
◆ The TAX TIMES ◆

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Newsletter of the Brown County Taxpayers Association

January, 2003

AROUND THE NEXT BEND.

Looking back over the past decade or so, times have been mostly positive and, often an inspiring part of our history. The view from our boat is changing, the familiar landscape is becoming more uncertain, and we are slowly awakening to the sounds of rougher waters ahead. The political consensus reverberates, “we need some new thinking”, when maybe what we need is some old thinking. Awareness that our current fiscal habits do not plan for the future is a good place to start, followed by the letting go of old habits, i.e. “we’ve always done it that way”, and lastly, starting to plan for rough waters ahead.

Our association is a self-sustaining group of “private citizens formed to promote fiscal responsibility in government.” As the newly elected President of BCTA my first and foremost goal is increasing the size of our group. With increased membership the declared objective of our association will have the resources necessary to reach it’s stated purpose. We need more people and more money, “some assembly is required.” The local citizenry is ready to get behind this objective if presented in a responsible, simple plan. BCTA was effective in presenting our objections to the “Packer Tax” for reasons of common sense. With increased numbers we should our presence. After all, the press responded to the “Packer Tax” issue for the reason that the opposition numbers grew.

We can prepare for the possibility of rough waters ahead with the execution of the following:

- Declare a clear statement of values
- Prepare our institutions to clear out the debris
- Find out what works and don’t replace it with something bigger
- Define challenges with an emphasis on duty over rights
- Prepare our citizens for teamwork over politics, that is, self-sufficiency over political handouts.

These things being done, maybe, just maybe, the rough waters will become passable.

Already, subtle intimations that increases in unemployment taxes suggests our willingness to let government fund short term fixes with a never ending increase in taxation. Again the taxpayer will be burdened with a tax increase when lowering taxes would on its face give everyone a lift. History has never, emphasis on never, fostered prosperity through increased taxation. ‘Let us not ask government to do for us instead look what we can do for ourselves,’ to paraphrase one of America’s greatest tax cutting Presidents, John F. Kennedy.

At every turn the BCTA must call for any tax increase to be justified and demand a tax saving in kind. We must shift the tax burden to consumption wherever feasible while reviewing property tax as the main source to fix overspending. Spending is the problem, and increased taxation only enables the basic problem. If the general public really values a service we will find a way to pay for it through user fees or elimination of services through general tax funding by privatizing the service. . The public does not know the difference between a true spending cut and a cut in the increase in spending. We do not seek conflict between the general populace and the public employee, but unless spending by government is stabilized we may see conflict between neighbors. Any effort to invoke class warfare must be resisted for we are first neighbors.

Our organization acknowledges the efforts and hard work performed by Frank Bennett. His individual effort coupled with the skills of his previous public service is a credit to the BCTA. His efforts define the citizen through selfless public service. Thank you Frank, we hope to tap that reservoir again.

Richard Parins,
President

The BROWN COUNTY TAXPAYERS ASSOCIATION
Promoting Fiscal Responsibility in Government

The High Cost of Health Care. Are There Any Solutions?

In the December "Tax Times", we noted that the costs of medical care and insurance coverage are rising far faster than the rest of the economy and seem to be out of control. Our past president, Frank Bennett noted that government on all levels must accept much of the blame for this problem, largely due to their administration of Medicare and other entitlement programs, as well as permitting the rapidly rising cost of insurance benefits for government employees to be passed on to taxpayers.

While there is a lot of finger pointing between the government, insurance companies, and health care providers as to the cause of the problem, the solution always seems to be more of the same.

It appears however, that government, in its constant efforts to be everything for everybody is the primary culprit, and the problem seems to begin with the Medicare program. Following are a few examples of what seems to be driving up costs that we could identify. There are certainly many more.

- Insuring Medicare recipients costs government far more than is taken in by the relatively small deductions from their Social Security benefits. For 2003, in spite of an 8.7% increase, the cost of Medicare is only \$704.40 per year for each recipient. While most recipients carry supplemental coverage on their own, the cost of benefits furnished by providers also is still far greater than the reimbursement they receive from the government and supplemental insurers.
- In an effort to control these costs, the government uses their own rate tables to reimburse doctors, hospitals and other providers: often at a fraction of what other patients would be charged. While actual costs have been rising, government has gone to the extent of actually reducing their reimbursement each year, causing many providers to refuse or limit their Medicare patients to treatment. They are compelled to accept the government's rate tables for services. Supplemental insurance carried by Medicare recipients only reduces their own liability for deductibles.
- Reduced reimbursements for Medicare patients only causes these providers to charge more for their other patients. This includes those with private insurance or with no insurance coverage at all.
- In the meantime, well-meaning government mandates to insurers and providers keep piling on. Example, effective 1/1/03 Wisconsin insurers must include benefits for diabetes prescription medication.
- This in turn causes the cost of insurance to skyrocket, making it unaffordable for many. It places a huge expense burden on employers trying to provide a decent benefit package for their employees. Insurance costs are reflected in the cost of living because they often rise out of proportion to workers salaries and is passed on to consumers.
- One possible downside of broad insurance coverage is that the insured may take advantage of it to the fullest extent possible, which unfortunately helps to drive up costs.

tent possible, which unfortunately helps to drive up costs.

- The high cost of insurance for government employees, who often have more comprehensive coverage than the private sector, is one of the fastest rising expenses contributing to the taxes we pay. With insurance costs rising at an average of 12% annually and wages at 3%, the cost of providing insurance will exceed the cost of wages in some cases within ten years.
- Often the cost of insuring the uninsured, or absorbing medical costs for the poor is passed on to taxpayers.
- Prescription drug costs are not covered by many insurance plans, and their cost is also becoming an issue requiring government assistance.
- The volume of paperwork to providers, insurers, and even the government to track the volume of claims to be processed is a tremendous expense added to the cost of health coverage on all levels.
- It seems that government actually encourages, and has allowed little in the form of legislation to prevent or limit the huge, sometimes unwarranted, lawsuits against doctors, drug manufacturers, insurers, or anyone determined to have deep pockets. This in turn has necessitated that providers carry huge amounts of liability insurance coverage, often costing in excess of their other expenses combined. We also hear of trained and qualified doctors giving up their practices due to lawsuits or the cost of liability insurance. While we realize that legal action is often warranted, huge settlements far exceeding actual damages or pain and suffering are not. No matter how you look at this, the cost is passed on to the consumers, including the government and insurers.
- Nonetheless, health care is a lucrative business, with many of their customers bills automatically covered by insurance with no questions asked. Drug manufacturers, clinics, hospitals and other providers have little incentive to really control costs. Even here in Green Bay, we have seen our hospitals expanding their facilities at considerable expense, plus numerous new clinics and specialty services, passing the cost on to the consumers.

We are sure that everyone reading this can add to the list, or disagree with some of our observations. While it is easy to expect the government to solve the problem, is that what we in the United States really want, or for that matter, need?

The BCTA is concerned with this issue, as it greatly affects the taxes we pay as well as providing for our own welfare. We will present future articles concerning the cost of insuring public employees and providing other benefits as relates to the taxes we pay. While we don't have the solution perhaps you do we and will present any suggestions or comments we receive for consideration.

JF

VISIT OUR WEBSITE
www.BCTAxpayers.Org

The Federal Budget.

While much of our attention as taxpayers has been focused on our state and local budget problems, largely being blamed on reduced tax revenue as a result of the economy, we hear little about Washington having the same problems. Isn't their revenue also largely dependent on personal and corporate income?

While congress glibly gave itself a pay raise and talks tax reduction (as a diversion?), we are facing huge, unbudgeted expenditures with unemployment, health care, beefing up the military and national security, corporate bailouts, and on and on. There seems to be no control or "common sense."

One estimate we saw claims that while the budget claims 17% is going to national defense, the actual figure is closer to 56%. We realize that we must maintain faith in the system. However, we must depend on our elected representatives to protect our interests and keep tabs on what is going on. Presently, the national interests are perhaps more important than seeing how much pork they can send back home. If you are concerned, write your representatives, starting with Congressman Green and Senators Kohl and Feingold. **JF**

BCTA Dues Payments.

We want to thank everyone who has submitted their BCTA dues, and remind those who have not. This applies to those who received dues statements in November. We send notices on a fiscal basis based on when you first joined the BCTA. We also offer a free one year membership to anyone of your choice with your renewal. Please call Jim Frink at 336-6410 if you have any question.

Annual Taxpayer Survey Coming.

Just a reminder that we will include our annual BCTA membership survey with the February "TAX TIMES." This has proven to be valuable in determining what people think about current issues of taxpayer concern and to prioritize what our organization should focus on. Please plan on completing and returning it promptly. Thank you.

The State Budget.

By Rep. Frank G. Lasee.

Recently, I asked for ideas on how to fix the state's upcoming \$2.6 billion (or more) budget deficit. So far, I've received over ten times the normal number of responses to an issue and thank you all for your ideas.

The two most popular ideas were to cut the state's payroll in one way or another, and to require state employees to pay a portion of their health insurance costs. These have been proposed previously but failed, but I would propose we try them again.

Since 1986, the number of positions funded by state taxes, has grown by nearly 8,000, and the total number of positions in state government has grown by 11,750 – a 21% increase.

According to the non-partisan Legislative Fiscal Bureau (LFB), the state pays \$13.5 million in salary and benefits every day. Add local government and school district employees into that mix, and the figure reaches nearly \$40 million a day. This is a good place to make budget cuts.

Many government employees have benefit packages that most private sector workers can only dream of. An effort to make state employees pay for a small portion of their health insurance failed due mainly to the objections of the state employee unions. Other ideas included selling off state assets, calling a halt to land acquisition; freezing all spending in one way or another, which would solve most of our deficit problem by itself; or making across-the-board cuts to all state agencies.

Reducing the number of inmates in our state prisons, with electronic monitoring, or reducing or eliminating sentences for non-violent offenders was suggested. The UW System, Departments of Transportation, Public Instruction, and Natural Resources were mentioned more than a few times as popular choice for cuts

Several people suggested raising revenues with sales taxes, tolls, etc., and taking more of a cut from the Indian casinos. I appreciate all of your suggestions and will appreciate hearing from you at Frank.Lasee@Legis.State.WI.US

December Meeting Notes.

Monthly BCTA meeting held Dec. 19, 2002 at the Glory Years.

President Richard Parins outlined his goals and objectives for the coming year. His primary focus will be on increasing membership. A larger organization will be more successful at speaking out about taxpayers' concerns to elected officials and government decision makers. Complementing the effort to increase membership will be a parallel effort to increase the number of press releases, public appearances, and other actions that will increase the public's awareness of both the BCTA and the BCTA's positions on taxpayer issues.

Supporting President Parins' call to increase membership, several members volunteered to serve on a membership committee, and will be meeting soon to plan a membership drive.

Jim Frink requested items to be included in the annual BCTA membership survey. He wants to be sure that items of significance to BCTA members as well as the community are presented in the survey for ranking and comments. This survey will be included with the February "TAX TIMES".

The Water Supply Study Task Force reported that water costs for the suburbs are expected to amount to \$1.23 per 1,000 gallons from the City of Green Bay plus an estimated \$1.25 from the Central Water Authority plus whatever the existing water bills are for each community. For quarterly use of 18,750 gallons (2,500 cubic feet), residents are projected to pay from about \$71 to \$200, depending upon the communities they reside in. Present quarterly fixed charges in these communities range from \$6.30 to \$45.00. This will represent a considerable increase in cost for most residents.

The next BCTA meeting is scheduled for Thursday, Jan. 16, at the Glory Years. Details on the last page of this *TAX TIMES*. **Dave Nelson – Secretary**

"Only government can take perfectly good paper, cover it with perfectly good ink, and make the combination worthless."

. . . Milton Friedman

THINGS THAT MAKE US WONDER.

While Congress just gave itself a nice pay raise, the administration has been freezing or limiting pay raise for other government employees, citing the economy. Isn't this setting a rather bad example if they are really concerned about our tax dollars?

We get the impression that whenever it is even remotely suggested that the UW system may face a reduction of taxpayer dollars the first thing they do is announce potential enrollment cuts rather than sit down and determine ways to operate more efficiently. The response at UWGB has been to announce they are proceeding with plans to ask for \$13 millions towards a new sports arena.

While we congratulate Gov.-elect Doyle for seeking suggestions from the public for balancing the state budget, it seems that as in most such hearings, there are actually more people defending their pet spending projects or proposing more ways for the state to spend money than there are offering viable suggestions to save taxpayers money. Unfortunately these are not the same people concerned with Wisconsin's high tax rating.

In the meantime, a group has already endorsed raising the state sales tax to 7.75%, or a 55% increase in one blow. Increased revenues would go to local school spending and something they call "property tax relief."

Where do these people come from? It has been conclusively proven with the county sales tax that substituting one burdensome tax with another only results in two burdensome taxes. Maybe they can come up with an idea to give us "sales tax relief." Wisconsin's economy has been damaged enough by our high income taxes, property taxes, excise taxes, and sales taxes which are already above the national average.

~~We receive reports of public~~ employees, in this case the county highway department, of wasting or killing time while on the job, possibly due to the lack of work at this time of year.

(Between road maintenance and snow removal.) As soon as the snow starts to fall, we will be hearing how their isn't enough money in the budget to pay them overtime to do the job. This wouldn't be allowed in private industry when making a profit for management is a consideration.

~~The Wis. Dept. of Transportation~~ wants to delay improving highway 41 through Green Bay as other projects have been moved up on their priority list, (the Marquette Interchange in Milwaukee.) The state has money problems, but aren't these projects financed by the gas tax which is already the highest in the nation and paid by everybody in the state.

Have we seen this routine before?. First they promise a nice new highway improvement with a projected completion date. Then it's pushed back a couple of years when they admit it will cost more than announced.. Then a tax increase is proposed and by that time we are all clamoring for it in order to get the job done. Remember when the Allouez-Ashwaubenon bridge only went as far as Webster Ave? It took a few years to complete the connection to I-43. Wasn't highway 57 to Sturgeon Bay supposed to have been completed already? Highways 41 and 141 in Marinette and Oconto counties carry a lot of northbound traffic from Green Bay, and improvements have seen several delays without completion.,

When a project is completed, it seems the cost is double what it could have been. Fancy interchanges consuming large amounts of expensive land, plus bridges, entrances and exits built for aesthetic appearance rather than driver safety contribute to high costs. Siphoning of DOT money for mass transit and other programs is also a factor. It has already been proposed that some of the highway money should be applied to the general state budget. Would improvements to highway 41 through Green Bay be speeded up if the vehicle registration fee was doubled as proposed? In the meantime, Gov. Elect Doyle has appointed the secretary-treasurer of the Teamsters Union in Milwaukee to be our new secretary

for the Dept. of Transportation. What do you think will happen?

While some state programs such as Badger Care and heating assistance are ~~complaining about a shortage of funds~~, the state Building Commission has approved \$10.5 million tax dollars to apply towards a \$83.9 million project to improve the UW football stadium in Madison. It would seem that if money is so short, all such capital projects should be delayed regardless of their necessity. The wheel that squeaks the loudest.

While the economy has been blamed for Wisconsin's budget problems, the Wisconsin Taxpayer Alliance reports that Wisconsin residents actually paid 1.4% more in federal, state and local taxes during the last fiscal year. We realize this is less than growth and inflation, but shouldn't be beyond good fiscal policy to manage.

Last month in this column we mentioned that the state lottery was crediting a little over \$103 million, or about \$76 each to homeowners as a property tax credit. We also mentioned that Governor Doyle will be faced with negotiating new compacts with the states Indian tribes for the operation of their casino gambling monopolies, and some consideration should be given to the states fiscal situation and the taxpayers who patronize the casinos. It has now been publicized that these casinos net (gross profit after payment of winnings) about a billion dollars per year.

While the tribes point out that their casino operations contribute to the economy in the form of jobs and other benefits, the money wagered comes from the same sources as the state lottery. Whether more money can end up in the state treasury will likely depend largely on the governors negotiations.

We read that the state patrol will be cracking down on motorists not using their seat belts, claiming a savings to ~~taxpayers with fewer traffic deaths and injuries~~ to contend with. For most people, using seat belts is simply a matter of getting used to them

A couple of things that bother

me on their use, however. I would like to see the media report more often when reporting an accident whether or not the drivers and occupants were using seat belts at the time, just to reinforce any doubts regarding their effectiveness.

If you are expected to use them, couldn't automobile manufactures come up with a better latching mechanism? Most cars seem to have release buckles you sit on, difficult to locate and fasten when you have a winter coat or are a bit pudgy. This is simply a matter of common sense rather than cost. Also, many infant seats, use of which is mandated are awkward and difficult to fasten securely and could use a little design work.

Now that the new Resch Center is operating, some people are wondering why we still need the old Arena. The long walk from the Lambeau Field parking lot to the new facility may be part of the problem. No doubt the cost of maintaining the arena will be a factor as time goes on.. We seem to have forgotten, however, that when certain groups were clamoring for a new facility, one of the primary reasons given was that we were losing tons of business and convention business due to the lack of facilities in Green Bay. No doubt the KI center and a few private facilities been built in the past few years have helped a little,

We were told, however, that we needed space for the big events. Whether a 10,000 seat facility to replace one with 5,000 seats was the answer remains to be seen. Are their sufficient hotel rooms or other amenities to attract large conventions here? We do suspect however, a shortage of exhibit space for many events, and exhibits are a huge visitor attraction as well as being a part of many conventions. The Farm Show is moving elsewhere for more exhibit space and other shows seem crowded. The Resch center does not offer exhibit space. It would seem that if the old arena is dispensable, it could be better used if converted to additional exhibit space than a parking lot. All or some of the seating could be removed, and along with the old Hall of Fame building still serve many lucrative purposes.

While on the subject, while the Packers bring tremendous fame and rec-

ognition to the city as our #1 attraction, it must be difficult for the visitors and convention bureau to schedule large meetings from August to January because our hotels are reluctant to block rooms until they know the Packers schedule. This is a prime time for business conventions. Most large meetings are scheduled a year or more in advance, and availability of hotel rooms is always a big factor in competing for the business and bringing in those tourist dollars. Just something to think about.

While property tax increases could be described as "modest" this year compared to most previous years, it still represents an increased expense of a few hundred dollars for most of us. Take a good look at your tax bill and see where the greatest increases are coming from. Also pay close attention to what is going on in Madison and let our elected representatives know what you think about Wisconsin taxes.

Just think, if the gentlemen from West Virginia who won the big lottery didn't have to pay any taxes, he could have paid for the entire Lambeau Field project with loose change left over for a couple of player bonuses.

While the economy has been generally stagnant the past couple of years, somehow Brown County managed to show an 8.9% increase in county sales tax collections for Lambeau Field. This number should correspond roughly to retail sales for the period, and that some sectors are apparently doing quite well. Keep in mind that it takes \$200,000,000 (\$200 million) in taxable retail sales to produce \$1 million in sales tax revenue at .5%. You can do your own math, but this equates to a lot of extra pennies on what you buy. Maybe Brown County isn't losing any business, but if we are up 8.9% in retail sales does this compare favorably with Outagamie County?

While most of us wanted to help the U.S. economy with our Christmas gift buying, the merchandise offered in many cases made it very difficult. It seems that just about everything

offered from clothing to electronics and in between is made overseas, with China being the most common producer. Many familiar brands are no longer produced in this country, while we wonder why there is so much unemployment or the economy is weak. What makes it difficult to understand is that the few American made products you do find are often priced competitively with imports. We realize that world trade is important to all of us, but some of this seems to be pure greed on the part of some of our manufacturers and retailers putting profit ahead of our national interests.

There is a lot to wonder about. **JF**

"There is far more danger in public than in private monopoly, for when Government goes into business it can always shift its losses to the taxpayers. Government never makes ends meet – and that is the first requisite of business."

. . . Thomas Edison

"I hope we never live to see the day when a thing is as bad as some of our newspapers make it."

. . . Will Rogers

"Prosperity destroys fools and endangers the wise." . . . Herbert George

Articles and views appearing in the "TAX TIMES" do not necessarily represent the official position of the Brown County Taxpayers Association. We want to encourage discussion and input on current issues of taxpayer interest and invite your comments or articles suitable for future "TAX TIMES." Please send them to the BCTA, P. O. Box 684, Green Bay, WI 54305-0684, or call Jim Frink at 336-6410.
E-Mail Frink@ExecPC.Com.

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The TAX TIMES - January, 2003

BCTA Meeting and Events Schedule. (Mark Your Calendars.)

- Thursday - January 16, 2003. BCTA Monthly Meeting. ***
GLORY YEARS, 347 S. Washington St., 12:00 Noon
General discussion. Plans for membership promotions,
publicity committee, and taxpayer survey.
- Friday - January 31, 2003, 1st half of property tax payment due.**
- Tuesday - February 18, 2003, Primary Elections.** Green Bay Mayor,
Brown County Executive. Others.
- Thursday - February 20, 2003. BCTA Monthly Meeting. ***
GLORY YEARS, 347 S. Washington St., 12:00 Noon
Speaker. Program to be announced.
- Thursday - March 20, 2003. BCTA Monthly Meeting. ***
GLORY YEARS, 347 S. Washington St., 12:00 Noon
- Tuesday - April 1, 2003. General Elections.**

* Cost - \$6.50 per meeting – Includes lunch, tax & tip. Payable at meeting.

All BCTA members, their guests and other interested parties are cordially
Invited to attend and participate in these open meetings.



January,
2003

“I place economy as among the first and most important virtues, and public debt as the greatest of dangers.” . . . **Thomas Jefferson**

“The hardest thing in the world to understand is the income tax.”
. . . **Albert Einstein**

SUPPORT THE BCTA

**New Members are Always
Welcome.**

**Call 336-6410 or 499-0768
Write us at P. O. Box 684
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for Details.**