



DIGGINGS

PUBLISHED BY THE BADGER INSTITUTE

Paving the way for fiscal folly

Waste, fraud historically part of the
hot mix that is infrastructure spending

BY KEN WYSOCKY

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Constitutional
amendment

BY JIM BENDER

Need of
accountability

BY MARK LISHERON

School choice
values

BY PATRICK MCILHERAN



Growing our reach and influence

This printed magazine — which we're exceedingly proud of — has remained the same size for years.

If it's all you get from us, you might not realize how much the Institute itself and everything else we do has grown.

We've added five new staff members in the past year, including a new policy director, a new lobbyist and education consultant, a new digital marketing manager, a new office manager and a new vice president of development, marketing and operations.

We've launched our most ambitious policy research project ever — a multifaceted set of recommendations for our elected leaders that we will be rolling out over the rest of 2022 and 2023. (Read more about what we call our *Mandate for Madison* on Page 4.)

We've launched a new podcast, Free Exchange. (See snippets from these conversations on Pages 30 and 31.)

Our new policy director, Patrick McIlheran (former deputy chief of staff to Sen. Ron Johnson), and I are now penning columns that run every Friday in what we call Top Picks. (Read excerpts of our scribbles, supplements to our fact-based policy work, on Pages 14 and 15.)

We're reaching more people in more ways than ever before through email and social media. *Diggings*, of course, is sent via good, old-fashioned snail mail. It's expensive, but people love it and we will continue to send it through USPS. But I want to reiterate that it's just a tiny sliver of what we do.

Please read to the end of this issue. You'll

see an infographic there that says we've hosted or spoke at no less than 10 events around the state over the past year, testified 17 times before Assembly and Senate committees, supported innumerable pieces of legislation and — as adherents of small government — opposed a few as well.

As most of you know, the Institute is a 501(c)(3). We're not partisans. We call out Republicans as well as Democrats when they act in their own interest and against the principles of free markets and individual liberty that guide our work. But we do have a bias. We believe the best things in life come through civil society and the private sector, through family and community. We have never taken government money and never will.

So finally, if you get to the end of this magazine and are as pleased with it as we are, please go to badgerinstitute.org and sign up to receive via email everything else we do. And please, if you are interested, read about how you can invest in the prosperity of our state — and us.

Thanks to those of you who have helped us grow over the years. Please let us know how we can do better, and please, if you appreciate our work, spread the word.

Appreciatively,

Badger Institute President Mike Nichols
Mike@BadgerInstitute.org

MISSION STATEMENT/

Badger Institute

Founded in 1987, the Badger Institute is a nonprofit, nonpartisan 501(c)(3) guided by the belief that free markets, individual initiative, limited and efficient government and educational opportunity are the keys to economic prosperity and human dignity.

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ROBERT HELF PHOTO

• For additional articles, recent policy papers, videos and news from the Badger Institute, go to badgerinstitute.org.

Mandate for Madison

Policy roadmap for governor and Legislature to be published throughout 2022 and early 2023

Topics, researchers and partners:

Project leader: Patrick McIlheran, Institute policy director

K-12 education

Examine ways to allow parents to identify and select best options for their children

Consultant: **Jim Bender**, longtime school choice leader

Partners include: **School Choice Wisconsin, Wisconsin Institute for Law & Liberty, AFP-WI, WMC, AFC**

Infrastructure

Assess Wisconsin's funding options, transportation needs

Researcher: **Robert Poole**, Reason Foundation director of transportation policy

Healthcare

Examine free-market reform options

Researchers: **David Balat**, director of Right on Healthcare initiative at Texas Public Policy Foundation; **Daniel Sem**, director of Rx Think Tank at Concordia University Wisconsin; **Scott Niederjohn**, economist and director of Free Enterprise Center at CUW

Corrections and crime

Assess effectiveness of criminal justice system by examining backlog of cases and number of and compensation for prosecutors and state-funded public defenders; also examine Wisconsin crime levels, how best to bring them down and reduce recidivism

Researcher: **Jeremiah Mosteller**, Americans for Prosperity senior policy analyst

Early education/poverty/workforce/welfare

Examine effective early learning frameworks for children; research approaches that focus on helping families escape poverty and achieve permanent self-reliance

Researcher: **Angela Rachidi**, American Enterprise Institute senior fellow and Rowe Scholar

Taxes

Offer reform options to make Wisconsin's tax structure more fair, simple and competitive

Partner: **Tax Foundation**

Unemployment insurance

Assess whether federal unemployment insurance benefits slowed employment growth in Wisconsin; recommend best ways to structure UI going forward

Researcher: **Ike Brannon**, Capital Policy Analytics president

Federalism

Ongoing analysis of federal COVID-19 relief funds that have poured into Wisconsin; push for more oversight and transparency

Tracking the Trillions leader: **Mark Lisher**on, veteran journalist and *Diggings* managing editor

“We’re pursuing an ambitious agenda that, if adopted, will make Wisconsin one of the best places in America to live, work and do business. We’re proud to have pulled together some of the best minds in the state and the country to create this agenda.”

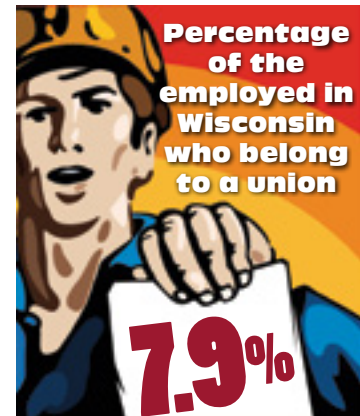
— **Mike Nichols**, Badger Institute president

56,580

Students in kindergarten through eighth grade in Wisconsin private schools outside of Milwaukee whose parents pay tuition for them



Source: A Badger Institute Policy Brief: School Choice and Property Taxes by Patrick McIlheran and Jim Bender



Wisconsin had by far the largest percentage drop in union membership between 2000 and 2021 of any state in the country

Source: Wisconsin Policy Forum

\$100 million



Tax money the Milwaukee Brewers are seeking to renovate American Family Field,
26 years after the state Legislature approved a five-county sales tax that raised \$605 million for the franchise and the original Miller Park

Source: Milwaukee Journal Sentinel

“This to me is not red or blue, it’s green.”

Peggy Williams-Smith,
president of VISIT Milwaukee, on the complaints from Democrats on Milwaukee's bid for the Republican National Convention in 2024



Source: Associated Press

96%

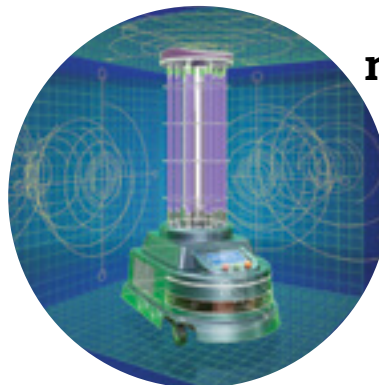
People saying they were either very concerned or somewhat concerned about inflation

Source: Marquette University Law School poll done in late February

\$930,699,736

The amount of emergency American Rescue Plan Act money allotted to Wisconsin
that had not yet been spent nearly a year after the bill passed. **The state has until Dec. 31, 2024, to expend the entire \$1,472,369,159**

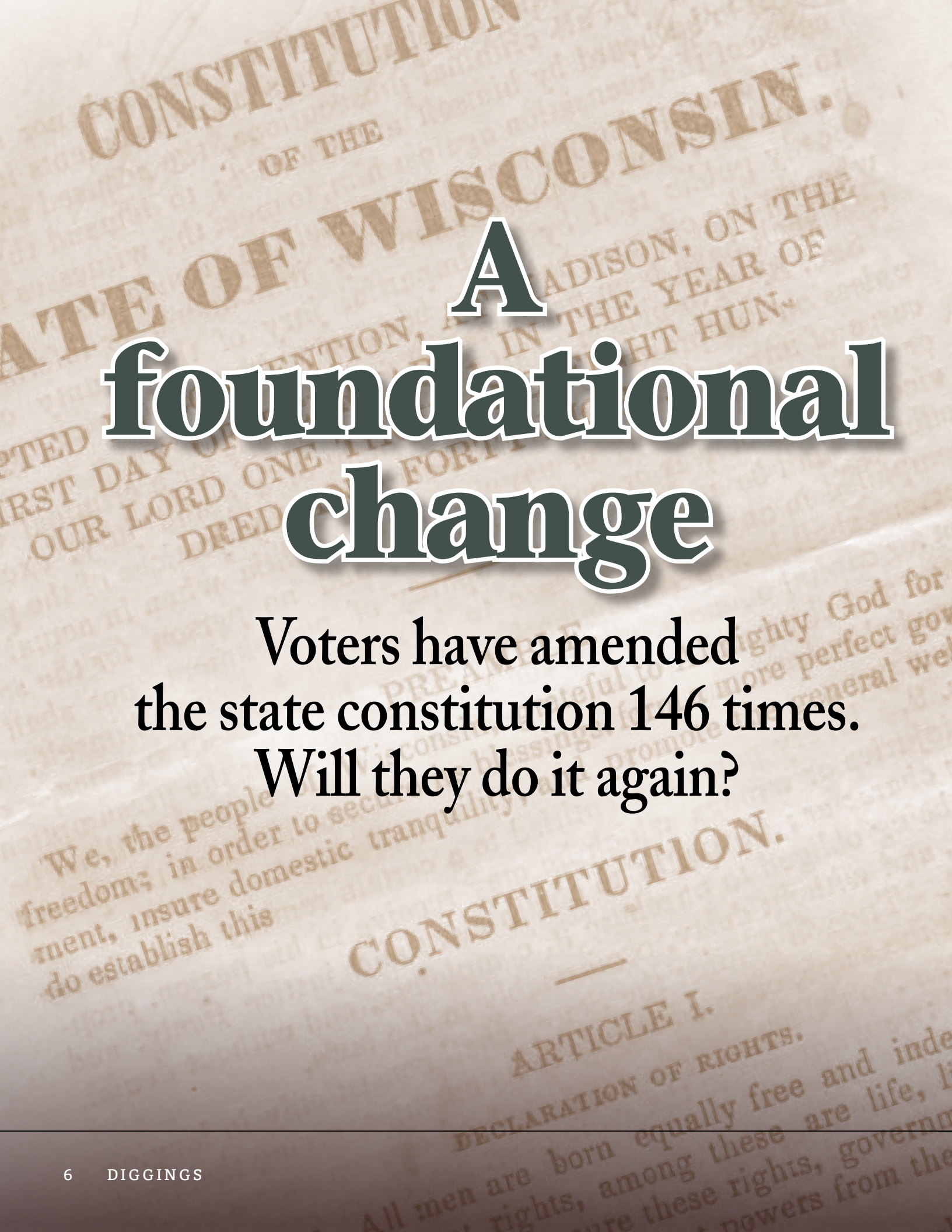
Source: State Auditor Joe Chrisman report



“It’s not free money, taxpayers are paying for them.”

– **Taylor County Sheriff Larry Woebeking,**
on the purchase of **disinfection robots**
by 55 county jails in Wisconsin at \$40,000 a unit

Source: Badger Institute



A foundational change

Voters have amended
the state constitution 146 times.
Will they do it again?

By Jim Bender

Sometime during the 2023 session, the Wisconsin Legislature is expected to approve a resolution proposing that voters consider amending the state constitution to restore long-lost legislative oversight of major federal spending initiatives in the state.

Frustrated legislative leaders in the Assembly and Senate led a move to pass identical joint resolutions, a pointed response to the control given to Gov. Tony Evers and the other 49 governors over how to spend more than \$5 trillion in three spending bills approved by Congress since the COVID-19 outbreak in March 2020.

Evers has had nearly total discretion over the spending of \$2 billion from the CARES Act, \$2.5 billion from the American Rescue Plan Act (ARPA) and, if he remains in office after the November election, over the next five years a minimum of \$7.2 billion from the Infrastructure Investment and Jobs Act.

The Legislature passed several bills to add legislative oversight and accountability to the federal appropriations of these funds, only to have Evers veto them. Amending the constitution would provide an oversight guarantee the governor cannot override.

Assuming the Republicans supporting the amendment retain control after the next election, the Assembly and Senate in the next session will be required to pass the measure again before the question of a constitutional amendment can be put on the ballot.

The Badger Institute in February submitted testimony in

favor of the resolution before the Assembly Committee on Constitution and Ethics.

Amendment history

The friction between the Democrat governor and Republican-led Legislature in Wisconsin reflects the polarized society we live in today. Often, the state Supreme Court is asked to settle balance of power disputes. When there is legislative and executive imbalance, changing the state's founding document is the only recourse.

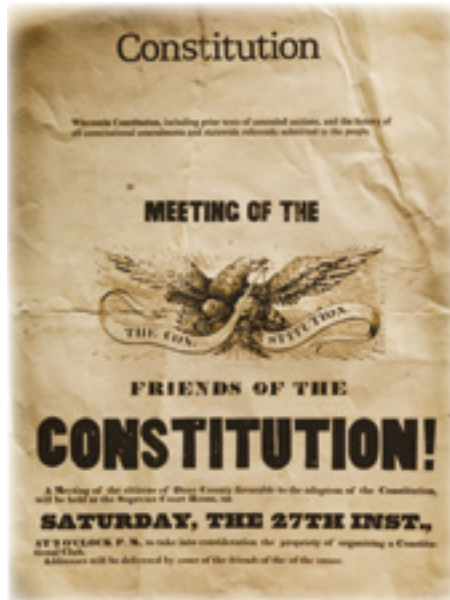
But how and why does our constitution get modified?

The Wisconsin Constitution was ratified in 1848, marking the state's acceptance into the Union by approval of a second constitutional convention. Although an option for changing the document exists, there has never been a third.

Amendments can be added by passage in both legislative bodies in consecutive legislatures and then ratified by voters. Those general elections can be held in either the spring or the fall. The governor plays no role in the process.

Because the Legislature meets for two-year sessions, the process of passing consecutive legislatures not only takes time but must survive an election cycle.

In the two-year legislative session that concluded in March, there were 13 constitutional amendment resolutions introduced for first consideration. Of those, four were passed in identical form by both the Assembly and Senate. There were no resolutions brought forward for second →



The Legislature passed several bills to add legislative oversight and accountability to the federal appropriations of these funds, only to have Evers veto them. Amending the constitution would provide an oversight guarantee the governor cannot override.

In 2008, voters put a stop to the Frankenstein Veto, used by the governor to graft together passages of the budget bill to invent new spending.



consideration.

Wisconsin voters have successfully amended the constitution in 146 of 198 attempts that survived the legislative process. Two amendments were later declared invalid by the courts.

Vanna White, Frankenstein

Over the past 20 years, several high-profile amendments drew media attention and high voter turnout.

In the fall of 2014, the people of Wisconsin turned out in record numbers for a constitutional amendment. For eight years, Democratic Gov. Jim Doyle used his veto authority to transfer money from the transportation fund — \$1.2 billion in all — for various favored budget items such as schools and local government aid.



Doyle

By a vote of 1,733,101 to 434,806, voters amended the constitution to prohibit any governor from raiding and re-assigning from the transportation fund.

In the fall of 2006, voters approved an amendment defining marriage as the union of one man and one woman, 1,264,310 votes in favor and 862,924 opposed. That vote was later found unconstitutional.

Eleven years earlier, with the lower voter turnout of a spring election, voters rejected an amendment to approve a sports lottery in Wisconsin.

Twice in the last 35 years, voters put a halt to a bizarre kind of gubernatorial “Wheel of Fortune.” In 1990, in what came to be known as the Vanna White Proposal, a constitutional amendment blocked governors from abusing veto authority to strike through sentences and even words and string together parts of a budget bill that in some

cases became the opposite of what had been passed by the Legislature. In 2008, voters put a stop to the Frankenstein Veto, used by the governor to graft together passages of the budget bill to invent new spending.

And in April 2018, Wisconsinites voted to retain the elected post of state treasurer.

Wisconsin legislators during the Great Depression abdicated their authority over distribution of federal funds to the governor. With a steady stream of new federal monies pouring into the state, the Legislature’s ability to convene regularly and provide timely oversight likely influenced their decision to give the executive branch more control.

Today’s legislators want to reclaim that power.

“SJR 84 would return ultimate decision-making responsibility to the legislature by requiring all initial appropriations of federal monies be approved by a joint committee of the legislature,” the resolution says. “By opening up bil-

lions of dollars in spending to the legislative process, lawmakers and the general public will have significantly more opportunity to have their voices heard and encourage a more accountable and efficient distribution of those funds.”

With billions more in federal funds left to spend, the Legislative Audit Bureau, at the direction of the Joint Legislative Audit Committee, has begun an audit of federal pandemic emergency spending to this point.

The Badger Institute, which began its own investigation into CARES Act spending in April

2021, has also voiced support for a statewide audit.

A constitutional amendment would ensure that the state Legislature has a say in federal allocations before a dollar is spent. ❏



Wisconsin Legislature photo

A replica of the state constitution is displayed in the north part of the first-floor rotunda of the state Capitol in Madison. The original disappeared shortly after its adoption in 1848.

Jim Bender, the former president of School Choice Wisconsin, is the Badger Institute’s education consultant.



On the road to waste & fraud

Lost and squandered millions are as much a part of infrastructure projects as concrete and rebar

By Ken Wysocky

— An analysis —

With cost overruns on bridge, road and other infrastructure megaprojects in Wisconsin as certain as death, taxes and Packers' title-run failures, budget hawks are on high alert with new federal money about to inundate the state.

The Infrastructure Investment and Jobs Act is expected to spread an additional \$5.4 billion out over the next five years, on top of the \$1.4 billion to \$2.2 billion in state and federal funding the Badger State has spent annually on highway construction alone.

"For many decades ... infrastructure projects and cost overruns have gone hand in hand," says state Sen. Duey Stroebel (R-Saukville). "While some infrastructure projects have been far more egregious than others, we've

historically seen cost overruns of 25 to 50 percent for transportation projects and projected benefits that often fail to fully materialize."

Even *The New York Times*, often a booster of government spending, warns of "Years of Delays, Billions in Overruns: The Dismal History of Big Infrastructure."

And along with the waste, 10% — or roughly \$540 million — of Wisconsin's Infrastructure Act money could be used fraudulently, says Stephen Street, state inspector general for Louisiana and president of the Association of Inspectors General. →



Stroebel

Construction in 2016 of the bridge over the St. Croix River connecting Minnesota to Wisconsin at Oak Park Heights, Minnesota, came in \$27 million over budget.



“There’s built-in fraud with such a gargantuan amount of money,” Street says. “Any time you have that amount of money, it’s almost impossible to oversee every dime ... it just can’t be done. There’s not enough personnel, not enough man hours in a day.

“And at the end of the day, it all comes out of taxpayers’ pockets.”



Street

Egregious examples

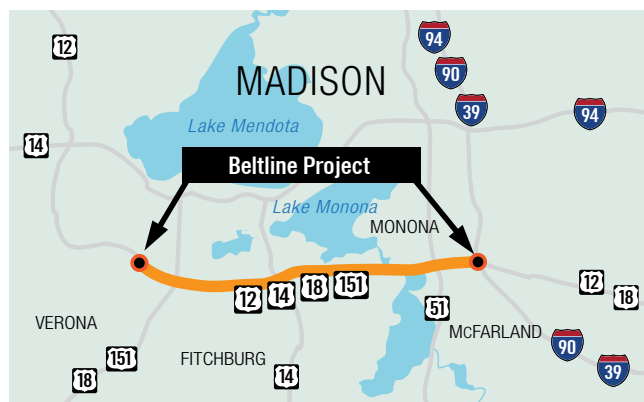
Even the most ardent proponents of big-government spending on infrastructure can’t deny Wisconsin’s sad history of cost overruns:

- *The recently completed, six-year project to widen I-39/I-90 from Madison to the Illinois state line, originally estimated to cost \$715 million, came in at more than \$1.2 billion.*
 - *The cost of reconstructing part of Madison’s Beltline (U.S. Highway 12), initially budgeted for \$150 million, now is expected to almost double.*
 - *An expansion of the Babcock Hall Dairy Plant at the University of Wisconsin-Madison was, at last count, more than \$33 million over budget.*
 - *A bridge over the St. Croix River between Oak Park Heights, Minnesota, and St. Joseph, Wisconsin, cost \$27 million more than its initial \$647 million price tag.*
- The national examples — the Los Angeles-to-San

Francisco bullet-train project, \$70 billion over budget and counting; and the Big Dig, the highway, bridges and tunnel project in Boston, that ran roughly \$20 billion over budget — are legendary.

A study of 258 large transportation projects built between 1927 and 1998 in 20 countries found that 90% of projects were more expensive than expected. Rail projects ran an average of 45% above estimates; tunnels and bridges an average of 34% more expensive; and road projects an average of 20% over budget.

■ Improvements will be made on the Beltline covering a stretch of about 10 miles including 12 interchanges that handles 120,000 vehicles a day.



Source: Wisconsin Department of Transportation

Bent Flyvbjerg, co-author of the study and perhaps the world's preeminent expert on infrastructure costs, calls it the Iron Law of Megaprojects. These projects always are "over time, over budget, under benefit, over and over again."

Audit criticizes practices

Wisconsin's Legislative Audit Bureau (LAB) — an independent, nonpartisan arm of the state Legislature — often has criticized the Wisconsin Department of Transportation's (WisDOT) budgeting practices for highway programs.

An LAB spokesperson declined requests to answer questions about those criticisms and instead referred the Badger Institute to *State Highway Program*, a 5-year-old study. Although a bit dated, the report is damning.

The cost of 19 major road projects from 2006 to 2015 totaled about \$1.5 billion — roughly twice as much as the original \$772 million total estimates. Another 16 projects underway in 2016 cost \$5.8 billion, more than twice the initial \$2.7 billion estimate.

WisDOT is not consistently using its performance measures to manage and improve its operations, State Auditor

Joe Chrisman said in the report.

"We make recommendations for DOT to use its funds more effectively and improve its management of the state highway program," the report says. "In addition, the legislature could consider

"For many decades... infrastructure projects and cost overruns have gone hand-in-hand."

State Sen.

— **Duey Stroebel** (R-Saukville)

modifying statutes to require DOT to provide it with cost estimates that include all costs associated with potential projects, including the effects of inflation, and to regularly report information to it about the ongoing costs of each major highway project."

Why are cost overruns so pervasive? "The larger the project, the greater the likelihood the costs of materials, labor and other inputs will change in ways that were not properly accounted for at the front end," Stroebel says. The layers of bureaucracy, regulations and labor requirements that accompany federal funding for infrastructure projects only add to those costs.

Strong civil service and union protections make it difficult to control labor costs and discipline managers for poor



University of Wisconsin photo

The cost of expanding the Babcock Hall Dairy Plant on the University of Wisconsin-Madison campus is \$33 million over budget and counting.

cost estimates, according to a report compiled in 2015 by Chris Edwards and Nicole Kaeding of the Cato Institute.

Steve Hanke, who has been studying infrastructure projects for more than 50 years, lays the blame on bloated government agencies not held accountable for budgeting, planning and cost-benefit errors in the same way as private companies.



Hanke

Hanke, a professor of applied economics at The Johns Hopkins University in Baltimore and a water infrastructure specialist on President Ronald Reagan's Council of Economic Advisers, calls it "the bureaucratic rule of two."

A public infrastructure project will cost twice as much compared to a private company doing the same project.

"Private companies build infrastructure all the time that's on time and on budget," he says. "They know shareholders don't want projects coming in late and over budget because that reduces profits and dividends."

"But with government, who cares about cost overruns? They're irrelevant. Name one politician who gets in hot water because of cost overruns. It just doesn't happen."

Stroebel agrees, noting that most privately funded projects that don't pass cost-benefit muster probably would be abandoned.

"There is no similar built-in corrective mechanism for government projects that run over budget," he says. "The politicization of infrastructure spending and decision-making also exacerbates these problems, as bringing home the bacon for one's legislative district too often trumps the →

careful consideration of opportunity costs and crowds out the private sector.”

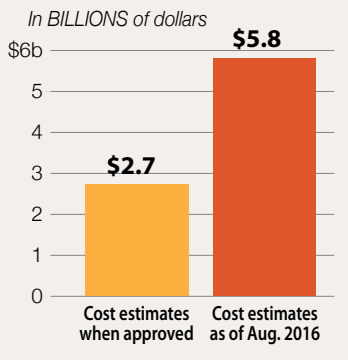
Intentional lowballing?

But Flyvbjerg sees something more dishonest: the practice of intentionally underestimating costs to win approval for projects that wouldn’t make sense economically if the true costs were known upfront.

In a pair of studies, Flyvbjerg asserts that cost estimates and cost-benefit analyses used to calculate the viability and ranking of projects are “highly systematically and significantly deceptive.” He calls this lowballing “strategic misrepresentation.”

“It seems unlikely that a whole profession of forecasting experts would continue to make the

Change in cost estimates of 16 major highway projects ongoing in August 2016



Source: Wisconsin Legislative Audit Bureau

same mistakes decade after decade instead of learning from their actions,” he wrote in a followup study.

“If people knew the real cost from the start, nothing would ever be approved,” former San Francisco Mayor Willie Brown once wrote. “The idea is to get going. Start digging a hole and make it so big, there’s no alternative to coming up with the money to fill it in.”

If officials often understate costs, they very often overstate infrastructure project benefits, too. A Federal Transit Administration survey of 27 public transit projects that opened between 2007 and 2015 found that ridership two years after opening was on average 21% lower than had been estimated. Designers overestimated ridership by a whop-

State prevailing wage laws dead, but federal Davis-Bacon pads costs

Wisconsin legislators repealed prevailing wage laws for local and state projects five years ago. But a federal prevailing wage law, the Davis-Bacon Act (DBA), contributes to cost overruns on federally funded infrastructure projects, critics say.

“It’s undeniable that the DBA increases the costs of federally funded infrastructure projects,” says state Sen. Ducey Stroebel (R-Saukville). Prevailing wage laws artificially increase wages, which in turn contributes to project cost overruns.

Passed by Congress in 1931, the act requires private contractors working on federal projects to pay their workers at least locally prevailing wages, as determined by the U.S. Department of Labor’s Wage and Hour Division (WHD). The law essentially protects local unionized contractors from disruptive influxes of cheaper, non-local and non-union labor.

A 2008 study compiled by the Beacon Hill Institute at Suffolk University claimed that the WHD uses flawed and biased methodology to calculate prevailing wages, Stroebel found. A survey of nine occupational categories that accounted for almost 60% of construction workers in 80 metropolitan areas showed prevailing wage rates were 22% higher on average than the market rates. This inflated annual construction costs in those cities by nearly \$9 billion, the study said.

A 2019 audit by the Department of Labor’s Office of the Inspector General determined that prevailing union wages

were set in 48% of prevailing wage determinations, while the vast majority of construction workers aren’t unionized, according to the Associated Builders and Contractors.

The Wisconsin Institute for Law & Liberty (WILL) a year later released a report that showed the DBA artificially raises wages by as much as 50% in some professions in Wisconsin.

WILL found that the DBA wage premium — the difference between federal prevailing wage rates and market rates — was more than 20% for construction workers in the Milwaukee area and between 10% and 20% for construction workers in western Wisconsin.

WILL partnered with Associated Builders and Contractors of Wisconsin to determine what state business owners think about the DBA. A survey showed that of 125 Wisconsin contractors, 90% believe that repealing the DBA would spur more project bids; 90% said the DBA increases employment costs; and 67% said they’d be more likely to bid on projects if the act was repealed.

“The Davis-Bacon Act distorts wages, limits competition and increases the cost of employment for Wisconsin contractors,” said Will Flanders, WILL research director. “If Congress is to undertake significant infrastructure investment, they must turn an eye towards reforming the DBA to ensure that taxpayers pay market wages for construction.”

— Ken Wysocky

Most traveled structurally deficient bridges in Wisconsin 2022

County	Year built	Daily crossings	Type of bridge	Location
Milwaukee	1960	132,000	Urban interstate	I-43 North/South Freeway over W. Glendale Ave.
Milwaukee	1959	107,000	Urban interstate	I-43 North/South Freeway over W. Hampton Ave.
Milwaukee	1967	62,000	Urban interstate	I-41/45/ South over W. Mill Rd.
Dane	1956	36,178	Urban other principal arterial	Hwy M/Century Ave. over Pheasant Branch Creek
Dunn	1959	33,200	Rural interstate	I-94 over E Br Wilson Creek
Milwaukee	1966	31,300	Urban other principal arterial	Hwy 36-Loomis Rd. over I-41/43/894
Columbia	1961	26,100	Rural interstate	I-39/90/94 northbound over Hwy 60
Milwaukee	1969	26,100	Urban other principal arterial	W. Good Hope Rd. over Milwaukee River
Waukesha	1966	25,350	Urban other principal arterial	Hwy F northbound (Redford over Green Rd.)

Source: 2022 American Road & Transportation Builders Association (ARTBA)

ping 77% for projects that opened between 1990 and 2002, according to the study.

Any cures?

Is there anything Wisconsin officials can do to minimize cost overruns? Hanke suggests a model used in France, a combination of public financing and building contracts managed by private-sector inspectors.

“The government also imposes huge penalties for cost overruns,” Hanke says. “France is the only country that efficiently handles public infrastructure.”



Boston's Big Dig — the road, tunnel and bridge project that ran \$20 billion over budget when completed in 2007 — is considered one of the greatest wastes of tax dollars for infrastructure in modern American history.

Flyvbjerg suggests a close review of the outcomes of similar projects to root out biases from past cost-benefit analyses. Analysts should be given incentives for accurate forecasts and severe penalties for erroneous forecasts, he says.

Agencies should solicit critiques of projects from independent engineers and economists and make detailed evaluations of projects after they are completed, so that policymakers and contractors can learn from their mistakes, Edwards and Kaeding recommend in their report.

Stroebe advocates for tighter supervision of projects. He also proposes establishing mechanisms in which those who compile cost-benefit forecasts be held accountable for inaccurate forecasts. At the very least, their work should be scrutinized by independent, third-party audits or reviews.

“These are ideas worth exploring to ensure there is more accountability in what has otherwise become a broken process,” says Stroebe.

Deeply ingrained processes and political forces make these changes seem wishful. After the Legislature enacted accountability provisions for projects, prompted by the Legislative Audit Bureau's criticism of WisDOT five years ago, the MacIver Institute uncovered an internal LAB memo saying WisDOT wasn't following the new laws.

WisDOT's track record on project oversight, Stroebe says, “doesn't inspire much confidence.”

Without a commitment to oversight, expect projects that will be too big and too expensive to stop. ❏

Ken Wysocky of Whitefish Bay is a freelance journalist and editor.



Viewpoints



Excerpts from weekly Badger Institute columns

by Institute President Mike Nichols and Policy Director Patrick McIlheran

Distributed via our Top Picks email every Friday — sign up at badgerinstitute.org/subscribe or scan this code



Parents didn't start the fire

By Patrick McIlheran | March 31

Adrienne Melby and her husband homeschooled, but when their oldest reached eighth grade, he wanted to be in school with friends from sports. The Melbys enrolled him in Burlington public schools.

It went well, Melby said, but “one of the things that really struck me was the lack of homework.” Writing assignments were short. Grammar didn't matter.

When the COVID lockdown hit, the virtual experience of public school frustrated their two sons. Melby and her “old-style Democrat” sister-in-law began organizing with a group of Burlingtonians to urge leaders to rethink hardline isolation.

Dairyland explores zero-carbon nuclear, but greens are not cheering

By Patrick McIlheran | March 18

It is encouraging to see Dairyland Power Cooperative thinking long-term. The co-op is the first Wisconsin-based utility to look at nuclear since the Legislature and the Walker administration in 2016 repealed the state moratorium on new nuclear plants. The moratorium was a relic of the late-1970s panic after an accident at a Pennsylvania nuclear plant that killed exactly no one.

In the 33 years it was in force, environmentalists' attention turned to global warming. The plausible scenarios in the United Nations' latest report on climate project that such warming will add about one degree to the global mean surface temperature by the year 2100, but the committed climate alarmists claim we have only 10 years to “save the planet.” So, you'd think they'd cheer if a utility explored a technology that displaces coal in a way that wind cannot and that emits exactly zero carbon dioxide.

Nope.



Government can't prevent death; don't expect to read this in your local paper

By Mike Nichols | March 10

Of all the wasteful impulses many politicians have, one of the worst is giving big tax breaks to dying industries.

Yet they just can't seem to resist.

Of all the people you'd expect to criticize special interests for trying to wheedle favors out of politicians, you'd think journalists in the so-called Fourth Estate would be screaming the loudest.

Yet they're the ones doing some of the most shameless wheedling.

Thankfully, they haven't been successful. Yet.

The new academic racism

By Patrick McIlheran | February 17

Gov. Evers declared that the bill he vetoed would keep schools “from teaching honest, complete facts about important historical topics.”

Which facts, exactly?

The measure did not ban anyone from teaching children that Americans once were taught that some people were



an inferior race. It banned only teaching that this thinking was right.

History is full of flawed peoples.

What parents object to . . . is children being taught that because of their race they carry with them a particular hereditary evil. We all should object to a new dose of that old poison.

Unless kids are killed or maimed, MPS gun battles are just police blotter items

By Mike Nichols | February 10

You wonder how many parents of kids at Bradley Tech High School or some other schools in Milwaukee really know what's going on there.

In the interest of transparency — and trying to understand why the Milwaukee School Board won't reverse course and get cops back in and around schools as soon as humanly possible — I want to share what I learned from 130 pages of police reports about just one incident on Dec. 6.

This is the kind of incident that once would have been front-page news. Nowadays, gunshots fired at a school might get a brief mention on TV news — unless somebody dies or a whole bunch of kids get shot and bleed.

Undeterred crime deters business

By Mike Nichols | January 27

There were way more than double the number of car thefts in Milwaukee last year than the year before. That's at least 10,479 people who are probably wondering right now how to get out of Milwaukee, some of them wanting to take their businesses with them.

The compass parents owe kids

By Patrick McIlheran | January 20

When a certain past-his-prime candidate for governor in Virginia last fall gaffed, "I don't think parents should be tell-

ing schools what they should teach," the shocker was how many progressives chose to be his backup chorus.

Terry McAuliffe choked. His many defenders revealed their souls.

Nikole Hannah-Jones, author of *The New York Times*' "The 1619 Project" fairy tale, professed she was baffled why parents "should decide what's being taught." The woman whose history curriculum was denounced as hogwash by eminent historians went on to declare, "School is not about simply confirming our worldview."

All of this scoffing starts with a caricature of parents bringing chaos to schools, each ignoramus demanding a flat earth here and white supremacy there, desperately trying to replicate in every particularity the values and superstitions from which progressives want to liberate their offspring.

Which is not how parental control actually works, at least not in the segment of schooling where parents have immense control — private schools that parents choose.



The other epidemic: overspending

By Mike Nichols | January 13

Real fraud is impossible to quantify, but there's little doubt residents of other states are more criminally ambitious. Last June in New York, a guy by the name of Muge Ma, better known as "Hummer Mars," pleaded guilty to singlehandedly — and fraudulently — trying to land more than \$20 million in pandemic loans.

The bigger problems are waste and bureaucrats spending emergency money on things that have little to do with the emergency. Smart legislators in Wisconsin have just introduced bills that would give the Assembly and Senate more oversight over how federal spending is distributed and more transparency regarding where it goes.

That's a good thing. This federal overspending and ever-growing debt are going to sink us, or more likely our kids. In the meantime, we need more accountability and metrics to make sure the cash is being spent the right way, and all these other states need the same.

Read the full versions of these columns at badgerinstitute.org/News

Bang for the private college buck

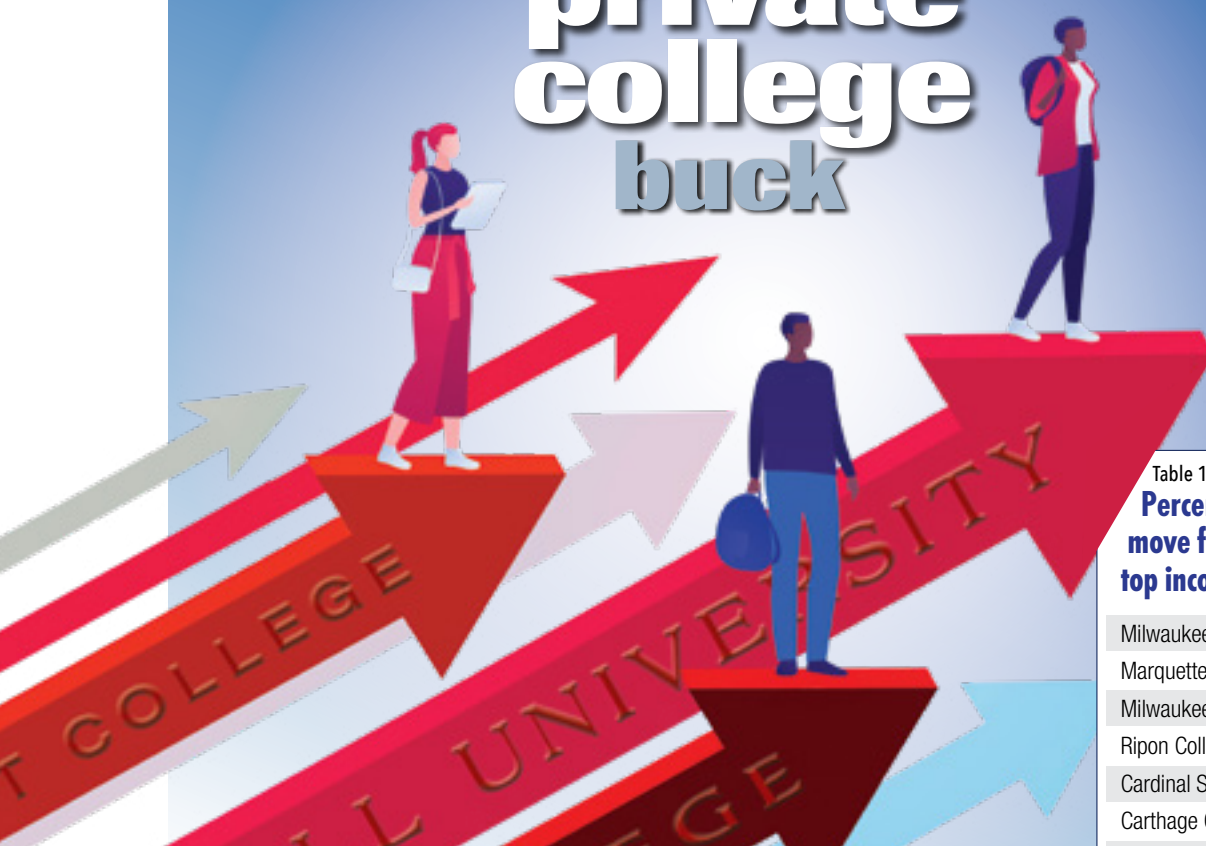


Table 1

Percentage of graduates who move from the bottom to the top income bracket by age 34

Milwaukee School of Engineering	50%
Marquette University	42%
Milwaukee Institute of Art & Design	38%
Ripon College	37%
Cardinal Stritch University	32%
Carthage College	28%
Lawrence University	25%
Beloit College	24%
Wisconsin Lutheran College	23%
St. Norbert College	22%
Edgewood College	21%
Carroll University	21%
Alverno College	18%
Concordia University Wisconsin	15%
Mount Mary University	13%
Viterbo University	13%
Marian University	12%
Maranatha Baptist University	11%
Herzing University	9.5%
Northland College	8.7%
Lakeland University	6%

Tax data shows which state universities better promote graduates' upward mobility

By Scott Niederjohn

With retail price tuitions at several of Wisconsin's private universities topping \$50,000 a year, it might help those paying the bills to know which schools do the best job of moving students up the economic ladder.

Using tax data collected in an earlier study, we have for the first time ranked the state's private schools for their

graduates' success in moving from the lowest to the highest income bracket, their median incomes at age 34 and their likelihood of moving up at least two income brackets.

The question of upward mobility is more urgent at this time of surging tuition and increased attention to economic and social inequality. Tuition rates at Wisconsin's most expensive private colleges, Beloit College and Lawrence University in Appleton,

Table 2

Median income of graduates by age 34

Milwaukee School of Engineering	\$72,700
Marquette University	\$60,100
Carthage College	\$47,500
St. Norbert College	\$47,100
Ripon College	\$45,600
Lawrence University	\$44,500
Carroll University	\$43,300
Beloit College	\$40,600
Edgewood College	\$40,500
Wisconsin Lutheran College	\$39,300
Lakeland University	\$39,200
Cardinal Stritch University	\$39,100
Marian University	\$38,900
Viterbo University	\$38,600
Concordia University Wisconsin	\$38,600
Mount Mary University	\$34,300
Herzing University	\$33,500
Alverno College	\$33,200
Milwaukee Institute of Art & Design	\$32,200
Northland College	\$31,000
Maranatha Baptist University	\$24,200

exceed \$50,000 per year. The average tuition at Wisconsin's 21 four-year private schools is more than \$36,000 per year.

While the Milwaukee School of Engineering has the sixth-highest tuition in the current school year (\$43,284), it ranked first in all three mobility metrics. Half of MSOE graduates from low-income families went from the poorest bracket or quintile to the wealthiest quintile by age 34, not surprising for a school that produces primarily engineers (see Table 1).

By this measure, Herzing University in Milwaukee, Lakeland University in Plymouth and Northland College in Ashland were the weakest perform-

ers, with fewer than 10% of their low-income students moving from the bottom to the top income brackets by age 34.

Median income

MSOE far outstrips every other private school in Wisconsin, with graduates earning an average median income of nearly \$73,000 at age 34. Marquette University in Milwaukee comes in at just over \$60,000, and that average median income drops considerably, to \$47,500, for graduates of Carthage College in Kenosha (see Table 2).

The question of upward mobility is more urgent at this time of surging tuition and increased attention to economic and social inequality.

Maranatha Baptist University in Watertown is at the bottom, with graduates earning an average of just over \$24,000 at age 34. It's worth keeping in mind, however, that Maranatha's mission is "to develop leaders for ministry in the local church and the world." Those leaders, while certainly valued, are not often well paid.

Nearly a quarter of graduates of MSOE and Alverno College in Milwaukee moved upward at least two quintiles by the time they turned 34 (see Table 3). For a student from the lowest quintile, that move would be squarely into the middle class. From the middle, that move would put a graduate in the top 20% of wage earners.

Five of the schools did, at best, half as well as MSOE and Alverno.

Beloit College and Lawrence University ranked last with a two-quintile earnings movement of just 11%.

No one measure tells a complete story. Marquette ranked second among the schools for producing graduates who went from the bottom to the top but third from last in graduates who moved up at least two income brackets. By contrast, Lakeland ranked dead last in bottom-to-top movement but third in two-quintile movers. ❏

Scott Niederjohn is a professor of economics and director of the Free Enterprise Center at Concordia University Wisconsin in Mequon and a Badger Institute visiting fellow.

Table 3

Percentage of graduates who move up at least two income brackets by age 34

Milwaukee School of Engineering	24%
Alverno College	24%
Lakeland College	19%
Herzing University	18%
Maranatha Baptist University	18%
Viterbo University	17%
Wisconsin Lutheran College	16%
Cardinal Stritch University	16%
Marian University	16%
Concordia University Wisconsin	16%
Edgewood College	15%
Mount Mary University	15%
Northland College	15%
Ripon College	14%
Carthage College	13%
Carroll University	13%
Marquette University	12%
St. Norbert College	12%
Milwaukee Institute of Art & Design	12%
Lawrence University	11%
Beloit College	11%

Dire need of acco



The
Badger Institute
investigates
where the
billions went

Accountability

By Mark Lisher

At the time the U.S. Government Accountability Office released its first major assessment of federal COVID-19 spending in March, more than 400 people had pleaded guilty to defrauding the programs and another 550 had been charged with felony fraud.

The Internal Revenue Service followed with a report that it had conducted 660 investigations revealing loan, credits and payment fraud totaling \$1.8 billion over the past two years.

Expect many more disclosures like those, according to the GAO report, which amplified the message delivered for a year by the Badger Institute. In the scramble to distribute trillions of dollars in a declared emergency, government at all levels sacrificed transparency and accountability to the taxpaying public.

The cost is only beginning to be realized. As of the start of 2022, according to the report, the Department of Labor's inspector general had opened more than 31,000 cases alleging fraud in its unemployment insurance program alone. In 17 months, the Small Business Administration fielded 215,000 fraud complaints on its hotline concerning its Paycheck Protection and Economic →



ROBERT HELF ILLUSTRATION



Injury Disaster Loan programs.

For a year, the Badger Institute has been looking into some of this spending at the local level, \$190 million in direct aid to Wisconsin through the Local Government Aid Grants program.

The LGAG provided \$150 billion to all of the states, just one of many programs that made up the \$2.2 trillion federal CARES Act, enacted on March 27, 2020.

In March 2020, in more than 1,150 county courthouses and city, village and town halls throughout Wisconsin, employees tried to figure out how to keep their municipalities running while keeping their employees and the public safe.

The program, referred to in Wisconsin as Routes to Recovery, was itself a guess made in all of the chaos, a pot of funding created and divided up by federal bureaucrats based solely on population rather than need and divided up again by the state Department of Administration based solely on that criteria.

Audit underway

What we've learned is that it's nearly impossible to determine how well or how poorly the bureaucrats executed Routes to Recovery. It prompted us to call for a state audit of Wisconsin's share of all federal pandemic emergency spending, including the CARES Act, the \$1.9 trillion American Rescue Plan Act passed in March 2021 and the \$1.2 trillion Infrastructure Investment and Jobs Act passed in November.



Analysts for the Government Accountability Office in Washington, D.C., are warning that arrests for fraud and billions of dollars wasted are going to climb as states attempt to take an accounting of CARES Act spending.

The Legislative Audit Bureau at the direction of the Joint Legislative Audit Committee has begun such an audit, and the state Assembly has passed a measure to put to a vote an amendment to the state constitution giving the Legislature oversight authority over future federal spending.

Rep. Mark Born (R-Beaver Dam) told the Badger Institute that pressure for the audit came not only from legislators but from Legislative Fiscal Bureau staff who could not get meaningful information about CARES Act spending.

Born, co-chair of the Joint Finance Committee and a member of the Joint Audit Committee, said the way the CARES Act was administered, it was take and spend the money and ask questions, maybe, later. "The administration was just not set up for this," he said.

The Badger Institute will continue to look at how CARES Act money was spent or, as we reported in our last issue, not spent. In some cases, the spending — such as the \$2.2 million that county jail personnel in Wisconsin spent on disinfection



Were disinfection robots necessary?

robots — is egregious.

What we learned most clearly was in the haste and panic that gripped our federal and state governments, CARES Act programs were deliberately designed to get funding out the door as quickly as possible and to make that funding as easy as possible to spend.

Easy to spend, tough to track

While guidance for the program goes on for pages, guidelines for the spending was summed up in one sentence: government expenditures that were not previously budgeted, were necessary to respond to the COVID-19 public health emergency and were incurred after March 1, 2020.

Not only did the overall guidelines for spending change several times, the deadline for spending the CARES Act funding was extended to the end of 2022, recognizing the difficulty many communities were having spending all of the cash.

And the spending has all along been a moving target. The Department of Administration created a tracker for Routes to Recovery allocations from the state. While by no means the worst of its kind, the DOA tracker was criticized for failing to provide health and education data or allow a search by spending category or description, according to a December study by Good Jobs First.

In hundreds of instances, the amount of funding allocated is not the amount of funding reimbursed. Eau Claire County, for example, received an allocation of nearly \$1.7 million but was reimbursed just \$626,715. The City of Eau Claire was allocated \$1.1 million but ended up with \$1.7 million.

The state allowed communities unable to spend their

allotments to release the funding to other communities, as occurred in Eau Claire. As far as the state was concerned, the \$190 million money shuffle was all right as long as the total state allocations and reimbursements matched up, Tatyana Warrick, the DOA's communications director, told the Badger Institute.

"The Evers administration worked closely with local governments throughout the pandemic to identify needs for response and recovery funding," Warrick said. "As a result, the state made some modifications to the Routes to Recovery program to address those needs that reflected

the changing needs identified by local government officials."

Drilling down

Learning the how and the why of those changing needs cannot be done at the state level. In early April 2021, when the Badger Institute first contacted the DOA for CARES Act spending data, we were told that by guideline the state kept only spending totals. Itemized spending can be gleaned only community by community.

Half of 20 communities that we contacted failed to respond to our original and follow-up email inquiries. Those that did respond have not been eager to answer questions

about the records they're keeping.

Milwaukee County, for example, was reimbursed for more than \$7.6 million for public safety and public health "activities" between June and November 2020 in agencies such as the Office of Emergency Management and the Sheriff's Department. The DOA did not ask for any explanation as to what those activities were before reimbursing the county. The Badger Institute has yet to get an explanation.

Dane County claimed all \$8.7 million of its Routes →

Routes to Recovery spending

Routes to Recovery allocations and final reimbursements for the 10 local governments that responded to the Badger Institute's request for breakdowns of their spending under the CARES Act program.

	Allocated	Reimbursed
Milwaukee County	\$15,384,444	\$16,706,795
City of Madison	\$4,156,240	\$4,657,567
Dane County	\$8,735,631	\$9,662,761
City of Waukesha	\$1,171,242	\$1,295,548
Waukesha County	\$6,600,414	\$7,300,929
City of Appleton	\$1,251,072	\$1,344,030
Outagamie County	\$3,041,655	\$3,045,245
City of Kenosha	\$1,623,169	\$1,795,439
Eau Claire County	\$1,677,111	\$626,715
Chippewa County	\$1,054,805	\$1,227,765

Source: Wisconsin Department of Administration

How county IT departments in Wisconsin reported their CARES Act spending

County IT departments across Wisconsin were on the front line of the COVID-19 emergency, spending millions of Routes to Recovery dollars to move entire departments from municipal buildings to the homes of employees.

A Badger Institute review shows that rarely were expenditures rejected for CARES Act reimbursement. But were those expenditures necessary? Did the counties get a steal or get robbed blind? Were they extravagant or parsimonious?

The Badger Institute has found evidence of both, but a lack of transparency and specificity leaves tax watchdogs largely in the dark regarding the vast majority of the spending.

Chippewa County at the height of the pandemic had half of its 420-person workforce working remotely, Andy Bauer, the county's director of Information Technology, told the Badger Institute. The county asked for \$120,033 in Routes to Recovery reimbursement, \$97,966 of it for laptops, according to records.

Milwaukee County billed Routes to Recovery for \$2.8 million on IT, \$1.2 million of that for IT support and \$595,000 for laptops. That paid for 451 laptops for roughly 11% of the county's workforce of 4,400 to do their jobs remotely, Pam Matthews, a budget analyst with the county's Office of Strategy, Budget and Performance, told the Badger Institute.

In a review of those expenditures — including the \$13,500 Chippewa County spent on four special Dell Precision laptops — there is no obvious waste, fraud and abuse peeking out from between all of those lines. Most of the laptops cost between \$800 and \$1,000, and based on the number of employees who received them, there is no obvious

evidence that IT departments saw the Routes to Recovery as a route to re-outfit their municipal offices with all-new equipment.

Chippewa County's laptop needs were greater because of the number of county employees working on old desktops that could not be moved, Bauer said. The county had been considering remote work for its Public Health and Human Services staff who were already spending a lot of their workweeks in the field, he said.

"Our county government has always been a little cautious. COVID forced us into this, and we found it worked well," Bauer said. "We had to spend money but found it relieved us of a space problem."

Milwaukee County's reimbursement for IT expenses runs to 147 lines, with arcane expense descriptions. When asked about the \$1.2 million increase in IT support, Matthews provided a detailed list of seven programs across departments set up by the county to augment remote work.

The county spent more than \$115,000 to transition court proceedings to virtual and another \$128,612 to integrate that system with interactive Zoom technology. It spent \$19,250 on something called Carey Group deluxe licenses that, according to Matthews, allow Department of Youth and Family Services personnel to conduct training online.

Like Chippewa County, nothing in the reimbursement report suggests that Milwaukee County wasted or stole federal funding. To answer those questions, in Wisconsin and the rest of the country, a great deal more analysis and transparency will be necessary.

— Mark Lisher



Local governments spent millions of federal Routes to Recovery dollars to take much of their municipal services remote during the pandemic. Accounting for the spending was minimal.

to Recovery funding in the payroll category. The county also received more than \$85 million in other CARES Act funding. A review of the county's last five budgets, including the pandemic years 2020-'22, shows a steady increase of 22.9%, from \$538 million in 2018 to \$661 million in 2022, because of the infusion of federal cash.

Good luck trying to find how that roughly \$85 million was spent, other than on payroll. The offices of Controller Charles Hicklin and County Executive Joe Parisi have not responded to Badger Institute emails asking for explanations.

Opaque

The GAO concluded that this lack of accountability, baked into the CARES Act bill, has made it tough to estimate the overall cost of the waste, fraud and abuse. There are, however, some hints.

Even with several large agencies not reporting estimates, the federal Office of Management and Budget estimated more than \$281 billion in improper payments for the pandemic fiscal year 2021. That's \$75 billion

more than reported the fiscal year before and double the amount reported in fiscal 2017.

How much of that is tied directly to pandemic spending may not be known for a long time. While the CARES Act called for establishing a Pandemic Response Accountability Committee to oversee emergency funding, political squabbling delayed actual funding for the committee by a year. By then, the passage of ARPA had pushed pandemic spending past \$4 trillion.

"We found that many agencies — including those that administer some of the largest COVID-19 relief programs — did not develop effective internal controls or apply financial management practices to manage and oversee the distribution and use of COVID-19 relief funds," the GAO report says.

The GAO recommends that agencies designate any new program distributing \$100 million or more as "susceptible to improper payments" and make those payment totals part of their annual reports. Those annual reports should also include reviews of fraud control and risk

management for the previous year, according to the report.

The Office of Management and Budget should assist agencies in developing a plan to account for all funding in the event of emergencies in the future and to make that spending available on the USAspending.gov website.

As we reported in our last issue, Wisconsin communities still have millions in CARES Act

funds left to spend. The state has already received nearly \$1.5 billion of an expected \$2.5 billion in ARPA funds and after a year, more than \$900 million of it hasn't been spent, according to State Auditor Joe Chrisman.

Like Routes to Recovery, it likely will be months before any reimbursement documentation is made public. It is also likely that ARPA will be just as opaque as the CARES Act. ❌

Mark Lisher is the managing editor of Diggings.



"The administration was just not set up for this."

— State Rep. Mark Born
on the state's tracking of CARES Act spending

Building moral character

An open embrace of spiritual values in choice schools builds better citizens

By Patrick McIlheran

Carmen Bell gives high marks to the Milwaukee high school that her daughter Naomi graduated from last year. Ask why, and she starts with phrases you've heard before.

The teachers were supportive and caring. But many teachers in many schools are supportive and caring. Teachers pushed students to excel. Again, admirable — and widely professed.

Then she says this: Teachers at Milwaukee Lutheran High School are “very open with their faith.” At chapel in the gym when a child overwhelmed by the message would start crying from joy. Or in everyday interactions with students. It wasn’t pushy, but the school was demonstrating to the children that “we serve a living God,” she says.



ROBERT HELF PHOTO

Bell, who describes herself as a believer in Christ, thinks the element of faith made a difference for the students, for her daughter. “Why wouldn’t it make a difference?” she says. “It should make a difference.”

Findings released last fall by a long-running project studying Milwaukee schoolchildren suggest faith makes a big difference. When children who have little or no religious upbringing attend a private choice school (roughly nine in 10 such schools in Milwaukee are religious or following a religious tradition), it serves to “suppress criminal tendencies and paternity cases of students later in life” to about as great a degree as having had a highly religious upbringing.

Avoiding criminal tendencies later in life is not the fullness of good citizenship, but it is a prerequisite. In this sense, school choice — a specific part of school choice — makes better citizens. “We really do think that the religious component is what’s forming the moral ecology at these schools,” says Patrick Wolf, one of the researchers.

The findings build on earlier research that says attending a private choice school makes a huge difference in whether a Milwaukeean will be convicted of a crime as a young adult.

Citizenship markers

The School Choice Demonstration Project at the University of Arkansas began studying Milwaukee’s pioneering school choice program in 2006 under a mandate from the Wisconsin Legislature.

By 2011, it became clear that, all factors being equal, students in choice program private schools were significantly more likely to graduate from high school and stay in college. The findings were a landmark vindication of a program under political attack since its launch in 1990.

Researchers followed up by pairing about 1,100 of those students with Milwaukee Public Schools students, surveying their parents and checking court records to compare what became of them. Wolf, a University of Arkansas professor, and researcher Corey DeAngelis released their findings in 2016.

Young men who were in the choice program all the way through high school were 79% less likely to have committed a felony and 42% less likely to have been convicted of any kind of crime than their MPS counterparts, the find-

ings showed.

DeAngelis and Wolf followed up three years later and found that those 25- to 28-year-olds who had been in a private school were now 53% less likely to have a drug conviction, 86% less likely to have been convicted of damaging property and 38% less likely to have been involved in a paternity suit.



Rhames

Drug convictions serve as a marker in the community: “It suggests you’re involved in other criminal activity,” Wolf says. So, too, with paternity suits, according to University of Arkansas researcher Marilyn Anderson Rhames: They don’t indicate crime, she says, but filing one “implies some level of poverty or desperation that we don’t want our children to have to grow up to experience.”

Rhames is behind the most recent research on criminal tendencies. She and Wolf capitalized on the fact that the 2006 research asked parents their religious affiliation and frequency of attending worship services.

They found that among the 25- to 28-year-olds, the former MPS students who came from a “low-religiosity” home were markedly more likely to later be convicted of resisting arrest and having restraining orders placed against them than MPS students from a “high-religiosity” family.

Students from a low-religiosity family who attend a private choice school, however, had markedly fewer misdemeanors, drug convictions, arrests and fines compared to low-religiosity students in MPS.

And when it comes to paternity suits, the effects of going to a private choice school and coming from a religious family reinforce one another.

The researchers are careful to point out that the study is descriptive, not causal — the numbers say only that going to a choice school produces better results, not why. But they do suggest a school can provide the same sort of framework for building moral character as a religious upbringing, Wolf says.

A transcendent urgency

What does it look like when a school provides such a framework? Ask those involved, and at first the answers →



ROBERT HELF PHOTO

Principal Trenae Howard assures parents she is helping to create a framework where moral character can be built at Granville Lutheran School.



“They’re bridge-makers, they’re better equipped at being able to talk with people who attend different churches than them. They’re better equipped at being able to sustain their neighborhood.”

– Alex Riehle, admissions director, Eastbrook Academy

sound mundane.

Trenae Howard, principal at Granville Lutheran, a K-8 school on Milwaukee’s northwest side with 249 students, most via the choice program, talks about setting expectations.

“We really let kids know this is their safe place,” she says. Again, all of this is at least talked about in public schools, too. “We stress the teamwork of having families involved,” she says.

Doesn’t everyone try to stress that?

“It sounds good and looks good on paper. But holding people to it is where you see some schools finding it too much work,” Howard says. Not when you understand the stakes for families and their children: “I have their prize possession. This gift God has given — we have it here at this school, and we give it back better.”

In other words, the school’s ability — as a choice school — to openly embrace its faith tradition lends a transcendent urgency to its character- and community-building.

Granville Lutheran builds its school year calendar around working on a particular virtue each week. The week we spoke, the students were discussing a Bible passage, Matthew 5:9, “Blessed are the peacemakers, for they shall be called sons of God.”

Here were future adult citizens of Milwaukee, most of whom are not Lutheran, learning how to live peacefully. Not simply for practical reasons but as the profound moral imperative to be a child of God, Howard says.

A values advantage

Alex Riehle, who directs admissions at the non-denominational Christian K4-12 Eastbrook Academy on Milwaukee’s northeast side, says the school’s 400 students come from 19 area cities — Milwaukee, the North Shore, Muskego, West Bend — and from different backgrounds and denominations.

“They’re bridge-makers,” Riehle says. The daily practice of building friendships across differences means that by graduation, “they’re better equipped at being able to talk with people who attend different churches than them. They’re better equipped at being able to sustain their neighborhood.”

Tia Hatchett, whose son, Jaden, graduated in 2021 from Milwaukee Lutheran High, says her son was drawn to the school by its academics and because he saw it as a chance to deepen his faith.

Hatchett’s family isn’t Lutheran — they go to a non-denominational church — but rather than feeling like an outcast, her son was challenged “to look for something we have in common.” He learned that “I may not have to believe what you believe, but I don’t have to lose respect for you,” she says.

Rather than narrowly sectarian goods, these lessons — respectful understanding of others’ beliefs and differences, making peace as if eternity depended on it — are civic virtues.



Hatchett

— a benefit for them and for their fellow citizens.

Rhames taught in the Chicago Public Schools for 14 years, and she’s the founder of a nonprofit that supports public school teachers who seek to model Christian behavior in a secular environment.

Her education policy research has led her to conclude the ability of private schools to openly express a religious view gives them an advantage over government-run schools.

“Private schools really do have more latitude to express their values,” she says. “That’s why having school choice is liberating for some parents who know they can’t provide that religious background for their children, but they know the value for their children,” she adds.

And of value to the greater Milwaukee community, enriched by young adults who, through their school choice education, are moral and civic assets. ❏

Patrick McIlheran is the Badger Institute’s director of policy.



The new capitalism

By Remso Martinez

Jimmy Gullberg has 129,200 followers on the social media platform TikTok, many of whom look to him for entertaining advice about his job as a physician assistant in Milwaukee.

Despite his growing audience, Gullberg isn't quitting his daytime job anytime soon. Nor does he have any intention of letting his TikTok "brand," @pacollective, stagnate. Since May 2020, with the COVID-19 pandemic in full swing, he's begun producing 20 to 30 short videos a month using comedy to mentor students and illuminate the lives of healthcare workers.

These videos make money. How much, exactly, Gullberg won't say. But he and other Wisconsin entrepreneurs are part of TikTok's explosive international growth. In 2017, ByteDance Ltd.,

the Chinese-based owner of TikTok, generated \$63 million in revenue. Last year, it was \$4.6 billion, according to Business of Apps data.

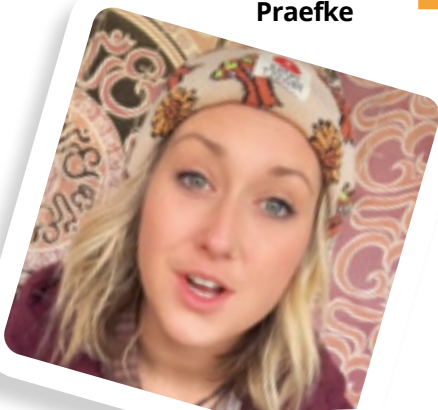
**Wisconsin
entrepreneurs
build
communities,
careers**

Far surpassing Facebook, YouTube and other social media, TikTok's short-form video platform (think of YouTube videos but much, much shorter) has attracted and encouraged a new, more direct kind of capitalism.

Companies ranging from fashion brands to credit cards are paying creators like Gullberg to promote their products and services, just like celebrity endorsements you see on TV, and TikTok takes a cut.

TikTok enthusiasts prefer to talk about their success in terms of followers. Three billion people around the world have downloaded the TikTok app, the most popular iPhone app downloaded last year in the United States. →

Amanda Praefke



“**TikTok puts the power in the hands of the creator.**” There are millions of once anonymous creators whose popularity gives them **“the bargaining chips when it comes to working with brands and companies and what is put on their page.”**

— TikTok video producer **Jimmy Gullberg**

Kim Witt of Madison puts together stunning cinema-quality special effects artistry and makeup videos for 938,600 followers. Jimmy Li, an amateur cook in Madison, makes short recipe videos for 70,200 followers.

Cashing the passion

In general, even relatively small entrepreneurs like Gullberg can earn between \$300 to \$1,000 in sponsorships for a single video and from \$600 to \$1,400 per month in commissions for sales on exclusive links provided by companies to these TikTok content creators. Some popular

TikTok celebrities receive “tips,” or direct donations sent from fans and supporters online.

TikTok has a Creator Fund, which pays creators with large enough followings between \$200 and \$5,000 per month based on views for original content, according to Small Business Trends. Individuals with as few as a thousand followers earn some income.

For Gullberg, 28, it provides an opportunity to channel a passion for educating and advocating for the physician assistant profession.

“TikTok puts the power in the hands of the creator,” he says. There are millions of once anonymous creators

whose popularity gives them “the bargaining chips when it comes to working with brands and companies and what is put on their page.”

“Just as Aaron Rodgers has worked with State Farm Insurance on TV commercials, TikTok influencers/creators are working with companies and brands to reach more people on social media.”

Like Gullberg, Jeffrey Matthias, a 34-year-old Milwaukee marketing professional, got a huge boost from the time he had on his hands during the pandemic. “JMatt,” (or @JMattMke on TikTok), has built an audience of 172,000 highlighting local businesses and community events in the Milwaukee area.

As a midday radio DJ and digital content director for 103.7 KISS-FM in Milwaukee, JMatt says he recognized in 2019 that TikTok was influencing the popularity of music. Coming out of the pandemic, he recognized the importance of supporting the economic recovery of local businesses.

Pandemic boost

“I don’t think I’d be nearly as successful on TikTok if it wasn’t for the pandemic,” JMatt says. “I suddenly had an

Jeffrey Matthias



abundance of free time, and there were also a lot more users watching content on TikTok. I think TikTok has shown many people how accessible being a content creator really is. You don't have to have a large following to take off."

It has become increasingly common for TikTok creators to build huge followings doing the most idiosyncratic things. Tommy Winkler dropped out of the University of Wisconsin-Parkside in January to devote his life to traveling to and trying the signature foods in every state in the country and posting videos of him doing it, according to a story in the *Appleton Post-Crescent*.

Winkler, 20, built his fame and an audience of 7.1 million followers posting videos to TikTok of a daily meal routine suggested to him by his loyal followers. While he didn't disclose to the *Post-Crescent* how much he's paid to eat on video, he was able to convince his parents, with whom he now lives in Mount Horeb, it was enough to at least postpone his college education.

"The older generation didn't grow up around social media and people turning it into marketing themselves and making a job just by making videos and posting them through your phone," Winkler told the *Post-Crescent*.

"My parents just thought it was crazy that they got me an iPhone and then I'm able to turn it into this huge, successful business."

There are others, like Amanda Praefke, for whom TikTok isn't solely a vehicle for making money or becoming famous. Praefke, who goes by *@Cosmicsoul_guide* on TikTok, is a 33-year-old addiction recovery coach from Muskego, who refers to the more than 43,000 followers on her lifestyle account as her community.

"My goal has and always will be to use TikTok as a way to express myself and build community," Praefke says. "It gives me the space to share my unique experiences and find other people like me."

While some might see it as a very direct and unrefined form of capitalism, Praefke says, "I agree with capitalism but believe that there needs to be some things in place to make sure we don't end up with what we have now, which is not capitalism; it's 'corporatism.'"

Praefke's concerns bring into sharp relief the massive

growth and capability of TikTok, whose relationship with the Chinese government has made many nervous

Unease over China

In August 2020, then-President Donald Trump made an unsuccessful attempt to ban TikTok by

outlawing "any transactions between TikTok's parent company, ByteDance, and U.S. citizens" for reasons of national security.

An investigation conducted by the *Guardian* in 2019 exposed leaked documents showing TikTok "instructing its moderators to censor videos that mentioned topics sensitive to the Communist Party of China," according to Vox.

The Chinese government did nothing to allay worries when it acquired a 1% stake in ByteDance. While there are no immediate expectations that this will affect the TikTok app, China's expanding influence in the technology industry will be watched closely by Western governments.

Regardless of her distaste for the politics and economics surrounding TikTok, Praefke has every intention of continuing to grow her community.

"I think every system currently in place is upheld by greedy, evil and self-preserving fools, so I don't blame the systems themselves. I blame their keepers."

Gullberg could not disagree more and thinks TikTok has succeeded in showing the world the best of what the free market has to offer.

"I've witnessed firsthand the successes of amazing content creators that made something for themselves by showing the world their creativity," he says. "With persistence and hard work, they were rewarded for it, which they should be." ❏

Remso Martinez is the Badger Institute digital marketing manager.

Jimmy Gullberg



"The perception that we're living through an epidemic of racially biased police shootings of black men is an optical illusion. It is created by deliberately selective coverage on the part of the media that does not give the public an accurate picture of what is going on."



Heather MacDonald
*fellow at the Manhattan Institute,
on correcting the crime narrative
(Aug. 25, 2021)*

"What we have now is a system that protects those large retailers from having to face competition, potentially from a mom-and-pop that could sell things at a lower cost or find a smarter way to do things, lower those costs and cause problems for the large retailers. What we have now is just a protection of the larger businesses."



Will Flanders
*research director for the Wisconsin Institute for
Law & Liberty, on how Wisconsin's minimum
markup law affects consumers (March 23, 2022)*

Compelling people

Sit down with us

"Everything we do from a public policy perspective needs to start with a focus on employment. How do we get people employed? How do we help them stay employed? In my view — and I think that the evidence backs this up — when people have employment in their household, they benefit not only from the income that it provides but the dignity it provides, the mental health aspects, the positive mental health aspects it provides, the socialization that it provides."



Angela Rachidi
*American Enterprise Institute senior
fellow and Badger Institute visiting
fellow, on Wisconsin's safety net
programs (Nov. 17, 2021)*



(Available wherever podcasts are found.)

"People from all over the world come to the United States because they want to work. That spirit, that desire for the opportunity of employment is what drives people to succeed. If we diminish that, if we disparage that, if we reward people and provide them benefits which make the incentive to work go away, we're going to be doing harm not just to them, which is definitely true, but to our society."



Robert Doar

president of the American Enterprise Institute, on America at a crossroads (Oct. 6, 2021)

"Americans are thirsting for solutions that are aspirational, that are inspirational, so you have a formula for improvement. In other words, people are motivated to improve their lives when you show them victories that are possible, not always reminding them of injuries to be avoided."



Bob Woodson

founder of the 1776 Unites project and the Woodson Center, on a unifying vision for America (June 30, 2021)

"I don't want too much decision-making controlled by legislation and by single individuals. How ever we end up doing this in Wisconsin, I would want it where the key decision-making is always being made by experienced investors."



Daniel Sem

vice provost for research and innovation at Concordia University Wisconsin, on a proposal to create a \$100 million state-run venture capital program

"My backstory is this. My late husband was white, so my children are biracial. My grandchildren are biracial, except for one grandson. He's triracial. He has a grandma that's Asian, a grandma that's Black and a granddad that's white. So, how do you explain to these children that part of them is oppressors and part of them are being oppressed and one is being a victim?"



Cindy Werner

state ambassador for the Frederick Douglass Foundation of Wisconsin, on being Black and conservative (Oct. 13, 2021)

for a little Free Exchange

"There are deep divisions in this country, not just on political and public policy issues but on cultural and social issues, too. That happens periodically in American society. It's not going to change that by somehow changing the way voting occurs."



Hans von Spakovsky

senior legal fellow at the Heritage Foundation, on ranked-choice voting (Aug. 11, 2021)

"A lot of economic literature has shown that graduated-rate individual income taxes are particularly harmful to long-time economic growth and that reducing those top rates is one of the best things states can do to promote in-state GSP growth. That's really where Wisconsin has a competitive disadvantage."



Katherine Loughead

senior policy analyst at the Tax Foundation, on a tax reform path to prosperity (Jan. 19, 2022)

"I tell my grandkids who are also mixed, I tell them, 'You're an American.' ... Just forget all that other stuff. There is no hyphen here. It's just American."



Eloise Anderson

former secretary of the Wisconsin Department of Children and Families, on being Black and conservative (Oct. 13, 2021)

"There are a number of important policy issues where there's wide consensus, both among the American people and among policymakers on both sides of the aisle. The reason we're not able to execute on those things is because the political incentives that are baked into our current two-party primary system and election system pull politicians apart instead of encouraging them to work together and solve problems for the American people."



Austin Ramirez

CEO of Husco International, on ranked-choice voting (Aug. 11, 2021)

Courts Clogged

A hand holding a gavel over a large stack of papers. The background is a light blue gradient. The gavel is dark wood with a silver band. The papers are white and stacked high, with some papers visible on top. The hand is wearing a dark sleeve and a black cuff.

Pandemic made the problem of delayed justice worse in Wisconsin

By Jeremiah Mosteller

There are as many as 20,000 more victims and defendants waiting for a resolution of their criminal cases in Wisconsin than there were before the COVID-19 pandemic.

According to recent data published by the Wisconsin Court System, it now takes more than eight months for the average felony case to be resolved. That is two months longer than it took to resolve similar cases in

2019 and more than three months longer than in 2010.

Many misdemeanor and criminal traffic cases are taking longer to resolve than the average felony case did pre-pandemic. Many county jails are still over capacity because of the number of people awaiting trial.

Judges, prosecutors and defense attorneys have raised alarms that the backlog will affect the state's justice system for years to come.

The pandemic prompted court systems in states across the country to nearly halt their legal proceedings. Many

courts held remote hearings for the first time.

The Wisconsin Supreme Court promptly issued orders extending filing deadlines, postponed all jury trials and ultimately suspended all in-person proceedings. The most vital proceedings — jury trials — were prohibited for months in counties across the state. Dane County did not convene a jury for more than a year.

In 2020, Wisconsin's circuit courts (the courts where every criminal case in the state begins) saw the number of criminal complaints filed drop by 9.6%, according to the data. Even with the lighter workload, the restrictions put in place on in-person proceedings prevented the court system from keeping up.

The number of cases it was able to resolve declined by more than 27%. This drastically increased the number of cases carried over into the next year and added to the state's backlog that had already been steadily increasing since 2011.

Falling further behind

Last year, courts across the state began lifting their in-person moratoriums and even began convening some jury trials. Courts were able to close 16,000 more cases than they did in 2020, but they still failed to dispose of as many cases as were filed by prosecutors even though those filings were still down from pre-pandemic levels.

Despite these signals that the court system might be returning to its pre-pandemic efficiency, the state still saw its total number of unresolved cases grow by more than 4,000. This growth rate in backlogged cases is substantially similar to the rate at which the system was falling behind in the years before 2020.

The pandemic did not create a new problem in Wisconsin's court system. It exacerbated a longstanding problem of delayed justice in Wisconsin.

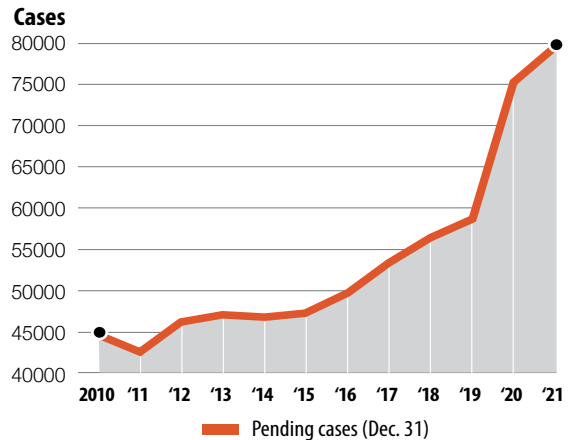
Simply throwing slightly more money at the problem is unlikely to alter the system's current trajectory. Wisconsin's courts, prosecutors and public defense systems are admittedly underfunded, but all have been granted larger budgets over the past three fiscal years.

Wisconsin's leaders should look to Wisconsin's hardworking prosecutors, defense attorneys and judges for bottom-up solutions. Witnesses and defendants both deserve closure and the speedy trial promised by our Constitution. ❌

Jeremiah Mosteller is the senior policy analyst for criminal justice at Americans for Prosperity.

Growth in pending cases

Over the past decade, pending cases in Wisconsin's court system have nearly doubled.

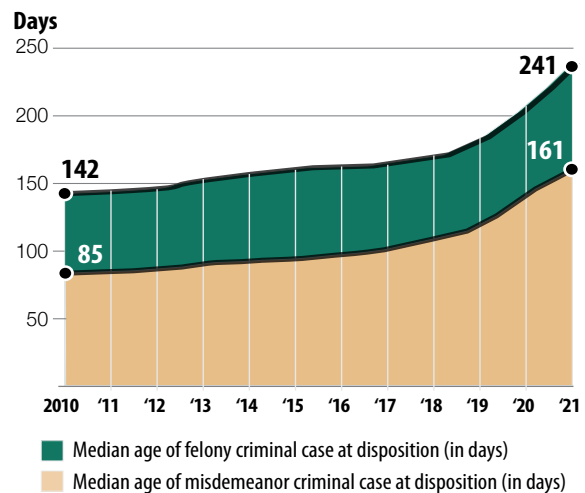


Source: Wisconsin Court System

Even with the lighter workload, the restrictions put in place on in-person proceedings prevented the courts system from keeping up.

Increasing time frame to resolve cases

The time it takes for felony and misdemeanor cases to be resolved has grown since 2010.



Source: Wisconsin Court System



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Political consultant Karl Rove

*"I hope every conservative realizes that it's useful and impactful to back the **Badger Institute** in its vital work.*

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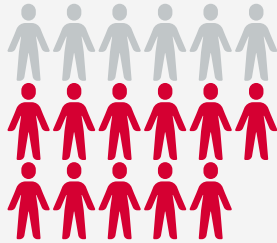
Free Markets • Opportunity • Prosperity



*The last 16 months were Badger's most productive by nearly any metric; yet, we have even bigger, better things planned for 2022 and beyond. Here are a few highlights made possible by your support to advance **free markets, individual liberty and limited government**:*

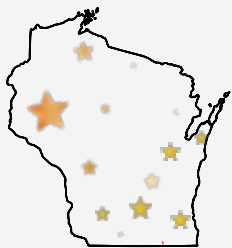
17 legislative testimonies

Badger Institute staff and fellows **testified 17 times** before Assembly or Senate committees on topics such as federal spending, licensing, welfare, workforce, taxes and more.



10 bills signed into law

10 bills supported by the Institute became law, resulting in **greater government transparency, tax reform and increased worker freedom**. Two measures opposed by the Institute failed to advance.



Around the state

We hosted or spoke at 10 events in nearly every corner of the state (or virtually) promoting **freedom, liberty and sound public policy**. Our team was also often on the road meeting with donors, allies and legislators.



Launched a podcast

Wisconsin's premier **policy podcast**, *Free Exchange*, features the nation's smartest conservatives discussing today's hottest topics.

74
THOUSAND
website views

Over 74,000 views of our **website content** such as landmark policy briefs, *Digging* magazine, white papers and more.



Over 33,000 views per month of breaking news, policy research and op-eds on our **social medias**.



Empower parents and promote policies that create more **school choice** as part of a strategic education coalition.



Invested in ourselves (and doubled our size!) with the addition of **five new team members**.



Frequently partner with the Milwaukee chapter of **America's Future**, the premier nationwide network of liberty-minded young leaders, for events and thoughtful discussions.

How you can help

The Badger Institute has brought free market reforms to Wisconsin for 35 years. Your generosity is the backbone to conduct this very important work.

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"The Badger Institute has helped shape and inform public policy in Wisconsin by providing reliable, principled research and in-depth reporting on a wide range of issues. They are an invaluable resource to legislators seeking innovative and impactful policy ideas."

— State Sen. Alberta Darling

"Whenever I travel around the country and visit with my fellow legislative leaders, they now look at Wisconsin as a beacon of conservative thought, and that's due in large part to the efforts of the Badger Institute ... They bring the resources, the research, the knowledge and the firepower to help people like me advocate for the ideas that we know are necessary to keep Wisconsin going in the right direction."

— Assembly Speaker Robin Vos

"The conservative movement would be more persuasive and gain more adherents if the strategies employed by the Badger Institute were widely adopted. The team at the Badger Institute combines quality scholarship with powerful storytelling and grassroots engagement. They don't just talk about opportunity and prosperity, they look for examples in the community, identify the attributes of success and bring these stories to light. This is the recipe for changing hearts and minds."

— Robert L. Woodson Sr., the Woodson Center

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