



WISCONSIN CATHOLIC CONFERENCE

EYE ON THE CAPITOL

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BUDGET WOES AND RIPPLE EFFECTS

By John Huebscher, Executive Director

Last fall, I mentioned that the principle of solidarity is one theme of Catholic social teaching that has special relevance in tough economic times. Solidarity is the recognition that all human life is social and that we are connected to each other. Solidarity reminds us, as Pope John Paul II once wrote, "all are responsible for all."

Just as people are connected, so too are the issues and public policies that reflect our way of life. A number of issues currently being discussed at the State Capitol drive this reality home.

One link that has become increasingly obvious is that between waning support for the shared revenue program and an increased threat to the tax-exempt status of housing for low-income elderly and others.

Every parcel of tax-exempt property denies some revenue to the municipality in which it is located. For a long time, cities and villages could make do because state aids, in the form of share revenue payments, kept up with the rate of inflation and the economy was healthy.

In recent years, however, the shared revenue program has become a lower priority at budget time. State government leaders of both parties have made funding school aids and avoiding tax increases a higher priority. As a result, cities and villages have sought other ways to pay the bills.

One such way is to tighten the interpretation of tax exemption laws. And in Wisconsin, the current law governing tax-exempt housing provides such an opportunity. Armed with a Dane County court opinion that says owners of such housing can use rents proceeds only for maintenance and debt service or risk losing the exemption, the City of Madison is moving to rein in the tax exemptions of many housing properties. Other revenue-strapped cities can be expected to follow suit unless the Legislature finds a remedy.

Another such connection exists between our minimum wage law and college tuition.

The minimum wage has long lagged behind the rate of inflation, and the minimum wage for workers under the age of 18 is even lower. In decades past, this disparity was softened some by the fact that tuition at the University of Wisconsin was set, as a matter of policy, at 25 percent of the cost of instruction.

No more.

Like our cities, state tax support for the UW System has eroded over the years. Also, like the cities, the UW System has sought other revenue – in this case, higher tuition. Today’s tuition policies require students to come up with just over one-third of the cost of instruction. Thus, even as students in minimum wage jobs have less purchasing power than students of past years, they have higher costs to cover when paying for their education.

These are but two examples of how a public policy choice in one area has “ripple effects” in other places. Too often a ripple that is barely noticed by an affluent family is a wave that upends those with fewer resources.

The principle of solidarity calls us to look outside our personal comfort zone and take note of how choices that make our lives more convenient affect the lives of others. The current debates in Madison offer occasions to do just that.

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