

# Path to Prosperity

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**Taxpayer Bill of Rights Needed Now More than Ever:** September 3, 2009

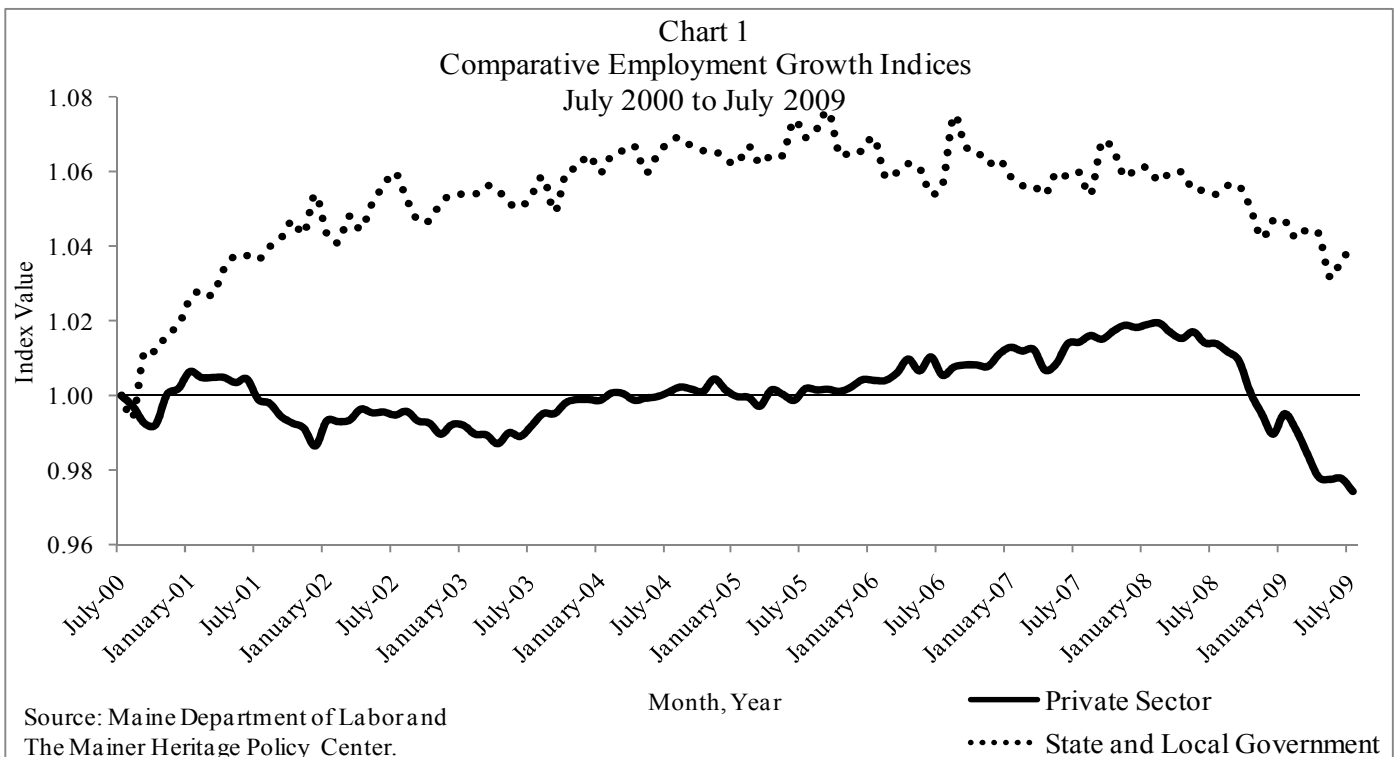
*Over the past decade, 3,400 government jobs were added  
while 13,000 private sector jobs were lost.*

*By J. Scott Moody*

The dramatic disparity between the growth in private versus public sector employment in Maine illustrates the need for the Taxpayer Bill of Rights provision which will be on the November ballot. Consider these facts:

- Data from the Maine Department of Labor reveals that there are fewer private sector workers in Maine today than there were a decade ago. As shown in Chart 1 and Table 1, over the last decade Maine's private sector has lost 13,000 workers.<sup>[1]</sup> Since the recession began in January 2008, Maine's private sector has lost 22,700 workers.
- In stark contrast, Maine's state and local governments have added 3,400 employees over the last decade. To put it another way, for every additional state and local government employee added, four private sector workers lost their jobs.
- This public sector job growth has been driven by out-of-control government spending. From FY 2000 to FY 2008, total state expenditures grew \$2 billion, from \$4.7 billion to \$6.8 billion - a runaway spending increase of 45 percent!
- This unsustainable state spending is fueled, in part, by a bloated state workforce. In 2007, Maine state government had 4,497 more workers than needed, by national standards, costing Maine's taxpayers an additional \$189,451,468 in taxes.<sup>[2]</sup>

Clearly, the only long-term solution for controlling this kind of runaway government spending is the Taxpayer Bill of Rights initiative, which, if passed by voters this November, will allow taxpayers to decide if government should grow faster than the economy's ability to create jobs for private sector workers.<sup>[3]</sup>



*We the people of Maine...*

THE MAINE HERITAGE POLICY CENTER

**The Taxpayer Bill of Rights Ballot Question:**

“Do you want to change the existing formulas that limit state and local government spending and require voter approval by referendum for spending over those limits and for increases in state taxes?”

**Notes and Sources:**

- [1] The comparative growth indices shown in Chart 1 and Table 1 were created by setting the base month/year (July 2000) equal to one and then multiplying each successive year by the growth rate. This makes it easier to visualize the relative growth differentials without worrying about the differences in starting values.
- [2] For more information on the growth in state employment, see: <http://www.maineconomy.org/library/resources/129.pdf>
- [3] For more information of the Taxpayer Bill of Rights, see: [http://www.maineconomy.org/tabor\\_excise.php?category=1](http://www.maineconomy.org/tabor_excise.php?category=1)

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Table 1  
 Comparative Employment Indices  
 Selected Months between June 2000 and June 2009

Month, Year	Employment (thousands)		Index Value	
	Private Sector	State and Local Government	Private Sector	State and Local Government
July-00	506.5	84.9	1.00	1.00
January-01	509.8	87.1	1.01	1.03
July-01	506.0	88.0	1.00	1.04
January-02	503.1	88.6	0.99	1.04
July-02	503.9	90.0	0.99	1.06
January-03	502.5	89.5	0.99	1.05
July-03	502.5	89.5	0.99	1.05
January-04	505.9	90.0	1.00	1.06
July-04	507.0	90.7	1.00	1.07
January-05	506.4	90.2	1.00	1.06
July-05	507.5	90.8	1.00	1.07
January-06	508.6	90.8	1.00	1.07
July-06	509.3	89.7	1.01	1.06
January-07	513.1	89.9	1.01	1.06
July-07	513.8	90.0	1.01	1.06
January-08	516.2	90.1	1.02	1.06
February-08	516.4	89.8	1.02	1.06
March-08	515.1	90.0	1.02	1.06
April-08	514.3	90.0	1.02	1.06
May-08	515.2	89.6	1.02	1.06
June-08	513.7	89.6	1.01	1.06
July-08	513.6	89.5	1.01	1.05
August-08	512.5	89.7	1.01	1.06
September-08	511.3	89.7	1.01	1.06
October-08	507.0	89.2	1.00	1.05
November-08	504.1	88.5	1.00	1.04
December-08	501.3	88.9	0.99	1.05
January-09	504.1	88.9	1.00	1.05
February-09	501.9	88.5	0.99	1.04
March-09	498.6	88.7	0.98	1.04
April-09	495.5	88.6	0.98	1.04
May-09	495.2	87.6	0.98	1.03
June-09	495.3	88.0	0.98	1.04
July-09	493.5	88.3	0.97	1.04

Source: Maine Department of Labor and The Maine Heritage Policy Center.