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The Wisconsin Taxpayer

A monthly review of Wisconsin government, taxes, and public finance



IN BRIEF

Wisconsin licenses 400 nursing homes and nearly 40,000 beds. A significant, though decreasing, number of these beds are owned and operated by state and local governments. Public nursing homes are some of the largest in the state and generally care for residents with more difficult health problems than private homes. Findings from this study of Wisconsin's public nursing homes include:

- Of the 60 nursing homes owned by governments in Wisconsin, counties own 49. The others are owned by municipalities, the state, and the Oneida tribe.
- Thirty-six counties with financial reports for their nursing homes reported spending \$386.4 million and receiving just \$317.1 million in 2005. This \$69 million shortfall has nearly doubled since 1998.

Also in this issue:

County Board Reductions • Real Estate Slowdown
Corn on the Rise • Income Taxes • Budget Delays

Wisconsin Public Nursing Homes

For more than a century, state and local governments in Wisconsin have welcomed infirm and otherwise suffering citizens in nursing homes. However, after years of nursing home deficits and tightening county and municipal budgets, most homes have reduced the number of beds they maintain, while others have ceased operations entirely or sold the homes to private owners.

At the same time, Wisconsin's population is aging, and the large baby boomer generation is on the verge of retirement. In such an environment, nursing homes may become increasingly important. Public nursing homes are more likely to provide care for the most challenging residents, including those with Alzheimer's and other mental illnesses. As local governments face difficult budget crunches and the state prepares to care for an aging population, we examine the role and future of public nursing homes in Wisconsin.

OVERVIEW

Wisconsin law defines a nursing home as "a place where five or more persons who are not related to the operator or administrator reside, receive care or treatment and, because of their physical or mental condition, require access to 24-hour nursing services." The definition explicitly excludes both hospices and retirement homes. Nursing homes in Wisconsin are overseen by the Department of Health and Family Services (DHFS). Any person or organization seeking to operate a nursing home must obtain a license from DHFS.

In addition to receiving a license, nursing homes must pay a fee to DHFS for each bed they seek to operate. Now \$75 per bed per month, the fee has increased in recent years. Until 2002, it was \$32 per month. Currently, the legislature is considering a proposal in the governor's budget to increase the fee to \$127.

Both public institutions and private organizations and businesses are allowed to own and operate nursing homes in Wisconsin. Of the 400 state-licensed nursing homes operating as of the end of 2005, 60 (15.0%) were owned and operated by some level of government. Nonprofit

groups owned 149 homes (37.3%), while investor-owned (for profit) groups operated 191 homes (47.8%).

PUBLIC NURSING HOMES

Public nursing homes are operated in Wisconsin by four different levels of government. County ownership is the most common; of the 60 publicly owned homes in 2005, counties owned 49. Cities and villages owned nine homes throughout the state. Municipal-owned homes are located in Algoma, Augusta, Baldwin, Chetek, Elmwood, Galesville, Prairie Farm, Spring Valley, and Westby. The state owned a home for veterans in Farmington. Lastly, the Oneida tribe operated a nursing home in Oneida.

Public vs. Private Homes

In many ways, public and private nursing homes are similar. Both are held to the same standards and must provide the same levels of service to maintain their licenses. However, there are some differences.

Size. One significant difference is average size. Public homes tend to be larger. The average public home had 125 licensed beds as of the end of 2005, compared to 93 beds per private home. Just eight of the 340 private homes (2.3%) had at least 200 beds, while eight of the 60 public homes (13.3%) had at least that many. At the other end of the spectrum, 16 (4.7%) private homes had fewer than 30 licensed beds, compared to just two (3.3%) public homes.

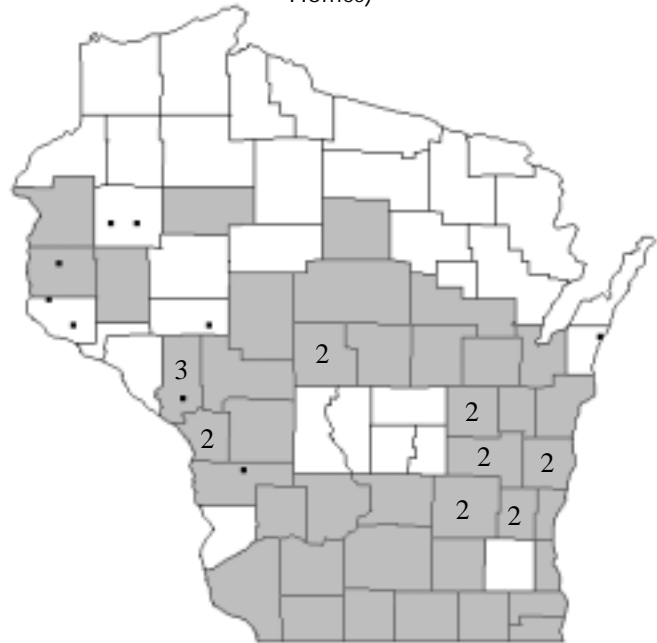
Residents and Special Units. Another difference is the average length of stay in the two types of nursing homes. Generally, residents who need long-term care (e.g., those suffering from degenerative diseases) are more likely to stay in public homes, while those who have shorter stays (e.g., those rehabilitating physical injuries) are more likely to use private homes. Nearly half (48.1%) of public-home residents were initially diagnosed with a mental disorder, compared to less than a third (30.9%) at private homes.

At the end of 2005, 40.9% of private nursing home residents had been there for less than a year, while 19.7% had lived there for at least four years. By comparison, in public homes, 30.4% of residents had been there for less than a year, while 30.6% had been there for more than four.

Public homes are more likely to have special units to care for patients with Alzheimer's disease. Nearly half of the public homes (26 of 60, or 43.3%) have such a unit, while 28.2% (96 of 340) private homes had one. Consequently, 15.2% of all public home residents had a primary diagnosis of Alzheimer's, versus 12.0% in private homes. It should be noted that there are no state standards for what constitutes an Alzheimer's unit; therefore the services offered by these units may vary considerably.

Trends. Both public and private bed totals have fallen considerably during the past 15 years. However, public totals have declined faster. From 1990 through 2005, the

County and Municipal Nursing Homes
Counties (shaded in gray) and Municipalities (black dots) with Public Homes (Numbers Show Counties with Multiple Homes)



number of public beds fell 28.7%, or an average of 2.4% per year. The number of beds in private homes dropped 17.8% over the same period, an average of 1.4% per year.

Since the drop in the number of public beds was so large, their share of all beds in Wisconsin has fallen as well. In 1990, public beds accounted for 21.4% of the total. In 2005, the share was 19.1%, a slight increase after bottoming out in 2003 at 18.6%.

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One possible reason for the larger drop among public beds is the increasing financial pressure faced at various levels of government. If a county or municipality loses money operating a nursing home, it becomes more difficult to justify its continued operation during tight financial periods.

Looking at the timing of the large drops in bed totals reinforces this idea. The two biggest decreases occurred in 2002 (3.9%) and 2003 (7.9%), years when many local governments were struggling to balance budgets. As the economy recovered, the decline in bed totals slowed; they dropped 0.5% in both 2004 and 2005. During the 1990's, good economic times for local governments, bed totals never fell more than 3.5%.

As data for 2006 becomes available, observers will be watching closely to see if the property tax limits imposed on counties and municipalities impacted nursing homes. A DHFS survey asked nursing homes about plans to reduce their bed numbers in 2006. Ten of 60 public homes (16.7%) planned to, while just 21 of 340 private homes (6.2%) did.

Reimbursements. Government reimbursement to public and private nursing homes is similar. However, for each level of service, private homes receive slightly more. For example, for intense skilled nursing services, private homes receive an average of \$147 per day from Medicaid, compared to \$143 for public homes. For skilled nursing, the averages are \$126 for private and \$122 for public. Lastly, for private payers receiving skilled service, the averages are \$177 for private homes and \$173 for public homes.

Employees. Employment levels are fairly similar at public and private homes. Total employment tends to be higher at public homes, while nursing staffs are mixed.

In December 2005, public nursing homes had 1.00 full-time equivalent (FTE) employees for each licensed bed they owned. Private homes had 0.94 FTE employees per licensed bed. On average, both types of homes employed slightly more part-time workers than full-time employees.

Looking exclusively at nursing employment yields a mixed picture. Public homes employed more registered nurses (RNs) than private homes. There were 10.89 FTE RNs per 100

Sheboygan, Lafayette Lead in 2005
Top 10 Counties: Number of Nursing Home Beds and Number of Beds per 1,000 Residents

Number of Beds		Beds/1,000 Res.	
County	Total	County	Ratio
Sheboygan	423	Lafayette	5.95
La Crosse	355	Richland	5.91
Marathon	320	Lincoln	5.89
Dodge	237	Trempealeau	5.26
Washington	235	Clark	4.99
Walworth	235	Jackson	4.76
Winnebago	222	Rusk	4.62
Racine	210	Sheboygan	3.64
Outagamie	204	Green	3.61
Ozaukee	203	Iowa	3.55

In 2005, 40 counties operated 49 nursing homes, with more than 6,000 beds.

licensed beds at public homes, compared to 9.75 at private homes.

However, there were more licensed practical nurses (LPNs) at private homes (8.90 FTE per 100 beds) than at public ones (7.41). An LPN does many of the same procedures as an RN, but requires more supervision. Public homes (44.38) averaged more nursing assistants than their private counterparts (37.82).

County Nursing Homes

Wisconsin counties owned 49 nursing homes, operating 6,158 beds at the end of 2005. With 5,478 residents, they had an occupancy rate of 89.0%. The county rate was slightly higher than the 87.5% rate for private homes.

The 49 county-owned nursing homes were in 40 counties. As the map on page two shows, most counties with nursing homes are located in the more densely populated southern portion of the state. Dodge, Fond du Lac, La Crosse, Sheboygan, Trempealeau, Washington, Winnebago, and Wood Counties all own multiple nursing homes. Trempealeau is the only county with three homes, although two are on the same site and have the same administrator.

Sheboygan County led the state in both county-owned beds and beds per 1,000 residents in 2005.

Most populous counties owned at least one nursing home in 2005. Of Wisconsin's 20 most populous counties, only Waukesha and Eau Claire did not own one. Conversely, just five of the 20 smallest counties (Jackson, Lafayette, Richland, Rusk, and Shawano) operated nursing homes, and Jackson County agreed to sell its home in 2006. As a result, the Pine View Health Center became a fully private home on April 1, 2007.

Counties had licenses for 6,158 beds at the end of 2005. Sheboygan County led the state

County Nursing Home Finances
County Nursing Home Revenues, Expenditures,
and Difference, 2005 (\$ Mill.)

	County	Revs.	Exps.	Difference	
				\$ Mill.	% Exp.
<i>The 36 counties reporting nursing home revenues and expenditures spent nearly \$70 million more than they received.</i>	Brown	8.28	11.38	-3.10	-27.2%
	Calumet	4.80	5.34	-0.53	-10.0
	Clark	12.28	16.65	-4.37	-26.2
	Columbia	6.66	7.31	-0.65	-9.0
	Dane	6.94	13.78	-6.84	-49.6
	Dunn	10.12	11.66	-1.54	-13.2
	Fond du Lac	3.76	5.65	-1.89	-33.4
	Grant	7.67	8.64	-0.97	-11.2
	Green	6.91	8.84	-1.93	-21.8
	Iowa	4.79	5.13	-0.33	-6.5
	Jackson	4.30	5.83	-1.53	-26.3
	Kenosha	9.99	10.45	-0.46	-4.4
	La Crosse	22.12	24.01	-1.89	-7.9
	Lafayette	4.34	5.41	-1.07	-19.7
	Lincoln	9.66	9.29	0.37	4.0
	Manitowoc	8.69	11.81	-3.12	-26.4
	Milwaukee	9.74	16.23	-6.49	-40.0
	Monroe	5.46	7.60	-2.14	-28.1
	Outagamie	12.98	13.95	-0.98	-7.0
	Ozaukee	12.03	13.45	-1.42	-10.6
	Polk	5.85	6.70	-0.85	-12.7
	Portage	5.89	8.03	-2.14	-26.6
	Racine	11.52	15.05	-3.52	-23.4
	Richland	5.58	6.69	-1.11	-16.6
	Rusk	3.80	5.33	-1.53	-28.8
	St. Croix	4.12	5.71	-1.60	-28.0
	Sauk	7.16	9.14	-1.98	-21.7
	Shawano	5.20	5.38	-0.18	-3.4
	Sheboygan	27.08	32.88	-5.79	-17.6
	Trempealeau	15.21	16.23	-1.02	-6.3
	Vernon	5.89	5.61	0.28	4.9
	Walworth	12.21	12.12	0.09	0.7
	Washington	15.15	16.15	-0.99	-6.1
	Waupaca	2.96	4.49	-1.53	-34.0
	Winnebago	12.33	17.97	-5.64	-31.4
	Wood	5.66	6.55	-0.89	-13.6
STATE	317.14	386.43	-69.30	-17.9%	

The state of Wisconsin owns and operates nursing homes for veterans in Racine and Waupaca Counties.

with 423 county-owned beds, nearly 7% of the state total (see table on page three). The only other counties with at least half that many were La Crosse (355), Marathon (320), Dodge (237), Walworth (235), Washington (235), and Winnebago (222).

In terms of the number of county-operated beds per 1,000 residents, Lafayette County led the state with 5.95. Other counties above five beds per 1,000 residents were Richland (5.91), Lincoln (5.89), and Trempealeau (5.26). Only Sheboygan County (3.64) was in the top 10 in both total beds and beds per 1,000 residents.

Statewide, there are 1.11 county-owned nursing beds per 1,000 residents. Among counties with county-run nursing homes, the average is 1.40.

Finances. Counties are required to file annual financial reports with the state Department of Revenue (DOR). Of the 40 counties with nursing homes, 36 operated them as enterprises, which required a separate listing of the homes' revenues and expenditures. The exceptions were Dodge, Jefferson, Marathon, and Rock.

The 36 counties reported spending \$386.4 million and taking in \$317.1 million, a \$69.3 shortfall (see table at left). Sheboygan led the state in spending (\$32.9 million) and revenues (\$27.1 million).

Just three counties, Lincoln, Vernon and Walworth, reported more revenues than expenditures, while 33 reported the reverse. The largest deficits were in Dane (\$6.8 million), Milwaukee (\$6.5 million), and Sheboygan (\$5.8 million). As a percentage of expenditures, the largest were in Dane (49.6%) and Milwaukee (40.0%).

Since 1998, nursing home expenditures have grown faster than revenues. That year, 38 counties reported spending \$332.9 million and receiving \$294.1 million from nursing homes.

Examining only the 35 counties that reported in both years, spending rose 25.7%, while revenues increased just 17.9%. Consequently, the shortfall nearly doubled, rising 87.4% from \$33.4 million to \$62.5 million. Deficit as a percentage of expenditures rose from 11.3% in 1998 to 16.9% in 2005.

One reason that deficits have grown is stagnant state aid for county nursing home shortfalls. The state receives federal money to cover these deficits through the Medical Assistance program but has limited the amount it passes on to counties to \$37.1 million.

Municipal Nursing Homes

As previously mentioned, there are nine city-owned nursing homes in Wisconsin. Unlike many county homes, the city homes are located primarily in small and midsize counties. Six of the nine are in counties without a county-run home (Barron [2], Pierce [2], Eau Claire, and Kewaunee).

Each dot on the map on page two is the location of a municipal home. Eight are in the western portion of the state, with the Algoma Long Term Care Unit the lone exception.

Wisconsin Nursing Homes by County
Nursing Homes, Bed Totals, % Occupancy, and Beds per 1,000 Residents by County, 2005

County	Homes	Beds	Average Occupancy	Beds/1,000 Residents	County	Homes	Beds	Average Occupancy	Beds/1,000 Residents
Adams	2	120	70.8%	5.57	Marinette	6	583	88.0%	13.09
Ashland	3	289	66.4	17.09	Marquette	1	46	93.5	3.02
Barron	8	512	89.6	10.84	Menominee	0	0	n/a	0.00
Bayfield	1	75	89.3	4.74	Milwaukee	45	5,873	84.6	6.27
Brown	13	1,324	89.6	5.45	Monroe	4	323	83.0	7.42
Buffalo	2	131	86.3	9.26	Oconto	4	268	78.7	6.93
Burnett	2	133	90.2	8.01	Oneida	3	315	89.5	8.22
Calumet	3	200	84.4	4.38	Outagamie	10	1,040	91.4	6.02
Chippewa	6	433	76.1	7.11	Ozaukee	5	407	90.7	4.72
Clark	4	439	90.7	12.72	Pepin	2	118	93.2	15.46
Columbia	5	512	85.0	9.26	Pierce	5	293	73.7	7.36
Crawford	2	161	85.1	9.22	Polk	6	453	89.6	10.04
Dane	21	1,894	87.3	4.08	Portage	2	201	81.7	2.89
Dodge	10	1,033	88.2	11.60	Price	2	246	75.2	15.31
Door	3	228	84.2	7.67	Racine	6	724	95.7	3.72
Douglas	4	432	88.9	9.83	Richland	2	132	81.1	7.29
Dunn	3	261	83.9	6.10	Rock	10	854	90.9	5.39
Eau Claire	6	633	90.8	6.48	Rusk	2	134	80.0	8.61
Florence	1	73	76.7	13.88	St. Croix	9	562	86.7	7.20
Fond du Lac	10	920	86.8	9.13	Sauk	6	475	89.3	7.91
Forest	2	141	93.0	13.72	Sawyer	2	135	94.1	7.75
Grant	9	632	90.7	12.51	Shawano	5	446	86.8	10.54
Green	3	301	89.4	8.35	Sheboygan	10	1,020	91.0	8.77
Green Lake	3	208	87.8	10.75	Taylor	3	226	82.7	11.35
Iowa	3	182	87.9	7.59	Trempealeau	9	538	95.0	19.13
Iron	2	106	93.4	15.18	Vernon	4	328	90.5	11.16
Jackson	2	145	87.5	7.26	Vilas	1	79	92.4	3.52
Jefferson	4	299	91.6	3.74	Walworth	8	648	78.5	6.50
Juneau	3	196	97.4	7.29	Washburn	2	140	95.7	8.12
Kenosha	9	1,104	88.6	6.92	Washington	5	691	90.2	5.40
Kewaunee	2	140	84.3	6.62	Waukesha	17	2,020	90.7	5.32
La Crosse	8	954	91.0	8.61	Waupaca	10	1,409	92.9	26.30
Lafayette	1	97	81.4	5.95	Waushara	1	78	85.9	3.11
Langlade	1	168	92.3	7.82	Winnebago	10	1,143	88.1	6.98
Lincoln	3	334	90.7	10.93	Wood	6	646	87.2	8.40
Manitowoc	6	818	92.5	9.67					
Marathon	7	924	89.8	6.96	STATE	400	39,146	87.9%	6.95

City homes are smaller than most others. The nine homes averaged 62 licensed beds, less than both the county average of 126 and the private average of 93. City homes were also more uniform in size than other types; seven of the nine had between 59 and 65 beds.

Finances. According to 2005 reports filed by municipalities with DOR, only four cities—Algoma, Chetek, Galesville, and Westby—reported separate revenues and expenditures for nursing homes. Unlike most counties, the four cities did not have shortfalls in their nursing home operations. Combined, the four municipalities reported spending \$14.0 million and receiving

\$14.6 million. All four cities listed more in revenues than expenditures, with gaps ranging from \$50,000 in Galesville to \$263,000 in Chetek.

In 1998, Chetek, Galesville, and Westby reported combined expenditures of \$7.1 million and revenues of \$7.3 million.

Wisconsin Veterans Home

The only nursing home owned and operated by the state in 2005 was the Wisconsin Veterans Home in Waupaca County. The facility first opened in 1887 and has been run continuously by the state since then. Although the only home owned by the state, it was the larg-

est, with 721 licensed beds. The second-largest home had just 473 beds.

The state facility is a long-term home for veterans: 45.7% of residents had been there at least four years at the end of 2005. To be admitted, prospects must be Wisconsin residents who served on active military duty for at least two years, or at least 90 days if serving in an active war zone. Spouses of eligible veterans are eligible as well.

Recently, the state opened a second, smaller home for veterans. Since it opened after 2005, it is not included in previous data. The Union Grove Wisconsin Veterans Home in Racine County has 120 beds and functions similarly to the home in Waupaca. It is on the grounds of the Southern Wisconsin Center for the Developmentally Disabled, also owned by the state.

STATE TOTALS

As the table on page five shows, the state's 400 nursing homes licensed 39,146 beds in 2005, or 6.95 beds per 1,000 residents. Of the 71 counties with at least one nursing home (Menominee had none), the number of beds per 1,000 residents ranged from 2.89 in Portage to 26.30 in Waupaca. (The Waupaca number is inflated by the Wisconsin Veterans home, which houses veterans from the entire state. Without that home, the average drops to 13.01.)

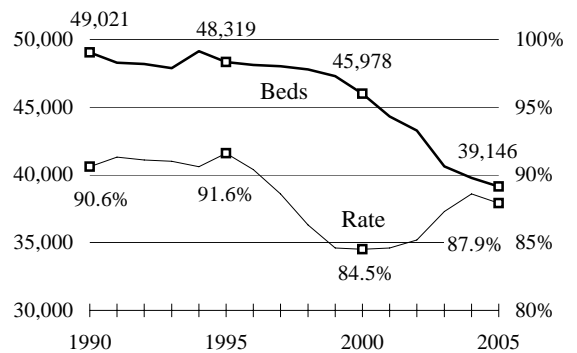
Occupancy rates are measured by dividing the average number of nursing home residents during the year by the number of licensed beds. At the county level, occupancy rates were lowest in Ashland (66.4%) and Adams (70.8%) and highest in Juneau (97.4%) and Washburn (95.7%). Eight counties had rates below 80%, while 27 had rates exceeding 90%.

The statewide occupancy rate was 87.9% in 2005. Nonprofit homes had the highest rate (90.4%), followed by government (89.2%) and for-profit homes (85.2%).

As the chart (above, right) shows, the number of total beds fell steadily from 1990 through 2005. Bed totals dropped by nearly 10,000, from 49,021 to 39,146. The drop was 20.1%, or an average of 1.6% per year. The total fell 14 of 15 years, with 1994 the only exception.

The chart also shows that occupancy rates fell during the period. Unlike bed totals, which saw a consistent drop, the occupancy rate varied from year to year, bottoming in 2000 at 84.5% before recovering to 87.9% in 2005.

Nursing Home Beds, Occupancy Rates Fall
Wisconsin Nursing Home Bed Totals (left axis) and Occupancy Rates (right axis), 1990-2005



ISSUES

As the baby boom generation approaches retirement, both Wisconsin and the United States face the prospect of caring for the largest and longest-living generation in the nation's history. Will nursing homes, with their declining bed totals, be equipped to handle the inevitable increase in infirm seniors? And what role, if any, will public homes play in handling the most challenging patients? If the past decade suggests a future trend, the answer may be "little or none."

What would be the consequences of fewer public nursing homes? It is difficult to say with certainty, but northern Wisconsin has functioned without any public homes for years. Indeed, 27 of Wisconsin's 72 counties have no public nursing homes. Critics of public homes would argue that if counties did not run any nursing homes, private companies would fill the need and run homes more efficiently. Still, the state has a long history of public nursing homes, and there is little doubt that they have served some of the most vulnerable patients in the state.

One factor crucial to the future of nursing homes, both public and private, is Medicaid (MA) reimbursements. Both types of homes report that MA payments are not covering the cost of caring for nursing home residents. As a result, private payers pay an average of \$50 more per day than Medicaid pays nursing homes. If homes must continue to raise prices on private payers to make up for insufficient public funding, they risk driving financially secure customers away. □

DATA SOURCE:

Wisconsin Board on Aging and Long Term Care; Wisconsin Departments of Health and Family Services, Revenue, and Veterans Affairs; Wisconsin Legislative Audit Bureau; and WISTAX calculations.

From 1990 to 2005, the number of nursing home beds in Wisconsin dropped by nearly 10,000.

County occupancy rates in Wisconsin ranged from 66.4% in Ashland to 97.4% in Juneau.

County Board Reductions

Wisconsin has long had some of the nation's largest county boards. In 2006, seven of the 10 largest were here. However, a 2006 law gave citizens the ability to change the size of their boards. Since then, county board size has become a hot topic.

Prior to the enactment of the law (Act 100), county boards could only be downsized by the board when it redistricted following each decennial census. The new law allows boards to be reduced once between censuses, either through county board action or via citizen-initiated referenda.

To place a board reduction referendum on the ballot, proponents must collect signatures equal to 25% of the number of votes cast during the most recent county supervisor election. If sufficient signatures are collected, the question is placed on the next April or November ballot.

Since the law's passage, various groups have tried to reduce their board size. The size of five boards has been cut, and four others felt enough pressure to reduce the size on their own.

In 2006, four of five referenda to downsize county boards were successful, with the only failure being Price County's attempt to cut its board from 21 to 7 members. However, the 2007 spring elections saw three of four referendum attempts fail, with Walworth County the lone exception (see table above, right).

An additional consequence of Act 100 has been county boards downsizing on their own initiative. Since only one reduction can occur in each 10-year period, four county boards agreed to small reductions to prevent individuals from placing even larger ones on the ballot.

For example, a group in Waukesha County sought to reduce the board from 35 to 11 members. But before they could collect sufficient signatures, the board passed its own plan to downsize to 25. In doing that, Waukesha voters were prevented from reducing board size further until after the 2010 census. Likewise, the Green Lake, Sheboygan, and Winnebago county boards cut seats to prevent larger decreases by voters.

Board size has become a contentious issue in a number of counties. For example, a referendum in Douglas County that would have elimi-

County Boards Attempts to Reduce County Board Sizes Since Passage of 2005 Act 100

County	Board Size		% Yes	Date
	Old	New		
<i>Successful Referenda</i>				
Fond du Lac	36	18	57.2%	Nov-06
Price	21	13	59.7	Nov-06
Walworth	25	11	53.7	Apr-07
Waushara	21	11	57.0	Nov-06
Wood	38	19	80.2	Nov-06
<i>Unsuccessful Referenda</i>				
Douglas	28	7	49.9%	Apr-07
Jackson	19	11	42.4	Apr-07
Price	21	7	46.7	Apr-06
Rusk	21	13	47.2	Apr-07
<i>County Board Actions</i>				
Green Lake	21	19		Feb-06
Sheboygan	34	25		Apr-07
Waukesha	35	25		Apr-06
Winnebago	38	36		Sep-06

Eight counties have passed legislation reducing their board sizes since the enactment of Act 100 in 2006.

nated 75% of supervisors was defeated by just 18 votes. In Walworth County, the recent vote bitterly divided the board. Most supervisors wanted to retain the current size, but the board chairman was among those who collected signatures seeking the referendum.

Price County is thus far Wisconsin's only county to have multiple board-size referenda. The first, in April 2006, was also the first in the state. Supporters sought to cut the board to seven members, but the referendum failed, garnering 46.7% of the vote. In November, a more moderate initiative to cut the board to 13 members passed easily, with nearly 60% support.

A Douglas County referendum to reduce the board from 28 to seven members failed by just 18 votes.

All the reductions that have passed thus far will be effective for the spring 2008 elections. The number of additional referenda may fall during the next two years, for no other reason than the 2010 census is approaching. Any changes that voters approve would not take effect until the 2010 election, at which point county boards will have to begin redistricting. Since county board reductions have proven to be a fairly popular issue, some observers expect a significant number to downsize on their own during redistricting. □

DATA SOURCE:

Wisconsin Legislative Reference Bureau; various county clerk offices.

AROUND THE STATE

■ **Real Estate Slowdown.** After years of rapid growth, the housing market in Wisconsin and across the United States slowed in 2006, according to the National Association of Realtors. Nationally, the median (half higher, half lower) sale price of an existing home rose 1.0%, from \$219,600 to \$221,900, in 2006. The increase was smaller than 2005's 12.4% rise. Perhaps more worrisome to Wisconsinites, the median sale price in the Midwest declined 1.6% to \$167,800.

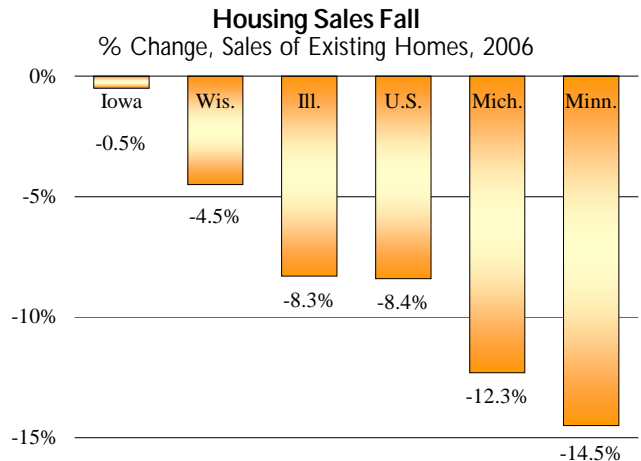
Across the U.S., the number of existing-home sales fell 8.4% in 2006. Among the 47 states with data, Wisconsin ranked 21st with a 4.5% decline. In all, 14 states had an increase in existing-home sales, 31 had decreases, and two were unchanged. Alaska led the nation with a 20.3% increase, and Nevada was last with a 28.9% drop.

In the Midwest, there was a 6.6% decline in existing-home sales. As the chart (above, right) shows, none of Wisconsin's neighbors had a sales increase in 2006. Only Iowa (-0.5%) had a smaller drop than Wisconsin, while Michigan and Minnesota dealt with double-digit declines.

■ **Corn on the Rise.** After years of floating around \$2.00 per bushel, corn prices have risen quickly in the past year. In large part due to increased demand for corn from ethanol, prices have approached \$4.00, their highest point in a decade. Forecasters project more than 20% of this year's corn crop will be used to produce ethanol.

One consequence of the rising price will be an increase in the corn supply in the coming year. The United States Department of Agriculture (USDA) projects 90.5 million acres of corn will be planted in the U.S. in 2007, up 15.5% from 2006's 78.3 million acres. The 90.5 million acre total is the highest since 1944 and larger than the combined land area of Wisconsin and Minnesota. In Wisconsin, the USDA estimates a 9.6% rise in corn planting, from 3.7 million to 4.0 million acres.

The Wisconsin Taxpayers Alliance, founded in 1932, is the state's oldest and most respected private government-research organization. Through its publications, civic lectures, and school talks, WISTAX aims to improve Wisconsin government through citizen education. Nonprofit, nonpartisan, and independently funded, WISTAX is not affiliated with any group—national, state, or local—and receives no government support.



■ **Assessment Season.** Municipalities have begun sending notices of changed assessment to residents throughout the state. To learn more about the process and to check the accuracy of your assessment, attend your municipality's "open book" session. The local assessor is required to attend and may be able to correct any mistakes immediately.

WISTAX FOCUS

■ **Income Taxes.** As the first state to tax personal income, Wisconsin has long relied on the individual income tax as its greatest source of state revenue. In "Tax facts for income tax time" (*Focus #7-07*), WISTAX tracks state income tax revenue growth and examines how the tax burden has shifted in recent years. In 2005, filers with Wisconsin adjusted gross income of greater than \$70,000 accounted for 18% of all filers and 65% of taxes paid.

■ **Budget Delays.** With Democrats taking control of the state senate, the Wisconsin legislature will be divided for the first time since the 2001 session. One result may be a significant delay in the budget process. "State budget headed for summer rocks?" (*Focus #8-07*) discusses some of the potential pitfalls, including increased partisanship, executive-legislative disputes, and intraparty disagreements.



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