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**Quinn calls for minimum-wage hike, celebrates pension reform**

By Dave McKinney

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SPRINGFIELD - Declaring "we're getting the job done," Gov. Pat Quinnrepeatedly insisted in his State of the State speech Wednesday that Illinois is on the rebound, but his 2014 rivals for governor blamed him for the state's dismal unemployment rate and needled him for his silence about rolling back income-tax rates next year.

In what amounted to a re-election treatise, Quinn called on Democratic super majorities in the Legislature to hike the minimum wage to at least $10 an hour, make employers give workers at least two paid sick days and double both the state earned income tax credit for low-income wage earners and the number of state scholarships for financially needy college students.

But the governor offered no clues about whether he favors extending a temporary income tax hike he enacted that expires next January and didn't make any mention in his speech about Mayor Rahm Emanuel's No. 1 legislative priority - imposing pension cuts on current and retired city workers.

Besides laying out the broad parameters of a spring legislative agenda, Quinn touted his efforts in helping secure pension reform, same-sex marriage and a record $31 billion state construction program - all accomplishments the governor said he helped drive and that merit a longer stay in office.

"We've led Illinois' comeback one hard step at a time. We've worked to repair decades of damage," Quinn told a joint session of the General Assembly during a nearly 40-minute speech interrupted repeatedly by applause from Democrats.

"And we're getting the job done. Let's keep our shoulder to the wheel and finish the job," Quinn said.

During his speech, the governor also hinted at the need for another multibillion-dollar round of state construction spending, though no plans were explicitly laid out in Quinn's speech. They could surface when the governor delivers his Feb. 19 budget address.

Even though Illinois had the third worst unemployment rate among states in December, Quinn defended his jobs record, saying the state has added 280,000 "private-sector" jobs since 2010 and that the state's 8.6 percent unemployment rate is the lowest it's been since he took office.

"We've seen progress on this front," the governor said.

But his four Republican rivals for governor pounced on Quinn's jobs record and on his unwillingness during the speech to say whether he favors letting a temporary income tax hike he imposed in 2011 lapse next January.

"This afternoon, we heard an election-year campaign speech from a governor who's failing the people of Illinois. We're one of the worst-run states in America," said private equity investor Bruce Rauner, whose onslaught of early television advertising has positioned him as the front-runner in the GOP gubernatorial field. "We've entered an economic death spiral, and Gov. Quinn is trying to cover it up and put a rosy picture on it."

State Sen. Kirk Dillard, R-Hinsdale, served up a similar view.

"Pat Quinn is a populist, and he's going to give you pablum about Illinois moving in the right direction. That's just not true," Dillard said. "When you talk to people in this state, they believe Illinois, like I do, is in a downward death spiral, and, obviously, public-opinion polling shows most of the state believes we're going in the wrong direction."

State Sen. Bill Brady, R-Bloomington, scoffed at his 2010 gubernatorial opponent's job-creation claims, insisting that Illinois really has lost "a net 200,000" jobs during the past five years.

"He's no longer in his Blagojevich honeymoon," Brady said of Quinn, citing the brief period of bipartisan goodwill after taking over for the impeached ex-governor in 2009. "He's accountable for his lack of action and to sugarcoat it is, I think, misleading to the people of Illinois."

Treasurer Dan Rutherford, a Republican from Downstate Chenoa, criticized Quinn for not being forthright about his stance on letting income tax rates roll back to their pre-2011 levels in January, when they are scheduled to lapse.

"I don't want to use the word 'political chicken,' " Rutherford said. "By no means do I want to do that. [But] the advantage of an incumbent in the State of the State is you can cherry pick what you want to say and put out all the rosy things and . . . kind of avoid some of the hard stuff."

Rutherford also dinged Quinn for the lack of any specifics on a potential follow-up to the 2009 state borrowing program, whose $31 billion in spending authority is nearly exhausted.

Quinn's speech marked the second State of the State he has delivered heading into a gubernatorial election as a politically vulnerable incumbent.

With favorability ratings hovering slightly above 30 percent, Quinn faces a more energized and potentially more potent Republican challenge than in 2010 with the prospect of having key labor allies on the sidelines this fall because of lingering fallout from state pension cutbacks he enacted last month.

A powerful bloc of public-sector unions that backed him four years ago - including AFSCME Council 31, the Illinois Federation of Teachers, and the Illinois Education Association, among others - sued the governor Tuesday on the eve of his speech in a bid to block the pension law they likened to "theft."

But the governor defended those pension-reform efforts as "historic" and sidestepped any mention of the constitutional challenge launched by organized labor.

"It was hard. It was painful. And it took political courage," Quinn said of the pension-reform effort. "But together, we got the job done. Today, we can tell the people of Illinois we stopped the bleeding. We turned the corner, and Illinois is making a comeback."

But as with several other key issues, Quinn made no mention in his address about another, major pension-related leftover from last spring facing lawmakers now: finding a fix to Chicago's $19.5 billion pension dilemma. Emanuel has pushed for a similar round of pension cuts as the state has passed but thus far has gotten little legislative traction.