



STATE OF ILLINOIS  
**OFFICE OF THE GOVERNOR**  
SPRINGFIELD, ILLINOIS 62706

**Pat Quinn**  
GOVERNOR

December 2, 2009

The Honorable Daniel Hynes  
Comptroller  
201 Capitol  
Springfield, IL 62706-0001

Dear Comptroller Hynes,

Our great state is in the midst of a very trying and challenging time filled with tough decisions on many issues. By working together, we can handle these issues thoughtfully but our action must be swift. We have asked you to approve our request to tap funds from an estimated \$500 Million in short-term borrowing that will be paid back by fiscal year end. To date, we have provided you with as much detailed information as possible in order for you to approve this request; however, you have failed to comply or offer an alternative solution. The State cannot move forward with this borrowing without the approval of the Governor, the Treasurer, and the Comptroller. The Treasurer's Office has not been an obstacle with the emergency borrowing; therefore, I am once again urging you to approve this request so we can provide financial relief to the thousands of people employed by the state's small businesses, vendors, and public service providers.

As you are undoubtedly aware, Section 1 of the Short Term Borrowing Act allows for a cash flow borrowing where there is a timing discrepancy between the State's revenues and disbursements. Section 1 provides as follows:

"Whenever significant timing variations occur between disbursement and receipt of budgeted funds within a fiscal year, making it necessary to borrow in anticipation of revenues to be collected in a fiscal year, in order to meet the same, the Governor, Comptroller and Treasurer may contract debts, in an amount not exceeding 5% of the State's appropriations for that fiscal year, and moneys thus borrowed shall be applied to the purpose for which they were obtained, or to pay the debts thus created, and to no other purpose." See 30 ILCS 340/1 (emphasis added).

This is exactly the situation the State finds itself in today. There are Federal and State revenues in excess of \$600 million that the State has budgeted that we know the State will receive before the end of the fiscal year. In anticipation of the receipt of these revenues, the State has the legal basis to proceed with a short term borrowing that will allow the State to address its backlog of unpaid bills and provide payments to our vendors.

Short-term borrowing has occurred before and without incident. For example, in 1991 and 1993, Republican Governor Jim Edgar called upon me, who was then serving as State Treasurer, and Comptroller Dawn Clark Netsch to approve short-term borrowing to pay outstanding bills and ease the State's financial burdens.

Dawn Clark Netsch and I are Democrats and Governor Edgar is a Republican, but we worked together to approve those short-term borrowing plans on behalf of the common good.

Moreover, since you became Comptroller in 1999, you have personally approved 11 short-term borrowing plans, totaling over \$12 billion. Every one of those borrowings exceeded \$500 million. One was under Governor George Ryan for \$1 billion. You approved eight under Gov. Rod Blagojevich, totaling over \$8 billion. You have approved two since I became Governor totaling over \$2 billion.

As you know, short-term borrowing is just one piece of a more comprehensive proposal to address our state's severe fiscal crisis.

We are steadfast in our commitment to rectify the fiscal situation that has been created over years of budget mismanagement, but we need your help to move forward.

Please make the responsible choice for the people of Illinois: Approve the state's short-term borrowing plan so we can keep people working, pay for vital human services for our most needy residents and move ahead with the important business of the State.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Pat Quinn". The signature is written in a cursive, flowing style.

Pat Quinn  
Governor

CC: Treasurer Alexi Giannoulis  
Attorney General Lisa Madigan