

'We would like to see a change'

County exec's formula for hiking taxes is called too restrictive

Human services advocates say Dane County Executive Kathleen Falk's much-touted tax formula -- which limits property tax increases to population growth plus inflation -- is bleeding them dry.

"There's no way her formula will allow the property tax levy to increase sufficiently to meet the increases in known costs," says Richard Berling, executive director of Madison Area Rehabilitation Centers. "We would like to see a change in the tax formula."

As Berling crunches the numbers, Dane County will need to hike its current \$381 million budget by about \$8 million in 2005 just to cover fixed expenses like the new courthouse and wages and benefit increases for county workers. But Falk's formula, he says, will only raise \$3.3 million in new property tax revenue.

And 2006 will be even worse, Berling predicts, because the wage increases, courthouse expenses and other costs will add \$10 million to the budget, while the county will reap only \$3.4 million in new revenue. Falk's formula, he says, is "essentially a cap."

Falk counters that Berling is seeing only part of the picture. The county, she notes, also uses sales tax revenue and increased fees for services to balance its budget each year.

"There are literally hundreds of these variations that go into making this budget," Falk says. "The property tax is just one."

Falk adds that she's flexible when necessary. This year, when the state cut aid to the county by \$7.6 million, Falk "departed from my standard last year by \$1 million in order to preserve human services. I thought it was important, based on what I heard the community saying."

Berling is unimpressed, calling her move "inadequate," since the levy increased by only about 1%: "She wants us to give her credit for that?"

Finally, Falk notes that while some programs have been cut, overall spending has actually gone up annually. "Look at what my record is," she says. "Last year the state cut \$5.5 million [in human services]. I didn't pass that on." For 2004, the county's human services budget totaled \$204.1 million, roughly the same as in 2003. For 2005, Falk is

being asked to increase this by more than \$4 million, due to additional funding from non-county sources.

Berling's response? "She may say she's increasing spending, but to individuals who are getting cut, it doesn't matter."