

## Forum Proceedings Notes

On January 15, 2016 at Loyola University Chicago School of Law, Health & Medicine hosted a meeting of *The Chicago Forum for Justice in Health Policy: Creating a New Vision for Illinois' Budget*. The event webpage includes a listing of panelists, links to videos recorded and edited by CAN TV, and slides from our panelists, and can be found here: <http://www.hmprg.org/Events/New+Vision+for+IL+Budget>.

The following notes are from the forum proceedings and provide a general overview and summary of main points from the forum. The notes are written in summary form, and can't fully capture our panelists' presentations. Hopefully, these notes will be useful for advocates and policymakers seeking to understand issues related to the budget, think about potential revenue solutions, and consider strategies, framing, and narratives likely to advance progress.

## Introduction

**Margie Schaps, Executive Director, Health & Medicine Policy Research Group**

**Mike Gelder, Board Member, Health & Medicine policy Research Group (moderator)**

- How to try to get out of a crisis every year? Looking for a sustainable budget, that is fiscally responsible for all of us
- At this forum, would like for us to use our collective knowledge base about various components related to the budget and to accumulate wisdom and expertise from various perspectives in the audience and panel members
- This can serve as a stepping stone to change the narrative so that we can come out of here empowered to take action
- First, the 800 pound gorilla: the current budget impasse.

## Panel 1: Examining the impact of the budget impasse

**Amber Smock, Director of Advocacy, Access Living**

- Access Living is a disability rights advocacy group that provides services for people with IDD and advocates.
- It has been nearly a year since the first budget proposal. I can't help but to feel insulted that so many human services for people with disabilities have been cut. In a state of fear of immediate self-destruction. Our needs are being considered irrelevant to structure of human services
- Our state needs someone to do that work because agencies and freelancers can only go into debt for so long. Many agencies or organizations are closing or looking to be a part of other providers. Jobs are being lost
- We must remember that IL was never very rich in human services. Austerity has grown stronger year by year. We need a mosaic of providers that can be paid with the needed revenue coming into the state
- Consent decrees are being seen by the government as something that we need to "get out from under" and that they would like to get away from

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- We need the law and legal advocates for the poor and disabled. Nothing about us without us and if we are not at the table, then we are on the table. Areas being threatened with cuts:
  - Seniors (needing meals)
  - Personal care services
  - Students with disabilities
  - Mental health services
  - Reliable early interventions
  - Group homes for people with IDD are at risk
  - People with physical disabilities need access to assistive equipment, etc.
- We continue to live close to the edge, when actually there should be enough money to innovate. There's no room for anyone's dreams in the current climate
- This has been a failure of policy:
  - Failure to create policies that sustain supports; instead we remove supports
  - Policies are not based on successful outcome, but on budgetary risks

#### **William McNary, Co-Director, Citizen Action Illinois, Responsible Budget Coalition**

- Frequently finds evidence of our state's crises in the Sunday paper. For example, recently there was a release that IL funding for students qualified for (MAP) will no longer exist
- Chicago State students are facing a school closure. We, as a state, have forced the only state college that serves a majority of minorities to close. It already has depleted \$9 million in reserves
- Our situation has gone from bad to worse under the Governor's watch, who refuses to pass a budget without his "turnaround" agenda
- The budget is a value-based document - where your treasure is, should be your heart
  - Autism programs, Epilepsy grants, seniors and people with disabilities in independent living centers, etc., are not receiving services
  - Construction has been halted
  - Stopped funding psychiatrists
  - Domestic violence funding has stopped
  - Breast cancer, cervical cancer programs have stopped, etc.
- However, the Governor did not cut \$100 mil in tax breaks to corporations
- Politics is about improvement of people's lives
  - Responsible Budget Coalition (RBC) - 3 principles: No cuts. Illinois needs revenue. If there are to be cuts, should be equitably done. Engaged in policy fight for years
- You don't hold the budget hostage to get votes. I don't think you can take apart the state and sell it
- GCTR: Private Equity Company: R for Rauner
  - Millions have been made by Rauner by breaking up companies, paying lawyers to do the job, and moving on
- Let's fight the political battle as well
  - Every other admin has passed a budget. We need sound public policy to do so

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#### Q&A:

- Are you seeing providers suffer from little or late payments?
  - Some are and some aren't
  - FQHCs are suffering
  - Money is coming into some providers on time (the comptroller is trying to get that done with the money she has) or not at all.
  - We need to realize the battle before us and be ready to fight battle, no woe is me
  - Short term – fund state services (options for revenue – restore tax cuts, restore tax rates, close corporate loop holes)
  - Long term – structural change, (progressive income tax)
  - Important to motivate people, but service providers are stretched very thin and it's a lot to ask of people

## Panel 2: Understanding Media Coverage of Illinois' Budget Issues

### John McCarron, Freelance Writer and Contributing Columnist, Chicago Tribune

Joined the Tribune editorial board in 1993, replacing Joan Beck.

Challenge getting message out in current journalism environment. As a business, journalism is also in crisis. Knowledgeable reporters are being laid off as papers try to bring expenses in line with declining revenue.

#### Ways to get you message out in this situation:

- Have a press-friendly website. Have all press releases, especially most recent posted. Post all significant presentations/speeches, all reports and studies, and research you want people to see
- Include contact information for communications staff, ED, VPs, etc. who you trust to speak for the organization so reporters who do have time to make calls can reach you
- Identify people who can make reaction statements without internal clearance
- Find out who the reporters are who cover your beat and invite them to coffee. Seek them out at conferences and seminars. Become a readily available and reliable source
- Streamline internal lines of communication so you can respond and react quickly with letters to the editor, op-eds, reaction statements posted as soon as possible on your own websites (even if it's shot down by the paper)
- You should be able to turn around Letter to the Editor in 24 hours; op-ed in 48 hours
- Anticipate what the news is going to be and be ready to respond—like if you know a census or economic report is coming out and can predict what's in it

**On politics:** very low voter turnout is bad for democracy (HL Mencken quote)

### Jamey Dunn-Thomason, Editor, Illinois Issues

What people know about the budget depends on how it affects them personally.

The media portrays budget issues differently based on kind of publication and their focus, but personalities and horse races dominate because that sells with readers, listeners, and viewers.

Personalities and conflict matter but sometimes media glosses over what's at stake.

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Emphasize how budget affects them personally or tell them about who it does impact and the ripple effects in their communities

What can reporters do?

- Look back, understand past deals. What looks like a special interest fund may actually be a hard won compromise. Look outside the General Revenue Fund (GRF). Hundreds of other funds shift in and out of GRF. Only counting GRF shapes the narrative and overlooks reality of how state budget works year over year. Fiscal Futures Project explains these details.
- Track how changes in one place affects others. The state does not have infinite dollars and when one group gets funding, another may be missing out.
- Don't be afraid to be repetitive. The same issues come up again and again in state government. Readers don't necessarily remember the last time and it is good to have refresher, and there is always some new twist. Resist temptation to always be breaking a story or repeating what another reporter has done. Don't assume readers already know about something just because reporters do
- Business model is changing. State house bureaus had multiple reporters, some covering daily, some more wonky than others. Now it's usually just one. Harder to delve into complex policy issues when you also have to catch the news of the day
- Changing of the guard. Springfield press corps is younger and still building their knowledge
- If you're advocating or trying to get coverage:
  - Opportunity to make your case because people are paying attention to budget like never before
  - Illustrate on-the-ground impact of the budget impasse by telling real people's story
  - Find receptive reporters and cultivate relationship by being a consistent source of reliable information
  - Reporters don't get out of the statehouse very often, so need bridge to community
  - Offer to follow up when things calm down if a reporter is on a hard deadline and just needs a quick reaction in the moment
- To improve government coverage
  - You get what you pay for—if you like coverage, pay for it
  - Give feedback, reach out to reporters, engage in social media

## Q & A

What does the growth of Illinois Policy Institute which produces lots of stories from ideological perspective mean for coverage?

- JC: need to listen to opposing views, see what facts they're using (or what lies they're telling) so you can come up with a rebuttal
- J-DT: news coverage has fragmented and people can choose media that only upholds their view. People are less interested in unbiased coverage so it's hard to do that kind of journalism
- Gelder: most people are getting ideological information as news because they read it in the paper
- J-DT: I'm less worried about that because local papers have always had ideological position

### Panel 3: The Spending Side: What are IL's funding obligations?

**Jerry Stemer, Adjunct Instructor, School of Education and Social Policy, Northwestern University; Former Director, Governor's Office of Management and Budget (Illinois budget forecast shared during presentation [can be found here](#))**

- Reflect on current state of affairs. U-turn in the state of IL finances (between 2010-2015) there has been a backlog of unpaid bills, which we began to whittle down with a higher tax rate (struggle with assignment of paying for public sector pension program)
  - Significant part is the pension
  - Have made a turn in a dramatically in the wrong direction
- Point 2 - Media has focused on lack of appropriation
  - \*\*We don't have a revenue stream strong enough to match obligation stream
- For those that aren't being funding it is a tragedy. But real issue is the revenue stream
- Point 3 – the public has no clear set of obligations, historically (public safety, education, ect.)
  - Forgot policy debates that happened decades ago
  - Not a single person in the state has identified the specifics of what they are willing to cut back – not made the case for a single reduction. Only reductions are smaller office space, airplanes. No one's saying "here's why we should spend less money on education"
  - We are now seeing Governor back off. Not seeing what reductions should be made
  - A lot of commitments we have embraced, included health care
    - If we asked one by one, are we willing to sacrifice one by one (through our paycheck)
    - Most Illinoisans should be engaged. How to engage body politic in that discussion? Because we don't have clarity – we gravitate to no budget, that's terrible. Not sufficient revenue to meet obligations, and we like those obligations
  - Story – Gov. Quinn asked to convene leaders of caucuses in 2009. "Are there \$1 billion that we could agree on to whittle it down, let's make that list"
    - Every time we thought about an issue we could trim back – someone would say, "My guys won't go for that." For example, there is a clear understanding that home health care is important. If we're not going to fix roads, there will be problems
- Took a look at the 3-year projection
  - Design published Governor's Office of Management and Budget (GOMB) presentation to a look ahead to the 3 years. State will owe 25 billion dollars in 2019
  - When tax rate went down (owe \$4.6 mill extra). Revenues will be lower in future years. Even with a modest growth in sales tax, will have to spend. Human services declines!

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- DCFS – pay extremely low rates and struggle to be on par with fellow providers in other states (not seeing health care line grow, which is needed). Medicaid expansion is 100% now, will decrease later on
- If we stay at tax rate now, we cannot match the vision of where we need to be. Will not be able to look ourselves in the eye. Need to learn about what's in the budget. Need to explain to public that government is important
- Change our narrative. Businesses do well when we invest in government!
  - Strong human services
  - Educated workforce
  - Economic fabric of community – buying from businesses
- What happened to the agreement that we ought to raise the min. wage?

### State Senator Donne Trotter, Illinois 17th District, Assistant Majority Leader; Chairperson, Appropriations II; Vice-Chairperson, Appropriations I

- Medicaid 23% of our total budget; 17% Obligation to pensions; 19% K-12 60% is going to what we hold dear. Don't have enough money to put into these priorities, so that they run well. Human services is 15% of the budget<sup>1</sup>
- We have priorities – do we have enough resources to do it? Don't have enough money to put into priorities. Can only spend the money that we have
- We have \$74.3 mill budget because we have multiple budgets; this is the one we are focused on
- Thanks to courts and consent decrees, spending dollars at last year's levels
- 89.4% of money is being spent on last year. Spending \$33 mill more a day than we are bringing in
- Looking at progressive income tax, closing loop holes
- Our districts are multifaceted: We want money into our education system, healthcare, social services
- Need to be a great state and do multiple things with our dollars
- General revenue funds
  - Personal income are 42%
  - 22% sales tax
  - 8% corporate taxes
- Discretionary dollars – nothing forcing the Governor to spend dollars
  - No legal recourse we can take
- Fund sweeps – there are 100s of piggy banks of special funds (fees that are collected – parking, training). Billion in those banks. Need to see these collapsed and pulled into general revenue fund

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- Forums like this make it more clear for people not engaged in process everyday (everybody's included) to be more engaged. Need existing voters to come out and vote! Full participation!

### State Representative Robyn Gabel, Illinois 18th District, Vice-Chairperson, Appropriations-Human Services; Chairperson, Human Services

- Inside baseball about how house creates budget. Illinois is 5<sup>th</sup> nation's largest economy. Why are we at the bottom?
- First, adopt a resolution of revenue number for a year: \$34.9 billion in FY2014
  - Mandatory payments were taken off the top – above the line, including Pension, group health insurance, teachers retirement fund, debt services, statutory transfers, Medicaid (Had to pass a bill how to pay Medicaid bills in 12 months)
  - Total is subtracted and divided among 5 appropriation committees
    - Each has own chairman, vice chair, and minority rep: \$16.6 billion divided based on percentage that committee had year before
    - 5 Appropriations committees: Human services (32% of budget) includes all human services departments
      - Each dept. testifies to committee openly
      - And then private meetings (members of committee, legislatures, department heads, chief financial officer, invited guests) compare line by line of their budget issues. Most of the time, we wish we could give more money
        - Higher Education (12% of budget)
        - K-12 education (40% of budget)
        - General services (6% of budget) exec offices
        - Public safety (10% of budget) police, DOC, DJJ
  - Q: how can we as policy stakeholders stop the appeals rules that deny people's rights to appeal?
    - Rules process
    - Fundamental and timely question
    - Admin is struggling to tighten up w/ regards to the most vulnerable people
    - Same happened with childcare – tightened of rules leaving people without childcare
      - Must raise a ruckus about this for those who aren't part of disability community to make the public understand who it affects

## Panel 4: The Revenue Side

**Brian Hamer, Former Illinois Director of Revenue (2003-2015); Chief Tax Attorney for the City of Chicago; Tax Consultant and Author ([slides available here](#))**

- It's not quite *all* about revenue. People in government have an obligation to work and think hard to make government more efficient to make sure there are resources for causes we care about. There was always a focus on efficiency in his time in government, but it's slow-going and doesn't make the papers. For example, headcount at Illinois Department of Revenue (DOR) declined by almost 25% and services were more effective
- But primarily we have a revenue problem because we've had a flawed revenue system for decades that we've always found a workaround for—borrowing from pension funds. Now we have to confront the reality that we don't have enough revenue to pay for what we care about and comply with the law.

### The flawed tax system

- Tax Foundation map of income tax rates
  - Income taxes are the primary way that large industrial states without a lot of natural resources (timber, oil) fund government. 41 states have broad individual income tax, only 8 of those have a flat income tax. But during the Depression Illinois did have a progressive income tax; it was struck down under the 1870 Constitution (reversed in 1969, new constitution with flat tax in 1970)
  - Both red and blue states have graduated income tax—SC, AL, KS; except for IN, all Illinois' neighbors have graduated income tax
  - Illinois flat rate was lower than any other flat-tax state, only IN and PA have lower flat rates, but they allow local governments to impose income taxes (and many local districts do)

### Tax Foundation map of per capita collections

- 26<sup>th</sup> in country with respect to collections
- We rely much less than most states on income tax, so we over-rely on property and sales taxes, which are regressive and hurt business
- Municipalities and local districts have been raising sales taxes—sign that we don't have enough resources through income tax
- Failure to update tax system as economy changes
  - Sales tax on goods but not services
  - 2002-2012 personal consumption expenditures increased 40%, sales tax revenue only increased 16%
  - Sales tax was extended to photo processing and canned software—only two changes and those were dramatically restricted by the Department
  - Digital goods are not taxed—e-books streaming videos and downloaded music not taxed
- Failure to close loopholes
  - Illinois has been unwilling to question tax breaks, even those that benefit mostly businesses in other states



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- The most generous exclusion of retirement income in the country, costs the state \$2 billion per year.
  - Applies to people under 65 years old and people who are wealthy
- Regressive nature of tax system
  - Difficult to raise taxes because tax hikes ask lower income people to pay more
  - Progressive income tax should perhaps be priority number one. Until tax system shifts burden to people more able to afford

### Ralph Martire, Executive Director, Center for Tax and Budget Accountability ([slides available here](#))

- Revenue system in context
- States can't live within means if means don't support *life*
- Efficiency: What does efficiency mean in the public sector? Most services are labor intensive, which changes the calculations for efficiency. Class sizes and caseloads need to be smaller to meet outcomes (educating children, providing effective social services)
- \$11 billion non-discretionary
- \$24 billion some discretion
  - Top 4: education, healthcare, human services, public safety—91%
  - #5 is group health and 4% of the budget is in everything else
    - group health liability never gets budgeted adequately
  - Waste, fraud, and abuse are not a major problem
  - We're inefficient because we have *too few* staff, not too many
- Governor's FY2016 proposed budget—see slide
  - 40% of spending will be deficit spending—not sustainable
- Net general fund budgeted appropriations have trended down, not up—see slide
  - Increases in recent years were from group health and adding back Medicaid cuts that feds prohibited
- Hard costs--\$11billion—see slide
  - Funded by borrowing against pension system
  - Debt service to 3<sup>rd</sup> parties growing, statutory transfers out stay about the same, pension payments exploding. All of pension payments is debt service, not paying for benefits
    - What's growing is back loaded repayment to pensions
    - A creature of statute—1995 the pension ramp—not increases in benefit
      - 46% in top 4 discretionary spending to pay up
- Structural deficit
  - Revenue doesn't keep up with costs of current services adjusted for inflation, population changes, assuming normal economy
  - Gap between revenue and appropriations is structural deficit
  - Can't solve that problem with spending cuts
- What to do?
  - Re-amortize the pension debt—flatten to level dollar amount
    - Legislators can do this without negotiating with banks—its debt we owe to ourselves
  - Expand the sales tax to services
    - Illinois economy comprised of 72.5% services. We only tax 17.5% (goods)

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- Slightly regressive and we need progressive income tax, but we have choice between spending cuts and regressive tax, pick the regressive tax. Impact on low-income residents lose more from spending cuts
- Income tax rate to 4.75%
  - In the context of \$745 billion economy, this is a small tax increase even at \$7-8 billion
- Tax retirement income
  - Allow full deduction for \$50K or less and tax increasing proportion of income for higher incomes
- Raising taxes does not hurt economy
  - Other things matter more for business
  - Design taxes to work to generate revenue needed, not to shape economy
  - No peer reviewed research showing statistically significant impact of raising taxes
  - States with highest graduated income tax have lowest growth in per capital real Gross State Product (GSP). Unemployment and household income are a statistical tie in high and low tax states
  - Institute on Taxation and Economic Policy (ITEP) data

## Q&A

- Shouldn't we be focusing on the total tax burden that gets reported in the media?
  - Ralph: most meaningful way to measure state-to-state is to look at all taxes and fees at all levels and divide by personal income
  - Over last 15 years, Illinois has been in bottom 10 in that analysis. During temporary tax increase, moved up to 27<sup>th</sup>—with 5<sup>th</sup> largest pop and economy. In Midwest, we were the 2<sup>nd</sup> lowest, even with tax increase. Only Missouri lower
  - It's not just total burden, it's also distribution. We're low tax overall, but regressive. That can be improved with refundable tax credits even with Constitutional flat tax
  - Brian agrees

## Panel 5: Working toward solutions: Lessons from other states & advocating for structural budget solutions

Amisha Patel, Executive Director, Grassroots Collaborative ([slides available here](#))

- Economic and racial justice issues
- Who has the higher tax burden? Lowest income people the hardest
- IL is great for the wealthy – one of the worst states for low income people
- Income inequality
  - Directly related to tax rates
  - Rigging tax laws to help them get ahead
  - Not only do they make more money, but they pay less and less in taxes
  - Continued to benefit: individual vs. corporations
  - 85% paid by individual of taxes
  - Laws being passed to benefit corporate America

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- Off-shore tax shelters
  - Combine fed and state for off shore tax shelter (\$8.5 billion lost) which is equal to \$1396 per taxpayer
- Government borrow has been going up (\$4 Trillion)
- Energy assistance, higher education, immigration support services
- Bad bank and corporate deals
  - Interest rate swaps – voluntarily pushing money to banks
  - The government borrows money through bonds and pays interest on the loans
  - Variable or fixed rate
  - State borrows through variable rate bond
  - Bankers make a deal – a “swap”
  - State sends check at a fixed rate. Bank gives variable rate to state
  - When banks were bailed out (0%) on interest rate
  - The difference between the 2 checks – that’s the swap
  - Sold us a bad deal
  - Legal agreements – must pay full amount
- What do toxic swaps mean for us?
  - Bank of America example - Nearly \$120 mill taken from IL so far
  - \$18 mill in 2015
  - Projected \$337 mil
- Minnesota and Wisconsin
  - Mark Dayton, in Minnesota, raised taxes on 1 %, created more jobs, unemployment fell
  - Scott Walker, in Wisconsin, cut and the state is in deficit
- Millionaire tax
- Fair tax campaign
- Closing corporate loop holes. Only 8% of state revenue comes from corporate income tax
  - 700 mill annual
- End bad bank deals
  - Wall street banks
- Financial tax
- Tactics
  - State of our state
  - Moral Mondays
  - Equity budget (release in advance, our budget)
  - Leadership trainings on the economy (low and middle income leaders across the state) – available through Grassroots Collaborative
  - Bank actions on the 1<sup>st</sup> and 15<sup>th</sup> of the month
    - State pays bank. Shows money that we are giving to banks

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#### Jon Shure, Director of State Fiscal Strategies, Center on Budget and Policy Priorities

- Network of orgs
- Examples across the country
- Calvin Coolidge – Lt. Gov. of Mass
  - Incremental changes are important too
- Income tax
  - Most states have a graduated income tax; only a few states have flat
  - Prevents you from taxing based on income
  - When rich people don't want to pay – they say if you raise, it'll be bad for you, I'll leave with my business
  - It's about the narrative
    - How can we connect the dots to tell people the story?
    - It's too easy to not be engaged
  - Based on ability to pay – fairness to pay
  - Diversify
    - Relies too little on income tax compared to what it could
- Sales tax
  - Of 45 states – more are taxing more services to deal with changing economy
  - On avg. states tax about 50 consumer services (IL taxes 5)
  - When you expand sales tax to services it also makes sure affluent people the opportunity to pay in sales tax
  - People have not gone out of business because of this
  - Taxing internet downloads
- As you move to graduated – take a look at top rate
  - NJ – led to 8.7% top rate (on every dollar above \$500,000)
- Most recent state- Connecticut, in 1990 implemented a graduated tax
- Make graduated taxes more graduated
- Closing loop holes
  - Single sales factor
  - Levy taxes
- Budget process
  - Scorecard of how states rank in putting together a budget that is fair and accountable
  - Illinois is one of the worst, ranking 4<sup>th</sup> in the nation
  - Could give budget prediction for the next 5 years
  - Legislation should include budget impact projections
  - Current service budget – how much would it cost to deliver services? Understand better the costs
  - Developing consensus (legislature and Governor)

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- Although not in a position, right now, should look into developing rainy day fund (fully funded and sustainable)
- Politics over the budget is important to have. Debates where people have the same facts. Debate policy and let technicalities play out. Don't give up because each little change could be the wedge to open the door
- How do you set the stage for how policy can be changed? When someone else gets there first and sets the terms of the debate, you've already lost. Connect the dots for the people and tell them what it is about. Help them understand what they should do
- Role you play as advocates, legislatures. Don't let this stuff stand when talking to people day to day. Rational people know what to do to make the system better. Numbers make us confident but it's really the narrative that matters the most
- Reagan: "if we cut taxes, economically will grow": this needs to be pushed back
- Public discourse
  - Tax rates play negligible role on businesses' decisions on where to locate
  - Cutting businesses' taxes doesn't promote job growth; businesses hire people when demand for what they're selling is up and they need capacity to provide it
  - Raising taxes on the wealthy has never lost money for any state; A Princeton economist said -- what you gain from those staying in the state is greater than what you might lose. People have a variety of reasons for living where they live
  - Fastest job growth in states comes from home grown startups. Huge deals for businesses to come isn't as great regarding growth
  - Not only do tax cuts not help job growth, they hurt it. When you cut taxes for businesses or anybody else, cutting ability to make public investments in things that really do help create jobs and build a strong economy: schools, transportation, and public safety, as examples
  - The money that states take in from taxes pretty much goes right back out into the economy. It goes out in salaries, purchases, assistance for people. So when people make it sound as if the state takes in money as taxes and then runs it through a shredder or stashes it in the Cayman Islands, we have to help them understand that a job is a job, whether in the public or private sector.
  - Only 1 economy and any way you can make it grow is a good thing
  - Sometimes, we have to start with your allies
    - Help the people who agree with us on the problem, make that problem an issue that politicians have to deal with
    - Do you want to fight among yourselves for crumbs of a pie that is shrinking? Or, do you want to make the pie bigger, so this state can be the kind of state you would like it to be, where there is opportunity and a good future for everyone?

## Final Q&A Discussion Panel

- News coverage always focuses on bad news, like premium prices, and not good news like growth in insurance enrollment
  - Jamey Dunn-Thomason: lack of dedicated health care reporters means general reporters cover things they can check in on regularly—enrollment numbers and premium prices. Not a bias, but a time-issue. So reach out to reporters to share other information
- Budget crisis could be solved with single payer health care system
  - Gelder: Only one state has adopted it as a future goal
  - Jon Shure: it would help but probably won't happen anytime soon
  - Jerry Stermer: students in social policy class almost universally get the benefit of single payer, so maybe there is hope for future generations. But it has been shot down so aggressively by opponents that we have lost the narrative
- How do we get out of the stalemate we are in under the Rauner administration? What is possible, what do you foresee happening in the short-term?
  - Rep Robyn Gabel: We've never been 7 months without a budget. It's more than a fight between Madigan and Rauner. Our districts do not support the Governor's Turnaround Agenda and reps vote their district. Even with a different speaker, we wouldn't have votes for Turnaround Agenda. Need more pressure on Governor to lead and move forward on budget
- How do we educate the public and in particular the corporate world?
  - Sen Donne Trotter: Corporations are starting to feel pain too. Rauner's strategy, based on his business experience of tearing down and selling assets, is not working and taxpayers are going to end up paying the price
  - John McCarron: Why didn't we extend tax when we had a chance under Quinn?
    - Rep Gabel: Governor asked legislators not to until he started a new term
    - William McNary: Dems shouldn't have had to shoulder all of the burden of passing a tax increase
  - Is the public narrative really against taxes and tax increase? How to change narrative if so?
    - William McNary: Changing narrative isn't easy, and it takes years and it means reaching the public not just legislators
    - Rep Robyn Gabel: No legislator who voted for the tax increase was voted out of office
    - Amisha Patel: More people voted for millionaire tax than voted for Rauner, in every county, not just Chicago area. Important to hold the line against Rauner's anti-union agenda. Propose progressive solutions as well, not just defensive fight. New norm of dysfunctionality is a problem, we get used to the crisis and we get told that it's our fault. Need to educate the base and build champions among elected officials
    - Jon Shure: US moves when the middle moves and for several decades the middle has been moved by people blaming the government: the idea that it takes your money and gives it to poor people. Another narrative that names a different villain—the rich—is possible. You can't win a fight unless you know you're in one
    - Sen Donne Trotter: The big crisis that we're talking about isn't seen or felt because 80-90% are getting paid. The 10% that are not getting funded will become visible but right now they are the example for the 90% who are protected by court decisions

## Forum Proceedings Notes

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- Brian Hamer: emphasis on millionaires' tax is important. CA and MN have increased taxes in progressive tax environment. Couldn't have done it without graduated system. We don't have the option to decide to raise taxes only on higher income taxpayers until we change the Constitution
- What should we do first—graduated income tax, higher corporate tax rate, or other reforms?
  - Rep Robyn Gabel: Easier to make changes that are not constitutional amendments, so other things first while building support for vote for progressive income tax which will take a lot of education, a social movement, and lots of votes. Don't stop talking about it!
  - Sen Donne Trotter: Corporate and personal taxes have to be changed altogether, not once every few months. Even last temporary tax needed to be higher and permanent
  - Brian Hamer: With respect to corporate income tax loopholes, it's important to advocate in front of revenue committees in House and Senate. Human Services Committees are important but too often there are no advocates for higher revenue at those Revenue Committee meetings
  - Michael Gelder: In California, citizen ballot initiative process engages people in ways we can't do here. Every election year, there are volunteers and media everywhere on ballot issues. Constitutional amendment may provide that kind of engagement
  - Jerry Stermer: A constitutional convention would allow for that kind of engagement, so maybe we should pursue that next time instead of worrying about risks of new convention
  - No outcry because most people are getting paid—state employees getting paid took off a lot of pressure. Child care program got funded. Need to rally around new pressure point—higher education
  - Sen Donne Trotter: 5 universities are getting ready to close—Chicago State, Eastern, Governor's State, NEIU...
  - Brian Hamer: the danger is that these demands bankrupt the state. At some point we need a holistic solution. IF we deal with things one by one until deficit is so big it really collapses
    - Michael Gelder: Landmines out there. Infrastructure gets damaged. When a school threatens to close, exodus of quality faculty and staff begins and it takes decades to repair that damage. Landmines that explode and cause disruption of the status quo
  - William McNary: Not everyone is affected but if you hear about the people who are hurt, everyone is outraged. Need to connect bigotry and racial injustice to economic exploitation. Freedom from hunger and poverty is as important as freedom of association and speech. Democracy is *shared* prosperity. This is a fight for the soul of the state. Not a partisan fight, we can pressure Republicans who want to do the right thing—as in the child care fight. We lose when we are divided. Today is MLK's actual birthday, and we should be reminded that we have more in common than we have to keep us apart
- Michael Gelder: what are you doing? This is not a public policy fight that needs experts, we need to engage in community activity.

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- Amisha Patel: Can connect to any of Grassroots Collaborative's campaigns, they will train groups in community
- William McNary: Illinois Rights at Work at Citizen Action—response to Turnaround Agenda—that informs and instructs on civil engagement, voter registration, GOTV. Start being a little less cynical and more hopeful that we can change things
- Rep. Gabel: Talk to all the legislators. They want a resolution. Pressure the Governor since he is the one holding things up. Republicans did change his mind before. Business community has to step out. In Crain's, business community is showing it is fed up. But Rauner didn't need them to get elected and he doesn't owe them anything, and businesses may be scared of him too

#### Note:

<sup>1</sup> Sen. Trotter's percentages are based on the total State budget, while Mr. Martire's differentiate between discretionary and non-discretionary budgets.

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