



BUILDING BETTER LIVES

Balanced Approach to Revenue Reform

Frequently Asked Questions

Q: What is a balanced approach?

A balanced approach to our state's fiscal crisis – including reforms, strategic spending restraints and modernization of our outdated revenue system – is key to our economic recovery and will position Illinois for a prosperous future.

Some of these options we're already pursuing: We've cut; we've borrowed; we've delayed payments; we've begun to enact a variety of reforms. In a targeted and thoughtful way, we should continue to consider all responsible options. The only thing we haven't done – which more than 30 other states, often faced with less serious fiscal challenges, have done in the past couple of years – is raise new revenues.

Q: Won't raising taxes hurt families?

A: More children and families than ever are struggling, and they rely on vital public services to help them weather this recession. If we don't invest in education, transportation, job training, health care and other supports, our state will be poorly positioned to take advantage of the economic recovery as the Great Recession ends. Plus, we can raise new revenues in a way that reflects families' varying abilities to pay, by making better use of such policy tools as tax credits and exemptions.

Q: What if we cut wasteful spending instead?

A: Illinois already has slashed an enormous amount of resources from vital public services. We've cut-back on preK-12 and higher education, mental health programs, services for people with disabilities, public health programs, services for seniors, police and fire and other crucial supports.

Continuing to rely on cuts, delays and borrowing alone won't get us out of our mess; they will only make things worse for people at a time when they need help the most. And it's important to remember that education, health care, human services and public-safety efforts comprise more than 90 percent of our state budget. We must be careful and deliberate in identifying where to direct appropriate, strategic spending restraints.

Q: Where do you recommend we “restrain our spending”?

A: It’s always right to prioritize spending, to examine what works and what doesn’t. Each of those 30-plus states that have raised taxes in the past two years have made deep spending cuts, too. If more cuts are necessary, we have a responsibility to children and families that they are strategic and protect cost-effective priorities. To get out of this recession we need a balanced approach, not just more spending cuts. Investing in kids saves money today, and gives us a better chance to compete, tomorrow. That’s why it’s so important that we maintain research-proven investments in what most helps kids and families to thrive and strengthens our business climate and economic-recovery efforts.

Q: What is Voices’ position on revenue reform?

A: Voices has long been a champion of reforms that will have a measurable and lasting impact on children’s lives. Meaningful revenue-reform measures have progressed in the legislature in the last two years. They’ve passed the full Senate and a committee of the House, demonstrating there is political will and support for doing the right thing. Those principles must be signed into law to modernize our outdated, inadequate revenue system and capture economic growth in a fair way, while we continue with appropriate and carefully constructed spending restraints and incorporate meaningful fiscal reforms.

We also continue to support budget transparency. Policymakers can make more strategic decisions about fiscal resources and spending priorities when there’s more transparency and more accountability.

Q: What other reforms do you support?

A: Important reforms to Medicaid, campaign finance, state ethics rules and public pensions have already been signed into law. We should continue to identify and work toward greater efficiencies in these and other areas. The options we continue to pursue must be comprehensive, multi-faceted and sustainable. This balanced approach will meet people’s needs today and make sure our economy is positioned to take advantage of prosperity when it returns to our country.

Q: You mentioned pension reform. What is Voices’ position on pension reform?

A: The recent pension reforms signed into law are projected to save \$440 million this fiscal year and more than \$70 billion over the next 35 years. Because children ultimately pay the price for bad fiscal policies, we consider it our responsibility to partner with coalitions that focus on reform at all levels. Organizations such as the Center on Budget and Policy Priorities, The Civic Federation, the Civic Committee of the Commercial Club of Chicago, Taxpayers’ Federation of Illinois, the Center for Budget and Tax Accountability, the Institute of Public and Government Affairs and others conduct funded research and analysis on pension reform. As advocate and legislative proposals are developed and filed, we will continue to monitor them closely.

Q: Do you think these recent pension reforms go far enough in solving the pension crisis in Illinois?

A: Clearly, pension reform is a priority area of concern across the state. We stay informed by the experts who do this work, and we learn from them. Because we don't have the capacity to do our own research and analysis on pension reform, we rely on the experts who do so.

In Voices' view, it is critical that we all come to agreement: We can't hold children and families hostage while these debates continue. Reform work has started and should continue; work on raising significant new, recurring revenues has not yet started. We need to work on both tracks, together, because children have urgent needs now. Ignoring those needs means losing a generation of children to poverty and other challenges – and possible lifelong hardship. There is no second chance for childhood. We must agree on a balanced approach that will maintain important investments in education, job training, health care and other areas so that our state can begin to experience financial stability.

Q: What are Voices' efforts in education reform?

A: Voices is proud to have a long and successful history of leadership in education issues, such as school-funding reform and the improvement of early childhood education and social-emotional learning supports. At this time, other coalitions and organizations pursue education reform issues such as teacher tenure, length of school day and year and charter schools. We will continue to work on our priorities for improving education and join with others to support their recommendations when there is alignment. We will also be ramping up our work on the birth-to-8 issue because of the crucial importance of aligning efforts across this age span that gives children a solid foundation for life-long learning.

Q: How is Voices dealing with the frustration of Illinois voters, who seem to indicate they don't have confidence in their elected officials to solve these urgent problems?

A: Voices for Illinois Children will continue to advocate for policies, programs and services that are good for children and their families. Making progress in addressing the state's fiscal challenges will go a long way toward increasing public confidence. Illinois policymakers have yet to embrace a comprehensive and balanced approach to the state budget crisis – one that would produce a significant amount of new, recurring revenue, include appropriate and carefully constructed spending restraints, and incorporate meaningful fiscal reforms that complement other recently enacted government reforms.

The state must achieve greater fiscal integrity through implementation of a comprehensive budget solution that reforms and modernizes our tax system, sets and maintains appropriate spending priorities and strategically contains costs. These efforts go hand-in-hand with the important work of restoring the public's confidence in government's ability to responsibly serve the people of Illinois.