



Milwaukee Jewish Council for Community Relations Position Statement on TABOR

Approved by TABOR Work Group, December 2004
Approved by Domestic Public Policy Task Force, January 10, 2005
Approved by Executive Committee, January 12, 2005
Approved by the Board of Directors, January 19, 2005

The Milwaukee Jewish Council for Community Relations (MJCCR) opposes a Taxpayer Bill of Rights (TABOR) state constitutional amendment. We urge the Legislature to hold full public hearings to examine all the possible consequences that this proposal could have on critical government services prior to placing it on the calendar for a vote.

Background. TABOR proposals under consideration in the Wisconsin legislature seek to limit state and local spending by linking spending increases to changes in the consumer price index, growth in personal income or some other economic index. In general, a referendum would be needed to bypass these limitations.

Consequences of TABOR

Passage of TABOR could result in a significant decrease of public investment in important infrastructure that supports our state's economy. It could also result in reductions in public services, including schools, parks, roads, and state-sponsored healthcare programs that impact the well-being of our population and our quality of life. This is a particular concern for our public schools (K-12) which already have restrictive statutory limits on spending; revenue caps have been in place for over 10 years and have resulted in significant cuts.

While recognizing the need for government to establish just systems of taxation that are not overly burdensome, the MJCCR is concerned that the proposals under consideration will harm state and local governments' ability to respond to community needs that arise, and will lead to harmful cuts in programs that serve Wisconsin's neediest citizens.

An example of TABOR's effects can be seen in Colorado, which passed similar legislation in 1992. Since then, Colorado has seen a declining bond rating, a sharp increase in unemployment, and ranks as one of the lowest states in education spending and the provision of healthcare. Under TABOR, Colorado has made significant cuts in healthcare programs for the poor. We therefore have grave concerns about the impact of such spending constraints on Wisconsin's most vulnerable citizens, especially as our population ages and the need for such services grow. As members of the faith community, it is our obligation to speak out in support of these essential services for the poor and vulnerable.

This is also a significant concern for our Jewish community agencies including Jewish Family Services and the Jewish Home and Care Center which provide life sustaining services to many hundreds of low income persons. Government funding is critically important in ensuring their ability to serve this vulnerable and needy population.

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Safeguarding rights and pursuing social justice since 1938.

Proposals that require tax increases to be subject to public referenda could undermine our nation's democratic foundation of representative government. The MJCCR believes that responsible decisions about government priorities should be weighed by informed public officials, rather than frozen at a particular point in time, which we fear a constitutional amendment might do. We are concerned that TABOR and similar proposals are an attempt to starve government of the resources necessary to provide basic services and programs that some legislators oppose but are unwilling to have voted on based on their individual merits. Tying the hands of future legislatures would only harm the ability of state and local governments to provide basic services and meet unforeseen public need.

In addition to a constitutional amendment, there have also been proposals placing a statutory limit on property tax increases, requiring a 2/3 vote in each house of the legislature to approve any tax (or fee) increase, or imposing strict spending limitations on various sectors of the government. The MJCCR also has concerns about such proposals. We note that state law currently caps school revenue, puts limitations on spending by municipalities, places limits on spending by state government, and requires the state to pass a balanced budget. In addition, people concerned about public spending and taxes have the right to speak at public hearings, run for public office, campaign for candidates, and finally to vote for those they trust to act in their best interests.

Principles for Evaluating Tax Proposals

Government is created to serve the needs of its citizens and society will be judged by how it treats the most vulnerable and whether it truly respects the dignity of every person. Therefore, in evaluating tax and other revenue proposals, the MJCCR will base our position on the following principles:

- **Local Control:** By placing expenditure limitations on schools, counties and municipalities, TABOR bypasses local governance and is incompatible with our foundation of representative government. Legislators are elected to study and make decisions on the need for governmental programs and how to pay for them. This legislation both ties the hands of future legislators, and reduces the public's ability to hold them accountable for the quality of the government they are elected to oversee. The MJCCR opposes legislation that would limit the ability of local government entities to adequately provide services and provide for the needs of its citizens.
- **Flexibility:** As a constitutional amendment, TABOR would require several years to amend. By putting expenditure controls in the Constitution, the ability of all levels of government to respond to immediate concerns would be compromised, thus limiting their ability to provide basic services and meet unforeseen public need. This proposal would seriously hamper the ability of government to meet unforeseen, future public need.
- **Impact on Services for the Needy and Vulnerable:** It is very likely that the first programs to be cut would be those serving the poor and disadvantaged such as Medicaid and welfare related programs. These cuts, coupled with restrictions on school aid and shared revenue would have the greatest impact on those segments of the population who are the most vulnerable.
- **Maintaining Quality Public Education.** Wisconsin has traditionally valued quality public education and our strong schools play an important role in making Wisconsin an attractive place to live and to do business. Wisconsin schools already have restrictive limits on spending; revenue caps have been in place for over 10 years and have resulted in many significant cuts. TABOR could lead to further cuts, resulting in damage to the quality of our public education system, particularly K-12 education.
- **Fairness and Equity:** Tax policy should be based on equity and should be justly shared by all entities that benefit from an economically healthy state, including the business sector.