



REP. KARL VAN ROY • 90TH ASSEMBLY DISTRICT

VAN ROY'S VIEWS

LEGISLATIVE E-UPDATE

Friday, September 14, 2007

Protecting Taxpayers by Funding Our Highest Priorities

If you saw that someone standing in the street was about to be hit by a bus and you knew you had just enough time to get them out of harms way, wouldn't you do everything you could to stop the crash from happening?

I think this scenario is very similar to what is currently going on with the state budget. Due to the budget impasse in the conference committee, property taxpayers are about to get hit by a massive property tax hike, unless we take final action on K-12 funding and shared revenue in the next two weeks. Fortunately, we can see the problem coming and we have the ability to do something about it.

You may be wondering why we need to make a decision on these items within two weeks? Public schools and local governments have looming deadlines they have to meet to put together their budgets for next year. Since their budgets rely on a significant amount of state aid in addition to local property taxes, they need to know how much aid the state plans to give them. Department of Public Instruction Superintendent Elizabeth Burmaster says she needs to know that number by September 28.

According to Wisconsin law, if no new state budget is approved all programs continue operating at last year's funding level. Therefore without an increase in state aid, local governments will raise property taxes to make up for their budget shortfalls. According to the non-partisan Legislative Fiscal Bureau, failure to act now will result in a property tax hike of more than \$589 million or \$199 on a median-valued \$164,000 home. I feel this cannot be allowed to happen.

It has become clear from the current discussions at the conference committee table that the state budget is not going to get passed in the next two weeks. Between the no-tax-increase Assembly Republican budget and the \$18 billion tax hike budget proposed by the Senate Democrats, there are simply too many differences to be resolved in such a short amount of time. To date, the Democrats on the conference committee have refused to even compromise let alone give up on any of their \$18 billion tax hikes. Therefore, alternative measures must be taken quickly to approve funding for schools and local

governments and get them out of their budget limbo.

On September 18, my Assembly colleagues and I are coming to the floor to vote on stand-alone legislation to fund our local schools and government entities separate from the state budget. Our plan gives our local elected officials the certainty they need to set their budgets, and it protects you from getting hit by a massive property tax hike that would otherwise happen if we did nothing but wait for the current budget impasse to end. Many homeowners are already struggling to pay their high property taxes, and they can't afford to take another hit to their pocketbooks.

Our plan provides more than \$12.3 billion in K-12 education funding over the next two years, the highest level in state history. Highlights of our school aid proposal include increasing general school aids by \$235 million, increasing special education aids by \$54 million, increasing SAGE funding by \$24 million, increasing school breakfast reimbursement by \$3 million, providing school safety grants of \$10 million, maintaining current law on revenue limits, increasing the low-revenue ceiling adjustments, and increasing the declining enrollment adjustment.

I believe that educating our children and getting the education portion of our budget behind us should be our number one priority. In reality, finding agreement on our K-12 proposal shouldn't be all that difficult since our package mirrors much of the Governor's own funding levels. By opposing this legislation, Senate Democrats and the Governor would be opposing their own proposal.

Working together, state and local governments also have a responsibility to make sure that the critical local services our citizens depend on, including police and fire protection, are provided to them. Equally as important is making sure that those services are provided at a cost that local taxpayers can actually afford.

Our plan further protects property taxpayers by fully funding county and municipal aid in the form of shared revenue to the tune of \$857 million per year. We also seek a compromise on local levy limits by proposing an extension of the two year levy limit which was signed into law by Governor Doyle in the previous budget and has now expired. This would limit local levy increases for another two years to 2% or growth in new construction. Additionally, technical colleges would be subject to a 2.6% levy limit cap. These limits can always be exceeded, if necessary, with the approval of voters in a local referendum.

An agreement on this Assembly package would mean that 51% of all state GPR spending in the state budget will have been resolved. Rest assured that passing these stand-alone proposals does not mean that Republicans are walking away from the conference committee budget talks. Rather, we see it as way to resolve an impending crisis at the local level, to protect you from skyrocketing property tax hikes, and to build momentum for moving forward with the remaining 49% of spending matters yet to be negotiated in the state budget by the conference committee members.

Since our stand-alone compromise bills are largely what the democrats have already proposed or agreed to in the past, failure on their part to support them next week can only mean one thing: Senate Democrats are stalling on the entire budget because they have

no intention of compromising on their plan to increase government spending by 23% and to increase taxes by \$18 billion, the single biggest tax increase in U.S. history. Assembly Republicans believe it is time for the Senate to end their delay tactics and do the right thing for schools, local governments, and property taxpayers so you aren't stuck with the bill.

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