## THE TAX TIMES

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Newsletter of the "BROWN COUNTY TAXPAYERS ASSOCIATION."

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### The Holy Grail: Reins or Rains on Collective Bargaining.

Rhetoric. The terrible hyperbolicity of it! The disingenuity of discourse! "Seems like more of an assault on unions." -- Pres.. Obama, who also called Gov. Walker "short-sighted" for rejecting high-speed rail or is it doubling down on the debt from an expert.

"What Gov. Walker is trying to do amounts to political thuggery." -- David Obey, from his cozy coop in Hazbinville, feeling the pangs of Appropriations withdrawal. "It's not about money. This is a hate crime." -- Willy Haus, labor negotiator, "What the kids are learning today is what you have to do in America, to stand up, so we don't have dictators like they have in Egypt." -- John Matthews, Madison teachers' union chief, explaining that AWOL teachers were not truant but actually doing their jobs.

"My job today is to delay a vote on a piece of legislation the people of the state have said 'We have not had time to consider the consequences' of." – Jim Holperin and the Dangling Participle, Bob Jauch, nabbed by Rockford Tea Partiers chasing down AWOL Democrats during Thursday's runaway debate. If you haven't seen the video, here it is. I have to give Holperin some props for his poise and principled response, however wrong he may be. http://www.youtube.com/watch?v=a8sarCXuTBE

"The notion that we're going to take away peoples rights to collectively bargain – forevermore – to take care of this short term fiscal problem, is just unbelievable." -- Rep. Peter Barca

SHORT TERM FISCAL PROBLEM!?!?!??? What state have you been living in, Mr. Barca? The unions have been getting annual raises, EVERY YEAR, for decades, through a dozen recessions, short and long, dating back 40 years or better. Not once, not once in that time, has a municipal budget shrunk! Is this possibly due to municipal worker union contracts. SHORT TERM FISCAL PROBLEM!?!!!! Before you can leave, Mr. Barca, write that on the board a hundred times in cursive. Oh, that's right, cursive is no longer taught....

A Madison editorial dubbed Walker's plan "Right direction, dangerous speed." How much slower need it go?! Dems didn't hear any public testimony on their last budget repair bill and not one Amendment was allowed from the Minority. 16 hours of public testimony and a marathon of Assemby Amendments! I have listened to Municipal and County leaders who say they start their union labor negotiations in the first quarter so for completion in time for the last quarter budget proposals. Yeah, let's just slow it down. Disingenuity, oh the disingenuity of it all.

And the Republican rhetoric has been no better. "For us, it's simple. We're broke." – Gov. Walker "We didn't set this menu. The governor did." – Sen. Mike Ellis

"We're doing this because the situation dictates it. We're not just doing this because it's something we want to do." -- Sen. Dan Kapanke "It's not like we're choosing to do this. We are broke." -- Sen. Alberta Darling.

Geez, folks, let's be perfectly frank. Yes, we wrote the bill. Yes, we won the election. Sound familiar? Walker's plan has been a GOP goal for decades, since before he authored his first paycheck protection bill back in 1997. It is as well thought out as possible. It needs to be tried out, but there also should be no smiles on any faces, only tears of failure, past failures to stop the runaway train, but no one has any reason for glee.

Rhetoric, rhetoric. The problem is not with Gov. Walker's plan or his jobs agenda, but with his rhetoric. Politicians, quit promising to create jobs then taking credit when the private company actually creates some. Creating jobs requires a profit-making business venture to sustain the job. When government "creates" a job, it is a bad thing, because government "profit" is taxes, which are not earned, but extracted, like phlebotomy.

And profit-making ventures require lower costs of business, primarily wages and benefits relative to the price of their products or services. I encourage unionites to stop trying to "create" jobs by badgering employers and governments. You want to help create a job, offer to work hard for wages and benefits that somewhat feel acceptable to both parties. In Capitalism, it is the workers' jobs to make as much money as possible FOR THE EMPLOYER and the Employer to pass the largess on to those who helped create the cash. **Cash**, a word that slips softly off the tongue; **Debt**, a hard word, ending with abrupt push of the tongue against the teeth.

And I encourage Walker to press on with his collective bargaining changes. Union workers retain bargaining rights for wages and civil service protection most employees do not enjoy. However, the infrequently used Civil service Protection provisions need to be reviewed and possibly brought into the current workplace lexicon with speed necessary to afford the employee, efficient, cost effective, acceptable representation.

I encourage Governor Walker and other elected representatives to change rhetorical tack.... you are not creating jobs, but assisting to create a climate that encourages job creation.

OMG! Oh Mighty Government, please, please stop CREATING jobs!

Richard Parins - President

## The BROWN COUNTY TAXPAYERS ASSOCIATION

In our 26th Year of Promoting Fiscal Responsibility in Government.

#### The Media and Madison on the Nile.

For the past several weeks we have been watching in fascination the anti-government protests in Egypt and other mid-east countries as well as Greece. Perhaps we wondered what was their problem and what they intended to accomplish by their actions.

While the make-up of the demonstrators and their motives was not always made clear due to the many factions and cultures involved in those countries, one common thread seemed to be that their governments had separated itself from the people. One observation is that while the United States had been contributing billions of dollars through the years to insure the friendship of these countries, in many cases it was being used to build huge palaces and support the lifestyle of the ruling class, while accomplishing little else. Most of the countries involved in these demonstrations have unemployment and poverty rates much higher than we can even imagine.

While it is unlikely very few of us would prefer living in Egypt over Wisconsin, there are some disturbing similarities from the protests by our public servants and their supporters in Madison and other state cities that might even make a third choice attractive. The national media, for better or for worse has flocked to Madison to "cover the news." They are joined by our local stations who do everything they can, now that the Super Bowl is history to try and get the state and their reporters any headline recognition.

Unfortunately the net result of this affair could be a lose, lose situation for the State of Wisconsin. Whatever Gov. Walkers plan of action was, he must have known he was opening a hornets nest of opposition in his efforts to balance the budget. Public employee unions have historically been difficult to negotiate with. That said, it will up to the Governor and employees to work things out.

In the meantime the media has been having a field day interviewing protesting workers and in general keeping a good news story going. It was obvious that many of the demonstrators, including university students and even grade and high school students from throughout the state were there for the ride.

We realize that reporters are just doing their job, and claim to be dedicated to presenting the news as it is. However, the circumstances creating these demonstrations have been many years in the making, and the general public seems to be uninformed as to what has been going on with our money in Madison and Washington.

For example, has anyone been able to determine the additional taxes a Wisconsin resident would be asked to pay to fund the employee benefits that are in question, plus unfunded retirement reserves necessary to balance the budget?

While many articles have been written recently about the dire consequences of deficit spending on a grand scale, the main stream press seems to overlook these warnings in favor of glorifying federal stimulus funds and grants awarded to states and municipalities for this purpose or that, and endorsing the candidates for office who brings the most home from the pot. Thrift and fiscal responsibility are often characterized as obstructionism.

Even through the 1930's depression years the federal government more or less operated within its means. Income equaled expenditures. The Constitution of the State of Wisconsin specified that the state budget had to balance without borrowing funds.

As times and conditions changed, the world became more complex and government more or less was both expected to and

took on the responsibility of doing everything for everybody. The result is a National Debt of over \$14 Trillion and a Wisconsin State deficit of \$3.6 Billion. We have reached the point where we have to borrow more money simply to pay the interest. Ideally, with the exception of a catastrophic emergency, our elected officials in Madison and Washington would propose a spending budget equal to the available funds. Is there a reason that salary increases for employees, new programs or social spending should greatly exceed the rate of inflation or growth to the extent that public debt has? A guaranteed percentage increase each year in the cost of anything when there is no inflation is one of the factors creating inflation. The net result is that public debt is growing out of control and whether or not it is true, the cost of public employees and their negotiated benefit packages is a major contributor to the problem.

In turn this money has to be borrowed and each year we spend more money than taken in the amount that has to be borrowed increases accordingly. For some reason or other the media is more focused on all of the items to be provided by spending government money than the consequences of not being able to pay for them.

We realize the benefits our public servants receive were negotiated and considered as part of their employment. They provide the necessary services that we as taxpayers expect and receive and are all qualified and dedicated. However, ample provision should have been provided in our state and local budgets rather than accumulate deficits while our elected officials responsible for estalishing prudent budgets have looked the other way hoping things would take care of themselves.

The problem has grown through the years by allowing spending to grow in excess of available income. We have bonded and borrowed beyond prudent levels, and have used the assumption of "not to worry, things will be better next year." In the meantime, the cost of living, medical insurance, and retirement provisions have all grown faster than expected until the point has arrived where we can no longer support them. The media could help spread the word.

The protesters tell us that reducing their benefits was not necessary, that other options should be considered. We are sure that Gov. Walker is open to viable suggestions and is willing to listen.

Unfortunately "other options" include higher fees, taxes, and/or reduction of other programs including education. Previous administrations in Madison have imposed and raised taxes and fees on just about every possible source. Don't expect the Federal Government to bail us out. Wisconsin already has one of the highest overall tax packages in the country and are desperately trying to attract new business while our economy is sluggish.

Unfortunately scenes of our capitol building filled with protesting state employees will probably not make a good impression on new business contemplating moving to Wisconsin. Will they look forward to working with our states teachers, public employees and business climate from what they have been witnessing on TV?

Hopefully problems can be resolved before the lawyers and courts get involved so we can proceed with making Wisconsin the great state it has been and is meant to be.

"The difference between a democracy and a dictatorship is that in a democracy you vote first and take order later. In a dictatorship you don't have to waste your time voting."

. . . Charles Bukowski

## BCTA Resolution to State Representatives.

The following resolution was sent to our representatives on February 14, 2011,

From: Executive Committee, Brown County Taxpayers Association.

To: All State Senators and State Representatives who represent Brown County Taxpayers

Subject: Support for Governor Walker's Budget Repair Bill

"The Executive Committee of the Brown County Taxpayers Association asks that you support Governor Walker's Budget Repair Bill. In particular, we find much merit in the bill's provisions that deal with government employee compensation costs. The time for adjusting government employee pension and health care benefits is long overdue. These benefits grew disproportionate to those received by private sector employees because of the power of public employee unions. Taxpayers will be well served by the adjustments proposed by the Governor.

Please support the taxpayers of Brown County by supporting the Governor's Budget Repair Bill.

Thank you for your consideration.

Sincerely,

Brown County Taxpayers Association"

# FACTS & ISSUES ABOUT THE WASTE-TO-ENERGY FACILITY PROPOSED FOR GREEN BAY.

Presentation by Dr. Paul Connett, graduate of Cambridge University, PhD from Dartmouth College, and retired chemistry professor from St. Lawrence University, Canton, NY has researched waste management issues for over 24 years and is a world leading expert on incineration and sustainability. He has given more than 2,000 presentations in 52 countries, including the United Nations and the British Parliament, with the aim of bringing clarity to the issues of waste management, incineration, and sustainability.

### Thursday, March 10, 2011 7:00 PM Ashwaubenon High School FREE ADMISSION

This presentation has been arranged by the "Incinerator Free Brown County" committee, formerly known as the "Biomass Opposition Committee", an independent environmental citizens group.

www.biomass.ashwaubenon.com incineratorfreebrowncounty@gmail.com

## **Green Bay School District Begins Search for New Superintendent.**

It was recently announced that Dr.Greg Maass, Superintendent of the Green Bay school system, will be leaving to become the Superintendent of schools in Marblehead, Massachusetts.

While some do not understand the move, perhaps it may be recognized as a move to phase down Greg's involvement in a very heavy work schedule. He has, been running a school system with 20,500 pupils and a staff of over 2,500. The most recent budget of 247 Million Dollars has demands to meet such requirements and carries a challenge that can have its toll. His new assignment has only 3,000 students to educate

As Chairman of the Schools committee for the BCTA, I have had many opportunities to engage Dr. Maass during the *past* 2 ½ years. While our views and opinions were completely opposite at times, I also must say that his demeanor and sincerity in resolving complex issues deserves credit and is a welcome facet in school administrations.

He made it a point to answer questions directly and succinctly. He also has met more community leaders and residents in his short tenure than you would think possible.

I found him knowledgeable in both education and community affairs. I personally felt he was a breath of fresh air and it is hoped that his many fine principles will survive in the Green Bay educational system.

He invited teachers, administrators and support members to participate in numerous budget teams. A concept that allowed personal involvement of all staff in this most important aspect of school operations. It created awareness of fiscal requirements and is an important concept to approach minimal cost operations, which is a necessary part of today's economic climate. There is much room to explore here, but the GBSD now has the tools to develop it further, thanks to Greg Maass.

One observation is that at times like this we as a community must consider whether our district is too big, and may be encountering problems similar to Madison and Milwaukee in school operations. The most important thought or consideration here is losing touch with the community, and where costs and operations become so large that they go out of control for want of qualified managers.

In the mean time, the Brown County Taxpayers would like to thank Dr Maass for the professional and qualified job he did for the community and wish him well in his new position and life style.

Rich Carlstedt, Schools Committee-BCTA

"The one function TV news performs very well is that when there is no news we give it to you with the same emphasis as if there were." ... David Brinkley

"Congressmen should wear uniforms like NASCAR drivers so we could identify their corporate sponsors"
. . . Thought for the day.

### Four Year Old Kindergarten Facts.

Much will be heard in the coming budget discussions in Madison about Educational Funding. We have all read the recent funding suggestions from the State Superintendent of Education Tony Evers, when he advocated the removal of the real estate tax credits which home owners currently enjoy and secondly to give added credit for certain classes of students. The news media made it sound like a Win-Win situation, but the devil is always in the details, as they say.

Recently, State Senator Grothman sent a letter to Governor Walker suggesting a close economic review of the four year old Kindergarten program sweeping the state

Lets examine Four year old Kindergarten (4K). The same funding format is used in 4 K that Mr. Evers now proposes to use for many other classes of students. The actual proration of funds you may find is quite shocking. Let me explain:

A normal student has full *time* education, and this is referred to by the state as a FTE student, meaning he goes to school 5 days a week, all day. Schools are funded by approximately 2/3 rd's of the money coming from the state, and local taxpayers make up the difference or about 1/3 rd. When State formulas raise this amount, the local taxpayer is on the hook for the 1/3 rd match. Just for explanation purposes here, lets say the State gives the schools \$6,600, then the Locals pay in \$3,300 for a FTE student with a total cost of \$9,900 Mind you, This is for a full time student!

In 4 K, in Green Bay for example, The child goes to school 3  $^{1}$ 4 hours a day for only 4 days which is 13  $^{1}$ 4 hours ( which may be  $^{1}$ 3 rd of a normal student in time) This allows the School District to have one child in the morning, and one in the afternoon. The formula for funding 4K is that each child is considered 60 % of a normal student, or .6 FTE for funding purposes!

The 2 children (morning/afternoon) now represent a revenue source for the schools of  $1.2\ FTE$ , or fully 20 % more funds per occupied seat. When you also consider that those very seats are only occupied for four days, you have an additional bonus of 20 %, or a income of % 140 over a normal FTE student.

In essence, the school district `receives 11,880 dollars instead of \$9,900 and this for a shortened week!

Is it any wonder why School Districts want 4 K? Can you understand the impact on their budgets by having such a lucrative program? Keep in mind that you as a local taxpayer must pay this 20 to 40 % penalty for 4 K in your tax bill, and Evers wants to increase it for other categories!

In simple terms, the School Districts have found 4 K as a great source of revenue with very low cost to operate. It was reported that last year, the State spent \$140 Million Dollars and local taxpayers funded \$82 Million additionally for a program of suspected worth. The drumbeat is that 4 K is needed to develop a young child's mind faster with the associated improvement in reading ability. Many "studies" are quoted by Districts to reinforce this unproven concept. I say unproven, because there is an equal number of studies that contradict the results spouted by backers of 4 K and even some caution that 4 K breads bullying in later years. These studies are never quoted to the public,

Let us bypass studies because of their self-serving nature in many cases and look right here at home. We have the very answer before us, if we are willing to observe local results. Ten years ago, the Green Bay School District embarked on a change in regular kindergarten when they went from half day to full day programs. The reason was this same objective of improving youthful minds. Obviously, such a change for all Kindergarten students should have yielded improvements in forth grade reading skills, the target of such an agenda. What we see is just the opposite.

Reading scores in the state wide standard test, called WKCE, show Reading Scores steadily decreasing from a 81 % level in 2001 to today's level of 72 % in the Green Bay School system for all 4th grade students. This is hardly a validation on increasing the exposure for young minds to added school hours, but it does expose the "studies" often touted for improvement, for misrepresenting the impact of additional hours in the real case here for 5 year olds. During this period, the school district has also had a SAGE Program whereby approximately 16 % of the First to Third graders get extra help in smaller classrooms (15 max), and then let's not forget the the Federal Government funded Head Start Program for 3 and 4 year olds. This massive effort to address youthful education is very suspect in results. The 12 percent reduction in reading abilityin Green Bay is no "study", but is actual FACT during this same ten year period. As they say, The proof is in the pudding

It's time to abolish the rhetoric of subjective thought and relative biased studies and look at facts and figures in this time of harsh economic reality. Only by engaging in programs that work, can we minimize taxes and improve our childrens education. Surely 4 K should be in the forefront of such evaluation.

Richard Carlstedt - BCTA, Schools Committee

### **National Debt Update.**

As of the end of February, the United States National Debt had reached \$14,189,385,910,671 plus a few cents. Each citizen owes about \$45,647 of this total, if they were to get a bill. This represents an increase of about a hundred billion since the end of January and is keeping pace with the average of getting deeper in the hole at the rate of about three billion dollars per day. Fortunately February is a short month.

Not included is another estimated \$112.7 Trillion in unfunded liabilities consisting of \$14.8 Trillion in Social Security, \$19.7 T in prescription drugs, and \$78.2 T in Medicare. While many of us are concerned with Social Security that many prove to be the least burdensome as the baby boomers join the retired ranks. Fortunately another item not included is a few billion promised from stimulus programs which has not been handed out yet.

Debate is currently going on in Washington as to the next Federal Budget, and whether to raise the National Debt level again. The President and Democrats in Congress want to raise it to \$14.5 Trillion. Five years ago, at the beginning of 2006 the debt was less that \$8 Trillion and we were alarmed then so you can seen how bad things are getting. When you have to borrow money to pay interest you are in trouble. Speaker Boehner said that of every dollar the government spends this year, forty cents will have to be borrowed.

Originally the President proudly stated he could identify ways to cut \$100 Million from his proposed budget. This would amount to one dollar for every thirty-five thousand they spend. I think you all understand the problem.

Jim Frink – BCTA

We are all concerned with the our public

This letter to Wisconsin residents from

employee protests in Madison, and the negative

clarify the states position. Regardless of your

views, or if you agree or disagree with Mr. Fitz-

publicity our state has received on National Media.

Senate Majority leader Scott Fitzgerald attempts to

gerald, you should acknowledge that amiable com-

munication and cooperation between employer and

employee is important in every business or govern-

ment entity in order to resolve problems and dis-

agreements.

### An Open Letter to the Workers and Families of Wisconsin.

February 15, 2011

Fellow Wisconsinites:

I'm not happy that we've found ourselves here today. None of us are. But we've got a huge problem on our hands.

Our state is fundamentally broken, and punting the problem on to our kids is simply not an option. Frankly, this is what happens when the government spends like a drunken sailor and never worries about the bill coming due.

But the bill has come due. Ignoring that fact doesn't change a thing.

I'm writing this letter to give it to you straight from the source: without the filter of a union boss, or a special interest, or the press, or the rumor mill.

First of all, our state is in rough shape. In Washington, they can keep

spending your tax money even if keeps sending the National Debt skyrocketing, Here in Wisconsin, it's actually written into our constitution that we can't run a deficit. Again, even if we could, I am not open to kicking the can down the road and sticking our kids with problems that could have been solved today.

This problem is NOW. If we twiddle our thumbs and do nothing, our state will, plain and simple, run out of money in the Medical Assistance program, the Public Defender's office, and the Corrections Department. The state owes \$200 million to the Injured Patients and Compensation Fund, and almost \$60 million to Minnesota in reciprocity payments. Even if youdon't count that \$200 million debt, and you ignore the \$65 million positive balance the state is legally required to carry, we're still more than \$136 million short this year alone.

Does it get easier with the next budget? Exactly the opposite. Starting on July 1 of this year, Wisconsin faces more than a \$3 billion (with a "b") deficit between the state's revenue and its spending obligations, and unemployment payments have run up a \$1.5 billion debt to the federal government on top of that. Our state's bill is coming due, and the federal bill isn't far behind. I have a feeling the same conversations we're having today are going to play out in Washington in the next few years.

How did we get here? Wisconsin lost nearly 150,000 jobs in the recession. But rather than deal with the problem directly and make tough decisions during tough times, the government decided that its spending projects would take a higher priority than everyday folks being able to make ends meet. The government, it seems, knows no recession. In 2009, the Democrats in control of Wisconsin's government passed a budget that hiked taxes on private-sector workers, small businesses, property owners and Wisconsin families by billions of dollars (again, with a "b"). But even those billions in tax hikes weren't enough: the Democrats relied on \$2.4 billion in onetime government stimulus money to balance that budget – a "bailout" for the state.

That money is gone – spent not on one-time job stimulus projects, but ongoing expenditures with no longterm solution. But the straw that broke the budget's back, on top of the one-time stimulus money, the job-killing tax hikes, and the unsustainable borrowing, were programs Wisconsin couldn't afford even in better times. The state currently pays for health care for childless adults making up to 200 percent of the federal poverty level, and even provides taxpayer-funded benefits for illegal aliens.

The recession was a crushing burden on people from every walk of life, and the government doubled down. Nearly two years later, we're still feeling the effects, and we're just as broke now as we were then. Wisconsin was rated by the Pew Center on the States as one of the ten states "in fiscal peril. Frankly, these problems shouldn't be a surprise. Since 2000, Wisconsin's GDP (gross domestic product) has grown by about 38 percent. Since 2000, the U.S. CPI (consumer price index) has grown about 27 percent. How much has our state government grown? Nearly 60 percent! This year, the state government is asking for nearly 60 percent more spending than it was in 2000 (58.89 percent – more than \$67 billion).

What's the alternative? Many of you, through rhetoric or the media or word of mouth, have heard parts of what's in this budget repair bill. But what you probably haven't heard, is what's \*not\* in it. No tax hikes. Runaway government isn't the solution to the problem – it is the problem. The previous budget required 16 furlough days, the equivalent of a 3 percent pay cut. This bill contains \*zero\* furloughs, to the disappointment of the critics. No job cuts and no service cuts. Without this bill, the state could have to lay off as many as 1,500 public sector employees. This bill keeps the promises that were made and shields the most vulnerable from cuts. No changes to Civil Service, vacation or sick leave policy. No "easy fix." Anybody who promises you that there's an "easier way" to close this gap is trying to sell you something.

Straight Talk. I'd like the opportunity to address union workers directly, without the filter of their union bosses. The first misconception I want to clear up is that the government is on a witch hunt for union cards, as some would lead you to believe. The vast majority of state employees and teachers are dedicated, hard-working public servants who go about their job the right way. These measures are not punitive in any way. I think most reasonable people also realize that there's no way we can come to a solution without some shared sacrifice. More than one-third of the state budget is spent on state operations, and half of that is on salary and benefits for employees. . Over the last ten years, even with a Democratic governor, every single state employee contract has been signed late. On average, they've been 15 months late, even though every single contract contained a net compensation increase, in good times and bad. Wisconsin simply can't afford the status quo. I appreciate your willingness to listen to both sides of this debate, and I look forward to this frank conversation about the direction of our state.

Scott Fitzgerald - Senate Majority Leader

## Frequently Asked Questions About the Budget Repair Bill.

Because it is impossible to provide a personalized response to each person's individual questions or comments, we have compiled a list below that addresses the main issues that have come up in the contacts my office has received.

Why are you asking public employees to make contributions to their pension and pay more in health insurance premiums? Employee salary and fringe benefits currently comprise more than 60% of state government's general purpose revenue operation costs and more than 75% of total school district expenditures statewide. Therefore, we must give state and local governments including school districts the tools to address controlling costs in the largest areas of their budgets.

Currently, all but a handful of public employees pay nothing toward their state pension because the state pays both the employer and employee portions. The budget repair bill requires public employees to contribute half of their annual pension payment which is estimated to be 5.8% of salary beginning April 1. This would put state workers on par with the national average for the private sector. Remember that the money the employees pay into their pension fund will be returned to them when they retire.

Private sector employees have been feeling the effects of the recession for several years now and they feel they have been carrying the burden alone. What the budget repair bill is asking of public employees is modest and fair in relation to private sector benefits.

Why are you dismantling collective bargaining rights of public employees? We are not dismantling collective bargaining. Public employees can still negotiate wages, and they can still be a member of the union on a voluntary basis. It is also important to know that most worker protections are the result of Wisconsin's strong civil service law, not of collective bargaining.

What does the collective bargaining have to do with fixing the budget?

This is a fiscal issue for several reasons:

Example Currently, many school districts participate in WEA Trust because WEAC collectively bargains to get as many school districts as possible across the state to participate in this union run health in-

as possible across the state to participate in this union run health insurance plan. Example: Unrealistic Overtime Provisions: On the state level, the Department of Corrections allows correctional workers who call in sick to collect overtime if they work a shift on the exact same day. The cost to taxpayers is \$4.8 million. Example: Paid-Time Off for Union Activities: In Milwaukee County alone, because the union collectively bargained for paid time off, fourteen employees receive salary and benefits for doing union business. Example: Surrender of Management Rights: Because of collecting bargaining, unions have included provisions in employee contracts that have a direct fiscal impact such as not allowing management to schedule workers based on operational needs and requiring notice and approval by the union prior to scheduling changes. All if these items add to taxpayer expense.

Why can't we re-open contract negotiations instead of making pension and health care contributions prohibited subjects of collective bargaining?

The state can only negotiate contracts with state employee unions, not local govern-

ments or school districts. We can no longer accept short term fixes and kick the tough decisions down the road for another legislature to deal with. This provision is necessary to give state government a permanent solution to get control over the costs of health care and pensions, not just a temporary fix for the next two years through a contract. State employee contracts have taken 15 months on average to reach a final agreement, and in both good times and bad, the contracts have contained net increases for workers. However, we don't have 15 months to negotiate and we have nothing more to give. The state is broke. Governor Walker has to present a budget to the legislature on March 1 (delayed from Feb. 22) that fills a gaping \$3.6 billion deficit. The state employee unions which supported Governor Doyle and the Democrat-controlled legislature refused to offer any concessions during 17 months at the bargaining table. After the voters in the November 2010 election chose a Republican Governor and a Republican-controlled legislature to represent them, the unions tried to push the contracts through a lame-duck session despite Governor Walker asking them to keep the negotiations open. After the Democrat-controlled legislature failed to pass the contracts in December, union heads including AFSCME Wisconsin leader Marty Beil said, "We will make no overtures toward them." Union leaders who say they are willing to accept the 5.8% pension contributions and 12.6% health care contributions are the same leaders who last week said they could not afford the 5.8% and 12.6% contributions.

Will state and local workers have any protections if this bill passes? Yes. Wisconsin has some of the most comprehensive civil service protections in the nation and those remain in place. The appeal and grievance process through Wisconsin Statutes. In addition, the Joint Committee on Finance amended the bill to require that local units of government that don't have a civil service system are required to establish a grievance system that addresses employee terminations, discipline, and workplace safety, and creates a hearing process before an impartial hearing officer and an appeal process.

#### Does this bill decertify public unions?

No. Although the state and local government would no longer administratively deduct union dues from paychecks, individuals could still choose to join a union and pay their dues directly

Aren't you balancing the budget entirely on the backs of public employees? No. This is not an attack on dedicated, hard-working state workers. The savings from these provisions will reduce the deficit in the next biennial budget by \$300 million. That means we still have to find another \$3.3 billion to balance the budget. Again, nobody can be exempt. There must be shared sacrifice. On the positive side, this plan will allow wages to grow with inflation, something that has not happened since the contracts expired almost two years ago. We are also giving local control to voters to let them decide if they want to give compensation increases above the cost of inflation for their teachers.

Why do we need to move so quickly? Can't we slow this down so it can be debated longer? We are moving quickly in a clear and transparent fashion because we need to fill the \$137 million deficit for FY2011 and the \$3.6 billion deficit for the next biennium in order to keep Wisconsin fiscally solvent and prevent employee layoffs and cuts to state services.

What would happen if we don't pass a budget repair bill?

We would be left with a situation that the state will run out of money on June 30, 2011. We will be forced to cut people off medical assistance and layoff at least 1,500 state workers now and at least 6,000 workers in the next biennium. Local governments would need to lay off 6,000 workers in the next biennium as well.

## Didn't you create this budget deficit by passing all those tax breaks in January?

No. The State of Wisconsin was facing a \$137 million budget deficit for the remainder of this fiscal year before those bills were approved, and it is still facing a \$137 million budget deficit even after passage of those bills. The tax bills enacted by the legislature and Governor Walker do not take effect until the next fiscal year, so they have absolutely no impact on the current deficit.

**Didn't the Legislative Fiscal Bureau (LFB) say we have a budget surplus?** No. Because of the way LFB writes its memos, it would appear there is a \$121.4 million general fund gross balance as of June 30, 2011 and a net balance of \$56.4 million. To replace what was illegally taken by Governor Doyle and the Democrats, there is absolutely no surplus of funds.

Why were police and fire exempted? Is this political payback? Wisconsin Statutes have long treated police and fire very differently when it comes to a whole series of rights and responsibilities. In the interest of public safety, we cannot afford to have police and fire walk off the job for even a short period of time like many teachers did last week.

Will state employees still have to take furlough days after July 1, 2011? No. Governor Walker's budget repair bill contains no additional furlough days, and he has promised his 2011-13 state budget will not contain any. Existing furlough days put into place by Governor Doyle will still have to be carried out.

I am a retired public worker. How will this affect my pension? There will be no impact to current retirees.

As an elected official are you making these same sacrifices? Yes. I have been and continue to donate any raise in salary from the previous session to local charities in my district. I have supported legislation to abolish sick leave benefits for all elected officials. I have voluntarily taken the 16 furlough days instituted by Governor Doyle.

Rep. Karl Van Roy

Due to limited space it was necessary to edit our some of Rep. Van Roy's article. You can request a copy of "Van Roy's Views from www//Rep <u>Van Roy@Legis.Wl.gov</u> or write him at P O Box 8953, Madison, WI 53708-8943, or E-Mail us at <u>BCTA at ExecPc.Com</u> for a copy.

"When all the adults in this room leave, when the cameras are gone and the television announcers go home, I believe there's going to be a 5 year old sitting here holding the bill. I think that's careless." . . . Reid Ribble

"Washington is a city of Southern efficiency and Northern charm." . . . John F. Kennedy

VISIT OUR WEBSITE www.BCTAxpayers.Org EMail, BCTA@ExecPc.Com

#### FEBRUARY MEETING NOTES.

Monthly Brown County Taxpayers Association meeting held Feb. 17, 2011 at Titletown Brewing Co.

Richard Parins led a discussion of political races of concern to taxpayers. For Mayor of Green Bay, incumbent Mayor Jim Schmitt faces Brown County Supervisor Patrick Evans. For Brown County Executive, Brown County Supervisor Andy Nicholson faces Allouez businessman Troy Streckenbach. In a very critical race for Wisconsin taxpayers, State Supreme Court Justice David Prosser faces JoAnne Kloppenburg, an assistant attorney general in the Department of Justice. If Justice Prosser is not reelected, there is great fear that the Wisconsin Supreme Court will go in a direction that is unfavorable to taxpayers and businesses in the state.

Village of Hobart President Richard Heidel reported that Governor Walker visited the Centennial Centre at Hobart development on February 15. The Village is proud that this development represented 10 percent of all new developed parcels in the state of Wisconsin last year and brought a new \$13M tax increment to Hobart to offset continued Oneida Tribal efforts to take land off the tax rolls and place it into federal trust. It was the only development in Brown County. Of special pride is the fact that no state or federal funds were used for this development while local municipal government facilitated the zoning, permitting, site review, financing, inspecting, and other activities that allowed a soybean field in 2009 to become such a success in 2010.

Schools: The Green Bay School Board is expected to approve the contract for a charter school at its meeting on February 21. There are no challengers to the incumbents in the spring election for the Green Bay School Board. This is very unfortunate because there will be no public discussion of critical operations and budgeting decisions being made by the school board.

County/Municipal: Ashwaubenon citizens are upset over the 16 percent rate hike announced by the Green Bay Metropolitan Sewerage District. Ashwaubenon citizens are also upset by the waste processing facility proposed on the west side of the village. Potential problems include the fact that this is a prototype design and may not function as cleanly as hoped, potential heavy truck traffic through the village, and the lack of long term oversight over the facility.

State/Federal: An Illinois firm, INVENERGY, is planning a 150 MW wind turbine farm for southern Brown County. The affected townships are in opposition to this project. Citizens have organized and retained consultants to support their opposition to the proposed project. 2009 Act 40 of the Wisconsin Legislature set state standards for wind turbine farms of less than 100 MW. It prescribed setbacks measured from residences instead of from property lines. It would have been better for property owners to have the setbacks measured from property lines. The Public Service Commission then reduced the setback distances and the compensation to property owners. The Legislature's Joint Committee on Legislative Rules held a hearing on February 9 to consider suspending the wind turbine rules before March 1. The hearing lasted from 10 AM to 8 PM with almost all of the testimony in opposition to the state's rules on wind turbine siting.

The next BCTA meeting will be March 18, 2011. Details on the last page of this Tax Times.

Dave Nelson - Secretary

## Things That Make Us Wonder.

Every so often we receive letters from our banks, brokers, and credit card companies explaining at great length in very fine print their compliance policy ensuring that they will not disclose any personal information regarding my relationship with them.

On the other hand, government units freely sell information that they have collected, often for commercial use. This includes automobile registration records, and various lists that the state compiles for their licensing and compliance purposes. We understand that voting records with names and address of registered voters are even available for local precincts. There is no telling how this information is used or how secure it is in private hands.

While their justification may be "providing a service" and making some money for the taxpayer it seems this is a case of government operating under a different standard than they enforce. Is it any different for ones name and address to be sold by the government for profit anymore than a magazine or charity sharing their information?

. . . . .

The minority members of the Wisconsin State Senate by skipping the state to avoid a voting quorum probably established a procedure that could be copied all over the country when similar circumstances are present.

It could go down in History as the "Wisconsin transformation", or the "Houdini amendment" where an item disappears and reappears elsewhere with no explanation.

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 BCTA@ExecPC.Com.

On the National level, considering Obamacare was passed without overwhelming public support, could this tactic worked if the minority party simply left town for a while?

\* \* \* \* \*

Although there was really not much to get excited about in the February 15, primary, deciding the finalists for the Green Bay Mayor and Brown County Executive for 4 year terms will be very important in the years to come.

The Mayor and Executive by their leadership are responsible for the services we receive and the taxes we pay to receive them.

There are a number or projects pending dependent on funding and/or public acceptance on the horizon which will ultimately effect the taxes we pay. Also, as state and federal funds continue to dry up we can count as they try to balance their own budgets we can count on more expenses being shifted to local property taxes.

It will be important to know where the candidates stand on issues.

\* \* \* \* \*

Illinois and Wisconsin both have their share of exorbitant taxes to the credit of their creative governments in finding ways to balance their budgets.

One high tax in Wisconsin is now helping the people of Illinois. Our cigarette tax is the fifth highest in the Nation, with some people paying as much as \$75 a carton to support their habit.

Smokers have found they can buy cigarettes for about \$20 a carton less in Illinois, and retailers on the other side of the border are taking advantage.

While this probably doesn't make much difference to either state, it does show that people will go out of their way to avoid high taxes.

\* \* \* \* \*

The cost of overtime pay for city and county police protection caused by Presidential visits, athletic events and other large gatherings of the sort has been a real budget-buster in recent years. They are still adding up the bill from Pres. Obama's last trip to Madison. The party sponsoring the event is generally held responsible for payment.

Security for the state em-

ployee protests in Madison will probably bring the granddaddy of all overtime bills considering that security had to be provided for legislators going about their duties, the fact our state capitol building and surrounding grounds were overrun by noisy demonstrators.

Although no injuries have been reported as of this time, it was necessary to call in the state patrol and county police from throughout the state to control crowds and maintain order.

No doubt the state (taxpayers) will get stuck for the bill on this one.

\* \* \* \* \*

Regardless of where your sentiments are in regards to the public protests by government employees in Madison, you have to be disturbed by the sight of "our respected public servants" behaving more or less like the protests we have seen recently from third world countries. Neither events have been pretty sights.

At least the television crews from Egypt spared showing crowds storming their capitol building, harassing elected officials, and displaying and pasting crude and rude signs all over the place. This behavior was a step further than "democracy in action."

Those who made the mess should be held completely responsible for cleaning it up, and don't blame Gov. Walker because he made them mad.

Perhaps a reason the Senate minority ducked off to Illinois was that even they couldn't stand the show.

Debris left by protesters outside of Wis. Capitol building. From the Internet.

\* \* \* \* \*

While at times the IRS may not do too good of a job in ferreting out incomes taxes due the government, they also don't always do a good job in verifying if refunds are due or not.

A recent report in USA Today claims that prison inmates in Florida, Georgia and California received \$19 Million in refunds by submitting phony returns covering non-existent jobs. The IRS says they are sorry and will try to be more careful next time.

\* \* \* \* \*

There is probably a lot more in Gov. Walkers budget bill than has been publicized or discussed due to the protests in Madison.

It is likely that aids to schools and municipalities will be reduced or even eliminated as a means to balance the state and federal budgets and pass them on to our property taxes.

Obviously this will cause problems with our local budgets, as property taxes are already a major concern for most of us.

In the meantime, spending will have to be cut even more, and large capital items should be analyzed and possible postponed if possible. At present Brown County has committed to a \$14.5 million radio upgrade, and is working on multi million plans for updating the library as well as the S & L site for the Sheriff Dept. The sewage district is undertaking a large update that won't effect property taxes but will still cost us more on our water bills.

\* \* \* \* \*

One thing often overlooked when the Federal Government talks about budget cuts is the immense amount of money that is simply wasted mostly due to poor planning and proper oversight. Most of them never should have been in the budget in the first place.

Here are some classic examples: The Dept. of Homeland Security decided it needed a \$448 Million plus \$248 M for furniture for a new head-quarters building. At the same time there are \$1.3 Trillion worth of empty government buildings available in Washington. The 2010 Census cost \$1 Billion, about \$800 Million more than it could have with proper management.

They want to spend \$88 million to study whether the Coast Guard needs

another ice breaker. Just a study. They want to spend \$412 Million for the Center for Disease Control building after we just spent Billion on a new head-quarters for them.

Hidden in the budget are billions of dollars for this and that department or cause which are not specifically allocated, but will be available in the form of local grants or "earmarks" when the time arises.

\* \* \* \* \*

"The alternative is higher taxes until the middle class is picked clean and the U. S. economy is no longer competitive." This quote from an article in the *Wall Street Journal* regarding the public protests in Madison.

Other articles have reported that contracts between the employee unions and state government are often negotiated for months after the state budget has passed, have always called for wage and benefit increases, and always exceed the rate of inflation.

\* \* \* \* \*

The DNR has held up approval of a small plat of land for development at the corner of US 41, and Lombardi because it contains a so-called "wetland" area.

We can appreciate their concern about the environment. What we can't understand is the DOT seems to be able to ignore wetlands if they are in the way of a new highway, and there are many examples in this area.

Also, we note that the new site for the proposed biomass power plant is in the marshland north of Hwy. I-43 which apparently is not a protected area.

\* \* \* \* \*

Someday, somehow, someone will come up with a tax plan that treats everyone fairly and still is able to fund government operations.

We read that during the past 10 years there have been 4,428 changes in the federal tax code, or more that 1 change every single day.

\* \* \* \* \*

President Obama and Congress seem to be at odds over a new Federal budget for the year. We realize that spending priorities are deeply embedded. All have powerful supporters and their purpose can be justified

(somehow or other.) Even if the President would say once in a while, "I am sorry but I don't believe the country can afford this right now" it could set a good example for Congress to follow.

It would be nice to establish a commission to examine each department and expenditure item to determine it's useful purpose and reduce waste but seeing how things work in Washington the new result would be an increase in the budget of \$75 Billion to cover the cost of the commission.

\* \* \* \*

Can you imagine the average citizens of Wisconsin protesting tax increases or reductions in the state services they receive to the extent we have been witnessing from Madison recently?

Would University students join the cause? Would we be joined by tax-payers from all over the country adding their voices to our noisy demonstrations? Would the national TV cameras keep our protest going for their benefit? Would the guardians of the Capitol Building allow overnight camping and pasting signs all over the place?

Higher taxes to pay the ongoing demands of state workers will likely cost all of us dearly. Upwards of 200,000 of our citizens are already out of work due to the economy. Many people have lost their homes and can't afford health insurance. Who demonstrates for them?

As usual, lots if things to wonder about.

Jim Frink

"Things That Make Us Wonder," consists of taxpayer related thoughts that occur to us from daily news events. We use reliable, published information and statistics, Some items are unimportant and probably not worth commenting about while others could easily be expanded to full length feature articles worthy of future study and action to protect our interests as taxpayers. We try to cover a wide variety of subjects in limited space and perhaps put a different spin on items from what you read in the papers or see on TV. We acknowledge that our perspective on some items in this column may be contrary to some of our readers. However, one of our purposes is to encourage debate, as we realize there are two sides to every question. Comments or suggestions are welcome for inclusion in future "TAX TIMES."

"No matter who you vote for, the Government always wins."

. . . "London subway graffiti."

### The TAX TIMES

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

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Things That Make Us Wonder.

and more.

#### The TAX TIMES - March, 2011

#### BCTA Meeting and Events Schedule - MARK YOUR CALENDARS.

Thursday - March 17, 2011. BCTA Monthly Meeting. 12:00 Noon.
Titletown Brewing Co.
Program, current events, committee reports.

Tuesday - April 5, 2011. Election for Green Bay Mayor, County Executive BE SURE TO **VOTE!** 

Thursday – April 21, 2011. BCTA Monthly Meeting. 12:00 Noon. Program will be announced.

Thursday – May 19, 2011. BCTA Monthly Meeting. 12:00 Noon. Program will be announced.

Unless otherwise notified, BCTA monthly meetings are held the Third Thursday of each month, 12:00 Noon, at Titletown Brewing Co., 200 Dousman St.

#### Meetings are open to the public.

BCTA Members, their guests and other interested parties are cordially invited to attend and participate in our open discussions.

Candidates for Public Office and Public Officials are cordially invited To attend our meetings and be recognized.

COST: \$8.00, Payable at meeting. Includes lunch, tax & tip.

Call Tom Sladek – 499-7701 for information or to leave message.

## March.

2011



"Our scientific power has outrun our spiritual power. We have guided missiles and misguided men." . . . . Martin Luther King, Jr.

"In times like these, it helps to recall that there have always been times like these."

. . . Paul Harvey

#### 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