

From the Illinois Senate
State Senator Dave Koehler

13 S. Capitol St.
Pekin, IL 61554
309-346-4646



Dear friends,

This year's spring session of the General Assembly is halfway over. Though we still have several major issues to tackle—particularly the state budget—I felt this was a good time to provide you with a brief update about what has happened in Springfield so far this year. I intend to outline my legislative agenda for the year, touch on what we know about the budget at this point, and highlight some of the community events I have attended in recent months.

2010 Legislative Agenda

•Economic Development

Though we are seeing promising economic signs every day, unemployment remains high—particularly in parts of my district like Pekin and Peoria. I believe that the state can help encourage job growth by improving Illinois' business climate and by making well-targeted investments. Last year, we passed the first capital construction bill in a decade, creating thousands of construction jobs and restoring our state's crumbling infrastructure.

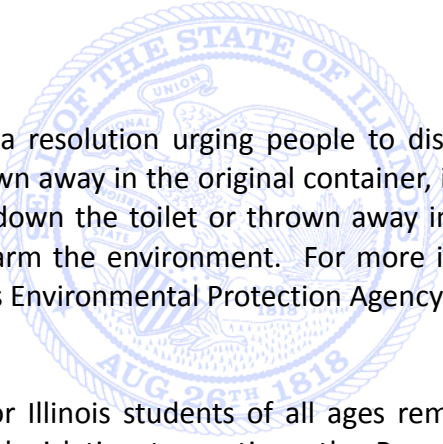
This year, I am sponsoring a proposal to create historic preservation tax credits (Senate Bill 2559). It provides individuals and businesses who restore historic buildings 25 percent tax credits on the costs of their investments. This tax incentive makes Illinois much more competitive with our neighboring states—many of them already have similar programs. It also encourages investment in historic areas, including most communities' downtown business districts. Improving downtown areas will help local businesses attract more customers, reduce urban sprawl, and preserve our rich history.

•Healthcare

I also have continued my efforts to improve health care for all Illinoisans. This year, I am sponsoring legislation creating a task force to study the federal health reform bill and help lawmakers and state agencies implement policy changes (Senate Bill 3047). We need to ensure that Illinois residents get the best health care possible, and that our state implements reforms in the most efficient, cost-effective way.



Senator Koehler meets with an Alzheimer's disease awareness group from his district.



I also have sponsored a resolution urging people to dispose of unneeded medication safely. When medicine is thrown away in the original container, it is sometimes abused by drug users, and when it is flushed down the toilet or thrown away in an unsealed container, it can enter the water supply and harm the environment. For more information about proper drug disposal, please visit the Illinois Environmental Protection Agency's website.

•*Education*

Improving education for Illinois students of all ages remains one of my top priorities. This year I am co-sponsoring legislation to continue the Preschool for All Children program (Senate Bill 2594), which works with the parents of preschool-age children to find affordable preschool opportunities. Protecting our children from bullying is very important for their safety and well-being. Finally, I am co-sponsoring a bill that extends Illinois' Truth in Tuition Act for a fifth year (Senate Bill 3222), helping make college more affordable, especially for non-traditional students. The current law requires public universities to charge their students the same amount of tuition every year for four years, helping families arrange their finances. The new law requires that fifth year tuition be the same as current fourth-year students' tuition rather than first-year students, so families can plan and save money, but there is still an incentive to graduate in four years.

•*Agriculture*

Being from Central Illinois, I always keep a close eye on agricultural issues, and I am sponsoring several measures to help the industry. I am a co-sponsor of Senate Bill 3604, which reforms the Advisory Board of Livestock Commissioners. It empowers the governor to replace commissioners who do not attend meetings and expands the scope of the board's authority to include livestock well-being. Senate Joint Resolution 105 establishes a specialty crop registry to help organic farmers, vintners, and others protect their livelihoods from pesticides and other farm chemicals. House Joint Resolution 57 creates a Farmers Market Task Force, which will undertake an audit of the state's existing regulations regarding farmers' markets and make recommendations for food safety-based improvements and standardization across county lines.

•*Social Services*

I am co-sponsoring two major initiatives to improve Illinois' social service programs. Senate Bill 3158 instructs the Department of Human Services to create a Commission to End Hunger. The commission will set two-year plans with concrete goals, and help non-profit and community groups coordinate and collaborate to achieve better outcomes. Senate Bill 3383 creates a revolving loan fund for financially distressed social service providers. Many social service agencies that get a large part of their funding from the state are struggling to keep their doors open due to late state payments. The revolving loan fund will provide these groups with zero-interest loans to help them make it through these tough times.

The Budget and Pension Reform

I know there are many rumors floating around about the state budget, so I would like to take this opportunity to lay out the facts as I understand them. We are in the midst of an unprecedented fiscal crisis. For two years in a row, state revenues have dropped, largely due to the recession. At the same time, the demand for state services—particularly social services and education—has increased. This has created an intense strain on state resources. Most budget experts believe we are facing a \$13 billion deficit this year. That's nearly half of the state budget.



Senator Koehler is interviewed about the state budget.

We are not the only state in dire economic circumstances. In fact, only state has not had at least one budget deficit in the past two years. We are, however, one of the hardest hit, and we will have to make some hard choices in the weeks ahead.

We already made hard choices last year. We cut the budget by about 10 percent, more than \$2 billion dollars, reducing spending in every major area except education. We also received federal stimulus money from the American Recovery and Reinvestment Act last year, which helped reduce the scope of our cuts. We cannot expect federal help on such a large scale this year. I remain convinced that we must modernize our revenue structure to end our structural deficit. I supported a modernizing plan last year. It did raise the income tax, but it also provided millions of dollars in property tax relief and expanded exemptions and deductions to help protect working families. It also specifically marked a substantial portion of our new revenues for schools. Reforming the way Illinois pays for K-12 education by lowering our reliance on local property taxes would be one of the greatest advantages of true revenue modernization.

We have already taken some steps to address the budget deficit this year—namely by reforming Illinois' pension systems. We needed to take this step because Illinois has a cripplingly large unfunded pension obligation—the result of decades of bipartisan mismanagement of our commitment to state workers and teachers. In the 1990s, state government came up with a plan to address our pension obligation—a series of gradually increasing pension payments to make up for the previous decades of underfunding. This plan was largely on track until the recession devastated state revenues. At this point, we simply cannot afford the ramped-up payment schedule, and we had to make a change.

In Senate Bill 1946, we changed the pension system for new hires only. It would be both unethical and unconstitutional to shirk our commitment to existing and retired employees. New state employees will have a higher retirement age (67, which is in-line with Social Security), lower yearly cost of living adjustments, a cap of \$106,800 on pensionable income (adjusted for inflation each year), and a 10-years-of-work requirement to receive a full pension. The legislation also greatly reduced legislators' and judges' pensions and ended the questionable practice of "double-dipping," which is collecting a pension from one state job while working at another.

There is still much we must do. The most important step we can take is speeding up our economic recovery. As more people work and make purchases, our state's revenue will increase. This is the reason why I have supported a variety of job-creating economic development bills this year. We also will need to make some more cuts, but there are only so many cuts we can make. Nearly 90 percent of the Illinois budget is devoted to education, health care, and human services. We can only cut so much from these areas without doing irreparable harm to the citizens of the state. Because we cannot balance the budget with cuts alone, I continue to support a revenue modernization plan—preferably one that lowers property taxes, protects working families, and supports schools.

In-District Events

I have had several good experiences in the district in recent months, both of them related to violence prevention. The first was participating in Community Call to Action. I had the opportunity to meet with parents, teachers, local business owners, and other elected officials to begin working together to prevent violence, particularly youth violence. Peoria neighborhoods have put up with violence for far too long. I believe this discussion group was an important first step towards putting together a plan to deter violence and set our children on the path toward a successful future. We need more open dialogues between officials and community members. Community involvement is the most important part of a vibrant democracy.

I also had the opportunity to attend the Partners in Peace Celebration sponsored by the Center for Prevention of Abuse. Their guest speaker was Vice President Joe Biden, who was instrumental in passing the 1994 Crime Bill and Violence Against Women Act. I am a strong proponent of the effort to end domestic abuse and violence targeted against women, and having such a well-known figure speak on its behalf will help increase awareness of the problem in our area.

After the Vice President's speech, I was privileged to have the opportunity to speak with him and several other local business-owners about the problems facing small business-owners and the federal healthcare reform bill. Because of the importance of economic recovery to our local communities, our state, and our nation, I was pleased to see a man with the President's ear take such a personal interest.



Senator Koehler testifies on the Senate Floor.

I am sure that much more will happen in the General Assembly in the next few months. I will keep you updated, and as always, if you have any questions, ideas, or concerns, do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Koehler".

David Koehler, State Senator 46th District