



**OFFICE OF THE GOVERNOR
CHICAGO, ILLINOIS 60601**

**ROD R. BLAGOJEVICH
GOVERNOR**

June, 29, 2007

Dear _____

We are now entering our second month of overtime session. We just passed a one month emergency budget to keep state operations running. While it was imperative to avert a potential shut down, passing a one month budget does not solve our state's problems, and a continued string of one-month extensions would create a Republican budget in disguise – leading to deep and harmful cuts in health care, underfunding education, and threatening the security of worker pensions. Each month that we delay means that no new teachers can be hired, nearly 10,000 people risk losing health care and 1,000 kids cannot attend pre-school. We need to end the temporary Republican budgets that do not meet Democratic priorities.

Clearly, continued inaction in the form of one month extensions is as harmful as the final House budget that the Senate rejected – and many House members themselves came to see as fatally flawed. The status quo must change.

I am ready to work closely with you to complete a budget, and am eager to receive input from the members and leadership of the House and Senate. Indeed, I am anxious for a real dialogue aimed at solving our budget impasse. That said, I am not willing to accept a budget that harms our state, and was pleased that the State Senate rejected the budget drafted by Speaker Madigan. Indeed, many of the House Democrats who voted for that budget have come to see clearly what the Senate knew – the Madigan budget would have forced 230,000 Illinoisans to lose their health care and require cuts of \$200 million in education funding.

Cuts such as this simply do not reflect the principles and priorities of the people of Illinois or the Democratic Party.

With the budget negotiations at a stalemate, we now have an opportunity for a fresh start. In November, the voters elected us to enact policies reflecting our Democratic principles – funding education, helping families afford health care and easing the burdens on the middle class. We need to get to work on a budget that achieves these goals. That is what the people elected us to do.

All of us need to work together to get the job done. And although we have a fresh start, it is clear we have a lot of work to do. In order to avoid a third month of overtime and to accelerate this process I asked Speaker Madigan to have members here every day beginning July 5th until the budget is completed. He was unwilling to do so and at the same time stated, in this week's leaders' meeting, that it

would take "many, many months" to complete the budget. I believe working seven days a week until we finish will accelerate the process and help us finish the budget a lot sooner.

While Speaker Madigan has said again and again that he will not budge from his budget and the devastating cuts it includes, both Senate President Jones and I have publicly stated that we are eager to negotiate a budget that helps working families in Illinois. Unfortunately, with Speaker Madigan and Senate Republican Leader Frank Watson embracing the Madigan budget as a "high-water mark" for investing in the people of Illinois and their oft-repeated assertion that they would not accept any new source of revenue, any real budget progress is difficult to achieve.

That is the fundamental reason why I have decided to call special sessions. I believe that if we broaden and widen debate, if we have input from members on an ongoing basis, if you are here to provide ideas and insights, I believe progress can be made. I also believe as we move from budget issue to budget issue, those with expertise or creative ideas should join the leaders, as we create a wider working group to make progress on behalf of people.

And our Administration will be available every day to provide information about the progress we have made on the budget. By keeping you fully informed and aware about what is happening in the negotiations, you will be able to participate and influence the direction of budget talks.

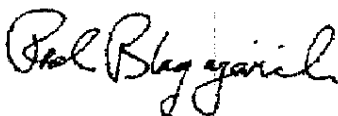
So celebrate the 4th of July weekend with your communities and enjoy time with your families, and then let's return to the Capitol with a renewed sense of purpose to get the job done and stay every day until we finish the work. The sooner we begin to work, the sooner we can achieve a budget that funds education, helps families afford health care and takes care of our pensions and eases the burdens on working and middle class families.

Once we return on July 5th, I intend to call special sessions every day until we finish the budget. The longer we delay, the longer the people are getting hurt. It is time to get to work and not stop until we finish the job.

The first special session will be on our pension problems. This is a problem that has been in the making for the last 25 to 30 years. The longer we delay action on solving the unfunded liability, the longer we will waste money on out of control interest payments, which takes money away that could be used for education and health care. We will continue the process by having special sessions on education, health care, capital projects, property tax relief and mass transit issues.

Every major Democratic presidential candidate recognizes the need to fundamentally reform health care and to fund education. And I know they all believe in the need to protect worker pensions. These are basic Democratic principles, and I look forward to working with you to make them a reality here in Illinois.

Sincerely,



Rod R. Blagojevich
Governor



OFFICE OF THE GOVERNOR
207 STATE CAPITOL, SPRINGFIELD, ILLINOIS 62706

ROD R. BLAGOJEVICH
GOVERNOR

June 29, 2007

Dear Speaker Madigan and Senator Watson:

I understand you raised concerns about the per diem costs associated with Special Sessions. I would offer two alternatives to address your concerns. First, members of the General Assembly are in the position to "waive" their per diems, therefore saving taxpayers money. As a second alternative, at your request, I could use a reduction vote to eliminate per diem payments. Please let me know if this is something you would like me to do.

Sincerely,

A handwritten signature in cursive script that reads "Rod Blagojevich".

Rod R. Blagojevich
Governor