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Mayor, Village of Tinley Park  
Executive Board Vice Chair

March 25, 2011

The Honorable Christine Radogno  
Senate Republican Leader  
309A Capitol Building  
Springfield, Illinois 62706

*Sent Via E-mail*

Dear Republican Leader Radogno:

We read with great interest the report the Senate Republican Caucus released last week entitled, "Facing Fiscal Reality: A Plan for Reality-Based Budgeting". We applaud you and the members of the Caucus for putting forward proposals on how to resolve the State's budget issues. We look forward to the negotiations that will take place in Springfield in the months ahead on the State's FY 2012 budget.

While we commend the Senate Republican Caucus for its efforts, we must inform you that we strongly oppose your proposal to reduce the local government portion of several revenue sources in which the State and local governments have shared. Not only does this break agreements between Governors, General Assemblies and local elected officials that have existed for many decades, it passes the onus of the State's budget problems onto local governments and our citizens.

The shared revenues "Facing Fiscal Reality" targets are the local portions of the State income tax, sales tax, gas tax and personal property replacement tax. A check of history will show that when these revenue sources were adopted, they were sold to the people of Illinois by various governors and legislators in part on the notion that portions of them would be returned to local communities. The rationale behind this was that the returned revenues would be used to fund local services and invest in local capital projects.

These shared revenues have become the single-most visible and effective return on investment taxpayers have received from the State. Local governments count on them to fund the core services our residents have come to rely on. To reduce them as your Caucus suggests will be devastating to local governments who are struggling to address their own budget problems. This brings us to our next point.

In a recent news report, the Illinois Policy Institute has suggested that local governments will not be greatly impacted by your proposed 5 percent reduction in State-shared revenues because we don't need them. We find this to be particularly irksome. In our view, it demonstrates a clear lack of understanding of how local governments have been affected by the recession and what we have done to address our own budget issues. City councils and village boards have felt the pain of the current economic recession. Just like the State, our tax revenues have declined more than 15 percent since the recession began in 2008.

As a result of these declining revenues, municipal officials in the Chicago region have made tough decisions to bring their budgets into balance. For the last three fiscal years, they have laid off police, firefighters and public works employees; instituted hiring and wage freezes; imposed furlough days; cut employee benefits;

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delayed road projects; postponed sewer and water main replacements; and cut social and other services.

Chicago-area municipalities have done the responsible thing during these tough economic times by downsizing our budgets and living within our means. Suggesting that we absorb a \$300 million reduction in State-shared revenues may help bail the State out of its budget woes, but it merely passes the State's financial problems down to us. This will almost certainly lead to more local service cuts and layoffs as well as some tax increases. If you place us in this situation, we will have no recourse but to inform our residents that any new cuts or tax increases we are forced to impose are the direct results of the intent of the General Assembly to solve the State's budget problems on their backs.

In conclusion, we respectfully request that you and the other members of the Senate Republican Caucus re-consider your proposal to reduce revenues shared with local governments by \$300 million. If it occurs, it will drastically set back State and local government relations especially during tough economic times when we should all be working together.

Sincerely,



Larry Hartwig  
Executive Board Chairman  
Mayor, Village of Addison

*/s/Edward J. Zabrocki*

Edward J. Zabrocki  
Executive Board Vice Chairman  
Mayor, Village of Tinley Park

*/s/Karen Darch*

Karen Darch  
Executive Board Secretary  
President, Village of Barrington



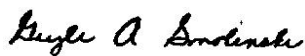
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*/s/Jeffery D. Schielke*

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