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John Jackson  
Paul Simon Public Policy Institute, jsjacson@siu.edu

John Foster  
Southern Illinois University Carbondale, JLFoster@siu.edu

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The Politics of Public Budgeting in Illinois

(Second Edition)

By John L. Foster and John S. Jackson

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Paul Simon Public Policy Institute
Southern Illinois University Carbondale
Mail Code 4429
1231 Lincoln Drive
Carbondale, Illinois 62901
The Politics of Public Budgeting in Illinois:

Second Edition

By John L. Foster and John S. Jackson

Abstract

This paper is about taxing, revenue, and public budgeting in Illinois. The concept of public budgeting includes both the revenues raised by government and the ways in which those revenues are spent on the functions and programs sponsored by governments. This paper focuses especially on spending, that is, on how and where revenue is distributed in the state in the form of public services and programs. It provides relevant data on the statewide distribution patterns and especially the question of whether those expenditures of the taxpayers’ money disproportionately benefit one region over the other. This question has provoked a long debate in Illinois, and it is one of the key questions influencing budgeting, and most notably, the raising of revenue in the state. The distinctive backdrop for this analysis is the two-year stalemate over the state’s budget from 2015-2017, which did lasting damage to the state and the continuing questions over what Illinois should do next regarding taxes and spending, which were crucial issues in the 2018 elections. The same issues were important again in the 2020 elections, especially in the battle over Governor J.B. Pritzker’s graduated income tax referendum. The defeat of the governor’s signature plan ensures that this debate will continue well into the future in Illinois, including the possibility of a rerun of the constitutional amendment proposal in the 2022 elections.
Introduction to the Second Edition

This is the second edition of this paper that we have published. The first edition with the same title was published in July of 2018 as paper number 53 of the Simon Review. The current paper is number 59 in the series.

There are two conditions that justify a second edition of any book or paper. The first condition is that the original publication should have attracted an audience. We are pleased to note that this condition has been met by the fact that the original paper, which is available through the SIU Library’s Open SIU online repository, has recorded almost twelve thousand downloads of the paper so far. This makes the first edition the single most widely utilized paper, by this measure, in our entire Simon Review series. It is also in the top five of the most downloaded papers in Open SIU’s entire series of research papers.

The paper has attracted interest from a broad array of public officials, scholars, nonprofit and good government groups, and the media. Both authors have been contacted and interviewed multiple times by representatives of all of those sources seeking comments and additional information. We have also been personally engaged in conversations with students, friends, casual acquaintances, and complete strangers who were aware of the paper’s major findings and wanted to discuss them. We are hopeful that the second edition will attract similar attention.

The second condition warranting a new edition is that new information, new data, and new developments in the policy-making and political worlds are available, which should keep the subject relevant, interesting, and worthy of an updating.

The first edition of the paper was heavily dependent on invaluable basic work provided by the Legislative Research Unit (LRU) of the Illinois General Assembly. The LRU’s Research Response Report was titled “Taxes and Distribution by Region of the State.” It was issued in 2015, containing a massive amount of data collected for FY 2013 documenting both state revenues and expenditures by county and geographic areas across Illinois. The report included all of the state general fund revenue and expenditures that could be accounted for at the county level for that year.

The LRU report undoubtedly took an enormous amount of time and work to compile. We, and all of the citizens of Illinois, are indebted to this organization and the Illinois General Assembly for this invaluable research collection. The publication of their report constitutes an invaluable contribution to governmental transparency and accountability in Illinois, and we want to acknowledge that service.

Our second edition is based on comparable data provided by the Commission on Government Forecasting and Accountability (CoGFA) of the Illinois General Assembly, which the LRU merged with after they produced our earlier report. CoGFA provided comparable updated reports at the request of Representative William Davis. We are indebted to both the staff of CoGFA and
Representative Davis for enabling this important research enterprise to continue. The current reports include FY 2014, FY 2015, and FY 2016 – a period of significant political transformation and budgetary conflict, as we will see.

The new data collection, reporting requirements, and data limitations are the same as for our first edition. They are contained in those CoGFA reports and in Appendix A of this paper. We also include new public opinion data in this new edition. The updated public opinion data is the product of our latest Simon Poll done in February of 2020. Deep cultural, partisan, ideological, and geographic divisions provide the essential political context in which budget decisions, or the “allocation of scarce resources” are made in Illinois (Easton, 1953).

The Political Context of the Budget Years Studied

It is important to provide some governmental and political context for the years covered in these reports. The FY 2013 data in our first edition was for the last half of calendar year 2012 and the first half of calendar year 2013. At that time, Pat Quinn was governor and the Democrats controlled both houses of the General Assembly.

As recounted in our first edition, Quinn and the Democrats increased the state income tax in the 2010 legislative session in an attempt to balance the budget and start addressing the state’s chronic structural deficit. This controversial decision helped increase the state’s revenue substantially by about five billion dollars starting in FY 2011, and it was also reflected in the FY 2013 budget data covered in the first edition. However, this increase was sold as a “temporary” increase, and it was set to expire at the end of calendar year 2014, which it did on January 1, 2015.

In summary, the state’s FY 2014, 2015, and 2016 reports include 2014, which was a complete year under the new and temporary rate; FY 2015 when there was a six-month period under the temporary rate and one half year at 3.75, to which the tax rate reverted at the beginning of 2015; and a whole year, FY 2016, with the reduced tax rate and the significant reduction in revenue that resulted from the tax increase expiring and the state returning to the former rate. FY 2016 was also the first year of an epic fight between the majority Democrats in the General Assembly and the Republican Governor Bruce Rauner. As a result of their failure to compromise and pass a budget bill, there was no official state appropriated budget for two fiscal years. That story is recounted in more detail below; however, the point here is that this was a period of extended legislative gridlock, which was caused by a fundamental conflict over taxes and the budget. Thus, the longitudinal data included in the new second edition documents the significant period of budgetary and tax revenue impact resulting from the political fight between the two parties and between the legislative and executive branches. That kind of gridlock has become all too familiar in our modern era of deeply polarized politics.
Perception and Reality in Public Policy Making

Our paper raises important questions related to perceptions and realities in politics and their role in the never-ending debate over the making of public policy, and especially budgeting. Constructing a budget and deciding each year how to spend the projected revenues are two of the most fundamental things all governments are required to do. Budgeting shares equally with “providing for the common defense” in the words of the U. S. Constitution – that is, ensuring public safety at the state and local levels and for the national defense at the national level. Those two receive top billing as the most important functions the public expects from their government.

As anyone who is conversant with Illinois government over the past few years knows, Illinois was not able to perform that basic function, i.e., could not adopt a full state spending plan for over two years, a failure unprecedented in the state’s modern history. In addition, Illinois has run a structural deficit in its budget for almost two decades since the turn of the century – another budgeting failure. This paper explores some of the root causes for those failures and some of the basic lessons we should learn from those experiences to guide the state’s future.

It is often asserted by those who study politics that perception is more important than reality in the rough and tumble of the American political process. This is because public opinion, campaigns, and elections have a major impact on the making of policy, and this is particularly true in tax and budget issues. It is clearly the case that the public’s perception of an issue may well not square with all of the empirical facts. People believe what they have been taught and what they have told by trusted sources, particularly prominent public figures, sources they trust in the media, and what they want to believe. Never mind what the factual basis for those beliefs are and how complex the empirical realities of establishing what “the facts” are.

This makes it more difficult to make rational public policy based in the reality of what the facts and the empirical evidence show. If the mass public does not believe in what are objectively provable facts, this ignorance corrupts the political discourse and makes the adoption of rational, evidence-based public policy very problematic. For instance, if a majority or large minorities of the public do not accept that there is a virtual scientific consensus about the facts of climate change being real and that human activity has been the most significant cause of that change, then the potential for the adoption of realistic measures to combat it become more problematic (Popovish and Livia Albeck-Ripka, December 14, 2017).

It is the role of a pluralistic community of scientists, engineers, researchers, scholars, and informed experts to try to learn what the relevant facts are and to understand what we do not know and where the boundaries of ignorance still need to be pushed back. This is the fundamental role of research. There are well-founded rules required by the scientific method that are the rules of the game in the establishment of empirical truth. Those rules govern the ways in which a widely recognized body of public knowledge is created. The professional
communities in each discipline share a respect for those rules and research requirements and understand what is involved in expanding the scope and limits of accepted public knowledge.

Transferring that fairly “academic” and arcane scientific world to the political debate is a challenge in modern American politics, or in the politics of any state or nation in the 21st century. “Experts,” scientist, engineers, medical doctors, public health care specialists, and basic researchers are easily dismissed as “elites” who are trying to tell us what to think and what to do in a political world that recently has been infected by a mass populist movement, in the U. S. and in many other nations. The manifestations of this mentality are as diverse as the “Brexit” movement in Great Britain and Europe and “Trumpism” in the United States. This paper explores the occurrence of one major disconnect between perception and reality that has long impacted the politics of Illinois, and has especially influenced the political discourse and the making of public policy in the fields of taxation and budgeting in the Prairie State.

The nation’s most recent foray into the world of science versus politics and its impact on the making of public policy came in the jarring disruption of our lives and the economy during the COVID-19 pandemic, which started for the United States in January of 2020, and which, unfortunately, still dominates much of life in America here at the beginning of 2021. That conflict was on daily display in former President Donald Trump’s afternoon news updates from the White House Press Room at the beginning of the COVID-19 crisis in March of 2020. The president initially presided personally over the event and assembled behind him a lineup of Vice President Mike Pence and various cabinet secretaries and administration officials to present and support Trump’s message. The administration officials discussed various policy and executive actions that were being contemplated or explained and defended actions already taken. Often the president’s narrative and the following question-and-answer sessions with the reporters degenerated into contentious exchanges, with the reporters asking pointed and often critical questions about what he had known, when he had known it, and what the administration had done to mount a federal response to the spread of the virus. Trump also often responded with sarcasm and hostility toward the reporters. Those exchanges, not surprisingly, often dominated the coverage in the next news cycle.

The scientific community in the early days was led by Dr. Anthony Fauci, the Director of the National Institute of Allergy and Infectious Diseases. Dr. Fauci was the nation’s leading expert in this field, and he had been in his position since the Reagan Administration when he was fighting the HIV crisis of the 1980s. Fauci was joined on stage, and in the ensuing television and media appearances, by Dr. Deborah Birx, who was the Trump Administration’s Coronavirus Response Coordinator. She initially was called home from overseas by Trump when the crisis began, and she had impeccable credentials as an international specialist in the infectious disease and epidemics field. Dr. Birx succinctly presented the basic facts and the best scientific projections available about the spread of the virus and the potential paths for getting control of it from a calm and dispassionate perspective. Dr. Birx also reportedly did not offend the president as much as the more direct Dr. Fauci did, and she managed to avoid Trump’s public ire when she
diplomatically reported that the scientific data and projections did not align with the president’s narrative and claims. Later, Dr. Birx was relegated to a somewhat lower profile role by the Trump Administration, while Dr. Fauci became the leading voice for the scientific and public health communities and was widely recognized as such throughout the nation.

The two doctors tried to keep the focus on the facts, the data, and the mathematical models, and their explanations and projections of what it all meant about the spread of the virus.

The press immediately picked up on the discrepancy between the narrative advanced by Trump Administration officials and the scientific community. This discrepancy was also reinforced by policy decisions being made by most of the state governors and especially those in the states with the most virus cases at that time like New York, California, Ohio, Massachusetts, Maryland, Pennsylvania, and Illinois. It wasn’t lost on the media that most of those big state governors were Democrats, although a few were Republicans, and the governors in a bipartisan manner seemed to be much more in agreement with the scientists and one another than with the Trump White House, although the Democrats were much more vocal about it.

Some Republican governors, most notably those from Ohio, Massachusetts, and Maryland, were also fairly vocal about their disagreements with the administration. Those from the reddest states and the most rural states were usually very circumspect in their views of the federal response, while at the same time taking some or most of the same steps to mitigate the danger and destruction of the virus as their more vocal colleagues were taking in the states with the hotspots. The governors were truly caught in the middle in this crossfire.

This drama played out in the national spotlight, which pitted the public health experts who urged caution and stressed how long it would take to develop adequate COVID-19 testing and a vaccine against the president and the part of his team that wanted the public health rules reduced or eliminated and the economy reopened as soon as possible. The public drama opened in late April when small demonstrations gathered in multiple states protesting the mandated health restrictions and demanding the reopening of jobs and the economy immediately. Some Republican governors, most prominently in Florida, Georgia, Oklahoma, Missouri, and Texas, eagerly led the way in lifting some of the restrictions in the interest of getting businesses opened, even though their states did not meet the national guidelines promulgated by the Trump Administration. Most other governors and health care professionals responded that the restrictions had to be given more time to do their work in reducing the rates of infection and getting mass testing in place to track the virus and its spread. The conflict between science and the experts and politics at this point took on life-and-death ramifications.

The polls indicated that a large majority of the mass public agreed more with the scientists and public health experts; however, the dissenters got widespread national attention from the mass media, and they were supported and encouraged by the Bully Pulpit in the Oval Office (Scott, and Balz. April 21, 2020, 3).
This debate went on through the rest of the spring and well into the summer of 2020. As some states opened back up aggressively in April and May, the pressure grew on neighboring states, who were taking a slower and more cautious approach to lifting the restrictions on retail establishments, bars and restaurants, and other public gatherings. The overall national response to the pandemic was uneven, confusing, and largely uncoordinated. By early summer, the focus of the virus’ incidence and spread shifted from the Northeast and the West Coast to the South and Southwest. The Sunbelt States, which had the least restrictive public health requirements and opened their economies first, experienced accelerating rates of sickness and death. Some of those state governors reimposed more stringent restrictions, while others were determined to stay the course and put the economy first. This conflict and uneven response by the various states only continued and intensified into the fall, when there was a resurgence of cases and deaths, which public health officials had warned about consistently. That resurgence then became a major issue in the fall election as President Trump’s and former Vice President Joe Biden’s campaigns took diametrically opposed stances about the virus and how to combat it.

The spread of the pandemic continued to grow, and the debate over the proper public policy stance for the states and the federal government became an even wider partisan division.

The pandemic clearly displayed the dichotomy between the scientific community’s commitment to the scientific method and data-driven decisions and political leaders’ penchant for using facts to serve their own policy preferences and give the public what they think they want. The COVID-19 disaster is just the most recent case study, although an historic and deadly one, in the long-running struggle between rational, fact-based decision-making and the power of myth and misinformation in the American political system and culture (Flesher and Borenstein. April 21, 2020, 3).

We have had that same dichotomy between the hard truths of the Illinois tax system and budget versus the tendency of some political leaders to avoid conveying unpopular truths in evidence for much of the 21st century in Illinois, and it extends back into the last three decades of the 20th century, if not even before.

**Popular Perceptions of the Budget and Taxing in Illinois**

Americans in general do not like taxes, and the people of Illinois are no exception to that general rule (Fox, November 13, 2017, 62-67). This is perhaps a natural inheritance from our revolutionary past, which saw a new nation born in part out of the grievances of the colonists against the British crown, and the popular uprising of the colonists against the “Stamp Act” taxes that helped spark the American Revolution. “No taxation without representation” was a popular battle cry that helped propel the relatively weak and disorganized colonies to make war on the strongest military power on earth at that time.

It is significant that an appeal to that spirit of independence and rallying against taxes imposed by England was a part of the narrative of the modern Tea Party’s uprising against the federal
government and the Obama Administration in 2009 and 2010. The Tea Party’s popular adoption of the Revolutionary War’s coiled black snake on a yellow background flag with the warning “Don’t tread on me,” was the symbolic embodiment of this revolt against the governing party in particular and all political elites in general. That was the beginning of the populist uprising that heavily influenced the 2010, 2012, and 2014 elections, and reached its apex in the election of Donald J. Trump in 2016. This movement still roils our politics today. It may be that the dislike of taxes is universal; however, in the U. S. that impulse is deeply embedded in our history and political culture, encouraged by a substantial proportion of the political leaders, and constantly reinforced by the tenor of most of our campaigns.

No matter how much we hate taxes in general, we do like a great number of concrete public policies and programs that are supported by that revenue. We like and depend on the functions the taxes can buy. Symbolically, this dichotomy was represented by the Tea Party demonstrator in 2009 holding a sign that read, “Keep your government hands off my Medicare.” Our earlier analyses of longitudinal data covering public opinion in Illinois over time shows clearly that a healthy majority of Illinois voters want to keep and not cut substantially all the most important and most expensive services funded by state government (Jackson, Leonard, and Deitz, June 2016; Jackson, Leonard, and Deitz, July 2019). Public education, public safety, public health, parks and recreation, etc. all received high levels of support coupled with majority opposition to budget cuts when asked where specifically the state budget should be cut to address the state’s continuing deficit.

Polls at the national level also support the view of the American public as being schizophrenic in our desire for both low taxes and relatively generous provisions of public goods. We are especially solicitous of those programs that benefit us and people like us. It is only foreign aid, welfare, and “waste and fraud” that Americans generally believe are the source of the problems of the federal budget, and the cuts should come from what other people in other classes or other parts of the country or state are receiving from the government if reductions are to be made.

This schizophrenic view is a perennial feature of American public opinion that led Lloyd Free and Hadley Cantril to label us as “ideological conservatives and operational liberals” in a classic article published in 1967 (Free and Cantril, 1967, 206-261). That label is a cogent synoptic description of the empirical data found in our Illinois polls over the 2008-2018 period (Jackson, Leonard, and Deitz, 2018 and 2016; Jackson and Leonard, 2014; Jackson and Gottemoller, 2007).

**Polarization**

It has become commonplace in both the popular press and academic literature to observe that the nation is deeply divided, or “polarized.” While there are nuanced differences between some scholars about the depth and the policy impact of this polarization, most researchers conclude that it is real at the political elite level and fairly advanced and deep at the mass voter level as
Empirical studies indicate that we are deeply divided by geography, class, race, religion, party, and ideology, and those divisions have grown much more marked over the past two to three decades (Levendusky, 2009; Bishop, 2008; Gelman, 2008; Heatherington, 2001). These divisions manifest most importantly in the way we vote individually, and in the mass distribution of public opinion collectively. It also shows up in the way the voters react to the personalities and issues of the day. For example, the nation’s views on what kind of job the president is doing or where public opinion stands on proposed policies are profoundly influenced by which party the respondent belongs to and what their ideological positions are. Those evaluations swing wildly from time to time with a change in presidents or the party in power in Congress.

Similarly, voting patterns and the results of elections at state, local, and national levels are deeply influenced by where the voters live. The acceptance of the red state versus blue state symbolism and the deep differences those symbols represent are so widespread and complete that they have become a handy popular shorthand for summarizing the many issues and personalities that divide the American people.

Probably the most readily recognized application of the red state versus blue state dichotomy is in the wide acceptance of the fact that Americans are deeply divided into the predominantly rural and the predominantly urban states (Bishop, 2008; Gelman, 2008). The national map of the state winners of the presidential votes always show a deeply and predictably divided nation, which played out again when the winner of the electoral vote prevailed over the winner of the popular vote in the 2016 election, which in this respect was a replay of the 2000 election results.

What is not so widely recognized is that inside the states, counties and regions are often also easily recognizable by their long-running pattern of voting for either the Republicans or Democrats so routinely that they provide safe seats in both the state legislatures and in Congress for most of their legislative representatives. There are well-recognized patterns of red rural counties and blue urban counties voting consistently for their favored party over a very long period of time in almost all the states. This theme is widely documented and analyzed in a variety of literature on the sources of our current polarization (Florida, 2016; Bishop, 2008; Gelman, 2008; Levendusky, 2009).

This red county versus blue county history is especially evident in Illinois where our politics are marked and marred by regionalism. It is so prevalent that fairly often some angry pundit or politician will advance the perennial idea of dividing Illinois into two states, Chicago and the downstate region, ostensibly in order to free the rural areas from the burdens of Chicago. In the March 2018 primary, one Democrat running for governor, Robert Marshall, went a step further and advocated the creation of three states: Chicago, the collar counties, and downstate (Luciano, March 12, 2018). It is an idea that has been around for much of Illinois' history, and one that refuses to die no matter how impractical it is (McClelland, November 15, 2017). We
will discuss the latest manifestation of this drive to divide Illinois into two states and present new public opinion data on it in the next section of the paper.

In Illinois, the natural regional divisions are also exacerbated by the overlay of partisan divisions that are longstanding. Several academic papers in this series have demonstrated clearly that most of the 102 counties in Illinois have voted so routinely for either the Republican candidate or the Democratic candidate over time that there is no problem in designating them as either red counties or blue counties (Jackson, 2011). Most other states show a similar pattern. These patterns are historical and hold true despite marked differences in issues and candidates across disparate elections, for decades and even political generations. This electoral stability provides the dependable and expected continuity in our election results.

In Illinois, however, there are still enough “swing counties,” or those where the partisan distribution is so close, or where there are enough independents or voters who are only weakly committed to their party that they can go either way depending on the candidates or the issues involved with a particular race. These voters and a modicum of “crossover voters”, i.e. partisan loyalists who temporarily deviate from their party to vote for a candidate of the other party, can provide the change and the dynamism in the vote totals and in the ways elections are conducted and how they turn out.

Those swing voters exist, and they are also more predominantly found in the suburban areas. Thus, the deep divisions between the urban and the rural counties are somewhat tempered by the independent voters and the swing voters who can provide the winning margin in a closely divided state or county. This tends to be the major pattern in Illinois where the suburban ring of Cook County outside the city and the five suburban counties of DuPage, Kane, Lake, McHenry, and Will can – and usually do – provide the difference between victory or defeat for many statewide candidates.

Thus, Illinois tends to be a predominately blue state because of the advantage in party identification that the Democrats enjoy in statewide races. However, Illinois can and frequently has elected Republicans to statewide offices depending on the personalities and resources of the individual candidates and the driving issues of that particular campaign. Former Governor Bruce Rauner is the most prominent example of that Republican potential, as are former Senators Mark Kirk and Peter Fitzgerald, and a long list of recent Republican governors, including George Ryan, Jim Edgar and Jim Thompson.

The political tactic that is exaggerated in Illinois is the fact that individual candidates can and often do use these political and geographical divisions as a major narrative or rationale for their campaigns. As candidates see it, they need to excite and motivate their base – that is, the loyal party faithful – to turn out voters no matter what the current issues are. They also need to attract some of the independents and just enough crossover voters from the other side to be competitive or make them a winner.
This is what happened in the 2014 governor’s race in Illinois, for example. Republican Bruce Rauner faced Democratic incumbent Pat Quinn. Quinn had initially inherited the job from the impeached Rod Blagojevich on January 29, 2009. He then won a new term on his own in November of 2010 (White, 2013-14, 21). Right at the beginning of that term, Quinn led the Illinois General Assembly in adopting an increase in the state income tax. Quinn argued that this increase was necessary to address a long-term structural deficit that had been built into the state’s spending habits, which consistently exceeded its revenue flow, a problem that extended back across governors of both parties and various partisan counts in the General Assembly.

During the Great Recession of 2008-2009, Illinois was particularly hard-hit by decreases in state revenue and increases in the need for spending on state services. This is what happens in all recessions. There was also a unique increase in pension demands because of the “ramp” in the state’s share of pension obligations that had been built into the pension reform plan adopted in the mid-1990s under Governor Jim Edgar. Edgar’s plan depended on ballooning payment rates for the state’s share of the pensions after the turn of the 21st century. Those payments were not made due to decisions made by governors from both parties and subsequent General Assemblies. At the same time, services were not cut, and this is the definition of a “structural deficit.”

Put simply, unpaid bills began to pile up and the state’s ability to pay them through the manipulation of various accounts and one-time-only fixes had declined. So, Quinn advocated an income tax increase and the Democratic majorities in the House and the Senate passed it in January of 2011 without a single Republican vote in favor.

With $5 billion of new revenue from the tax increase, the state started paying its bills more nearly on time than before and stated paying down the backlog of unpaid bills, most notably its required annual state pension payments. The state issued two general obligation operating bonds in order to pay for a majority of the annual pension contributions in 2010 and 2011. In 2010, they had passed a pension reform bill that created a second tier for new state hires, and this helped reduce the estimated long-term pension obligations. These steps plus the new revenue from the income tax increase helped to stabilize the budget for the period of 2011 through 2014. The unpaid bill backlog was reduced from $11 billion to about $6 billion by January of 2015, when the “temporary” income tax expired.

Quinn also adopted some program expansions during his second term. Some of these later became the basis for charges of “waste and fraud” that were leveled at him. One case involving a community development program on the South Side of Chicago lent some credence to this charge (Jackson, 2015).

This all set the stage for the 2014 campaign for governor and the General Assembly. Pat Quinn attempted to explain that the new revenue was essential to providing the base of services that the public expected and had come to rely on, as well as to continue to pay down the accumulated debt. Businessman challenger Bruce Rauner argued that most, and perhaps all, of the new revenue had simply been squandered on waste and fraud and unnecessary new
programs. The other Democrats running for statewide or local office tended to stay quiet in this argument and emphasized their own favorite local issues. Republican candidates for the General Assembly condemned the income tax increase and promised its reduction if elected.

In 2014, Rauner was elected with 52.03% of the two-party vote compared to 47.97% for Quinn, or by a 4.06 percentage point margin (Jackson, 2015, Appendix C). His victory was partially a result of his antitax campaign, which was one of the major issues of his campaign, although he also argued that Quinn was not effective in getting things done. The Democrats maintained a nominal 71-vote supermajority in the House; however, they could not always count on being able to muster that majority on crucial votes. On the Senate side, the party vote was 39 seats to 20 for the Democrats with a net loss of one seat (White, 2015, 31).

In January of 2015, when the new tax rates were scheduled to drop and a positive vote was required to continue it, there was little support among the Democrats for voting again for extending the tax increase and unanimous opposition among the Republicans. Thus, the temporary increase was allowed to expire on January 1, 2015 with no plan for how to replace the revenue it generated. With that expiration, five billion dollars of revenue per year disappeared from the coffers of Illinois government. Wrangling broke out between the Democrats in the General Assembly and the new Republican governor and his allies in the legislature, although they also worked together occasionally to try to manage the deficit. The overall result was that when the Democrats sent Rauner a budget, he vetoed it and the Democrats could not override his veto. A deep impasse developed. Money continued to be spent, generally at the previous fiscal year level for a variety of essential services under court order or due to the requirements of various federal grants for matching funds.

During this time the two areas most vulnerable under these impromptu rules were social services and higher education. K-12 was taken off the table early by action agreed to by the governor and leaders of the General Assembly from both parties since neither group wanted to bear the onus of not funding public schools when they were scheduled to open in August 2015. Universities and community colleges, on the other hand, had no such protection, and they immediately began to suffer since with no budget there were no state funds forthcoming automatically. Students and their families also suffered because the state started withholding MAP grants, which tens of thousands of Illinois students relied on to fund their university or college tuition. Several universities moved immediately to use local funds to temporarily pay for the MAP grants. This loss of state funds was somewhat alleviated by two “stopgap” budget bills, which partially funded the universities for the short term; however, when it was all over, for two fiscal years they had received only 41.5% of what they would have received from state subsidy under the FY 2015 base (Miller, June 4, 2018, 1). In addition, the resort to stopgap budgets created enormous uncertainty and dislocations for the universities and community colleges and their students, and wreaked havoc on their ability to plan.
In early July of 2017, the Democrats muscled through the Illinois General Assembly a new income tax bill with a handful of Republican votes. It provided for a nearly exact return to the prior rates of 4.95% (instead of 5.0%) for the individual income tax rate and 7.0% (or 9.5% if the Corporate Personal Property Replacement Tax is counted) for the corporate rate (Portman, January, 2018). This increase was expected to generate nearly five billion dollars to recoup the same amount of revenue lost when the temporary increase expired in January of 2015.

Governor Rauner, as he had promised to do, vetoed the bill. Since the Democrats had lost their “supermajority” in the House in the 2016 election, they had to rely on a handful of Republican crossover votes in the House and Senate to override the veto.

After a long and sometimes raucous public debate, the Democrats were able to override the governor’s veto with the assistance of one crossover Republican vote in the Senate and ten in the House. The new rates went into effect immediately and the state started to replenish its coffers with an augmented revenue stream (Bosman and Davey, July 6, 2017; Hinz, July 6, 2017).

The governor and his allies launched an intensified statewide campaign to blame the Democrats, and especially then-Illinois House Speaker Mike Madigan, for the tax increase. Many Republican legislators joined the governor in this condemnation of the increase, which was essentially a return to the rate Illinois taxpayers paid from January 2011 to January 2015. The governor also took out a series of advertisements that emphasized his opposition to the increased tax. Many observers saw this as the starting gun for the governor’s campaign for a second term in 2018.

Rauner’s strategy was also reinforced by his subsequent opposition to and threatened veto of an historic measure that would fundamentally rewrite the state’s formula for how state revenue was distributed to local school districts. This had been a perennial problem in Illinois for at least two decades. Critics of the prevailing formula pointed out that it did not systematically help those districts with a low property tax base, and thus those districts with a high number of needy students were not nearly equal in the amount of money they could spend per pupil. The wealthy districts often outspent the poor districts by a factor of three or four to one in total state plus local expenditures per pupil.

Governor Rauner charged that the new state aid formula disproportionately favored the Chicago Public Schools system. He pointed to a long-standing block grant program that did apparently favor Chicago to some extent because it gave them block grants for special education and transportation based on a guaranteed rate, whereas other districts had to apply through a more stringent categorical grant program. This gave Chicago more money for these particular functions, although Chicago officials claimed that they received a smaller proportion of total state aid than their share of the state’s school population would require. In addition, the Chicago Public School system was required to pay their share of the pension obligations (approximately $221 million annually) while those districts outside Chicago had their share of the pension payments picked up by the state.
The governor and some Republican legislative leaders claimed that the block grant guarantee was just another “giveaway” to Chicago. This new example was seen by Chicago’s critics as reinforcing the well-developed narrative that Chicago was always favored in the scramble for scarce state resources.

After another contentious debate, the bill was tweaked to give the private schools an additional allocation of new money. It made available a total of $75 million for a pilot program that would provide tax credits for individual donations to scholarships for students to attend private schools. This was something Republican had long supported, and even the Catholic Cardinal of Chicago climbed on board this bandwagon, thus making it easier for Democrats to support. With this added feature to the bill it passed handily, and the governor signed it.

By the end of the fall 2017 veto session, the script for the 2018 state elections was mostly set. Rauner would run on getting the state back on track again and making the policy changes he sought as necessary to making Illinois more competitive with surrounding states (Leonard, 2017). For him, this would consistently entail his pointing at Speaker Madigan as the scourge of state government and the obstacle to all reform and progress. The governor’s “Turnaround Agenda” continued to consist of a series of proposals to curb the power of organized labor including “Right to Work” laws at the local level, curtailing the use of union dues to pay for lobbying, and cutting the state’s contributions to Workers’ Compensation (Ibid). Achieving this objective demanded the curtailing of the power of Speaker Madigan and his supporters in the General Assembly, mostly via the passage of a term limits amendment that the governor constantly touted.

In addition, the power of local governmental bodies had to be contained via distinct limits on the property taxes. When pressed by reporters and in some of his television ads, Rauner also talked about “rolling back in stages” the new income tax increase. In the runup to the primaries in 2018, the governor continued to talk generally about the need to reduce Illinois taxes and especially targeted the increase in the income tax as well as property taxes. On February 14, 2018, the governor gave his annual budget address. In it, he proposed rolling back the state income tax increase over a four-year period starting with a one billion-dollar reduction, which would have been 20% of the five billion total raised by the tax increase. He then went up with a series of television ads touting his tax decrease plan and attacking the Democrats, especially Speaker Madigan, for the tax increase. Critics noted that his proposed budget, however, built the entire five billion dollars from the tax increase into his base budget for FY 2019. His budget also depended heavily on moving public employee pension payments and health insurance costs from the state to local governments, changes unlikely to be adopted by the legislature. This early exchange presaged the major themes for the fall campaign.

The Democrats in the March Primary, especially J.B. Pritzker, essentially ran as the “anti-Rauner” candidate. Pritzker emphasized that he, too, wanted economic development and more jobs, but his diagnosis of what that would require was essentially in direct opposition to virtually every point in Rauner’s platform. By the time the primary votes were counted, Rauner
and Pritzker had emerged as the nominees for their parties, although Rauner had a much closer challenge from the far right than had been expected. He beat his challenger, State Representative Jeanne Ives, by a narrow 20,000-vote margin, while Pritzker effectively doubled the vote for his two closest rivals, Senator Daniel Biss and Chris Kennedy. What some termed “the battle of the Billionaires” in the general election featured two very wealthy candidates promising to be the champion of the middle and working classes (The Economist, 2017).

After the primary, the overall outline of the general election and the major narratives were clearly discernable. One of the fall campaign’s central features became the fight over the budget, the deficit, tax revenues and where to find the billions of dollars of current spending that the budget did not support.

The general election campaign was simply an extension of the narratives from the primaries. Rauner as the incumbent was already well known and had a controversial record to defend. It included gridlock with the legislature, two years without a state budget being adopted, and the resulting uncertainty and damage it had produced. Questions of the state budget and the structural deficits were the dominant issues of the campaign. Also, Rauner was a Republican in a state where the Democrats held an advantage on party identification, although in 2014 Rauner himself had demonstrated that Republicans could win under the right circumstances (Jackson, 2015; Jackson, Leonard & Deitz, 2016 and 2019).

Those favorable circumstances did not prevail in November of 2018. Pritzker won with an impressive 55%-39% margin. In addition, the Democrats in the General Assembly held on to their majorities. This victory was accomplished despite the fact that the Democrats, with help from a small number of Republicans, had used their majority in the House and Senate to override Rauner’s veto of the budget, which included new revenue produced by their increase in the income tax rates that had reverted back to the earlier rate put into place by Governor Pat Quinn and the Democrats in the General Assembly in the FY 2011 budget.

This brief detour into the state’s electoral politics is necessary to establish the political context in which tax rates are set, budgets are adopted, and the impact they have on county and regional revenue rates and expenditure patterns. Our data, especially the survey data, will show that these hard accounting facts are not always fully understood by the general public and appreciated for their complexity. In American politics, rhetoric can prevail over reality.

**Public Opinion on State Polarization**

As was discussed in the introduction to this paper, the Illinois political culture has long been marked by a deep division between the major regions of the state. Chicago versus Downstate, and Central and Southern Illinois versus Northeastern Illinois are common themes in the political debate. This division manifests itself especially with Western Illinois, Eastern Illinois, and Southern Illinois residents, with their representatives perennially voicing feelings of being left out. Those regions occasionally spark loud movements to “secede” from the rest of the state. Never mind that this feat is nearly impossible to accomplish politically and
constitutionally. This downstate mistrust and ire are aimed at Chicago since it is by far the largest, the most prosperous, and the most powerful part of the state.

These feelings of regional pride or regional jealousy are not completely unusual. Many states with a big city and a dominant urban area have some of the same divisions. New York City versus “upstate” New York, southern California versus northern California, and Atlanta versus the rest of Georgia are all recognizable memes in their state politics. **What is different or at least exaggerated in Illinois, however, is the extent to which many Illinois leaders emphasize, exploit and exacerbate these regional differences for their own advantage.** This strategy of running against Chicago is one of the most tried and true political strategies in Illinois politics; or alternatively, running against the major leaders of Chicago. As the original example, Mayor Richard J. Daley and the Daley Machine in his day were always a staple for downstate candidates to target their ire against.

More recently, the stand-in for running against Chicago is to run against former Speaker of the House Michael J. Madigan, the longtime leader of the House Democrats and the Chair of the Illinois State Democratic Party. Some of the most effective campaigners against Madigan, or before him, Daley, have themselves also been from Chicago. Democratic Governor Dan Walker from the mid-1970s and more recently former Republican Governor Bruce Rauner are the epitome of a Chicago candidate getting elected statewide by running against the city. That theme was very prominent in Rauner’s campaign when he was seeking re-election in 2018, as we noted earlier.

The 2020 general election featured two high-profile campaigns that prominently featured this strategy of running against Speaker Madigan and other prominent Chicago-based leaders. The first of these was the campaign against the retention of Judge Thomas Kilbride as a Justice of the Illinois Supreme Court from the Third Judicial District. Justice Kilbride failed to reach the required 60% approval mark and was ousted from the court, which is a very unusual occurrence in Illinois politics. The second was the referendum on amending the Illinois constitution to replace the state’s flat rate income tax system with a progressive income tax. This was a proposal that Governor Pritzker ran on in 2018 and supported heavily in 2020. However, it failed by a 45%-55% margin. While it was a serious loss for the governor, the campaign against it also included frequent appeals to the voters’ lack of trust in the “politicians in Illinois” to keep their word about the use of the revenue, and Madigan was frequently cited in the negative advertising. This basic strategy appears to have continued to be a highly effective one for the opponents of Justice Kilbride and of the graduated income tax in the 2020 general election in Illinois.

This internecine strategy is sometimes seen in other states as well. Political scientist Katherine Cramer wrote a well-reviewed book published in 2016 documenting the rise to power of Governor Scott Walker in Wisconsin (Cramer, 2016). In it, she explored the concept of “Rural Resentment,” which she maintained is endemic to Wisconsin politics. She noted that much of upstate Wisconsin is like downstate Illinois – that is, upstate residents see the urban southern
part of Wisconsin, centered in Madison and Milwaukee, as the source of most of their state’s troubles and places to be avoided and mistrusted. Ironically, Walker used these themes very advantageously to win his first election and to survive the recall election against him that followed, even though when he ran for governor he was the County Executive in Milwaukee.

Cramer also documented the pervasive extent of these urban-rural divisions in the minds of the voters as evidenced by poll data gathered by the University of Wisconsin. Her polls showed just how regionally divided Wisconsin was in the conviction in the upstate areas that the urban sections of the state in the south were getting more than “their fair share” of state resources and the feeling that the government in Madison did not represent the values and opinions of those who lived in the more rural areas.

Cramer later noted the similarities of these divisions in the marked rural versus urban and sectional geographic divisions that were so vivid in the national presidential election in the 2016 election. Donald Trump mined a rich vein of anti-Washington, antiestablishment, antielite, and antiurban resentment in places like Appalachia, the Rust Belt of the Midwest, much of the Mountain West, and the perennial resentments in much of the South, especially the rural parts of the old Confederacy. Several studies of the 2016 election and Trump’s victory have demonstrated the extent to which Trump was able to mine “the politics of resentment” and the alienation and mistrust that many Americans, especially those in the more rural areas and those places where the global economic trends have hurt rather than helped the local economy to carry him to the White House.

We are taking a page out of the Cramer book in our use of essentially the same polling questions to demonstrate the extent of those rural versus urban divisions in Illinois.

**The 2017 Poll Data**

Our survey data are taken from statewide polls of registered Illinois voters as a part of the Simon Poll series done by the Paul Simon Institute. These polls are designed to take periodic measures of public opinion on a variety of political, public policy, and values questions for the entire state.

In the March of 2017 poll we included questions regarding the perception of each region getting its “fair share” of state resources. This was a statewide poll of registered voters with a total of 1,000 respondents and a margin of error of 3.1 percentage points.

We included these questions because of the long-standing controversy that this issue causes in Illinois politics and its omnipresent appearance in so many political campaigns and their commercials. These arguments were key to the budget impasse of 2015 through 2017, and a part of the conflict over the General Assembly’s vote to override Governor Rauner’s veto of the budget that finally passed in July of 2017. This narrative also surfaced a couple of weeks later in the school funding formula battles between the governor and the legislature when the governor threatened a veto of the whole package over his charge that the formula entailed a
“bailout of the Chicago Public School system.” While he initially signaled support for the bill, he later vetoed it over an issue of the bill’s inadvertently leaving out some 138 small and religiously sponsored private schools that did not have official recognition from the Illinois State Board of Education and would not benefit during the first year from the new tax credit for private school scholarship donations. As a result, the new law was delayed until April of 2018, deep into the planning period for FY 2019 while these differences were resolved.

This issue of regionalism also became an important part of the political debate for the general election in the fall of 2018. As covered above, the campaign ads during the primary season were filled with charges that one candidate or another was “sold out” to Chicago or to Speaker Madigan.

These regionalism issues are so pervasive in Illinois we included items specifically designed to measure their contours in our statewide polls of 1,000 registered voters conducted in the fall of 2017. The questions were based on Cramer’s Wisconsin polls (Cramer, 2016). The first question asked:

<table>
<thead>
<tr>
<th></th>
<th>Statewide</th>
<th>Chicago</th>
<th>Suburbs</th>
<th>Downstate</th>
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</thead>
<tbody>
<tr>
<td>A Good Deal</td>
<td>5%</td>
<td>7%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Some</td>
<td>19%</td>
<td>16%</td>
<td>22%</td>
<td>18%</td>
</tr>
<tr>
<td>Not Much</td>
<td>70%</td>
<td>72%</td>
<td>67%</td>
<td>73%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: The Simon Poll, March 4-11, 2017

Obviously, the statewide results show that very few Illinois voters are impressed with the extent to which their elected representatives pay attention to them or the people in their community in making decisions. The modal category is “Not Much,” which attracted 70% of the respondents. The results by region reinforce this image of widespread disenchantment. Broken down by region, the similarities are striking and the differences are narrow. The downstate residents by a small margin are the most alienated. The suburbs are the least alienated and the most generous in their assessment of how much their legislators share their values, but the margin of difference is not great. Confidence in the link between the governors and the governed is one of the essential elements of representative government, and on this measure Illinois state government elicited little confidence from the voters.
Table 2 examines the question of how much the state government represents your community’s values. This question also captures a fundamental tenant of mass democracy in that the voters need confidence that their political leaders share some level of the same basic values that they hold to. Obviously, the “Not Much or “Only a Little” categories attracted over a majority (53%) of the statewide responses. It was also the most popular response in each of the three geographical regions. This time the respondents from the central city of Chicago outstripped even downstate voters in their level of alienation, although the difference is only three percentage points. Once again, the suburban voters were the least alienated, with just over a bare majority choosing this response. The rest of the respondents were in the “Somewhat or Very Well” categories with 41% statewide giving the more positive responses. Each of the three regions of Illinois hovered just at the 40% positive marker.

Table 2

“How much does the state government represent your community’s values?”

<table>
<thead>
<tr>
<th></th>
<th>Statewide</th>
<th>Chicago</th>
<th>Suburbs</th>
<th>Downstate</th>
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</thead>
<tbody>
<tr>
<td>Not Much or Only a Little</td>
<td>53%</td>
<td>57%</td>
<td>51%</td>
<td>54%</td>
</tr>
<tr>
<td>Somewhat or Very Well</td>
<td>41%</td>
<td>38%</td>
<td>42%</td>
<td>40%</td>
</tr>
<tr>
<td>Extremely Well</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>5%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
</tr>
</tbody>
</table>

This widespread lack of faith in state government is a problem for representative democracy. As Hannah Pitkin has documented in detail, one of the fundamental premises of mass democracy is that the elected representatives in government must share some of the important personal characteristics and the basic values of those they purport to represent (Pitkin, 1987).

In addition to sharing their basic values, it is also advantageous for the governors to reflect some of the most important socioeconomic and demographic characteristics of the governed. As Pitkin explains it, if the political leaders “look like” the governed in terms of race, gender, and ethnic background it helps to inspire voters’ trust that the representatives also share their values and life experiences. The drive to have more women, more African-Americans, more Hispanics, etc. in government reflects this faith in what Pitkin calls “symbolic representation” or descriptive representation, and it helps to create a working consensus and sense of trust between leaders and followers that allows leaders to make hard decisions and for mass democracy to function. Recent elections featuring what are called “populist uprisings” of “the people” against “the elites,” both in the United States and abroad, call into question some of
these fundamental assumptions about how well our form of representative democracy is working to fulfill these expectations.

The most important of all the elements of representative democracy is the requirement that the governors “act for” those they govern, to adopt Pitkin’s terminology (Pitkin, 1987). Perhaps in the absence of a high level of faith that the decision-makers actually share the values of the people they represent, it is even more important that there be some working level of trust that the political elites will act faithfully for those they represent. Put simply, if they vote as I would vote on policy issues at an acceptable level, their underlying personal values may not be as important as the votes they cast. Perhaps this helps explain the often-discussed anomaly that in the 2016 presidential election approximately 83% of evangelical Christians voted for Donald Trump. None of Trump’s lifestyle choices, personal language, or church attendance record would reflect the basic traditional value commitments of evangelical Christians. So how could they possibly vote for him?

Some of the evangelical leaders, when confronted with this apparent contradiction, admitted freely that they wanted Trump’s support for antiabortion bills, his opposition to same-sex marriages, his promise to allow churches and pastors to participate openly in politics, even from the pulpit, without losing their tax-exempt status, and his pledge to appoint conservative Justices to the U. S. Supreme Court more than they wanted evidence that he shared their basic values or had ever practiced anything resembling their form of traditional Christianity. When faced with this dilemma, the church people unhesitatingly chose the “acting for” dimension of representation over any other dimensions of representation, although they would not have used these terms. Pitkin’s untangling of these different layers of the concept helps us to understand how this may not have been a hard choice for those dedicated to their policy goals first and foremost above the other dimensions of representation.

Table 3 turns to the more pragmatic questions of who gets what in the allocation of scarce resources that state government inevitably must do as one of its most crucial functions. This is the essence of the budgetary process at any level of government. The fact that the resources are always scarce is what makes governing in general and budgeting in particular so important and so conflict-ridden. It shows why you can never take “politics” out of the business of governing. The 2015-2017 stalemate in the budgetary process in Illinois and the brief shutting down of the federal government in the fall of 2017 and January of 2018 illustrate just how fundamental the budgetary process is to the government’s operation. When that function fails, government basically fails at its most fundamental level, and many ordinary people are hurt.
Table 3

“How well does the state of Illinois do in distributing government resources equally across rural, urban and suburban areas of the state?”

<table>
<thead>
<tr>
<th></th>
<th>Statewide</th>
<th>Chicago</th>
<th>Suburbs</th>
<th>Downstate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at All or Only a Little</td>
<td>62%</td>
<td>60%</td>
<td>61%</td>
<td>66%</td>
</tr>
<tr>
<td>Somewhat or Very Well</td>
<td>24%</td>
<td>22%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Extremely Well</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>14%</td>
<td>17%</td>
<td>14%</td>
<td>10%</td>
</tr>
</tbody>
</table>

This table explores the question of whether the state is distributing governmental resources in an equitable manner. It is easy to see that this question also taps into the possibility for deep wells of resentment to exist in the different areas of the state with respect to whether their areas are receiving their “fair share” of the governmental pie. In fact, regionalism and regional conflicts are among the most enduring themes in the political culture of Illinois. Almost any campaign for state representative, state senate, or governor in Illinois will include a heavy dose of one candidate accusing his or her opponent of having “sold out” to another region of the state.

The results are not encouraging for state government, as 60% or more statewide and in all three regions give their political leaders bad marks on this report card. Downstate is still the most alienated toward their state government, with Chicago and the suburbs essentially the same on the “Not at All Well” or “Only a Little” categories. Just under one-quarter of the respondents statewide and almost the same levels in each of the regions gave the state the “Somewhat Well” or “Very Well” marks, and only 1%-2% in all categories gave the most positive “Extremely Well” response.

In the questions reported in Tables 4, 5, and 6 we break out these responses by the three most widely recognized geographic regions of Illinois. This helps us see how the voters in each of the regions evaluate the treatment they are receiving from the state as compared to their counterparts elsewhere in the state. This is an attempt to delve a bit deeper into these regional perceptions of who is getting their fair share.
Table 4

“Are rural areas of Illinois given much more than their fair share, somewhat more, somewhat less, much less or about their fair share of government resources?”

<table>
<thead>
<tr>
<th></th>
<th>Statewide</th>
<th>Chicago</th>
<th>Suburbs</th>
<th>Downstate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much More or Somewhat More</td>
<td>13%</td>
<td>24%</td>
<td>12%</td>
<td>7%</td>
</tr>
<tr>
<td>Somewhat or Much Less</td>
<td>48%</td>
<td>35%</td>
<td>42%</td>
<td>66%</td>
</tr>
<tr>
<td>About Fair Share</td>
<td>18%</td>
<td>13%</td>
<td>22%</td>
<td>14%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>22%</td>
<td>29%</td>
<td>24%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Table 5

“What about suburban areas? Are suburban areas of Illinois given much more than their fair share, somewhat more, somewhat less, much less, or about their fair share of government resources?”

<table>
<thead>
<tr>
<th></th>
<th>Statewide</th>
<th>Chicago</th>
<th>Suburbs</th>
<th>Downstate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much More or Somewhat More</td>
<td>42%</td>
<td>53%</td>
<td>33%</td>
<td>47%</td>
</tr>
<tr>
<td>Somewhat or Much Less</td>
<td>16%</td>
<td>10%</td>
<td>19%</td>
<td>15%</td>
</tr>
<tr>
<td>About Fair Share</td>
<td>28%</td>
<td>18%</td>
<td>34%</td>
<td>24%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>15%</td>
<td>21%</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>
Table 6

“Lastly, what about urban areas? Are urban areas of Illinois given much more than their fair share, somewhat more, somewhat less, much less, or about their fair share of government resources?”

<table>
<thead>
<tr>
<th></th>
<th>Statewide</th>
<th>Chicago</th>
<th>Suburbs</th>
<th>Downstate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much More or Somewhat More</td>
<td>30%</td>
<td>14%</td>
<td>31%</td>
<td>40%</td>
</tr>
<tr>
<td>Somewhat or Much Less</td>
<td>37%</td>
<td>55%</td>
<td>38%</td>
<td>25%</td>
</tr>
<tr>
<td>About Fair Share</td>
<td>19%</td>
<td>16%</td>
<td>18%</td>
<td>23%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>13%</td>
<td>17%</td>
<td>12%</td>
<td>13%</td>
</tr>
</tbody>
</table>

As we anticipated, the downstate voters are the most alienated or disenchanted with their lot from state government as compared to their peers in the other two regions of the state. They are the group most convinced (66%) that they are not receiving their fair share, and indeed are receiving somewhat less or much less than their fair share, as is evident in Table 4. This theme of what Cramer calls “rural resentment” is now recognized as one of the driving forces today in American politics (Cramer, 2016). It is one of the key components in explaining Scott Walker’s takeover of state government in Wisconsin, and explaining how he survived the recall vote subsequently mounted against him by a national coalition of Democrats and Progressives, which is the story Cramer told in her book. She and many others following her lead then went on to extrapolate the dynamics of rural resentment as one of the most important factors in the deep rural-versus-urban distribution of the presidential vote for Donald Trump and Hillary Clinton nationwide in 2016.

What we did not entirely anticipate was the extent to which Chicago voters shared this disenchantment with respect to whether urban voters receive their fair share. As Table 6 shows, well over a majority (55%) of Chicago voters say that the urban areas are receiving somewhat less or much less than their fair share. This level of what we would term “urban resentment” is exceeded only by the 66% level of resentment exhibited by Downstate rural voters in Table 4 with respect to the rural areas’ slice of the budgetary pie (Badger, 2018, 23).

So, the politics of resentment has traction among urban voters in Chicago, just as it does among rural voters downstate. Those political leaders who divide Illinois into regions and appeal to regional identity and stir the sense of resentment against other regions have done their work effectively. Tens of millions of dollars spent in uncounted numbers of political ad campaigns over the years have appealed to and reinforced this divisive narrative in Illinois. The counter argument of “we are all in this together,” and “what helps Illinois as a whole helps all of us,”
“politics does not have to be a zero-sum game,” is not getting much traction in Illinois judging by our poll results. The leaders of most other states celebrate their state’s history, culture, and accomplishments and promote state pride. They have at least one major state university athletic team or a professional sports franchise that is the pride of most fans statewide no matter what their regional allegiances are. That is not the tradition in Illinois.

Voters in the suburbs are somewhat the exception to this pervasive dissatisfaction and resentment rule. They are about equally divided in their assessment of how well the suburbs do in the constant battle for scarce resources. As is evident from Table 5, fully one-third (33%) of suburban voters believe that they receive much more or somewhat more and an almost identical 34% say that they receive about their fair share. This leaves only 19% who say that suburban voters receive somewhat less or much less than their fair share. Trying to mine the wellsprings of some sort of “suburban resentment” does not appear to be a particularly promising strategy for candidates in those areas of Northeast Illinois.

All of the discussion in the first section of the paper above proceeded in a vacuum based on the political perceptions of the people. What is usually absent from such discussions is empirical data showing the realities of where the money is spent by the state compared to where it is raised in the form of state revenues. That is a very different story, as we will see in the next section of the paper. The deeply embedded strain of rural resentment reflected in our polls is not necessarily well-founded on demonstrable facts, as we will see. But, we started this section with the assertion that most of the time, perception is important – even crucial – in politics. When perception does not match the facts, it is very often the perceptions the belief systems of the people that count the most.

The 2020 Poll Data

In the 2020 Simon Poll, we continued this line of research. As discussed previously, the divisions between downstate and Chicago are so sharp that some state and local leaders have gone so far as to advocate for the actual division of Illinois into two states. In the March 2020 Illinois primary election or the November general election, a total of 23 county boards in mostly central and southeastern Illinois counties placed a referendum item on the ballot asking if the state should be divided into two states, Chicago and all the rest. In all of these cases these proposals were supported by more than a majority, frequently ranging from 62%-80% (Weber, May 21, 2019; Dampier, August 1, 2019; Meadows, December 4, 2020). This proposal is certainly not practical or politically feasible since it would require approval by both the Illinois General Assembly and the U. S. Congress, and neither is at all likely.

This is largely a symbolic protest movement; however, it is a prominent indicator of just how far some Illinois leaders are willing to go to express their lack of regard for the concept that all parts of the state share more interests that unite us rather than focusing on that which inevitably divide a state as large and diverse as Illinois. The statewide Simon Poll was an attempt to measure just how widely this feeling is shared by the voters. The question read: “A
group of legislators from Central Illinois has introduced a bill which would separate Illinois into two different states, one composed of Chicago and the rest composed of downstate. Would you favor or oppose this proposal?” Tables 7, 8, and 9 provide the results.

Table 7

<table>
<thead>
<tr>
<th>Divide Illinois?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Favor</td>
<td>19%</td>
</tr>
<tr>
<td>Somewhat Favor</td>
<td>9%</td>
</tr>
<tr>
<td>Somewhat Oppose</td>
<td>12%</td>
</tr>
<tr>
<td>Strongly Oppose</td>
<td>54%</td>
</tr>
<tr>
<td>Other/Don’t Know</td>
<td>6%</td>
</tr>
</tbody>
</table>

*Source: The Simon Poll, February 11-17, 2020*

Almost one in five (19%) of Illinois voters were strongly in favor and another 9% were somewhat in favor of creating two separate states out of Chicago and the rest of the state. A total of two-thirds (66%) were strongly or somewhat opposed to the idea.

Table 8

<table>
<thead>
<tr>
<th>Divide Illinois by Region</th>
<th>City</th>
<th>Suburbs</th>
<th>Downstate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favor</td>
<td>19%</td>
<td>23%</td>
<td>43%</td>
</tr>
<tr>
<td>Oppose</td>
<td>74%</td>
<td>71%</td>
<td>51%</td>
</tr>
<tr>
<td>Other/Don’t Know</td>
<td>7%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

The two-state proposal was widely opposed in Chicago (74%) and the suburbs (71%). Even among Downstate respondents, a smaller majority (51%) opposed the idea, although 43% were in favor there.
Table 9

Divide Illinois by Political Party

<table>
<thead>
<tr>
<th></th>
<th>Democrats</th>
<th>Independents</th>
<th>Republicans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favor</td>
<td>15%</td>
<td>27%</td>
<td>48%</td>
</tr>
<tr>
<td>Oppose</td>
<td>80%</td>
<td>67%</td>
<td>46%</td>
</tr>
<tr>
<td>Other/Don’t Know</td>
<td>5%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

The proposal was roundly opposed by Democrats (80%) and independents (67%). It was essentially tied among Republican identifiers (48% in favor, 46% opposed). It is interesting and disconcerting to note that just over a quarter of the sample say that they are willing to entertain the idea of separating the economic engine of Illinois from the rest of the state. This proposal is probably more about cultural or political signaling, and is emblematic of the deep polarization we see around the rest of the country. (Note: Much of the preceding discussion originally appeared in Jackson, et al. December, 2020.)

We turn next to an analysis of the relevant economic data in general and the revenue and expenditures data in particular to examine the possible sources of the movement for the separation of Illinois into two states and what the potential impact might be from the deeply embedded cultural norms that divide the state.

Economic Data

In one sense, ordinary voters – and even officials closely involved with government – should not be faulted for not having a precise idea of which regions state revenues come from and where they are disbursed. The state’s records do not make it particularly easy to track. In brief, there is no single source of state revenue and disbursement data broken down either by county or by region.

The Illinois Department of Revenue does publish income tax data on its website by county through 2017. Sales tax revenues can be traced through the return of the local portion to counties and municipalities. But this is a significant data management task given that the state has 1,298 municipalities receiving funds spread across 102 counties. Lottery sales are recorded by ZIP code. Federal Medicaid reimbursement, which accounts for over 10% of state revenue, must be traced by the home county of recipients.

On the disbursement side, records are kept by different agencies using their organizational units. For example, general formula and mandated categorical aid to K-12 education is recorded by the 921 districts or separate units across the state rather than by the 102 counties. Similarly, the state aid to community colleges data available on the Illinois Community College Board website is categorized by 39 separate districts. State higher education aid expenditures are...
available in the Illinois Board of Higher Education records and distributed to the 12 universities. This is attributed to the counties in which they are located, although their effects obviously spill over county lines.

By far the most significant recent efforts to sort out state revenues and disbursements by county are a series of reports by the Illinois Commission on Governmental Forecasting and Accountability (CoGFA). Our first paper was based on 2013 data released in October 2015 (Legislative Research Unit, 2017; See also Legislative Research Unit, 1989). Updates for FY 2014, 2015 and 2016 were released February 2020. Using 2013-2016 tax and budget records, CoGFA undertook a massive data management task and was able to trace from 69%-81% of the tax revenue and from 65%-76% of expenditures from the General Funds to all 102 Illinois counties.

The largest untraced item on the revenue side was the corporate income tax. The CoGFA staff noted that these taxes are filed in the home county of the corporation while business can be done across a number of counties, in other states, or in other countries. Multistate corporations are taxed on sales in Illinois without a record of county.

On the disbursement side, the largest items not traced were contributions to the various public pension systems, which have grown to over 20% of the General Funds. Pension contributions from the state are recorded in the counties housing the system headquarters. Later, these funds plus employee contributions and investment returns are disbursed as payments to pension recipients across the state, nation, and even other countries.

The major portion of the traceable tax revenues to the general fund consisted of the individual income tax, the state share of sales tax, and the federal match for Medicaid. Much smaller revenue sources included lottery profits, insurance taxes, and the estate tax. The traceable disbursements in order of size included Medicaid, K-12 education aid including the mandated categorical programs, state operations, state payroll, Local Government Distributive Fund (LGDF), and state aid to public universities and community colleges.

The CoGFA report included several additional cautions in using this data (see Appendix A). First, even four years of data, which we present in this edition, is obviously a snapshot in time, and conditions do change with budget cycles. Second, economic benefits clearly spill across county lines. And third, only the general funds data was included. Revenue sources such as the motor fuel tax, vehicle license fees, tollway fees and expenditures such as capital projects and the transportation category were excluded.

These are all reasonable cautions. We will focus on regions rather than counties, which will reduce but not totally eliminate the spillover problem. That is what the CoGFA reports suggested as well (see Appendix B). While it is true that the FY 2013-2016 data is a snapshot, it is still useful for looking at taxing and funding for 2021 and beyond. Budgeting tends to be incremental and the major contours of the 2021 budget are not dramatically different from the 2013 and 2014 budgets, which were before the 30-month budget standoff. The state income tax was 5% in 2013. As noted above, it has since returned to 4.95% after a sharp reduction
during the budget stalemate. The sales tax remained the same. Illinois fully participated in the Federal Medicaid expansion by 2013, which remains in effect. Higher education and community college state funding was dramatically reduced during the budget stalemate years but returned to 90% of FY 2014 levels for FY 2018. A new K-12 school aid formula, which increases state funding to the poorest property wealth districts, passed in 2017 and is in effect at the time of this writing.

Looking at the contrast between the 2013-2014 base years, the 2015 half stalemate year, and the full 2016 stalemate also creates a form of natural experiment of the effects of an unanticipated sharp reduction in tax rates, which is inevitably followed by a breakdown in the normal budget processes and attempts to get by as described above on pages 13-15.
### Table 10

**General Funds Revenue and Expenditure, FY 2013-2016**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue Traceable to Counties</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td>$16,539</td>
<td>$16,642</td>
<td>$15,433</td>
<td>$12,891</td>
<td>-22.5%</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$7,319</td>
<td>$7,638</td>
<td>$7,991</td>
<td>$8,022</td>
<td>5.0%</td>
</tr>
<tr>
<td>Medicaid Match from Feds</td>
<td>$3,999</td>
<td>$3,761</td>
<td>$3,180</td>
<td>$2,512</td>
<td>-33.2%</td>
</tr>
<tr>
<td>Lottery</td>
<td></td>
<td>$656</td>
<td>$679</td>
<td>$677</td>
<td>1.3%</td>
</tr>
<tr>
<td>Insurance Tax</td>
<td>$333</td>
<td>$332</td>
<td>$353</td>
<td>$397</td>
<td>19.6%</td>
</tr>
<tr>
<td>Estate Tax</td>
<td>$293</td>
<td>$276</td>
<td>$333</td>
<td>$306</td>
<td>10.9%</td>
</tr>
<tr>
<td><strong>Revenue Not Traceable to Counties</strong></td>
<td>$7,464</td>
<td>$7,726</td>
<td>$8,648</td>
<td>$5,693</td>
<td>-26.7%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$36,603</td>
<td>$37,043</td>
<td>$36,617</td>
<td>$30,498</td>
<td>-17.7%</td>
</tr>
<tr>
<td><strong>Disbursements Traceable to Counties</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-12 Education</td>
<td>$4,287</td>
<td>$4,442</td>
<td>$4,404</td>
<td>$4,632</td>
<td>4.3%</td>
</tr>
<tr>
<td>Education Categorical</td>
<td>$1,728</td>
<td>$1,728</td>
<td>$1,998</td>
<td>$1,691</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>$7,942</td>
<td>$8,163</td>
<td>$8,951</td>
<td>$8,742</td>
<td>7.1%</td>
</tr>
<tr>
<td>State Operations</td>
<td>$5,466</td>
<td>$7,597</td>
<td>$5,650</td>
<td>$3,257</td>
<td>-57.1%</td>
</tr>
<tr>
<td>State Payroll</td>
<td>$3,130</td>
<td>$3,333</td>
<td>$3,331</td>
<td>$3,293</td>
<td>-1.2%</td>
</tr>
<tr>
<td>LGDF Distributions</td>
<td>$1,486</td>
<td>$1,031</td>
<td>$1,257</td>
<td>$1,543</td>
<td>49.7%</td>
</tr>
<tr>
<td>Public Universities</td>
<td>$1,230</td>
<td>$1,232</td>
<td>$1,202</td>
<td>$350</td>
<td>-71.6%</td>
</tr>
<tr>
<td>Community Colleges</td>
<td>$320</td>
<td>$321</td>
<td>$315</td>
<td>$109</td>
<td>-66.0%</td>
</tr>
<tr>
<td><strong>Disbursements Not Traceable to Counties</strong></td>
<td>$10,054</td>
<td>$9,129</td>
<td>$8,513</td>
<td>$7,709</td>
<td>-15.6%</td>
</tr>
<tr>
<td><strong>Total Disbursements</strong></td>
<td>$35,643</td>
<td>$36,976</td>
<td>$35,621</td>
<td>$31,326</td>
<td>-15.3%</td>
</tr>
</tbody>
</table>

All figures in millions (i.e. x 000,000). Sources: Original revenue and disbursement data by category: CoGFA 2013-2016; totals: Illinois Comptroller’s Office.

Table 10 shows the short-term effects of the tax cut natural experiment, which allows a partial test of the long-standing debate over static and dynamic models of taxation. Static models assume that tax rates have little or no effect on the behavior being taxed. Hence, lower rates lead to less revenue and higher rates to increased revenue. Dynamic models, in contrast, argue
there is a significant relationship between taxation and underlying economic behavior. Many American political conservatives in fact have long argued that tax cuts can more than pay for themselves by increasing economic growth to the point that it will lead to greater tax revenues even with lower rates.

We do not have data to examine the long-term effects of a state income tax cut, as the Illinois experiment ended after two and one half years when a coalition of Democrats and Republicans (mostly representing university districts) voted to override the governor’s veto and return to a 4.95% personal income tax rate, as noted above. But the short-term effects in Illinois are very close to the static model. The 25% state income tax cut (5%-3.75%) that went into effect midway through FY 2015 reduced 2015 revenue by $1.2 billion, or 7%, from FY 2014. FY 2016 income tax revenue, when the lower rates were in effect for the entire year, was reduced by $3.7 billion, or 22.5%, from FY 2014. The corresponding reduced rates of the corporate income tax account for most of the 26% ($2 billion) drop in the “revenue not traceable to counties” line. Furthermore, sales tax revenue (where rates did not change) increased a very modest 5% over this period, suggesting there was no significant increase in consumer activity, or at least the portion of it subject to sales tax.

In addition, Federal Medicaid reimbursements were reduced by $1.2 billion, or a third, over the same two-year period as the state slowed payments to providers in response to reduced revenue. The half-year revenue losses for FY 2015 were cushioned by $1.738 billion in fund sweeps and interfund borrowing, which are included in the increased “not traceable to counties” line for that year. But that money was gone in FY 2016, creating about a $6.5 billion (17.7%) total revenue loss in two years.

While a 25% tax rate cut leading to an immediate 22.5% tax revenue drop is what a static model would predict, we cannot say whether this would hold longer term. Perhaps economic growth would have climbed sharply in a few years if the lower income tax rate had been maintained? On the other hand, it is also quite possible that changes in state income taxes are small enough that they do not have much effect on either consumer or corporate real-world decisions. If so, the static model may be more accurate in the world of state taxation.

The Illinois experiment also lets us look at real-world budgetary behavior when faced with a significant revenue drop. Political science literature has long focused on the incremental model of budgeting as the most accurate description of the normal process. Under this model, last year’s expenditures are treated as the base and seldom questioned. Analysis and debate are then focused on the size of the additional increment or reduction. Shares of the total pie given to different activities change only slightly from year to year.

Table 10 above presents a vastly different picture. When revenues dropped by almost 20% in two years, the effects varied dramatically by category. The legislature passed and the governor signed an appropriation bill for K-12 education, which actually led to a slight increase in that expenditure and protected it from future reductions. Continuing appropriations legislation kept
contributions flowing to the state retirement programs, removing an option the state had relied upon many times in previous decades during bad budget years. Most Medicaid, the LGDF and state employees’ salaries were protected either by court order or automatic statutory transfers that occur even without an official budget. This forced what might be called “targets of opportunity” budgeting for what was left. The state university and community college systems absorbed massive (71.6% and 66%) reductions in state funding, which saved a little more than $1 billion from FY 2014 to FY 2016. The remaining cuts of about $2.4 billion in Table 10 came in the category of state operations. In brief, the state, by never passing a formal budget, delayed paying its bills for a significant time. And the accounts payable by the Comptroller’s Office rose from $5.1 billion on June 30, 2015 to $7 billion on June 30, 2016. Much of this was owed to health care providers for state employees. Other state operations included social service agencies with state contracts, local governments that provided water and sewer for state facilities, and private suppliers of goods and services consumed by state agencies.

We will now turn to the regional effects of this budget experiment. The data in Table 11 from the 2010 U.S. census provides background for the analysis to come. We first divided the state into three regions to match the groupings used in the earlier poll data discussed in this paper. Cook includes the City of Chicago and its inner ring of suburbs. The five suburban counties are DuPage, Kane, Lake, McHenry, and Will. The other 96 counties are lumped in “downstate.”

There are, however, significant variations across these 96 counties that stretch across 400 miles from the Wisconsin border to the Ohio River. Hence, we divided the 96 into four major subregions, which, with some collapsing, follow the 10 economic development regions defined by the Illinois Department of Employment Services (see Appendix C). The 18 north counties run from the Wisconsin border as far south as Kankakee, excluding Cook and the five suburban counties. The nine southwest counties essentially are the Illinois portion of the St. Louis metropolitan area. The 19 southern counties are along the Interstate 64 corridor and south to the Ohio River, except for the St. Louis metro area. We lumped the remaining 50 counties, which make up five IDES regions, into one large central region.

Table 11 provides a quick look at the economic variation across the state. The five suburban counties are by far the wealthiest on median household and median family income. The Cook County region is slightly higher than the 96-county downstate region on these measures. However, there is significant variation across the downstate counties. The 18 north counties as a group are virtually the same as Cook County on the income measures, while the 19 southern counties fall some distance behind.

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1 It is important to note that the state continued to incur most of these services despite the unpaid bills that piled up. State law requires an interest penalty of either 9% or 12% on state bills that are unpaid for more than 60 days.
## Table 11
County Household and Family Income by Region

<table>
<thead>
<tr>
<th>Region</th>
<th># of Counties in Region</th>
<th>Median Household Income*</th>
<th>Median Family Income**</th>
<th>Average County Population</th>
<th>Average County Number of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook</td>
<td>1</td>
<td>$53,942</td>
<td>$65,039</td>
<td>5,194,675</td>
<td>1,966,356</td>
</tr>
<tr>
<td>Suburban</td>
<td>5</td>
<td>$75,137</td>
<td>$86,860</td>
<td>624,395</td>
<td>216,756</td>
</tr>
<tr>
<td>Downstate</td>
<td>96</td>
<td>$45,752</td>
<td>$57,204</td>
<td>47,233</td>
<td>18,695</td>
</tr>
<tr>
<td>North</td>
<td>18</td>
<td>$53,698</td>
<td>$64,618</td>
<td>103,179</td>
<td>38,549</td>
</tr>
<tr>
<td>Central</td>
<td>50</td>
<td>$45,091</td>
<td>$56,976</td>
<td>67,103</td>
<td>27,375</td>
</tr>
<tr>
<td>Southwest</td>
<td>9</td>
<td>$47,193</td>
<td>$58,978</td>
<td>48,558</td>
<td>19,325</td>
</tr>
<tr>
<td>South</td>
<td>19</td>
<td>$37,514</td>
<td>$48,316</td>
<td>20,283</td>
<td>8,350</td>
</tr>
</tbody>
</table>

*Average median household income for counties in that region.
**Average median family income for counties in that region.


At this point, it is important to note that the rural, and to a lesser degree urban, resentment outlined in Tables 1-6 is inversely related to the regions’ broad economic conditions. The highest levels of resentment of state taxing and spending policies occur in the downstate counties that lag Cook County by a little and lag the five suburban counties by a lot on the economic measures. The lowest levels of resentment of state policies are in the suburban counties that clearly are doing the best. Urban Cook County is in the middle.

We do not have income data for the specific respondents to the survey. Hence, we cannot conclude that low economic well-being is directly related to the level of resentment of state policies among individuals. And we cannot break out the downstate survey data across the four downstate subregions. If we could, we would speculate that the highest levels of rural resentment occur in the 19 most southern counties. This speculation is partially based on the fact that both authors have lived in southern Illinois for over 40 years each.

As noted above, downstate residents are also most in favor of dividing Illinois into new states in some fashion. While this is almost certainly a fantasy given the political issues and requirements in the U.S. Constitution, it is interesting to speculate at this point on the economic consequences of a division. First, Illinois is a wealthy state. Its 2019 gross state product was $897.12 billion ranking it fifth in the nation. Interestingly, in addition to four U.S.
states, only 17 countries in the world have larger GDPs. On the median household and family income numbers above, Illinois ranks 16th and 14th of the U.S. states respectively.

But as Tables 11 and 14 show, this wealth is not distributed evenly across the state and would create sharp distinctions if the state were divided. A new state of “Northeast Illinois” consisting of Cook and the five suburban counties would start with 73% of total state GDP and a median household income of about $61,000 per year, which would rank about sixth in the nation. In contrast, a new “Downstate Illinois” made up of the remaining 96 counties would account for just 27% of present GDP and have a median household income of $45,752, which would rank 41st, just ahead of Louisiana and South Carolina. Dividing further, a new state of “South Illinois” consisting of the 19 southernmost counties would be the poorest in the nation, ranking only ahead of territories such as Samoa and Puerto Rico.

And these divisions likely would become worse over time. As will be shown, present state taxing and spending policies transfer some wealth from the suburban counties to downstate Illinois. Presumably, this would end quickly should the state division fantasy become reality.

Table 12 presents the best data available on how state taxing and spending affect the various regions of Illinois. For this table, we took the 2013-2016 state general funds data collected by the CoGFA for each county and aggregated it to the six regions. As noted above, the revenue data traceable to counties and regions ranged from 69.0%-80.0% of the total over this period. Traceable disbursement data equaled from 65.0%-75.8% of the total general funds. To make these figures comparable over the four years, we divided each region’s total revenue and disbursement figure by the appropriate traceable percentage for each year. This assumes that the nontraceable general fund data (mostly corporate income tax and fund sweeps in 2015 on the revenue side and pension payments on disbursements) is divided across the regions in the same proportions as the known data.
### Table 12
Adjusted State Revenue and Disbursement by Region, 2013-2016

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook</td>
<td>$14,963</td>
<td>$15,178</td>
<td>$14,954</td>
<td>$12,433</td>
<td>-18.1%</td>
</tr>
<tr>
<td>Suburban</td>
<td>$10,068</td>
<td>$10,193</td>
<td>$10,192</td>
<td>$8,527</td>
<td>-16.3%</td>
</tr>
<tr>
<td>Downstate</td>
<td>$10,368</td>
<td>$10,098</td>
<td>$9,861</td>
<td>$8,238</td>
<td>-18.4%</td>
</tr>
<tr>
<td>North</td>
<td>$3,230</td>
<td>$3,121</td>
<td>$3,003</td>
<td>$2,505</td>
<td>-19.7%</td>
</tr>
<tr>
<td>Central</td>
<td>$4,804</td>
<td>$4,692</td>
<td>$4,598</td>
<td>$3,849</td>
<td>-18.0%</td>
</tr>
<tr>
<td>Southwest</td>
<td>$1,553</td>
<td>$1,523</td>
<td>$1,521</td>
<td>$1,278</td>
<td>-16.1%</td>
</tr>
<tr>
<td>South</td>
<td>$781</td>
<td>$762</td>
<td>$739</td>
<td>$606</td>
<td>-20.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook</td>
<td>$13,253</td>
<td>$13,397</td>
<td>$13,661</td>
<td>$12,182</td>
<td>-9.1%</td>
</tr>
<tr>
<td>Suburban</td>
<td>$5,207</td>
<td>$5,479</td>
<td>$5,434</td>
<td>$5,109</td>
<td>-6.7%</td>
</tr>
<tr>
<td>Downstate</td>
<td>$17,134</td>
<td>$18,057</td>
<td>$16,418</td>
<td>$13,971</td>
<td>-22.6%</td>
</tr>
<tr>
<td>North</td>
<td>$3,938</td>
<td>$4,060</td>
<td>$3,823</td>
<td>$3,465</td>
<td>-14.6%</td>
</tr>
<tr>
<td>Central</td>
<td>$8,860</td>
<td>$9,483</td>
<td>$8,470</td>
<td>$6,938</td>
<td>-26.8%</td>
</tr>
<tr>
<td>Southwest</td>
<td>$2,171</td>
<td>$2,215</td>
<td>$2,107</td>
<td>$1,821</td>
<td>-17.8%</td>
</tr>
<tr>
<td>South</td>
<td>$2,164</td>
<td>$2,299</td>
<td>$2,018</td>
<td>$1,746</td>
<td>-24.0%</td>
</tr>
</tbody>
</table>

*All figures in millions (i.e., x 000,000). Source: Original county revenue and disbursement data, CoGFA 2013-16. Regions and percent change by authors.*

The effects of the budget stalemate on revenue at the regional level are probably as expected. The relative differences in revenue raised vary by only a few percentage points across the regions. The wealthiest region in the state (suburban) had a 16.3% tax reduction from the last regular budget year of 2014 to the full stalemate year of 2016. Over the same period, downstate Illinois saw an 18.4% reduction with Cook County in the middle. Breaking downstate
into four regions shows a similar pattern. The poorest part of the state (south) had a slightly larger 20.5% tax reduction.

On the other hand, the differences in expenditures between regions are much more striking. The suburban region with relatively few state facilities and a smaller Medicaid population saw a drop in state expenditures of only 6.7% between 2014 and 2016. In contrast, downstate Illinois, which contains a disproportionate share of state facilities and Medicaid recipients, saw a 22.6% drop in state expenditures over the same period. This reduction was particularly sharp in the central region. This subregion – with a large number of state offices, employees, medical providers, and suppliers in Sangamon County, along with four state universities including the state’s largest university in Champaign County – saw a very significant 26.8% drop in state expenditures. The 19-county southern region with one large state university as its largest employer, along with a number of prisons and other state facilities, experienced a similar 24% drop.

Table 13 below further examines the relationship between taxing and spending in Illinois. In this table we divide the adjusted disbursement figure of Table 12 by the revenue figure for the four-year period. Since both figures were adjusted under the assumption that the nontraceable general fund dollars (again, mostly corporate income tax on the revenue side and pension payments on the disbursement side) are divided across the regions in the same proportions as the known data, *a ratio of 1.0 indicates equivalent tax revenue going to the state as the level of state expenditures in the region. Values above 1.0 thus indicate more state spending than taxing in the region.*

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook</td>
<td>0.89</td>
<td>0.88</td>
<td>0.93</td>
<td>0.98</td>
</tr>
<tr>
<td>Suburban</td>
<td>0.52</td>
<td>0.54</td>
<td>0.53</td>
<td>0.60</td>
</tr>
<tr>
<td>Downstate</td>
<td>1.65</td>
<td>1.79</td>
<td>1.66</td>
<td>1.70</td>
</tr>
<tr>
<td>North</td>
<td>1.22</td>
<td>1.30</td>
<td>1.27</td>
<td>1.38</td>
</tr>
<tr>
<td>Central</td>
<td>1.84</td>
<td>2.02</td>
<td>1.84</td>
<td>1.80</td>
</tr>
<tr>
<td>Southwest</td>
<td>1.40</td>
<td>1.45</td>
<td>1.39</td>
<td>1.42</td>
</tr>
<tr>
<td>South</td>
<td>2.77</td>
<td>3.02</td>
<td>2.73</td>
<td>2.88</td>
</tr>
</tbody>
</table>

*Source: Original county revenue and disbursement data, CoGFA 2013-2016; regions and ratios by authors.*
Tables 12 and 13 clearly show that taxes and spending are not equally distributed across the state. Hence, the effects of the budget stalemate of 2015-2017 were not equivalent. The suburban counties generate about twice as much in taxes as they receive in direct state spending, and this ratio changed only modestly from 2015 to 2016. Cook County came very close to breaking even, as it did not lose nearly as much in state spending relative to its revenue contributions as other regions. In 2016 it provided almost exactly the same tax revenue as it received in state spending (see Appendix C).

Downstate Illinois, on the other hand, which has historically benefited from the state tax-and-spend mix, was hurt more by the budget stalemate in places. Breaking the 96 downstate counties into four regions shows a more pronounced pattern. The 18 north counties actually gained some in their tax/spend ratios, as their tax reductions exceeded their expenditure losses, increasing their ratio from $1.22 (in FY 2013) to $1.38 (in FY 2016) in disbursements for every dollar of state taxation.

In contrast, the central region again with its concentration of state offices and universities arguably suffered the most from the loss of state support for its university system and the unpaid bills to health care providers and those who contract with the state. The loss of state expenditures, which greatly exceeded the tax reduction in this region, caused the central Illinois ratio to drop from 2.02 to 1.8 over two years. Similarly, the southern 19 counties, which received a bit more than $3 in state spending for every state tax dollar in 2014, saw this ratio drop to 2.88 as the stalemate led to greater losses in state expenditures than reduction in taxes (see Appendix C).

These findings in some ways are not consistent with the rural resentment findings of the earlier survey data and a great deal of political rhetoric and folklore that is widely accepted and heard repeatedly in almost every political campaign in the regions. Some parts of downstate Illinois clearly are receiving significantly more in state expenditures than they are paying in state taxes. Of course, the term “fair share” used in our surveys could mean several things. One possibility is fair means equal. Another is fair means our region should get more from the state since we have greater needs. This question cannot be resolved with budgetary data. But we can say there is no evidence for one of the most powerful myths in Illinois politics. With four years of data over very different budgetary conditions, it is quite clear that downstate taxes are not being disproportionately siphoned off and spent in the city of Chicago.

On the other hand, these findings are consistent with a more objective look at the state. The Illinois tax system certainly is not progressive. Over the 2013-2016 period, the largest revenue source was the almost 5% flat-rate income tax on most income, which was cut to 3.75% for half of 2015 and all of 2016. The second largest source was the 6.25% state sales tax (with 1.25 percentage points returned to county and municipal governments) levied on most purchases other than food, but not services. Counties with higher median household incomes obviously
are going to generate more revenue dollars through these taxes, although we would not expect much variation in percentage of total income going to these taxes.

On the spending side, the largest single item in the 2013-2016 General Funds was Medicaid, which is paid for roughly evenly by the state and federal governments. Medicaid, which covers both health care and nursing home care for the elderly, is need-based\(^2\). Hence, poorer counties have proportionately higher enrollment numbers. The second largest budget item was K-12 general state aid to education, plus the mandated education categorical programs. As noted above, historically, Illinois has not done nearly as much as other states to even out total education spending across the state, but the formula in effect in 2013-2016, particularly with the mandated categorical grants, did favor poorer and rural districts with greater busing and special education needs over the wealthy ones on a per capita basis. Finally, the other major portions of the budget — state payroll, state operations, four-year universities, and community colleges — also favor downstate Illinois. Nine of the state’s 12 public universities, virtually all state prisons and parks, and the state agency headquarters in Springfield are downstate.

Table 14 provides an estimate of how relatively important state taxing and spending is to the different regions. The first column is regional GDP for 2015. We took the county GDP figures from the Bureau of Economic Analysis of the U.S. Department of Commerce and aggregated them by the regions outlined above. The next four columns start with the CoGFA selected state revenue numbers shown in Table 12, which are adjusted to estimate nontraceable revenue. Then, federal Medicaid match funds were subtracted so only direct state (income, sales, lottery, estate, insurance) taxation was included. Next, this state taxation was divided by regional GDP to show the relative impact of General Funds taxation in each region. The final four columns repeat this process for the disbursement side. The regional expenditure totals from 2013-16 were divided by 2015 regional GDP, and thus show the relative importance of state spending in each region.

\(^2\) Approximately 20% of Illinois Medicaid expenditures in 2016 went to nursing home care and Medicare premiums for low-income senior citizens.
Table 14
State Revenue and Disbursements as Share of Regional Economies, 2013-2016

<table>
<thead>
<tr>
<th>Region</th>
<th>2015 Regional GDP</th>
<th>Revenue as % of GDP</th>
<th>Disbursement as % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook</td>
<td>$348,451,260,000</td>
<td>3.6%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Suburban</td>
<td>$195,374,599,000</td>
<td>4.7%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Downstate</td>
<td>$200,697,467,000</td>
<td>3.5%</td>
<td>3.4%</td>
</tr>
<tr>
<td>North</td>
<td>$56,328,460,000</td>
<td>4.9%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Central</td>
<td>$102,987,864,000</td>
<td>3.9%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Southwest</td>
<td>$27,102,036,000</td>
<td>4.8%</td>
<td>4.8%</td>
</tr>
<tr>
<td>South</td>
<td>$14,279,107,000</td>
<td>4.3%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

 revenu = selected state tax General Funds revenue minus federal Medicaid reimbursement by county. Disbursements are from General Funds to counties. All county data from CoGFA 2013-2016. GDP data from Bureau of Economic Analysis, U.S. Department of Commerce. County totals aggregated to regions by authors.

Table 14 shows only slight variations across regions in the relative size of the tax burden. Chicago and the wealthier suburban counties generate far more tax revenue dollars in Table 12. But as a percentage of regional GDP, the tax load effect is only slightly progressive, with the wealthiest suburban region paying about one half percentage point more than the poorest south region in 2013. And this difference dropped to two tenths of a percentage point when the lower income tax rate was in effect in 2016. This, of course, is to be expected once the need-based federal Medicaid revenues are subtracted, given the essentially flat-rate taxes used in Illinois. The very slight progressive differences that do appear are likely the result of exempting the first $2,150 per person and all retirement income (Social Security, pensions, 401k, etc.) from the 4.95% state income tax. This effectively lowers the rate in regions with significant near-poverty-level populations or large concentrations of retirees. Food and prescriptions are subject to a 1% sales tax rate, while other purchases (but not services) have a 6.25% sales tax. This, too, somewhat lowers the tax load on lower income groups, which tend to spend more of total income on these essentials.

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3 County and municipal governments are allowed to add additional sales tax to the base 6.25% state rate. Five percentage points of the base sales tax goes to the state with 1.25 percentage points returned to local government.
State expenditures, on the other hand, vary a great deal more in their importance to various regional economies. In the wealthiest suburban five counties, the selected state spending was a very modest 2.7% of GDP in 2013. The spending cuts created by the budget stalemate reduced this by a negligible amount to 2.6% in 2016. In urban Cook County, the state expenditures account for a larger share of the total economy than in the suburbs, at 3.8%. The budget stalemate reduced this to 3.5% of total economic activity by 2016.

By far the largest impact of state spending in relation to other economic activity is downstate. State spending was equal to 9% of the economy the last “normal” year of 2014 for this 96-county region, and it fell to 7% in 2016. And this average hides much larger variations across the subregions. The 18-county north region is closest to Cook County, with state expenditures at 7.2% of GDP in 2014, falling to 6.2% in 2016. The central region, with its concentration of state offices and universities, had state spending account for 9.2% of GDP in 2014, which fell sharply to 6.7% during the 2016 shutdown year. And in the southern 19 counties — clearly the poorest part of the state — state expenditures, which were equivalent to 16.1% of GDP in 2014, were cut sharply to 12.2% of GDP during the budget shutdown in 2016.

Table 15 below presents an estimate of the broad impact of these changes in state spending. County-level GDP data has been available through the U.S. Department of Commerce’s Bureau of Economic Analysis only since 2015. We took this county-level data and aggregated it to regions for the four years of most concern to this paper in Table 15.

The calendar years (CY) of the BEA data of course do not overlap cleanly with the fiscal year (FY) data the state uses. CY 2015, as noted above, was the first year of the budget stalemate, with the 25% income tax cut taking effect January 1, but with cuts in spending really not appearing until after July 1. CY 2016 and the first half of CY 2017 were full stalemate periods.

Statewide, Table 15 shows very modest 1.2% growth for the two-year 2015-2017 period. But as expected, regional effects are sharper. The suburban counties that were least affected by cuts in the state budget show 2.2% total growth over this period. At the same time, downstate Illinois experienced -0.67% change in GDP with even larger drops of -1.73% and -0.78% in the central and southwest regions respectively. Since the standard definition of a recession is negative GDP growth for two or more quarters, we can say that downstate Illinois in general and central and southwest Illinois in particular endured a modest recession from 2015-2017, which ended with positive growth in all regions in 2018.

Many factors, of course, influence economic growth. State spending is only one, and certainly not the largest. However, given the size of state spending cuts outlined in Table 12, and the importance of state spending to downstate economies described in Table 14, it is probably not a coincidence that the budget stalemate coincides with economic downturns in the regions most dependent upon the state, and that the downturn ended when state taxation and spending returned to pre-stalemate levels in 2018.
Residing in Jackson County, one of the southern 19, we can easily see the importance of state expenditures in the local economy. The largest regional employer is Southern Illinois University at Carbondale. A small state penal facility, which had been shuttered, reopened in Murphysboro, and significant numbers of employees of state prison and mental health facilities located in neighboring counties reside in Jackson County. Similarly, the region is home to many retired government employees who receive and spend monthly checks from one of the public retirement systems. Southern Illinois Healthcare (SIH) is the largest nongovernmental employer, but significant portions of its revenue come from state employee health insurance and Medicaid. The next largest employers include the cities of Carbondale and Marion, which receive Local Government Distributive Funds, and several school districts, which receive the mix of K-12 and mandated categorical funding. Without these state expenditures and the multiplier effect created as they pass through private businesses, which supply state institutions and cater to state employees, there would be a great deal less county economic activity in deep southern Illinois.

These findings also may help explain the broader question posed earlier of why there is significant rural resentment and some urban resentment in Illinois politics, but less suburban resentment. In the context of the broader economy, the regions that are doing least well show the highest resentment levels, while those that are better off show the lowest. But blaming
state government for the perceived inequities is somewhat mistaken. True, the poorer regions are carrying almost the same relative tax burden as the better off under the tax system in effect at the time of this writing. So, if one believes in progressive taxation based upon ability to pay, there is much to dislike, or resent, in the Illinois tax system. On the other hand, the lower income regions of Illinois as a whole are receiving significantly more in state expenditures than they contribute in taxes. Indeed, in the most southern region, there would be very little economic activity at all without the state.

Probably all agree that Illinois has a “structural budget” problem or that revenues in normal times fall short of the spending built into the basic budget. But there is significant disagreement on the solution. As noted above, a proposed constitutional amendment to allow a graduated income tax, which would have applied higher rates to higher levels of income, failed in the 2020 election. This invalidates a proposed progressive tax code passed by the legislature in 2019 that would have raised an estimated addition $3 billion of new income tax revenue. Hence, the constitutional requirement for a flat-rate income tax remains, along with a structural deficit of at least that amount, separate from the short-term deficits driven by the economic effects of the pandemic, as we await the spring 2021 legislative session. None of the options available to Governor Pritzker look very attractive from a political standpoint (Champaign News-Gazette, December 20, 2020).

Budget deficits, of course, can be addressed on the revenue or the spending side, or some combination of the two. Looking at the data above, it is hard to see much of a $3-plus billion problem that can be solved on the spending side. The biggest budget item is Medicaid. But that amount is locked in, short of major program eligibility changes, plus any cuts there are doubled, as federal support is essentially matching dollar for dollar. The second biggest expenditure is K-12 education. That, too, is governed by formula. It theoretically could be changed by the General Assembly, but doing so almost certainly would lead to property tax increases in many districts, along with the political uproar that was sufficient to protect this category even during the 2015-2017 stalemate.

The third largest budget item is pension system contributions, which often provided budget flexibility prior to 2010. However, this, too, seems untouchable at this time. The Illinois Supreme Court in two major cases (Kanerva v. Weems, 2014 and Heaton v. Quinn, 2015) ruled 6-1 and 7-0 that existing health care payment and pension benefits for both present employees and retirees are protected as contractual obligations by the state constitution. Slowing the present repayment schedule designed to have all the systems fully funded by 2045 could reduce annual payments from the General Funds, but would almost certainly bring a downgrade in the state’s credit rating to “junk bond” status from the national ratings agencies. Not paying bills, as was done in 2015-2017, certainly is not a long-term solution, as well as being a very expensive way to borrow short-term money given the 9% and 12% penalties levied on unpaid accounts.
That leaves universities/community colleges and social service agencies as primary targets, much as was the case during the stalemate years. There are many very persuasive arguments that the continued defunding of post-high school education, which began about 2000, is a very bad policy decision for the 21st century. Furthermore, it would not help much with a $3 billion problem. A significant 10% cut in state funding for the combined budgets of the four-year universities and community colleges would be about $150 million, or about 5% of $3 billion.

So, it appears that an increase in the flat income tax rate will be needed, possibly coupled with some expansion of the sales tax base, which is currently very narrow, as another possibility, if the structural budget problem is to be addressed. An income tax rate increase of one percentage point to 6% would raise about the same $3 billion as the defeated graduated income tax proposal. Or a smaller rate increase could be combined with an expansion of categories subjected to the sales tax.

Conclusion

Returning to the broader question we began with – the assertion that perception is more important than the facts – is a fundamental axiom of politics that does not bode especially well for mass democracy. Facts should count for something – indeed, for a lot – and are essential to any form of rational decision-making. Rational action at both the individual voter level and the aggregate public opinion level is crucially important in a representative democracy. The operation of a successful mass democracy depends in the long run on the people being well informed and acting according to reality rather than inaccurate perceptions and myth.

The founders of the republic and the writers of the U. S. Constitution understood that requirement well and enshrined it in the First Amendment as what the Supreme Court calls “the preferred freedoms,” including freedom of the press, freedom of speech, freedom of religion, the freedom of assembly, and the right to petition the government.

That is why we share with the founders the conviction that it is important for political leaders to get the facts and make decisions based on the best information available in order to make policy based on the facts and the evidence. The same requirements are no less important for the people as they make their decisions in the voting booths every two years in each of their states and nationally for president and for the composition of the every two and four years. These requirements for a fact-based discourse are crucial to the mass media as they are the key channels of political information for the public.

The conflict over what are facts, and what is “fake news,” has become a flash point for confusion, anger, and conflict in our polarized nation recently. It has been front and center in the deeply divisive controversy over what the scientific facts about the COVID-19 pandemic are and what mass public health care precautions they require versus the urge to reopen the economy quickly and prematurely, even with life-and-death consequences.
We hope this paper contributes in some part to establishing what the facts are about the raising and distribution of scarce resources in Illinois, what the people’s perceptions are, and what the gaps are between those two important ingredients of mass and representative democracy in America today.
References


Appendix A

Limitations of the Data

“Although (the) overall regional pattern is clear, state tax collections and disbursements cannot be accurately calculated for individual counties----which are somewhat arbitrary geographic divisions rather than functional economic or social units. The effects of a state institution----such as a university, facilities providing institutional care, or prison----on state disbursements can be misleading, especially for a downstate county with a small population. Such institutions typically provide regional or even statewide benefits; allocating their spending to only the counties containing them ignores their benefits to other counties. For those and other reasons, the numbers in this report may be more nearly correct at a regional level rather than for individual counties.

Another reason for caution in using the numbers in this report is that they do not (and cannot) reflect either all state revenues from, or all state disbursements to, any county or other area.**

A third reason for caution is that many revenues and disbursements cannot be precisely tracked in coming from or going to individual counties. We used various methods to estimate the amounts going from and to each county.”

Source: Cover letter from Thomas J. Bazan, Assistant Research Administrator and Sarah E. Barlow, Senior Research Associate at the Commission on Government Forecasting and Accountability to The Honorable William Davis dated September 3, 2019. Provided to the authors by Representative Davis.

**Revenue/Distribution Percentages Captured of the Total Statewide for the Study Years

<table>
<thead>
<tr>
<th></th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>80.0%</td>
<td>79.1%</td>
<td>76.4%</td>
<td>69.0%</td>
</tr>
<tr>
<td>Disbursements</td>
<td>71.0%</td>
<td>75.8%</td>
<td>75.0%</td>
<td>65.0%</td>
</tr>
</tbody>
</table>

Source: Reports provided by CoGFA for each fiscal year. See the Bibliography.
NOTE: The following Maps in Appendix B were compiled and made available in the reports from the General Assembly's Commission on Government Forecasting and Accountability cited in the Bibliography and acknowledged in the first part of this paper.
Appendix B: Ratios of Disbursements to Revenues by County, FY 2014

Note: See accompanying report for explanation and limitations on the data in this Appendix.
Appendix B: Ratios of Disbursements to Revenues by County, FY 2015

Note: For several reasons, state tax collections and disbursements cannot be accurately calculated for individual counties. Reasons include the effects of a single institution; an inability to allocate some types of state revenues and spending; and a reliance on estimates for some revenues and spending. Please see the accompanying research for explanation and limitations on the data in this appendix.
Appendix B: Ratios of Disbursements to Revenues by County, FY 2016

Note: For several reasons, tax collections and disbursements cannot be accurately calculated for individual counties. Reasons include the effects of a single institution; an inability to allocate some types of state revenues and spending; and a reliance on estimates for some revenues and spending. Please see the accompanying research for explanation and limitations on the data in this appendix.
Appendix C: Illinois Regions: Ratio of State Funds Received Compared to Revenue Generated

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Counties</th>
<th>Adjusted Ratio FY 2014</th>
<th>Adjusted Ratio FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook</td>
<td>1</td>
<td>.88</td>
<td>.98</td>
</tr>
<tr>
<td>Suburban</td>
<td>5</td>
<td>.54</td>
<td>.60</td>
</tr>
<tr>
<td>Downstate</td>
<td>96</td>
<td>1.79</td>
<td>1.70</td>
</tr>
<tr>
<td>North</td>
<td>18</td>
<td>1.30</td>
<td>1.38</td>
</tr>
<tr>
<td>Central</td>
<td>50</td>
<td>2.02</td>
<td>1.80</td>
</tr>
<tr>
<td>Southwest</td>
<td>9</td>
<td>1.45</td>
<td>1.42</td>
</tr>
<tr>
<td>South</td>
<td>19</td>
<td>3.02</td>
<td>2.88</td>
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</tbody>
</table>