

TEL Logic: One Formula for Thousands of Governments.

Under provisions of the Tax Expenditure Limit (TEL), scheduled for a spot on the statewide ballot in November, all governments in Ohio would be subject to spending increases each year equal to the greater of the increase in the Consumer Price Index (CPI) and population growth or 3.5%.

This means that a township of 200 people, a school district of 2,000 students and the state of Ohio should all have the same spending limits. Logically, one would never propose such a uniform limit. It would be like saying that a small hardware store, a nursing home and Exxon should all operate their businesses the same way. No one would expect that. However, by painting "all governments" with the same brush, the TEL asks you to suspend belief in what the ordinary voter knows and vote for the very definition of fantasy.

TEL asks voters to believe that all governments are the same, i.e. organizations that, by their very nature, love to overtax voters and spend all of your hard-earned dollars on silly things. From that assumption, all governments must be stopped from such antics by a uniform formula.

Yet the governments and agencies covered by the TEL are all very different when it comes to taxing and spending, and the services they provide.

The state of Ohio can pass tax increases without a vote of the people. That will still be true if the TEL passes. Local governments pass the vast majority of their tax increases through a vote of the people. Under TEL, all local tax increases must be presented to the voters, but a new majority will be needed for passage. Under TEL, a majority of all voters in the political subdivision will have to vote for passage, not a majority of those who vote on Election Day.

So the TEL makes passing a tax increase at the state level just as easy as ever, while it makes passing a tax increase at the local level almost impossible. How fair is that for an issue that was sold as an issue to stop "out of control" state spending?

This is the only real distinction the TEL makes between state and local government. The TEL and its limits on spending also makes little distinction between types of local governments, which is another strange feature of the TEL for the average voter. To say that a local zoo, supported by a tax levy, and the city of Cleveland should be treated alike is ridiculous on its face, but that's what the TEL says.

Additionally, the TEL says that all local governments start from the same place. A poor community, that sees an uptick in its revenues, cannot spend that new money to improve services if only 40% of its voters show up to vote for those improved services. A wealthy community, with 10% growth in its population and a CPI of 3%, can increase its spending by 13% to improve its services, even though it may need to spend 20% more to manage its growth. And local governments which receive a lot of state and federal aid, like school districts, will not have to count that aid against their spending cap because it is exempt. Local governments which receive less of that aid, such as municipalities and townships, will not have that advantage under the TEL.

The TEL would have the average voter believe that the financial problems of paying for a case-load driven program like Medicaid, at the state level, is the same thing as having good EMT service at the local level. Governments at the local level put service providers in the classroom and on the street. For the most part, state government, writes checks for social services, education, workers' compensation and many other things. Though they are both governments, they are as different as CitiBank and your favorite pizza delivery joint. They are in different businesses and should be treated different.

The TEL, in its drive for bumper sticker appeal, does not do that. The TEL treats the Ohio Constitution as the place where all simple-minded ideas should find a home.

