
❖ The TAX TIMES ❖

Volume 10, Issue No. 8

September, 1995

TOPIC FOR BCTA ANNUAL MEETING: Governor Thompson's Welfare Reform.

Welfare, or more accurately, ending the sorry state of welfare programs as we've come to know them is the subject of the guest speaker at the BCTA Annual Meeting on Thursday, September 21, 1995. Governor Thompson has proposed an end to welfare programs which have become mere handouts of taxpayer money to people who are too lazy, ill-equipped, or fail to appreciate the value of responsibly working for a living. The Governor, who has appropriately named his latest innovation "W-2", has generously arranged for a representative of his staff to address our annual members gathering.

Few images arouse the contempt of hardworking taxpayers like that of the social welfare bureaucracy posted obediently at teller-like windows, dispensing taxpayer dollars without obligation to people who failed to take advantage of the education offered them, or who screwed-up their lives with drugs and now expect working folks to carry them like so much excess baggage, or whose parents lacked the gumption and common sense to instill in them a reasonable set of values. It's easy to understand the depth of this taxpayer contempt. Have you ever, just once, heard a welfare recipient say "thank you"? Ever read a letter to the editor or heard a talk show caller say how much they appreciate the help working people provided when they were "down and out"? If you're like me, the answer is no. After hundreds of billions of dollars doled out to tens of millions of the "less fortunate", I've yet to hear an expression of appreciation.

Governor Thompson, who has built his reputation as a challenger and reformer on his willingness to propose dramatic change and then overpower the entrenched bureaucracies and defenders of the status quo, is now turning his considerable energy, talent and resources to welfare. Taxpayers should be keenly interested not only in his plans, but in how they can assist in making those plans a reality. What's at stake here is much more than money or high taxes. At stake is whether government, as our most pervasive societal institution, is going to stand for a welfare state where an excuse is made for every failure and a check issued to salve every wound. Or, will we build (return?) toward an opportunity society where preparation, work, and excellence are valued along with responsibility, obligation and diligence?

Come to our Annual Meeting on September 21 and hear how things might be.

Tom Sladek, President, Brown County Taxpayers Association

Introducing the End of Welfare

In December 1993, Governor Thompson signed into law the most significant change in the history of the failed welfare system. The new law ends authorization for the Aid to Families with Dependent Children program (AFDC) effective January 1, 1999, and calls for its replacement with a system based on work.

The new system will be called "W-2-Wisconsin Works," and it is based squarely on work. Rather than offering welfare checks to those who do not work, as AFDC does now, W-2 offers participants the opportunity to earn wages and learn how to increase their value to employers.

The governor has made welfare reform one of his top priorities, introducing more than ten reform initiatives, and pushed hard to continually improve the welfare-to-work program called JOBS.

These efforts have paid off. Wisconsin has reduced its AFDC caseload by more than 27 percent, far more than any other state.

W-2 will be based on a long track record of experience with the JOBS program in Wisconsin, as well as a series of other experimental reforms. These experiences clearly show that a work-based system of support presents the best opportunity for helping low-income families attain self-sufficiency and escape poverty. * * * * *

BROWN COUNTY TAXPAYERS ASSOCIATION

11th ANNUAL MEETING

Thursday, September 21, 1995 - 12:00 Noon

DAYS INN - DOWNTOWN (North Room)

Address: Governor Thompson's Welfare Reform

County Board Continuing Studies On New Jail.

Two studies conducted since 1990 both conclude that Brown County needs a new jail. Also, the cost figures make a jail away from the downtown area more cost effective, even with transportation between the downtown Courthouse and a remote jail taken into consideration (*the premium for constructing a jail downtown would be from \$6 to \$15 million*). The facility recommended by the first study (CGA Consulting Service) was to be a Huber type facility or some would say, a work release facility. The second study (Kimme & Associates) recommends a lockup facility due to the increased violence in the area. The author concludes the lockup facility, even though more costly, is the right way to go.

Reviewing the cost of several option concluded a \$23.8 million jail constructed at a remote site with lockup capability as the most cost effective. This cost is based on inclusion of all potential support facilities: a \$1.5 million land acquisition; architect fees totaling \$1.26 million; and as assumption that all furniture is new and all support equipment (laundry, kitchen) is also new. Naturally, the \$23.8 million can be adjusted as the process of design and construction continues.

The Public Safety Committee is reviewing three items in conjunction with the jail recommendation.

1. Are the costs presented consistent with other jail costs?
2. Can we construct a regional jail to serve other counties with some initial financial support?
3. Is this the appropriate time to consider privatization of the jail function?

A review of cost data for other jails across the country to be in line with these construction costs. Also, the writer visited jails in Shawano, Outagamie, Oconto and Manitowoc Counties to be educated and

gain numerical data on construction and operating costs. This information is being compiled in a separate report, yet concludes the expected jail cost to Brown County will be in line with those to surrounding counties.

As far as a regional jail is concerned, most surrounding counties have new or improved facilities and have no reason to join with Brown County for a common jail. Kewaunee County is currently in a remodeling effort of their jail facility and have been contacted. As their existing capacity of 25 inmates is small to comparison to ours, the common facility would need to be in Brown County. Currently we are looking forward to discussion with Kewaunee County on a regional jail.

The issue of privatization is also under consideration. Corrections Corporation of America (CCA) is to make a presentation to the Criminal Justice Coordinating Board and the Public Safety Committee on Tuesday, Sept. 5, 1995. There are several other private firms so the concept needs to be talked and will impact decisions yet to be made. The very question of legality of privatization is under review with a clear-cut opinion at this time.

In conclusion, we do need a jail and it will be located at a remote site from downtown. More information will be needed before a final design is complete and construction begins and the final cost is realized. Please be assured the Public Safety Committee is anxious to move on the jail issue and will ensure that it will be built and operated in a cost effective manner.

Frank Bennet
Supervisor, District 21
Public Safety Comm. Member

The following table shows the in-

“There are few better measures of the concern a society has for its individual members and its own well being than the way it handles

creased population of the Brown County Jail during the past 10 years.

	ADP*	Annual % Change	Cumulative % Change
1984	82	—	—
1985	98	+20%	+20%
1986	110	+12%	+34%
1987	129	+17%	+57%
1988	145	+12%	+77%
1989	198	+37%	+141%
1990	221	+12%	+170%
1991	254	+15%	+210%
1992	270	+ 6%	+229%
1993	276	+ 2%	+237%
1994	279	+ 1%	+240%
1995	330	+18%	+302%

Thru 5/9 *ADP Average Daily Pop.

Recommended Option.

Capacity for Lock Up 288
 Need to have capacity for expansion.
 Must be located away from downtown.
 Build using Pod Concept. See options below:

DIRECT SUPERVISION

Also called “Podular Direct” Officer moves freely in Pod with inmates: i.e., no barriers separate them from each other.

INDIRECT SURVEILLANCE

Also called “Podular Remote”. Officer observes inmates from behind a security (Glass Barrier).

Taxpayers Alliance Responds to TAX TIMES Article.

The August issue of the "TAX TIMES" contained a letter from Green Bay mayor and fire chief Troeger explaining the apparent high cost of fire protection in Green Bay as compares to other Wisconsin cities. We sent a copy of the mayor's letter to the *Wisconsin Taxpayers Alliance* which prepared the original survey which indicated Green Bay had the most expensive fire department per capita in the state of cities over 30,000 population, and received the following response addressed to BCTA director Robert Miller.

"Dear Mr. Miller:

Thank you for your recent letter, relating to certain statistics on fire departments in the Sept. 1993 issue of *The Wisconsin Taxpayer*

You apparently had included a table from that report in a 1994 newsletter of the Brown County Taxpayers Association. After a new mayor was elected this past April, you indicate you gave him an opportunity to respond to the table, which showed Green Bay's 1992 per capita fire department operating costs to be highest among the 21 cities above 30,000 population. He and the fire chief replied by letter and you ask for our comments on that response.

As background, we report on fire departments about once every 4 to 5 years. Because individual statistics are provided for a large number of municipalities (108 in the 1993 report), we use a central source in order to provide uniformity. For expenditures, the source is the Annual Financial Report form filed by each municipality and county with the Wisconsin Dept. of Revenue.

1. With respect to the letter from the mayor and fire chief, their first comment relates to the city's 1992 budget for the fire department. We do not use budget figures; the amounts shown are the reported actual

dollars spent.

2. Their second general comment covers several points. One refers to the costs that are included. An example cited is "hydrant rental" (public fire protection charge), which is included as part of the fire expenditures in the Annual Financial Report. Previously, all municipalities had to include that payment to their water utilities in their budgets. In recent years, communities have been given the option to have the charge paid directly by water customers, rather than through the budget appropriation. Statewide, fewer than 50 have elected that option. The others continue to budget for the cost. We feel that in those municipalities, it is a fire-related expense and should be counted since it has to be paid by property taxes or other general municipal revenues.

Another example mentioned is employee fringe benefit costs, which the writers indicate not all municipalities include. The instructions to the Annual Financial Report clearly specify that employee fringe benefit expenses are to be included within the applicable expenditure category.

The third example is capital costs, with the letter noting that Green Bay includes such outlays. The Annual Financial Report has separate sections for "current" and "outlay" expenditure. A majority of municipalities use both classifications. This includes Green Bay, where 1992 fire outlays were listed at \$492,056, in addition to the \$14,018,256 in operations.

The final example relates to ambulance service. The letter indicates that some municipal fire departments (including Green Bay) provide that service, while others do not. This is true. Also, in some that do, costs are allocated between the 2 services in the Annual Financial Report, while in others, including Green Bay, they are all listed under "fire". However, if the table were reconstructed to show *combined* fire/ambulance operating expenditure per capita, Green Bay's \$143 level still would be the highest.

3. In the third, and final general comment, the writers note that revenues are not considered in the statistics. Because

the data are intended to show financially the level of a municipal service, we feel that total expenditures, not net costs, are the appropriate measure.

The letter also includes information on studies done by Rochester, MN and La Crosse. We have not seen these surveys, so cannot comment on them.

Thank you for this opportunity to respond to the letter from the Mayor and Fire Chief. If you have any questions, or would like to discuss the WTA report further, please call or write."

(signed)

Rindert Kiemel Jr.

Research Director

Wisconsin Taxpayers Alliance.

We thank Mr. Kiemel for his response and appreciate the work the Wisconsin Taxpayers Alliance is doing by making such comparisons available. Also, we again want to thank Mayor Jadin and Fire Chief Troeger for their interest. Further comments and follow-up letters are welcome on this or other important taxpayer issues for publication in the "TAX TIMES."

Robert Miller

BCTA 1995 Annual Meeting

Thursday, Sept. 21, 12:00 Noon

DAYS INN, DOWNTOWN

(North Room)

Speaker: Representative from Governor Thompson's Office.

*"The W-2 WELFARE REFORM
PLAN for WISCONSIN"*

President's Report on what the BCTA has accomplished during the past year and the challenges ahead.

Election of officers for 1995-1996.

Open discussion

Spouses and guests cordially invited.

Cost: \$7.50 per person.

Details on enclosure.

Equalized Values in Wisconsin.

The Department of Revenue recently posted two year trends in equalized values for all Wisconsin Counties. Equalized values are the state-determined full market value of all property within each jurisdiction. Equalized values provide a means of comparing different jurisdictions, even if they are assessed at different percentages of market value.

Equalized values are based on the full market value of taxable homes, businesses, farms and other forms of property. They are used to apportion school and county taxes and to distribute some state aid payments. Assessments prepared primarily by local assessors are used to distribute tax bills within individual municipalities.

Each property tax bill must show both the property's assessed and full market values. The full market value is calculated by dividing the assessed value by the municipality's assessment ratio. Assessment at full market value is desirable because owners can more easily compare their property's assessment to that of similar properties. State law requires every

municipality to assess property at full value at least once every five years.

With county mill rates frozen, the increase in equalized values across the state generally translates into good news for county officials. They can easily abide by the rates being frozen and deal effectively with increased government costs. As value rise, they can keep the same mill rate while raising more revenues due to a larger base.

Total value (equalized value) across the state has increased \$16.5 billion (8.9%) between January 1, 1994 and January 1, 1995. This is the largest increase in the state's history. The total value of the state's property is over \$200 billion. Most of this year's increase is attributable to new construction.

While the average growth rate in the state was 8.9%, there were 870 communities with growth rates in excess of 10%. The tables at the bottom of this article compares the growth of the 10 largest counties in valuation between 1994 and 1995, and the counties with the largest amount of growth during this period. Brown County ranked 32nd in percentage of equalized valuation growth.

Katherine Greinke
Public Expenditure Survey

AUGUST MEETING NOTES

Brown County Sheriff Michael Donart discussed the history of the studies leading to the present proposal for a new jail, which calls for building a secure 288 bed county jail outside the downtown area for approximately \$24 million. He noted that jail space needs are driven by a combination of arrests, convictions, and sentencing. The directors inquired about alternatives to delay or avoid construction of the new jail.

Katherine Greinke of the Public Expenditure Survey of Wisconsin distributed a handout outlining Governor Thompson's proposed welfare plan, W-2. The W-2 plan's objective is to assist as many welfare recipients as possible with the transition to self-sustaining work.

Economics of the proposed downtown convention center and arena were discussed again. Tom Sladek, Dave Nelson, and Dan Theno reported on a meeting they attended with a representative of the Green Bay Area Facility Development Corporation. They received an explanation of the proposal to construct a new arena and expanded downtown convention center and an overview of the proposed funding. Details of the financial plan for the proposal were not available at this meeting. Following a discussion of this issue, the directors approved a resolution calling for the project's proponents to make public a clear and understandable financial plan. (The resolution as approved is printed on page 5 of this *TAX TIMES*).

Dave Nelson-Secretary

"Don't expect to build up the weak by pulling down the strong."

....**Calvin Coolidge**

"What is conservatism? Is it not adherence to the old and tried against the new and untried?"

....**Abraham Lincoln**

RESOLUTION REQUESTING PUBLIC FINANCIAL INFORMATION

The following resolution, approved by the BCTA'S board of directors at their August 17th meeting, expresses the BCTA's concerns about the lack of public financial information for the proposal to build a new arena and to expand the downtown convention center. The resolution states that detailed financial plans must be made public before state legislation to create a special taxing district can be supported.

RESOLUTION

Whereas, the Green Bay Area Facility Development Corporation (GBAFDC) is advocating construction of an expanded convention center in downtown Green Bay, and a new arena in Ashwaubenon; and

Whereas, the GBAFDC seeks amendment of Chapter 229, Wisconsin Statutes, to permit creation of an Exposition District in the greater Green Bay area to provide funding for the proposed projects; and

Whereas, the proposed Exposition District would have powers of taxation, with such powers administered by its board of directors, made up of some combination of governmental and private business representatives appointed by the heads of the sponsoring municipalities; and

Whereas, taxes (hotel room and restaurant meal) are anticipated to provide approximately 77 percent of the funding for the proposed project; and

Whereas, detailed financial plans for these projects have not been made public by the GBAFDC; and

Whereas, plans for the collateral issues of downtown Green Bay parking and disposition of the existing Brown County Arena facilities have not been addressed.

Now therefore, be it resolved that the Brown County Taxpayers Association hereby calls upon the GBAFDC to make public detailed financial plans for these projects, to include total operating and capital costs, annual debt service costs, risks to be borne by taxpayers, risks to be borne by private entities, and estimated revenue streams for each facility, identifying market assumptions, sources, amounts, and time of revenues; and

Therefore, be it further resolved that the Brown County Taxpayers Association states that amending Chapter 229, Wisconsin Statutes, to permit creation of an Exposition District in the greater Green Bay area, cannot be supported prior to public review of the detailed financial plans for the expanded convention center and new arena projects, along with plans for downtown Green Bay parking and disposition of the existing Brown County arena facilities; and

Therefore, be it further resolved that the Brown County Taxpayers Association opposed amendment of Chapter 229 prior to full public review of the limits placed upon tax action authority of the proposed Exposition District, and means of taxpayer recourse.

BCTA ANNUAL MEETING - Sept. 21, 1995
Return enclosed reservation or call 469-7373

PRINCIPLES OF INCOME TAX

Before we can replace the tax system that we have not, we must agree on what we want to base the replacement on. If we can reach an agreement on the principles then we will be able to agree on a replacement system. These are the four principles that I recommend a tax system must have; fairness, simple to understand, the poor pay little or no tax and no loop holes.

FAIR

Progressive, but not too progressive. This means those that earn less, pay little or not tax (taxes paid are always measured in percentage of income). Those that make more should pay more, but not too much.

SIMPLE

Easily understood in a short period of time by the average American citizen. The less than three pages of printed explanations is the goal.

PEOPLE NEAR THE POVERTY LEVEL SHOULDN'T PAY TAX.

If earnings do not exceed a minimum level for independent living, there are no taxes to be paid. The theory is that if an individual or family doesn't make enough to be self supporting, why should they pay taxes. This forces them into poverty, at which time they seek government or outside help. *Keep the peoples money in their hands.*

NO LOOP HOLES.

Loop holes are only available to those who are aware of them and have the ability to manipulate the situation in order to reduce their tax burden. Loop holes are in direct to principal number one, fairness.

The only way to accomplish this is by having very few deductions. Only deductions that are easy to understand and easy to prove. Keeping in line with principle number two, keep it simple.

Frank Lasee
State Representative
2nd Assembly District

* * * * *

BROWN COUNTY TAXPAYERS

BCTA Meeting Schedule

Thursday - September 21, 1995

BCTA Annual meeting. DAYS INN, Downtown. *
12:00 Noon. Speaker from Governor Thompson's office.
"W-2 Welfare Reform Plan for Wisconsin."

Thursday - October 19, 1995

DAYS INN - Downtowen - 12:00 Noon.
Monthly business meeting.

Thursday - November 16, 1995

DAYS INN - Downtowen - 12:00 Noon.
Monthly business meeting.

* Cost of annual meeting is \$7.50. Complete details and reservation form included inside this issue of the "TAX TIMES." All directors, members of the BCTA, spouses and guests are invited to attend. Please mail the enclosed reservation form to arrive by Sept. 19, or call 469-7373 for reservations.

The TAX TIMES

BROWN COUNTY TAXPAYERS ASSOCIATION
P. O. BOX 684
GREEN BAY, WI 54305-0684

BULK RATE
U. S. Postage
PAID
Green Bay, WI
PERMIT No. 255

Inside This Issue

- BCTA Annual meeting.
- County Board continues Jail study.
- More on Fire Department costs.
- Counties see increase in equalized valuation.
- BCTA asks Facilities Development Corp. to make public financing plans for projects.