

Whitney for Governor 2006

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The 2007 Budget: A Call to serve the public good through fiscal responsibility and fair taxation

by Rich Whitney, Illinois Green Party Candidate for Governor

Rod Blagojevich proposes election-year gimmicks and more irresponsible budgeting. Judy Baar Topinka proposes nothing. Only Rich Whitney proposes a budget to serve the people.

The comedian Lewis Black once described the difference between the Republican and Democratic parties this way: The Republican Party is the party of bad ideas, while the Democratic Party is the party of no ideas.

In the race for Illinois Governor, however, this description needs revision: It is Democratic incumbent Rod Blagojevich who has been proposing one disastrous budget after another, while his Republican opponent, Judy Baar Topinka, so far has failed to advance any specific proposals for solving the state's budget mess.

That is why I am confident that the voters of Illinois are ready to welcome the Green Party on the ballot this November: The people of this State need, want, and will be clamoring for, another choice on the ballot besides Rod Blagojevich and Judy Baar Topinka – a so-called "choice" between an opportunist who gives us slick, populist-sounding proposals, without bothering to fund the most basic functions of government, and a candidate who talks about fiscal responsibility but who has given us no specifics and who hasn't even taken a position on tax policy yet.

Think about that one: She wants to be Governor. She's been the State Treasurer for 12 years now. Don't you think that she ought to have a position on taxes by now?

Last month, Rod Blagojevich's unveiled his Budget Proposal for Fiscal 2007. It did represent a new turn for the present administration – but it's not a turn for the better. After three straight years of pushing through budgets that have devastated human and social services, starved hospitals, health-care providers and elderly care facilities, robbed special use funds, cut environmental initiatives, eliminated necessary state jobs and otherwise stripped useful state programs of needed funds, Blagojevich has proposed some modest increases in human services spending for 2007. This should not surprise anyone – it's an election year.

In addition, he has pushed some new pet projects that seemingly serve a public good, like his All-Kids program to provide affordable health-care to all children in the State and his proposal to provide universal pre-school education and reduced kindergarten to 3rd-grade class size in Illinois. However, on closer examination, these proposals amount to political showboating, and are more calculated to

enhance Blagojevich's chances for re-election than they are aimed at enhancing the quality of life of the people of Illinois.

Why? Because while Rod Blagojevich has talked the talk, he has failed to walk the walk of enacting the tax reforms needed to put our State on a sound fiscal footing. As the Chicago Tribune recently put it, "If hundreds of millions of dollars go to these new programs, what do we tell the doctors, hospitals and pharmacists who have been waiting months, even years, to be reimbursed for treating Medicaid patients?"

Similarly, A+ Illinois, a broad coalition of children's advocacy, labor, civic and community organizations fighting for better public schools, made the following comment about Blagojevich's education proposals:

"Preschool learning and K-3 class size reduction are important areas shown to improve student learning. However, we also need to make sure 3- and 4-year-olds can go on to K-12 environments that are conducive to their long-term success Right now, there are far too many schools across Illinois that don't have the bare minimum funding needed to ensure their kids meet the state's learning standards."

A+ Illinois goes on to point out that the Blagojevich budget only increases per pupil spending by \$170 – not enough to keep up with inflation, and still falling \$1,070 short, per pupil, of the state foundation level recommended by the Education Funding Advisory Board – whose members were appointed by Blagojevich.

These are just a couple of examples of the misplaced priorities of the Blagojevich administration. He has bragged about eliminating 13,000 State jobs in his previous three budgets – as if eliminating thousands of jobs during an economic downturn is a good thing – and yet he fails to mention that we're talking about the elimination of jobs in the Department of Children and Family Services, the Department of Human and Family Services, including child support enforcement jobs, Department of Natural Resources jobs, Illinois Environmental Protection Agency jobs, jobs supporting tourism, agriculture, and the Department of Corrections.

On this last point, let me clarify, that, while, as a Green, I support sweeping reforms of our criminal justice system, to decriminalize many drug offenses, and emphasize rehabilitation and alternatives to prison, we still need a safe and well-staffed Department of Corrections. In fact, we need more and better trained counselors, prison educators and parole officers to help people succeed as citizens.

Blagojevich, however, has cut prison education programs by more than 30 percent, virtually eliminating college programs, and left many prisons dangerously understaffed – which simply cannot be justified from any political perspective. We have a maximum security prison here at Tamms where they couldn't afford to keep the lights on in some sections. We have prisons in this state where one correctional officer may be left alone in the yard with 300 inmates or has to move a line of hundreds of inmates by himself.

Blagojevich trots out a new plan for veterans' health care, but his budget cuts have caused major staffing shortages at the state-run homes for aged and disabled veterans. At the home in Quincy, for example, veterans are bathed just once a week. The veterans in Anna are lucky. They still get bathed

twice a week.

Wards of the state – the severely mentally ill and developmentally disabled – are no longer getting proper care from the Guardianship and Advocacy Commission. The average caseload for state guardians in Illinois is now more than twice the recommended national standard. Wards of the state – some of our most vulnerable citizens – typically get a half-hour visit from a guardian once every three months.

Child-protection workers in the DCFS are failing to keep up with court-ordered caseload requirements due to staff cuts. Between 2001 and 2005, their staff has been cut 22 percent while there has been an 11 percent increase in child abuse investigations. Investigations are not getting completed in the required 60 days, which places more and more children at risk.

The Illinois Environmental Protection Agency has had its staff cut 13 percent since 2001, while the Department of Natural Resources has been cut 26 percent. The Bureau of Air Quality and the Bureau of Water Quality are no longer able to adequately monitor emissions, even though Illinois ranks 3rd in the U.S. in number of neighborhoods with high health risk from air pollution and groundwater contamination is a serious problem in this state. State parks and forests have had to eliminate services and programs. Rod Blagojevich got some headlines for supporting tougher mercury standards but his IEPA staff can't fully enforce existing regulations. And meanwhile, he continues to support a new "mine-mouth" coal-fired plant in Marissa that will not use best available technology, and that will dump more mercury into our environment, contaminating waterways throughout Southern Illinois.

Blagojevich has described all this as "streamlining" government. Actually, it's more like steamrolling over government. If Rod Blagojevich came to your house with a bulldozer and demolished two or three rooms, I suppose he could call that "streamlining" your house. And that's essentially what he's done to our State government. Now he comes back, after doing this for three years, and he offers to build back one new room for "All (your) Kids" – and he wants you to vote for him because of it!

Actually, it's even worse than that – because it's as if he's building the one room by dismantling another one, paying for it by raiding your kids' saving account, and then taking some of your money in a friendly poker game. What I'm referring to is Blagojevich once again balancing the budget and paying for his high-profile initiatives by raiding special use funds, deferring pension obligations, issuing bonds that will have to be paid by future generations, and expanding state-sponsored gambling.

His 2007 budget proposes to sweep special use funds, once again, for another \$144 million. So once again, no more money for land conservation purchases. And that tax credit you were promised for installing solar heating on your home? Sorry! It disappeared!

As Blagojevich correctly points out, the underfunding of our State pension system was actually worse under his Republican predecessor. Yet he's still failing to address a mounting problem which will become harder to fix with each passing year. Illinois now has a \$38.6 billion pension liability deficit, the largest in the country, and an asset to liability ratio of 60 percent, one of the worst rates and well below the fiscally prudent level of 80 to 90 percent. Recommended targets for ramping up the state's contributions gradually, over a 50-year schedule, were not met last year and won't be met again this year.

This means that future Illinois taxpayers are going to get stuck with steeper and steeper pension obligations, or State workers are going to be cheated out of promised pensions – or both – all because Rod Blagojevich needs some extra cash for his showcase programs right now, in order to get re-elected.

Finally, there's that perennial favorite, more state-sanctioned gambling – a hidden tax on the poor that preys upon the ignorant, the compulsive and the desperate. Now Rod Blagojevich wants yet another riverboat, and to introduce Keno to bars and restaurants around the State. The fact that this idea shortly follows a \$10,000 campaign contribution from the gambling industry is, no doubt, pure coincidence.

So here we have Blagojevich constantly bragging about balancing the budget without raising taxes, but he has done this, not only by cutting into vital social programs and jobs, but by raising fees, raiding special use funds, short-changing the pension system (including swiping \$2 billion in new bonds that were supposed to be paid into the pension system), giving our state university and college students double-digit tuition increases, deferring Medicaid payments to health-care providers, shifting some burdens to local governments, selling state buildings, and, perhaps worst of all, neglecting our schools, which rank 48th in the nation in per pupil spending, the worst in the nation in inequality between districts, and one of the worst in achievement gaps between districts.

Why? Because Rod Blagojevich is a servant of the same corporate interests and a prisoner of the same kind of thinking that is pushed by the extreme Right: Taxes are bad, government is bad; government has to be shrunk. You can't talk about raising taxes, oh no. The voters won't stand for that.

The assumption behind this is that all voters are inherently selfish; they only want more money in their own pockets and are too stupid to realize that some government programs are needed to ensure our quality of life and that if you cut taxes too far, you can end up cutting your own throat, because you have made it impossible for government to serve the most basic public functions.

The Right likes this, of course, because then they get the big tax cuts for the rich, and, when government programs can't function well on less money, they turn around and say, "See, this proves government doesn't work; we need to privatize everything." Then you end up with the worst of both worlds: taxpayer-supported private profiteering with lousy services.

Rod Blagojevich isn't quite that bad, but he goes along with the same basic program. The only difference is that he uses these few gimmicky liberal feel-good initiatives to get elected – and he does it at the expense of other, less popular programs, and at the expense of future generations.

Fortunately, I believe that Illinois voters are not stupid, and that if given the truth, they can and will vote for their true interests. Many are already waking up to the fact that we can't go on like this. As a Green Party candidate for Governor, I will give the people of this State another choice: A choice for fiscal responsibility and serving the public good.

Our State government needs to be placed on a sound fiscal footing, by enacting badly needed tax reforms to raise new revenue, while at the same time making our tax system more fair to lower- and middle-income taxpayers. And I am the only candidate in this race who is being up-front in pledging to do just that.

I am the only candidate for Governor who is campaigning explicitly for House Bill 750. The product of a genuine people's advocacy group, the Center for Tax and Budget Accountability, the bill would couple a general increase in the State income tax with tax credits for lower- and middle-income taxpayers, along with a dedicated fund to provide badly needed property tax abatements to local taxpayers. Overall, the plan would raise enough funds to adequately fund our schools, begin solving the pension mess, getting our social service agencies back on track and allowing us to make some real headway through projects that represent genuine progress – like sustainable energy production and sustainable transportation.

House Bill 750 has been supported by a number of citizens' groups, like Voices for Illinois Children, the Better Funding for Better Schools Coalition and A+ Illinois. It would address several crucial issues at once: The underfunding of our schools, school funding inequality, our regressive tax system, our over-reliance on the property tax and our structural deficit.

Our tax structure in Illinois is fundamentally unfair, placing far too much of the tax burden on those least able to pay – the poor, and low-to-middle income workers and farmers, and small businesses – while giving most of the breaks to those most able to pay, the big corporations and the extremely wealthy. That is the main reason why our State is underfunded.

According to the Institute on Taxation and Economic Policy, Illinois is the 6th worst state in the nation in terms of being regressive, that is, in terms of taxing lower and middle-income taxpayers at a higher rate than the wealthy. When all taxes are taken into account – income, sales, excise and property taxes, and the effects of federal offsets, the poorest 20 percent of Illinois taxpayers pay 13.1% of their income in taxes, the middle 60 percent pay, on average, about 10.1% of their income in taxes, while the top 1 percent – people with an average income of \$1.3 million per year – are only paying 4.6% of their income in taxes. Years of special tax favors to big corporations also means that these wealthy non-persons are also not paying their fair share of taxes, either.

Meanwhile, although the personal income tax burden in Illinois is more than twenty percent below the national average, its property-tax burden is about twenty percent above the national average, imposing an unjust burden on working and middle-class homeowners and on our farmers, orchard growers and wineries.

Here are the main features of House Bill 750:

First, it would generate \$7.25 billion in new revenues by increasing the personal income tax to 5%, the corporate income tax to 8%, eliminating corporate "tax expenditures" (i.e., special tax breaks) and expanding the scope of the sales tax to include personal and consumer services, which are presently exempted.

Second, the increase in the income tax would be offset for low and middle-income families through a refundable credit, which costs approximately \$900 million. Third, \$1.8 billion would then be devoted to increase the foundation level of our schools. Fourth, under another dedicated fund, local taxpayers would receive a property tax abatement of 20-25%, with poorer districts getting the 25 percent abatement but all districts receiving a guaranteed minimum of at least 20 percent. Structuring this as an abatement ensures that no school district loses any funding, because they would be required to

continue assessing at the current rate.

Now, that's the basic plan. What are the advantages of this plan?

First, the State assumes 51% of the cost of funding education (the national average). The education Foundation Level is increased by more than \$1,000 per child, meeting the recommendations of the State Education Funding Advisory Board.

Second, under the refundable earned income credit part of the plan, the bottom 60% of all income earners do not pay higher income taxes, and the bottom 20% of income earners actually realize a net tax decrease. Our homeowners and farmers finally get some real property tax relief. Our tax system is made more fair, relieving the burden placed on those least able to pay.

Third, Illinois will still have the 7th lowest income tax rate nationally. It will remain a low-tax state, ranking in the bottom third of all states in total state and local tax burden.

Fourth, Illinois gains more school funding fairness, narrowing the gap in school funding, without forcing wealthier districts to spend less but giving a real boost to poorer districts, while ensuring that they cannot play a shell game with property taxes, as we have seen happen with lottery revenues.

Fifth, the State's structural deficit is eliminated! Five years of austere budgeting, with all the problems that I have described, will finally come to an end.

The choice is clear: Rod Blagojevich won't do anything about the unfair and backward system of taxation in Illinois because it's more important to him to say "I didn't raise your taxes" for political advantage – and to shelter his friends in big business – than to do what's right.

Judy Baar Topinka won't tell us what her budget plan is, other than stating that she doesn't like Rod Blagojevich's plan. That alone is reason not to vote for her. But we do know that she is also beholden to the same corporate interests that buy and sell both Republican and Democratic politicians. Chances are, she would not push the same liberal feel-good programs as Blagojevich – but she would continue to cut spending on vital social programs.

I will do what's right. I will fight to get House Bill 750 – or something like it – passed. I will get our State government back on a sound financial footing. I will do what is necessary to save and improve our schools, make higher education more affordable to students and parents of limited means, and make sure that workers receive the pensions they were promised. I will finally give the people badly needed property tax relief.

The people of this State deserve a better choice than the "choice" between a corporate-sponsored con man and a corporate-sponsored media image. That's why we need you to join our fight, the Green Party fight, to give the people a real choice.

The budgetary disaster that confronts Illinois is a bi-partisan failure, generated by fiscal irresponsibility and special favoritism toward corporate interests that is shared by the current administration in Springfield, its Republican predecessor, and both corporate parties in the legislature. That is why we

now need tri-partisan politics in Illinois, by getting Greens elected to office – and we need it now.