

Concerns about TABOR (Taxpayer Bill of Rights)

Rationale for the MJCCR to oppose

April, 2004

BACKGROUND

The Wisconsin Legislature is currently considering a proposal for a Taxpayer Bill of Rights (TABOR). This constitutional amendment, if enacted, would tie annual increases in spending by all governmental bodies in Wisconsin to population growth and the rate of inflation or some specified index. It would also require passage of referenda for any spending increase in excess of the limits, for any tax change that causes net revenue gains, and for most government borrowing. The Legislature is expected to vote on TABOR in their May Extraordinary Session.

An April 2004 study released by UW-Madison analyzes the potential impact of TABOR in Wisconsin. It is projected to result in dramatic cuts in state government spending. Given that many parts of the budget are impossible or very difficult to reduce (pension contribution, debt service, corrections) TABOR would likely result in:

- Likely elimination of the state's Shared Revenue program which provides funding to municipal and county governments (the MJCCR has a 2002 position statement opposing elimination of shared revenue).
- Devastating cuts to Medicaid and other critical services for low-income and disadvantaged state residents. This will be a particular concern due to demographics in Wisconsin (and in the Jewish community) which predict significant growth in the senior population and dramatic increases in the need for long term care services.
- Significant reductions in state government support of K12 education.
- Drastic reductions in funding for the University of Wisconsin system.

Another significant concern about TABOR is the using the Constitution to enact fiscal policy, rather than using legislation. If TABOR is implemented and problems occur, it will be very difficult to address them. Modifying the state constitution – and the TABOR amendment - would take many months - two consecutive legislative sessions and then a statewide referendum.

TABOR is possibly the most significant proposal considered by the Legislature in many years. If passed, it will fundamentally change the role of government and lead to deep cuts in health and human services, as well as education and many other state and local programs.

RATIONALE FOR OPPOSING TABOR

Opposing TABOR meets the criteria in the Council's Guidelines for Evaluating Issues, as follows:

- **Direct Impact on Jewish Community:** TABOR would have a direct, harmful impact on Jewish community agencies because of their dependence on Medicaid funding. Medicaid is a critically important program for the Jewish community, paying for almost 70% of care in Jewish nursing homes (source: United Jewish Communities) and it is an important source of revenue for many other Jewish social service agencies. In Milwaukee, Medicaid provides vital funding for the Jewish Home and Care Center, Chai Point, and Jewish Family Services, who depend on Medicaid reimbursements for many of their clients.

In summary, Medicaid is a crucial source of funding for our Jewish community agencies and the vulnerable community members they serve, and is of growing importance as our community ages. If TABOR is passed, it is projected that Medicaid funding will be cut significantly. There is no way philanthropically that the Milwaukee Jewish community can make up the gap.

- **Moral Obligation:** Opposition to the legislation is consistent with Jewish experience, tradition, history and/or teaching. Our Jewish tradition emphasizes the responsibility of the community to provide for the most needy and vulnerable in ways that enable them to live independently, with dignity and to move from poverty to economic self-sufficiency. This responsibility is shared by the government and the faith community. We should oppose TABOR because of the inequity it would create.
- **Promote Community Relations:** Taking a position opposing TABOR will promote community relations as a wide range of other faith groups, as well as other coalition partners, are opposing the bill. The faith community provides an important and respected perspective on this issue, and at this time, a Jewish voice is absent. Other groups currently opposing TABOR include:

Faith Community:

Interfaith Conference, Wisconsin Council of Churches, Micah, Wisdom, Lutheran Office for Public Policy, Wisconsin Catholic Conference

Other Groups: Wisconsin Alliance of Cities, Counties Association, Save MA Coalition (hospitals, nursing homes, & other healthcare groups), Coalition of Wisconsin Aging Groups (CWAG), Wisconsin Association of School Boards, Wisconsin Education Association Council, Survival Coalition (disability groups), Wisconsin Council on Children and Families, Wisconsin Citizen Action, University of Wisconsin, Wisconsin's Technical Colleges, fire departments, law enforcement, and labor.

- **Resources:** The Council would not take a lead role on this issue and staff time would be limited. We would add our voice to that of the faith community and other coalition partners. Follow up would primarily consist of communication with legislators, action alerts, and attendance by one staff member at several meetings.
- **Uniqueness of Council's Role:** The faith community is planning to speak out strongly in opposition to TABOR. It is important to have the Jewish community join with our faith community partners in opposing TABOR and provide a Jewish voice on this issue. By taking a position, the Council role would make a unique contribution to the issue. Both Barbara and Michael Blumenfeld have received inquiries from legislators and coalition partners asking where the community stands on this issue. We will **not** take a leadership role on this and expect our visibility to be limited. The Wisconsin Jewish Conference will also consider a recommendation to oppose TABOR, but does not meet until June. A vote on TABOR is expected to occur in May.
- **Foster Jewish Unity:** TABOR poses grave concerns for our Jewish community agencies which rely on government funding and our advocacy efforts will highlight this concern and the direct impact on our community.
- **Consistency with other Issues.** The Council position is consistent with other Council position statements including statements on Older Adult Services, Mental Health Services, Public Education, and Opposition to Elimination of Shared Revenue. It is also consistent with the United Jewish Communities legislative priority on preserving funding for Medicaid.