

# Public Support for the Wisconsin Technical Colleges in Perspective

*Data and information supporting a broader context for WTCS funding ...*

- **Perspective on Property Taxes**

The owner of a median value Wisconsin home paid an average of \$213 in property taxes to support his/her local technical college in 2004-05 ... *page 2*

Technical colleges have comprised a steady portion of property taxes (7.4%). The only major change occurred as a result of the shift to 2/3<sup>rd</sup>'s funding of K-12 ... *page 3*

As K-12's proportion of total property taxes decreased, all other taxing entities increased. Since 1980, technical colleges increased less than Municipalities and Counties ... *page 3*

The share of property tax burden carried by residential taxpayers has steadily and significantly increased ... *page 4*

- **Eroding State Investment in the WTCS**

General state revenues that used to comprise more than 35% of technical college funding now account for approximately 17% ... *page 5*

Even modest inflation takes a toll on stagnant/falling state support for technical colleges ... *page 6*

## Perspective on Wisconsin Technical College Property Taxes

Median home values have increased steadily while WTCS tax rates have decreased. This reflects that technical college taxes have not increased as fast as property values. This results in falling technical college taxes per \$100,000 in value, and slowly increasing taxes on the median value home.

	WTCS statewide total mill rate	Statewide average annual WTCS property tax levy	
2001-02	1.67	\$ 167	on a \$100,000 home
		\$ 334	on a \$200,000 home
		<b>\$199 on a median value home of \$119,370</b>	
2002-03	1.66	\$ 166	on a \$100,000 home
		\$ 332	on a \$200,000 home
2003-04	1.61	\$ 161	on a \$100,000 home
		\$ 322	on a \$200,000 home
2004-05	1.55	\$ 155	on a \$100,000 home
		\$ 310	on a \$200,000 home
		<b>\$213 on a median value home of \$137,727</b>	

## Technical College Portion of Total Wisconsin Property Taxes

The percentage of total Wisconsin property taxes levied by technical colleges has remained essentially constant except for an increase attributable to the State's assumption of 2/3<sup>rd</sup>'s funding of K-12. The technical college share has increased less than counties or municipalities after 2/3<sup>rd</sup>'s funding of K-12 was implemented:

Percentage share of total property taxes (does not equal 100% due to rounding and minor special district taxes):

<b>Year Levied</b>	<b>Municipal and Special District</b>	<b>County</b>	<b>K-12</b>	<b>Technical Colleges</b>
1980-81	21.7	16.1	55.2	6.0
1985-86	23.9	15.3	54.3	5.8
1990-91	24.4	15.9	53.7	5.4
1995-96	24.0	16.8	52.7	5.8
2000-01	27.8	19.9	44.3	7.1
2003-04	27.8	20.1	43.8	7.4
<b><i>Change in "proportion" 1980-2004</i></b>	<b>+28.1</b>	<b>+24.8</b>	<b>-16.9</b>	<b>+23.3</b>

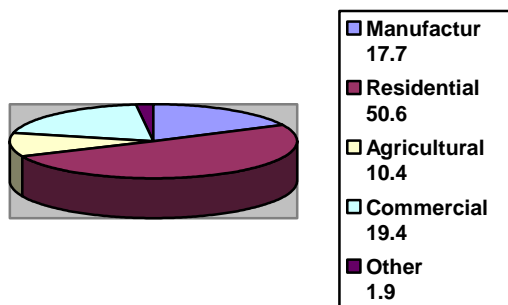
## Shifting Residential Property Taxes

Residential property taxpayers feel “increases” due to a shifting of the total property tax burden from all property to residential property. The share of total property taxes on residential property has increased significantly as other property is exempted or assessed differently, and as values increase at different rates.

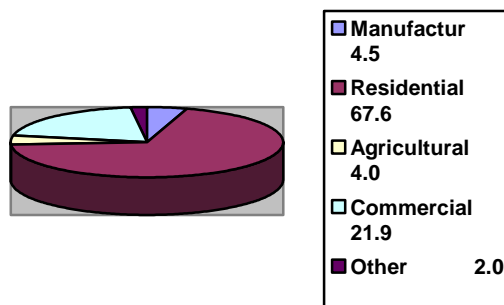
Over the past thirty years, the share of total property taxes paid by residential taxpayers increased by more than 1/3, while the share paid by manufacturing and agriculture together dropped by 70%.

Share of Wisconsin property taxes by type of taxpayer...

1970-71



2001-02



**The shift continues ...** Since the 2001-02 data, the state cut in half the tax valuation of forest, swamp and waste land, continuing the steady shifting process reflected in the graphs.

*Shifting taxes is neither good nor bad “in a vacuum.” However, the steady shift of property taxes to residential taxpayers creates a burden that is largely hidden from taxpayers. Residential taxpayers feel the shift but may assume local governments “are just raising taxes again.”*

## State Investment in the WTCS Continues to Erode, Increasing Pressure on Property Taxes and Student Costs

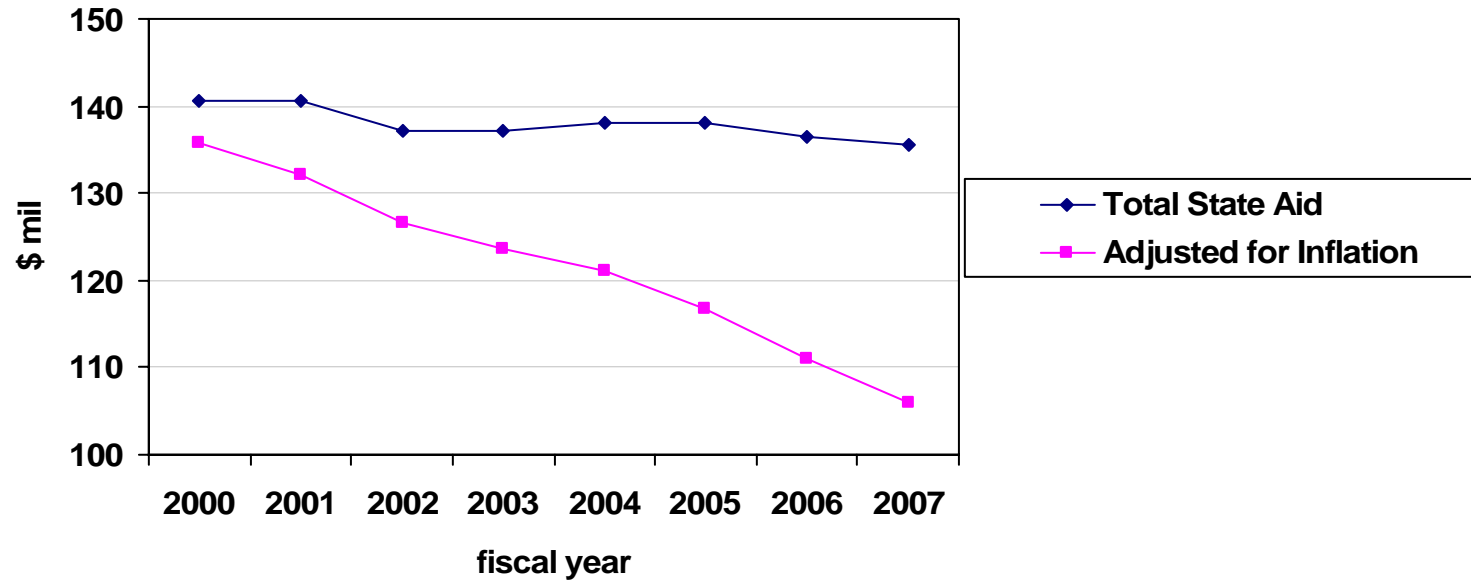
State support has fallen steadily and significantly as a share of total WTCS costs ...

### State General Funding as a % of WTCS Costs

1979-80	35.7%
1989-90	29.8%
1999-00	22.0%
2005	(estimated) less than 17.0 %

***Bottom Line:*** *The state has not made technical colleges an adequate priority for general funding, in part because local taxing authority is available to sustain colleges during times of tight state budgets. The state's investment in technical colleges must be part of any discussion about local property tax burdens.*

## Eroding State Support for Wisconsin Technical Colleges 2000 - 2007



***Technical Colleges have not been “held harmless” in the state budget process. Diminishing state support of technical colleges fuels a shift of technical college costs to local property taxpayers.***

Notes:

- “Fiscal year” is July through June.
- “State Aid” through 2005 is WTCS general aid plus categorical aid according to Wisconsin Legislative Fiscal Bureau reports. Aid figures for 2006-07 assume a \$2 million cut required by 2005 Act 25 will be made as a \$1 million cut in each year. Total aid for 2006-07 does not include job training grant funds which pass through districts to business/industry.
- “Inflation” is U.S. CPI, all urban consumers, Department of Labor, to July, 2005. CPI for 7/2005 through to 6/2007 is estimated at 3.5% annually (The Department of Labor reports the annual U.S. all urban consumers rate is 3.6% as of August, 2006).

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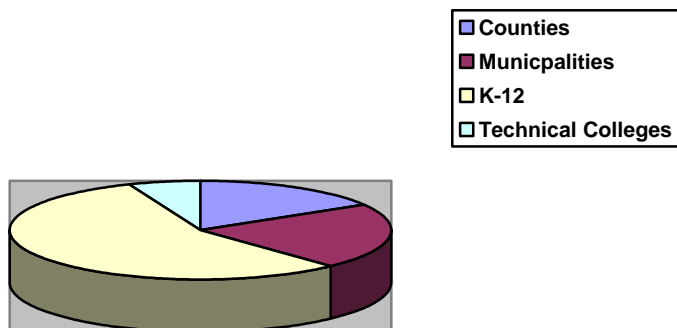
The District Boards Association is responsible for this report's content and is pleased to provide additional information or detail.

Data sources:

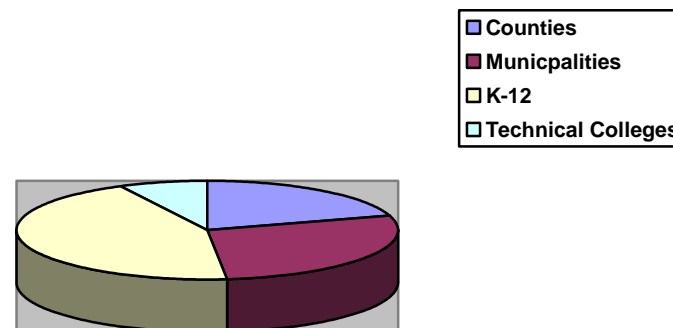
Wisconsin Technical College System, Wisconsin Department of Revenue,  
Wisconsin Legislative Fiscal Bureau, Wisconsin Taxpayers Alliance,  
U.S. Census Bureau, Wisconsin Department of Administration

## Share of Wisconsin Property Taxes by Levying Authority ...

1980-81



2003-04



The technical college share has increased less than counties or municipalities after 2/3<sup>rd</sup>'s funding of K-12 was implemented:

*The change in proportion of tax levies by entity from 1980-81 to 2003-04 is:*

<i>K-12</i>	<i>-16.9</i>
<i>Municipal</i>	<i>+28.1</i>
<i>Counties</i>	<i>+24.8</i>
<i>Technical Colleges</i>	<i>+23.3</i>

