assembly with a revised FY 03 budget on May 27th - a budget that recommended \$260 million less in general funds spending that I had first proposed in February. That spending reduction was necessary because our revenue decline had continued unabated throughout the Spring.

From January through April of this year, our general funds revenues were down \$365 million from the same period a year ago. Then, our May revenues were down by an additional \$224 million. The Bureau of the Budget now expects our revenue decline to continue through June - when we could lose another \$125 million - before stabilizing at or near projected levels in July and August.

It is important for us to recognize that these grim statistics are not unique to Illinois - they reflect national trends. Nationally, individual income tax collections in the first three months of this calendar year dropped 14% from the same period in 2001. In Illinois, our individual income tax collections were down 8.4% from a year ago. The National Governors' Association reports that in the 41 states that have individual income taxes, April revenues were down 21.4% from one year ago. In Illinois, our individual income tax collections were down 13% in April. Nationally, corporate income taxes have been depressed for five straight quarters. In Illinois, our corporate income taxes were down over 28% this Spring. And nationally, while economists continue to say that the recession is over and the recovery is well underway, they caution that any significant improvement in State revenues is still eight to eighteen months away.

The revised FY 03 budget I presented to you May 27th was designed to carefully balance the general funds spending that you and I considered absolutely essential - approximately \$22.5 billion - with additional revenues that would be required to pay for it.

Despite our collective best efforts, the budget embodied in Senate Bill 2393 fails to balance our base spending with necessary base revenues. The General Assembly rejected my request for tax increases necessary to provide \$220 million in revenues; yet, you approved a net total of \$277.5 million in additional base spending. The resulting imbalance of \$497.5 million cannot be bridged with one-time revenues that are "borrowed" against the receipt of future resources.

Well-meaning legislators from both parties looked to the proposed "tobacco securitization" idea as a way to "balance" the budget without voting for increased taxes. President Philip, Speaker Madigan and I all agreed that "borrowing" against the receipt of future resources is not sound fiscal policy, and should not be viewed as an easy alternative to more painful spending cuts and tax increases. However, we likewise agreed that if such "borrowing" would be used as a way to maintain a healthy Rainy Day Fund and end-of-year balance, then it would be an acceptable part of an overall budget solution.

Unfortunately, the continuing decline in our revenues makes it impossible for us to provide the necessary budgetary balance through this mechanism, and additional, difficult cuts are required. Given your refusal to approve the tax increases I recommended, we must eliminate certain programs, close certain state facilities, and reduce the state payroll. There is no other way.

Therefore, I am obligated to reduce the State's level of spending to reflect the reduced revenues you provided. The following item and reduction vetoes to Senate Bill 2393 collectively reduce our overall general funds spending by \$502 million. Combined with our February 20 budget reductions of \$685 million, and our May 27 budget reductions of \$260 million, these new reductions mean that we will have imposed a total of \$1.447 billion in spending reductions from our current FY 02 level.

I understand that many of these spending cuts are difficult for some members of the General Assembly to accept. They are not easy for anyone, and I did not make these decisions lightly. I would caution you, however, against overriding these painful actions. I will not balance this budget by borrowing from future revenues. Period.

If you choose to override these actions, and if our revenues continue to decline, I will have no choice but to recall you for another Special Session later this summer to consider revenue increases that will be necessary to fund the additional spending you approve through any override actions.

As I told you May 27th, this is the most serious financial problem our State has faced in nearly 50 years. But my successor - and your successors - are entitled to our best efforts to resolve it by producing an honest, and balanced budget for FY 03.

ITEM VETOES

I hereby veto the following appropriation items:

<u>Article</u>	<u>Section</u>	<u>Page</u>	<u>Lines</u>		<u>Amount Enacted</u>
1	20	16	20	\$	168,800.00
1	20	16	21	\$	7,700.00
1	20	16	22	\$	1,400.00
1	20	16	23	\$	1,400.00
1	20	16	24	\$	350,000.00
1	20	16	25	\$	3,088,300.00
1	20	16	28	\$	193,000.00
1	20	16	29	\$	7,700.00
1	20	16	30	\$	6,800.00
1	20	16	31	\$	6,800.00
1	20	16	32-33	\$	3,210,400.00
1	20	18	23	\$	100,000.00
1	20	18	24	\$	2,432,000.00
1	20	19	12	\$	300,000.00
1	20	19	13	\$	13,500.00
1	20	19	14	\$	12,000.00
1	20	19	15	\$	9,700.00
1	20	19	16	\$	1,208,900.00
1	20	19	17	\$	5,385,400.00
1	25	27	9-34 and		
1	25	28	1	\$	33,428,200.00
4	25	31	15	\$	2,750,000.00
4	25	31	20	\$	2,550,400.00
4	50	32	17-21	\$	780,000.00
5	20	38	1-4	\$	400,000.00
5	25	38	5-9	\$	400,000.00
14	25	54	18-21	\$	150,000.00
14	45	55	17	\$	11,308,000.00
14	55	56	1-4	\$	610,000.00
15	25	61	28-33	\$	20,000,000.00
15	25	62	1-4	\$	15,000,000.00
25	4	98	8-12	\$	150,000.00
26	16	102	23-27	\$	150,000.00
27	275	121	8-12	\$	150,000.00
28	40	132	18-22	\$	150,000.00
29	70	137	4-8	\$	150,000.00
31	19A	162	24-31	\$	13,152,300.00
33	7	184	21-25	\$	2,000,000.00
34	2.1	195	23-25	\$	100,000.00

<u>Article</u>	<u>Section</u>	<u>Page</u>	<u>Lines</u>		<u>Amount Enacted</u>
34	2.1	195	26-27	⌘	100,000.00
34	3	199	4-6	⌘	2,000,000.00
34	3.2	200	2-6	⌘	4,481,900.00
34	3.2	200	21-22	⌘	1,000,000.00
34	4	204	22-23	⌘	2,250,000.00
34	8	213	23-24	⌘	1,000,000.00
34	8.22	224	17-20	⌘	500,000.00
34	8.27	225	10-13	⌘	100,000.00
34	8.29	225	18-21	⌘	200,000.00
34	8.30	225	22-25	⌘	250,000.00
34	8.31	225	26-28 and		
34	8.31	226	1	⌘	50,000.00
34	8.32	226	2-5	⌘	100,000.00
34	8.33	226	6-9	⌘	150,000.00
34	8.34	226	10-13	⌘	300,000.00
34	8.35	226	14-18	⌘	135,000.00
34	8.40	227	11-18	⌘	6,000,000.00
34	356	267	16-19	⌘	250,000.00
36	2	350	1	⌘	10,472,500.00
36	2	350	2-3	⌘	618,800.00
36	2	350	4-5	⌘	32,100.00
36	2	350	6-7	⌘	1,191,700.00
36	2	350	8-9	⌘	839,700.00
36	2	350	10	⌘	1,056,300.00
36	2	350	11	⌘	16,500.00
36	2	350	12-14	⌘	3,300.00
36	2	350	15	⌘	291,800.00
36	2	350	16	⌘	10,700.00
36	2	350	17	⌘	355,000.00
36	2	350	18	⌘	93,500.00
36	2	350	19	⌘	18,100.00
36	2	354	25	⌘	5,794,000.00
36	2	355	13	⌘	5,263,100.00
36	2	355	33-34	⌘	4,795,800.00
36	2	365	20	⌘	17,334,200.00
36	2	365	21-22	⌘	953,400.00
36	2	365	23-24	⌘	306,200.00
36	2	365	25-26	⌘	1,837,400.00
36	2	365	27-28	⌘	1,255,000.00
36	2	365	29	⌘	5,477,500.00
36	2	365	30	⌘	34,300.00
36	2	365	31-32	⌘	41,100.00
36	2	366	1	⌘	883,700.00
36	2	366	2	⌘	25,900.00
36	2	366	3	⌘	147,300.00
36	2	366	4	⌘	112,000.00
36	2	366	5	⌘	177,300.00
36	4	369	32	⌘	2,956,100.00
36	4	369	33-34	⌘	167,400.00
36	4	370	1-2	⌘	5,500.00
36	4	370	3-4	⌘	314,300.00
36	4	370	5-6	⌘	233,300.00
36	4	370	7	⌘	1,535,900.00
36	4	370	8	⌘	6,900.00
36	4	370	9-10	⌘	200.00
36	4	370	11	⌘	167,800.00
36	4	370	12	⌘	6,900.00
36	4	370	13	⌘	301,400.00
36	4	370	14	⌘	7,800.00
36	4	370	15	⌘	10,900.00
36	4	370	16-17	⌘	10,000.00
36	4	371	6	⌘	8,061,000.00
36	4	371	7-8	⌘	443,400.00
36	4	371	9-10	⌘	460,000.00
36	4	371	11-12	⌘	854,500.00
36	4	371	13-14	⌘	580,400.00
36	4	371	15	⌘	1,690,900.00
36	4	371	16	⌘	17,200.00
36	4	371	17-18	⌘	700.00
36	4	371	19	⌘	133,300.00
36	4	371	20	⌘	9,500.00
36	4	371	21	⌘	76,700.00
36	4	371	22	⌘	72,600.00
36	4	371	23	⌘	72,500.00
36	15	374	24-28	⌘	25,000,000.00
40	6	392	27-29	⌘	3,332,000.00

<u>Article</u>	<u>Section</u>	<u>Page</u>	<u>Lines</u>		<u>Amount Enacted</u>
40	6.3	395	25-26	⊘	1,828,800.00
40	7	397	2-3	⊘	4,627,600.00
40	12b	404	8-14	⊘	20,500,000.00
40	12c	404	15-21	⊘	7,500,000.00
40	16	410	14	⊘	7,670,600.00
40	16	410	15-16	⊘	297,700.00
40	16	410	17	⊘	797,100.00
40	16	410	18-19	⊘	586,300.00
40	16	410	20	⊘	826,500.00
40	16	410	21	⊘	8,200.00
40	16	410	22	⊘	521,500.00
40	16	410	23	⊘	3,500.00
40	16	410	24	⊘	34,700.00
40	16	410	25	⊘	44,500.00
40	16	410	26	⊘	22,100.00
40	16	410	27-28	⊘	2,400.00
40	16	410	31-32	⊘	19,499,000.00
40	32	424	8	⊘	12,796,200.00
40	32	424	9-10	⊘	496,400.00
40	32	424	11	⊘	1,330,800.00
40	32	424	12-13	⊘	978,900.00
40	32	424	14	⊘	1,388,500.00
40	32	424	15	⊘	25,300.00
40	32	424	16	⊘	306,300.00
40	32	424	17	⊘	15,900.00
40	32	424	18	⊘	89,500.00
40	32	424	19	⊘	109,300.00
40	32	424	20	⊘	17,400.00
40	32	424	21-22	⊘	1,200.00
47	1	474	12-15	⊘	2,000,000.00
47	2	475	15	⊘	30,000,000.00
47	6	478	19-21	⊘	30,000,000.00
48	7.2	500	28-31	⊘	748,150.00
48	7.3	501	1-5	⊘	2,251,850.00
48	11	506	24-27	⊘	1,250,000.00
48	12	506	28 and		
48	12	507	1-4	⊘	250,000.00
51	20a1	557	30 and		
51	20a1	558	1-5		1,250,000.00
68	6	661	27	⊘	542,800.00
78	5	704	12-15	⊘	13,900,000.00
84	2	713	3-6	⊘	1,210,000.00
84	3	713	7-10	⊘	2,250,000.00
90	4	726	30	⊘	2,376,500.00
90	4	726	32-33	⊘	1,937,700.00
90	5	727	30	⊘	5,090,000.00
90	5	727	31	⊘	485,000.00

REDUCTION VETOES

I hereby reduce the following appropriation items and approve each item in the amount set forth in the "Reduced Amount" column below:

<u>Article</u>	<u>Section</u>	<u>Page</u>	<u>Lines</u>	<u>Amount Enacted</u>	<u>Amount Reduced</u>
1	20	14	20	\$ 5,734,800.00	\$ 5,335,100.00
1	20	14	24	\$ 693,000.00	\$ 644,700.00
1	20	14	29	\$ 4,418,800.00	\$ 4,110,800.00
1	20	15	1	\$ 96,000.00	\$ 89,300.00
1	20	15	7	\$ 9,630,200.00	\$ 8,958,900.00
1	20	15	11	\$ 2,425,700.00	\$ 2,256,600.00
1	20	19	8	\$ 80,025,100.00	\$ 79,221,100.00
1	20	20	2	\$ 183,505,700.00	\$ 177,309,400.00
1	20	21	27-33	\$ 65,098,300.00	\$ 64,447,300.00
1	25	23	12-14	\$ 47,134,400.00	\$ 46,663,100.00
1	25	23	15-18	\$ 225,712,000.00	\$ 223,454,900.00
1	25	23	24-32	\$ 104,763,200.00	\$ 103,715,600.00
1	25	23	33-34 and		
1	25	24	1-4	\$ 33,792,800.00	\$ 33,454,900.00
1	25	24	5-10	\$ 26,551,500.00	\$ 26,285,900.00
1	25	24	11-15	\$ 219,908,500.00	\$ 217,709,400.00
1	25	24	16-20	\$ 218,097,000.00	\$ 215,916,000.00
1	25	24	29-32	\$ 67,529,400.00	\$ 66,854,100.00
1	25	25	25-28	\$ 65,700,000.00	\$ 65,043,000.00
1	25	26	20-22	\$ 2,635,300,000.00	\$ 2,608,947,000.00

<u>Article</u>	<u>Section</u>	<u>Page</u>	<u>Lines</u>	<u>Amount Enacted</u>	<u>Amount Reduced</u>
1	25	26	28-31	\$ 485,000,000.00	\$ 480,150,000.00
4	135	35	24	\$ 10,658,390.00	\$ 8,158,390.00
5	5	37	8-14	\$ 41,012,000.00	\$ 39,847,900.00
5	10	37	15-22	\$ 1,433,300.00	\$ 1,398,900.00
6	5	38	11-20	\$ 46,293,900.00	\$ 44,728,800.00
6	10	38	22-30 and		
6	10	39	1	\$ 7,154,200.00	\$ 6,982,200.00
7	5	40	20-26	\$ 22,870,500.00	\$ 22,097,400.00
7	10	40	27-29 and		
7	10	41	1-4	\$ 4,253,200.00	\$ 4,150,900.00
8	5	41	6-11	\$ 37,008,600.00	\$ 35,749,100.00
8	15	41	19-25	\$ 6,586,300.00	\$ 6,427,900.00
9	5	42	5-10	\$ 53,274,700.00	\$ 51,473,600.00
9	10	42	11-16	\$ 9,652,400.00	\$ 9,420,300.00
10	5	43	13-21	\$ 75,843,000.00	\$ 73,278,800.00
10	10	43	22-30	\$ 14,394,700.00	\$ 13,908,000.00
11	5	44	13-19	\$ 95,894,100.00	\$ 92,652,100.00
11	10	44	20-26	\$ 18,284,500.00	\$ 17,666,400.00
12	5	45	22-27	\$ 207,721,100.00	\$ 200,620,400.00
12	10	45	28-29 and		
12	10	46	1-4	\$ 31,796,200.00	\$ 30,721,200.00
13	5	48	7-12	\$ 690,708,200.00	\$ 667,352,900.00
13	10	48	13-18	\$ 87,439,500.00	\$ 84,483,200.00
14	45	55	14	\$ 152,751,100.00	\$ 151,223,500.00
14	45	55	16	\$ 77,391,500.00	\$ 76,617,500.00
14	70	56	13-16	\$ 41,023,900.00	\$ 40,613,600.00
15	25	61	22-27	\$ 229,449,000.00	\$ 227,154,500.00
15	45	63	26-28	\$ 103,402,300.00	\$ 102,368,300.00
20	20	85	26	\$ 29,229,000.00	\$ 28,936,700.00
23	5	91	21	\$ 66,100.00	\$ 100.00
27	5	104	19	\$ 49,550,700.00	\$ 49,055,200.00
27	5	109	3	\$ 9,523,700.00	\$ 9,428,500.00
31	13	159	3-10	\$ 8,968,000.00	\$ 6,968,000.00
31	16	160	1-6	\$ 6,310,900.00	\$ 6,060,900.00
32	4	170	10-13	\$ 776,448,400.00	\$ 768,683,900.00
33	6	183	23	\$ 45,079,800.00	\$ 44,629,000.00
33	7	184	9	\$ 32,991,000.00	\$ 32,661,100.00
33	13	189	3-4	\$ 191,490,800.00	\$ 189,575,900.00
33	13	189	6-7	\$ 122,564,500.00	\$ 121,338,900.00
33	13	189	10-11	\$ 155,048,600.00	\$ 153,498,100.00
34	3.2	200	1	\$ 25,121,500.00	\$ 21,621,500.00
36	1	347	8-9	\$ 500,000.00	\$ 250,000.00
36	1	348	22	\$ 44,248,400.00	\$ 43,805,900.00
36	1	348	31	\$ 29,919,300.00	\$ 29,620,100.00
36	2	349	12	\$ 66,591,000.00	\$ 65,925,100.00
36	2	356	23	\$ 32,044,400.00	\$ 31,724,000.00
36	2	359	2	\$ 41,261,500.00	\$ 40,848,900.00
40	1	388	5-7	\$ 334,141,900.00	\$ 330,800,500.00
40	1.1	389	7-9	\$ 157,802,500.00	\$ 156,224,500.00
40	2	390	2	\$ 183,696,500.00	\$ 181,859,500.00
40	2	390	8	\$ 45,940,650.00	\$ 45,481,250.00
40	15	408	26-27	\$ 82,306,800.00	\$ 81,483,700.00
40	30	422	31	\$ 44,255,800.00	\$ 43,813,200.00
40	38	428	20	\$ 47,943,900.00	\$ 47,464,500.00
40	45	443	4	\$ 33,094,300.00	\$ 32,763,400.00
47	2	475	23	\$ 42,089,600.00	\$ 41,668,700.00
49	2	509	21	\$ 31,888,900.00	\$ 31,570,000.00
49	3	512	27	\$ 52,300,100.00	\$ 51,777,100.00
50	6	525	25	\$ 64,925,500.00	\$ 64,276,200.00
50	14	529	8	\$ 36,312,400.00	\$ 35,949,300.00

In addition to these specific item and reduction vetoes, I hereby approve all other appropriation items in Senate Bill 2393.

With these actions, I am fulfilling the responsibility imposed on me by our Constitution. Now, that same responsibility is yours.

Respectfully,
George H. Ryan
GOVERNOR