

Sylvia Fochesato  
Scholarship Essay  
WI Towns Association

If Wisconsin could design its local government funding system from scratch, what would be the best and most equitable way to fund town government services?

### Town Government Service Funding

The concepts surrounding equity within governmental programs are always a hot topic of debate, an ever-present problem. The debate between equity and equality within different sectors will continue to maintain presence within society. Within our state of Wisconsin, there is a large disparity between socioeconomic status in varying communities. From an outward glance, it is apparent that Wisconsinite local governments are becoming more reliant upon the revenue stemming from property taxes. I think that the most equitable design for the Wisconsin local government requires multiple actions from both the state and local levels, including increasing shared revenue between state and local governments and public-private partnerships.

Glancing at the statistics surrounding dependence upon property tax revenue within local governments has grown to the point which Wisconsin has the eighth highest property tax in the nation. With this statistic in mind, there could be a benefit towards redistributing taxes within the state to return a larger portion of state income tax to local governments. An increase in shared revenue could potentially create less reliance upon property taxes and afford the local government more revenue to fund government services. With larger portion of shared revenue going towards local governments, the state would likely have to find another source of income, which could be through tolls, as in Illinois, in order to fund the shifting of revenue.

Equity needs to continue to be one of the foundational pieces within town governments. In order to keep equity within the income tax system, the maintaining of a graduated income tax scale would allow for the lower and middle class to not be overburdened with a high income tax percentage. The graduated income tax within local governments, could present a challenge for

Sylvia Fochesato  
Scholarship Essay  
WI Towns Association

lower income communities, however, with a larger percentage of shared revenue, these communities could receive more funding from higher income communities to help with the wealth disparity regarding community funding services. A graduated income tax would aid in government services through the upper brackets providing financial aid toward services.

With these adjustments in mind, the addition to the increase in shared revenue, maintenance in graduated income tax, local town governments could increase in public-private partnerships within service industries. The increase in these partnerships would stimulate economic growth within communities and increase jobs as well as increase town services. Small businesses would have the opportunity to have a larger number of projects, and fulfill services such as road maintenance or construction projects. Stimulating economic growth within communities would directly benefit town governments and allow a work distribution to stay within the local community.

Wisconsin holds its strength in its local communities and the systems that govern them. With the hypothetical situation of redesigning the local government funding systems, there are multiple routes that could be taken. The issue is not a one solution type of situation, however, multiple facets implemented to distribute the greatest amount of equitable benefit to the constituents. Through an increase in shared revenue and public-private partnerships, funding at the local governmental level would enable the most equity within the state of Wisconsin.

#### Sources

“Four Ways to Fund Effective Economic Development in Your City.” *National League of Cities*, 13 Oct. 2020, [www.nlc.org/article/2017/08/09/four-ways-to-fund-amazing-economic-development-in-your-city/](http://www.nlc.org/article/2017/08/09/four-ways-to-fund-amazing-economic-development-in-your-city/).

Sylvia Fochesato  
Scholarship Essay  
WI Towns Association

*Local Government Education*, [localgovernment.extension.wisc.edu/](http://localgovernment.extension.wisc.edu/). Accessed 11 May 2023.

“The Pitfalls of Flat Income Taxes.” *ITEP*, [itep.org/the-pitfalls-of-flat-income-taxes/](http://itep.org/the-pitfalls-of-flat-income-taxes/). Accessed 11 May 2023.

“State Funding of Local Government.” *Wisconsin Policy Forum*, [wispolicyforum.org/research/state-funding-of-local-government-how-does-wisconsin-differ-from-other-states/](http://wispolicyforum.org/research/state-funding-of-local-government-how-does-wisconsin-differ-from-other-states/). Accessed 11 May 2023.