

FOCUS

Summaries of Recent Issues



... and what about the Wisconsin economy? (Sept. 30, 2008 • No. 20)

With Washington and Wall Street in turmoil, how has the Wisconsin economy been doing? Expected in late 2008, recovery is now likely later in 2009 or 2010. The state already lags the U.S. in per capita personal income, job creation, and wages, and the gap is growing.

Money for “U”: Then, now; here, elsewhere (Sept. 17, 2008 • No. 19)

In recent weeks, state and university leaders have again traded charges. To evaluate these, spending trends here and elsewhere are reviewed. Over the past 25 years, UW funding has generally trailed inflation, total state spending, state school funding, and “higher ed” expenditures in other states.

Property-value slowdown (August 25, 2008 • No. 18)

The full market (equalized) value of the state’s property rose 3.3% this past year, compared to 6.2% the year prior. This was the smallest increase since 1987. Appreciation in residential property (2.8%) lagged commercial (4.2%), manufacturing (4.3%), agricultural (3.3%), and undeveloped (6.2%) classes. Growth was fastest in rural and recreational areas of central Wisconsin and slowest in the northwest and southeast.

State test scores show college-readiness “gap” (August 1, 2008 • No. 17)

Wisconsin high school seniors have the second-highest average ACT scores in the U.S. However, ACT finds that only 29% of those tested have a 50% chance of earning a B or a 75% chance of earning a C in each of four college freshman courses: English composition, algebra, social sciences, and biology. Among African-American students, that chance is 4%.

On technology, taxes, and taxpayer rights (July 25, 2008 • No. 16)

The state supreme court sided with two lower tribunals, ruling that software purchased by a Wisconsin firm was “custom,” not “canned,” and, therefore, not subject to sales tax. With little in reserve and repeated “structural” deficits, the state is ill-prepared to forgo up to \$293 million (m) associated with the case.

A fiscal wake-up call for the U.S. (July 14, 2008 • No. 15)

Spending on entitlement programs (e.g., Social Security and Medicare) rose from 26% of the federal budget in 1967 to 53% in 2007. Within 37 years, federal spending could consume 45% of GDP. Federal obligations, due to entitlements and employee pensions, among others, total \$52.7 trillion—equal to 90% of the net worth of U.S. households.

In Congress, July 4, 1776 (July 4, 2008 • No. 14)

The nation's founding document is not read as often as it once was. Yet it still offers important lessons for citizens, students, and teachers.

Yellow light flashing? Debt in Wisconsin (June 30, 2008 • No. 13)

Once a fairly low-debt state, Wisconsin ranked 10th in state-local debt service relative to income in 2006. Separately, state government ranked 13th and local governments collectively ranked 22nd. Of all government units, the state carried the most total debt per capita (\$1,619), followed by cities (\$1,439). School debt was \$960 per capita and \$6,002 per student. Total school debt grew rapidly during the late 1990s but fell in 2006-07.

The most confusing tax issue of all (June 18, 2008 • No. 12)

Whether it be taxpayers, reporters, or local officials, understanding of property assessments and their impact, if any, on property tax bills is often limited. This vignette involving a village's only two residents attempts to reduce the widespread confusion by offering some simple principles to remember.

Comparing states: Part II, Spending (June 6, 2008 • No. 11)

State and local government expenditures here were 21.7% of state personal income in 2006, 5% more than the U.S. average (20.6%) and 22nd highest among the states. In the region, only Iowa ranked higher (22.1%, 19th). Compared to other states, Wisconsin placed highest in spending for corrections and interest on debt (both 10th), but spent the most on K-12 education (5.1%, 17th) and welfare (4.0%, 18th).

Comparing states: Part I, Taxes (May 30, 2008 • No. 10)

State-local taxes in Wisconsin were 11th highest and claimed 12.3% of personal income, according to new 2006 figures from the Census Bureau. Although the tax burden rose slightly from the prior year (12.1%), the state's ranking fell three places from eighth to 11th. Wisconsin last moved out of the top 10 states in 1980.

State gets \$2.44 billion lump of coal (December 28, 2007 A No. 28)

Just like GM or Microsoft, Wisconsin state government produces official financial statements every year. The 2006-07 Comprehensive Annual Financial Report (CAFR) was released just before Christmas. Prepared by the state controller's office using generally accepted accounting principles, the CAFR reported the state ended the 2007 fiscal year with a \$2.44 billion (b) deficit in its general fund. That is 13.7% more than last year's \$2.15b deficit, and the largest increase in five years. ([free download, PDF](#))