

Clearinghouse REVIEW

May–June 2012
Volume 46, Numbers 1–2

Journal of
Poverty Law
and Policy

Litigating the **Right of People with Disabilities** to Live in the Community



When Junk-Debt Buyers Sue

What's Best for Individuals
in Psychiatric Institutions

Medicaid Preemption Remedy
Survives Supreme Court

Randomized Studies of
Legal Aid Results

Social Security Administration's
Noncompliance with Regulations
and Constitution

Children's SSI Disability
Benefits at Risk

Raising Illinois Taxes

And Stories from Advocates:

Victory over Unfair Evictions

Legal Services Delivery
from Schools

Community-Based—
Not Institutional—Care



Sargent Shriver National Center on Poverty Law



John Bouman

Advocacy for Revenue INCREASES in Illinois's Budget Crisis | By John Bouman

John Bouman
President

Sargent Shriver National Center
on Poverty Law
50 E. Washington St. Suite 500
Chicago, IL 60602
312.368.2671
johnbouman@povertylaw.org

People living in poverty must look to government-supported programs for improving their quality of life and a fair chance for upward mobility. Much depends on the willingness and ability of the public sector to deliver education, public safety, student aid, job training, work supports, Medicaid, services for people with disabilities, and nutrition assistance, among others. These programs and services are established, supported, or delivered, or all three, by state governments. They must not only shape the programs but also somehow pay for them. And often the financing will drive the decisions on the substance. Those of us who represent people in poverty must pay attention both to the substance and to the money. This is not merely about the budget lines for the programs we care about; it is also about the big-picture ability of the states to raise the revenues needed for all of the budget priorities.

States that suffer from structural deficits that predated the recession have been driven by the recession into epic financial crises. As the available revenue—the “budget pie”—shrinks and the recession increases the demand for services, the slices for programs that people in poverty depend on shrink or disappear. Enhancing revenue—growing the “pie”—must be in the conversation. If it is not, then the default position for decision makers will be to make cuts in vital programs that are disastrous to the people affected and to long-term policy directions. The decision makers will perhaps deplore the necessity for the cuts, but they will say there was “no choice.” By contrast, if reasonable revenue ideas are in the conversation, then the cuts are not inevitable. They are a choice that decision makers need not necessarily make, so there is accountability and political exposure, and the argument against the cuts has more weight.

Advocacy for revenues is undoubtedly problematical. No natural constituency exists—nobody “likes” taxes for their own sake in the way that constituencies support spending priorities (e.g., education, services for people with disabilities, health care). In ordinary times, in fact, the constituencies for spending priorities grapple with one another to increase and protect their slice of the pie, and this can foster bitter and long-standing divisions that make coalescing around raising revenue difficult. The topic of taxes also creates tension between nonprofit staff members who need government support to pursue their mission and board members and donors of those same organizations—supportive of the mission—but concerned about their own interests or points of view related to taxes and the politics of taxes.

We work in an era with a powerful ideological tide of hostility to government and to taxes. People have stopped thinking carefully about taxes. In many circles, the word itself is toxic. For years, a politician who stated a categorical opposition to any new taxes could be confident that the conversation would end there, without cross-examination about what, then, the politician would do to finance solutions to pressing problems or support vital government functions. The whole burden of proof has been on anyone suggesting the need for more revenue.

And that burden of proof is a heavy one because most of the general public do not connect taxes to the government programs and services that the taxes support and that, themselves, are popular. Polling consistently shows that clear majorities do not want cuts in health care, human services, or education, even to resolve a budget crisis. But this does not necessarily translate into support for the needed revenues. The situation is further complicated by political scandals (e.g., the last two Illinois governors are now in prison) that rob state government of the public trust and feed the antigovernment rhetorical machine.

The Responsible Budget Coalition (RBC) was an effort to counter all of these difficulties in the context of the Illinois budget crisis. It was born of necessity and driven by the sheer appalling unthinkability of the damage that would be done in the absence of substantial new revenue. In order to prevail, RBC leadership knew that it had to counter the prevailing politics about taxes. This would demand creation of a coalition as extensive as possible, as effective communications and messaging as we could manage without funds, and as coordinated and hard-hitting a legislative strategy as we could maintain. We adopted framing and rules of engagement that would keep the coalition large and together: we would stick rigidly to issues supported by everyone (“We all do better when we *all* do better” was an early slogan); we would be cordial to revenue issues supported by some but not all of us (distributing information but not taking coalition positions); and we acknowl-

edged that groups would go their own way when it came to normal competition for budget share (not a betrayal, but normal and expected for people to do the jobs they are paid to do). Everyone could stay unified around new revenues.

The RBC convened a steering committee comprising anyone with a possible contribution. To keep the group large and growing, we were deliberately lax about membership on the decision-making body. The steering committee formed three committees: Field, Communications, and Legislative. The Field Committee divided the state into its ten media markets and conducted organizing, media, and district-level advocacy throughout the state. The Communications Committee adopted messaging, drafted press and legislative materials, and conducted press strategies. The Legislative Committee coordinated the Capitol “inside game,” including expert tax research, drafting of bills, and managing the roll calls.

The advocacy was for principles, and only at the end was it focused on a roll call for a specific bill. The principles were these: (1) the state needs significant increased revenue to avoid making disastrous cuts in vital programs; (2) the new revenue must be adequate to get the task done; (3) the new revenue must be fair (not regressive); and (4) no constitutional spending limit should be adopted (as had been proposed by the House speaker). By focusing on principles, we avoided for as long as possible the potentially divisive fights about specific revenue ideas and the spending earmarks that interest groups or legislators might demand as the price of support.

The following piece from the *Chronicle of Philanthropy* covers the successful outcome of the RBC's two-year effort. RBC's is a significant accomplishment, but only an interim and partial victory. The tax increase that passed was large (\$7 billion) and staved off immense and damaging cuts, but it did not end the fiscal crisis, was not “reform” (it is still a flat income tax), and on its face is mostly temporary, scheduled to sunset in 2015. The RBC is still in business and focusing on the next tasks.

Illinois Coalition's Risky Stance on Tax Rise Staves Off Some Cuts

By Suzanne Perry

[Editor's Note: This excerpt from Suzanne Perry, *Lifting Nonprofit Voices: Successful Advocates Offer Tips to Help Charities Defend Their Interests*, CHRONICLE OF PHILANTHROPY, March 2012, at 11, is reprinted here with permission.]

Take a united position.

Nonprofits need to rally around an achievable goal, even if it is imperfect. John Bouman, who led an Illinois coalition to seek tax increases, told colleagues to focus on getting votes, not shaping legislation to fit their exact views.

Nonprofits are used to defending their turf when lawmakers start scouring their budgets for ways to cut spending.

But in Illinois, hundreds of nonprofit leaders decided that their state's budget was in such bad shape they needed to focus more on the other side of the budget ledger—revenue.

Illinois has suffered an especially severe financial crisis during the economic downturn, as many state agencies have notoriously fallen behind in their payments to contractors, including nonprofits. The state had already made deep cuts in public spending, and was considering even more, when charity leaders and others joined hands in late 2009 to form the Responsible Budget Coalition.

"It was fairly obvious to advocates we needed to put our heads together in ways we never had before because the stakes were so high," says Sean Noble, former policy director at Voices for Illinois Children.

The coalition—which unites close to 300 human-services nonprofits, civic and advocacy groups, teachers, and unions—began working to spread the message that Illinois had a moral and legal obligation to spend enough on education, health care, human services, and public safety to allow its citizens to thrive.

And that, it argued, meant raising taxes—a position that many lawmakers considered politically toxic.

The coalition, led by John Bouman, president of the Sargent Shriver National Center on Poverty Law, mobilized people across the state to speak at fo-

rum, contact local journalists, and lobby lawmakers. It staged eight news conferences on the same day across the state, organized a massive "Save Our State" rally at the Springfield statehouse, and made taxes an issue in the fall 2010 elections.

Success came slowly: Gov. Pat Quinn, a Democrat, proposed raising taxes in 2010 but could not win support from the General Assembly. He narrowly won reelection in fall 2010, however, fending off a challenge from Dan Brady, an antitax Republican.

With the state staring at a \$15 billion budget shortfall that year, Mr. Quinn again proposed raising taxes. This time the General Assembly agreed, voting in January 2011 to increase personal income taxes by almost 67 percent and corporate income taxes by almost 46 percent through 2015.

Mr. Bouman said the group succeeded because it focused on taxes rather than specific spending cuts.

The group's members compete with each other for state money, he says, and some are even political rivals—for example, the coalition included unions who represented workers at state-run mental health institutions and nonprofit leaders who favor smaller, community-based mental-health facilities.

"There's unanimity behind something like, Don't make unwise, unfair cuts," Mr. Bouman says. "But if you try to get more specific than that, it flies apart."

Of course, not everyone believes Illinois is better off with higher taxes. No Republican lawmaker voted for them, and critics complain they will drive business to other states.

The coalition is taking a breather right now as its members tend to their own issues, but Mr. Bouman says it still has more to do. Not only are the new tax increases temporary but the current flat income tax should be replaced with one that would make wealthy people pay more. "At some point you need to reorganize and get the energy back," he says.



Subscribe to CLEARINGHOUSE REVIEW!

CLEARINGHOUSE REVIEW: JOURNAL OF POVERTY LAW AND POLICY is the advocate's premier resource for analysis of legal developments, innovative strategies, and best practices in representing low-income clients. Each issue of the REVIEW features in-depth, analytical articles, written by experts in their fields, on topics of interest to poor people's and public interest lawyers. The REVIEW covers such substantive areas as civil rights, family law, disability, domestic violence, housing, elder law, health, and welfare reform.

Subscribe today!

We offer two ways to subscribe to CLEARINGHOUSE REVIEW.

A **site license package** includes printed copies of each issue of CLEARINGHOUSE REVIEW and online access to our archive of articles published since 1967. With a site license your organization's entire staff will enjoy fully searchable access to a wealth of poverty law resources, without having to remember a username or password.

Annual site license package prices vary with your organization size and number of printed copies.

- Legal Services Corporation-funded programs: \$170 and up
- Nonprofit organizations: \$250 and up
- Law school libraries: \$500

A **print subscription** includes one copy of each of six issues, published bimonthly. Annual rates for the print-only subscription package are as follows:

- Legal Services Corporation-funded programs: \$105
- Nonprofit organizations: \$250
- Individuals: \$400

A print subscription for Legal Services Corporation-funded programs and nonprofit organizations does not include access to the online archive at www.povertylaw.org.

Please fill out the following form to receive more information about subscribing to CLEARINGHOUSE REVIEW.

Name _____

Organization _____

Street address _____ Floor, suite, or unit _____

City _____ State _____ Zip _____

E-mail _____

My organization is

- Funded by the Legal Services Corporation
- A nonprofit
- A law school library
- None of the above

What is the size of your organization?

- 100+ staff members
- 51-99 staff members
- 26-50 staff members
- 1-25 staff members
- Not applicable

Please e-mail this form to subscriptions@povertylaw.org.
Or fax this form to Ilze Hirsh at 312.263.3846.

Sargent Shriver National Center on Poverty Law
50 E. Washington St. Suite 500
Chicago, IL 60602

CUT HERE