

**Presentation to the
Wisconsin Legislative Council
Special Committee
On
Tax Exemptions for Residential Property**

September 28, 2004

Lincoln Lutheran of Racine

**Presented by:
The Rev. Daniel R. Risch, CEO**

Good Afternoon.

I want to thank Representative Fitzgerald, Chair of the Legislative Council Special Committee, State Representatives, Senators and members of this committee for allowing me to speak with you today.

Lincoln Lutheran of Racine celebrated our 50th Anniversary this year. Since 1954 we have provided services to the elderly in our community. We employ nearly 450 people – tax payers if you will – and serve more than 11,000 people every year. We touch the lives of 47% of all Racine County citizens over the age of 65.

In 2003, our services included:

- A nutrition program of senior lunch sites and home delivered meals on wheels helped 1740 people through more than 135,000 meals. These people stay in their homes and continue to pay property taxes.
- 51 persons in our Adult Day Care – property tax payers still.
- 5,000 people through our Skill Bank program helping seniors in their homes – property tax payers – remain at home as they want to by assisting them with a wide variety of chores from tax preparation to snow shoveling.
- 3,390 people were provided respite services in their homes. Volunteers stay with family members who are homebound while their family caregivers get a chance to take a rest break from care giving and leave the house. More taxpayers.
- 335 people live in our HUD subsidized apartments, paying not more than 30% of their income for decent housing – some as little as \$70.00 per month out of their \$2800 annual incomes.
- 65 receive assisted living in our two Community Based Residential Facilities.
- 40 receive more assisted living help in our Residential Care Apartment Complex.
- 430 receive skilled nursing care in our two nursing homes, one of which is the only 100% Alzheimer's nursing home in Wisconsin.
- Another 76 live in our Retirement Community, the Atrium.

- In 2002 we provided subsidy for our residents that equaled more than \$2,000,000 to ensure that care not paid for by the State of Wisconsin Medical Assistance could be delivered to our residents.

The purpose in my sharing with you all these numbers is a simple one. As legislators, or a public member of this committee, each of you are asked to make a decision about Residential Property taxes. You will do this in the context of competing demands on scarce resources amidst a wide variety of needs that people have in their lives. Every day, Lincoln Lutheran must make decisions about scarce resources in the face of enormous demands from people in need. As a not-for-profit provider of services to the elderly, we take very seriously the sacred trust people place in our ability to make the right decision. Our residential housing relies on our ability to bring resources from across our continuum into the lives of our residents. That makes our housing more than a home.

This committee is about Residential Housing. But you and I and all the people involved know that Residential Housing must be placed in the whole context of human need and enterprise. People have a basic right to decent, affordable housing. Any act of government or any other entity that poses a danger to this basic right must be carefully considered. In March, by a vote of 32 to 1, the Senate agreed by passing SB512. The Assembly agreed 90 to 9 when they concurred with SB512 two days later.

I respectfully request that the committee place your decision within the entire context. Not only will property tax-exempt residential housing for seniors be placed at risk without significant, cogent changes to current state law, but the entire continuum of care – the context of our work --- at organizations like Lincoln Lutheran will be at jeopardy.

Therefore, I respectfully request that the committee ensure the following changes are made permanent:

1. 70.11 should be amended to specify the Not for Profits that provide housing to individuals through in individual leases remain tax exempt.
2. That the income from such leases be used for retirement of construction debt, maintenance of the property or to further the benevolent purposes of the organization,
3. Not for Profit Skilled Nursing Facilities, Community Based Residential Facilities and Residential Care Apartment Complexes and Senior Housing should be explicitly stated as exempt from property taxes. They are all health and service related.

There is a qualitative difference in Residential Housing for seniors when supplied within a continuum of senior services from stand alone residential housing. We do not discharge for inability to pay. The focus is on the basic need for housing and related health services, not a need to show a profit. At Lincoln Lutheran, we provide full time Service Coordinators at our apartments who work with our residents to keep them healthy, active and independent. Nurses from our other programs provide wellness visits to our residents. We serve our residents meals. Our Medical Director still makes house calls.

The majority of our residents in our apartments are female. The average age is 82.

In 1990, a skilled nursing facility in Racine was bankrupt. More than 250 residents were faced with leaving the county. Lincoln Lutheran agreed to manage the facility and in 1991 purchased the facility. From 1991 through 2003, Lincoln Lutheran lost \$11,467,000.00 while keeping the facility open for the sake of the residents and their families. We do not run away from need. 295 of 335 residents in our apartments earn less than 50% of the county median annual income. Any decision to impose property taxes on

them must be placed in the context of the continuum of care that Lincoln Lutheran provides.

Finally, let me close with a story of Eleanor – a fictitious name for privacy sake, but based on a true story. Eleanor came to Lincoln Lutheran when her husband was ill at home. We provided Respite Services to her in her home. A trained volunteer spent time with her spouse while she went shopping. Later, after her husband's death, Eleanor called on us to provide some help in her home. Soon, Skill Bank volunteers were helping out with the lawn, fixing a garage door and the like. Then Meals on Wheels began bringing hot meals to Eleanor.

When the home became too much, even with the extra help she moved into one of our Apartment buildings. Again, meals were provided and she met some familiar friends for cards and coffee. A Service Coordinator helped her understand the Medicare bills. One day the Service Coordinator gave a routine blood pressure check to Eleanor. The results were too high and an exam was scheduled immediately. The results – serious illness, possibly a stroke was avoided. After a while her health continued to decline to the point where a stay in our nursing home was required. We moved her with her favorite pictures and afghan to a room with a friend she had known from the apartments. We served her until she passed away at age 97.

That is the qualitative difference the current not-for-profit providers deliver to the residents of Wisconsin. Her stay in our Apartments was only a small piece of the services and care we provide. I urge you to remember the face of all the Eleanors we serve across this state, and place your decision within the larger context of care for persons in need.

Thank you.