

❖ The TAX TIMES ❖

Volume 11, Issue No. 4

January, 1996

Wisconsin's Joint Committee on Finance and Your Taxes.

During the recent consideration of the State's Dept. of Transportation budget, the Joint Finance Committee proposed several tax increases. The Committee advanced Governor Thompson's oil company franchise fee and increases in the gasoline tax. Even though these proposed tax increases were largely driven by the need for a new Main St. bridge in Green Bay, the desire to complete highway 29 and other pressing items throughout the state, Wisconsin already ranks 11th in the nation for taxes imposed on motorists and even higher in overall tax burdens.

The "TAX TIMES" asked the Public Expenditure Survey to outline the functions of the Joint Committee on Finance, as its recommendations apparent have considerable influence on pending legislation of interest to all of us.

The Joint Committee on Finance is the most powerful committee of the Wisconsin State Legislature. Originally created in 1911, the Committee is composed of 8 senators and 8 representatives from both the majority and minority parties of the Legislature.

The Joint Committee on Finance is charged with the review of all state appropriations and revenues. All legislation dealing with state revenue and spending must be examined by the Joint Committee on Finance. This committee also approves claims against the state, resolves state financial shortfalls, considers changes in agency funding and position levels, and gives final approval for a variety of fiscal operations. Sum certain

appropriation can be increased solely by the Committee, but can be vetoed by the Governor. Also, the Committee may inquire into the operation of any state agency for the purpose of improving its efficiency. The current members of this committee are:

ASSEMBLY

Ben Brancel (R)

Co-Chairman

Steve Foti (R)

Lolita Schneiders (R)

Tom Ourada (R)

Sheila Harsdorf (R)

Cloyd Porter (R)

Barb Linton (D)

Spencer Coggs (D)

SENATE

Tim Weeden (R)

co-Chairman

Dale Schultz (R)

Robert Cowles (R)

Mary Panzer (R)

George Petak (R)

Peggy Rosenzweig (R)

Gary George (D)

Russ Decker (D)

Its most prominent work is done when the Governor presents the biennial budget bill. After the budget bill is introduced it

"The Joint Committee on Finance is the most powerful committee of the Wisconsin State Legislature."

is referred to the Committee. In the budget process, the Legislative Fiscal Bureau

(Continued on Page 2)

Are We All Out in The Street ?

It seems hypocritical that one of the primary focus items of the federal budget debate is to provide funding for future benefits of Social Security and Medicare recipients. Are these politicians who are posturing themselves for the next election actually trying to tell us that *their* plan will save the system without creating a burden on future generations and that there will not be any cost increases or inconveniences to recipients . . . at least while *they* are in office? Baloney.

A historic look at the costs to the workers and their employers to support this monster since its inception have far exceeded other inflation items. The carelessness with which benefits have been administered should affirm that all parties involved should sit down at the drawing board for some serious discussion.

For example: Up to 1958, the maximum combined "contribution" of the employee and employer was under \$100 per year, while in 1994 this total had grown to \$11,429. Each increase through the years, either by raising the rates or applicable wage base was accompanied by a promise that benefits would be secure indefinitely, and that the government would take good care of you. More baloney.

Many workers pay more for their social security deductions than income taxes, and the only solution offered to date has been to make them pay more. It is another of those burdens which discourage employers from adding to their workforce.

(Continued on

Page 2)

The BROWN COUNTY TAXPAYERS ASSOCIATION

JOINT COMMITTEE (From Page 1)

provided initial analyses to the members of the Joint Committee and other legislators. Agency heads are invited to make comments on, or provide an overview of, the agency's request and Governor's recommendation. Public hearings are then held where members of the general public may testify before the Committee regarding the budget of a particular agency.

After the public hearing, the Finance Committee commences executive sessions on the Governor's recommended budget. These executive sessions are the decision-making phrase of the Committee's responsibilities. In Wisconsin, executive session meetings on the budget are open to the public; however, testimony on commentary from the public or agency officials is not taken and discussion is among committee members, Legislative Fiscal Bureau staff and State Budget Office staff. The Committee then submits a revised budget bill to the house of original introduction.

Only an original bill which has fiscal implications must be approved by the Joint Finance Committee. Therefore, as in the case of the transportation bill, amendments increasing various transportation fees did not need Joint Finance Committee approval.

As it turned out, increases in the gasoline tax were not approved in this legislative session, and the BCTA notes that even certain of the media which often supports tax increases and spending projects have suggested that there is considerable waste in the Dept. of Transportation budget which should be addressed before asking for more money to fund their projects. We agree.

*The BCTA wishes to thank the **Public Expenditure Survey** for assistance in preparing this article, and urges everyone to read their detailed report on the transportation budget signed by Governor Thompson in the December edition of **Wisconsin Issues**.*

"He who will not economize will have to agonize."
...Confucius

IN THE STREET (From Page 1)

By adding Medicare with its virtually unlimited benefits, cost of living increases which are driven by higher taxes as much as anything, and including recipients who make little or no contributions to the fund, the system seems to be out of control. Can you imagine what the government would say if a private insurance company were managed like that?

Yes, there definitely is a case for "Compassion" and "ability to pay," but not to the extent that it has been allowed to happen. The point is, by not properly addressing the problem now with its future implications, there is not much sense in even preparing a federal budget. You simply cannot spend more than you make and worry about it next year forever. The cost to workers and their employers will continue to rise, and benefits will remain a political vote-getter. Does anybody really care?

Jim Frink, Treasurer-BCTA

When I retired, I prepared a table with my own and employer contributions while I worked, projecting social security benefits and results if invested privately. Am willing to share this with anyone who may be interested. JF

**BREWER STADIUM
Bill Still Under Fire.**

A group of Milwaukee area citizen taxpayers known as "**ALERT**" (Against Legislation Enacting Regressive Taxation) filed suit to block what they called Wisconsin's *welfare program for major league baseball and the Milwaukee Brewers*. The suit is a class action on behalf of all taxpayers in the five county area who will be forced to foot the bill for this regressive taxation proposal. The basis for the suit is that the governments involved have no power or authority to involve themselves in schemes designed to enhance the type of purely private welfare contained in the baseball bailout.

The Wisconsin Constitution confers no power on the state to bail out baseball, writes attorney Douglass Bartley. The case will leapfrog to the State Supreme Court for a decision.
From Taxpayers Network Monthly

1995-96 BCTA Officers and Directors.

Following is a list of the Directors and Officers of the Brown County Taxpayers Association as nominated and elected at the Sept. 21, 1995 Annual Meeting.

DIRECTORS

- John Beckman
- Frank Bennett
- Charles Brand
- Margaret Buchmann
- James Derbique
- James Frink
- Rod Goldhahn
- Bob Imig
- Robert Jonas
- Ray Krusic
- Jeff Landin
- Mark Leistikow
- Larry Mastalish
- Ed Mattick
- Rob Miller
- Patrick Moynihan
- Dave Nelson
- George Parker
- Tom Sladek
- Dan Theno
- Wayne VanderPutten

OFFICERS

- President - Tom Sladek
- 1st Vice-President - Rob Miller
- 2nd Vice-President - Ray Krusic
- Secretary - Dave Nelson
- Treasurer - Jim Frink

Any organization is only as good as its officers make it. Contact any of the above if you have any questions regarding the BCTA, or suggestions as to taxpayer issues which you feel we should direct our efforts. We appreciate that all officers make an effort to attend our monthly meetings and also participate in our various committees.

**"A political leader must keep looking over his shoulder all the time to see if the boys are still there.
If they aren't still there, he's no longer a political leader."
...Bernard Baruch**

Protecting Taxpayer Gains. . . .

A message from BCTA President Tom Sladek

The School District Bonding Referendum Law

In the efforts to improve accountability of school districts to the taxpayers who fund them, gaining ground has been tough. Taxpayers, who have no paid support staff or lobbyists, wage an uphill legislative battle against the government school system inhabitants (Administrators, Boards, Teachers) who have the aforementioned resources at their disposal. Every so often the taxpayers claim a victory, and system accountability is enhanced. Yet those who view taxpayers to be an unfortunate annoyance in their quest to drive educational quality through more spending predictably return to the fray, seeking to undo any gains temporarily won by taxpayers. Such is the case with the statutes regulating school district bonding.

A few years ago, the State Legislature and Governor advanced taxpayer interests when they modified state law to require voter referendum approval of any school district plans to bond (borrow) amounts exceeding one million dollars. Prior to then school districts essentially borrowed at will. Now the boards and administrators (sadly abetted by their cheerleaders who write newspaper editorials) are lobbying legislators to weaken the law such that they may return to the days of bonding without voter approval. Taxpayers must act to protect this law.

The current law works, and will go on working if given the chance. Since the enactment of current law the outcome of bonding referenda has been mixed. Some bonding proposals have been approved and others rejected, but in every case the school district moved ahead with a clearer understanding of where their community stood, and what their community expected. Many rejected proposals were reworked to acknowledge the needs of the citizens, and were then approved in this improved form. (*Sounds like a law that works, doesn't it?*) Accompanying most every bonding referendum has been an effort by the school district to educate the public about the district needs, to invite the voters into facilities where they can see how the money will be put to use, to engage the public on the subjects of priorities, alternatives and costs. (*Where's the problem here?*) Most importantly those many projects that moved forward, as a result of bonding referendum approval, moved ahead with public assent and support. . . launched by a clear statement of the voting majority that "*this investment in public education is one we wish to make*". How ironic it is that the public servants, who should want to reflect their community's will, who should encourage discussion and debate of priorities, and who should welcome opportunity to invite the public into the process of solving problems and seizing opportunities, are actively seeking further exclusion of the citizens.

On December 21, 1995, the BCTA Board of Directors voted in unanimity that the organization oppose changes to the state statutes requiring referenda approval of school district bonding. **You can help.** Write your state legislators and tell them to leave the law alone. Tell them the law promotes needed accountability to taxpayers . . . that this is a law that works. (*And please let us know how they respond.*)

Membership

The response to our membership renewals to date has been most gratifying. We appreciate that many of our members are unable to attend our monthly meetings or participate on committees. However, being a member and supporting the Brown County Taxpayers Association is just as important. **Best wishes for a Happy New Year!**

"America is the country where you buy a lifetime supply of aspirin for one dollar and use it up in two weeks."

.....John Barrymore

"A citizen of America will cross the ocean to fight for democracy, but won't even cross the street to vote in a national election."

.....Bill Vaughan

DECEMBER MEETING NOTES

Brown County Executive Nancy Nusbbaum addressed the December meeting. After commending BCTA Director and Brown County supervisor Frank Bennett ("one of the hardest working members of the County Board") for his work on the jail needs evaluation, she outlined key issues in the 1996 Brown County budget. First, she noted that the 1996 budget is a "maintenance of effort" budget shaped by four different county executives during its development. Department heads were directed to budget for continued operations in 1996 at the same level as in 1995. The "maintenance of effort" budget required a seven percent levy increase for 1996. With the equalized property valuation increase of nine percent, tax rates could have been lowered by two percent. However, a \$1.3 million capital spending account was created to maintain the county property tax rate at its current level for protection against a potential freeze on property tax rates that may be enacted by the legislature.

During the question and answer session that followed, County Executive Nusbbaum noted that prisoner boarding costs are one of the greatest concerns of county executives across the state. She also responded to a series of questions about the need for a Brown County lobbyist to monitor the Legislature's activities.

Mike Riley of Taxpayers Network, Inc. commented about the Federal budget, noting that spending will increase. He explained that the Administration is supporting its budget with static forecasting techniques. The Republicans are using dynamic forecasting methods, which incorporate the effects of substitution and tax cuts into their projections, a more realistic approach.

David Nelson - Secretary

NEXT MEETING
Thursday, January 18, 1996
DAYS INN - Downtown
12:00 Noon - Cost, \$6.25
All BCTA members and interested parties are cordially invited to attend and participate.

By Representative Mark Green

Abusing the System.

"Top Frivolous Lawsuits"

There has been a lot of talk recently about the costs devoted to processing ridiculous open records requests by inmates. Far more disturbing, however, are the costs - - both in terms of dollars and staff resources - - that are taken up by defending the Dept. of Corrections against truly frivolous inmate lawsuits. To give citizens an idea of the types of legal claims that the Wisconsin Department of Corrections routinely faces, I've compiled a list of my favorite examples of "interesting" inmate lawsuits.

- #1 **The quest for knowledge.** In 1993, an inmate convicted of sexual assault sued the Dept. of Corrections for allegedly violating his first amendment rights because he had been denied publications which depicted incest and bondage.
- #2 **Do as I say, not as I do.** An inmate filed a legal action complaining that prison officials weren't taking care of the unreasonably high levels of second-hand smoke that were causing him to suffer headaches, nausea, burning eyes and coughing. A brief investigation of his claim found that the same inmate was a major supplier of cigarettes and tobacco to his fellow inmates. Apparently, the inmate used cigarettes to pay off his gambling debts and to get others to do his laundry.
- #3 **Those lights can get bright.** An inmate recently brought a legal action to get the right to wear sunglasses indoors at a correctional institution.
- #4 **Hey, we want to be in fashion, too.** An inmate sued the Dept. of Corrections claiming that its policy against long fingernails and the wearing of stocking hats was racially motivated and discriminatory. Obviously, the policy exists to prevent fingernails from being used as weapons and stocking hats from being pulled down as disguises.
- #5 **No, you go get it.** A few years ago, a prisoner demanded that a guard go and get him some water to drink. The guard pointed out that the inmate had a perfectly good faucet in his cell. The prisoner sued.
- #6 **What's good for the goose.** Not too long after the infamous spilled coffee case in which a California jury awarded a woman substantial damages for burns she sustained after spilling a cup of McDonald's coffee on herself while driving, an inmate sued corrections officials claiming he too had been burned by unreasonably hot coffee while in prison.
- #7 **Where's your evidence?** An inmate, who punched his visiting wife in front of a prison guard, brought a certified action claiming he was wrongfully found guilty.

Are Large Volume Water Users Being Subsidized at Your Expense?

Residents of the City of Green Bay received an early "Christmas Present" from the Green Bay Water Utility. It was a notice placed in local newspapers that on November 19, water rates would be going up. Water rates for the average residential customer increased 17%. However, rates for some customers increased by as much as 22%. Conversely, rates for most of the large industrial users increased by only 14%. The Utility applied for, and was granted an overall 15% increase by the Public Service Commission of Wisconsin.

In its order dated Dec. 13, 1995, the commission termed their authorized increase "Reasonable and Just." The commission also noted that nobody had opposed the increase at a hearing held at 10 A.M. on a weekday. This hearing was advertised on a small, one column by 3 inches ad on a back page of the "Press-Gazette." A similar size article later reported the events of the hearing. However, when the commission published its order authorizing the increase, it was reported as headline news on Page 1, of the Dec. 19, "Press-Gazette."

How reasonable and just are the authorized increases?

Green Bay obtains most of its water from Lake Michigan. Its residential, commercial and industrial users share a common intake as well as fifteen miles of pipe to the filter plant and another fifteen miles of pipe to the city of Green Bay. The more water that is processed at the filter plant, the more maintenance is required. The same goes for pumps and other facilities.

It doesn't cost less to pump more water, it costs more. Furthermore, large industrial and commercial users were already receiving a significant discount before the increase. Why not a 15% across-the-board increase? These users would still be enjoying their large discounts.

The following tables list comparisons of area water rates. Green Bay is the only municipality that sells its water by the cubic ft. so it was necessary to recalcu-

late to gallons.

Ashwaubenon has also applied for a rate increase, so its rates will soon be going up. However, the differential of 36 to 41% between residential and commercial/industrial users is seen in every municipality except Allouez.

Where is the incentive to conserve water for future generations? The more water one uses, the cheaper it gets. At a time when every municipality except Green Bay is worrying about running out of water why are the majority of municipalities still rewarding the big users for not conserving?

Answer - they really don't care. The biggest share of the load for "going to the lake" will be carried by the residential users.

When Green Bay was forced to go to the lake in the 1950's, residential users bills shot up by more than 100%. However, the price for water to large industries was so low then that some of them such as Larsen

Co., and Fairmont Creameries capped their wells and tapped into Green Bay's supply. It was less expensive than maintaining their own pumps and wells.

Residential users in Green Bay are stuck with their increase. Users in the other municipalities would do well to keep their eyes open.

Robert Schmitz

TAXPAYERS NETWORK INC. 1996 SPECIAL PROJECT, MEDICAL SAVINGS ACCOUNTS

Michael Riley, Director of Taxpayers Network, Inc., a non-profit organization educating Wisconsin citizens on the free enterprise system has announced his organization's 1996 special project will be the promotion of "Medical Savings Accounts. (MSA)."

MSA legislation is included in the federal budget reconciliation bill approved by congress. Some of the advantages of Medical Savings Accounts are as follows:

- * Reduced health care spending by employers and employees.
- * Less use of health services by consumers.
- * Increased consumer involvement in health care decisions and purchases.
- * Dollar savings and improved choice for healthy as well as chronically ill individuals.
- * MSA plan preference by low income employees.
- * Strong employee participation and satisfaction.

Mike Riley will keep the BCTA informed as this issue advances. You can contact him at **TNI, W55 N774 Cedar Ridge Dr., Cedarburg, WI 53012-1565 (414) 375-4953.**

BCTA Meeting Schedule

January
1996

Sun Mon Tue Wed Thu Fri Sat

	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Thursday - January 18, 1996, DAYS INN - Downtown
12:00 Noon - Monthly Business Meeting

Thursday - February 15, 1996, DAYS INN - Downtown
12:00 Noon - Monthly Business Meeting

Thursday - March 21, 1996, DAYS INN - Downtown
12:00 Noon - Monthly Business Meeting

Cost - \$6.25 per meeting - Payable at door.
Call 469-7373 for reservations. (Leave Message)

Programs and Speakers to be Announced.

All directors of the BCTA are requested, and all other members and interested parties are invited to attend and participate in these open meetings.

**Mark your calender
for the next meeting
now!**

The TAX TIMES

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

BULK RATE
U. S. Postage
PAID
Green Bay,

Inside This Issue

MUST READING!

The School District Bonding Referendum Law

Also,

The Joint Finance Committee and Your Taxes.

Comments on the Federal Budget Debate.

Are Residential Water Users Being Overcharged ?

Medical Savings Accounts.

“Frivolous Lawsuits” from Prison Inmates.