



Why I'm Not Lining Up for Stimulus Handouts

We've been down the spending road, and the result is a state budget in terrible shape

By Milwaukee County Executive Scott Walker

Recently, a firestorm ignited in Wisconsin when I, as Milwaukee County executive, refused to submit a wish list to Gov. Jim Doyle for items in the federal "stimulus" package.

Gov. Doyle -- like other politicians -- had lined up at the federal trough begging for billions in "free money" to cover budget deficits and to fuel new spending. He and others simply couldn't understand and were outraged that I didn't join them, and that I didn't relent even after the president signed the stimulus bill into law.

My explanation is simple. First, this money isn't free. Second, under Gov. Doyle our state has borrowed vast sums of money and avoided making tough budget decisions while expanding government programs. In three biannual budgets since he took office in 2003, new state bonding exceeded new tax revenue collections by \$2.1 billion. During good times, the governor had been borrowing money to underwrite expansions of health care, education and environmental programs. If he is bailed out now, the federal stimulus funds will only enable the governor and others to go on spending and even taking on new obligations that will lead to larger deficits down the road. Third, if we grow government rather than private-sector jobs, we will not help the economy. Strong leadership, honest budgeting and tax cuts would do a lot more.

This burst housing bubble that led to the recession was created when millions of people were allowed (or encouraged) to spend borrowed money on homes they couldn't afford and were later forced into foreclosure.

Apparently Washington politicians learned nothing from this process. They rushed to spend \$787 billion of borrowed money on new government programs in the name of economic stimulus. But even this loan of taxpayer money -- essentially the largest mortgage in history -- will come due. When it does, our children and grandchildren will pay for this imprudence.

As popular as the federal "stimulus" package is with Washington politicians, it is more popular among state and local politicians who view federal money as a cure for their fiscal woes.

Wisconsin is afflicted with fiscal woes. In every budget he has signed, Gov. Doyle postponed difficult decisions using accounting gimmicks and excessive bonding to pay for ongoing operational costs. The most egregious example is the damage done to the transportation fund over the past six years, which uses state gas taxes and vehicle registration fees to fund road projects. The governor has raided the segregated fund for a total of \$1.2 billion to cover ongoing operational costs for government programs. He's partially replaced the raided funds with \$865.5 million in bonds.

As a result of borrowing against tomorrow to live for today, the governor left Wisconsin's budget vulnerable. So in the fall of 2008 when recession caused a sharp decline in tax revenue, the state was forced into the red.

Wisconsin now faces an unprecedented \$5.75 billion budget deficit, fourth-largest in the nation. Many municipalities also face deficits. My county, however, finished fiscal year 2007 with a \$7.9 million surplus and will break even for fiscal year 2008 when the books are closed next month. Why? Because we made tough budget decisions demanded by the taxpayers.

State and local officials who failed to do so are looking to the federal government for a bailout. But what happens when the stimulus money is gone? Is the federal government committed to funding the projects it will now underwrite forever? I'm not willing to bet on it.

The stimulus is a classic bait-and-switch. Once the highways are built and social-service case loads have increased, Wisconsin will be left with the bill to maintain the new roads and services. This will force Wisconsin to raise new taxes. Gov. Doyle and legislative Democrats are already discussing higher taxes on hospitals, retailers, employers and even Internet downloads to feed their spending addiction.

The stimulus is also a bait-and-switch on employment. While the stimulus package might create a few construction jobs, the federal money will run out and those workers will lose their jobs. Even worse, most of the money is actually spent on new government programs and on bailing out failed state and local governments.

For the vast majority of residents of my state, the stimulus funds will not help them pay the mortgage or replenish their depleted retirement savings as they worry about being laid off.

True economic stimulus creates sustainable private-sector jobs. The fastest, most effective way to create them is to reduce taxes and implement regulatory and fiscal policies that encourage job growth and economic investment. History has shown repeatedly from John F. Kennedy to Ronald Reagan that as taxes are cut, consumers spend more and investors put more money in the economy. This, in turn, creates jobs, and grows the economy.

Too many politicians confuse more government spending with economic recovery. I believe that's the wrong approach, and I will not submit a wish list for new government spending. Excessive spending will only lead to higher taxes, and that will drive jobs away when we need them the most.

We need to use these challenging times as an opportunity to streamline government and reduce the tax burden on working families. In 2002, during my first campaign for county executive, I promised to spend taxpayer money as if it were my own. If government -- at all levels -- were to do just that, we could reduce taxes and stimulate the economy. That would put people back to work again. And that is something on my wish list.

Help Maintain the Momentum

[Contribute](#) today, and help Scott have the resources needed to continue pushing his commonsense agenda! Click [here](#) to contribute via a secure page at [ScottWalker.org](#). Your support now will send

a clear message that raising taxes is not the answer to stimulating our economy.

Spread the Word

We need your help to spread the message about Scott's bold refusal to line up for bailout funds. Forward Scott's *Wall Street Journal* column to all of your friends, family, and co-workers. Let them know that the best way to stimulate the economy is to put more money in the hands of the people through tax cuts.

Click [here](#) to read Scott's column on WSJ.com - and be sure to send the link to others!