
◆ The TAX TIMES ◆

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Tax freeze duel beckons TABOR.

It was déjà vu all over again. The Republican Legislature passed their three-year property tax freeze, Democrat Gov. Doyle vetoed it and the over-ride failed. I can see the future: The GOP will remove Doyle's tax freeze from the state budget, reinsert their freeze and Doyle will veto.

Now, in honor of the late, great Johnny Carson, here is Carnac the Magnificent:

Carnac: "Lob, smash! Lob, smash! Lob, smash! What is the sound of tax cap politics in Madison?"

Game, set, match to Politics, right?

But wait. The tournament is not over. The Taxpayer Bill of Rights is slogging through the draw and is now favored to make the final. Our own Rep. Frank Lasee will reintroduce his constitutional amendment on April 15.

And TABOR will win, unless it faces school funding reform. But school funding reform always chokes in the early rounds.

I've said this a gazillion times. Removing school funding from the property tax is the best and simplest choice for real property tax relief if the players were willing. TABOR offers only relief from big tax hikes. TABOR will not actually relieve current property taxes. TABOR is like the year Roscoe Tanner faced Bjorn Borg in the Wimbledon final.

Forgive me for using a weak tennis analogy during March Madness. Now, here's an autumn analogy:

Waukesha Freeman legend Dennis Shook writes, "TABOR is to property tax capping what Brett Favre is to Green Bay football. With a constitutional amendment in place, those caps would be placed on so snugly they would take years to undo."

Friends, TABOR is all we have. Without a citizen uprising, led by public school families who see the wisdom of alternative funding for local schools, TABOR is the best chance we have to at least hold down property tax hikes. The three-legged stool was an elegant weapon in its time; but today is not your father's Oldsmobile, if you know what I mean.

Schools need to achieve their mission more efficiently. But they are unable to move off the funding battle. Sen. Luther Olsen is right, "We need to end some of the in-fighting between the state level ... and local level of government, to provide services in a more efficient way than we are doing."

The state needs to step up and cover the cost of its mandates, chief among them schools and courts. And the teacher unions need to avoid a train wreck on health care costs by cooperating with districts on alternatives to their union-affiliated insurance plan.

Auto giant General Motors expects health care costs to be about \$1,600 a vehicle. But its domestic union workers paid only 7% of that, while their salaried workers paid 27% and the national average is 32%.

State public school funding is about \$8,000 per pupil and I wager a large portion is health care costs for teachers and staff. Wisconsin Policy Research Institute estimated schools could save \$100 million statewide by joining the state worker insurance plan. But WEAC won't even talk about it.

TABOR would force these vital discussions. Lawmakers would have to reform school funding, WEAC would demand it, and lawmakers would in turn have leverage to demand health care reforms like WPRI's.

Call your lawmakers. Tell your neighbors to do the same. We must get our vote on TABOR, and April 15 begins our best chance yet. Time for a full court press for TABOR.

The BROWN COUNTY TAXPAYERS ASSOCIATION
Promoting Fiscal Responsibility in Government

Federal Spending In Wisconsin.

Through the years one of the reasons for Wisconsin's high taxes and budget deficits has been low returns to the state of federal tax dollars collected .

A recent report in "The Wisconsin Taxpayer" affirms that Wisconsin ranks 48th Nationally in federal spending per capita. In 2003 Wisconsin received \$5,525 per capita compared to the national average of \$6,804. For every dollar of federal taxes collected, only .84 cents was returned in the form of federal spending. For 2003, each dollar of federal spending in Wisconsin is broken down as follows.

Direct payments refers to items such as Social Security, Medi-

Direct Payments	62.6%
Grants	24.9%
Contracts	6.6%
Wages and Salaries	5.9%

care, etc. In these categories, Wisconsin residents received close to or above the national averages in most cases.

Grants are direct federal payments for everything from highway construction to medical assistance and university research. Wisconsin ranked 33d per capita nationally.

Contracts. Wisconsin ranks 46th per capita as a supplier of government goods and services. The U.S. average is \$2,008 per capita and only \$974 for Wisconsin. A difference of over \$1,000. Much of this was defense contracts going to other states, and generally the Midwest ranked poorly in this category.

Wages and salaries covers federal employment in the state, and without military bases or other large institutions would be difficult to substantially improve.

For further information, refer to the Feb., 2005 issue of the *Wisconsin Taxpayer*, published by the Wisconsin Taxpayers Alliance. **JF**

The Governor's Broken Budget Promise.

On February 8th Governor Doyle stood before the legislature and proudly proclaimed: *"We will eliminate this \$1.6 billion [budget] deficit without raising taxes."*

The legislature and the citizens of the state cheered.

Well new we have learned that those fine words were not worth the paper they were written on. According to the non-partisan Legislative Fiscal Bureau, the actual budget bill the governor presented to the legislature fails the governor's rhetoric on both counts.

First, the budget is not balanced. Instead of eliminating the state's \$1.6 billion deficit as promised, the governor's budget actually increases that deficit to a projected \$1.8 billion by the end of the two-year budget cycle.

The reason for the increasing deficit is the fact that, rather than reducing state spending, the governor increases spending by hundreds of millions of dollars and merely puts that spending on the state's credit card. When the bills for that increased spending come due, the state ends up in an even bigger hole than it started with.

Second, according to the non-partisan Legislative Fiscal Bureau, the budget actually raises taxes and fees by over \$300 million. This increase includes new taxes on everything from music downloads and nursing home beds to increased fees for hunters, anglers, motorists, boaters, snowmobilers, campers, farmers, and homeowners, to name only a few.

In the end, the governor's "no tax increase" budget will sock the hard working residents of this state in the pocketbook to the tune of \$304.3 million.

As the legislature's Joint Committee on Finance begins its work on the budget, I have instructed them to restore fiscal sanity and truth in this budget and construct a new plan that taxes less, spends less, and borrows less than the governor's broken promise to the taxpayer.

Assembly Speaker John Gard.

February Meeting Notes.

Monthly BCTA meeting Thursday, Feb. 17, 2005 at the Quality Inn. The defeat of the Howard-Suamico school construction referendum was discussed. There appeared to be several components of the construction proposal that did not appeal to Howard-Suamico citizens. The general consensus was that voters believed that the benefits did not justify the cost.

Concern was expressed about the escalating costs of the Brown County Central Water Authority's pipeline to Manitowoc. Monitoring of the increasing project cost estimates will continue.

Appeals of the re-assessments for about 750 Green Bay residences and businesses have been made. The average adjustment was \$74,400 for a total of about \$53 million.

Stormwater abatement fees were discussed. The "rain tax" is proving to be very unpopular. A four-acre parcel in Howard with no sewer and water connections is being assessed \$158 per month. Many questions were raised about the disposition of the stormwater abatement funds collected.

Governor Doyle's proposed budget was discussed. After increasing fees for vehicle fees and licenses, it would transfer \$485 million from the Transportation Fund to General Purpose Revenue (GPR). \$179 million would be transferred to GPR from the Injured Patients and Families Compensation Fund. GPR would receive \$35 million from the Public Benefits Fund (collected as a component of monthly utility bills). In total, Governor Doyle's budget would transfer \$811 million to the General Fund and other funds. Serious concerns were expressed about this end-around strategy to provide a massive increase in aids for K-12 education.

Dave Nelson – Secretary

"The constitution was made to guard the people against the dangers of good intentions." . . . **Daniel Webster**

"If it isn't broke, keep fixing it until it is." . . . **U.S. Govt. Aphorism.**

End the Automatic Gas Tax.

April Fool's Day. The day the state plays a trick on Wisconsin's taxpayers, by raising the gas tax.

We don't debate it. We don't hold hearings. The legislature never votes on it. It just happens automatically – every April 1, the gas tax goes up by the rate of inflation.

This year, that's nearly a full cent. We'll start paying 29.9 cents in state taxes for every gallon we buy. It's not as if our tax is low. Wisconsin has the highest gas tax in the nation.

A little history: Wisconsin first enacted a tax on gasoline in 1925. Two cents per gallon. The legislature voted to increase the tax in 1931, 1955, and 1966, to 7 cents a gallon.

Starting in 1980, gas tax increases became nearly an annual event. Governor Dreyfus nearly doubled the tax – to 13 cents a gallon – with increases in 1980 and 1981.

Governor Earl approved further increases the next two years, and in 1983, he signed automatic indexing into law.

Side note: for the past year, I've been blaming Governor Dreyfus for the automatic tax increases. My recent research has shown me that this was not the case – while Dreyfus did increase both the gas tax and the sales tax, it was his successor in office who enacted the automatic increases. I apologize to him for making that mistake.

My point about Dreyfus still holds: he ran for office promising to keep taxes and spending down, then increased taxes and refused to cut spending once he was elected. This is why we need TABOR – because we can't trust our elected officials to do what they promise.

Back to the automatic indexing. At the time (1985), the index took two factors into account: consumption, and the federal "highway maintenance cost index." As it turned out, this wasn't good enough for the state. It didn't increase fast enough. Twice, in 1989 and 1994, the index caused the tax to decrease. Less money. Can't have that.

The state responded in two ways: twice, they voted for additional increases, on top of the automatic indexing. They raised it 2 cents in 1987, and another penny in 1997 (I voted against it). Then, in 1997, the legislature simply eliminated the formula and went with straight inflation, to ensure annual growth (I voted against this, too).

It took 59 years for the gas tax to go up 14 cents. Because of automatic indexing, it's taken 20 years for it to go up another 14 cents.

There should be no such thing as an automatic tax increase. Someone, whether the governor or a legislator, should have to propose it. The legislature should have to vote on it. The Governor should have to sign it. We should all have to go on record, approving or opposing it.

That's why I'm cosponsoring a bill to take the gas tax off the automatic index. I'm calling on our legislative leadership to vote on ending this automatic tax increase, and on the Governor to sign it into law.

Rep. Frank G. Lasee

"Why does a slight tax increase cost you two hundred dollars and a substantial tax cut saves you thirty cents?" . . . Peg Bracken

March Meeting Notes.

Monthly BCTA meeting Thursday, March 17, 2005 at the Quality Inn. State Representative Frank Lasee spoke about the proposal for a property tax freeze in Wisconsin. He explained that the present school aid formula hurts districts with declining enrollments and increasing property values.

Rep. Lasee noted that K-12 school spending is increasing at 4-5 percent annually while Wisconsin schools provide the best benefit package in the United States. Wisconsin schools are heavy in non-teaching staff and 85 percent of school spending is for labor.

With per capita income is \$3,000 higher than Wisconsin, Minnesota spends 12 percent less per student and achieves the same test results. The percentage of Wisconsin college graduates leaving the state after graduation is about 20 percent, not an unusual rate. However, there is almost no in-migration of new college graduates to offset this brain drain.

State employees receive 16.5 sick days per year. Unused sick days can be accumulated and converted to health insurance at retirement. GAAP accounting shows the future cost as a \$2 billion liability for the state. It is not surprising that *Wisconsin has the eighth lowest bond rating in the country.*

The Water Study Task Force reported that the cost estimate for the Brown County Central Water Authority's pipeline to Manitowoc has increased by \$19.6 million, with another \$6.6 million increase is expected.

An inclusionary zoning proposal for Brown County was discussed. This is a land-use concept in which local ordinances require builders to include a certain amount of housing for low and moderate-income households. Usually, the requirement is that 15 percent of the homes or apartments in any new development with ten or more units of housing will be priced affordably and sold or rented to households earning low to moderate incomes. Arguments against inclusionary zoning are that the property values of the full-price purchasers are diminished and that the developer must increase prices for the full-price purchasers to recover the costs of the development. Opponents also characterize it as an income transfer initiative.

Details of the next BCTA meeting are on the last page of this *TAX TIMES*.

Dave Nelson – Secretary

National Debt Update.

As of April 1, 2005, the unofficial U.S. National debt had risen to \$7,791,800,317,909. Seven trillion with a T, representing an increase of about 164 billion since we last reported the first of February. This represents an increase to \$124,099 per family, or \$3,000 more than the first of the year.

Supposedly this number represents the net excess of spending over revenue of our national government probably going back over World War I. It is not a balance sheet. A balance sheet would also include itemized liabilities. In the case of Washington, it appears that liabilities for items for future Social Security and Medicare benefits are conveniently overlooked. In the meantime, Congress keeps finding new ways to spend money, and increasing the national debt limit. **JF**

The 2005 TAXPAYERS SURVEY.

We thank all of our members and other readers of the "Tax Times" who took the time to complete and return our year 2005 "Taxpayer Survey." It was obvious from the answers that the respondents were quite familiar with the items covered, and in many areas indicated there are two valid sides to every question. We acknowledge some of the questions more or less reinforce the position of the BCTA on some issues, but we also wanted to establish a taxpayer position on new items which have surfaced in recent months and are certain to be issues of concern to taxpayers in the months ahead. These survey results will enable us to prioritize our focus of "Promoting Fiscal Responsibility in Government." Here are the questions and the results.

Creation of new jobs was a big issue in last years election campaign. What are your thoughts?

#1 – Raising the minimum wage to \$6.50 would encourage new workers. **YES 20.6% NO 79.4%**

#2 – Corporate income taxes should be lowered across the board. **YES 64.5% NO 35.5%**

#3 – The state should be 100% cooperative in attracting business and overcoming obstacles. **YES 93.4% NO 6.6%**

#4 – More taxpayer money should be used to attract new or expanding companies. **YES 29.3% NO 70.7%**

Comments: "Not efficient for Government to attract business. Should be done by business." "Tax credits best way to help." "Taxpayer money should be used with very strict guidelines." "State money should have a 'payback' itemized. "Make Wisconsin more 'business friendly' to attract business." "State money goes to the wrong people." "Need simplified regulatory & tax program." "Often state incentives are simply giveaways." "There has been too much fraud, example Packer fraud," "State help should be for manufacturing, not retail development." "Private developers NEVER put community interests ahead of their own profits." "Minimum wage only benefits beginning workers." "Downtown Green Bay TIF expands tax base." "Drop tax rates and let the free market work." "Raising minimum wage would not help."

From the results and comments, we believe there is some skepticism about the state's ability and sincerity in attracting new business to Wisconsin.

Congress is debating changes in Social Security and Medicare, What are your thoughts?

#5 – Immediate steps must be taken now to preserve the system for the future. **YES 85.2% NO 14.8%**

#6 – Would you raise the age for Social Security and Medicare benefits? **YES 38.1% NO 61.9%**

#7 – Should annual cost of living increases be curtailed? **YES 25.4% NO 74.6%**

#8 – Should Medicare and prescription drug benefits **b e**

limited to preserve the plan?

YES 74.1% NO 25.9%

#9 – Should employer and employee contributions be increased? **YES 24.2% NO 75.8%**

#10 – Should persons receiving Social Security benefits other than those contributing to the plan while working for their retirements be covered by other government programs? **YES 35.2% NO 64.8%**

(Note: this question refers to disabled workers, widows, dependents, etc., who receive benefits from the Social Security trust fund but do not actually contribute full amounts to the plan for their retirement.)

#11 – Should the Medicare Prescription Drug Act of 2004 be re-examined? **YES 93.2% NO 6.8%**

(Note: There seems to be a lot of unanswered questions regarding this hastily passed legislation, the overall cost and benefits to potential recipients have not been made clear yet.)

#12 – Should private investment accounts for Social Security be allowed? **YES 76.7% NO 23.3%**

(This plan may have merit, but is this the proper time to be considering it. A good idea 10-15 years ago when the stock market yielded better returns than government investments.)

Comments: "Any changes should be staged in." "There should not be any other Govt., programs instead of or in place of Social Security." "FIRST stabilize the plan, then add benefits." "Model it after current Federal Pension Programs." "Give Americans what the Senators get." "Government should not tap into the Social Security Fund." "Tax all wages with no top limit." "Congress should stop using the Social Security Account as its bank and repay its IOU's and the account will be OK." "Current proposal would completely eliminate retirement benefits for anyone born after 1990." "Medicare expenses and drugs have to become affordable." "Fix the funding first." "Social Security is just welfare, end it!" "Delete the system, use a system like Brazils." *This section was included in the survey as the future of Social Security will effect all of us. The national debt and what the system will cost are huge questions. It appears from our survey that the system is largely satisfactory at present with the main concern being stabilizing the plan. Also, the 2004 Prescription Drug Plan may be unworkable, and private investment accounts should be considered. Unfortunately we can't come up with a solution.*

Members of the Legislature are pressing for a "Taxpayers Bill or Rights" (TABOR), for the State of Wisconsin. Provisions for exceeding these limits would be provided by voter referendum or a 2/3d vote of the governing body. What are your thoughts on this?

#13 – Some control over government spending is necessary, and this would be a good idea.

YES 92.2% NO 7.8%

#14 – This may be a good idea, but strict enforcement would cause too many problems.

YES 19.7% NO 80.3%

#15 – Such a plan would work and should be passed for county and municipal governments.

YES 90.2% NO 9.8%

#16 – Such a plan would work and should be passed for school districts. **YES 88.7% NO 11.3%**

#17 – Such a plan would limit taxes, but create hardships for many public employees.

YES 12.9% NO 87.1%

(Note: This question was intended to reinforce that public services would be able to continue at a proper level, and that public employees would still receive competitive wages and benefits.)

Comments: “Removing services that are currently duplicated is necessary.” “School spending should be partially removed from property tax bills.” “Limits are necessary to curb spending.” “Public employees would work within limits of plan.” “Public employees have benefits the private side would die for-les’s normalize this.” “It may encourage overall performance & performance could be rewarded.” “Government cannot control itself with spending & needs to be limited.” “Public employees don’t know what hardship is.” “We need this plan.” “Public employees have better benefits that the majority.” “Public employees are ‘Royalty’ squeezing others.” “Stop excessive spending by Govt. agencies first.” “So what? We all have forced hardship.” “Only the state should be restricted and the proposed TABOR does not even address the problem – The State Legislature.” “Rising taxes have to be controlled – The Brown County Board did a good job the last 2 years.” “Some one should make a Peter/Paul law. Government could not take from one area to pay another.” “Elect fiscally responsible representatives. You can’t govern by referendum.” *The results of the answers and comments in this section indicate overwhelming support for a TABOR type law in Wisconsin. The message is that in order to control taxes it is necessary to control spending.*

#19 – When evaluating the Public Services I receive from Brown County and my municipality, I would rate them.

Areas suggested for improvement included “Excessive defacto

Rating of Services.	%
Good services at a reasonable cost.	20.3%
Good services at a high cost.	45.3%
Average services at reasonable cost.	9.4%
Average service at high cost.	18.8%
Needs improvement in certain areas. (List)	6.2 %

taxes including fines and user fees make it difficult for low income residents.” “All taxpayers should receive garbage

pickup.” “Privatization can be expanded in many areas.” “Some roads in the county need to be paved.” “Everyone want to have lower taxes, but no-one wants to give anything up.” “Have employees pay more of their health care costs. Unions should not be in charge.”

Note that 2/3ds of the respondents believe they are receiving “good services” from the county and their municipality, which except for the high cost, is a compliment to our elected officials. There were very few suggestions for improvement.

#18 – Prioritize the following list for us to be involved with as areas of taxpayers concern. List your top five in order.

PRIORITY ITEM	% of respondents placing in the top five areas of concern.
Controlling Cost of Public Education.	86.2%
Controlling local property taxes.	81.5%
Wisconsin State Budget Problems.	75.4%
Government Employee Benefits.	64.6%
National Debt/Social Security.	63.1%
Consolidating Government Services.	49.2%
Political Campaign Finance Reform.	33.8%
Downtown Green Bay Development.	15.4%
Environment, River and Bay Cleanup.	6.1%

It was apparent from the responses that the cost of taxes is the primary concern of our recipients. Local property taxes are the largest expense many of us encounter during the year, public education is the largest expense on our tax bill, and the inability of the state to control their budget the cause of it all. We are all concerned with the environment. Fox River and Bay cleanup were included above due to the anticipated huge costs of these projects and who will ultimately pay for them.

#20 – BCTA Members. Would you prefer that BCTA monthly meetings be held:

A. Noon with lunch as at present	31.1%
B. Evening with speaker	6.7%
C. Some of each.	24.4%
D. Makes no difference.	37.8%

We want to encourage attendance at our monthly meetings. At present we plan on continuing with the noon meetings, but every third or fourth month hold a “special” evening meeting with a speaker or program. This also seems to be what you are telling us.

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#21 – Do you believe that More, Less, or OK as is Taxpayer Money should go to the following.

EXPENSE ITEM.	More \$	Less \$	OK As Is
Downtown Develop./Parking	8.0%	52.3%	39.7%
Fire and Police Protection	7.7%	26.2%	66.1%
Human Services	9.5%	41.3%	49.2%
Fox River/ Bay Cleanup	6.4%	44.4%	49.2%
Higher Educat./Colleges	.0%	54.1%	45.9%
Jail Facilities and Staffing	1.6%	55.6%	42.8%
Public School Systems	.0%	53.8%	46.2%
Public Emp. Wage/Benefit	.0%	76.9%	23.1%
Parks and Libraries	7.9	25.4%	66.7%
Highways/Infrastructure	24.2%	12.9%	62.9%
Trash Pickup/ Disposal	.0%	22.2%	77.8%

We did not ask respondents how cuts could be made while still providing necessary services. Note that many services rate "OK as is." One observation is that the choice of "Less Money" does not necessarily indicate a lack of compassion as much as the perception that sufficient funds are already being spent in an area or that it is not spent prudently.

#22 – Would you support a national VAT tax only to support Social Security and Medicare?

YES 21.7% NO 78.3%

There has been support for a VAT sales tax to replace the Federal Income tax. Due to the vast amount of revenue it could produce, and projected costs of Social Security and Medicare proponents have proposed this tax solely to fund these systems. We did not ask if there was support for a VAT type tax to replace the federal income tax. This idea is gaining attention.

#23 – Should Congress be required to limit their "Pork Barrel" spending in the national budget?

YES 98.4% NO 1.6%

Almost everyone agreed on this one. Congress must be more responsible with the taxpayers money!

#24 – Should we put more restriction on immigration, particularly illegal immigration?

YES 93.9% NO 6.1%

Again, probably not a compassion issue as much as worries about national security and social problems.

#25 – Should taxpayer money be used to fund private downtown development in Green Bay?

YES 16.4% NO 83.6%

Although this issue rates lower as a taxpayer priority item, there is concern as to whether the expense of redevelopment and improvements will show up on homeowners property tax bills.

#26 – Should the Governor and Legislature be required to pass the state budget without tax increases.?

YES 90.8% NO 9.2%

Taxpayers seem to believe that more cuts can be made to the state budget if necessary to balance it.

#27 – Do you agree with the policy of using segregated funds (i.e. transportation) to balance the state budget?

YES 10.9% NO 89.1%

Taking money from one account to pay for another only creates more problems for the future.

#28 – Should more fees be increased or added to cut state and local taxes? YES 14.5% NO 85.5%

Suggested were toll roads, garbage and trash pickup, cigarettes, beer tax. Not many things left to tax. One problem is that fees actually become taxes, as in the case of using the segregated transportation fund registration fees and gas tax for general revenue purposes.

#29 – Should state mandated expense items be paid by the state rather than local taxpayers?

YES 90.6% NO 9.4%

This has become more of an issue with the state adjusting shared revenues and other aids to communities in order to balance their own budget.

#30 – Other states get profits from Indian Gaming. Should Wisconsin also get a higher share?

YES 100% NO .0%

Everyone agreed on this one. It is reported that other states receive 25% or more of the gross profits from these operations. It would be interesting to compare their records with Wisconsin's.

#31 – Do you support raising the sales tax to 6% to support public education? YES 4.7% NO 95.3%

Another unpopular idea from Madison and the education lobby. Calling a sales tax increase "Property Tax Relief." The idea is to cut expenses, not raise taxes to balance the budget.

#32 – Should Green Bay and Surrounding Communities still push for a true Metropolitan Water District?

YES 74.2% NO 25.8%

Maybe sometime in the future our elected officials will get together on this one. Our survey participants indicate 3 to 1 better arrangements should have been made.

#33 – Should the City of Green Bay replace the Fisk Park swimming pool at an estimated \$2.5 million?

YES 54.8% NO 45.2%

Responses from Green Bay and from surrounding

communities also about evenly split on this issue.

#34 – Should projects such as the above be financed by private or corporate contributors?

YES 71.0% NO 29.0%

A lot of community projects are already financed by private contributions. Everything can no be financed by property taxpayers. It takes organization however.

#35 – Some cities are selling assets to private firms for instant cash. Would this work in Wisconsin?

YES 57.4% NO 42.6%

Many cities such as Chicago sell income producing assets such as toll roads to private corporations for a one time payoff to balance their budget. The new owner than collects the tolls and maintenance problems.

#36 – Should property tax reassessments be established only on a qualified inspection of your property?

YES 76.3% NO 23.7%

Questions linger over Green Bay's reassessment

#37 – Do you believe raising the minimum wage to \$6.50 is justified at this time?

YES 36.5% NO 63.5%

Would this help the economy or reduce the number of entry level jobs?

#38 – Should the UW System accept core credits from other state schools if they meet the same criteria?

YES 88.7% NO 11.3%

The bottom line is for 2-year and technical colleges to qualify students to continue at 4 year colleges, with the result of more 4-year graduates for Wisconsin.

#39 – Should Green Bay or Brown County (Circle your choice) assume ownership of Renard Island?

YES 70.9% NO 29.1%

It will likely be some time before this polluted island is safe for use. The Federal Govt. wants out. Of the YES votes, 44.7% said Green Bay, and 55.3% said Brown County should assume ownership.

#40 – Do you think the City and County should be promptly and fully reimbursed by the promoters for security and other expenses incurring at sporting events, concerts, etc., including political rallies?

YES 95.4% NO 4.6%

With police protection costs continuously exceeding their budget, extra overtime caused by private promoters for their benefit should not be a taxpayer expense.

#41 - Would you endorse an efficiency audit of all aspects of municipal, schools and county spending, to include salaries, overtime, benefits and other expenses, seeking ways to improve public service?

YES 96.8% NO 3.2%

This would probably be a big, expensive project

but taxpayers want to know if their money is being spent wisely, and if everybody on the payroll is doing their job.

#42 – Do you think more consideration should be given to a Metro Police Force assuming the level of service and cost savings could be realized?

YES 93.5% NO 6.5%

This issue has been around for a long time, and never seems to get anyplace. Taxpayers seem to believe this is one area where service could be improved, with a considerable savings. What's the problem?

#43 – Do you think certain "tax exempt" entities could pay maintenance fees in lieu of taxes?

YES 85.9% NO 14.1%

"Tax Exempt" status for real estate laws was established back in the days when property taxes were not much of an issue. State law allows exempt status of a wide variety of property, including fraternal, sports venues, certain housing, historical, labor related, etc., etc. Many are income producing and their exempt status gives them an advantage over other organizations. Circumstances would have to be examined on a case by case basis, but even paying a partial tax for police, fire, and other municipal purposes would relieve some burden. This could greatly reduce property tax on homeowners.

#44 – Do you favor continuing the QEO which limits school salaries to the rate of inflation?

YES 93.8% NO 6.2%

This is a tool that has kept public employee costs in line with private employers.

#45 – Should candidates for public office pledge not to raise taxes without public approval?

YES 83.9% NO 16.1%

The BCTA has surveyed county board and city council candidates regarding a county sales tax and their pledge not to raise taxes without public approval. This should not be a problem as it is very seldom a candidate runs for office on a platform of raising taxes if elected.

#46 – Items you would remove from local budgets to save taxpayer money: "City taxpayers paying county expenses such as Sheriff Dept." "County Golf Course." "Packer Stadium Assistance." "Animal Control." "Tax some religious activities." "Public employee benefits." "Public employees should pay more of their benefits." "Teen Court, YWCA Programs." "Tell departments how much they will get to spend rather than ask them how much they want." "Trash removal." "Privatize garbage pickup." "Health insurance and retirement benefits." "Storm water management & school costs." "Neighborhood police bureaucracies." "When new buildings are built, give the

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Survey – Continued.

cost of staffing them." "Snow removal for businesses." "Benefits of part-time elected officials." "Fat in Schools." "Arts funding in public schools." "School administrators." "Cut em-

ployee benefits.”

That completes the results of our 2005 Taxpayer Survey. We acknowledge it was not scientifically prepared, and apologize for questions which may have been confusing. The focus of the BCTA is on taxpayer related issues which may give a different slant than other recent surveys in the area such as the quality of life survey or various polls on current social issues.

However, we believe it gives us a good idea on how our members and readers perceive important issues of today, and as a taxpayer organization we will refer to the results in our decisions. It was very obvious from the results that the respondents were very familiar with the issues, and the consequences involved.

Thank you to those who responded. Next year we hope it will be closer to 100% Special thanks to Dick English, Ron Erickson, and Pay Kenny who assisted with formulating and wording the questions which were used.

Brown County Taxpayers Association.
Jim Frink, Treas.

“If we ever forget that we’re one nation under God, then we will be one nation gone under.” . . . **Ronald Reagan**

“Buying Lottery Tickets is not retire-

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.

Rep. Green Introduces Lobby Disclosure Site.

Representative Mark Green of Green Bay has introduced a proposal which would create an online “lobby disclosure site” making it much easier for people to find what special interest groups are doing to influence legislation in Washington.

At present, the only way such information is available to the public is by mailing a specific request or personal visit to the office of the Clerk of The House in Washington, D.C.

While serving in the Wisconsin Assembly, Rep. Green guided passage of a similar bill which became law. State lobbying information is now available at [HTTP://ethics.state.wi.us](http://ethics.state.wi.us).

Voter ID, What Next?

Reports are there were hundreds or thousands of illegal votes cast in Wisconsin in the November election. Some precincts in Milwaukee recorded more votes than they had registered voters. Requiring voters to show an ID at the polls may help prevent fraud but would it just be another expensive program to administer? Is the computer age being used by politicians to control election results? Would the hassle at the polls possibly discourage even more people from voting than at present? It seems each election we see a smaller percentage of the population selecting the people who will control our government. This is a troubling and dangerous trend.

Much of the problem seems to come from people registering at the polls with a minimum of identification. This may be a great political idea, but what is so difficult about properly registering a few days before the election, and having your name on an authorized voter poll list that could be verified at the voting place if it appears there is any question? This is basically the system that has been used for years in the Green Bay area. We have generally produced a good turnout for important elections with very few problems suggesting fraud. **JF**

Taking Another Look at The Numbers.

A recent UWGB study established the Resch Center and Arena complex had added about \$45 million to our local economy in the past 2 years. This obviously is good news, and reinforces the fact that there is a lot going on in Green Bay.

Crunching the numbers a little may also disclose there is a lot more than entertainment and tourism contributing to the big picture. For example, \$22.5 million for one year would contribute \$112,500 annually at .5% for the Lambeau Field Sales Tax. It was recently reported by the Stadium Commission that the tax produced about \$20 million during 2004. so effectively the Arena complex would only have produced about 1/177th or .57% of this total. Figure it out for yourself.

What else is going on? The \$20 million in tax collections at .5% represents about \$4 Billion annually in taxable retail sales in the county, covering such items as automobiles, electricity, furniture, appliances, clothing as well as meals, lodging, and entertainment aside from the Resch Center and Arena. Also consider how much is spent in Brown County on non-taxed items such as groceries, medical care and prescription drugs, real estate sales, gambling, materials used in manufacturing, legal fees and a number of other items the state hasn’t gotten around to taxing yet. It indicates we have a rather large, complex economy with many factors dependent on each other.

Our point is not to criticize the publicity constantly given the entertainment portion of our economy but to illustrate that there are a lot more factors involved We are fortunate to have such treasures as the Packers, the Resch Center and numerous other facilities as part of our community and contributing to our strong local economy. **Jim Frink**

“The care of human life and happiness, and not their destruction, is the first and only legitimate object of good government.”

. . . **Thomas Jefferson**

Things That Make Us Wonder.

The *Washington Times* reports that Holland is considering a requirement that immigrants from third world countries prove they understand the history, culture and language before they can apply for citizenship. While Holland has been one of the most tolerant and open countries of Europe, their Muslim population is now about 6% of the total and is being attributed to an increase in violent crime.

This may be something for the U.S. to consider. It shouldn't make much difference as English is still probably easier to learn than Dutch.

It was disclosed that the Wis. Dept. of Transportation (DOT), has been plagued with immense cost overruns on many of their major projects. Costs far in excess of original DOT estimates and the bids they received from contractors to do the work. Costs paid by taxpayers and the users of the system. This is particularly disturbing when compounded with the Governor's request to use DOT segregated funds for education which could put many projects in jeopardy.

Some of this is understandable. Some projects are moved back on the schedule year after year due to priorities and budget shortages the cost of land and construction rises due to delays. Perhaps estimates of high profile projects were deliberately low in order to gain fast-track approval from Madison. This we can understand.

We have to go no further than Green Bay to find highway and interchange construction designed more for their aesthetic appearance than safety or cost to taxpayers. Repair and updating projects seem to drag on forever, with no concern whatsoever to the cost or inconvenience to the public. We see roads and bridges reconstructed and three years later they are reconstructed again.

There is a lot of finger pointing, but it would seem the DOT itself should take more responsibility. The cost to the public should be just as important as getting the job done. Everyone from the Secretary of Transportation on down should put fiscal responsibility with tax-

payer money as his primary responsibility. That is how it is in private industry. When a contractor is awarded a bid, it is up to the owners of the project, the state, to make sure it is followed in a timely manner. Those in charge realize the bottom line of their employer and their own livelihood is at stake. Perhaps state employees don't really care. It's not their money..

It seems ironic that the state prosecutes, fines and imprisons executives of highway construction companies when perhaps some of their own employees are even more responsible for wasting untold millions of our money through poor planning and administration. Let's hope they do a better job with their math and our money as they proceed in fixing Milwaukee's Marquette interchange.

Every president since FDR has overseen changes to enhance the Social Security System. Some have increased payments and added new beneficiaries to the system (whether or not they have contributed), and introduced major new programs such as Medicare. Others have initiated increases in payroll taxes to pay for these increases. At present, only about 2/3d of recipients of Social Security benefits are actual retirees who have made contributions to the system and retired. The other third consists of survivors of deceased workers, disabled workers, and survivors of retired workers. The problem is not that these people should not receive government support, but that the benefits paid them factor in the depreciation of the segregated Social Security fund funded by workers planning for their own retirements. One solution would be for the government to provide benefits from the other third from another fund.

The addition of Medicare and the recent clamor for additional benefits such as prescription drugs has created more uncertainty as to the future of the system. The Prescription Drug Benefit plan passed last year is estimated to cost between \$400 and \$720 Billion dollars. Nobody really knows for sure, and nobody seems to know how it will work. The best idea may be to scrap the plan and start all over. Young work-

ers are concerned about receiving their benefits when they retire and present retirees are concerned about the benefits they are receiving.

Just what is meant by reform? President Bush claims he wants to stabilize the system for the next 40 years. Some so-called experts recommend leaving things as they are while others call for drastic changes in the financing and benefits. A recent rally of 80 protesters with their own agenda demanded Rep. Green pledge to maintain present benefits – now! It is difficult to endorse any major proposed change because there will winners and losers. One thing is certain. If changes continue for the next 20 years as fast as they have so far, your grandchildren will find what “nothing is certain” means.

On the subject of Social Security, is Congress really the best authority to draft changes to the plan? For one thing, their members do not contribute to the Social Security system. They have a generous guaranteed benefit pension plan (which they voted for themselves), that provide benefits far in excess of other government employees (except the President), and far in excess of private industry insofar as payments to their plan are not required while they are working. Their plan is based on length of service and salary received. Many of them receive pensions of over \$100,000 annually: 100% at taxpayer expense. As an example, Sen. Daschle, who retired last year could conceivably receive over \$5 million in retirement benefits if he lives to the average age of 82.

They also have the power to vote themselves salary increases, which they do with some regularity. Perhaps before they decide what is good for the rest of us it should be the other way around. A national referendum to determine what benefits are members of Congress receive when they retire.

The National Science Foundation has disclosed data establishing that U.S. colleges and **Continued**
Things That Make Us Wonder. (Continued) universities are providing far fewer engineers than the rest of the world. Their estimate is that science and engineering

graduates comprise only about 17% of all bachelors degrees, and that many of these are to foreign students returning to their home country. What is disturbing is that 58% of the graduates in China have engineering and science degrees, and other Asian and European countries are also well ahead of us. There were several reasons given for this situation, including the fact that science and mathematics simply are not stressed in our K-12 curriculums to the general quality of our teachers and schools. More money to improve the quality of our teachers was offered as a solution, but it would be interesting to compare the overall costs of our education system to those in other countries.

Time Magazine reports that survivors of members of the military killed in action receive a total of \$12,420, (*soon to be raised to \$100,000*) in benefits from the federal government. However, survivors of police officers killed while on duty receive \$267,494 from the federal government. Our brave soldiers are just as dead.

It will probably be a few weeks before the details and impact of Gov. Doyle's proposed budget becomes clear. It seems there were very few incentives for the state to cut expenses, with a lot of new spending, especially to schools. We all realize that schools are the biggest item on our property tax bill, and if the governor holds to his promise of holding down property taxes more state funding will be necessary.

Switching funds directly from the transportation fund will likely cause other problems. Many important highway projects have been pushed back on the priority timetable several times. Wisconsin already has one of the highest gas taxes which is scheduled to rise again on April 1, and vehicle registration fees are scheduled to increase dramatically this year. While these income sources were intended for our transportation infrastructure, using them for other purposes makes them more of a tax increase than a fee increase.

Bids have not yet been received, and work has not started on the Brown County Central Water Authorities pipe-

line to Manitowoc. It is already reported, however, that projected costs ~~will be \$18 Million more than the \$101 Million estimate used to sell the plan~~. The Public Service Commission is getting into the act, imposing a deadline on one end and finding problems with the plan on the other. The DNR also may become more involved due to the number of creeks, streams and other environmentally sensitive the pipeline must cross. Meanwhile Green Bay is proceeding on a parallel pipeline to their present system at half the cost of going to Manitowoc. Let's hope when it is finally completed they don't find it would have been cheaper just to truck the stuff.

When the CEO of a private corporation is convicted of fraud effecting their business or financial position, he is usually fined and imprisoned. Interests of the shareholders and government are salvaged if possible. Not necessarily the case with Franklin Raines, CEO of Fannie Mae, the taxpayer backed home mortgage organization formed to package home loans for investment purposes.

It was disclosed that Raines was responsible for overstating earnings and authorizing questionable investments resulting in a net loss estimated at about \$9 Billion. His penalty; forced retirement with a \$114,000 monthly stipend plus other benefits. Apparently if it's the taxpayers money it doesn't matter.

Area police have expressed concern and are paying close attention to motorists speeding in school zones. It seems there are a lot of school zones in Green Bay and they all appear to be located on busy main thoroughfares. ~~While there is some confusion as to when one should slow down to 15 MPH, extreme caution should always be exercised in the vicinity of a school with no excuses.~~ In all fairness to drivers, however, it would be helpful if all schools placed the bright fluorescent cones, preferably in the center of the streets. when the slow-down periods apply. There is some difference between requiring caution and a speed

trap.

While President Bush has made proposals to improve the nations education system including the "*No Child Left Behind*" act, it has been disclosed that about 25% of Washington D.C., public school students are "chronically truant", missing 15 or more school days each year. This is a national problem. The question is: How do you throw money at a problem like that?

The Legislature has proposed a budget plan they claim would reduce the average property tax bill by a whopping \$11.00. (over 2 years.) The Governor admits his plan would only save us \$4.00 but says it is a better plan. These are the same people who turn the other way when property taxes rise by hundreds of dollars annually. Be sure to save this years bill for comparison purposes. They didn't specify if new fee increases in auto registrations, sport licenses, park admissions and the April 1, gas tax increase were included in their plan.

Sturgeon Bay is in dire need of a new, or at least repairs to their old existing bridge. Undoubtedly there are many similar high priority projects in the state requiring funding by the Dept. of Transportation. Let us hope that when the Legislature and Governor work out the details of the state budget they don't overuse the old trick of taking money from one fund and giving it to another with the net result that citizens actually end of clamoring for new taxes to pay for schools —or highways.

Anti-smoking groups have proposed a \$1.00/pack increase in the Wisconsin cigarette tax, and claim 77% of the population would be in favor. This would make it the highest in the nation. The present .77 cent tax brings in about ~~\$300 million annually to the state.~~ A \$1.00 increase could produce over \$400 million annually as cigarettes are also subject to the sales tax and assuming those addicted to the habit keep on smoking. No doubt the Dept. of Revenue and the Governor are among the 77% in favor.

An article in "*Forbes*" maga-

zine commented the tobacco companies for a number of reasons could renege somewhat from their \$200 billion settlement with the federal government on state claims. If this is the case, it may even be fortunate that Wisconsin did settle for their share at a reduced amount to temporality balance the budget a couple of years ago.

While researching the numbers for the above item, we note that cigarettes sold on Indian lands receive a 70% credit from the state for the state excise tax charged, plus an additional 30% if they are sold to tribal members. (Sec. 139.235 & 139.323 of Wis. Statutes) A tax increase could result in a huge windfall amount if the cigarette tax is increased as proposed.. Also, more smokers would likely patronize them because of the sharply increased price they would be paying elsewhere.

Legislation has been introduced in Madison requiring older drivers to take more frequent vision and driving skills tests in order to retain their drivers license. Probably a good idea to make our highways safer. While they are at it however, and if safety is the major concern, why not require testing some of our younger drivers for their knowledge and compliance with the rules of the road. This would include speed limit laws, safe distances between cars, proper signaling and who has the right of way. Also, a knowledge of common courtesy should be a mandatory requirement. If you cut in front of someone waiting in line at a theater you can get more than a dirty look.

A recent article in the Heartland Institutes "Budget and Tax News", comments the average American spends more on lottery tickets than on books and movies. While we realize that a good portion of the sales of lottery tickets is a form of taxation, we keep reading about how ~~other states are successfully using other gambling operations as a source of revenue.~~

Austin-Straubel Airport gives the first and last impression many visitors receive of Green Bay. Considerable

amounts of our local and federal tax money are spent to improve its image and efficiency.

Over two years ago when taking a trip I was surprised at the long walk down a temporary tunnel and then a long walk outside for Chicago connections while new passenger areas were being constructed. Not being a frequent flyer, I was equally surprised this year to find the situation basically the same. From all appearances it does not appear this construction is scheduled for completion anytime soon. How many years does it take to finish something at the airport once it is started, and what kind of impression do visitors to the city receive in the meantime. Just wondering.

We realize the price of gasoline is going up and there is not much we can do about it. One question, however, is why does it so often seem to be 5-10 cents per gallon cheaper in Appleton than in Green Bay?

Let's hope the Federal Govt. does a better job of administering flu vaccines this year than last. Recall last year millions of doses were determined as contaminated and destroyed, which was probably in the public's interest. Available doses were rationed for use by the elderly and susceptible, which we all understood and complied with.

It was estimated that 17 million people nationally voluntarily gave up shots so others could receive them. Now it is disclosed that there 44,000 doses left over in Wisconsin that will probably have to be destroyed. Somehow this doesn't make sense.

The IRS estimates the Federal Govt. is losing in excess of \$300 billion annually from under reported taxable income. They blame complex tax laws and problems with their computers. If they could figure out how to tax the underground economy this amount would likely be much, much higher. ~~We can appreciate their problems and~~ what it is costing the rest of us. If there numbers are right, wouldn't it make more sense to enforce present tax laws than to keep imposing new sources of

income. This goes for the state also.

As usual, lots of things to wonder about.
Jim Frink

"Things That Make Us Wonder" consists of thoughts that occur to us, mostly taxpayer related in some way, that come to mind during the days news events. Some of them are relatively unimportant and probably not worth commenting about. Others could easily be expanded to full length feature articles worthy of further study and action to protect our interests as taxpayers. Sometimes we try to put a different spin on items from what you read in the papers or see on TV. We try to cover a wide variety of subjects in a limited space, which also illustrates the wide variety of items of taxpayer concern which exist today. We acknowledge that our perspective of some issues in this column may be contrary to that of some of our readers. However, one of our purposes is to encourage debate, as we realize there are two sides to every question. Comments are always welcome as well as suggestions for items to include in this section of the "TAX TIMES."

"You're right not because others agree with you, but because your facts are right." . . . Warren Buffett

"When there is an income tax, the just man will pay more and the unjust man less on the same amount of income." . . . Plato

"Politicians and diapers need to be changed: For the same reason." . . . Bumper Sticker

**VISIT OUR WEBSITE
www.BCTaxpayers.Org**

The TAX TIMES

Brown County Taxpayers Association
P. O. Box 684
Green Bay, WI 54305-0684

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The TAX TIMES - April, 2005

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

- Tuesday - April 5, 2005 – Election day. Local offices. Important Local and State Referendums. DID YOU VOTE?**
- Friday - April 15, 2005 – Federal and State Income Taxes Due.**
- Thursday - April 21, 2005 – BCTA Monthly Meeting.**
Quality Inn (Glory Years), 12:00 Noon.
We have invited State Senator Robert Cowles (dependent upon his schedule) to bring us up to date on the state budget process and Dept. of Transportation funding.
- Thursday - May 19, 2005 – BCTA Monthly Meeting.**
Quality Inn (Glory Years), 12:00 Noon.
Speaker: Dan Nerad, Green Bay Supt. of Schools.
Dr. Nerad has graciously offered to discuss plans for the future of the Green Bay School System. **PLAN ON ATTENDING.**



April, 2005

“It is difficult to make our material condition better by the best laws, but it is easy enough to ruin it by bad laws.” . . . Theodore Roosevelt

“Controversy gives equal weight to the pronouncements of fools and wise men — and the fools know it.” . . . Oliver Wendell Holmes

SUPPORT THE BCTA

New Members are Always Welcome. Call 336-6410
Write us at P. O. Box 684
or visit our website
www.BCTaxpayers.Org
for Details.

Unless otherwise announced, BCTA monthly meetings are held the third Thursday of each month, 12:00 Noon, at the Glory Years in the Quality Inn, 331 S. Washington St.

All members of the BCTA, their guests and other interested persons are cordially invited to attend and participate in our open meetings.

Cost: \$6.50 per meeting, includes lunch, tax & tip – Payable at meeting.
Call Jim Frink – 336-6410 for information or to leave message.