



REP. KARL VAN ROY • 90TH ASSEMBLY DISTRICT

VAN ROY'S VIEWS

LEGISLATIVE E-UPDATE

Friday, July 20, 2007

Budget Update - Spending A Side-By-Side Comparison of Budgets

Now that the Assembly version of the budget has passed, the budget debate moves out of the Capitol and into your local newspaper. Enterprising reporters will ask the tough questions and seek reactions to the various proposals, and local activists will try to flood the editorial pages with their points of view. This is the point in the budget process where you will be introduced to the tax-consumers, a group devoted to making sure that government becomes bigger than ever before and you're stuck with the check.

And of course, you'll be hearing the word 'cut' thrown around with reckless abandon. But as we know from last week's *Van Roy's Views*, a 'cut' is hardly ever a true cut. What you are hearing are the angry cries of tax-consumers who are upset that the Assembly is serving as the last line of defense for Wisconsin's taxpayers. Every tax-consumer has a special project, program or plan that is dear to their heart and desperately requires your hard-earned money to fund it. In the mind of the tax-consumer, your money is being misspent by you, and the government can do it better.

In response to the Assembly budget, the tax-consumers have begun to go to their local media outlets and claim that the sky is about to fall because the Governor's proposed program to teach underwater basket weaving to folks has been cut out of the Assembly budget (ok, he really didn't propose that). Or they are upset because their favorite government program was only increased by \$25 million, not the \$105 million they wanted (one of those "Madison Math" cuts). It's easy for the tax-consumer to demand more funding to prevent these 'cuts' considering that they are asking you, your family and your neighbor to foot the bill.

So to cut through the rhetoric, I've included the big-picture numbers on spending that compare the Governor's budget, the budget from the Joint Committee on Finance, and the Senate and Assembly budgets. As always, these numbers come from the non-partisan Legislative Fiscal Bureau.

As you can see from the table below, the Assembly version of the budget doesn't slash spending across the board, it simply holds the line, giving government a modest 4.9%

increase. So the next time you hear a complaint about 'cuts,' ask the tax-consumer, "If 5% isn't enough, what is?"

All Funds	2007-09	Change Over Previous Base	
		Amount	Percent
Governor	\$58,236,506,300	\$4,563,146,100	8.5%
Joint Finance	\$58,113,871,400	\$4,440,511,200	8.3%
Senate	\$66,106,668,900	\$12,433,308,700	23.2%
Assembly	\$56,301,690,400	\$2,628,330,200	4.9%

Budget Update - Education, A Priority

The partisan rhetoric on the budget is now turned up to full volume. Both sides are doing their best to make the case for their version of the budget. Given the gaping differences between the different versions of the budget, it's easy to believe that the Senate and Assembly agree on absolutely nothing but this isn't true.

Both sides of the aisle share our most important priorities, like ensuring that our children receive an education that is second-to-none. The fact is, both the Assembly and Senate, both Republicans and Democrats, are equally committed when it comes to funding K-12 education.

The Assembly version of the budget allocates \$12.26 billion in state funding over the biennium to K-12 education. This is an increase from the previous budget of \$464 million dollars, 3.5% more than what the Governor proposed. Our commitment to maintaining quality schools cannot be said to be lacking when 44% of all our general purpose tax dollars are being spent on K-12 education alone. Here are a few of the highlights:

Our budget works to ensure that dollars are kept in the classroom by funding increases to important programs such as special education as well as the SAGE program which keeps class sizes small in early grades. We created an autism scholarship program so that parents, not school districts, can choose a suitable program that best meets their child's educational needs.

Sometimes students at the other end of the spectrum get forgotten, but our budget increases funding for Gifted and Talented Programs to ensure that our brightest students are stimulated and challenged. We also provide grants for innovative science, technology, engineering, and math programs to increase academic achievement and to support students who are typically under-represented in these subjects.

Teachers in Wisconsin have long been recognized as some of the best in the nation. Our budget creates a \$500,000 Merit Pay program so that our best and brightest teachers are recognized and rewarded for a job well done.

Parents should not have to worry about whether or not their kids are safe when they send them off to school. That's why the Assembly education package provides \$10 million in school safety grants to reimburse schools for costs associated with developing security plans, hiring security guards, or acquiring equipment such as electronic locks, surveillance cameras, or metal detectors, if the school feels these measures are necessary to keep their students safe. We also give school boards the authority to keep convicted felons from working in our schools if they so choose.

The Assembly education budget also provides some much needed accountability and reform. We require the non-partisan Legislative Audit Bureau to audit the SAGE program to make sure its goals are being met and to review the 4-year old kindergarten program to ensure that state support aligns with the cost of the program. Our proposal also requires that school spending referenda must be held on regularly scheduled primary or general election days. This will ensure that important school issues will have high visibility in the community and will be voted on when there is the greatest opportunity for taxpayer involvement and input.

Showing your commitment to education goes beyond throwing money at the system, and that's where you will see the philosophical differences between the different visions for the K-12 budget emerge. Responsible budgeting also means making sure that the dollars you have are being spent efficiently and effectively. I believe the Assembly budget gives our K-12 schools both the money and the tools they need to provide a high-quality education for all Wisconsin kids.

Protecting Taxpayers – Closing the Newark Loophole Bill preventing property tax shift scheduled for July 31 vote

Early this spring, I wrote to you about an important proposal I co-authored, Senate Bill 122 which is also known as the Newark bill. SB 122 would close a loophole recently created by a Wisconsin Tax Appeals Commission ruling that allows certain manufacturers to claim a large property tax break and shift more of the property tax burden onto homeowners and small businesses.

According to the Mayor of Green Bay, the city of Green Bay alone could have over \$115 million taken away from its tax base. Closing this tax loophole is critical to protecting overtaxed families from paying even more in property taxes.

The Department of Revenue says that if we pass the bill prior to August 1, it can implement the law change immediately. Knowing that time is running short to get this done, I recently contacted the Assembly Republican leadership and urged them to schedule this bill for the floor before the deadline so that homeowners aren't stuck holding the bag. I'm pleased to report that just today I was contacted with the news that SB 122 has been scheduled for a floor vote on July 31.

For new readers who may be unfamiliar with this issue, SB 122 reverses a 2004 Wisconsin Tax Appeals Commission interpretation of a 1953 law that was designed to reduce air and water pollution by making waste treatment facilities and pollution abatement equipment exempt from property taxes. The Commission ruled that a manufacturer using cardboard waste and waste paper to create pulp for manufacturing paperboard qualifies for the exemption. As a result, the company in the case, the New Jersey-based Newark Group, Inc., was able to claim all 20 acres of its facility, including parking lots, tax exempt.

For over 50 years this tax exemption was narrowly defined for a single purpose. The commission's ruling expands it well beyond what the legislature intended. That is why I firmly believe that tax policy should be set by elected officials, not by an unelected commission that is unaccountable to the people. Unless legislative action is taken to fix the Commission's ruling, it is estimated that up to \$2 billion of industrial property could be removed from local property tax rolls resulting in a massive property tax shift to homeowners and small businesses.

I'm pleased that the Assembly leadership answered my urgent call to get this problem fixed in time for the Department of Revenue to implement the law. Homeowners and small businesses already have a high enough tax burden without having to shoulder the costs that are rightfully due from industry.

State Representative Karl Van Roy
State Capitol - P.O. Box 8953 - Madison, Wisconsin 53708
Toll Free: (888) 534-0090 - Fax (608) 282-3690
Email: Rep.VanRoy@legis.wisconsin.gov
On the Internet: www.legis.state.wi.us/assembly/asm90/news/

To remove your email address from the Van Roy's View's E-Update distribution list, please [click here](#) and your address will be taken off. Thank you.