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Wisconsin Alliance
for Excellent Schools

Solving Wisconsin's school-funding crisis

School-funding reform depends on fair taxes

A key component of school-funding reform is making a larger investment in education so our children have the security and opportunities the state Constitution guarantees.

Reform, however, can't come at the expense of homeowners and renters, who through property taxes are paying an ever-increasing share of the burden for all public structures—not just schools.

The answer is for state government to increase its investment in public schools, the futures of our children and their communities, and our economy. While local taxpayers must bear part of that investment, the Constitution says it is up to the state to provide children with quality education.

An increase in the state's investment means Wisconsin's tax laws, policies, and rules must be applied fairly to all citizens—corporate and human—who depend on public structures for opportunities and security. One possibility is to expand the sales tax to untaxed services, such as dog grooming, advertising sales, and hair cuts. Or the Legislature could decide to close a few of the hundreds of millions of dollars worth of tax loopholes being taken advantage of by large, multi-national, profitable corporations. Whatever we choose, it must be based on tax fairness.

A great deal of the success of our education system comes from a history of local control. We can make sure that local control survives by asking property taxpayers to continue to bear a portion of the cost of schools. For example, once we have determined the cost of education, a truly reformed system could apply a specific district's property taxes to that cost. The difference between the local property tax levy and the cost of local education is the state's investment.

To keep the local taxpayers' share of the cost in line, a new system could freeze the property tax or index it to a measure of the individual's ability to pay, such as the growth in personal income. In this type of a plan, the state meets its obligation to provide educational equity and adequacy without forcing taxpayers out of their homes.

In some cases, high property values mean burdensome property taxes. School-funding reform must also address that concern. Again, there are methods to meet the need. For example, one proposal—called the HOPE plan—exempts a portion of a person's property from taxation. Another, the Homestead Tax Credit, provides relief for low-income homeowners and renters.

The engine that drives Wisconsin's economy is its public education system. A larger investment in that system is the most efficient and practical way to make sure the economy is strong. True school-funding reform must make that investment and spread it over all sectors of society.