

**RESOLUTION REGARDING
STATE FUNDING OF HUMAN CARE PROGRAMS**

WHEREAS The State of Illinois and faith-based voluntary human care organizations, such as Lutheran Social Services of Illinois (LSSI), share a common commitment to assist people in need to attain and sustain a standard of living that reflects the dignity to which every person is entitled; and.

WHEREAS The State assumes such responsibility based on its constitutional mandate to “...provide for the health, safety and welfare of the people...eliminate poverty and inequality...assure legal, social and economic justice [and] provide opportunity for the fullest development of the individual...” (from the Preamble to the Illinois State Constitution); and

WHEREAS Members, congregations and institutions of the Evangelical Lutheran Church in America (of which LSSI is a ministry) assume responsibility for people in need based on our biblical mandate to care for people as if we were caring for Christ himself (Matthew 25:40); and

WHEREAS The confluence of constitutional and biblical mandates to care for people in need has produced the current pattern of partnership between the state and Lutheran Social Services of Illinois. That partnership, while continuing to be a very effective and efficient way to respond to people in need, has become extremely challenged in recent years as state funding has paid a decreasing share of the cost of providing needed services. The gap between the full cost of providing services and the share of such costs paid for by the state has widened to the point where many voluntary organizations have to raise enormous sums of private contributions to subsidize state contracts. Consequently, private human service providers are unable to respond to many unmet needs through programs not mandated by the state, an activity at which they previously excelled. In addition, in recent years, the state has handled its growing fiscal crisis by delaying payments to vendors, including human care providers. As a result, many vendors—including LSSI-- have had to borrow funds to cover their own cash flow needs while they await payment from the state. The cost of such borrowing has put increased financial pressure on those organizations; and.

WHEREAS **It is fundamental in any discussion of state funding for human services that the focus of concern be kept on the needs of disadvantaged people. Our concern is not primarily on the institutional self-preservation of LSSI, our statewide social ministry organization. LSSI exists for only one reason, to serve people in need in the name of Jesus;** and

WHEREAS We recognize that the State of Illinois, like most other states, is facing the worst fiscal crisis since the Great Depression. The current fiscal crisis is not a temporary phenomenon that is likely to be short-lived. Rather, we are convinced that, even before the current widespread economic downturn there were fundamental structural problems built into the current state revenue system. The two most significant structural problems are:

- 1) Illinois does not raise enough revenue to pay for “natural growth” in essential state services, especially services intended to assist people in need.
- 2) The revenue system in Illinois places a disproportionately large tax burden on low- and lower-middle-income people and families as compared to the tax burden on wealthier persons; and

WHEREAS There are several options for increasing state revenue, prioritizing spending and increasing personal commitment, all of which should be considered, it is likely, however, that the only way to raise sufficient new revenue is to raise the state income tax rate. Because of the flat income tax rate mandated by the Illinois Constitution, any income tax increase should be coupled with an increase in the personal exemption and the expansion of the state Earned Income Tax Credit to offset the impact of the income tax increase on low-income people;

NOW, THEREFORE, BE IT RESOLVED that:

We call on Governor Quinn and members of the Illinois General Assembly to:

- 1) craft long-term and sustainable funding solutions to problems in funding of human services to protect disadvantaged people by preserving all “safety net” programs;
- 2) increase the state income tax rate to a level which produces sufficient revenue to fund vital state services;
- 3) protect more low-income households from the proposed tax increase by
 - a) increasing the personal exemption, and
 - b) expanding and making permanent and refundable the state Earned Income Tax Credit;
- 4) consider additional revenue options that do not disproportionately burden low-income persons and families;
- 5) review tax expenditures that may be ineffective or for which there is little or no accountability for the positive impacts intended when they were adopted;
- 6) maximize the number of federal dollars drawn to Illinois; and

We call on Lutheran Church leaders in Illinois to:

- 1) provide leadership, along with LSSI, in convening religious leaders across Illinois publicly to raise moral concern about the injustices in current tax policy and spending priorities and the threat to state funding for services to people in need;
- 2) support the efforts of LSSI and other organizations to educate Lutherans in Illinois about the fiscal and justice issues related to Illinois tax policy and spending priorities and why the state income tax rate needs to be raised; and
- 3) lead the church in prayer for public officials, for disadvantaged people in Illinois and for organizations that serve people in need; and

We call on Lutheran Church members in Illinois to:

- 1) study issues relating to tax and budget issues;
- 2) prayerfully consider increasing their personal giving in response to injustices and inadequacies in the current revenue system in Illinois;
- 3) embrace the understanding that an equitable income tax increase is necessary in order to preserve vital state services to people in need and to provide just tax relief to low-income workers and families;
- 4) communicate their support for an equitable income tax increase to their local legislators;
- 5) pray for – and encourage other members of their congregations to pray for – wisdom for Governor Quinn and members of the Illinois General Assembly as they consider the important issues of justice and compassion facing our state; and
- 6) surround in prayer the children, women and men who rely on the services provided by LSSI and other voluntary organizations in partnership with the state.