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Illinois House Passes One-Month State Budget.

CHICAGO — The Illinois House of Representatives on Thursday passed a bill to fund "essential services" and state worker paychecks for a month, as the chamber controlled by Democrats remained at an impasse with the Republican governor over a full-year fiscal 2016 budget.

The measure, which passed with a veto-proof 71 votes, now heads back to the Senate. That body, also controlled by Democrats, passed a \$2.26 billion temporary spending bill last week. However, that bill did not include a provision for worker paychecks.

House Majority Leader Barbara Flynn Currie said the one-month budget would allow Illinois to fund critical services for the disabled, elderly and others, while making sure state workers get paid. But House Republican Leader Jim Durkin said the bill was a futile exercise.

"It won't be signed into law and we'll be back at square one," he said, after blaming Democrats for the state's fiscal mess.

A spokesman for the state's biggest union, American Federation of State, County and Municipal Employees Council 31, said a St. Clair County judge on Thursday ordered the state to pay its workers.

That contradicted a Tuesday ruling by a Cook County judge who said state workers cannot be paid in full and on time without an enacted budget. The first paychecks for fiscal 2016, which began July 1, are due out on Wednesday, July 15.

The House vote came after a lengthy debate in which Republicans pointed fingers at Democrats over Illinois' huge fiscal woes. There was also name-calling. One lawmaker even sang a made-up song about the state budget with lyrics that included "Budget, budget we need a budget now." Illinois has the worst-funded pensions and lowest credit ratings among the 50 U.S. states.

Currie said Republican Governor Bruce Rauner will be able to use his veto to alter the bill.

Lance Trover, Rauner's spokesman, blasted Democratic House Speaker Michael Madigan and his members, saying they "irresponsibly voted for yet another unbalanced budget plan."

On Wednesday, Rauner dared Madigan to push a tax hike. He also made it clear he would not consider new revenue until the legislature adopts his agenda that includes a local property tax freeze and legislative term limits.

At a press conference following the House session, Madigan made it clear his members cannot accept most of the governor's agenda. He also held out the possibility Rauner may reverse course as he did on other matters and sign the one-month budget.

"If you follow the governor's action day by day, there's a lot of u-turns in the road," Madigan said.

The governor last month vetoed a \$36 billion full-year budget passed by Democrats because it had a

\$4 billion deficit. The Senate is scheduled to be back in session on Tuesday. In the meantime, Illinois Treasurer Michael Frerichs announced on Thursday a deal with credit unions to offer state workers interest-free loans until payroll resumes.

By REUTERS

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(Reporting By Karen Pierog; Editing by Richard Chang and David Gregorio)

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