Interview with Joan Walters

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Interview # 1: July 15, 2009

Interviewer: Mark DePue

DePue: Today is Wednesday, July 15, 2009. My name is Mark DePue. I'm the director of oral history at the Abraham Lincoln Presidential Library, and today I'm with Joan Walters. Good afternoon, Joan.

Walters: Good afternoon, Mark. Welcome.

DePue: This is exciting, because we're talking to Joan about her long association with Governor Jim Edgar. We're going to take a sizeable amount of time getting up to the point where you first encountered Governor Edgar, because those were the years before he even became governor. But I think it's somewhat ironic that today is July 15, 2009—the economy's in the tank right now—and as we speak, legislative leaders and the governor of the state of Illinois are hopefully talking about finally getting a budget after they'd blown past the schedule for a month and a half. And today is the first day that checks are supposed to go out for employees, [and they] won't go out until they decide to do something and figure out how to fill an 11.5 billion-dollar hole. And what's ironic is, how big a hole did you find when you became the budget director for a brand new administration?

Walters: I believe it was 1.5 billion.

DePue: So you can—

Walters: This is a gigantic hole. Of course, that was in 1990, so it's almost twenty years ago.

DePue: But still, the scale of this hole is much larger—and it wasn't easy to fill that hole that you had, was it?

Walters: No, it took several years.

DePue: We will talk a lot about that, because that's really the focus of what this interview is going to be about—I shouldn't say the focus—that's going to be one of the main themes. But you've got a long association with the governor. So I've been

talking too much, but I thought it would be kind of fun to place that into reference. I always start with the beginning of your life: when and where you were born.

Walters: I was born at St. Bernard's Hospital in Chicago on February 13, 1940.

DePue: What day of the week? Do you know?[1]

Walters: You know, I don't. I have the birth certificate, if you want me to look it up.

DePue: It wasn't a Friday?

Walters: And I'm not even sure what the time of day… No, but I did turn thirteen on Friday the thirteenth, 1953, and I always thought that was my lucky number after I lived through that day. (laughs)

DePue: Your name at that time?

Walters: My name was Joan Ellen Roth, R-o-t-h.

DePue: And do you know how your family ended up in Chicago?

Walters: No, I don't. My mother was the daughter of a coal miner, and she grew up in Girard, Illinois. And my father—

DePue: What was her maiden name?

Walters: Her name was Lucas—Theresa Clara Lucas. And my father, I have some documents that showed that he lived in St. Louis, Missouri. They were both children of immigrants; they didn't come directly from Europe, but their parents did. And I know very little about my father. I know even just a tiny bit more about my mother because she had sisters who lived to quite an old age, and so we got a little bit of the family history from that.

DePue: Do you know what country their parents came from?

Walters: They're both from Germany.

DePue: So that would have been late nineteenth century that they came over?

Walters: Probably, my guess. Hopefully somebody in our family is doing genealogy. (laughter) I'm not.

DePue: Not you.

Walters: I should do that, but I'm busy with other things. (laughter)

[1] February 13 fell on a Tuesday in 1940.

DePue: I know you have plenty of other interests that keep you busy. Tell me what your father did for a living.

Walters: Good question. My father, when I was born, was blind and unemployed. He, to the best of my recollection, was some kind of a draftsman or worked on interiors of buildings; and when he had three small children (my older brothers and sisters), woke up blind one morning and—

DePue: Totally unexpectedly?

Walters: Yeah. And so all we got is (unintelligible) said he had a retinal detachment, perhaps glaucoma, that went undetected. Back then, you didn't go to the eye doctor every six months like I do. (laughs) And so my mother, who had three babies at the time, became the sole supporter of the family. So when I was born—as a huge surprise, as you can well imagine—my father was a bitter, angry man over his lot in life; and in reflection, I can understand why.

DePue: Was he blind in both eyes?

Walters: He was. He was legally blind, so that is to say that he had some peripheral vision. He could walk with a cane to the grocery store and perhaps get stuff for dinner. He became the cook and caretaker for me, but what I remember most of my father is sitting by the radio rolling his cigarettes—with loose tobacco—listening to the White Sox game and Bob Elson doing the play-by-play. So when I was a kid, my entertainment for company was giving all the ERAs and RBIs and stats for the White Sox, because that's what I was raised to think was important from my dad.

DePue: Does that mean you're a lifelong White Sox fan and baseball lover?

Walters: You better believe it. Although it's waned a little with time, I'm still a White Sox fan. Though I did become a Mariner fan when I lived in Seattle, the bottom line was, I hope the White Sox beat them. (laughter)

DePue: Tell me a little bit about the neighborhood you grew up in, then. Is it one of those classic Chicago ethnic neighborhoods?

Walters: It was the South Side—South Shore is what it was called. It was not an ethnic neighborhood, although it might have had a lot of Irish. It was not like the Polish neighborhood or the German neighborhood. It was actually a very nice neighborhood. We (laughs) happened to live in the poorest house in the entire neighborhood, behind an alley, behind stores. It was the storeowner's property, and we lived in this little rental house, which actually was quite charming and had a yard and trees and things; so I can't complain a bit about my growing up, but we were the poorest kids in the neighborhood.

DePue: I assume your mother became the breadwinner?

Walters: She did. She had been a teacher, and then she moved to Chicago. I have pictures of her with her one-room—her class in Girard, Illinois, where she taught; or at least I think it's Girard. She then moved to Chicago and didn't marry until she was in her early thirties, which at the time was pretty revolutionary, because my mother was born in 1896. And my father was born in 1884. So she, I think, worked for Standard Oil or something like that; but what she did, I have no idea. It's just a piece of history that when you're young, you just don't think to ask about, and then they're gone. But then when my dad couldn't support us, she became a maid and a cook; and she largely worked for wealthy Jewish families in Hyde Park, cleaned their houses and helped to cater their parties and did things like that, and that actually put four kids through parochial school.

DePue: Wow. That's significant. I would think that parochial school even back then was a sizeable chunk of money.

Walters: It was, but we were all smart, so we won a lot of scholarships. And we didn't have a car; we didn't have a TV; we had an old refrigerator that was from God knows when. It wasn't like today's society where there's a rush to get the latest stuff. You had your priorities, and for them, putting their kids through parochial school was obviously a priority.

DePue: Was there a telephone in the home?

Walters: There was. South Shore 8-1990. I can remember it sitting on its little telephone stand, that huge, heavy phone. (laughs)

DePue: Who was the most important influence on you, then, growing up?

Walters: The nuns at school.

DePue: Let's talk a little bit more about school. What was the school?

Walters: Saint Bride's School.

DePue: Saint Bride's?

Walters: B-r-i-d-e, apostrophe S, which is a derivation of Saint Brigid, an Irish saint. Yeah, the nuns were a huge influence, mainly because my mom worked nights, as you can imagine, for parties and things, and I saw very little of her. My dad hardly said anything, because he was a very unhappy person, and my brother and sisters were older—nine, ten, and eleven years older than I am—and certainly didn't have anything to do with me. (laughs) So I would say that the nuns were the strongest influence in my life. They kind of became, in some ways, my mother.

DePue: What was the order?

Walters: Institute of the Blessed Virgin Mary, IBVM.

DePue: I don't know much about this world.

Walters: They're still in existence today.

DePue: How would you describe that particular order?

Walters: They were dedicated to teaching girls. There was a time when girls—like now in some parts of the world—didn't have a priority for education in families; and if they did get an education, it might have been in public schools, which were deemed at the time to be poorer in terms of their educational excellence. So these nuns dedicated themselves—as did many other orders at the time—to teaching girls and making them fine *ladies* as well as "smart women." So we—

DePue: You always hear the stories about discipline in these schools and how strict the nuns often were.

Walters: They were, of course. I could show you pictures of our classes. There were forty kids in a class, which by today's standards would be torture and punishment for a teacher, and they did exercise discipline and authority with great diligence in order to keep an orderly classroom. That usually meant keeping the boys in line. Girls were usually pretty well-behaved.

DePue: I thought this was a girls' school, though.

Walters: High school. For grammar school, it was boys and girls. The order, at the higher level, dedicated themselves to educating girls, but they also had schools for boys and girls up through eighth grade.

DePue: Are there any of the nuns you remember particularly today?

Walters: There are a couple. Mother St. Patrick—she was a seventh-grade teacher, I think. I saw her not long ago. One of my classmates became one of these nuns, and we went to visit her at the Mother House in Wheaton because she'd been ill. They're all getting quite elderly, as you can imagine. And she stands out because she was a disciplinarian, but boy, she made you learn. And I loved learning. I absolutely loved school. And then in high school, Mother Saint Rose—she was just a sweet, lovely lady. She has since died, unfortunately. Those are the two I remember the best, although I'm sure there were others.

DePue: Was the family strongly religious when you weren't in that school setting?

Walters: My father became a Catholic to marry my mother. He'd been married before, was not a Catholic—I think he was probably a Lutheran or something, if he was anything. To marry my mother under the church rules, then—because he was divorced and his marriage was not recognized by the church—he had to say that he would raise his children in the Catholic faith, blah-blah-blah, which he did. My mother was quite religious. She even belonged to the Third Order of Saint Francis and gave a lot of money and did a lot of good things for other people. My father

was, as far as I know, a nothing. He did this to marry my mother; and I only knew him blind, so he didn't go to midnight mass or go to church on Sunday with us; he pretty much stayed home and did his thing.

DePue: And I would think that was his choice; that he certainly could have.

Walters: Oh, yeah, yeah, it was his choice.

DePue: What other things were keeping you busy while you were growing up? You already said the White Sox games.

Walters: Yeah, I did get to go to White Sox games. I belonged to the YMCA, which the nuns considered to be a terrible thing. Because my mother worked, I needed things to do after school to stay out of my dad's hair, so they sent me to the Y, where I became a swimmer and an athlete of some type. So I did high jump and long jump and races and all that kind of stuff, and then I later taught swimming and just the normal stuff that kids do. What else did I do? That was about it. Back then, your summer was spent riding your bike around the neighborhood and meeting up with your friends. I had lots of friends from school in the neighborhood, and we all would go roller skating with those skates that went under the bottom of your shoes, with little keys that tightened them. Oh, and, of course, we lived right near the beach, Lake Michigan, so we would go to the beach in the summer. And in the winter, we would go ice skating almost every single night, because they would flood Rainbow Beach and put a little hut in there. Oh my gosh, we just loved that. So there were just plenty of things to do with friends. You didn't need organized activities back then to be a healthy kid.

DePue: And you didn't know that you were missing all of that culture other kids were getting on the TV set, huh?

Walters: I think we got our TV when I was thirteen or fourteen—first TV. My father's daughter, who I always called my aunt because she was—my father was twelve years older than my mother; my mother was (laughs) forty-five when I was born; my father was fifty-seven. So you can see that they were all quite a bit older than I am. So this daughter of my father was always Aunt Gladys to me; and they were well-to-do business owners, and they had a TV back from when they were first invented, I'm sure, including a color one. And we'd go over there on Sundays sometimes and have little family dinners and things, and it was just the thrill of our lifetime to actually sit down and watch TV. But we listened to the radio, and back then, I wanted for nothing. I kept drawing supplies; my mother gave me art lessons; I had piano lessons. I don't know how she did all those things. We had a little piano.

DePue: Was your father drawing some disability from the Social Security?

Walters: He was. He was drawing something which required a case worker to come to our house occasionally.

DePue: That would be my guess, that it was Social Security.

Walters: It might be blind aid or something like that.

DePue: During those years, especially once you got up to the high school years, what did you think you wanted to do with your life?

Walters: I wanted to be a doctor, and I wanted to be a nun. (laughs)

DePue: Both?

Walters: Yeah.

DePue: Why those?

Walters: I think I wanted to be a nun because I adored the nuns. As I said, they became my alternate family, and I thought they were great people. It was about all I knew. I just didn't have that wide (laughs) a social circle, so I had my friends, and my mother worked, and my father was blind, and my sister and brother were out doing God knows what. I didn't have relatives that I could look up to or could help to guide me. I never even knew lawyers existed, but I knew about doctors because I'd read books about women doctors, and I thought, This is really cool. That's what I want to do.

DePue: What about it appealed to you?

Walters: Taking care of other people. Being able to heal other people.

DePue: And you said you wanted to be a nun. Do you remember a point in time where you felt like you were called to do that?

Walters: I don't know if it was called. I just kind of fell into it. (laughs)

DePue: Were a lot of the other girls thinking along the same lines?

Walters: No, no, just a handful of us.

DePue: Let's get you beyond high school, then. When did you graduate?

Walters: Nineteen fifty-seven. I graduated from high school, and I went to Mundelein College. I was in pre-med, and then I decided to go into the Maryknoll order, because Maryknoll had doctors. They trained women to be doctors, and they did missionary work around the world, including China, which I always wanted to go to.

DePue: That was a separate, distinct order?

Walters: Yeah, Maryknoll. Sisters and Fathers. They were all missionaries—foreign missionaries.

DePue: And missionaries in all aspects of care giving, or especially medicine?

Walters: No, they were teachers—all kinds of things. They really attracted a wide professional range of people. And they also didn't wear the normal nun uniforms in most countries because it would make them a target; and so they were cutting-edge back then, even, to be wearing just regular clothes and doing professional things, which I thought was just really neat. (laughs)

DePue: Were you doing Mundelein and Maryknoll at the same time?

Walters: No, I went to a year of Mundelein, and then I went into Maryknoll the next September.

DePue: What did your parents think about your decision to go to Maryknoll?

Walters: My father was dead by then. He died when I was, I think, a sophomore or a junior in high school. My mother, nothing surprised her. She was very supportive of anything I wanted to do, so when I said I wanted to be a doctor, my mother didn't say, "Oh my God, women don't become doctors" or "We can't afford that." She helped me to figure out how we could pay to go to Mundelein. And I'm sure when I said, "Guess what, Mom, I'm going into Maryknoll," she probably said, "Great idea. What do you need?"

DePue: Did somebody have to pay to go to the—I'm not even sure of the word—the nunnery?

Walters: No, I don't think so. Honestly, it's so long ago, Mark, that I don't remember. I just remember I had to get to Ossining, New York, with my little trunk—which I still have to this day—my little trunk of supplies that I had to bring. And I gave everything away that I owned in my life; and to this day, there are some things I regret giving away, like my treasures from Japan that my brother brought back.

DePue: From World War II?

Walters: Yeah, and Korea. He was stationed in Japan, where he met his wife. But I just gave everything away. It was a very freeing experience.

DePue: Mundelein College is where?

Walters: It is at the very tip of Chicago, up north, on the Loyola campus. In fact, Loyola has assumed it now, and it is part of the Loyola university system; but at the time, it was a separate girls' university—women's university—college. It wasn't a university; it just had an undergraduate degree.

DePue: And you mentioned Maryknoll was in New York.

Walters: Ossining, New York.

DePue: Ossining?

Walters: Uh-huh. O-s-s-i-n-i-n-g, where the Sing Sing Prison is.

DePue: Wow, that's interesting neighbors. How did you find out about it in the first place?

Walters: Maryknoll? Of course, all the Catholic schools promoted the missions and children giving their pennies to the missions and supporting the missions; and of course we had to eat all our food because there were children starving in China, and so we became very familiar with the fact that there were missionaries. I never really got the part where they were out trying to sell the church. To me, it was just that they were doing cool stuff (laughs) in foreign countries. It was later that I realized, Oh, this is selling religion; which probably makes me less bright than I would like to admit. So that's how I knew about them, and they had a little magazine, *Maryknoll Magazine*, and I loved reading their little stories about their exploits around the world.

DePue: And the adventurous part of you said, Going overseas would be really a neat thing to do?

Walters: Oh, yeah. I don't know where that came from with me. Maybe my brother, because he married a Japanese girl. (phone rings) But I've always had this hunger for seeing the world.

DePue: How long did you stay in Maryknoll?

Walters: Thirteen months, as I recall. That's when I began to realize that this was selling religion; and also, I don't think I was fit for that life. I'm a very independent person, and I have (laughs) a very difficult time with obedience. (woman's voice leaving message)

DePue: Hang on just a second here.

(pause in recording)

DePue: Joan, I wanted to ask you to explain a little bit more your comment about your realization that you were selling religion.

Walters: (laughs) Well, I—

DePue: Because that's essentially what Christ had in mind to begin with, I think.

Walters: No, no, he didn't. He had in mind doing good for people. I don't believe that at all. I think what Christ's teachings were—to be kind and good, and to treat people fairly and do what you can for people. I don't remember him ever saying, "Go out and make everybody believe in me." I think it was by your actions that, if anything, you would get people to follow you. Since then, I've left the church

completely, so it's all a moot point; but at that point in time, I thought Buddhism was really a great religion, and I would argue in canonical law about that, and I could see that this wasn't my path. So it was a good thing to find out before you got too far into it. It was a very rewarding experience. It was lovely, and the people were lovely; it was just not for me.

DePue: What happens after that year and a half, then?

Walters: I came home, and I had nothing. (laughs) I had a suit and a dress, which they helped me to buy, because I had given away everything I owned, of course. So I went back and lived with my mother and worked for Connecticut General Life Insurance Company, became a supervisor there; and I renewed a friendship with the young man that I'd gone to the senior prom with, and eventually, we married.

DePue: And his name?

Walters: Richard. (laughs) Richard Schilf. I'm trying to remember his middle name. Francis, I think. Richard Schilf, S-c-h-i-l-f.

DePue: That's kind of an unusual spelling.

Walters: He was Polish and German, and he was in the Navy at the time. He was an officer. So we got married at Saint Bride's Church; and the irony is that Saint Bride's had had a fire, which totally gutted the upstairs church, which was quite a lovely church and of course meant a lot to me because I'd spent many a mass there. But luckily they had a lower chapel that we had to get married in because this (laughs) interrupted our wedding plans. So it might have been an omen. Who knows. (laughs)

DePue: He was in the Navy. I assume that Chicago is not where he was based.

Walters: He was based—

DePue: Great Lakes Naval?

Walters: No. Where did he get his officers' training? I don't remember now. Then he maybe went to Pensacola for… He worked on an airplane. He wasn't a pilot, he was a communications officer; a CIC, they were called—I can't remember what it meant. So he was then ready to be deployed to some base, and that's when we chose Hawaii. That was one of the three choices that he had, I think: Greenland, Alaska, and Hawaii. And oddly enough, we picked Hawaii. God knows why. (laughter)

DePue: Yeah, I don't think that's a hard decision to make, is it?

Walters: It was a pretty unusual choice, but we liked that choice. So after we married, we went to Brunswick, Georgia, where we lived for three months while he went to

some other school that the Navy required. And I got my taste of civil rights in the South in 1961.

DePue: Oh, wow, yeah.

Walters: It was pretty backward. The things I remembered best are the water fountains that said "white only," and I had no idea that that existed in our fair land. And the Laundromat said "whites only," and I used to wonder, What the hell do I do with my dark clothes? And then it dawned—

DePue: A little bit naïve, then.

Walters: Oh, I was terribly naïve, because my mother worked with black maids, and we had them over to our house, and I went to school with black kids at Loretto Academy, where I went to high school. My best friend at the time, when I was in high school, was Mary Estrada, a black girl, so I had no idea that there was this terrible chasm. And I'm sure it existed in Chicago as well, it's just that I lived in this little cocoon-like existence on the South Side; and boy, going down South just really did it for me.[2] I could not believe that our country allowed that kind of behavior.

DePue: Were you paying any attention to what was going on in the news? That was still pretty early in the civil rights movement.

Walters: It was very early in the civil rights movement. I can't remember when Viola was—what was her name? Viola…Liuzzo? Remember, the white gal that went down South and was a Freedom Rider or something, and everybody said, "Oh"—

DePue: Sixty-one or '62 was the Freedom Rides, I believe.

Walters: She was one of them, and everybody went, "Oh, what's a white woman doing that stuff for? She should be home taking care of her children." And I really thought, Whoa, man! First of all, "Women should be home taking care of the children," and secondly, "Why is a white woman caring about black people?" And it dawned on me that this was a huge issue. It was just very appalling to me, and I remember (laughs) my husband's friends thinking I was this weird person because I got upset over things like that. But then we were only there three months, and we went to Hawaii and lived. I started having children, and my life became consumed by that.

[2] Ironically, back in Walters's neighborhood that July, an interracial coalition held a "freedom wade-in" at Rainbow Beach to draw attention to de facto segregation in the city. Charles E. Clifton, "Rainbow Beach," *The Electronic Encyclopedia of Chicago*, Chicago Historical Society, Chicago, IL, http://www.encyclopedia.chicagohistory.org/pages/1040.html.

DePue: Did you notice a difference in the cultural mix and the ethnic mix once you got to Hawaii? There's no place in the country that was more ethnically diverse than that, I would think.

Walters: That's true, and in fact, today it is very ethnically diverse. But we lived in naval housing on the base. And I learned how to drive when I got married. My husband taught me how to drive. We didn't have driver's ed, and we didn't have a car, so I had no reason to learn how to drive. I had three children in pretty rapid succession, so my driving was pretty much limited to getting stuff for the kids. (laughs)

DePue: Were they all born in Hawaii?

Walters: Yeah. And picking up my husband when he—he would be gone for two weeks on a mission, and then I'd pick him up; and then I'd take him to the airport, and… So the naval housing—back then, officers were pretty white. You're talking '61 in the Navy, you know. It was not a time when anybody would be proud of treating blacks as equals. My high school experience was probably very misleading to me, because I didn't realize that the rest of the world wasn't like that.

DePue: It sounds like you didn't have that many opportunities to get off base and experience the civilian life while you were in Hawaii.

Walters: No, very little. Very little. My neighbors became my life, and, you know.

DePue: Did you enjoy that time in Hawaii?

Walters: I did, but my family was very far away and never were able to visit me, and my husband was gone a lot, and I had three children, two of whom were born with significant health problems because I have the Rh Factor; so my life was pretty much consumed with taking care of children. And that's why the neighbors were so important, because they were your only support group. They were wonderful, wonderful people. I could never have lived without them. But I had no life outside of that little circle around my house. (laughs) No life whatsoever.

DePue: At that point in your life, did you think that you'd like to be able to have a career of your own eventually, or was it…?

Walters: Oh, yeah. I still wanted to be a doctor. I didn't give that up until I was just about forty and realized that it was probably not going to happen. I knew it was getting harder to do, but I still had it kind of as a dream.

DePue: When did you guys come back to the United States, and where did you come back to?

Walters: In 1964, we came back. My husband's four year term or whatever—

DePue: Tour?

Walters: —tour (laughs) was up. He did not re-up. So he was looking for work. He eventually got hired by CNA Insurance, and we went from Chicago, to see my mother, to Reading, Pennsylvania, where we lived for a year; and my fourth child was born there. So you can imagine that I had even more family obligations to worry about.

DePue: Can I ask what kind of medical complications a couple of the kids had?

Walters: They were born with the Rh Factor, so what it means is your first—I'm Rh negative. I'm B, Rh negative, which means that when my first child was born—she was positive—she made my immune system kick in; and so in subsequent pregnancies, when the children were positive, I would begin to treat them like they were a disease and try to kill them. Your body's immune system is kicking in. There was no RhoGAM back then. There was really not much of anything. There were experiments going on, and my doctor—luckily, they let me get a private physician rather than the Army physicians because of this Rh complication—and my physician just happened to be working with a New Zealand doctor who had invented amniocentesis and the ability to analyze the amniotic fluid and determine the stage of development of the fetus, and determine what they should do.

And so when Gaby, my second child was born—by the way, she's named after the novice mistress at Maryknoll, Gabrielle Marie—she was affected. She had to stay in the hospital a couple days. She was low birth weight. They induced labor. They always induced labor in order to prevent you killing the child, because the longer it was *in utero*, the more risk. Their blood supply is being consumed, and they get very jaundiced, and they're born with high bilirubin counts and can die *in utero*, so they watch it to make sure that you still have a viable fetus. So in her case, she was small, and they had to keep her in, and she had to have a couple blood transfusions. What they do is take out a drop of blood, put in a drop. They have to take all the blood out of the child and start all over again.

And then Matt was born, and he was so affected that we didn't know if he would live. He weighed like four pounds thirteen ounces when he was born, and of course they always lose weight; and he had terrible complications and was in the hospital quite a while. So when we left Hawaii, he was six months old, and my life was pretty much consumed with taking care of him and making sure that he made it.

DePue: This is an awkward question, but did you feel any guilt or sense of—

Walters: Oh, yeah.

DePue: —responsibility in that respect?

Walters: Yeah. Of course, we were Catholic, so birth control—once, we tried it; it didn't work on me, so go figure—but in any event, I used to have nightmares where I'd

wake up screaming because I'd be in the doctor's office and all the people would be pointing at me saying, "Why do you kill your children?" And I'd wake up screaming, "I didn't mean to do it!" So of course, it weighed on you terribly. The last two were negative, but they still took them early and did everything they could to ensure that they weren't affected.

DePue: We've got a couple of the kids' names here, Gaby and Matt. What was the oldest child's name?

Walters: Jeanne. Jeanne Therese, named after my husband's mother, Jeanette, and my mother, Theresa. Gabrielle Marie. Matthew Eliot, named after the poet T.S. E-l-i-o-t. (laughs) Eric Lawrence and Alexandra Noelle. I was reading *Nicholas and Alexandra* when she was born.[3]

DePue: I know you returned to Chicago eventually. What year did the family come back?

Walters: We were in Pennsylvania one year, so we must have moved back in'65, '66. I can't tell you the precise dates because I've forgotten all that stuff.

DePue: Was your husband coming back for some better business opportunities?

Walters: He got transferred to CNA in Chicago.

DePue: CNA being?

Walters: CNA is Continental National…Assurance? I don't remember what it used to be. It used to have a different name, but now it's CNA; that red building in the downtown skyline.[4] He was an actuary, as I recall. He just got transferred to Chicago, which was good, because that's where the grandparents were and families.

DePue: And you had another child or two once you came back to Chicago?

Walters: I had one in '69. Ali was born in 1969. So we lived in an apartment for a year, and then we bought a house in Hazel Crest, Illinois.

DePue: What were you doing at that time, because you obviously still had some strong aspirations for your own personal career?

Walters: Oh, I went to night school. Actually, I went to night school every chance I got. When I worked before I got married, I went to night school at Loyola, and then when I lived in Hazel Crest, I went to night school at—I can't even remember the name of the local college. It was just great. Oh, I took philosophy and all these classes that were just fantastic.

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[3] Robert K. Massie's 1967 book, which was adapted for film in 1971.

[4] The CNA Financial Corporation was originally called Continental National American Group. The building is at 333 S. Wabash Avenue.

DePue: So you lived in Hazel Crest and not Chicago proper?

Walters: Right, yeah. When we rented, we lived in Chicago, and then we moved to Hazel Crest.

DePue: You better place Hazel Crest for us on the map.

Walters: It's a south suburb, right next to Homewood. And then when Ali was born, I got an interest in my local school board, because I'd contributed so many children (laughs) to the district. So I went to school board meetings for a year, and then I ran for the school board and won, so evidently—I found the papers on that, and that happened in '71, when she was two years old.

DePue: So the election was in 1970?

Walters: I guess. I don't…

DePue: What was it about the experience of going to the school board meetings that made you decide, I think I want to be on the school board myself?

Walters: I had a friend who had run for the school board, and how I knew her, I don't remember. But she ran, and I thought, The only way I can find out whether this is something that I could even contribute to is to go to the meetings and find out what the issues are. And so I went to the meetings for a year and ran, and there's my certificate of torture—six years. (laughter) Six years on a local school board during desegregation and all kinds of stuff.

DePue: Were there some issues in particular that really motivated your decision?

Walters: No, I just really wanted to make a contribution. I'm all about contributions, and still am to this day. I just figure, you're on this earth; you've got to do good. So I thought, This is a way I can do good. Kids are in school, I'd been in school; I should be able to serve on a school board with some degree of competency; and therefore, I am helping the community.

DePue: Weren't you also going to night school at this time?

Walters: I was, yes.

DePue: What was your major?

Walters: (laughs) I really didn't have one at that time; I was just sort of taking classes that interested me. But then one day, when Ali was four—I hadn't worked for twelve years—I just woke up one day and said…

DePue: You had been working on taking care of five kids.

Walters: Yeah, but I hadn't been out of the house. And I remember waking up one day and saying, "I have got to get out of this house." (laughs) So I went to the local personnel agency and they had me fill out the form and say what my typing speed was, and I remember putting question marks in all these things because I had no idea what my typing speed was. The gal read it over and asked me about myself, and she said, "Honey, why don't you just go home and take care of your kids?" And I remember sitting in the car absolutely *sobbing* because she had said that to me. I said, "I am going to show her." (laughter) So I did.

I went to my local school superintendent, because I was on the school board and we'd hired him, and I said, "Where do you think I could get a job?" He said, "How about the special ed district?" and I said, "Hey, great idea"; so I went over and I became a teacher's aide with mentally—as they called them back then, TMH [trainable mentally handicapped]. These are very severely mentally handicapped kids. Linda Pandazitas was the teacher. God, she was great. So for two years, I helped her, and as with everything I do, I went into it with all four feet. God, it was great. We put on Christmas plays; I started a newsletter. We did everything. It was just terrific, and it taught me so much, I'll tell you. I had nobody in my family like that, and I hadn't been in school with kids who were mentally handicapped like that. You might have had slow boys or slow kids, but nothing with, like, a fifty IQ. Seeing people prosper and be happy, and what you could do with them when you worked with them, and how they could learn and share and love one another was just so remarkable to me. It just changed my life. It really did.

DePue: Was your husband supportive of you doing this work at the same time you were trying to go to night school?

Walters: Sure, because I cooked breakfast for everybody every morning and cooked dinner every night; so it wasn't any skin off his back. (laughs) He didn't care.

DePue: And bringing home a paycheck to boot, I would guess.

Walters: It was a tiny one, but it was something. Yeah, it was something. And Ali was in nursery school, and then she went in school, in first grade, so it was manageable. Of course, the neighbors thought it was terrible that I was working, but who cared what they thought?

DePue: They did?

Walters: Yeah. Women didn't work back then. Women were pretty much, in our community—

DePue: This is the early seventies, still?

Walters: This is the early seventies. Women, unless they were teachers or nurses and did something very womanly like that, they pretty much stayed home and took care of the house and the kids. I can't think of a woman in the neighborhood who

worked, unless she did a sales clerk job at night or something to augment the family income. But I was always doing different things, so it really didn't matter to me.

DePue: If I was to ask you at that time what your ultimate career aspirations were, what would you have told me?

Walters: It's probably indicative of what happened next, because my aunt died and left me this three thousand dollars; so I had never had that much money in my entire life, and I used it to go to school. (laughs)

DePue: When was that?

Walters: Let's see, I was a teacher's aide… I have my résumé here somewhere.

DePue: I don't want to get bogged down in this, necessarily.

Walters: Yeah. I was a teacher's aide to June of '75, and so then I… Governors State University had just opened up, and I decided to go there, because they allowed you to get credit for other educational experiences. So between Mundelein, the convent, my night school—I actually had enough credits to get into senior university. (laughs)

DePue: A senior university?

Walters: Meaning junior/senior. All it was back then was junior and senior year. Governors State was never intended to be a four-year university, and, of course, now, (unintelligible).

DePue: It was a nontraditional kind of a college setting?

Walters: Nontraditional is a great word for it. You know, pass/fail…

DePue: Did it have a campus?

Walters: Oh, yeah.

DePue: Was it a commuter campus?

Walters: Yeah, it was pretty much a commuter campus, and that's where I met—

DePue: But a brand new faculty and everything else?

Walters: Yep. I think it had only opened a couple years before I went there. And Paula Wolff was one of my teachers.

DePue: You need to tell us a little bit more about Paula Wolff, because she's going to factor in importantly in this, and she's got quite a story of her own.

Walters: She does. I saved this article on Paula, from 1990. I decided to be a psychology major, because I had to name a major; and they didn't have pre-med or anything like that, but psychology seemed like the kind of thing I would like to do. So I took a lot of psychology classes, but I got very fed up because several of the psychology faculty never came to class, (laughs) and we had to instruct ourselves. (laughs)

DePue: That's such a modern concept. That's really outside the box.

Walters: It was very outside the box. They had their own little lucrative businesses, and I think instruction just kind of got in their way. I had by then met another faculty gentleman who I really adored, and I switched over to his school, which was environmental science. So I ended up with this crazy degree, which I have no—I told you before, I'm not exactly sure what it even means, but here it is; it's proof that I have it. It is Bachelor of Arts in Science with an emphasis in human ecology.

DePue: Human ecology?

Walters: Yeah. In thinking about it, human ecology is right up my alley, but at the time, I had no idea what it really meant.

DePue: Looking back at it now, what does it really mean?

Walters: I think it means human relationships—the relationships of humans to one another and to the environment in which they live, which we're still kind of thinking is a new subject today.

DePue: But how would that be different from sociology?

Walters: Sociology didn't have as much of a science basis for it. Like, we had mice, and I was in charge of the mouse lab, and we did mouse experiments and stuff like that. God knows what all that meant, but that's what I did.

DePue: Does all of this mean that you had given up on the notion of becoming a physician?

Walters: No, it was just closed. At that time, I couldn't conceive of getting into another college. I would have to have applied, probably taken a lot of other classes—so this was great. I used up my three thousand dollars from my aunt who died, and I ended up with a college degree eventually. So that's what I really wanted; to get a college degree so that I could then do other things with my life.

DePue: Was your husband supportive of you going and completing that college degree?

Walters: I believe he was. I remember the kids being really stunned. I would be working on papers and studying, and they were little kids in school; and to this day, I'm sure they remember Mom knuckling down and studying.

DePue: Providing an excellent example of what they should do, huh?

Walters: No kidding. Yeah, no kidding.

DePue: I know it was roughly this timeframe—you graduated in 1977?

Walters: Seventy-eight, but it was '76 that I was three hours short of graduation and my husband told me that he was going to move out of the house. So I had to get a job, because I didn't have one, and I had a mortgage to pay and children to feed and… (laughs)

DePue: I don't intend to go into this very much at all, but did that announcement come as a surprise to you?

Walters: Oh, yeah. Yes, it did. It did. But you deal with what you've got. I went to Paula, my teacher, and said, "Paula, what do I do? My husband is leaving me, and I don't have a job." And she said, "Joan, I've got a job for you." So she saved my life. I adore her. She is a saint in my book. (laughs)

DePue: Let's go back a little bit and talk a little bit more about who Paula Wolff was at that time, and maybe even farther back. She worked for the Ogilvie administration, I believe?

Walters: Yes. She worked in the Bureau of the Budget. John McCarter had hired her in the budget office. I don't think she did budget analysis. But they needed somebody to watch the constitutional convention, and I don't think it was high on Ogilvie's list of things to do. So they asked Paula to sort of be the eyes and ears of the Ogilvie administration at the constitutional convention, and that's where she met Wayne Whalen, her husband—and it's recounted in here how they met and married. It's a pretty humorous story.

DePue: That would have been 1969; 1970 was the actual convention, I believe.

Walters: Right. She was an East Coast woman, a graduate of Smith College; and her professor, it says in here, talked her into getting a Ph.D. in political philosophy at the University of Chicago, or at least going to the University of Chicago.[5] She'd never been involved in any kind of government or politics or any of that, and obviously her life changed when she came to Chicago; so, so much the better for us. We are very lucky to have Paula in this state. She is a remarkably bright, capable, wonderful person.

DePue: What was she teaching at Governors State?

Walters: I have no idea. I took several classes from her. One was the debates of the constitutional convention of 1776, and I read the entire book of the debates. God,

[5] Paula Wolff, "Principles of Government in the Political Arena: An Analysis of the Sixth Illinois Constitutional Convention" (PhD diss., University of Chicago, 1972).

are they great. And James Madison wrote all that by hand. He wrote all this by hand—twice! It's incredible. And then she taught some women-in-literature class where we wrote lots of papers about stuff; and then she had another one on the CIA. She taught a bunch of really eclectic classes, which I absolutely loved. Oh, I loved them.

DePue: And it sounds like you quickly developed a very personal connection with her as well. Did she take you under her wings?

Walters: I didn't, no. I don't think I had a personal connection to her. I think I was just a student that… I was an older student to begin with, and I'd been involved in an election myself. I was a pretty outgoing person, even though I'm an introvert, so I'm sure I established relationships with my teachers that might have been different than what younger people would do, simply because I was an adult. Why did I go to Paula? I don't know. I guess because she was a woman and I really thought I could go to her; she'd understand.

DePue: And what—

Walters: And she came to class, (laughter) whereas the other guys didn't.

DePue: I guess that's a significant help, then.

Walters: That was a huge, significant advantage in my mind.

DePue: What advice did she give you, then, when you went to her?

Walters: She said, "I'm going to be working on this task force on reorganization that the two gubernatorial candidates are creating, and you can work with me."

DePue: The two gubernatorial candidates. This would have been 1976, so Dan Walker would have been up for reelection.

Walters: No. It was Michael Howlett and Jim Thompson who were the two gubernatorial candidates, and they agreed—

DePue: So by that time, Walker had already been beaten by Howlett in the primary?

Walters: Yeah, evidently. I knew nothing about Illinois government at this time; all I knew was I needed a job, and so she obviously had a great deal of faith in me.

DePue: And tell us again the name of this project?

Walters: This is called "Orderly Government: Organizing for Manageability." The idea was that there should be accountability in government, and you don't get that by having all of these fifty organizations reporting to the governor. It was all about streamlining state government. And it was really a follow-up on the Briggs report, which had been written during the Ogilvie years. It's funny—

DePue: And that title was "Beyond Bureaucracy"?

Walters: "Beyond Bureaucracy." Ogilvie and Edgar and Thompson are probably the best governors we've had, just in terms of their understanding of public policy and how to get it done in a bureaucracy—at least that's my hindsight. And they were all such non-ideological people. I listen to what Republicans and Democrats have to say now, and it's all so patently ideological. And they seemed to all rise above that; and I admire them more now in retrospect than I even did when I worked for them, I think.

DePue: Why was this project going on? Was that a result in part of the 1970 constitution?

Walters: Constitution, which gave the governor the power to reorganize by executive order, a power which was brand new.

DePue: And Walker apparently had not taken advantage of that?

Walters: No, I think he'd done some little teeny thing, and I can't remember what it was now, but it was nothing that rose to the level that we were contemplating doing. Yeah, here: Governor – agency reorganization. "The governor, by executive order, may reassign functions among or reorganize executive agencies which are directly responsible to him," and it goes on and on and then tells when they needed to be submitted, and blah-blah-blah.

DePue: And you're reading, we should mention, from the *Illinois Blue Book*, 1979–1980, page…?

Walters: Page 598, which lays out the duties of the governor, and there's one entitled "agency reorganization." And because that was a new power, there were people who were trying to get that power to be implemented; and Thompson and Howlett evidently were sanguine about that notion and jointly appointed this task force with these fine people on it.

DePue: Let's see. We've got Donald—why don't you read the names?

Walters: Donald Bonniwell—I wish I could remember who the heck these people were—Bonniwell & Company; (laughs) Robert Johnston, regional director of region four, United Auto Workers; Donald Perkins, chairman of the board, Jewel Companies, Inc.; and Robert Strotz, president, Northwestern University. Those were the four members of the task force; and then there was Paula and a very tiny staff, me, and hired consultants from various universities around the nation that helped us with things as well.

DePue: Would it be fair to say that these gentlemen you started reading were kind of the figureheads; they were on the masthead of the operation, but they weren't really involved in the nuts and bolts of…?

Walters: No. They weren't involved in the nuts and bolts—that's what you have staff for—but they were the task force, and we reported to them, and they… They didn't write this, but they approved it, and they were, as I recall, pretty active people.

DePue: I'd like to have you go into this in some detail if you can, in terms of what your experiences were once you started delving into this.

Walters: We had to come up with recommendations—and, of course, here they are. We actually came up with specific recommendations for merging departments into new things, other consolidations. There were just pages and pages and pages of them. It would take quite a bit of effort for a governor to actually implement the entire report. So what I became was an assistant to the governor for reorganization, along with Rich Carlson, and we set about sort of finding the low-hanging fruit and figuring out what we could do. I found this, which is what we wrote for the governor to give to the general assembly, and it talks about the two reorganizations that he did the first year. One was to create a Department of Administrative Services from two departments, and the other was to reorganize the Illinois state police into the Department of Law Enforcement. Then later we did three others.

DePue: The document you just handed me: "Special Message on Reorganization, submitted to the Illinois General Assembly by Governor James R. Thompson, May 18, 1977"; so four months, really three months, into his administration at that time.

Walters: Right. So we were proposing these, and that's how I met Jim Edgar. We were also liaisons to departments. I was on Paula's program staff. The program staff was a new institution that she created to provide an arena for substantive issues to be thrashed out, debated, and then presented to the governor as a project for moving forward, rather than having individual people go to him and make their case; which Paula felt was not in the governor's best interest, because he wasn't getting a full picture; he was getting one person's advice.

DePue: Explain again what wasn't in the governor's best interest.

Walters: Having individual deputies under him go to him and say, You should do this or you should do that, on a substantive level. Politically was another thing. But in Paula's mind, you needed a program staff that got those ideas, fleshed them out, and then presented them in a more coherent way so the governor could have a big picture. Often when people go directly to the governor, they have a bias that may not be revealed, and he may not be getting both sides of an issue. So that's what she was trying to do when she created the program staff. I was on it, as well as a host of other people. It was a lovely staff of professionals. It was just a crackerjack team of people. To this day, I feel fortunate that I was ever able to be exposed to people like that. And so I was liaison to various agencies as well as working on reorganization.

DePue: There's a lot of directions my mind is going on this one. Let me start with this: was there any over-arching philosophy or framework in terms of what this group wanted to accomplish?

Walters: Yeah, and it's really laid out in here in pretty simple terms. The idea was to increase accountability. So the goals were to increase efficiency and not to waste dollars on needless duplication, which you often have if you have similar agencies doing the same things; and then they compete with one another, and you're still hiring top people and staffing it. Also, that you're organized better to deliver services more effectively. If you're not organized well, you may have a person going over here, and then they come over here and you realize, oh, you have to do something all over again because what they told you over there only applied to that but it doesn't apply to this. That was especially true in Human Services, which we didn't tackle until much, much later. And the third one was accountability, so that you could actually be accountable to the public, because there were literally so many agencies, major and minor, that it was impossible to even put them all in an org chart. And so we (unintelligible). The governor did those two, and then he sent us this little note and said, we're going to do more, and so we did more. (laughs)

DePue: And this is a memorandum dated June 27, 1978. "I want to thank you both"—Joan, and Rich Carlson—"for your hard work on the executive reorganization orders that passed last month." So we're talking now about a year and two or three months later, which is a pretty healthy clip. You got that accomplished fairly quickly, would you agree?

Walters: We did, especially in light of the fact that the general assembly was not set up at all to accept and review executive orders. They were set up to handle bills, and an executive order was just totally out of their normal purview. And so they had to establish their own processes for dealing with these things, and Jim Edgar happened to be on the committee in the House that dealt with that. So I worked quite a bit with that committee, as you can well imagine. Rich and I spent a fair amount of our life with the members of the general assembly that dealt with reorganization, in order to both convince them that these were good and compelling things to do, and then secondly to help us and them set up practices where we could work together efficiently and effectively.

DePue: And this would have been Edgar's first, and as it turned out, his last term in the legislature.

Walters: That I don't remember, but he'd be in the book, the Blue Book.

DePue: Yeah. He was elected in '77, and he lost in '74.

Walters: Yeah, I remember he lost the first election, which he always says was the biggest lesson of his entire life.[6]

DePue: Thought his political career might have been over at that point in time, but he was just getting started. How closely did you work with Governor Thompson? You were several levels removed from him?

Walters: I don't remember. Paula reported directly to him, and I reported to Paula. We would be included. Paula was the type of boss who never hogged the limelight or pretended that she knew everything, so I'm sure she had us in to talk to him. I just can't remember, to be perfectly honest. But I knew him well enough that he would send me things; and he came to the Senate floor when we took a vote on a bill and sat down next to me, and that was his subtle pressure for the Senate Republicans to go along with something. But I'm not his best buddy, and I certainly wasn't appointed directly by him.

DePue: I wanted to get your impressions of the man, because he is one of those larger than life personalities.

Walters: He is, and in fact, I had saved this article about him reliving his days as governor, with Richard Norton Smith; and I thought to myself, I'm sorry I didn't live here when that happened, because I would have loved to see Governor Thompson talk about that. He was a man that you really enjoyed working for because he was a lot of fun. He was a man who always thought there was a way something could be done, and he reminds me a great deal of Barack Obama in that regard, that he had a—now, they're very different in terms of personality. But he's a very ebullient type, very friendly, outgoing, not afraid of anything. And one of the things that I thought was most remarkable about him was his relationship with the media. Because he was so friendly and outgoing and very convinced of his positions on things, he never hid from the press, and he made himself available in many ways. I think he really got the benefit of that from the press, in a way, because they liked him. You tend to like people that you have access to. Now, they may have disagreed with him from time to time—I'm not saying that they catered to him or anything… But that easy way with people… And opening up the mansion. My God, the man just loved to have people over. I have all the plays we did out here, for you to look at. (laughter) We put on plays that roasted everybody in state government, including the governor and all his cabinet—including Jim Edgar. And he [Thompson] would be in the front row just clapping and laughing and having the time of his life. The man had a way about him that was very charming. And it was a thrill for me to be—in fact, I even note that in my little thing here.

I was also liaison to the Department of Law Enforcement and helped to reorganize it. Ty Fahner was the head of law enforcement—what a great man—and he was somebody else.

[6] See Jim Edgar, interview by Mark DePue, May 29, 2009, 48-52 and Carter Hendren, interview by Mark DePue, April 28, 2009, 8.

DePue: You're reading from your journal?

Walters: I'm reading from my notes here of November 24, 1980, when I say "Jim [Thompson] will announce the replacement of Secretary of State tomorrow. What a delight. He'll be terrific. Not much of an administrator, (laughs) but many other important qualities: integrity, honesty, courtesy, dignity, smarts, and political savvy. It will be quite a ticket in '82; Ty, Jim [Edgar], and the governor. What an honor to know them all, and what luck I've had." And that's exactly how I felt, How could I, this poor kid from the South Side of Chicago, possibly know these people well enough to call them "Ty and Jim and the governor." Isn't that a privilege? Honestly. To this day, it brings tears to my eyes.

DePue: You kind of chuckled a little bit when you got to your one reflection here about—

Walters: Not much of an administrator.

DePue: Of an administrator.

Walters: I'm sure he'd admit that as well. It just wasn't his interest, but he had so many other things, and so I became his administrator.

DePue: I would also imagine that Jim Edgar would say the same thing about his own career.

Walters: Oh, I'm sure he would. Here he is, Charleston, Illinois—who ever heard of Charleston? Kid growing up—

DePue: And his father was killed in an auto accident when he was just a young kid.[7]

Walters: Quite young. Mother raising a couple boys on her own. She worked at Eastern. These stories make America great, don't they?

DePue: They sure do. Let's go back in your life a little bit. You got your degree from Governors State in what year?

Walters: Seventy-eight.

DePue: And where were you physically at that time?

Walters: I was in Chicago but moving to Springfield because I worked for the governor, and he lived in Springfield.

DePue: So you started this project with Paula Wolff, without a degree—

Walters: Without a degree, but she knew that—

[7] For Edgar's discussion of his father's death, see Jim Edgar, interview by Mark DePue, May 21, 2009, 24-27. Also see, Fred Edgar, interview by Mark DePue, April 22, 2009, 15-22.

DePue: —but also living in Chicago. I would think most of this work would be going on in Springfield.

Walters: It did, but I used to spend many days down here, down in Springfield. I would fly back and forth quite a bit.

DePue: The rest of the question, then: you're recently divorced; you've got five kids. How are you managing to keep the family together?

Walters: Yeah, it was hard. I had one lady that helped me out in the summer when the kids were off of school. My mom would come once in a while. It was only maybe a year or two, and then I had to move, because it was just too—it was clear that you could not live in Chicago. Now, Paula did. She lived in Chicago—still does—commuted…

DePue: Did she have kids?

Walters: Oh, yeah. She had five kids, too.

DePue: There's the connection right there.

Walters: Yeah, yeah. A little different circumstance. She had a lot of money and a husband.

DePue: And he was based in Chicago.

Walters: And he was based in Chicago. He's a big lawyer. So it became obvious that you had to be down in Springfield, and we sold the house and moved.

DePue: I'll put you on the spot a little more here, Joan. What were your mother's feelings about your career and everything that had been happening to your life in the last few years at that time? Still supportive?

Walters: Oh, God, yeah. Yeah. My family was actually very proud of me for getting—

DePue: For the children as well, then?

Walters: Yeah. Nobody in our family had graduated from college, and certainly nobody had a job that had any visibility to it like I did; so I think people on the whole were proud of the family, that somebody had accomplished something.

DePue: In 1978, how old would your oldest child be, then?

Walters: Seventeen.

DePue: So they're all still at home.

Walters: Oh, yeah. Jeanne might have been gone by then. No, they all moved down to Springfield with me. Yeah, they all moved down to Springfield.

DePue: That's a different lifestyle as well. You're moving from—Hill Crest, was it?

Walters: Yeah, Hazel Crest.

DePue: Hazel Crest.

Walters: But Hillcrest was the high school.

DePue: It's very much the suburban lifestyle.

Walters: Yeah, but there were a whole black community next door called Country Club Hills; so it was a little bit of the city thing, because the high school blended kids from Country Club Hills and Hazel Crest, and it was a time when high schools didn't handle the tension of racial things very well. I think they were all walking on eggshells. Desegregation had occurred—which, of course, we did voluntarily when I was on the school board—I missed that—much to the chagrin of some of the community. But we knew it was coming, and we did it voluntarily.

DePue: Rather than have the courts design it for you?

Walters: Right. Michael Bakalis was the person at the time. We ended up in court. Even despite that, he sued us for something. I can't remember what. I just remember—

DePue: I'm trying to remember his official title, but he was the senior officer at the state level in the Education Department?

Walters: Right, like whatever that would be—

DePue: Superintendent, perhaps.

Walters: Yeah, although I think then it was an elected position, wasn't it?

DePue: Yes, it was.

Walters: And then they abolished the elected position and made it an appointed position. So he might have been the last elected person in that.

DePue: I think you're right.

Walters: And then he ran for governor, didn't he? But I know, that's way…

DePue: He ran for some office; I don't recall what it was.[8]

[8] Michael J. Bakalis was elected superintendent of instruction in 1970, serving from 1971 to 1975. He then won election as state comptroller in 1976, before losing the 1978 gubernatorial election to Jim Thompson. "History of the Office," Illinois State Comptroller, http://www.ioc.state.il.us/office/history.cfm#BAKALIS; and *Notable Northwestern Alumni*,

Walters: He ran for something. What was your question?

DePue: Where were we going with this? I was talking about the kids, and I'm curious about how easy it was for them to adjust to something as different as Springfield.

Walters: I'm sure it was very hard on them. They were in high school, and they always say, boy, if you're going to move, move before high school because kids have friends and stuff like that. But they had no choice. We had to move. I was the breadwinner. They made the best of it. We lived on Fifth Street in Springfield, and they went to high school at Southeast; and they all survived and went on, graduated from college, so I'm assuming that it was okay. (laughs)

DePue: And they visit you on a regular basis.

Walters: Yeah.

DePue: Then it was okay, I'd say.

Walters: Yeah. I'm sure there were hard times for them because I worked very hard, long hours, but…

DePue: Long hours, but was it a rewarding experience for you, working on this reorganization office?

Walters: Oh, God, it was, because I got to work with lawyers. I began to understand the structure of law. I read the statutes from A to Z. I worked with the media; I worked with the legislative liaisons because of the relationship to the reorganization committees. I worked with members of the House and Senate. I probably had more people to work with than most people did (laughs) because of the nature of the job. It was just fabulous.

DePue: So here you are—your own description—kind of a minor personality who's dealing with all the powers-that-be in the state. Would that be a fair assessment?

Walters: Yeah. I was just this kid on the governor's staff. Well, I wasn't a kid. I was an older person; let's face it. Back then, in '78, I was thirty-eight years old; I wasn't twenty-five and just out of graduate school. So because I was older, I really think that helped me. And I had, evidently, a way of relating with people, because I don't remember too many people thinking I was the scum of the earth.

DePue: How would you describe your own politics at that time?

Walters: I really didn't have any. I'm sure—

DePue: By choice, or it just wasn't who you are?

Northwestern University Archives, Evanston, IL,
http://www.library.northwestern.edu/archives/exhibits/alumni/bakalis.html.

Walters: —I voted Republican. (laughs) We were Gene McCarthy supporters, my husband and I; and we even had kids sleep on our floor, who were going around neighborhoods during that campaign, working for Eugene McCarthy.

DePue: But I thought I heard you say you voted Republican. Is that afterwards?

Walters: I think when I worked for Thompson and Edgar, I did, just because I worked—I knew Republicans. I knew Ty Fahner. I knew Jim Thompson.

DePue: Ty Fahner's a name you've mentioned a couple times. Tell us a bit more about Ty.

Walters: Ty was the head of law enforcement, and then he became attorney general when—who resigned, Neil Hartigan?

DePue: No.

Walters: Gosh, I can't remember now.

DePue: Alan Dixon, wasn't it?

Walters: No, that's how Edgar became secretary of state. In fact, I have the invitation—

DePue: I've got the answer here. William Scott.

Walters: William Scott. And did he get kicked out? (pause)

DePue: I can't remember the circumstances of that.

Walters: Yeah, I just can't remember what happened to him. But in any event, it was another one of those things where Ty became attorney general, and then he ran for the post.[9]

DePue: So Thompson was able to appoint him to the position; otherwise, you'd have to be elected to it.

Walters: Right. And of course he'd been a colleague of his in the U.S. Attorney's office; as had Sam Skinner and Bill Conlon, who worked for us in the secretary of state's office quite a bit on things. All these were fine minds and fine people, and we

[9] William J. Scott served as attorney general of Illinois from 1969 until July 29, 1980, when he was sentenced to serve one year and a day, after being convicted on a single count of income tax fraud. An hour and a half after Scott's sentencing, Gov. Jim Thompson picked Tyrone C. Fahner to replace Scott. *Chicago Tribune*, July 30, 1980.

were just—oh, Danny Webb. These were all people I knew. I would call Sam Skinner, for God's sake. I couldn't believe my luck.[10] (laughs)

DePue: Did you have direct dealings with a lot of the legislative leaders?

Walters: Oh, yeah.

DePue: Let's go down the list of legislative leaders. Bill Redmond was Speaker of the House, and a Democrat—and I want you just to give your reflections on these.

Walters: I didn't deal directly with Bill Redmond.

DePue: The power behind the throne, according to some people—certainly Jim Edgar—was Mike Madigan.[11] Did you deal with Madigan?

Walters: I don't remember then. Certainly later, when I became budget director, I worked a great deal with Mike Madigan. But Mike Madigan—if I did, I just don't remember it.

DePue: We'll wait for your reflections on Mike Madigan when we get to the 1990s, then. How about George Ryan, when he was minority leader at the time?

Walters: I was the legislative liaison for Governor Thompson. I had worked a lot with the legislative liaison office, so when an opening came up, the guys up there said, "Why don't we suggest to the governor that Joan become legislative liaison?" Governor Thompson agreed with that, and it was the first time a woman had served in that role. And so I would be on the floor with Terry Scrogum. I think Terry was the House person that Jim appointed. So Terry and I worked the House, and we'd have to deal with Representative Ryan at that time.

DePue: Here's your opportunity.

Walters: He was a gruff individual who was a great advocate for his caucus.

DePue: The Republican caucus.

Walters: Yes, and the members.

DePue: Would you describe him as a philosophically oriented Republican? Ideologically, I think is how you described it.

Walters: No. I would describe him as the kind of guy who relied on personal relationships to dictate his philosophy; and he would often be very grumpy and run us off the floor. (laughs)

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[10] Samuel K. Skinner was George H.W. Bush's first secretary of transportation, before becoming his chief of staff.

[11] Jim Edgar, interviews with Mark DePue: June 9, 2009, 23-24; June 10, 2009, 27.

DePue: Deliberately so.

Walters: Oh, yeah. Yeah, he would literally chase us off the floor, and the other liaisons—one of the gentlemen I used to work with ended up in Seattle when I worked there in the budget office. Doug [Carey] worked for mental health then as a legislative liaison, and he and I would laugh about hiding up in the gallery so they couldn't see us; but we'd be up there watching what they were doing. And they threatened to cut all our salaries to a dollar, and things like that. (laughs)

DePue: So here you have—I'm painting this picture here—you're working as a legislative liaison to the House; and there's you and Scrogum, I guess.

Walters: That's it. The governor had two legislative liaisons.

DePue: You're representing a Republican governor, and you're having serious problems with the Republican minority leader in the House?

Walters: Yeah. The Democrats were a lot more open to things.

DePue: Was it personality-driven? Were there some issues that Governor Thompson was coming at odds with Ryan?

Walters: Probably. I don't know if I was that savvy at the time, and I really can't remember all the issues. I just remember that Ryan was a difficult person to work with, and often we collided.

DePue: Some of the early—

Walters: And it'd be interesting to see what Governor Edgar remembers about that, because he'd always get stuck, really, dealing with the issues when we couldn't resolve them. And I don't really know what his position is on George Ryan.

DePue: Governor Edgar's?

Walters: Yeah.

DePue: You have to listen to the interview. I've already covered that terrain, so I don't think it would be fair to mention it here.[12]

Walters: No, that's fine.

DePue: I know that some of the early initiatives that Governor Thompson had were law enforcement related. Does any of that ring a bell for you? Tough on crime issues.

[12] Jim Edgar, interviews with Mark DePue: June 9, 2009, 31-33; June 10, 2009, 21-22, and especially 28-30 & 63-66; June 15, 2009, 35.

Walters: Yeah, I don't remember those. Honestly, I don't remember the issues. I remember that I used to carry around a file with all the bills and try to convince people substantively to vote for things, which was very naïve.

DePue: Naïve because…?

Walters: Because people didn't care about the substance of a bill. They cared what the leader told them to do.

DePue: That's the rub against Illinois politics. It has been for as long as I can recall, and you're suggesting it, and it certainly was then. What is it about Illinois politics that is so focused on the Four Tops, as they are known?

Walters: I don't know. I think it happened after the House cutback, and I can't remember if I worked the House after the Cutback Amendment or before. Isn't that crazy? Do you know when the Cutback Amendment…?

DePue: Cutback Amendment passed in 1980, and it would have been implemented in the '82 election, so I think '83.

Walters: Then I worked for cumulative voting districts. That probably was our salvation, because you had people like Jim Edgar, Jim Reilly, Doug Kane; who probably (laughs) wouldn't have fared as well if there hadn't been cumulative voting.[13] And they were all bright, thoughtful people that actually cared about the issues. But that was uncommon. There were a whole bunch (laughs) of Republicans that—Susan Catania there with her kids in bassinets, and then you had, by and large, the rest of them, who were kind of old white guys.[14] And then on the Democrat side, you had a whole potpourri of people. (laughs) It was just a hoot. And often they would let me come over and sit with them because they knew that I'd been run off (laughs) by the Republicans, and they would take me in. So I found the Democrats a lot easier to work with, to be perfectly honest.

DePue: And you probably don't have many reflections then, if you worked the House, on the Senate leadership. Would that be fair to say?

Walters: That would be fair to say, other than, of course, the people that I worked with on Human Rights—Harold Washington and Pate Philip.

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[13] Edgar most likely would have fared well in the absence of cumulative voting. He finished second, not third, in his 1976 and 1978 races for state representative. In 1976, he finished ahead of the third-place candidate by a more-than-comfortable margin of 11,784 votes. He secured a much narrower margin of 271 votes over third place in 1978. State of Illinois, *Official Vote Cast at the General Election* for November 2, 1976 and November 7, 1978.

[14] Susan Catania (R-Chicago) served in the Illinois House from 1973 to 1983. See Susan Catania, interview by Judy Hayes, 1984, transcript, Illinois Legislative Research Unit's General Assembly Oral History Program, Norris L. Brookens Library, University of Illinois at Springfield, Springfield, IL, http://www.uis.edu/archives/memoirs/CATANIA.pdf.

DePue: Harold Washington. What was the second name?

Walters: Pate Philip.

DePue: Oh, okay.

Walters: Who was the minority—let's see. Was Phil Rock the majority leader? (laughs)

DePue: And the minority leader—David Shapiro would have been for one term, and Pate Philip took over the next term.

Walters: Yeah, I think Pate was, when we did the Human Rights Act, to the best of my recollection; but gosh, it's a factual thing you could easily find out.

DePue: We're getting up to that point now. Is there anything else you'd like to talk about during that crucial time when you're working with Paula on reorganization—part of the Thompson administration, working with Thompson himself—before we get to the secretary of state story?

Walters: Yeah, I think the creation of the Department of Human Rights is something important to talk about. The governor had an attorney who worked for him. His first name was Gary [Starkman], and I'll be darned if I could remember his last name.

DePue: When we get to polishing the transcripts, you can add it then.

Walters: I just can't remember. He was one of those quiet people that did a lot of writing, and he helped to—we decided we had too many human rights agencies that were all kind of doing little niche things; and we decided to create a Department of Human Rights and put everything under one agency, and then to add coverages. And at the time, I think employment and some public place things—like having blind people not be (unintelligible) and stuff like that—were the only laws that the state had with regard to human rights. We added housing as one, and a couple others. You'll have to read this article—it's over there—in the *Illinois Times* on all the things that we included. But fair housing was a big one, because at the time, there was redlining—in Chicago especially, and—

DePue: Better explain what redlining is.

Walters: Redlining was when neighborhoods were lined out, and no blacks could move in. And so blacks were really restricted to—

DePue: Was that an official public policy or the way the banking system worked?

Walters: Oh, it was a subtle insurance, mortgage system. It was an informal system, but everybody knew about it, and there were just places where certain people couldn't buy houses. And the same with renting. People were then having crosses burned on their lawns. I don't know if you remember those days, but it wasn't an unusual

thing for blacks who moved into white neighborhoods to be mistreated, have their property vandalized, and have crosses burned on their lawns. So we included fair housing as a component of the new Human Rights Act. And it was my job to find a sponsor for the bill, so I asked the black legislators to come to a meeting, and I told them what was going to be in it. I asked them if any of them would be willing to sponsor the bill, and they all kind of sat there and shuffled their feet and left the room. (laughs)

DePue: This is the Republican caucus you're…?

Walters: No, this was mainly Democrats. There were no black Republicans.

DePue: Oh, I'm sorry. I wasn't paying close enough attention.

Walters: There were no black Republicans that I can remember. Thompson was like that; he was a man who really had principles about him, so he let us do this crazy thing. (laughs) And I really was hoping Senator Washington would agree to sponsor the bill, so I followed him out of the room and literally got down on my knees and asked him if he would consider sponsoring the bill. And he did, in the Senate. It was a huge concession on his part to sponsor a bill for Governor Thompson, since Governor Thompson, when he was U.S. Attorney, had actually indicted him for tax evasion. And he rose above that. If there was any bad feeling about that, he rose above it and took on this bill. And he and I went the rounds. He went to committee with me, he went to editorial boards, and he gave the arguments for it in the Senate, to the best of my recollection. That's when Thompson took me to the Senate floor, and we sat on the pew that used to be on the Senate floor; he and I sat there as the Senate took that vote, and he was there to really ensure that Republicans voted for this bill. He didn't have to say a thing; he was just there.

DePue: To kind of hold court over the Senate.

Walters: He was just observing their proceeding. And the bill passed the Senate. Then we went to the House, and the blacks there were less welcoming for the Human Rights Act. I never could really figure it out. I wasn't sure if we were invading their territory; because people might come to them with problems and they would solve them, and this would give them a more formal government venue for things and take away some of their power. But I remember that they filed… The House Democrats, mainly Charlie Gaines and James Taylor.

DePue: Charlie Gaines?

Walters: Charlie Gaines, and then is it Jimmy Taylor?[15] Two blacks from the House, then, filed, like, 113 amendments to the Human Rights Act to bog it down in so much—here they are. To this day, I've saved the printout. Remember when this is

[15] One of Harold Washington's biographers names James Taylor (D-Chicago) and Larry Bullock (D-Chicago) as the men behind the stalling tactic. Florence Hamlish Levinsohn, *Harold Washington: A Political Biography* (Chicago: Chicago Review Press, 1983).

how computers… These are all the amendments they filed to the act, including abolishing slavery. And, of course, being good staff, we had to write papers on every one of these amendments. And they did threaten people—we had a hearing on the House floor. It was such a big hearing that they held it on the House floor rather than a committee room, and they were standing at the door threatening, as I understand it, to break the legs of people that testified in favor of this bill. So eventually the bill did get out of committee, and it actually passed and became law. How it happened, I don't know. I'm sure Thompson worked his charm.

DePue: Was it primarily Republican backing, then?

Walters: No, this bill would have appealed to Democrats. The Republicans would have reluctantly gone along.

DePue: That's what's surprising about the opponents, as you've described, in both the Senate and the House; they are prominent blacks.

Walters: No, only in the House were the prominent blacks opposed to it, not in the Senate. There were relatively few blacks in the Senate. We could go through the Blue Book.

DePue: So initially its reception was cool.

Walters: Yes, and then that's why I say it—we were trying to understand what we were doing that was eroding their power; and we could only conclude that we were taking away whatever jurisdiction Chicago politicians have to informally solve problems and therefore make people have allegiance to them, which was all part of the Chicago way of doing business.

DePue: This is pure speculation on my part, and maybe I shouldn't be doing this, but could fear of the Chicago political machine, which was dominated— [Richard J.] Daley was out of the picture at this time, but it was still dominated by—

Walters: His son.

DePue: —whites, Irish… Before Junior is in the picture. He's in the legislature, though, at that time.

Walters: Oh, that's right. He's a senator then. I served—yeah.

DePue: But I wonder if there was just fear that they were getting too far away from the traditional power base of the Democratic Party in Chicago and they might be punished for it, because the machine could still turn out votes. That's pure speculation.

Walters: I don't know. Yeah, I don't know. I was still pretty much of a fresh-faced kid, and I didn't understand all the things that were going on. I just know that all the

sudden, we got the bill passed; and how it happened and who was responsible for it, I can't say, but I'm sure Thompson played a role.

DePue: I probably said way too much in terms of my speculation, but it's a fascinating and important story.

Walters: It is. And then we found a black woman named Joyce Tucker to head the department, and Joyce was the first black cabinet member, as far as I know, in the history of the state of Illinois. And I have a letter from her that she wrote me much later, saying how much she appreciated that opportunity and what courage it took to put her in that spot.

DePue: That she wrote to you?

Walters: Yes.

DePue: Why to you?

Walters: I don't know. Well, Paula and I convinced the governor to do these things. This was not Republican stuff; this was government stuff. We were government people, we weren't political people. It was clear that we didn't get bogged down in that. But—

DePue: And did you and Paula approach this as an efficiency measure as much as anything?

Walters: It was an effectiveness measure, as well. Efficiency is one thing; effectiveness is another. Government was totally ineffective when it came to—here's an example. (laughs) Paula used to once in a while have lunch at the Quadrangle Club at the University of Chicago, and she'd take me with her. They had a separate women's coatroom. You couldn't put your coat in the men's coatroom. Back then, not only were the facilities segregated, but the coatrooms were segregated. At the Sangamo Club, we'd have meetings—we'd have to sit upstairs because women were not allowed on the main floor. This is while she and I were working for the governor in the state of Illinois. And there were how many women in government then? You can count them on one hand—women in high positions. So we felt a strong sense of purpose in terms of the government serving all the people. And Joyce did a great job. (laughs) She says, "The older I get, the more I am amazed at the risk you took. The more I have learned about appointments such as I received, the more I know how truly rare they were; and I remain appreciative to you, Paula, and the governor for the wonderful opportunity that I was given." She stayed for ten years.

DePue: That's a long tenure in state government.

Walters: It is. It is. She was a young—her picture is in this article about the Department of Human Rights. The *Illinois Times* felt that, gosh, the department was a year old; how come we hadn't solved all the problems yet? (laughter) And it reminded me

of the president. Here's Joyce. She looks like a kid right out of high school, practically.

DePue: We're looking at—

Walters: That's Joyce Tucker.

DePue: What's the name of the magazine here?

Walters: This is an *Illinois Times* from May 15–21, 1981.

DePue: They've changed their format since then.

Walters: Just slightly. Still this way. In any event, Joyce was a great find. There were cutbacks because the economy fell, and she couldn't hire as much as she could, which really slowed down the process. These agencies always have huge backlogs, and trying to get people to meet statutory timelines and do all that is an enormous task. But I just thought it was interesting that she reflected on those things.

DePue: You came on board working with Paula, you said, in the '76 timeframe.

Walters: Yes, governor's transition. At Christmas, he took his picture with all of us.

DePue: Who's the young girl in the picture there?

Walters: Yeah, that's me in 1976, if you can believe it.

DePue: With Governor Thompson.

Walters: With Governor Thompson.

DePue: We definitely want to get that one scanned in. Nineteen seventy-eight, he runs his first campaign for reelection. Did you or Paula get involved in the political campaign at all?

Walters: No, we were strictly government. We were invited to all the things. I have invitations here to the parties and the inaugurals, and we went up and… I got to stay at the hotel and watch the counts come in and all that stuff. We were considered part of the staff, but there was always a sharp distinction between the political staff and the government staff, as it should be.

DePue: And you were happy to be on the other side of the fence.

Walters: Yeah. To this day, I'm much more comfortable in a substantive environment than I am a political one.

DePue: We're getting up to 1980, and of course, the 1980 election, Thompson's not running that year; but Alan Dixon is running for the Senate, so he has to step down, and that leaves a vacancy for Thompson to fill as secretary of state.

Walters: And we are up working with Jim Edgar in the legislative office then.

DePue: At that time he was a fairly unknown quantity in Illinois as the legislative liaison. He certainly was very well known among the legislative circles, but not among the general public. Were you surprised when Thompson announced that it was going to be Jim Edgar as his secretary of state?

Walters: I remember being surprised only because I just thought, Wow, this is somebody I know and I work with. And I had no idea that the governor would make Jim a constitutional officer. That was kind of cool. But I was surprised.

DePue: To have maybe the second-most prestigious job in the state of Illinois in terms of how much public attention that they can garner. How well did you know Jim before that?

Walters: I had worked with him from day one on reorganization, and then I was a legislative liaison and worked in his office when he was legislative liaison for the governor.

DePue: So were you one of his assistants in the House, then?

Walters: Yeah. See, he worked for—

DePue: He became legislative liaison—

Walters: Thompson had asked him to leave the House and become his legislative liaison, and he did.

DePue: And that was January of '79, I believe—maybe a couple of months after that.[16]

Walters: Yeah. And so then Terry and I worked the House; Phil Howe worked the Senate. We had two interns, and we did it all. And Penny Clifford—I'm pretty sure she'd been Jim's secretary.

DePue: So there was a close relationship because he was essentially your boss at that time.

Walters: Oh, very much so. Very much so. He relied on us to do a lot of things.

[16] Edgar discusses Thompson's job offer and his reasons for accepting it in Jim Edgar, interview by Mark DePue, June 9, 2009, 75-89.

DePue: And I know we're going to get to you reading this passage in your journal, but before you do that, what was your reflection of Jim Edgar? You've kind of alluded to that already, but what did you think of him as a man, as politician?

Walters: I can only read what I wrote here, which I must have thought at the time because this was for myself; so I wasn't trying to impress anybody with saying nice things about Jim Edgar. I say, "He had many other important qualities: integrity, honesty, courtesy, dignity, smarts, and political savvy." And that's what I thought.

DePue: Were you pleasantly surprised, then, when you found out it was him? Obviously so.

Walters: I was. I thought, Oh, I won't get to work with him now; because I enjoyed working with him, but I had two other job offers at the time. In fact, here, on November 25, I write, "Well, Jim had his big day today. The press conference was great. He handled himself extremely well. Now the work of transition begins. That should be interesting. Art"—Art Quern—"came up today and urged me to go to revenue soon." I was pegged as the assistant director of revenue. "It will be tough now to leave Jim since he would probably give me a good offer, but I'll go where I'm needed." And then my next entry (laughs) is November 30, 1980, when I say, "Well, decision time again. Jim has offered me a truly exciting job as assistant secretary of state. It's a tough choice between this and revenue"—and then Paula wanted [me] to be a program assistant director, too—"but I am leaning heavily toward SOS. First, it would give me great transition experience; second, it would give me real authority and relative autonomy. I believe Jim has a future, and I could be a continuing part of it. There would be much to learn, and that's good. I like a challenge and think I'm up to it. Just coordinating the staff work on transition is exciting"—which he'd asked me to do, head his transition team.

DePue: What does "assistant secretary of state" mean? Is that the same as chief of staff?

Walters: It's like a chief operating officer, a chief of staff.

DePue: So the second position in the secretary of state's office.

Walters: Yeah. I was him when he wasn't there, and I ran the government side of things.

DePue: Do you recall how many employees the secretary of state's office would have had at the time?

Walters: Three thousand? I used to put it on my résumé. Let's see. Thirty-seven hundred employees in 128 facilities statewide.

DePue: And why was the secretary of state's office in Illinois such a great launching pad for future political careers?

Walters: I think because you had statewide offices. The secretary of state gives you (laughs) your driver's license and your car tags, to start with, and just about

everybody wants those. And if you don't drive, they give you an identification card. So you are known throughout the state, which can be a double-edged sword. If you're known and the lines are long and the service is crummy, you don't have a good reputation; but if you're known for doing good service and getting your license, then it's okay.

DePue: As Governor Edgar himself said, "Hey, even seventeen-year-old kids know who the secretary of state is."[17]

Walters: That's true. It's far-reaching; and those are the two most far-reaching things, but it really covers everything: business regulation. Corporations register there. Securities were registered. It's a very complex organization, where you touch many aspects of people's lives; and so by doing a good job and picking good policy issues to focus on, you really can do two things: you can have an impact on the quality of life for people in Illinois and you can make yourself well-known politically. And I think Jim was able to parlay that job into that.

DePue: Did he ask you to head up his transition team as well, or to participate in the transition team?

Walters: Yeah, I was supposed to coordinate it, so I ended up heading it up.

DePue: And that generally means that you're helping to locate the positions that are going to be vacant or that he has the opportunity to fill?

Walters: Oh, no, no. It was very substantive. What we did was look at every function of the secretary of state's office, talk to the people that currently ran it, talked to outsiders that were impacted by it. Often in transition teams you would have regular people helping you to look at things and decide if things should be done differently or better, so we would have coordinated that effort of writing recommendations for improving the office. I don't remember a lot of that. I do remember Danny Webb writing things on the secretary of state police. It was a very substantive look at things. I'm sure the Cellinis were looking at the positions. That was not my area of emphasis.

DePue: The Cellinis.

Walters: My area of emphasis was trying to make sure that when we assumed office, it was a smooth transition and we were doing things that were going to move the office forward.

DePue: I'll put you on the spot again. What did you mean by "the Cellinis" were looking for other positions?

Walters: Frank Cellini was working—I'm pretty sure he was on transition.

[17] Jim Edgar, interview by Mark DePue, June 15, 2009, 54-55 [search for Carpentier to find reference]

DePue: Is Frank, Bill's brother?

Walters: Yeah. He died a couple years ago, I understand. But he was the personnel officer that was appointed when Jim announced his staff, so he would have taken care of all that kind of stuff.

DePue: In other words, you didn't deal with appointments and that side of the equation?

Walters: Oh, I would have, especially for high offices, and I would have to fire people. So if Jim felt that somebody wasn't doing the job, he'd say, "Joan, I need you to go over and fire so-and-so," and I would go over and fire so-and-so. Of course, it was in a very courteous and nice way, but… So we would work on replacing those people in a different way than he would at the bureaucratic level.

DePue: Before we get too much farther into the secretary of state experience, let me ask you this question: Just a few years before, you were this mother of five, struggling to figure out a way to finish college, let alone to be (laughter) assistant secretary of state.

Walters: I know, it's pretty—

DePue: What were your thoughts on now finally and so quickly reaching that level in state government?

Walters: I don't know. I never really questioned it. I'm a doer. I really don't know what to say.

DePue: Did you ever feel—at that point in time, maybe in the next few months; or even in the time before—that you had to prove yourself to a lot of these older white men?

Walters: No. In fact, I was so used to being the only woman working among men that… I had people who'd tell me I'd been an inspiration for them as a manager, so I think I had some management abilities; and I think raising five kids honed those abilities, actually. You're managing a family, you're organizing, you're planning. Working with these kids that were mentally handicapped definitely taught me how to be patient and look for little signs of progress, which I think in government is extremely important. I just loved working hard and getting to the next thing. I never focused on, Gee, how did I get here; it was always, Boy, what can we do now to really get this place to work well. And we spent a lot of time on that. (laughs)

DePue: Your journal entries that you read—it sounded like you were certainly expecting to get opportunities. Apparently you'd already had a couple other offers.

Walters: Definitely.

DePue: Were you surprised when Edgar offered up the assistant to the secretary of state position?

Walters: I was, because it was occupied by Gene Callahan, and he was a big political operative—

DePue: I believe he was campaign manager—very close to Paul Simon.

Walters: Could be. Yeah, I think you're right. And so he'd operated in political circles, and I'm sort of this government geek. But Jim obviously saw something there that he wanted. He didn't have anybody telling him to hire me, (laughs) believe me. This was him just coming up with this, so you really would have to ask him why he had that much faith and trust.

DePue: Do you recall what he told you of why he wanted you?[18]

Walters: No, I don't. Did he tell you?

DePue: I'm going to certainly ask him that question about why budget director. You talk about being thrown into the fire, if you will…

Walters: Yeah. See, I love those kinds of challenges. Those are all from that appointment at the secretary of state's office.

DePue: We're looking at a poster that you've got from the *Southern Illinoisan*. And that's probably where?

Walters: This was Michael—

DePue: Don't go too far.

Walters: Oh, I can't do it, can I?

DePue: We'll get all of those pictures scanned in for the record.

Walters: You're going to love—the guys in the secretary of state's office put that together for me—the police guys. I loved working with the police guys.

DePue: The secretary of state police?

Walters: Yeah. They were—

DePue: That's indicative in itself, that it's got its own police force.

Walters: Yes, and we needed a new police chief; so I was very instrumental in getting Dave Watkins hired, and he brought in Rob Miller and Jerry Lagrow, and we really tried to turn it into something other than the laughing stock of state government. It used to be these portly men who could barely walk, let alone run after a criminal. And then you might remember Mike Howlett's son shooting a

[18] [Get cite once transcripts finished for interview in which Edgar talks about his staffing choices]

suitcase in the capitol building. It was a laughing stock, and we wanted to turn it into something that people could be proud of and that actually did a job. We set standards, physical and mental. We just did a lot of things; plus, I had this group of investigators that rooted out corruption.

DePue: That was the next chapter that I wanted to pursue, because you encountered that pretty early in the administration, did you not?

Walters: I think the first day. (laughs)

DePue: Do you recall how that came to your attention?

Walters: I just remember it was Channel Seven, I think, calling and saying that they were—

DePue: From Chicago?

Walters: Yeah. And here I'm in this office, and I pick up the phone, and (laughs) it's some famous Channel Seven person—whose name I can't remember right now—telling me that there was going to be a bust or something at this facility in Chicago; and I thought, Oh—

DePue: One of the licensing facilities?

Walters: I believe that's what it was. Honestly, I would have to go back and try to look at articles, which I didn't save—I've thrown away tons of stuff over the years. Why I saved this stuff, I don't know. It was just a really big introduction to what I'd be spending a lot of my life on in that office—that and organizing it to work well and trying to improve customer service.

DePue: Do you remember the circumstances, the particulars of the nature of the corruption?

Walters: I remember the nature of the corruption that I dealt with. I don't remember the particular corruption that the call was [about], but the corruption—

DePue: In general, what was the corruption?

Walters: In general, the corruption was on the driver's facilities side, where people would pay to get licenses. And it was such an easy thing to do because you'd put ten dollars in the ashtray. You'd think of the immigrants that would come to various facilities in Chicago, and they would be told, "Put ten dollars in the ashtray, and you'll get your driver's license" and "Go to this particular facility," because they knew the people"; and by jingo, it worked. People got driver's licenses. Now, they might have passed anyway, but these guys made tons of money from these little ten-dollar contributions. That's the largest thing. There were other things, too, I'm sure, but that's what I remember the most.

DePue: Were there expectations among the employees of these facilities that they were going to be asked to contribute to campaigns, expected to contribute?

Walters: Probably.

DePue: What did the department itself have in terms of investigators to pursue this kind of stuff, or was this done by the police or the FBI?

Walters: The uncovering of employee misconduct—I had a staff within the police force of the secretary of state's office that was a little internal affairs function, and they would go out and be decoys. They would pretend they were a Polish immigrant from the South Side of Chicago, put ten dollars in the ashtray, and find somebody. And we ended up firing tons of people for this. We really attempted to clean up the office as best we could on an ongoing basis, and it took a lot of—(laughs) God, it took a lot, because nothing stopped them. They didn't—

DePue: What, they were blatant about it?

Walters: They were very blatant. And firing people didn't seem to stop them. They just thought, It's not going to happen to me. So it was a tone that you had to establish, and it really took a while, I think, to get that tone; that this isn't tolerated. Maybe this was tolerated at one point in time, but it is no longer tolerated, and you will not do this; and if you do do it, you're going to get fired and you'll get prosecuted.[19]

DePue: What administrative procedures did the department have to follow before they could fire somebody for cause?

Walters: I don't remember, honestly, but whatever it was, we made them stick, which was great. I don't remember having to hire back the people who did this kind of stuff. There were other employees we had to hire back based on a—we had a little merit board, secretary of state merit board, and I remember occasions when we would dismiss or discipline people, and a merit board would overturn us; but it wasn't on corruption, it was on some other reason for getting rid of people. So I don't remember all the details of things that people did, but there was just plenty of corruption, and we were kept very busy with that.

DePue: I assume that you didn't have to wait for either a formal legal indictment or a conviction to fire?

Walters: I don't believe we did.

DePue: That it would be sufficient to have your own investigators internally discover this.

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[19] Jim Edgar, interview by Mark DePue, June 15, 2009, 17-21; Al Grosboll, interview by Mark DePue, May 20, 2009, 25-30; Steve Schnorf, interview by Mike Czaplicki [get complete cite when transcript ready]

Walters: I think you're right, but I have no recollection of the process. Everything in government is onerous, from top to bottom, when it comes to that kind of stuff. I think I just simply accepted most of it as part of the job, and you did what you had to do. Maybe you suspended somebody administratively until you could get the paperwork going or whatever. Those are details I don't remember, but I just remember the final outcome was letting people go; that we were upheld in dismissing people.

DePue: Were you getting flak personally because of those kinds of things? You're in Springfield; this is mostly happening in Chicago, but I figure that these people want to blame somebody.

Walters: Yeah, sure, but so what? (laughs) I mean, they're crooks. I don't expect crooks to write a letter of thanks. They were giving out licenses. The governor at that time was cracking down on drunk driving and paying a lot of attention to mandatory insurance, so he was very—

DePue: When you say "the governor," you mean Edgar?

Walters: I mean Edgar, the secretary of state. He was taking this job very seriously and putting in place substantive improvements that improved public safety, which was one of his big things. And by letting people just get a license willy-nilly, you didn't know if you were sending people out to be killed by somebody else, whether they were a drunk driver or just a bad driver. So I think the secretary of state was very committed to rooting out this kind of thing simply because it affected the quality of life of people.

DePue: What neither one of us has mentioned up to this point, and I don't want to dwell on it much, but this is exactly the kind of stuff that brought Gov. George Ryan down.

Walters: So we understand, the commercial driver's license. I don't remember commercial driver's license being a big thing. I'm sure it was, I just don't—it's somewhere in the recesses of my mind. But whether it was commercial or individual, regular driver's license, we didn't leave a stone unturned if we could help it. And he never told me to stop. The secretary of state never said, "Joan, you're going too far. Stop." He wanted a clean office.

DePue: I'm assuming also that these were union people that you were firing.

Walters: Oh yeah.

DePue: Did you get any pushback from the union?

Walters: I'm trying to remember what the union was. I can't even remember.

DePue: Was it AFSCME?

Walters: It must have been, but I have no recollection of union issues in the secretary of state's office. Isn't that weird?

DePue: Certainly at that time, they would have had pretty strict procedures that they expected the agencies to follow before somebody could be removed for cause.

Walters: Mm-hmm. See that brown envelope there?

DePue: This one?

Walters: That one, yeah. That's secretary of state stuff.

DePue: I'm putting you on the spot here, Joan. I apologize for that.

Walters: Oh, no. I just don't remember. That level of detail, I just don't remember if people in the office would have handled that, if the personnel people would have handled that. Bill Rolando was head of personnel for quite a while, and he was a very decent guy who did a really good job. I've got tons of news releases in here, by the way, and stuff that might be of interest for you to look through, just from a historical point of view.

And one of the things that we tried to do was really promote this idea of honest, dedicated employees. When Jim Edgar came into office, unlike previous people, he didn't just throw out all the Democrats—which he could have done, and that was traditional in Illinois government. You come in; you clean them all out. He decided that he would only get rid of people when they didn't live up to his expectations. So we had, at the highest level down to the lowest level, people that had served under Alan Dixon. Some of them, I finally had to fire because they simply lived in a little different world than Jim Edgar, but we did that based on their performance, not on their politics. So I always admired him for that because he wasn't afraid to break the mold of the typical political stuff; he was really more interested in getting things right. Not that he didn't have a political side to him. The man is *brilliant* politically. He knew every number for himself upside down and inside out, but that didn't drive his everyday government life.

DePue: That's an interesting mixture, then, isn't it?

Walters: I think he believed, and I do as well, that if you do a good job, people will vote for you; it doesn't matter what your politics are. And I think people did vote for Jim Edgar. He left office with—I think it was 75 percent approval rating, after cutting budgets like crazy and doing hard stuff and being turned down for education reform. The public still thought of him as a very good man; and I think that's exactly what he set out to be, a good man.

DePue: We've been touching on this a little bit, but I wonder if you can be a little bit more explicit in terms of what your charge was, what your duties and responsibilities were as the assistant.

Walters: I ran the office, so that meant all the departments reported to me, either directly or through Terry Scrogum and Phil Howe. Terry had the library and the archives and that kind of stuff, and Phil had the business regulation entities under him; and it was a way of managing this huge operation with twenty-seven departments or whatever I said. It was a huge entity, and it was a way of at least aggregating some of those departments so they got special attention under these two other people; and those people reported, and then Phil and Terry reported to me. So I literally handled all the day-to-day operations of that office.

DePue: I understand that the biggest pieces in the secretary of state's office—and you can correct me if I'm wrong here—is Driver Services and Vehicle Services, and that's certainly the public face of the institution.

Walters: Yeah, and they reported to me. Al was the head of Vehicle Services—

DePue: Al Grosboll. At vehicle?

Walters: At vehicle, and Steve Schnorf ended up being the head of Driver Services after we got rid of the two holdovers; and that was after we came to the conclusion that they just simply could not handle this idea of improving service and clamping down on corruption. And not that they were for corruption—I don't want to insinuate that at all—I think they just didn't know. They weren't the right people to get the job done.

DePue: Tell us a little bit about Al and Steve, then.

Walters: Al was a very hardworking person and a good manager. I think he evoked a lot of loyalty among his staff. I think he tried out many improvements, and accomplished many, in terms of streamlining the operations of the office. We tried to, at that time, redo our information systems because they were pretty archaic, and I remember—

DePue: This is early in the computer age.

Walters: And I remember we did a big study on a new computer system because—had we the world we have today, it would have been a whole different thing, but we had an old world. So I think Al did a great job. Steve did a good job, too; he's just a little more political.

DePue: And he's in Driver Services?

Walters: Driver Services. But he also was very close to the secretary of state and I think did his very best to bring improvements to that operation. So I'm pretty sure that if you asked employees who were serving during that time, they would have probably given good marks to both of those gentlemen.

DePue: What was the nature of the relationship that you and Secretary Edgar had at the time?

Walters: We were pretty close. He would be off doing things. He didn't spend a lot of time in the office. He would be around, visiting facilities or doing things. He had MADD, Mothers Against Drunk Driving; he had literacy programs; he had organ donation. He had a lot of interests that sent him off for press conferences and things like that. I talked him into holding cabinet meetings so that he would know who his cabinet was, and he could hear their issues and concerns, and we could move forward. So I think we had a good relationship, as far as I know.

DePue: What was his management and leadership style? How would you characterize that?

Walters: He was hands-off management but very much hands-on leadership.

DePue: That's an interesting distinction. You need to flesh that out for us.

Walters: I don't expect, for example, President Obama to be spending every day working on health care reform, but I think his leadership is there saying, "This is what I want in a system; go forth and do good." Jim usually was pretty clear about his policies. And then he let you do it. So we essentially ran the office, and when there were problems, we'd let him know—at least that's my recollection.

DePue: Was he the kind of manager and leader who when it came time to make the tough decisions—we've already mentioned firing people—could do that?

Walters: He would ask me to do it. I always fired people. So yeah. No, he would come to that conclusion himself, as well. Usually that came from him; he'd say, It's time for that person to go.

DePue: More than recommendations from other staffers who said, This person needs to move on?

Walters: Yeah. He would come to that conclusion because of problems in the office and say, "Joan, go over and talk to X, and…"

DePue: Let you play the heavy.

Walters: Yeah, I was used to it by then.

DePue: Did you resent that role?

Walters: No. Nobody likes to do that stuff, but it's part of the job. If you run something, you take the good with the bad. I think most people left on very good terms.

DePue: You didn't have any resentment, then, that he gave you those tough assignments?

Walters: No.

DePue: You thought that was appropriate?

Walters: I love tough assignments. Yeah. That was my job. I knew that was my job.

DePue: That was something that he shouldn't be doing himself?

Walters: Oh, yeah, I wouldn't expect him to go firing people. He might fire his direct reports. He would fire me if he thought it should be done, or the people who, like his press office, reported to him directly. My second husband reported to him directly, and he could fire Mike. And he should have had that authority, because I didn't; but where I had authority, he allowed me to exercise it.

DePue: You mentioned this already. A lot of the stuff that I wanted to ask you, you're covering beforehand. What were the policy and the substantive things that Edgar, as the secretary of state, decided to pursue?

Walters: Literacy programs. He's a big reader. He's a history major, and he loves books, and that library is his baby. But he started literacy programs. He, of course, took on drunk driving, which was a huge thing. And he created a new system for suspending licenses of people who were waiting to be convicted of drunk driving, so there was an immediate suspension. That's my recollection. And that took a law change, as I recall. So we got very involved in reading about drunk drivers, and we set up a process for dealing with that; therefore he became very close to MADD, Mothers Against Drunk Driving. He became very close to the issue of organ donation and did a lot of PSAs on that particular topic. It's ironic, because my son had a kidney transplant during that time—that had nothing to do with Jim's position on that, it's just… We had a driver's license and a card with a place for organ donation on there. I think he became keenly aware what a privilege it was to give your organs to somebody and help somebody else live. What else did he do? Oh, mandatory insurance. That was huge. He didn't take on popular stuff. The man had a magic about picking an unpopular thing and turning it into something that people got behind. Truly a gift.

DePue: From our perspective today, what's unpopular about these things? Can you explain what, in 1981, was unpopular about toughening up DUI legislation?

Walters: If people couldn't drive, if you revoked their driving privileges, then they couldn't get to work, and if they couldn't get to work, how could they support their families; and weren't you just picking on one group of people that did something wrong? Really. People thought, The poor guy. How is he going to get to work? And we'd say, that's really not our problem. Our problem is making sure he doesn't kill somebody else behind a wheel. So if he has to hire a car, find another person to drive him, whatever it might be, that's his problem. He's created this situation, and now he's got to figure it out. But there were many sympathetic people to that, especially downstate where you had no mass transit. And you had people living in Litchfield and God-knows-where, going to jobs somewhere. So there was the pushback on that. And frankly, a lot of people thought, Drinking and driving? We've been doing this our whole lives. What's the big deal? People did think that. You've got to take yourself back quite a bit in time. On mandatory

insurance—it's an extra expense. People got to buy insurance. They can barely afford their car and the gas, and now you're throwing another thing on them. These poor people. Where are they going to get the money? What's the big deal? I mean, That's what people thought.

DePue: For the DUI legislation, do you recall how that broke out, in party or geographical lines at all?

Walters: I don't. You'd have to talk to smarter people.

DePue: And was it primarily Secretary Edgar himself who was using the bully pulpit, if you will, to generate the support for this?

Walters: It was, yeah. He took these issues on. Thompson was governor. I'm sure Thompson backed these things. They had to be signed by the governor, after all, and Thompson had appointed Edgar; so I'm sure they had the relationship where he would give him the heads up and tell him these things, and I'm sure we worked with their legislative liaisons. I just can't remember the details of how everything worked on a daily basis. But you had to cover a lot of bases to get things done, and they wouldn't have passed if we hadn't covered those bases, believe me. Magic doesn't happen in Springfield because something's good.

DePue: (laughs) You have to fight for every step.

Walters: You have to fight for everything. "I don't care how good it is; why should I do it?"

DePue: You mentioned literacy already, and that was certainly important.

Walters: And remember the Abraham Lincoln bookmarks with Tad? We came up with those.[20]

DePue: And you mentioned the organ donor program.

Walters: That was big.

DePue: How about the reorganization of the office itself—trying to find efficiencies and improving services out in those local sites?

Walters: Yeah, that was a big thing, because there would be lines just out the wazoo in these heavily populated suburban areas of Chicago and in the Chicago facilities. And I worked a lot with Al on those issues, and Steve, trying to get systems in place that would help to alleviate that kind of backlog in processing. I can't remember exactly what we did, but I think there were improvements made. I just can't remember the details of the—

[20] Tad was Abraham Lincoln's youngest son.

DePue: I know that was certainly part of Secretary Edgar's agenda; that he wanted to improve that.

Walters: Yeah, and I may have press releases. I read all the stuff on the governor's office. I didn't read all the stuff on—because I thought that was the next topic, so I'll look through here and see if there's anything that sheds light on those things.

DePue: I think you've done remarkably well here to recall this stuff.

Walters: I actually even have press releases.

DePue: Wow.

Walters: Oh my God.

DePue: And there's a very young Jim Edgar—

Walters: Look at that! Oh my Lord!

DePue: —on a campaign poster.

Walters: So I will look through these and see if I can shed any light in a subsequent interview.

DePue: Looking at the picture of Secretary Edgar (laughter), for some peculiar reason, that made me think of Brenda. Did you know Brenda very well at this time?

Walters: I knew her. They were a lovely couple, and you knew them as a couple. And I don't know how I knew Brenda, but I did.

DePue: What were your impressions of Brenda?

Walters: Oh gosh, she was just a lovely lady. They seemed to have a really good marriage. They had a couple lovely kids. It was very seldom that they ever had us over, but once in a while, they would. I don't know how I knew Brenda, but I know her, and she's written me. She's just a very sweet lady and a perfect support for Jim.

DePue: A good complement to his personality.

Walters: She never had her own career—at least as far as I knew her, she didn't. She raised the kids and helped him; and I'm sure she had her own opinions on things, but she played the dutiful wife to the hilt, and as far as I know, she did it with integrity. I think he had integrity as well. I don't think they had any shenanigans in their marriage. He didn't drink, and to the dismay of reporters, he wouldn't have alcohol at the mansion. He was a man who lived his principles, and expected you to live them as well. (laughter) So if we wanted to drink, we had to go somewhere else. But I think he and Brenda pretty much lived what they believed.

DePue: I do want to stay focused on the secretary of state years. Do you think the press treated him well during that timeframe?

Walters: I left in ’84, and he was elected in ’82 on his own when Ty lost and Governor Thompson had a recount with Adlai Stevenson. There was like six thousand votes’ difference statewide, as I recall.

DePue: Yeah, it was a very, very close…

Walters: It was a very tiny margin, and Jim [Edgar] won. It was the only clear Republican winner in that election. Clearly, Illinois voters go to the polls and make up their mind. They don’t just vote for a party; they vote for a candidate. I’m pretty convinced of that. Their party shenanigans might influence who they vote for individually, but I think the fact that Jim pulled off that election must mean that people—and he pulled it off early in the evening.

DePue: And your point about Ty, Ty Fahner, being appointed as the attorney general by Thompson and then losing his election as attorney general, versus what Edgar did—I guess that’s your point?

Walters: It is my point, and that Jim was able to run with things that resonated with people, evidently, with the electorate. That’s all I can conclude. And yet, they were good things. They weren’t just like window dressing or—and they were tough things. That’s what I like about the man. He just didn’t pick crap that didn’t really mean anything but people thought, Ooh, what a great guy. They really meant something, and they were hard.

DePue: Were there any significant efforts to reorganize aspects of the office while you were there?

Walters: I’d have to look through my stuff. I think there might have been, but I really just can’t remember. I would have had that background in reorganization, and he probably would have asked me to do it if there were; but I’m sorry, I’d just have to read up on that.

DePue: Anything else of your tenure as assistant to the secretary of state that we want to bring out now?

Walters: No. I think it was just a great job, and to this day I feel honored that I was given it.

DePue: Let’s turn to your personal life at that time. I know you got married a couple years into this.

Walters: I did, in 1980—when was it?

DePue: Eighty-two is what I have.

Walters: Eighty-two, (laughs) that's right. Oh, how quickly we forget. I married the gentleman that Jim had appointed as his press secretary, Mike Walters. I didn't know Mike. He'd worked for Ryan on the Republican staff, and we worked a lot together because we were always putting together stuff for Jim, whether it was the little Lincoln and Tad cards, or some other thing. We were constantly working together, and we fell in love and got married and decided to move out of state when my children were of an age where that was more feasible; so we left our jobs with him. And people thought, You are *crazy* people. You have these really good jobs in state government, and you are leaving to go *where* and have *nothing*? And that was true. We—

DePue: Where did you go?

Walters: Seattle. We moved to Seattle and built a life there.

DePue: Was there something pulling the two of you to Seattle?

Walters: He had lived there before, briefly, and loved it out there; and he took me out there after we got married, and that is a beautiful, beautiful part of the country. And I'm always ready for an adventure, so we said, "Yeah. Ali's the only child left at home, and she's just starting high school, so let's move to Seattle." So Ali started high school in Seattle, and we started a new life.

DePue: Was there anything in your mindset that it was time to make a change, to move on? From the job perspective.

Walters: Yeah, well, I'll say this; that I think Jim was getting more and more influenced politically by things, and at times, I found that dismaying. And so I think the time was right to sort of get a fresh start.

DePue: What did you do as far as employment is concerned once you got out to Seattle?

Walters: I didn't have a job, and I applied in city government and state government for all kinds of things. I began to volunteer forty hours a week for a fundraising campaign for the local zoo, and so they hired me. I did that until city government hired me in the budget office, and I became a budget analyst for the city of Seattle.

DePue: One of many budget analysts, or the budget analyst?

Walters: No, many. There were probably, I don't know, thirty. It's a typical big-city budget office. And then I ended up becoming the homeless coordinator for the city because I worked with the mayor's office a lot. I always ended up working with elected officials, and I don't know why. I became the city's homeless coordinator, and then I became assistant to the superintendent of Seattle City Light, so I had some really nice opportunities there.

DePue: You moved up pretty quickly there, then, as well.

Walters: I did.

DePue: Which speaks a lot to your abilities.

Walters: Either that or the blindness of other human beings. (laughter) I don't know.

DePue: What was Michael doing?

Walters: He got a job working for Weyerhaeuser as their media relations person, which is what he wanted to do; and it took him a long time to get the job he wanted—actually, several years. And there he met another woman in the media area, a local anchor, and ended up marrying her.

DePue: I know you came back in 1990 for, I believe, a reunion of the secretary of state's office personnel?

Walters: No, it was the Thompson—I have pictures of the party. Thompson had a going-away party.

DePue: I assume you were divorced by that time?

Walters: Yes, and I was assistant to [the head of Seattle City Light]—remember the furniture Thompson used to have, all that Victorian stuff?

DePue: No, I'm not privy to those offices, so I don't recall that.

Walters: Oh my gosh, the man had the most outrageous taste. (laughter) In any event, this—

DePue: You didn't necessarily approve of his taste in furniture, then?

Walters: It was his office; I really didn't care what he did with it. Here's a picture of Thompson. He had a going-away party, and this must have been it, because he's dressed a little more formally. That must have been another occasion. And I was on the list of people invited to come.

DePue: So stepping down after fourteen years as governor of the state.

Walters: Right, and he'd had a lot of people who worked for him, and I felt, again, so privileged that I was invited to this going-away party. So it was after the election, of course. Jim had been elected governor. And I thought, Oh, I'm going to go to this, and I'll get a chance to congratulate Jim Edgar on his new job.

DePue: Were you at all surprised that he had run and been elected for the governorship?

Walters: I was, because I had completely left that world behind me, and I was so immersed in what I was doing out there that I thought, Oh my gosh, Jim's going to be governor. (laughs) Isn't that amazing? And I was very anxious to say hello and

congratulate him and wish him well. So I went to the party, and it was such fun to see all the people that I used to work with. My gosh, it was just fantastic.

DePue: Was this in Springfield?

Walters: I think it was in the Armory. I really can't remember—

DePue: The Armory is right across the street from the capitol building.

Walters: Yeah, this is the mansion, so I can recognize the wallpaper; but this, it was in a big spot, and I'm just thinking the main floor of the Armory, but maybe it was a hotel. Honestly, I just can't remember. But in addition to going to the party, I remember going to Edgar's office and asking if he would have a few minutes to see me sometime. So he did, and he—

DePue: What was your intention when you asked for the meeting?

Walters: To congratulate him on his win. I hadn't seen him in… He actually came out to Seattle once or twice for NCAA things. I think U of I must have won a NCAA [bid], and the game was played in Seattle; and I remember—

DePue: Basketball?[21]

Walters: Yeah, college basketball. And I'm pretty sure he invited me to dinner with some other people. So I saw him maybe twice. And I should also mention that the former police chief in the secretary of state's office—we fired him because there was a policy on how old you could be to have that job; and he was way over the age, so we said, "You don't fit the legal description. You're going to have to go, and we're going to replace you." So he sued us. And I had to come back from Seattle. He sued Jim and me, and Jim never showed up at the trial; I was the defendant. Luckily, I was acquitted. That was the only time I'd ever had to go to court, for all the things (laughs) that I had fired people for. And I'll tell you, it's pretty scary to sit there and wonder what people think of you. But I told the truth, and luckily we were acquitted. (laughs) I didn't get to see him then either, is my point. (laughter)

And I hadn't seen him in four years except for these casual times he would come to Seattle, so I thought I'd just have to wish him well and congratulate him on his new job. And he said, "Can you stay and work with me?" I said, "No, I got a job. What do you mean, can I stay and work with you?" (laughs) And he said, "Help on transition, anyway." So he convinced me that I should take a leave of absence from my job and work on transition; and then while I was there on transition, he talked me into being budget director…much against my better judgment.

[21] The 1989 Final Four was held in Seattle; on April 1, the University of Illinois lost its semifinal game against the University of Michigan. *Chicago Tribune*, April 2, 1989.

DePue: Your experiences in the budgetary world were strictly those experiences working in the city government, in the budget office?

Walters: Yeah, two years, maybe three at most—and two of those, I was homeless coordinator.

DePue: Do you have a journal entry on that event?

Walters: I don't think I do. I'll look and see. I didn't find one for that. I thought we were just doing governor's office, so I didn't bone up on the secretary of state years like I would have if I had remembered that that's what—

DePue: It's my fault. I apologize for that.

Walters: No, no. I thought you said we would be doing secretary of state next time and then the governor's office after that—budget office and all of that—so I was really concentrating, trying to bone up and get everything in order and organize my thinking. And then this file didn't even—

DePue: You'll be exceptionally ready when we get to the governor's office, then.

Walters: I will be. I don't even know what this is with the ribbon around it. (DePue laughs)

DePue: Shall we call it a day now? We're at two and a half hours into this.

Walters: Are we really? Oh my gosh, it's almost 4:00, and you haven't died yet. (laughter) I'm so glad to say it, Mark. I'd hate to be the cause of your demise.

DePue: No, this has been wonderful. You have no idea how interesting it is to talk to people like yourself and others in the Edgar administration and get the insights of the man and the time period. It ends up being much more than just about that particular personality; it's so much about what was going on in government, across the board, in Illinois at that time.

Walters: Yeah, and really what was going on in the nation, because I didn't even talk about the chainers and the fasters in the ERA.

DePue: Oh, my.

Walters: But we'll do that next time.

DePue: We'll start with that, then, because that's very much secretary of state years.

Walters: That's really fascinating. You talk about a problem that had to be solved. (laughs)

DePue: And Edgar was right at the heart of it because the secretary of state police are responsible for policing the building.

Walters: And he's in charge of that building. He's in charge of all the buildings.

DePue: What a great way to start the second interview, then.

Walters: It will be, and I will read up on it; and I think I have pictures of the pig blood being squirted and all that stuff.

DePue: That'll even be better.

Walters: It was amazing.

DePue: Thank you very much, Joan.

Walters: Oh, you're welcome. Thank you.

(end of interview #1)

Interview with Joan Walters

ISG-A-L-2009-024.02

Interview # 2: July 29, 2009

Interviewer: Mark DePue

DePue: Today is Wednesday, July 29, 2009. My name is Mark DePue, the director of oral history with the Abraham Lincoln Presidential Library. And today, I'm excited that we have the second session with Joan Walters. Good afternoon, Joan.

Walters: Good afternoon, Mark. Good to see you.

DePue: Yeah. We're in her home. It's a gorgeous day outside, and she has beautiful gardens that I've been admiring quite a bit; but I'm afraid what we're going to start with today is a subject that wasn't necessarily viewed as beautiful or happy or joyous. You mentioned, after we got done with our last session, that you had not talked about your years when Edgar was secretary of state and you were chief of staff, when it was in the midst of the Equal Rights Amendment fight in Illinois. So I'm going to turn it over to you, and we'll basically start with the 1982 timeframe.

Walters: Yeah, it was May of 1982, and there was a June thirtieth deadline for states to ratify the Equal Rights Amendment to the U.S. Constitution.

DePue: And this was something that had already been extended by the U.S. Congress, I believe.

Walters: That could be; I don't remember that particular piece. But in any event, they were three states short, and Illinois was a target state to try to get up to their number.

DePue: And I want you to, before you get too far into the details, explain why it was that you had an active role in this, and that Edgar did.

Walters: The reason we played an active role was that under state law, the secretary of state is in charge of the capitol building. He's the custodian of the capitol building, so anything that happens in there is the province of our secretary of state police and him. And so when anything out of the ordinary occurred, we would be consulted or have to make sure that things were being done in a correct fashion. So when the women decided to fast, we had to make arrangements for them to have chairs in the capitol building; and I remember (laughs) that I had to tell them that they could sit in chairs, but if any of them fainted or fell on the floor, (laughs) they'd have to be removed from the building.

DePue: What was the rationale they gave for fasting? That's pretty serious business.

Walters: Many of these women had religious backgrounds, and fasting has a very strong religious basis as a way of making a personal statement or of cleansing oneself, so I think it was a device to both draw attention to themselves and to show the depth of commitment that they had for this ERA. So it was really a quasi-religious thing, in rereading the articles.

DePue: So we're talking about—and I hate to be too simplistic about this—but these women who are fasting are proponents.

Walters: They're proponents of the Equal Rights Amendment, and they held the governor personally responsible for moving the House and the Senate in the direction of adopting the language. And—

DePue: What was Thompson's position?

Walters: He started out as neutral and he ended up supporting them; but as best as I can recollect from rereading the articles, George Ryan was adamantly opposed and would not consider passage of this. And later, I think a vote did fail miserably in the House, with only four supporting votes. So it had a lot of unpopularity, especially among the Republicans of that time, and that shows where Thompson really kind of parted with the ideologues, because he was willing to support that. And, of course, he was married to a lawyer, so he had very different views of women.

DePue: Was Phyllis Schlafly and her organization in town at the same time?

Walters: Phyllis was not in town, but she certainly did opine on this and of course was very opposed to the movement. So the women really drew a lot of attention, and then when the chainers came—there was a group of women from the University of Illinois called the Grassroots Group of Second Class Citizens. They were students from the University of Illinois, largely, and there was quite a large group of them. And (laughs) one afternoon they chained themselves to the door of the Senate, and you can imagine what a reaction that got from our Senate colleagues who were unable to enter the chamber.

DePue: So the chain went through both sides of the doors?

Walters: Yes, as I recall. And they wouldn't move. We tried to negotiate with them and see if we could get them to at least move to where we could talk to them, and they refused. So I think two days may have gone by, and finally we had to move them. It was causing a great deal of disruption and—

DePue: No one was able to get into the Senate chambers.

Walters: (laughs) They weren't able to get in the Senate chamber.

DePue: Holy cow.

Walters: And so we—at about 4:30 one morning, the secretary of state police were ordered to take bolt cutters and unchain them from the door. I remember getting that call (laughs) at 4:30 in the morning to approve that action, and I did.[22] And so they just cut the chains and took the women down and released them. We had no reason to arrest them; we just told them not to come back. (laughs)

DePue: They hadn't violated any laws, or the decision had been made not to arrest?

Walters: They hadn't violated any laws; because as we came to find out, and to the best of my recollection, we had no rules about the use of the capitol building with regard to activities such as that; and because of that, we had no basis for asserting that they had broken any rules or any laws. They were expressing their First Amendment rights, there's no question about that. There was nothing to say that you couldn't chain yourself to a Senate door. So as I recall, we quickly wrote some emergency rules to cover future activities so that—because nothing like this had ever happened to the best of our knowledge, and so we were really made aware of the potential for things happening that are unexpected. (laughs)

DePue: I think I know the answer to this, Joan, but why four o'clock in the morning?

Walters: Because the capitol building, as you know, is very busy, and that way, they would be out of the way before the activities of the day were started. And I have an

[22] Jim Edgar, interview by Mark DePue, June 15, 2009, Jim Edgar Oral History Project, Abraham Lincoln Presidential Library, Springfield, IL, 67-70.

article in here where the governor is quoted as saying that a reporter was actually allowed on the scene when it happened, so that it could be reported.

DePue: But during the daytime when these women were chained to the Senate doors, would there have been just a horde of press covering this?

Walters: Not only that, there would have been a horde of spectators, and I don't think it was the kind of thing where you wanted a whole bunch of people—children, schoolchildren, *et cetera*—to be taking part in that sort of a thing. It would have been very difficult. As I mentioned, the capitol building could be literally a sea of people in the month of June. As you chug toward the end of the session, there's all kinds of people coming to advocate for their positions. My office, when I was budget director, was right in the capitol, and there were days when you could barely get business done (laughs) because of the noise from outside in the rotunda. So it just wouldn't have been a fortuitous time, to do it during the daytime when people were around.

DePue: Where was your office during this incident?

Walters: It was on the second floor in the secretary of state's area, but close to the governor's office. The women kept returning, and we watched them very carefully to make sure that they didn't repeat that activity. All the while, the fasting was going on and other things were going on with regard to the ERA.

DePue: Where were the fasters?

Walters: Fasters were on the first floor, the chainers—

DePue: So they were in the building as well.

Walters: Oh, yeah. They were on the first floor, sitting on their chairs, and the chainers were on the third floor chained to the Senate door; so you can imagine that Jim Edgar was the focus of a lot of attention from the Republican caucus, who wondered why he was tolerating this kind of activity, especially on an issue which they were violently opposed to.

DePue: So are you suggesting that some of the legislators were thinking that there were laws that were being violated and there was action that Edgar should have been taking?

Walters: I think they just wanted it taken care of. I don't think they knew or cared how it was done; they wanted it taken care of so business could proceed as usual and they weren't in the press every day on these particular issues. This isn't what they wanted to be remembered for. So I have the press release that we put out when that happened. Betty Ford came to speak to the crowd on June 30, 1982, and here she is with [Chicago] Mayor Jane Byrne and Ellie Smeal, who was president of the National Organization for Women. So you can see that Illinois was getting a

great deal of attention; making the national media with the wife of a former president. So it was a very interesting time. And then the—

DePue: Can we read the press release in here, or at least portions of it?

Walters: Sure.

DePue: This is dated June 7, 1982. And the contact person for this press release from Secretary of State Jim Edgar is Mike Walters. "Springfield. The fifteen women escorted from the third floor area in the state Capitol Monday morning were moved to permit normal business in the building to proceed without substantial disruptions. The women were removed by secretary of state department police officers and the office's security guards after they were told they would no longer be allowed to stay in the capitol building." That would suggest they were barred thereafter from inside the capitol building?

Walters: Evidently. We must have posted some kind of emergency rules.

DePue: "The women were told they could either leave the capitol building or stay for several hours in the Centennial Building." And I believe Governor Edgar has mentioned that's where they ended up going, initially, at least.

Walters: Yeah, the basement of the Centennial.

DePue: And it goes on in that vein. Here is an interesting comment. "There was also a strong concern by the state fire marshal's office regarding fire safety issues. 'It was the time to take action, and removal from the capitol building was done in a smooth and orderly fashion,' Edgar said." What do you suppose the ladies said? (laughs)

Walters: They decided to come back, and on June twelfth, they came back and sat in the doorway of Governor Thompson's office and were removed by our police. So they were very persistent, and that's their right. We had our responsibility to do our job. They were doing what they thought was a good thing to do, and nobody's judging them on their message or their tactics. This is America, and people can express their First Amendment rights. It was just not in keeping with how we believed the Capitol should function. So they did come back. They were not to be deterred. The irony is that Illinois had an equal rights amendment in its own constitution, which was almost exactly the same language as they were trying to put into the federal constitution. And I myself personally found it very ironic that people would be so opposed to the federal constitution taking language that we already had in our own, and didn't find that the world ended when that language was included. But personal feelings aside, we had to run a business, (laughs) so we took them out again. Then the fasters started getting sick because they weren't eating, so some of them had to be taken to the hospital, and it was just a very unsettling time.

DePue: Were there opponents to the Equal Rights Amendment's passage, either inside or outside the building, protesting as well?

Walters: I don't remember that. If it did happen, I just don't remember it, because we certainly didn't have to deal with them, if they were there. And then on June twenty-sixth, the women from the Grassroots Group of Second Class Citizens came back to the capitol building, to the governor's office, and began squirting blood on the floor of the entryway; and I just happened to be—

DePue: The entryway to…?

Walters: To the governor's office. My office abutted that foyer, and I happened to be leaving my office for some reason and found them doing this (laughs) and called the police. We again had to remove them from the building, and this time, we did arrest them, as I recall, for defacing the building. And most of them—I believe nothing really happened as a result of that, but it did certainly end on a sour note because that action… Even the governor, Governor Thompson, who was sympathetic to their cause, found this particular activity to be very detrimental to their cause and likened it—as I recall in reading that—to putting swastikas on synagogues and things like that; where people deface buildings in order to grab negative attention.

DePue: Here's the sub-headline: "Governor Thompson called the blood-splattering action 'despicable, thoroughly disgusting, and vile,'"—and he's not mincing his words there—"and said, 'It reminds me of people who paint churches and synagogues.'" I would imagine these women were looking to be arrested, though.

Walters: They were. They wanted the attention, and they got plenty of it, that's for sure. Whether it resulted—it clearly didn't result in the state passing Equal Rights Amendment language.

DePue: Do you remember if this got national press coverage as well?

Walters: I'm sure it did, but I don't have any articles like that. My guess is that since Illinois was one of three states being targeted, that it did make the national media; but I have to admit I spent probably more days in the office than I had time to watch TV. (laughter) So I don't remember that particular thing, but Mike probably would have remembered that detail—the press secretary, Mike Walters.

DePue: Let's put this issue to rest, then. The ultimate vote—how did that turn out?

Walters: The Senate voted it down, which is why this action occurred. The Senate vote—I don't know if they say here.

DePue: So spraying the pig blood was after the Senate voted?

Walters: Yeah, it says "following ERA defeat…"

DePue: So that's merely just a protest against the actions that had already happened.

Walters: Yes, right. They attempted to spell "Lemke"—Leroy Lemke, do you remember him?—and Mark Rhodes, both of who were Republicans, with their blood, but it evidently was indistinguishable. It just says it took place immediately after the Senate voted down the Equal Rights Amendment; it doesn't give a vote. So it's a factual thing that could be ascertained. And that would have been on June 26, 1982.[23] So then they came back. (laughs) On November first, they conducted a witch trial in the Illinois State Capitol Building, to adequately address women's issues, as they put it. They were removed from the building, and they wrote a letter protesting the fact that it was their right to gather. So they were a very persistent group, and here's a picture of them having their witch proceeding going on in the capitol building.

DePue: With the little witch's brew bubbling away there.

Walters: Yes, smoke and everything. So it really points out how certain issues really do promote a great deal of interest, as Vietnam did in the sixties and seventies; and now here in the eighties, you have Equal Rights Amendment; and Iraq probably would be the most recent thing that causes that. And you realize how it stirs passions and what a privilege it is in our society to have a right of assembly. Everybody has their role to play in that, but people can gather in protest and make their statements, and that's part of what makes America the great place it is.

DePue: And not only are you sitting in a catbird's seat, but now you're in a position where you have to take actions that might necessarily be contrary to your personal views. Would that be fair to say?

Walters: I think I would not have agreed with the tactics that the women used. It's all about tactic. You're allowed all the beliefs you want, but the tactic is a whole different thing, and if it impedes the right of others to assemble and do other things, then it's probably not the wisest course of action. So while I believed in the Equal Rights Amendment—I was a woman in a man's world; of course I did—I didn't think their tactics were credible.

DePue: And I guess you could say that they weren't effective, ultimately.

Walters: No, I don't think they were, and that's really—outcome is what you want.

DePue: Are we ready to make quite a leap here?

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[23] On June 22, 1982, the Illinois House defeated the ERA Amendment 103-72, four votes shy of the needed three-fifths majority. The next day, amendment supporters narrowly lost an attempt in the House Rules Committee, 11-9, to change the three-fifths majority requirement to a simple majority. ERA failed in the Senate on June 24, when a motion to discharge the amendment from the Senate Executive Committee failed by a single vote, 29-27. Phil Rock (D-Oak Park), an ERA supporter, surprised many observers by not voting. *Chicago Tribune*, June 23-25, 1982.

Walters: We're ready to make a leap, a giant leap for mankind. (laughs) Or womankind…

DePue: Or at least for Governor Edgar's behalf. (laughter)

Walters: I also have, by the way, in case you need it, the announcement of Jim Thompson appointing Jim Edgar secretary of state.

DePue: Oh, yes, absolutely.

Walters: I have that press release, and I have the appointment of all of us to his office.

DePue: For those who are listening, we will be scanning a lot of this material in, and it will be available with the actual oral history in the audiovisual department of the library.

Walters: And there's the famous headline.

DePue: "Top-ranked Woman in State Government is Divorcée, Former Nunnery Student."

Walters: (laughter) Don't you love it?

DePue: That pretty much says it all, huh?

Walters: Those were the days. And then here's a newsletter from Jim Edgar's administration. Look at how young he is.

DePue: What's the date on that?

Walters: That is March of 1981, so this is probably the first one after he took office, and he outlines all of us in there.

DePue: Oh, excellent. And the name of that—

Walters: So I don't know if that's anything that you want.

DePue: —is the secretary of state's—

Walters: Newsletter. Yeah, we had a newsletter. So that gets us up to nineteen eighty…

DePue: Nineteen eighty-nine, 1990. When we left last time, you had come back for an event that I guess Edgar was sponsoring, and he had asked you if you—

Walters: No, Edgar wasn't; it was Thompson. It was Thompson's going-away party.

DePue: And Edgar had asked you if you would be willing to serve on his cabinet if he was elected, is that right?

Walters: First he asked me just to work on his transition, which I did, and then he asked me to become his budget director.

DePue: Let's get to the point, then. November of 1990, he wins election in a squeaker against Neil Hartigan—a fascinating election campaign, which I'm going to be spending quite a bit of time talking to the governor himself about. Tell me about your role, then, in the transition team and what the mood among the people on the transition team was.

Walters: I actually joined the transition team after it had already begun. I was a latecomer, because it started upon his election, and I believe this party was held at the end of November. That's my recollection. And so it was pretty well underway, and I remember working on issues with Mike Belletire over in the Centennial Building, but I can barely remember what the heck they were. I do remember, though, that he had put Art Quern in charge of a task force looking at state finance; and it was Art and his group that found this huge hole in state government, which largely, almost exclusively, was from not paying Medicaid bills.

DePue: And that was—the name again? Art Quern?

Walters: Art Quern. He had been the director of public aid during the Thompson administration, a very respected gentleman, and I think Governor-elect Edgar had asked him to work with a group to look at state finance; one of many groups that Paula Wolff had helped the governor set up so that he had a thorough review of state government before he took office.

DePue: What point in time, then, were you asked by Edgar to be the budget director?

Walters: Oh gosh.

DePue: Or how did that event happen?

Walters: I'd have to go back to my diary, but it happened probably in December as he was amassing his team. He asked me to be budget director, and I said, "No, that's not really something I'd like to do." (laughs) And so he asked me again, and I said, "You know, that's really not something I'd like to do"; and he just kept asking me, so I finally gave in.

DePue: What was the reason he was asking you? What was he telling you about why he needed you in that position?

Walters: It was because it was going to be a really difficult budget time, and he didn't want business as usual. Rereading the articles, (laughs) (unintelligible) businesses, which (unintelligible); you would snip a program here and there and call it a budget balancing routine, and that would be it. And he really wanted things to be done differently, and he thought that I would be able to do that. I really wanted to be director of public aid, and I could see that that was not going to happen. He

appointed (laughs) somebody else to be the director of public aid. So what the timing was, I don't remember, but I finally relented.

DePue: What was your reluctance to take the budget director's job, beyond the point of you wanted another position?

Walters: I just felt—and I was reminded of it as I was reading articles about my appointment—that I was filling the shoes of Bob Mandeville—who had been budget director for twelve years, had a Ph.D., clearly very well-respected in state government—and I thought, Who am I to follow this man and fill his shoes? Who am I to do this? And he finally wore me down. (laughs)

DePue: Joan, I'm going to put you on the spot here, because you came to the position—you already mentioned you found pretty early on that there's a big hole there. So were there some feelings, ill feelings that you had or others in the administration had towards Thompson or towards Mandeville or others—that they had been trying to paper over this debt?

Walters: Not ill feelings as much as a little sadness. Mandeville had actually left a year before and left the budget office with an acting director, who was a fine young man, who I kept on as my head of education and my legal counsel. He was a lawyer and just a really bright guy. But I don't think they really had the direction at the end of that fourteenth year to do anything other than just kind of stay on hold, and as a result, Medicaid bills were piling up. You might look at that and say, "What's the big deal? So the state pays late." The state was paying like three or four months late, and it's the difference between a business staying in business or going out of business. You can't expect people to not get paid. So we viewed that as just a huge hole in state government and treated it as though it were an over-expenditure and that we had to look at it that way. Others thought we were really exaggerating the problem.

DePue: I have heard lots of different numbers for the size of that deficit when you first came to office, and the one that I have here, which I believe I read in Edgar's book *Meeting the Challenge*, was three hundred million dollars in debt.[24] At least that's what you thought you had on the fifteenth of January, but I've heard much larger numbers than that.

Walters: Yeah. In January, we froze things; we cut spending. The minute we took office, we started on budget stuff, and it just never ended for, like, seven years.

DePue: I believe at that time, eighty-seven million direct state agency cuts, and then hiring freezes and some other measures?

Walters: Right, and that was very unpopular. Thompson, I don't believe, had the opportunity in the recent past to do those sorts of things, and I think government

[24] Tom Schafer, *Meeting the Challenge: the Edgar Administration, 1991-1999* (Springfield, IL: State of Illinois, Office of the Governor), 1998.

was not used to it. Plus, there were—I don't know how to say this delicately—people like Senator Carroll, who were very heavily involved in the budget process; loved to have expressions like, "Have we cooked the books yet?" or "Is the stew done?" And I always got the impression that there was fudging that went on in order to make everybody happy—not necessarily to solve the problem, but to make people happy—and we were not there to make people happy. And boy, that went over like a lead balloon. We were very unpopular for that. (laughs)

DePue: You said a couple minutes ago that Thompson didn't have the opportunity to do these kinds of things.

Walters: During his fourteen years, he probably did encounter—I think in the early eighties, and especially when I left and went out to Seattle—some recessionary times, and I think they probably had to do a fair amount of paring back; but I think in the recent past, there was not the need for that. So I don't remember what drove the spending so much that Medicaid was being used as the lever. Medicaid is of such a volume that you can add programs and simply delay Medicaid a week, two weeks, a month, and pretend that you've still got a balanced budget, if you have no benchmark upon which to measure what is an appropriate payment cycle. And they simply let it slip beyond anything that would be considered appropriate. So it was really more of a disappointment than being mad at people. And I think there was a *laissez-faire* attitude that we had to kind of turn around and do a, Hey this is not just a government; this is a business, and we really have to stick to our business.

DePue: We're talking about the 1991 budget, which would have been passed in July of 1990. And I offer a couple of different possibilities here, and you can add anything else if you don't think either one of these work. Was it because the Thompson administration just wasn't tough enough and insightful enough to know what kind of budget they needed to be crafting back in July of 1990, or was it because the economy took something of a turn and the recession dollars meant that there wasn't much coming into revenue?

Walters: No, it wasn't the latter, because we didn't realize we were in a recession until we'd passed the budget in July of 1991—and that's another story. (laughs)

DePue: We'll get to there, too, by golly.

Walters: We'll get there. But no, I think it was—I don't know. I wasn't here; I lived in Seattle. I don't know what happened in June of 1990; all I know is that we inherited a budget that was terribly out of whack, in which Medicaid payments were being held for months on end, and we had providers complaining bitterly that they weren't getting paid. And that's where I entered the scene.

DePue: A couple months later, March 7, 1991, is Edgar's first budget address, and I believe it's at that particular address to the joint legislature that he announces,

We're going to have four hundred forty million dollars in cuts. Was that to the '91 budget or to the upcoming '92 budget?

Walters: It was to the upcoming '92 budget. We had revenue growth, but we redirected everything. So it was a hard story to tell, because while we had revenue growth, with that redirection, we were actually cutting agencies, hugely; and we cut everything so much that everybody hated us equally.

DePue: Do you remember the percentage cut across the board for the agencies?

Walters: I don't think it was across the board. We didn't do across-the-board cuts that I recall. For example, in the Department of Commerce and Community Affairs, I think we cut an inordinate amount of money because they had foreign offices, and they had a lot of stuff that might be considered good practice but simply was unaffordable when you compared it to Medicaid and welfare.

DePue: Let me go through what I—

Walters: We had to fund DCFS because we had a court order; and the governor wanted to give education money, so we gave them fifty million, as I recall. Higher ed, we held even, which—I remember going to them and saying, "You are a very high priority, because we're giving you the same amount of money that we gave you last year," and you could hear them snickering. But they didn't realize that they were being treated very well. Everybody else had to take some kind of a cut. But we were not an across-the-board—and that's why I say we departed from practice. We looked at programs, and we said, "Are there things we cannot do without?" And one of the ones, as I was rereading these articles, was the general assistance program in the Department of Public Aid; and it got a lot of attention, but there were young men, nineteen years old, on that program. And I remember saying, "Should we be satisfied that giving somebody 160 dollars a month right after they get out of high school is a way of life, is a living? Shouldn't we be getting them jobs? Shouldn't we be helping people to work and not live their life on 160 dollars a month?" As it turned out, that cut turned out to be really okay. But we had to cut the dental program in Medicaid, as I recall.

But again, we didn't try to just slash things and make everything limp along; we actually tried to figure out, What do we need to do well, and what do we need to give it to make it work well; and then what can we get rid of? What can we shed? And that was our approach. Like it or not, that's what we did, and it took a lot of effort and working with departments. There were four prisons and two work camps or something that were done, and I remember telling the corrections director, "We can't open them. I'm sorry. I know they're just going to sit there and rot, but we don't have the money to operate more prisons, and we're going to have to figure out how to keep people out of prison." So rather than open those and then cut back on staff, so that you've got people working overtime and you've got a lot of other pressures and strains on the system, we tried to give it a different view, and that's what we did. It was pretty unpopular. (laughs)

DePue: Who was making the decisions? Were you and your office coming up with proposals to present to Governor Edgar? Was he developing and then offering them to you?

Walters: Oh, no, he didn't develop. He gave us his policies, which were: no new taxes; prioritize education; don't hurt the poor, if you can. He really did have principles. We took those, and we worked very closely with the governor's staff to try to carve a budget that would satisfy those standards. And I don't think we did a thing without working with the governor's staff, which was a pretty unusual step. We didn't try to do everything ourselves. And I have to stress that the budget staff and the bureau at the time had a different mentality, and it took a while to turn them into the kind of analysts that were useful for this kind of an enterprise.

DePue: It wasn't that many years before, under the old constitution, that the budget was primarily the responsibility of the legislature and not of the governor's office.

Walters: Yes. Francis—what was his name? The guy that did the budget every year.

DePue: I don't know.

Walters: Francis somebody-or-other.

DePue: In the legislature?

Walters: Yeah.

DePue: So the 1970 constitution passes; it gives more power to the governor's office. My question here is, at this stage, when the budget is being developed in the spring of '91, how much were you talking to the leadership in the House and Senate?

Walters: Jim Edgar had a very interesting philosophy on that, and his philosophy was: this is my budget, and we're not talking to anybody in the legislature about it until it's their time. So he coveted that executive privilege, that he had to put things together to such an extent that I don't remember—I'm not sure if it was the first or second year—but Mark will remember this and recount it for you.

DePue: Mark Boozell.

Walters: Yeah. There was a tradition of briefing the staff of the House and Senate prior to the press briefing that the budget director gave, so that the House and Senate members could have information and have immediate reactions to the budget when the governor gave his speech. The governor really didn't like that, and he didn't want to do it one year. I believe it was his first year, but again, I could stand corrected on that. And as much as we pled with him and said, "Governor, look, this is good. It's nice for them to get the information. You can embargo it. It's a prerogative that you don't want to trample." He did, and they made me pay for it by putting me on the House floor in a joint meeting of the House and the Senate, where they grilled me for three hours on the budget. Anybody could stand

up and ask a question. And I have to tell you, I got rounds of applause during that. It was hysterical. But it really pointed out to Governor Edgar that there were certain things you could break with and certain things that probably required a little more thought before you broke with them; and I believe after that, we kept the tradition. In fact, I briefed the constitutional officers, the chief justice of the supreme court… We developed a protocol of briefing all of the important people prior to the budget so they would be prepared and be—

DePue: And the press as well?

Walters: The press was briefed by me. There was always an embargo on it. I held a press conference for like three hours in the afternoon, and then the governor held a press conference in the evening with me. So the press got plenty of attention, plus we had billions of press releases for every department that we would churn out and have lots of things ready for people. We really did believe in full disclosure of the budget to—

DePue: But only when it was time, as far as Edgar was concerned. From what you told me before, he wasn't ready to do that until his formal budget was ready.

Walters: He wanted his time, and he wanted to be able to do his things without—especially the Republicans, because they didn't necessarily get along with Edgar. The Republicans were the minority party when he entered office, and he certainly wasn't going to disclose things to [Phil] Rock and [Mike] Madigan. (laughs And he didn't want to disclose stuff to Pate [Philip] and Lee [Daniels] because he just felt like, I got to put stuff together, and in good time, they will know things; but this is my budget, and I'm going to have my time of putting it together.

DePue: I can hear the criticisms. It's not hard to imagine what the criticisms are: This isn't our budget. We didn't have any voice in this. It's our turn now to take a look at what we're going to do.

Walters: Sure, and that's what he would say: it's your turn now. It's in your hands. And in fact, he's quoted as saying that. And I think—

DePue: "He," being Edgar.

Walters: "He," being Edgar—said that to the House and Senate. The interesting thing that I learned was that members were alarmingly uninformed about state finance, and I considered it our responsibility to have an informed voting body as well as an informed public. We believed that people had to know—they could disagree with what was done, but they had to know the structure of state finance, and they had to know why we made the decisions that we did. That seemed like a fair way to go about it, so we really developed materials that were aimed toward attempting to educate people on the budget. But I was always disappointed to see, especially in the House, there was very little interest in having members understand in detail how state finance worked; and as a result, it was always a difficult body to work with. The Senate, on the other hand, had a finance staff that—and, of course,

being a small body, it was much more capable of handling finance. So they might have very big philosophical differences with us, but they had a much better grasp on the budget.

DePue: Can you, in a minute or two, explain to us laymen who are going to be listening to this, how the state finances work? (laughter) One of the questions I wanted to ask before, and this certainly is part of it, but you're the budget director. You've got the legislature, of course, that has to approve the budget. You also have a comptroller and a state treasurer, and those are separate state constitutional officers—

Walters: Right, which play a distinct role.

DePue: —and you have a revenue director, who, I assume is appointed by the governor.

Walters: Yeah. The revenue director, though, really doesn't have a thing to do with the budget, other than to bring in the money that supports the income tax component and the sales tax component of it, but…

DePue: So even though you laughed at me, here, Joan, can you spend a minute or two to try to walk us through some of that labyrinth?

Walters: Sure. There's the revenue streams, so you have revenue, some of which is for general purposes and others is for dedicated purposes. Income and sales tax, which people are very familiar with, are for general state purposes and can be used for any purpose that the governor and general assembly decide. The lottery, on the other hand, is devoted to schools. And what's the other one? Riverboats. So riverboat gambling and the lottery were proceeds that had to be 100 percent applied to education. Then there are other dedicated funds that are paid for by professional licensing and things like that, and they're put in accounts that are specifically for that purpose. And then you have federal aid. You have federal aid, some of which is precisely for dedicated things, like the EPA gets money for clean water or clean air. You have stuff that comes from the natural resources, for fishing licenses and things like that, which are dedicated for certain things.

So first of all, you have to look at the revenue and what it's for, and then you have staff that looks at revenue growth. And you have models for that, which tell you, based on very long historical experience, what revenue growth will be in any given time. You can even predict recessions. It's a very predictive science. And we lived off that modeling. In fact, we got really, really good at it. And we would share those models with anybody that wanted to see them. We, in fact, would share it with our staff so they'd know if things were not trending in a direction that looked favorable for the general fund. We'd give people ample warning that it looks as though there's not a good direction here; we may have to dampen spending.

DePue: Is that part of the thing you said that some of the House members just weren't that interested in?

Walters: Right. Yes. And so then you look at spending that's associated with those revenues and you see how closely aligned spending is with revenues. It's really not a lot different than a family budget, to be perfectly honest. You don't have the complexity of funds, and you certainly don't have the size, but you know when you're spending more money than you take in, in a month or a year, and you know whether your job is at risk or not. You know if your credit card debt is exceeding your ability to pay. And government doesn't have a credit card, really. The only thing it has is bonds, which allow you to pay for an asset that has a useful life of X number of years, over that number of years. And so government doesn't even really have the tools that the average family has to manage cash flow.

We had to institute some short-term borrowing cash flow measures, because money for the state doesn't come in on a monthly basis like you would imagine. The income tax, for example, comes in in April, (laughs) and then throughout the year, you only have quarterly corporate payments, and the corporate income tax is not all that great in Illinois. So when you know the frequency with which money comes in, or the periodicity, and you realize what you need in terms of outflow, which is a monthly state aid payment to every school district in the state—payroll, Medicaid payments, welfare payments, those sorts of things—you begin to do the match. You see how that works? And if revenue doesn't equal spending—or exceed it slightly, which would be ideal—then you're in trouble and you have to figure out, What can I do to decrease expenditures or increase revenues? Well, Governor Edgar had a very strong feeling that we could not ask people for more tax money until we'd proven to them that we had done a good job in managing the state finances as they were.

DePue: Which was his—

Walters: He already had a surtax, which Thompson had passed, and which he believed had to endure. So he had that hanging over his head, and he did not relish the thought of going into people's pockets anymore.

DePue: The main issue, as I understand, of the 1990 campaign, was whether or not to retain that surcharge. This is 1989 legislation. I believe it was enforced for two years. It temporarily raised the personal income tax from 2.5 to 3 percent and corporations from 4 to 4.8 percent.[25]

Walters: Which really made us and continues to make us a very low-tax state. And the governor knew that if that surcharge went away, if they thought government was in bad shape (laughs) with the budget that he proposed, you could imagine what it

[25] Jim Edgar [get complete cite after final edit; should be interview 9 & 10]; Carter Hendren, interview by Mark DePue, May 7, 2009, 10-14. For discussion of the surcharge issue and its relationship to Edgar's credibility with the electorate, see Al Grosboll, interview by Mark DePue, July 23, 2009, 14-17; and Mike Lawrence, interview by mark DePue, April 1, 2009, 24-30.

would be like without that half a percent on the personal income tax. So he held to that, and he won. To me, it shows that people, who have a message and can support the message in an adequate way, can do things that are a little difficult, unlike what appears to happen today.

DePue: Hartigan was saying he wasn't going to renew that surcharge, but Edgar was also saying, I'll renew the surcharge, but no further tax increases; so he's holding to his pledge there. I want to go back, though, to ask you a question in terms of the process and the existence of the comptroller and the treasurer. Did that complicate your job at all?

Walters: It complicated it more when we had bond deals, because they had to sign off and sometimes they could be a little difficult to work with. But on the whole, we tried to work very cooperatively with all of those folks. All of whom were Democrats. (laughs) As I recall, Jim Edgar was the lone Republican in a sea of Democrats when he was elected. Dawn Clark—

DePue: Dawn Clark Netsch.

Walters: —was the comptroller; Roland Burris was…?

DePue: Pat Quinn.

Walters: Pat Quinn was the treasurer. He was a treasurer to deal with. Phil Rock and Mike Madigan, of course. Secretary of state was—

DePue: George Ryan.

Walters: —George Ryan. So we'd had one Republican on the state constitutional—

DePue: Would it be correct to say, though, that most of the focus was with working with the legislature? I mean, to fashion the budget.

Walters: Oh, yeah, because the comptroller pays the bills, and the treasurer invests the money. This belief that the treasurer in any way has anything to do with the budget of the state of Illinois is totally false, and it was totally blown out of proportion in that last campaign. And the comptroller certainly keeps track of revenues and spending so that they know how quickly they can pay bills. No question about that. You work very—

DePue: So it's his desk that the bills are stacking up.

Walters: No, because they would never get to his desk. They would hold them up in Department of Public Aid. Medicaid bills just never left the Department of Public Aid; therefore nobody knew that there was a backlog of bills.

DePue: Was that one of the reasons that you guys kind of stumbled onto this realization early on?

Walters: I think so, because Art came from the Department of Public Aid, and he knew the questions to ask. I don't remember that detail, but I'm confident that Art knew how to ask the right questions.

DePue: I want to review the bidding here from his first budget address and the first budget that's proposed to the legislature; and as I understand, cut 4,000 jobs, which generally means you're not going to actually eliminate 4,000 people—a lot of those were unfilled positions—but they were talking about 1,400 state layoffs, which is significant.

Walters: It was, including a number of my staff.

DePue: Cancels the state trooper training, which—

Walters: Yeah. I'm sure that was highly popular.

DePue: (laughs) Yeah. Delay—and you already mentioned most of these already—delay Big Muddy Correctional Center opening, close the prison work centers that were out there. Here's one that you talked about quite a bit: reducing welfare assistance.

Walters: Yeah, general assistance.

DePue: Eliminate optional dental and optical coverage.

Walters: Yeah. Those were hard things to do, but they were the only optional things in a Medicaid program that was already unaffordable.

DePue: And make deep cuts in commerce and community affairs; but still looking at education, you say, and higher education?

Walters: Education got fifty million, higher ed was held harmless, and DCFS got some money—I can't remember the detail—because of a court order. We wanted to give priority to those kids.

DePue: Here's the next step, then. This is handed over to the legislature, and you've mentioned the names already. I wonder if you can kind of flesh out the process of working with the House and the Senate leadership, and primarily we're talking about Mike Madigan, who arguably, would it be fair to say, is the most powerful man in the state legislature in 1991?

Walters: I think at that time Phil Rock might have been, because of his tenure—

DePue: In the state Senate.

Walters: —in government. Yeah, I think he was sort of the dean. He then retired quickly after that, as I recall.

DePue: So the four players, primarily—we always talk about the Four Tops in Illinois government.

Walters: Yeah, the Four Tops.

DePue: Mike Madigan, the Democrat leader in the House; Lee Daniels, Republican leader in the House; Phil Rock, Democrat leader in the Senate; James "Pate" Philip, Republican leader in the Senate. I'd like to have you discuss those personalities and the challenges and the assistance you got from each as you're moving through this process.

Walters: Hmm, the assistance. We would meet with their staff. They all had their own staffs. That's one thing about Illinois state government: it is very well-staffed. So each caucus has their own staff. Part of that staff deals with substantive issues; part of it deals with the finance side of government. And so you would have your budget chief and you would have your budget analyst in each caucus. So you had four groups that you had to meet with, and—

DePue: Not at the same time, separately.

Walters: Not necessarily. It depended on how well they worked together themselves. The Senate always thought that they were much more important than everybody else, and so you'd have to devote a lot of time to them. So we would meet with the staff, try to understand their issues and concerns, give them briefings so they understood our thinking and the basis for decisions; and then meanwhile, the governor would be meeting with the Tops on various legislative issues, including the budget, and I would be brought in from time to time to explain things.

I remember that the biggest reaction from them to that first budget was a day care cut that we did. I think we proposed reducing or eliminating the Local Government Distributive Fund, which is the amount of the income tax that goes to local governments, and Mayor [Richard M.] Daley had a fit. And I remember we went up and met with him, and it was clear that that was going nowhere. It would have been a huge hit on his budget. So I remember that being the biggest pushback, those two items. There were probably tons of others, but that's what I remember. And, of course, every advocacy group under the sun, because we had literally (laughs) offended every interest group in state government. There was no end of people streaming into legislative offices expressing their unhappiness. So it was a long session.

DePue: Procedurally—

Walters: And people didn't believe that we had a problem. Here's the thing that I'm not able to express very well. There was a lack of belief that there was a problem. And that's why this expression, "Have we cooked the books yet?", really hit home with me, because we just refused to say that there was not a problem. And June thirtieth came and went, and we just said, "You're not getting it. We have a huge budget problem." And they finally started to get it.

DePue: "They," being the legislature or the public at large?

Walters: The legislature. I think the public just kind of sat it all out, because as you can imagine, the stories about we're cutting hospital payments and for Medicaid… It was the usual parade of horribles the press puts out whenever you cut a budget. And, of course, when you don't cut a budget, then they say you're not fulfilling your duties as an elected official, so you really can't win on that score. But boy, it was just a never-ending thing. And Edgar was doing something that hadn't been done in a very long time. He has a thick skin, thank God, (laughs) because any lesser person would have just folded his cards and said, "You're right, we don't have a problem. Look, just overspend. This isn't any fun." (laughs)

DePue: Did he select you in part because he figured you had a thick skin?

Walters: I don't know, really. I don't know. I certainly—

DePue: Would you consider yourself having thick skin?

Walters: I had acquired a thick skin, but I remember going into my office and shutting the door and just breaking down on occasion because it just wore me down so much; but my public face was always one of quiet resolve. It was hard. It was really hard. Luckily, we had a really good cabinet and we had a really good staff. People supported one another.

DePue: I want to go to this issue of the staff's relationship with the legislature and the four caucuses. Did you have, within your own budget office, legislative liaison—

Walters: Oh, no.

DePue: —or were you working through the governor's director of legislative affairs?

Walters: Yeah. You would work through them, or they would come directly to me. If there were meetings with legislators, they might be arranged through Mark, but—

DePue: Again, you've mentioned Mark a couple times here. Was it the two—the legislative affair director—I know Stephen Selcke was the first one—

Walters: Oh, yeah, Steve was the first one. I'd forgotten about that.

DePue: —and Mark was his assistant.

Walters: Yeah, Steve Selcke. Steve was a very nice guy.

DePue: So those are the ones who had to do the trench work with the legislature?

Walters: Oh, yeah, and they were on the front line of getting the abuse every day; and I knew what that was like from having served in that post myself. It's tough. And Edgar was an unbending person, and not the most likeable one. He didn't drink,

and therefore he couldn't invite people over to the mansion and get them all liquored up and pretend they loved one another.

DePue: You mean the kind of thing that Thompson excelled at.

Walters: Exactly. He was very different from Thompson, and that just took some getting used to. And I think the first year was really a test of the governor's iron will and his ability to get through a really difficult period. And I think when he got through that and we accomplished our first budget, that it was a huge step for him. I think the respect for him really went up—at least that's my recollection. Of course, then we were in a recession and we realized it, and I had to go tell him that we had to cut some more.

DePue: Now, you avoided answering my question in any detail, so I'll ask again, and then if you avoid it again, I will just move right along.

Walters: What's that?

DePue: The personalities that you're dealing with—the Mike Madigans, the Lee Daniels, the Phil Rocks, the Pate Philips.

Walters: Phil Rock was always a very gracious, lovely man. Mike Madigan, actually, I liked very much. He's a very businesslike, down-to-earth kind of guy, and you know what he thinks. He doesn't mince around. Pate hated most everything about the Edgar administration and most of us.

DePue: And Pate was the Republican in the Senate.

Walters: Jim was a moderate, progressive Republican, and he stood out for that, as did Thompson; but Thompson had a greater ability, as we just mentioned, of being able to be with guys and kind of drink and be your average Joe, and Edgar could not do that.

DePue: You've almost painted a picture here where the bigger pushback was coming from the Republican leadership [rather] than the Democratic.

Walters: Oh, there's no question that—

DePue: For cuts, and again, that kind of goes against the grain.

Walters: No, I don't think it was for cuts. I don't think they gave a hoot about any of that stuff. I don't remember them pushing back on anything. There may have been; I just only remember the big issues coming from the Democrats and not having really that many of them. What they all hated was all their interest groups coming to them and complaining about things, and even the Republicans had interest groups. It might have been the Department of Natural Resources, fishing and hunting (laughs) or something, but even they had interest groups that were coming to them. So I think the Republicans were kind of happy with Edgar

because he wasn't raising taxes. He was kind of holding the party line when it came to stuff like that. But they didn't like his style, they didn't like his staff, and they didn't like the way we did business. Other than that, it was a love fest. (laughter)

DePue: What didn't they like about the staff? What didn't they like about the way you guys did business?

Walters: The governor had a lot of non-traditional people working for him. He had a black woman, named Felicia Norwood, who was the Human Services person. She was just the loveliest gal on earth, but I'm sure that might have been looked dimly upon. I was a woman in a man's job; what business did I have doing this stuff?

DePue: And if I might—you didn't have the greatest credentials for being the budget director at the time.

Walters: Yeah. I don't know whether they cared about that, though. Credentials were never a big part of state government, to be perfectly honest, at the appointed level. I don't really think that was the issue. And Edgar, from day one, was doing unpopular things. He was pointing attention to the deficits in state government instead of being a glad-hander and going around shaking hands. It was a tough start, the Republicans were not warming up to him, and the Democrats wanted to test him; and so despite all that, he pretty much prevailed. He never overcame some of the deficits that they saw in him, especially the congeniality deficit, which I believe some would say was one of his biggest deficits. That, and the fact that he was seen as a manager and not as a visionary. Now, in rereading the articles, people talk about that, and he says the times called for people to manage state government. I don't know if people—they were used to building things and having their name on things and having government be this groundbreaking, let's-all-get-out-and-do-things kind of thing, and he's saying, "No, no, we can't do these things." So he's seen as being Mr. No, and it's just counter to every political impulse that these guys have, and so you can understand why there was a lot of this.

DePue: I want to go back—I think it was your interview the last time we met—you yourself, though, gave Edgar higher marks for being a leader versus a manager; that on the day-to-day managing side…

Walters: Definitely, yes. That was my perception, but the general assembly viewed him as a manager and not a visionary, and so their view is much different. They think somebody who tends to government is a manager. Now, tending to government doesn't necessarily mean that you're doing everything yourself—wouldn't be my perspective. Do you see the difference there?

DePue: Absolutely. I'm glad we clarified that. Another question here: you'd mentioned Richard Daley's name before, and this, of course, is Richard M. Daley. How did

he factor into the budget deals once it got to the legislature? And did your people deal with him directly or only through his surrogates in the legislature?

Walters: Both. We went to visit him. I believe Paul Vallas may have been the budget director then. I'm trying to remember.

DePue: He didn't get to be the position of budget director up in Chicago until the '93 or'94 timeframe.

Walters: Ninety-three. So it was part of the time when I was there. I can't remember who was the budget director.[26] Daley was very good at advocating for Chicago; and, of course, the governor was a downstater, and the governor was a very good advocate for treating the state as a whole, that we weren't a subsidiary of the city of Chicago. (laughter) And so they didn't see eye-to-eye a lot, either. We never gave them enough road money, according to Daley. We never gave them what they needed. And it was a détente relationship, I would say, at best, never a love fest. He'd been in the Senate when Edgar was in the House, as I recall, so they may have had occasion to work together from time to time.[27] And I believe that when Jim was legislative liaison for the governor, Daley was still in the Senate. That's my recollection. So they worked together, and they probably had a little respect and knowledge of one another from that relationship. Daley could have soaked up every dime (laughs) that government brought in if you let him, and it was sort of interesting to see the tension between downstate and Chicago as it played out during that administration.

DePue: Yeah, I bet you thought it was interesting from your position; (laughter) being tugged back and forth, I would suspect.

Walters: Yeah. He had to play his role, the governor had to do his, and the governor had the healthy advantage of being a downstater. I think Thompson had a little harder time, being from Chicago. Probably more was expected because he was a Chicago son. Edgar could speak for the rest of the state quite capably, and people loved that about him.

DePue: We're still dealing with that first budget year, (laughter) 1992 budget. I'm going to ask you a question I should know the answer to myself. Once you got beyond

[26] Sidonie Walters-Lawrence served as Chicago's budget director from December 1989 to May 1991. Following her resignation, Mayor Daley named Karen Danczak Lyons as her replacement. Danczak Lyons served until May 20, 1993, when she became deputy library commissioner and was replaced by Paul Vallas. When Vallas left the post in 1995 to become CEO of the Chicago school system, Diane Aigotti replaced him. *Chicago Tribune*, May 1, 1991; May 21, 1993; and July 14, 1995.

[27] For one memorable legislative skirmish involving Daley and Madigan in 1979, during Edgar's time as legislative liaison, see Jim Edgar, interview by Mark DePue, June 10, 2009, 34-39.

May and you got into June, at that period in Illinois's history, was a supermajority required?

Walters: June thirtieth. After June thirtieth.

DePue: It was after June thirtieth.

Walters: Pate moved the budget up to May thirtieth so he could go fishing. Did he do that while I was budget director? He might have. I hated that. I hated that. The only reason he did it was because he hated to be around and he wanted to go fishing.

DePue: So can you explain very quickly what supermajority means for Illinois politics?

Walters: I believe it means that you have to have a 60 percent vote on something, whereas under normal circumstances it's a simple majority; it's 51 percent. And so that made a huge difference. And often in Illinois, Speakers would stop the clock at midnight on June thirtieth, literally stop the clock, so that a supermajority would not be needed to pass bills at the last minute, including the budget. It was not unusual for that to happen, but it never went on for eighteen days like 1992 did.

DePue: So you've just mentioned it. Nineteen ninety-one, July first happens, you've got the beginning of the fiscal year.

Walters: And we had no budget, and people were not going to get paid. And I believe that we had to go to court. Because we believed we did not have the authority to issue paychecks without a budget. It was strictly, again, a legal issue, not anything else; and I think banks were willing to give people loans, just as they were this year. And I think the unions went to court and the courts ruled that we could give a paycheck or something like that; but it was a huge deal, and I believe it was the longest overtime session in the history of the state of Illinois, until recently.

DePue: How did the negotiations between yourself and Edgar's staff and the legislature change once you went past that July first date, and now you have to deal with the supermajority on top of everything else?

Walters: Of course, that meant the Republicans had a role, so they loved it. The Democrats were in charge.

DePue: A good reason to stonewall up to that point.

Walters: Yeah, although I don't know if that's what it was. I don't know; you raise a good question. Was it stonewalling? I don't believe so. I don't remember what the count was then, in the House and Senate.

DePue: Did Edgar get more directly involved with doing person-to-person meetings with the Four Tops?

Walters: Probably. I just don't remember. I know that we would have sat down with all four caucuses, as we did every year, and try to batter out an agreed bill at the end. Whether we achieved that—I think he actually made some changes to that budget once it passed. But for most budgets after that, we actually sat down and worked out a deal so that all four caucuses were in the room and signed off on the document before the House and Senate adjourned; and we had one budget bill, which was unusual at the time. They would pass department bills, and you never really knew what the final budget would be because they might slip some stuff in. Back in those days you had conference committees, and people were meeting surreptitiously, and we really didn't want that happening; we wanted to keep control of the budget.

DePue: How close was the budget that finally passed on July eighteenth, after payrolls had been missed, to the budget that was offered up a few months before?

Walters: Oh, I don't know. That's a good question. I think it was fairly close, but I don't remember the answer to that. And here's the irony: the state never did a final budget book. They always created a huge proposed budget—huge—and they never put out a final budget so you knew what actually happened. After a couple years of this, I said, "This is crazy. How do we remember all this stuff?" So we started publishing final budgets after that so that the state would actually have a record of what finally passed and what it meant for each department; because they'd all be wondering, What—be wading through thousands of pages of bills to try to figure out what happened. So honestly, I don't remember. I just remember being so relieved when that session ended that I was… I actually got a day off. (laughter)

DePue: Were your kids wondering if you were still around at that time?

Walters: My kids were grown by then, so they had no idea that I was going through this agony.

DePue: One of the things that I know resulted from that passage—and it was a 27.6-billion-dollar budget that passed that particular year—

Walters: That would have been all funds, including transportation.

DePue: —that there was a permanent extension of one half of the income tax surcharge, and that was money earmarked for education; and the other one-half of the surcharge was extended for only two years—and was that the half that dealt with the money that went to local and county governments?

Walters: I don't remember that. I don't know, honestly. I just don't remember that detail.

DePue: Somewhere in the same timeframe, property tax cap law was passed; and I don't know the exact timing of this one, but this is primarily for the Collar Counties, and it caps the increases, the yearly increases, to 5 percent or no greater than the rate of inflation.

Walters: Rate of inflation. Five percent being the cap, or no greater than inflation.

DePue: Yeah, the max.

Walters: Yeah, I vaguely remember that. It was a huge deal because the Collar Counties were growing like crazy, and of course Pate was from a Collar County; so was Lee—whereas Phil and Mike were from Chicago—and I think their constituents would have cared a great deal about property taxes. They wouldn't have cared about cutting general assistance, but they would have cared about capping property taxes.

DePue: I suspect the next question is going to be something you do recall pretty well, because once you get past the budget being passed in July eighteenth, this is the '92 budget. The '92 budget still wasn't put to rest, was it?

Walters: No, two things happened. One was we realized almost immediately that we were feeling the effects of a recession. The national recession had hit, and I remember giving speeches saying it had hit in January, when the governor was announcing cuts to the budget; and we kept saying, "This isn't because of the recession; revenues are coming in"—and they were—"This is because of overspending." And finally, the tax revenues were at odds with our models, and we saw that we weren't getting the tax money that we would have expected, that the budget was based on. In fact, I think sales tax went negative and income tax only grew 2 percent. That's my recollection. And ordinarily, you could count on them both growing about five. So (laughs) we went, "Oh, shit. Guess what, governor?" And I remember my economist leaving. I was very upset because I think he did a—

DePue: You remember the name?

Walters: I do, but I'm not going to mention it. It's nothing against him; I just believed that we needed a more stringent economic model, and we got one. But we also found out—and is that the year we found this out? What we would do every year is create a shadow budget. Just after the budget was done, we would be closing out the current fiscal year, preparing for the next fiscal year, and then we would begin shadow budgeting the very next fiscal year. So we'd begin to look out and say, "What does it look like out there? Where are there pressures?" And we realized that Medicaid—we had changed the way of paying Medicaid from a system, a DRG system—what did that stand for? Diagnostic… Oof, can't remember now what it stood for.[28] But in any event, we went to a different Medicaid payment system, and in so doing, we did not factor in that it would take hospitals—

[28] Diagnosis-related groups, a method of coding hospital cases for the purposes of calculating Medicare and Medicaid reimbursement as part of a prospective payment system (PPS). Under this system, hospitals were reimbursed according to predetermined rates tied to specific diagnoses. Rick Mayes, "The Origins, Development, and Passage of Medicare's Revolutionary Prospective Payment System," *Journal of the History of Medicine and Allied Sciences* 62 (January 2007): 21-55.

especially hospitals, not so much doctors—a while to understand the new billing and to actually submit the bills. So when we did our shadow budget—it might have actually been the next year—we realized that our assertions about the Medicaid spending curve were based on three months of the fiscal year that were flatter than they should have been, because of this adjustment to a new rate system where they were trying to figure out how to bill. And if you take a six-billion-dollar Medicaid budget and you're off by a tiny percent, you are in the hurt locker. So we had to go tell him about that, too; that we screwed that up.

DePue: The shadow budget that you're working on, you just got into July first—

Walters: Yeah, it must have been the next year. It had to be the next year.

DePue: So you just got into 1992; are you talking about a shadow budget for the 1993 fiscal year?

Walters: Yeah, it must have been the next year, because I can't imagine that we would have found that out so quickly.

DePue: But how did you deal with the deficit that you knew that you had on your hands for the 1992 budget year?

Walters: We always told the governor when things were bad; and I think I told you once that whenever he saw me coming he'd always hide under his desk and hope I would go away, because he knew I was never coming with good news. But we always had to face up to it and say, certain things are happening; we have to deal with them. And if it wasn't our bond rating going down, because the rating agencies just slammed us for this budget—which I find ironic, that they would let Enron off the hook and treat state governments like they were criminals because they had to cut budgets. They liked states that taxed, and they didn't like states that cut. And we faced up to our shortcomings, but they had the full faith and credit of the state. They could have had every penny if the state ever went out of business. They would have been the first lien holders on any asset that the state had, unlike Enron, where they lost everything—pensions and everything. They lied to Wall Street, and Wall Street kept rating them very favorably. And so our ratings were constantly being adjusted downward by the rating agencies, despite the fact we would go to them and plead with them and read them the constitution and give them all these good facts and stuff.[29]

[29] One such visit took place February 27, 1991, when Edgar, Dillard, and Walters met in New York City with representatives from Moody's, Standard & Poor's, and Fitch Rating Agency. On August 2, 1991, Standard & Poor's dropped the state's general obligation bond rating to AA from AA-plus, the state's first downgrade since 1983. Moody's followed suit on September 5, dropping Illinois for the first time since 1944, from Aaa to Aa1. *State Journal-Register*, February 28, 1991; *Chicago Tribune*, August 1 & September 6, 1991.

DePue: And every time the ratings went down, you had a bigger budget dilemma to deal with?

Walters: It was more of a public perception dilemma than anything else. Everybody said, "Oh my God, the state's bond rating is being lowered." It was an infinitesimal amount of interest's difference, but the public perception part was the big part. And people would use it against you. So we discovered this, and we realized that we were going to have to make mid-year reductions. That was our recommendation to the governor, that we would have to make mid-year reductions. I remember (laughs) there were these huge hearings where all the human service agencies came. And as much as we hated across-the-board reductions, we knew of no way to do this other than that fashion, because we had combed through every piece of state government in our first budget. I think we did some kind of an across-the-board cut. I can't remember exactly. Three percent, maybe?

DePue: This is what I read, and I believe I got this again from *Meeting the Challenge*: a 7 percent cut—

Walters: Oh, 7 percent.

DePue: —that was announced in January 1992. Of course, you're only dealing with a portion of the fiscal year at that time.

Walters: Right. That's why it had to be so big.

DePue: But it amounted to another three hundred fifty million dollars in cuts. And short-term borrowing for five hundred million.

Walters: Yeah, we did that so we could pay providers. Like I say, income doesn't come in in an even fashion, but outgo is much more even, and so we short-term borrowed in order to provide us with the opportunity to pay bills on a regular basis throughout the year. Then we could repay at the end of the year when the income tax came in. That was also looked upon very negatively, and I thought it was a great device. Sure, there was maybe a seven-million-dollar cost or something to that, but the cost to providers and the state's vendors was a much higher price, in my mind, to pay. It's a device business uses all the time. Every big business out there borrows to meet payroll, and when the state does it—we're not borrowing long-term here; we're borrowing within the year. Believe me, Goldman Sachs was at our door constantly to try to get us to borrow for operation, and I would summarily kick them out, saying, (laughs) "We do not borrow for operations in the state; just get lost." But I thought borrowing short-term was a good business practice.

DePue: Was this something that was offered up at that time; was it requiring legislative approval?

Walters: Yes, yes.

DePue: And what was the fight when it got to that point.

Walters: I don't remember the fight, if there was one, honestly. It was just such torture from one minute to the next for about the first three, four, five years that I have no recollection other than that getting through the day was my goal, and being able to get up the next day and start over again. So honestly, I'm a very bad resource. Mark will remember these things with much greater detail because he's got a mind for it, and he also will relish—

DePue: The telling?

Walters: —the story. The telling, yeah. I just put it behind me and move on, so I don't remember. I just remember all the interest groups and the hearings, and my budget assistant and I were going to get caps that said on the back, "Shit happens," (laughter) so that they could read that behind us; because they'd be back there demonstrating in the hearing rooms while we're explaining why we had to cut mid-year, and it was just—

DePue: So these hearings are going on in the legislature, I assume.

Walters: Oh, yeah.

DePue: How would you characterize the media coverage this first year or two?

Walters: It was okay. I was reading some of the articles, like Charlie Wheeler. Charlie is a great guy. Here's a headline from January thirteenth, when the governor was installed and announced that he was making budget cuts, and Charlie does a really good job of explaining things. Some of the other people took a great deal of—oh, (laughs) here's one about the mid-year reductions. December third, *Chicago Tribune*, Rick Pearson—still around, can you believe it? It talks about our projections falling short and me saying that unless there's some kind of a miracle, we're going to have to adjust the budget downward. And so they took a great deal of interest because there was so much happening on that front. Normally, there's just not that much happening all the time, and we made a lot of news for them.

And I would say that they treated us fairly. They were doing their job. We tried to do our job. (laughs) And the public ended up feeling that Jim Edgar was a good fiscal manager, and they loved him for that. So I think in the end, all this media attention actually played into his hands, because he handled it well. He left with such a high favorable rating. Why would that happen after five years of total misery, where all you did (laughs) was have floods and bad things happen to the state, that you had to cope with constantly? But I think he rose above it. He tried to do things. He tried to reform education funding. He wasn't happy with just giving more to things; he wanted to make it really work better, and I think people actually respected that. And they only would have known through the media, because how else do people know things? That's the only way I know things now.

DePue: But you just described what a good manager would do, if I can go back to that issue one more time.

Walters: A manager of state government policy. Again, people said he didn't have a vision. I think he did have a big vision for education, he just couldn't pull it off. It was just too big of a switch, the income tax, or the—yeah, the income tax for property tax switch.[30] Big changes, like health care today, are very hard to come by. Somebody is always going to lose, and the losers never want to lose a thing; and the people that don't have anything want more, so how do you do that? (laughs) How do you do that? I want more because I don't have any, but you've got a lot and you don't want to lose anything. How do we manage this? It's between a rock and a hard place.

And so you can see why government gets such a bad rap, because it is so hard to change anything. There's such an investment in the status quo, and when people are bold enough to bring out ideas—look at Obama now: his popularity is going down because of health care, because he's suggesting things. And I'm not saying that his plan is good, bad, or indifferent—it's not his plan anyway; it's the House and Senate. But when you push for change, you've got to be ready to take your lumps, because people only like change when they come up with it themselves. They don't like it being done to them, and for most people, government is what people get done to them; it's not what they do for themselves.

So I give Jim Edgar a lot of credit for his stick-to-itiveness and his discipline and his lack of need to be loved.[31] I think that speaks highly for him, because if you're in the paper every day and you're always being called something less than perfect, it can really wear on you. He didn't let them get him down, and he had a good staff around him to kick him in the pants when it did. Mike Lawrence, Mark Boozell, Gene Reineke, I, Al. People who really cared about him were not shy to say, "Governor, we really need to rethink this particular direction you're thinking of going in." And so he was wise to allow strong people around him.

DePue: This is perfect, because my next series of questions was to ask you little thumbnail characterization of some of his key lieutenants, and you've mentioned a lot of them already. So let's start with the first one you mentioned, Mike Lawrence, and his role in the Edgar administration.

Walters: Yeah. Mike, he's just such a consummate professional. He—

[30] By "switch," Walters is referring to replacing a portion of state education funds derived from local property taxes with money generated from the income tax. Edgar had made such a proposal as early as 1977, during his first term as state representative. See Jim Edgar, interview with Mark DePue, June 9, 2009, 23-28; and Fred Edgar, April 22, 2009, 54. For the difference between Edgar's plan and Dawn Clark Netsch's 1994 campaign proposal, see Al Grosboll, interview by Mark DePue, October 22, 2009, 27-29.

[31] For Edgar's belief that politicians are ultimately incapable of truly developing a thick skin, see Edgar, June 15, 2009, 103-105.

DePue: And he was the press secretary.

Walters: He was the press secretary, we worked very closely together, and he was often the interpreter of things. He definitely would tell the emperor when he was running around buck naked. He tolerated nothing short of a high standard. I just think the world of him. And he executed at a very high standard. He's a very respected journalist, and I believe that he brought a lot of respect to the administration by virtue of working for it. I have the greatest regard for Mike, and I adored working with him so much.

DePue: Kirk Dillard was the chief of staff for this first couple—three years. It's a name in the newspaper right now because he's declared his intentions to run for governor.

Walters: Yes, he has, and—

DePue: From the Illinois Senate.

Walters: Yeah, I found that interesting. I think the Senate is the right place for Kirk. It's a deliberative body, and he's a very deliberative guy. What you learn when you work in a governor's office is that every minute, there is something new that is hitting you, and you've got to move quickly from one thing to the next; you've got to be (snapping) *boom, boom, boom, boom*. And by noon, whatever was a top priority at eight o'clock in the morning (laughter) could be totally changed, if not forgotten. Really. And Kirk—a very decent man, thoughtful, intelligent; very decent—but I think he was uncomfortable with the pace. I remember Gene much better than I remember Kirk.

DePue: Gene Reineke.

Walters: Yeah. Gene succeeded Kirk when Kirk—

DePue: Jim Reilly did, for just a—

Walters: Oh, very brief.

DePue: For one year, and as Jim told me, it was that year that Edgar was running for reelection.

Walters: Yeah, that's right. I forgot that.

DePue: And then it was Gene Reineke. So should we talk about Gene first or Jim?

Walters: I'd worked with Jim when he was a legislator, and I really liked him a lot. Elections are difficult periods for everybody. Everybody's under the gun to perform, and the governor has to be both a governor and a candidate. And the political people want him to spend all his time being a candidate, and the government people want him to be a governor, and often there are tensions.

DePue: And you were one of those government people.

Walters: I was one of those government people, and I'm not sure I was entirely popular with Jim. But he is a very bright guy, always wanted the best, was a good man to be a go-between with some of the difficult relationships that the governor might have had, like the Senate and House Republicans—not that Jim was any terribly strong Republican. He was only in because he was a part of a three-member-district, (laughs) as I recall. So it wasn't like he was some stalwart ideologue, a neocon or something. He's like Jim Edgar in a way, just kind of a progressive guy who ended up declaring himself a Republican. I think he obviously had a lot of business acumen, because he left and did important business things.

DePue: The next chief of staff was Gene Reineke, who had other positions before he got elevated to chief of staff in the administration.

Walters: He did, and Gene was a very good guy, just a really nice guy. The chief of staff job was just really a tough one. You're at the center of everything and trying to make sure that the governor's time is well spent, and you get a lot of the abuse. I think Gene really did a good job in handling issues and getting those of us involved that needed to be involved in a timely fashion so things didn't fester and get tough. But as Republicans gained the majority in both houses, you'd think that would have made life better for Jim Edgar, but actually, I think it made it harder. I think he had a much better time getting along with the Democrats (laughs) when they were in the majority than he did getting along with Pate and Lee, because their tendency was to be very right-wing, and that was very counter to the governor's instincts. Whereas people thought, Heck, you're all Republicans; you should work together, it wasn't as easy as it appeared. So Gene often had to be the interface, as well as Mark, on those kinds of things.

DePue: You've mentioned Mark's name quite a bit in this discussion. Of course, for most of those years, he was the director of legislative affairs. Steve Selcke had one year, and I understand that Selcke was a holdover from the Thompson administration because Edgar understood the importance of having continuity in that respect.

Walters: You bet. He came from the legislature, so he truly respected the body and the role they did, and he knew that it took somebody with skill.[32] Steve was a very, very nice guy and very professional, and I worked very well with him. I remember Steve very well. Mark (laughs)—Mark is just a treat of a guy. He's funny as heck, and he would passionately plead with the governor on behalf of the legislators for certain things, because there was this distance, and Mark would try to—

DePue: The distance between the governor and the legislature.

[32] Arnie Kanter feels that Edgar's respect for the legislative process was an especially distinctive feature of his administration. Arnie Kanter, interview by Mike Czaplicki [get rest of cite when transcript edited]

Walters: Yeah, and Mark would try to (laughs) sort of bridge the gap with things. He had a rough job, but he always did it with great pizzazz, and he worked very hard. He had a good staff, and they worked a lot of hours when they were in session. And I have nothing but the highest esteem for him.

DePue: Let's go to the legal counsel.

Walters: Arnie. (laughs)

DePue: Arnie Kanter and James Montana. I don't know if they were there at the same time.

Walters: Oh, God. I hardly remember Jim at all. But Arnie, oh my gosh, Arnie was a character. The best recollection I have of Arnie, and I can't remember the issue: Sally—

DePue: Sally Jackson?

Walters: Sally was the chief of government operations. She and I had worked together before and had a great deal of respect for one another, and Arnie was this new person that I hadn't worked with at all. I can't remember what the issue was, but I remember we were in the governor's side room—there was a whole bunch of us, and some big 'ol-darn issue. I remember Arnie crawling out of the room on his hands and knees, and we knew that he wouldn't last long. Like I said, I can't remember what it was. But Arnie had never worked in government, as I recall. I think he was in private practice before that, and I think he had a hard time bringing that private practice mentality to government, where you had to go through hoops and work with people and actually follow rules and get things done in a legal fashion. And like I say, I just can't remember the issue. It was something really big at the time, and Arnie—anyway, Arnie was replaced.[33]

And I hardly remember Jim Montana at all. But I do remember Bill Roberts. He became the counsel after Jim, I guess. And let's see, what contact would I have with legal counsel? Not a whole lot, unless there was something going on that involved legal stuff. Other than just staff relationships and an understanding of what was going on, like the MSI investigation that was going on at the time—the legal counsel's office would be terribly involved in that, and I wouldn't be. So I didn't have an occasion to work with them that directly other than regular staff relations.

DePue: Mike Belletire. He had a variety of jobs. I think he started as the deputy chief of staff, along with Sally.

Walters: He did. He did. Mike was one of those people who really grated on people, (laughs) and I remember wrongly accusing him of something once. It was a hysterical story. I was telling you how the governor coveted keeping the budget as

[33] [Kanter cite on his departure]

close to the vest as possible, and it never got revealed until he so determined it should be. Well, one day the *Tribune* ran a front-page story on what the budget was going to be. It was almost word-for-word. And I remember thinking, Mike Belletire spilled his guts to somebody—Rick Pearson, in all likelihood. And then I remember later, Rick—and I think it was Rick, though I'm not 100 percent sure—told me that he read my white board. My office was on the first floor of the Capitol, and I had a white board installed so we could do working sessions with my staff and come up with stuff on my board. He was coming back from lunch one day, and he realized that he could see the white board in my office and read every word of it, so he stood at my window and took pictures of it.

DePue: Who is this again?

Walters: A reporter for the *Tribune*. It was word-for-word how we were going to talk about the budget one year—I think it was '93. And I had to remind myself never to judge people, because it was my fault that the budget got leaked, not Mike Belletire's. But Mike was the kind of person you would suspect of doing that kind of thing, because he always had this sort of dangerous side to him. I don't know quite how to describe it, but he always had this kind of spy side to him that made you wonder, what's he really up to?

DePue: Who would have been the enforcer or the disciplinarian in this group, to kind of hold the group together?

Walters: It wouldn't have been Kirk. I don't know, that's a good question. It would have been me for budget stuff, for sure. Other than that, it would have depended on the issue, and people were kind of on their own. Gene was very much of a herding-the-cat kind of a person, so he could have—he did that when he got up there. But Kirk, that really wasn't his forte.

DePue: I've got one other name for you: Janis Cellini.

Walters: Yeah, Janis. Our paths didn't cross all that much.

DePue: What was her official title, personnel director?

Walters: I think so.

DePue: She had the reputation among the press and the general public of being the patronage boss for Edgar. Is that how she was perceived within the inner circle as well?

Walters: Yeah. I'm sure within whatever legal authority the governor had, and he had some limited authority to place people in agencies, that Janis was the person he would turn to to get him people. But there wasn't a whole—government, it was a lot of civil service, which has its own set of rules, so…

DePue: Were there positions within your office, though, that she had some control over?

Walters: Never. I could hire anybody I wanted, and in fact, we recruited at Master's degree levels all over the country.

DePue: So you wouldn't have had any discussions or issues with her in terms of those appointments?

Walters: No. Cabinet members might talk about it from time to time, but I don't remember anything in particular coming up. I don't think Jim Edgar made any egregious appointments. I can't remember anything happening. I think on the whole, it was Janis's job to keep the county chairmen happy, make sure we understood what their issues and concerns were, and when there was something that the governor actually had control over, that we had a good list of names from which he could choose.

DePue: I would imagine that keeping the county chairmen happy was as difficult as keeping the legislators happy.

Walters: It is a difficult job. First of all, there's a lot of them—102 (laughs)—and they're of all different types. You've got the Collar Counties, and then you've got downstate Illinois, down at the very tip, where if a job comes along, it's a miracle. So a huge variety of things, and I think Janis probably played that role extremely well.

DePue: Any other names that we should be talking about here when we're talking about the key staff members?

Walters: Steve Schnorf. What did he do?

DePue: Steve Schnorf. He was your successor. I don't know where he would have been before that time.[34]

Walters: He's in this picture; that's why I'm confused. Andy. What was Andy? Andy Foster was an assistant to the governor for something. Of course, there was Felicia, who I mentioned was the human services assistant to the governor. Al was the assistant to the governor for the environmental agencies. Let's see, who were some of the other…? And then Howard succeeded Felicia when Felicia left.

DePue: Howard Peters.

Walters: Howard Peters. Oh, and we never talked about reorganizing the Human Services Department.

DePue: But I wanted to—

Walters: (laughs) I did that—

[34] Schnorf was director of Central Management Services from 1990 to 1994 and Edgar's policy director from 1994 to 1997.

DePue: After this quick overview of Edgar's lieutenants, to begin with, if you will, I wanted to turn next to the '93 budget; and some of this other stuff, we'll pick up in the next session.

Walters: Oh my God, we have a next session. Ninety-three budget. Oh my Lord. I don't remember it.

DePue: I would imagine that all of this stuff kind of flows together, and it's hard to distinguish one fight versus another one.

Walters: It does. We did everything we could to try to get the state back in some kind of fiscal health; it just took a lot of time and effort. And we were unflinching. All I remember is just every day taking on a new fight for something.

DePue: If you don't mind just a couple questions on the '93 budget…

Walters: Yeah, if I can remember.

DePue: April seventh, he makes his budget address, and he calls for yet another 12 percent cut in most agencies in the government.

Walters: And I think that's the Medicaid—was that the Medicaid year? Is that in the book? Does it tell the reasons?

DePue: Here's what I've got. Increase to thirty million to education, increase to Children and Family Services—

Walters: Oh God, yes. DCFS was like a giant pit; and we had to totally redesign the DCFS system in my office in order to get that spending under control, because we were not getting good outcomes, and we were pouring tons of money into the system.

DePue: And if I'm correct, there were court orders prior to the time Edgar even got in office—

Walters: It's a consent decree.

DePue: —to solve the serious problems in Children and Family Services before that time. Was it not tied to the amount of cases that each one of the individual caseworkers could deal with?

Walters: Yeah, there was a consent decree that limited the caseloads, and I remember going out with caseworkers to try to understand that. We spent a lot of time on trying to understand DCFS. We called it the "Mountain of Kids." I had a great graph that showed kids that were wards of the state, and it grew like this. It was literally a mountain of kids. The state is a terrible keeper of children, so we tried to think of ways to redesign the system in order to both prevent the need for a child to get in the welfare system and to not have them stay the rest of their lives.

It's a daunting problem and one I would not want to face again. It's probably the hardest problem we ever had to work with.

DePue: More than Medicaid?

Walters: Yeah, because Medicaid was easier in some ways. DCFS was actual people. These are kids, and when you go to homes and you see how they live, you think, Okay, what's better, having this kid stay here or go somewhere else with people they don't know and who may end up hating having them? It's such a hard subject. You can't believe what a hard job it is for caseworkers to make those decisions. I give them so much credit for even staying in the field. And they had very few tools. Back then, we didn't have laptops. I kept saying, "Boy, you need something where you don't have to go back to the office and write all this stuff down, because it's"—

DePue: It's perishable information.

Walters: It is, and so much time on writing. It's like cops. Now they all have computers in their cars. They can enter stuff, and they're done with it. When they had to go back and write reports—or doctors have to write notes. Now they do it on a computer; it's so much easier. But all this is to say that DCFS was just such a troublesome area.

DePue: Continuing on with the initiatives for that year, on the tax and revenue side—

Walters: Yeah, what did we do?

DePue: Increase of sin taxes.

Walters: Yes, we did that to pay for things. That was our break with the no increase in taxes—and, of course, the governor didn't call them taxes, he called them "fees." We laughed.

DePue: Users' fees for state parks and historic sites.

Walters: Yeah. God, it was just another bad year. Of course, the recession hadn't ended, so the recession that we dealt with midyear was still—we were coming out of it very, very slowly. And the demand for state services always increases during a down time, so you have more people on welfare, more people on Medicaid, and less ability to pay for it. It's very ironic.

DePue: I'm sure this one wasn't popular among the business community at all: professional licensing fees increase.

Walters: Yeah. At least we left the money in their agency. This governor [Pat Quinn] and his predecessor were taking all those funds and using them for general purposes.

DePue: To be more explicit, those fees are supposed to be protected for specific purposes.

Walters: Right. If you get fifteen bucks from every cosmetologist, it's supposed to go to regulating that industry. That's how the law reads. I believe that's how the law reads, but that's the intention, that it's used for that regulation and not for other general funds. It isn't supposed to help pay for education or DCFS.

DePue: I wanted to get this in as a marker, because so many times in our discussion, there are analogies made with what's going on today and what's going on in the immediate past in Illinois. So we had Rod Blagojevich, who was notorious for taking from those protected funds.

Walters: Yes, and I think John Filan had a great deal to do with that. John Filan actually had a bill the first year [of Edgar's administration], that he gave the House Democrats, to sweep funds, and I remember going to my staff and saying, "You need to follow this bill, and we need to figure out how to stop it." And they all laughed at me because they were holdovers, and they thought, What's wrong with that? It's not right; that's what's wrong with it. (laughter) And, by jingo, he becomes a bigwig in state government and does it.[35]

DePue: And the other part of the marker is that as you're talking about this huge mountain of debt and the deficit you had to deal with those first couple years, because you were in recession years and you inherited a budget that was way out of whack, Governor Quinn gets to office and finds something like 11.5 or 11.9 billion that he has to fill.

Walters: Oh my God, it's unbelievable. I've only been back since 2005, and you could tell from the first budget that I heard about, that the governor was not paying attention to the budget; he was adding spending.

DePue: Which governor are we talking about now?

Walters: Blagojevich. He was adding medical programs, adding early childhood, free RTA. All of those things sound wonderful, and they are good, but it's like me saying, "Gee, I deserve to drive a Lexus." I can't afford a Lexus. I don't deserve to drive what I can't afford. And so the state has to make hard choices. If we're going to drive a Lexus, then we need to raise taxes or cut spending in another area; and I never saw—other than his gross receipts tax, which went over like a lead balloon—any discussion that government needed to be managed in a way that was sustainable in the future. Every year, it was a new world, a new day, and you never had any accounting for the past; and you knew someday it was all going to come home to roost, right? And boy, did it ever. Eleven billion dollars' worth of coming home to roost, and a recession really kicked it into gear. So I pity poor Governor Quinn for having to deal with this, because no matter what he did, he was wrong, if you heard the news stories. You can't win in these situations; and I think he could have done things differently, but in hindsight, we all could have. It's hard to be there every day doing what everybody thinks is the very best.

[35] John B. Filan was Gov. Rod Blagojevich's budget director.

DePue: You guys were obviously in the trenches, and you had your own problems to deal with at that time, so I'm going to take you back to the spring and early summer of 1992, when you've made your budget proposal for fiscal year 1993. And I think you got some serious pushback from the legislature that year.

Walters: Really?

DePue: And again, what I had culled out of the documents here is that Madigan, Mike Madigan, the Speaker of the House, proposed another three-hundred-and-fifty-million-dollar cut. Does that sound right?

Walters: Did he really? What did he do? What was cut?

DePue: I don't know. I don't know the details of that.

Walters: Interesting.

DePue: So I apologize for putting you on the spot here.

Walters: No. It wouldn't surprise me, because Mike Madigan understood finance better than anybody, and he's a very conservative person.

DePue: Fiscal conservative.

Walters: Very fiscally—he's socially conservative, for God's sake. He may be surrounded by a bunch of different stripes of Democrats, but he himself is a little Republican sitting in the middle of Chicago, to be perfectly honest.

DePue: (laughs) And he's been sitting as the Speaker of the House for—

Walters: For a long time.

DePue: —as long as most people can remember.

Walters: Yes, but part of that is his discipline. He's a very disciplined person, and with discipline comes that kind of fiscal discipline as well. But in any event, I wouldn't be surprised, because I think his staff got it. I think they often would get it, as did the Senate Republican staff. The other two caucuses, I was never really sure if they got it. So it wouldn't surprise me if they came up with some substitute or additional cuts. I don't remember it particularly because I'm old and senile now. (laughs)

DePue: I think you're neither of those things. So the budget finally passes. Edgar, I believe, trims another thirty million dollars from the '93 budget—

Walters: Yes, I think he did.

DePue: —with amendatory veto, I would guess.

Walters: I think it was the constitutional officers, too, that might have taken the lion's share of that. And after that, I think we worked with them really closely to try to get budgets that we could all live with, because we didn't like going in and doing that.

DePue: Were those first two budget years the worst?

Walters: Oh, yeah. Oh, definitely. Oh, yeah. (laughter) Oh, yeah, they were definitely the worst. And then you got a glimmer of hope that things were getting on the right track, a glimmer of hope.

DePue: "Things," being the budget process or the economy or both?

Walters: Both. People were getting it, and the economy was showing glimmers of recovery. And actually later, we benefited from huge economic gains. We would never have left the billion-plus in the bank that I had when I left, if it hadn't been for a rebounding economy. But nevertheless, we didn't spend it either, and that's a legacy that's gone. It's evaporated.

DePue: How about for the last subject we deal with today, let's talk a little bit about the flood of '93, and then we can pick up the rest of it.

Walters: Yeah, the flood of '93, that was another—gosh. Another problem that we had to solve was that it took a lot of money. See, I had to look at everything through the prism of money and appropriation authority, because we lived under appropriation authority, and without authority, we couldn't spend. And of course, we were a no supplemental—it was, Don't overspend your budget, people, because I'm watching it, and you're going to submit a spending plan, and it's going to show me that you can live within your means. Well, departments like Corrections had to go sandbag on the Mississippi, which caused extra money to be spent that we didn't count in the budget, so we had to come up (laughs) with ways to afford these things. First of all, to afford them. Secondly, to actually have them do that stuff—was it legal for them to do that stuff? And then thirdly, what if we didn't get supplemental authority from the general assembly to pay for this? Because there was never any guarantee, believe me. We never operated under a guarantee that we would ever get a supplemental. So departments—

DePue: And this would have happened at the very beginning of the 1994 fiscal year.

Walters: It was. It was July.

DePue: July-August of that year.

Walters: It rained like hell, and—

DePue: Joan, I have to confess; I remember it pretty well because I was a National Guard battalion commander on the Illinois River, in August.

Walters: Were you? So what was it like?

DePue: It was a day-to-day existence; and from my perspective, it was a matter of, We're responding to that local community screaming for help, and whether they needed it or it should be a war fought down the river someplace else, we were there to respond to that local community's request for assistance.

Walters: And we had to pay for that as well.

DePue: But were you not getting federal funds once the national emergency—

Walters: We might have.

DePue: —was declared?

Walters: But I don't think anything paid 100 percent.

DePue: So this is a huge burden on the budget.

Walters: So you had big burdens. We found some language which allowed us to spend money for purposes outside whatever was in the appropriation bill, and we got the comptroller's office to sit down with us and agree on working out how we could do this. And then I made departments come up with spending plans; one that assumed they got a supplemental, like corrections, and another assuming they didn't, and what would they do? How would we manage? Because they wouldn't come in till the spring session. It would be January, February, March before they would ever pay any attention to our supplemental request. And by then, most of the year's gone, and if you just continued spending, you'd be in the hurt locker; and we didn't want to build up debt. So these poor departments were, I'm sure, so sick of me—don't interview them for sure (laughter)—because we made them come up with these plans, and then they had to live with whatever they came up with. And we would have dates. Like if by this date you don't have this, you'd have to do these things. We managed it really well.

DePue: Was there any possibility you could increase revenue flows, or was there greater revenue flow because the economy was rebounding?

Walters: Actually, what we found: disasters really do cause an economic rebound. And you know why? Because the people who are flooded have to go out and buy wood and drywall, and they have to hire people to put things up; and while the state didn't get any money off hiring people, they did get a lot of money off purchases of durable goods and hardware stuff. So their washers and dryers might have been ruined; they had to go out and replace those things. And we found that it was actually a boon economically. Certainly not a great boon, but it probably brought in more revenue than it actually cost us. But that's not to say that the general assembly would want to spend on those things; so if they had money coming in, there's no guarantee they would spend it on a supplemental for a department or the National Guard or anybody else. They'd want pork in their district.

DePue: How about federal assistance? Did that help get through a disaster like the flood?

Walters: It could be, but I have no recollection of that at all; and I wonder if Al will, because Al was very instrumental in helping to move the city. What was the city that was down on the river, and he moved them up—

DePue: Hull? Was it Hull?[36]

Walters: Hull. And he might have much more recollection of that than I do. I remember the earthquake in Seattle and how horrible it was to work with the feds on that, but I have no recollection of the flood in Illinois and working with the feds on that. Remember the year we didn't have a federal budget?

DePue: Was that '94?

Walters: That would have been '93 or '4, and we had to work with the feds on that, (laughs) because we couldn't spend—like DORS [Department of Rehab Services] relied on federal funds to fund a lot of their activities, and we had to figure out how to do that without any money, and I remember countless phone calls to the federal government on that. It seemed like every time we turned around, the federal government or the state government or locals were going through some terrible trauma that impacted us, and we were constantly challenged to try to figure out ways to cope with the current situation. Actually, from an intellectual point of view, it's probably the most stimulating job I ever had in my entire life, intellectually.

DePue: Next session, I want to finish up your tenure as the budget director and then move on to Public Aid, your years with Public Aid.

Walters: I was only there one year, so it will be a really short meeting. (laughs)

DePue: I don't know that it needs to be quite as in-depth as we did today, but I do think that it was very important for us to go through in detail the struggles of putting together a budget and how that process works through the years.

Walters: I'm just sorry I don't remember more; and I'm really counting on my colleagues to give you the details.

DePue: I think it's remarkable how much you do recall of this.

Walters: I'm embarrassed. I read the articles, and I say, "Oh yeah, we did that," but I have absolutely no recollection of individual meetings with leaders or stuff like that. And I know they happened. It's just like, Okay, tomorrow's another day. You move on, and I totally move it out of my head. So Mark Boozell will be your only savior.

[36] Walters is probably thinking of Valmeyer, Illinois, whose citizens voted to relocate the entire town. Grosboll, October 22, 2009, 14-17.

DePue: (laughs) I am looking forward to talk to him, but this has been a lot of fun to talk to you today.

Walters: Thank you.

DePue: And very illuminating. So we'll pick this up in a week or two, I hope.

Walters: Okay, good.

DePue: Thank you, Joan.

(end of interview #2)