

Scott Walker's Cuts to Shared Revenue Harm Local Governments and Schools, Undermine Local Control

Written by Democratic Party of Wisconsin, Melissa Baldauff
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MADISON - While publicly proclaiming himself an advocate for smaller government, Scott Walker has attacked the principle of local control, tying the hands of local governments and school districts with unfunded mandates and a top-down approach to governing.

In Scott Walker's first budget as governor he proposed drastically cutting shared revenue to local governments by \$96 million, down 12% from 2011. Both he and his supporters claimed that he was also giving local levels of government the "tools" to make up the difference. The "tools" that he was referencing included the fact that he took most collective bargaining rights away from almost all public employees in the state. He also increased public employee contribution amounts to their pensions and health care. Using Walker assumptions and figures, these moves were supposed to give local governments the financial latitude that they needed to make up for his cuts to the shared revenue and other programs.

Perhaps nowhere have Walker's drastic cuts and limits on local control been more harmful than in funding our public schools.

In this year's spring elections [at least 26 school districts had ballot measures asking residents to approve a boost in property taxes above state-set limits just to keep their schools regular operations running.](#)

In addition to cuts to shared revenue, Scott Walker's 2011 budget made draconian cuts to direct state spending on public education to the tune of \$800 million dollars and restricted districts from raising property taxes to make up for the shortfall. Rural leaders, after exploring many options, were forced to ask their communities directly for more tax money to fund their school districts through ballot measures - measures that don't always pass.

Walker stuck it to educators and students again in the '11-'13 budget by placing new revenue limits on local school districts. Revenue limits determine how much money school districts can take in from local property taxes and state school aids -- and how much money gets into the classroom. The new limits stifle school districts' ability to raise more revenue; in fact, schools can take in an estimated \$800 million to \$1.6 billion less over two years as a result of the revenue limits imposed by Scott Walker's first budget.

[In Tomah alone, fiscal pressures left the school district with a \\$700,000 deficit.](#) The district only has four principals for seven elementary schools, it cut \$700,000 in regular staff positions since 2008, adjusted teacher salaries, cut benefits, and audited its energy-saving techniques and explored more efficient transportation and private grants to pay for costs.

Those efforts still came up short thanks to a handcuffing by Scott Walker's budget, forcing an urgent ballot measure to allow authorization to exceed the revenue limit for nonrecurring purposes consisting of sustaining educational programs.

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In Fond du Lac County, a 2013 operational referendum for the Oakfield School District was rejected forcing the district to cut a sixth of its total budget and freeze teachers' salaries.

[Oakfield School District superintendent Sue Green says asking the community for revenue is tough, telling the Milwaukee Journal Sentinel](#), "There can be a taxpayer who thinks we mismanaged our funds or that we didn't do everything right. But we did. We did nothing wrong." Oakfield School District was forced to issue another ballot referendum this fall.

And it's not just schools -- local municipalities all over the state were forced to make drastic cuts to important programs and services. In short, Scott Walker's tools didn't work.

Background

Onalaska Mayor Mike Giese was not impressed with the effectiveness of Scott Walker's "tools" nor was he impressed with Walker's general approach to balancing the state budget. He said, "not only is the method wrong, the objective is wrong. Our position is our employees weren't overpaid to begin with." Although the city lost \$139,783 (10%) in state payments, they got no savings from the health care cost shift because employees already were paying 20 percent of their premiums. The city did save \$44,103 from the increased pension contribution requirement, but that was only from nonunion employees because union workers were still covered by a contract. The mayor also voiced concern that some of Walker's actions may cause an exodus of experienced employees. Such turnover would end up costing the city in terms efficiency and in other ways. (La Crosse Tribune, "How municipalities used the tools", [1/20/11](#))

In Holmen, employees were already paying a share of their healthcare premiums that met the state's new requirement. The village would save \$50,360 in 2012 from the higher employee contribution for the state pension plan, but they lost \$92,591 in state aid -- a financial hole of \$42,231. The Holmen Village Administrator/Clerk was concerned about the net loss that he now faces, but he also is concerned about Walker's tax levy freeze. He went on to say that "...there is no question that the continual aggressive reductions in state shared revenues, combined with levy freeze restrictions, has made it extremely difficult for local governments to meet the service expectations of their local government." (La Crosse Tribune, "How municipalities used the tools", [11/20/11](#))

West Salem is one of the few villages in the state that has no debt and it has a history of frugality. That has been a good thing for taxpayers in the past, but Walker's cuts to local governments have disproportionately hurt them. Officials state that Walker's tools aren't much help to them. The village's only union employees are in the police department and Walker's plan exempted them from the provisions that were supposed to make up for his shared revenue cuts. West Salem ends up getting fringe benefit savings of \$16,751 under Walker's plan but they also lose \$52,341 in state revenue for the village.

While the Town of Holland Chairman David Carlson didn't appear to have a major problem with some of Walker's cuts, he did take issue with the new caps on how much municipalities

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can tax property to make up the difference. He says that, "the towns still have to function and it does take money to do that. We have no fat in our budget..." Holland will get \$19,070 less in 2012 and Walker's tools save the town no money. To make matters worse, Carlson said that the state has ordered the town to do a town-wide property revaluation, which they expect to cost \$60,000. Carlson goes on to comment, "What is going to suffer is road work throughout the state, and that will only cost taxpayers more money in the future."

Racine Mayor John Dickert warned of drastic cuts in local services and programs as a result of Walker's budget. He said that the city may have to close parks, collect solid waste less frequently, slash street maintenance, impose higher fees among other things. Walker's budget cut \$1 million in shared revenue to Racine along with \$400,000 for local streets, \$200,000 in recycling funding and about \$200,000 in state transit money. Dickert said that some of those cuts could eventually lead to them losing federal funds for things like transit. Dickert goes on to say that Walker's "...tools did not cover the cuts." (Racine Journal Times, "Dickert warns city services facing cuts", [8/24/11](#))