



Taxes, Tea Parties and Health Care Reform

By Mike Hoey



Americans have never been fond of taxes or governments that interfere too much with their business ventures. When in 1763 three ships dropped anchor in Boston harbor with 298 chests of tea, a band of colonists disguised as “Red Indians” heaved the merchandise overboard. The colonists objected to the British tea duty. But what raised the ire of the Boston merchants was how the East India Company could cut into their trade.

The spirit of the Boston Tea Party has resurfaced over the last year in a burgeoning tea party movement that wants lower taxes and smaller and less intrusive government. In March groups like the Show-Me Patriots, the Eagle Forum, I Heard the People Say and Concerned Women of America converged on the Missouri Capitol for a Show-Me State Sovereignty Rally.

The groups oppose federal health care reform, especially the requirement that everyone buy health insurance or pay a tax penalty. They believe the law can be stopped in its tracks if states will assert their rights under the 10th amendment to the U.S. Constitution, which declares that the powers not delegated to the United States by the Constitution “are reserved to the States respectively, or to the people.”

Supporters of the new health care reform law counter that the federal government has the power to address health insurance concerns under the commerce clause (Article I, Section 8).

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They cite how federal intervention can bring positive change resisted by states, such as the 1960's desegregation of public accommodations in the deep South.

This explosive issue – states rights versus federal powers – is being revisited by Missouri and other states. The Missouri General Assembly is considering whether to submit to voters a proposed amendment to the Missouri Constitution declaring that no Missouri citizen can be compelled to participate in any healthcare plan.

The debate is dividing Americans along an ideological fault line with civil libertarians on one side and social justice exponents on the other. A recent Washington Post poll found that 46 percent of Americans favor the changes in the new health care reform law while 50 percent oppose them.

To opponents of the new law, American liberty is imperiled. They warn darkly of a creeping socialism, a “nanny state” that cares for everyone from cradle to grave and in the process bankrupts the country with a deficit our children's children will have to pay off.

To others, the new law represents the most significant social progress since Franklin D. Roosevelt signed the Social Security Act in 1936. It ends the practice of insurance companies denying coverage to people with pre-existing conditions and ensures that 32 million uninsured Americans have health coverage.

For the U.S. Catholic bishops the health care reform law is tragically flawed because it forces Americans to subsidize other people's abortion through their insurance premiums. Within the pro-life movement generally, differences are emerging on how to respond to the new law. Pro-lifers who support health care reform want Congress to amend the law to make it abortion free. Pro-lifers who have objections unrelated to abortion prefer

adoption of a state constitutional amendment that will stop implementation of health care reform in Missouri.

The non-abortion issues, such as debate over the extent to which government should involve itself in health care matters, raise questions for which Catholic teaching offers no pat answers but only broad principles. The Church teaches that government should not act in a despotic manner but uphold the common good. Is government behaving in a despotic manner when it requires people to buy health insurance or pay a tax penalty? Or is it in the very nature of government to require citizen compliance with laws adopted by their elected representatives intended to secure the common good?

Upholding the common good includes ensuring people can access basic necessities like food, clothing, and health care. But how should government do this? Church teaching recognizes a positive role for government in providing assistance when it is clearly necessary. The principle of solidarity requires the pursuit of a more just social order, including a preferential love for the poor, the severely disabled, the indigent elderly and others who need assistance, including health care.

However, the Church warns against excessive government intervention and calls for the exercise of personal responsibility. The principle of subsidiarity declares that government should not interfere when families and local communities are in the best position to help themselves. At what point does the government provision of health care begin to undermine an ethic of personal responsibility for one's health? While Catholic intellectuals frame the evaluation of health care reform around principles like solidarity and subsidiarity, others view the debate as a contest between the relative merits of equality and liberty.

This is a debate that goes back to the beginnings of the American republic. At times Americans have sought to create more equal conditions, such as establishing a minimum wage and creating a progressive income tax. At other times, when government appeared to be smothering personal liberty, Americans have supported deregulation of business and lower taxes so individuals could retain more of their earned income.

Backers of the new health care reform law see it as creating a more equal opportunity for all people to access health care. America has the best health care system that money can buy but that is the problem. If you are poor, between jobs or have a pre-existing medical condition, you probably do not have health insurance. Your primary care doctor is the hospital emergency room. Opponents of the health care reform law counter that truly open markets (rather than government or business monopolies) can best deliver quality health care to Americans, including the poor.

It is not the Church's role to offer definitive answers for all questions of public policy. Critics of health care reform raise objections not considered in depth by the U.S. Catholic bishops, such as its fiscal impact. That does not mean the objections are without merit but rather that Catholics will have to form their own opinion.

As tempers flare and name-calling threatens to drown out rationale debate, Catholics can set an example by insisting upon civility and charity towards even those we disagree with. Americans can have their tea parties without throwing overboard the mutual respect for one another that is essential for the maintenance of democratic society.

Mike Hoey is the executive director at the Missouri Catholic Conference.

WHAT CAN BE DONE? On Keeping Abortion out of Health Care Reform

Catholics are understandably upset that abortion remains in the federal health care reform law. However, there are steps citizens can take to keep abortion out of health care reform.

The new federal law, for example, allows states to opt out of offering abortion coverage in the newly created insurance exchanges. SB 747, sponsored by Senator Scott Rupp (R-Wentzville), and HB 1725, sponsored by Representative Darrell Pollock (R-Lebanon), would do just that. Insurance coverage for abortion would be limited to those necessary to save the life of the mother.

The Missouri Catholic Conference (MCC) is urging all Catholics to contact their State Senator and Representative and urge support for SB 747 and HB 1725 respectively.

Are you doing your part?

“To desire the common good and strive towards it is a requirement of justice and charity.”

- Pope Benedict XVI

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Reshaping Government in Light of Gospel Values and Economic Realities

By Rita Linhardt

The numbers paint a dismal picture. Missouri's revenue is down 13 percent from last year. Approximately \$1.2 billion has been cut from the state budget since January 2009. An additional \$500 million needs to be trimmed from the state budget that begins on July 1, 2010. There is no guarantee that even these cuts will keep Missouri in the black.

As the nation faces its third year of the greatest recession since the Great Depression many see Missouri at a crossroads. As in other states, Missouri lawmakers are realizing that financial recovery will not be quick, that you can't rely on the federal government for a bailout and that easy budget cuts came years ago. The financial decisions that need to be made at this point will reshape the structure and redefine the role of Missouri government for years to come.

As lawmakers are deciding how to reshape government in light of economic realities, the Missouri Catholic Conference (MCC) wishes to bring its voice to the discussion. The reflections offered in this Messenger are based not only on a solid foundation of Catholic social teaching, but from the experience of an organization that has been in the halls of Missouri's Capitol and has helped to shape public policy for over 40 years.

"Right-sizing" Government

Whether you see Missouri's government as a sprawling bureaucracy or not, current budget shortfalls will result in the downsizing of our government. *The Catechism of the Catholic Church* teaches that government has the obligation to promote the common good which includes ensuring that people have access to services that meet basic human needs (paragraphs 1902-1914). This is a broad principle that leaves room for

interpretation on the size of government.

State government is larger today than any point in its history, partly because of the laws passed. Over the years laws have been enacted to ensure the safety of our daycares, to guarantee the cleanliness of our restaurants, and to protect children who are abused by their parents. This has resulted in state agencies being expanded, new programs created and more workers hired.

In finding the "right size" for Missouri's government, the MCC urges thoughtful deliberation. Programs need to be examined not only for cost effectiveness, but for how they promote the welfare of Missourians. It may be financially prudent to end out-dated programs, to eliminate duplicate services, to utilize technology more and to privatize some services. However, cost cutting measures should not eliminate needed services or place excessive barriers to citizens, particularly the most vulnerable.

Case in point is a suggested proposal to reshape the Family Support Division by closing its offices in Missouri's 114 counties and establishing regional offices. The county offices provide a local contact and intermediary for disabled and disadvantaged people who need assistance with obtaining food stamps, income maintenance or energy assistance. Many of these people have unreliable vehicles or health issues that make travel difficult. A better alternative might be to establish public-private partnerships with established community or faith-based groups who could continue to provide this service on a local level.

Uphold the Sanctity of Human Life

Government has a moral obligation to defend human

rights. The first and most fundamental right according to Pope John Paul II is the right to life of every innocent human being. (*Evangelium Vitae*, 1995). One way the proposed state budget responds to this call is by funding the Alternatives to Abortion (ATA) program. ATA funds maternity homes, pregnancy resource centers and other organizations that offer services such as ultra-sounds, emergency housing, prenatal care or adoption assistance to women in crisis pregnancies.

Funds for ATA have been appropriated since the mid-1990s, but the program has recently been on the chopping block. Last year, Governor Nixon contemplated withholding funds from the \$1.9 million appropriated, but reconsidered after outcry from the pro-life community. Similarly the MCC and other pro-life groups were instrumental in restoring funds for ATA when an appropriations committee considered eliminating funding earlier this year. Still \$290,000 of ATA funds were withheld in the latest rounds of cuts in March. The MCC opposes drastic cuts to ATA and urges legislators to continue meaningful funding for this life-affirming program.

Protect the Most Vulnerable

All Christians have a responsibility to care for the most vulnerable. But neither churches nor local communities have the resources to meet all of the human needs presented.

In many ways the most vulnerable have taken the brunt of the state budget cuts. In 2005 Missouri made sweeping changes in its Medicaid program to save money. The legislation reduced eligibility and benefits, while increasing enrollment barriers.

On Democratic Government

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty and the pursuit of Happiness. – That to secure these rights, Governments are instituted among men, deriving their just powers from the consent of the governed...

Declaration of Independence, July 4, 1776

Justice is the end of government. It is the end of civil society. It ever has been, and ever will be pursued, until it be obtained, or until liberty be lost in the pursuit. In a society under the forms of which the stronger faction can readily unite and oppress the weaker, anarchy may as truly be said to reign, as in a state of nature where the weaker individual is not secured against the violence of the stronger.

James Madison, Federalist # 51, 1788

"We have no government armed with power capable of contending with human passions unbridled by morality and religion. Avarice, ambition, revenge or gallantry would break the strongest cords of our Constitution as a whale goes through a net. Our Constitution was made only for a moral and religious people. It is wholly inadequate to the government of any other."

John Adams, October 11, 1798

The legitimate object of government is 'to do for the people what needs to be done, but which they can not, by individual effort, do at all, or do so well, for themselves.'

Abraham Lincoln, Notes on Government, 1854

Democracy needs virtue... Democracy serves what is true and right when it safeguards the dignity of every human person, when it respects inviolable and inalienable rights, when it makes the common good the end and criteria regulating all public and social life.

Pope John Paul II, Departing remarks, U.S. Visit, October 8, 1995

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According to the Department of Social Services, the 2005 Medicaid changes resulted in loss of health coverage for 100,000 Missourians with another 300,000 experiencing increased co-payments or loss of benefits.

To compensate for the cuts, Missouri decided to increase state funding to the Federally Qualified Health Centers (FQHC) that provide care for uninsured and low-income populations at 19 sites across the state. But even this safety net is now in jeopardy. In early rounds of budget negotiations this spring all \$9.2 million of state funding for these centers was eliminated for the next fiscal year. These funds were eventually restored, but Governor Nixon still withheld \$1.4 million from the FQHCs in the latest rounds of cuts.

The MCC recognizes the severity of the current financial situation. However, government should not continue to balance its budget on the backs of those least able to bear the burden or to advocate for themselves.

Practice Good Stewardship

Church teachings call all of us to be good stewards of God's resources. Hard times require even greater accountability on the use of state resources.

Several weeks ago Senator Charlie Shields (R-St. Joseph), President Pro-tem of the Senate, took an unprecedented approach to saving resources. Sen. Shields halted all normal activities in the Senate for one day and divided the senators into eight work groups that covered the various areas of state government. Each work group was asked to find ways to save a targeted amount of money. Over 1,500 suggestions were e-mailed in from citizens. Some ideas were reasonable, others impractical, but all were considered. The MCC applauded this unique attempt to find budget solutions. One idea was to revamp Missouri's tax credit program. Tax credits are incentives that reduce

taxpayer liability while advancing private sector funding. Missouri has over 50 tax credit programs that cost \$585 million of state revenue last year. Missouri's tax credits run the gambit from credits to businesses to those for neighborhood assistance programs. Many of the credits are uncapped making it difficult to control the amount of revenue lost.

The MCC sees prudence in reviewing tax credits for their efficiency and promotion of the common good. However the proposal would lump all tax credits that provide community assistance, such as credits for domestic violence shelters, food pantries and pregnancy resource centers, into one category with a set cap. The MCC is concerned that this approach would pit one worthy program against another. The MCC supports more flexibility for tax credits that meet human needs.

Another cost-saving measure was to re-examine how Missouri uses its prison facilities. In the last 16 years Missouri has seen its inmate population double and the budget for the Department of Corrections triple. Much of the increase in prison population has come from the incarceration of non-violent offenders. In his State of the Judiciary speech in February, Chief Justice Ray Price, Jr. stated that the incarceration of non-violent offenders is a huge waste of government resources that doesn't improve public safety.

In leading his Senate work group on corrections, Sen. Matt Bartle (R-Lee 's Summit) built on these ideas and flatly stated that because of budget shortfalls, Missouri will need to close a prison. Two thousand inmates would need to be released and future prison growth controlled. Participants in the room included judges, prosecutors and defense attorneys. They discussed numerous ideas including expanding drug courts, earlier release of some offenders and

other cost-saving measures. Most of the work group's recommendations were consistent with long-standing sentencing positions of the MCC and support restorative justice principles that encourage offender accountability, reparation for the victim and restoration of the offender in the community.

Share the burden

The teachings of the Catholic Church support the principle of solidarity, in which members of society share in both benefits and sacrifices. In economic hard times, all need to bear the burden. While no one disputes the value of education, Missouri should reexamine its approach to funding education. Compared to previous years' budget cuts in other services and programs, public education has been relatively unscathed.

Children do not live in a vacuum. Children who come to school from families that are experiencing unemployment, home foreclosure, hunger or unmet health needs bring those problems to school and it impacts learning. Continuing to make severe cuts in social programs that affect families and children may be more detrimental to education than larger class sizes or the elimination of certain programs.

Ensuring Government Resources are Adequate and Equitable

Government needs adequate revenue to support the common good of its citizens. Taxation is necessary to provide government the revenue it needs to function. Catholics can have philosophical differences on what is "adequate" revenue for government to operate.

However, there are some facts that should be considered. According to Morgan Quitno, "State Rankings for 2009", Missouri ranks 47th lowest in the nation for per capita state taxes collected. Missouri has not raised its liquor tax on beer

for nearly 40 years and has the second lowest tax in the nation on cigarettes. Missouri also loses millions of dollars yearly from missed opportunities such as not charging tax on lottery sales.

Catholic teaching calls for a tax system that is just to all. Pope John XXIII in his encyclical, *Mater et Magistra* (1961), said taxes should be based on a citizen's proportionate ability to pay and that the stronger should shoulder the greater burden. Missouri's tax system could certainly be more progressive. For example, the state income tax imposes the same rate of taxation upon all taxpayers earning above \$9,000.

The MCC maintains there is a point where services can no longer be cut and still be meaningful to the welfare of citizens. The MCC urges lawmakers to not only implement budget cuts but to have an honest discussion of revenue enhancing possibilities and ways to ensure equity for all taxpayers.

Conclusion

"Salus populi suprema lex esto" or "The welfare of the people is the supreme law". This is the motto emblazoned on the Great Seal of Missouri and provides the foundation for our state government. In these economic times tough decisions need to be made. These decisions should not be based on partisan politics or special interests, but on moral principles that promote the true welfare of all Missourians.

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