

## Oregon State Bar Ballot Measure 48 Position Paper

On August 4<sup>th</sup>, 2006, the Oregon State Bar Board of Governors voted to oppose Ballot Measure 48 and on September 16<sup>th</sup>, the Oregon State Bar House of Delegates held its annual meeting and voted to join the Board in opposing Measure 48.

### **About Ballot Measure 48.**

- Measure 48 is a constitutional amendment to limit state spending to the percentage increase in the state's population plus inflation. Proponents of Measure 48 call it the "Taxpayers Bill of Rights" (often abbreviated "TaBOR") or the "Rainy Day Amendment." In fact, the measure would limit state spending but would not confer new rights on taxpayers or create a rainy day fund.
- State funds that would be subject to the limits in this measure include the state's general fund, lottery funds and other funds (gas taxes, payroll taxes, bond proceeds, fees) – but not federal funds.
- The spending limit could be exceeded only by a vote of two-thirds of each chamber of the legislature and approved by a majority of voters in a general election.
- Since ballot measures usually take effect 30 days after passage, the measure could apply to the 2005-07 biennium.

### **Limiting spending to inflation plus population growth is bad policy.**

Although it sounds reasonable, the inflation plus population formula will require substantial cuts in the state budget:

- The cost of many goods and services the government purchases - like health care - is increasing significantly faster than the general rate of inflation.
- The populations that use government services the most are increasing faster than the general population, a trend that will continue as "baby boomers" age.
- Voters periodically pass spending mandates like Measure 11, the property rights initiative, that require new spending. TaBOR does not take such new mandates into account and would lead to additional cuts in other programs and services.
- If recession forces the reduction of spending in a biennium, the budget for the next biennium would be based on that reduced budget, regardless of whether the economy could support restoring lost services.

### **The financial impact on state government.**

- If the measure first applies to the 2007-09 budget, it would reduce money available to fund state services by \$2.2 billion. If it first applies to the current budget, state spending would have to be reduced by \$2.5 billion by July 2007, and expected spending would have to be reduced by \$4.9 billion for 2007-09.
- The measure would limit state bond programs and would have a negative effect on the state's credit rating.

### **The justice system will suffer if Measure 48 is passed.**

- The specific effects on the justice system would be left up to the legislature, but the justice system competes for state funding with others who depend on the state for crucial social services, including families with school-aged children and people covered by the Oregon Health Plan.
- If Measure 48 passes, the justice system is likely to be limited to a bare bones operating budget. The 2001-03 budget crisis led to drastic cuts in court staff, closure of courts one additional day each week, and the lack of funds for indigent defense nearly shut down the criminal system. Ballot Measure 48 will lead to similar budget cuts and would likely result in outcomes similar to those in 2001-03.