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An update on state and federal action from

The Center for Public Policy Priorities

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After much deliberation, and more than a few humorous discussions, the **Washington Watch** becomes **The Policy Page** with this issue. We will continue reporting on federal activities but will broaden our efforts to include state issues and other topics of interest.

Governor's Property Tax Committee Coming to Your Neighborhood Soon! Citizens Concerned About Low- and Moderate-Income Texans Encouraged to Testify

Gov. George Bush has appointed a Citizen's Committee on Property Tax Relief to seek public reaction to his plan to replace all school property taxes with a new statewide consumption tax. Proposed consumption taxes include an expanded sales tax, a value added tax, and a gross receipts tax.

The proposed tax changes could seriously harm low- and moderate-income Texans. Consumption taxes, such as those favored by the governor, are extremely unfair. The sales tax, the major consumption tax currently levied in Texas, is very regressive — it takes a much higher proportion of the income of low- and moderate income Texans than of upper-income Texans. In contrast, the property tax is relatively fair — it takes a similar proportion of the income of Texans of different income levels.

The governor insists that any reform would have to be "revenue-neutral," so it would not increase the amount available to support public education or other vital state services. The impact of changes in the property tax on school finance equity has not been discussed. The governor has also ruled out consideration of a state personal income tax.

The committee is scheduled to receive public testimony in fourteen cities before the end of September. All regions of the state will be visited: Gulf Coast (Beaumont-Port Arthur, Houston), East (Tyler), North (Dallas, Fort Worth, Wichita Falls),

South (Brownsville-Harlingen, Corpus Christi, San Antonio), Central (Austin), and West (Amarillo, El Paso, Lubbock, Midland-Odessa). The first hearing will be held in El Paso on Friday, June 14, at 9:30 AM at the Recital Hall in the UTEP Fine Arts Complex. The schedule of other hearings has not yet been announced.

It is very important the committee hear from advocates for low- and moderate-income Texans. The best testimony would be based on your own personal or work experience. You can discuss the impact a major shift of the tax burden onto low-income Texans would have on your clients. You can point out the need for additional state and local revenue to meet unmet needs in your community and the importance of equitable funding of public education. You can even talk about the advantages of a state personal income tax. *If you don't appear, the committee will hear only from those who want to reduce their taxes by cutting state spending on health and human services and public education.*

The Center can provide you with additional information about the governor's proposals, other tax alternatives, and the committee schedule. Please contact Dick Lavine at 512-320-0222 or hn2960@handsnet.org.

Income Inequality Kills

Two studies have concluded that income inequality is contributing to increases in mortality. A Harvard University study found that in states where the income gap was wider, overall mortality rates from heart disease, cancer and homicide were also higher. Another study by the California Department of Health Services reached similar conclusions. They too found

links between states with high income inequality and high death rates. The authors were lead to conclude "it would be prudent to consider health effects and the costs associated with them, when evaluating the impact of economic policies.

The average income of the top 1% of Texans is \$745,000, which ranks tenth highest in the U.S.

The average income of the lowest 20% of Texans is \$11,000 —ranking 44th nationally.

June Schedule of Medicaid Managed Care Public Hearings

The last **WASHINGTON WATCH** announced that the Texas Health and Human Services Commission (THHSC), Department of Health, Department of Human Services and Department of Mental Health and Mental Retardation are holding public hearings throughout the state, seeking public opinion on the development of the Medicaid managed care program. Following is the hearing schedule for June.

For more information, please call Ms. Colleen Paige with the Health and Human Services Commission (THHSC) at 512/424-6517.

You may send written comments to HHSC at:

P.O. Box 13247, Austin, TX 78711. Persons with disabilities who may require special needs may contact Ms. Paige.

June Hearing Dates:

Waco June 6, 2-4 p.m. McClennan County Community College 1400 College Drive	Bryan College Station June 7, 4-6 p.m. Texas A & M University Rudder Towers, Room 301	Abilene June 10, 4-6 p.m. Hardin-Simmons University Johnson Bldg. Multi-purpose Room - 1st Floor 2200 Hickory
McAllen June 11, 3-5 p.m. McAllen Senior Citizens' Center 1921 North 25th Street	Corpus Christi June 12 2-4 p.m. Del Mar University 101 Baldwin	Nacogdoches June 18, 4-6 p.m. Mike Moses Intermediate School Park Street
Paris June 19, 4-6 p.m. Paris Junior College 2400 Clarksville Street	Amarillo June 20, 4-6 p.m. Northwest Texas Healthcare System 1501 Coulter	Harlingen June 24, 4-6 p.m. Texas State Technical College 2420 Boxwood
Uvalde June 27, 4-6 p.m. Uvalde Civic Center Reading Room 300 East Main		

Children of the Working Poor

The recent release of the annual Kids Count Databook by the Annie E. Casey foundation contained state-by-state data on children in working poor families. While the nation as a whole had 7.6% children living in poor families with at least one parent working 50 or more weeks a year, Texas had 11.9%. Texas ranked 49th in this category and last in the percentage of children with no health

insurance. In Texas, more children live in working poor families than those in families receiving AFDC. (In the report, poor families are those with incomes below the federal poverty threshold —\$12,980 for a family of three).

For more information about the Kids Count project call Patrick Bresette at the Center.

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