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Services to Children and Families Will Suffer Under Joint Finance's Education Financing and Property Tax Freeze Plans

The Wisconsin Council on Children and Families (WCCF) expressed opposition to action taken today by Republicans on the Joint Finance Committee to freeze property taxes for three years and to weaken the state's commitment to four-year-old kindergarten and the SAGE program.

"The action that Joint Finance members took today ties the hands of local officials who are elected by citizens in their communities to address local needs," said WCCF Board President Judy Crain. "In my Green Bay community, I understand that between the freezes in local levies that affect the schools, the county and the city, we come out \$5.2 million behind where we would have been next year as a result of Joint Finance's decision. That's bad news for the nearly 40,000 children in schools county-wide and bad news for our community."

The property tax freeze voted on today was one part of three large motions announced by Republican leadership yesterday. They affect nearly \$1 billion in aids to local governments through Shared Revenue and over \$5 billion in general and categorical aids to schools. In spite of the fact that these provisions affect over half of state spending, there was no public hearing on the provisions.

"In LaCrosse, where I live, this action could mean a loss of \$4 million for schools, the county and the city of LaCrosse in the next year alone," said WCCF Board Member and LaCrosse school board member Deb Suchla. "It's hard to tell how locally elected officials will handle this. For example, we have a model four-year-old kindergarten program in LaCrosse that is just wonderful for kids, but given the freeze in levy and the loss of state funding for four-year-old kindergarten, I'm extremely concerned that our model program would be threatened by Joint Finance's action."

The freeze comes on top of state revenue freezes to counties for Community Aids, Youth Aids and Medical Assistance waivers, all of which help counties pay for services they are required to provide under state law. Counties have been struggling with freezes in those areas for years, and have been able to address local needs of mandated populations by

WCCF on the Tax Freeze
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increasing the levy to cover the costs. For example, state support for Community Aids, which helps counties cover the cost of protecting children and a range of services to other populations, decreased by \$1 million between 1997 and 2001; county support for programs funded by Community Aids increased by 14.5 percent during that same period: on average by about 3.62 percent each year.

“The increases that locally elected officials have granted for state required services haven’t been a ‘runaway train.’ They have been necessary to keep up with the costs of doing the state’s business for them,” said Charity Eelson, WCCF’s Associate Director for Advocacy and Programs. “Locally elected officials struggle with balancing the needs of citizens for necessary public services and keeping property tax increases at reasonable levels. But with a projected loss in local revenue of this magnitude and without the latitude to make those decisions and determine what’s best, given local need, public services that every citizen in every community receives will suffer.”

According to an analysis by the non-partisan Legislative Fiscal Bureau, the loss in local property taxes over the next two years as a result of Joint Finance’s action today as compared to current law would be \$599.4 million, adversely affecting cities, towns, counties, villages, school districts and technical school districts.

Local revenue losses for schools will be offset somewhat by increases in general school aids included by Governor Doyle and increased by the Joint Finance Committee. However, combined with Joint Finance’s decision to reduce the reimbursement for the costs of four-year-old kindergarten, which some districts have and some don’t, the exact amounts are unclear at this point in time.

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