

FAIR - AND - ADEQUATE

close tax loopholes

protect public structures

control property taxes

The Institute for Wisconsin's Future newsletter on tax policy

April 2009

Citizens for a Strong Oshkosh host meeting on state revenue options

Winnebago County elected officials, local labor union leaders, priests and pastors, business leaders and retired community leaders met for breakfast on April 23rd to talk about how state tax changes might benefit the greater Oshkosh

community. Over 45 leaders from the Oshkosh area attended the first major forum sponsored by the Citizens for a Strong Oshkosh (CSO) to review and discuss state revenue in relation to local services and property taxes. IWF Research Director Jack Norman presented a variety of ways to expand the revenue base for state government and how they might increase state aid to communities and reduce reliance on property tax to fund local public structures. There were lively discussions among groups after the presentation. CSO plans to hold further meetings to see if this diverse group can agree on recommendations to state policymakers.



Wisconsin School districts forced to make severe cutbacks

Eau Claire School Board eliminates 40 jobs; makes \$2 million in cuts

The Eau Claire School Board cut more than 40 jobs to save \$1.8 million next year. In total the board voted on 10 items that will save the district more than \$2 million. That money will help with next year's projected \$4.1 million budget deficit. It was a packed house at district headquarters; many of the people in the audience wore yellow to show their support for the 35 support staff and school assistants whose jobs were on the line. The president of the classified support staff says she's in shock over the cuts. "Extremely disappointed and disheartened. Classified staff affect every piece of business in schools. They have an effect on the classroom, in the office, they meet with parents. I'm just extremely disappointed. I think our schools are going to look so much different next year and the children aren't going to receive the education they have in the past," Classified Support Staff President Bev Christianson said after the vote.

<http://www.weau.com/home/headlines/42530292.html>



Wausau School Board OKs budget cuts

Wausau School Board members used their voices and their votes to speak on the harmful effects \$2.44 million in budget cuts will have on students next school year. Board members voted 7-1 in favor of the budget reductions, which will result in full or partial layoffs for educators in many levels of the district. This year's cuts will result in the equivalent of 11 positions lost at Wausau East and West high schools. The cuts also reach into the middle and elementary schools, with losses to reading programs and programs geared toward keeping down class sizes, said board member John Ostertag. Ostertag said the cuts upset him as a board member, a Wausau citizen and as a former teacher. "The only way we as a whole are going to make it is if our kids make it," he said.



<http://www.wausaudailyherald.com/article/20090310/WDH0101/903100545/0/WDH0501>

Oshkosh cuts 39 teachers

Despite protests by parents and students, Oshkosh Area School District administrators sent initial layoff notices to 39 teachers to reduce the school budgets and reconcile a looming \$2 million deficit. http://www.clipsyndicate.com/publish/video/884727/oshkosh_teacher_layoffs

Paris Wisconsin school district may dissolve

The Paris School Board voted Thursday to consider dissolving their school district. School officials said had no choice under state law but to take the vote, saying that based on current projections they will not have enough money to operate the school district by the 2010-11 school year. For the dissolution to move forward, the board would have to take a final vote by an Aug. 1 deadline. Before that happens, the board hopes to come up with additional funding to keep Paris afloat. The board is likely to vote to make a second referendum attempt this spring. A group of parents is also forming a foundation they hope can raise money for the school, possibly using money contributed from the town's savings.



http://www.kenoshanews2.com/news/paris_eyes_dissolving_district_4771263.html

School Funding Network presents reform plan at State Assembly Education Committee hearing



Harley Demler, a senior at Pecatonica High School, testified April 21st at the Assembly Education Committee hearing on school funding reform with Amanda Mayo, a teacher from the school. They were two of several hundred students, teachers, parents, school officials and concerned citizens who appeared at the hearing to support a plan for reforming the state's school finance system. Harley's statement is a microcosm of the many problems students face due to inadequate state aid.

"I started school in 1995 in the Early Childhood program at Pecatonica. That same year was when the School Board had to cut the Technical Education and Family and Consumer Education programs because of the relatively new funding system of revenue caps. When I was in second grade, I was placed in a group for advanced readers. Several of us from different grades met with

the Reading Specialist and read books that were a little more challenging both in reading level and subject matter. We discussed the social issues raised in the books after reading them. This program gave me a more mature view of the world I was living in. In fourth grade, I joined the Elementary group of the Future Problem Solvers. Our first project dealt with how to clean up a polluted lake and stop the pollution at its source.

I have a sister, Cora, who is 4 years younger than I and I have a brother, Kevin, who is 10 years younger. When my sister got to second grade, there was a large group of advanced readers in her class but there was no longer a program for them. The Reading Specialist had taken on other duties and no longer had the time.

When Cora was in fourth grade, the woman who did the Future Problem Solvers had also taken on other duties and no longer had time for an Elementary group. The school used to allow 8th graders to take Ag classes, but the Agriculture teacher has a full schedule and cannot offer 8th graders this option any more. So my sister, who is only 4 years behind me has missed out on several things that I had coming through school. What will my brother miss who is that much farther behind me? When he gets to high school, will he have the courses he will need to prepare him for college?"

For more information on the hearing and the school funding reform plan, go to http://www.sfnwisconsin.org/Assembly_Education_Committee_Hearing_April_2009_0073/

Wisconsin: Low Taxes for Business

Wisconsin manufacturing taxes among the lowest

The Minnesota Chapter of the National Association of Office and Industrial Properties (NAIOP) released its 22nd annual comparative tax study which tracks property and other tax costs on industrial facilities in various states. **Wisconsin's taxes were among the lowest at \$57,639 (\$0.82 per square foot). Only New Mexico (\$56,890), North Dakota (\$52,082), Texas (\$46,268), and Ohio (\$42,995) were lower.** The Minnesota building generated \$127,899 in property taxes (\$1.83 per square foot.) Illinois, with property taxes of \$196,408 (\$2.80 per square foot) and South Dakota, with taxes of \$128,963 (\$1.84 per square foot) ranked higher.

Property taxes paid in 2008 were calculated on comparable 70,000 square foot buildings of light manufacturers employing 99 workers. The states examined were Minnesota, Illinois, Iowa, North and South Dakota, **Wisconsin**, Colorado, Ohio, New Mexico, Texas, Arizona, Florida, and Massachusetts.



"Now that we've agreed on the loopholes, what should the tax laws be?"

NAIOP's tax study also combined the property taxes with unemployment, corporate, personal property, and sales taxes. Combining all those costs, a Minnesota manufacturer paid around \$200,000 in 2008 compared to Wisconsin's total tax bill of just over \$100,000.

The NAIOP study also concluded that the effective business property tax rate in Minnesota was almost \$3.00 per \$100 of market value, compared to Wisconsin's rate of \$2.20 per \$100 of value.

Fox Cities Chamber of Commerce cites low Wisconsin business taxes

Wisconsin's low taxes for business are featured on the Fox Cities Economic Development Partnership website:

- Wisconsin business taxes are lower than 35 other states, according to a study by the Federal Reserve Bank in Boston, which measures more than 15 taxes that can affect corporate profits.
- A Milken Institute study found Wisconsin's cost of doing business is 4.6 percent lower than the national average.
- Forbes Magazine has named the Fox Cities as one of its top U.S. metro areas to do business, thanks to a low cost of living and low state business taxes, including exemptions on computers and manufacturing equipment.
- Favorable Tax Structure/Exemptions for Business
 - A flat corporate tax rate of 7.9 percent
 - Exemptions from sales tax for manufacturing machinery and equipment, pollution control equipment, and manufacturers' raw materials and fuel and electricity used in manufacturing
 - Property tax exemptions for critical items such as computer equipment, manufacturing machinery and equipment, and inventories
 - A new, single sales factor apportionment formula to assist businesses.

The website features a number of testimonials from business leaders who praise the quality of Wisconsin's educational systems and the level of skill workers have in this state.

<http://www.foxcities-marketing.org/foxcitieseco/fox+cities+testimonials+and+rankings/default.asp>

QUOTE OF THE MONTH

"Public sector workers have nothing to feel guilty about as they play their part in fixing a mess not of their making." Anti-government groups are attacking teachers, firefighters and other employees of the public sector are not just a Wisconsin phenomena. Irish columnist Diarmuid Doyle recently wrote a spirited response to Conservative leaders in Ireland who "blame public-service workers for just about every catastrophe bar the war in Gaza."

<http://www.tribune.ie/article/2009/jan/11/diarmuid-doyle-public-sector-workers-have-nothing-/>

Please forward this newsletter to whomever you think might be interested. For more information email Karen Royster at: kroyster@wisconsinsfuture.org
Like to join the mailing list, click on this link to the sign up form.
If you do not want to receive this newsletter, click on the link below.
