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Contact:

Anne Arnesen, 284-0580, ext. 310

Charity Eleson, 284-0580, ext. 302

Proposed Property Tax Freeze Would Devastate Local Human Services Systems

Madison, WI--Assembly Republican leaders today proposed a two-year property tax freeze that would be devastating to people receiving human services at the county level, according to the Wisconsin Council on Children and Families (WCCF).

“Counties have been handed enormous responsibility for funding their local human services systems over the past decade,” said Anne Arnesen, WCCF executive director. “But the amount of state money that counties receive to provide those services has been frozen or reduced in recent years. This tax freeze would leave counties with the responsibility, but no way to fund it. It’s simply unrealistic to make this move at this time.”

According to the Wisconsin Taxpayer Alliance, the largest area of county expenditures is human services, making up 51.5 percent of county budgets in 2001. It is also one of the fastest growing areas of spending. One area of escalating cost is the juvenile justice system, which is a state mandated function for the counties. Youth Aids, which is a state appropriation to counties, would normally be used to offset the costs of these increases to county property taxpayers. However, Youth Aids increased by only 3 percent between 1997 and 2001, while costs to property taxpayers increased by 21.3 percent.

Another example of escalating costs are those associated with populations served by Community Aids, including children who have been abused and neglected, people with chronic mental illness, children and adults with developmental disabilities and the frail elderly. Community Aids, which the state allocates to counties to cover the state mandated services to these populations, actually decreased by just over \$1 million between 1997 and 2001.

At the same time, local funds that counties use to pay for added costs for these populations, increased to \$282.5 million, or by 14.5 percent. Between 1999 and 2001 alone, the cost of services to the property taxpayer increased by just over \$40 million statewide. A freeze would mean that increases to pay for services like protecting kids who have been abused and neglected would either go unaddressed or significant cuts elsewhere in county government would have to occur.

As part of this proposal, Assembly Republican leaders have promised to take care of some of the mandates that drive local expenditures.

“What does this mean?” asked Arnesen. “It doesn’t solve any problems. Some mandates, like child protective services, are required by federal law. We have both a moral and a legal obligation to support services that protect kids.”

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