



August 18, 2015

With 57 local United Ways in North Carolina, raising over \$100M annually, we are committed to investing in a healthy community that supports quality education and financial stability across North Carolina. As the state organization, we offer our support in resourcing and equipping community leaders to address the root causes of our problems, collaborate with others, and provide long-term solutions that have a positive impact on local communities.

We, the Board of Directors of United Way of North Carolina, believe that moving to a constitutional mandate limiting revenue and growth, as proposed by SB 607, the Taxpayer Protection Act, will prevent the state from making future strategic investments in local communities and will undermine the collaborative public private partnership of seeking solutions to today's most complex issues.

SB 607 will restrain the state's ability to respond to the needs of its citizens. We are particularly concerned that a negative budget impact will result in decreasing health and human services to those in need. Our information and referral service, 2-1-1 received more than 137,000 requests for assistance last year revealing that rent and mortgage assistance, shelter, and food are among top needs in our state. Under the newly proposed formula, spending can only grow based on population and inflation, not need! This strategy provides no room for the state to respond to vulnerable populations and working families struggling to keep up with inflation.

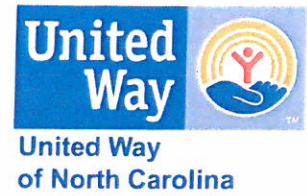
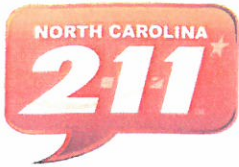
We are also concerned that reducing the income tax rate cap by half is premature when our communities are still struggling to recover from the recession. Now is the time to make strategic investments in schools and roads, which will improve our economy in the long run.

Finally, the 2/3 majority requirement for use of the rainy-day fund could prevent prompt response during times of disaster. As a member-driven organization, we value best practices as examples of success. Clearly, TABOR has not been successful in Colorado and this negative result should be strongly considered as a possible benchmark for failure in North Carolina.

Together, these constitutional changes could undermine the efforts of all organizations who are working to make life better in North Carolina. Overall, Senate Bill 607 harms our economy today and weakens our economic position tomorrow. We urge you not to take up SB 607.

United Way of North Carolina Board
Brenda Diggs, Board Chair

(Board list and signatures on back)



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