



# DIGGINGS

PUBLISHED BY THE BADGER INSTITUTE

## Left on the doorstep

Newspapers fail to disclose left-wing funding for stories

BY DAN BENSON



UW-Madison program engenders debate

BY RACHEL HORTON

The high cost of financial illiteracy

BY SHANNON WHITWORTH

Wisconsin last in kids' dental care

BY BETSY THATCHER



# UW-Madison journalism center and women’s studies major raise some questions — and eyebrows

We had a lot of potential stories to choose from for this edition of *Diggings*.

First possibility: Unearth the high school yearbooks of each Wisconsin Supreme Court justice to determine if anyone drank a beer before they were legal, ever said something sophomoric or awkward about a cute classmate or perhaps had parents who sacrificed to send them to a so-called elitist private, religious school actually focused on service and values.

Then we realized that the mainstream media were more than capable of doing all that.

So we decided to take a look at the media itself, including the odd relationship between the Gannett newspapers in this state and the Wisconsin Center for Investigative Journalism inappropriately run out of the University of Wisconsin-Madison. The story by former Gannett editor Dan Benson shows just how far once-reliable sources of news have strayed toward Progressivism.

Speaking of UW-Madison, our flagship university is almost leading the country in at least one area: Gender and Women’s Studies degrees. Rachel Horton tells us that the highest-paying industry, by average wage, for the major on the national level is travel arrangements and reservation services.

Count us among those with reservations.

Many other Gender and Women’s Studies graduates in the United States become elementary and middle school teachers. I don’t know if that has anything to do with

the fact that girls significantly surpass boys in reading and writing in almost every U.S. school district, but I doubt it helps.

Lots of Badger State kids really do need help. Wisconsin is dead last in the nation in providing oral health care to children who have Medicaid dental benefits. This is an absolute tragedy, especially since there is a simple free-market solution.

On a much more positive note, please read Shannon Whitworth’s piece about a new program focused on teaching about free enterprise and entrepreneurship at Milwaukee Lutheran High School. If the kids would like to see real-world evidence, maybe they should take a field trip to another place we write about in this edition — the absolutely fabulous Sand Valley Golf Resort in Adams County.

Finally, we’re providing an introductory excerpt from our new book, “Federal Grant\$anding.” Our state capital was named after President James Madison for a reason — but not one that many elected officials seem to remember.

Thanks for reading and, as always, please call me or our managing editor, Mabel Wong, if you have ideas for stories or would just like more information about something other than high school yearbooks.

*Mike@BadgerInstitute.org*

## MISSION STATEMENT/

### Badger Institute

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ALLEN FREDRICKSON PHOTO

**Badger Briefing: Here's what we're hearing...**

Numbers and nuggets from trends we've observed on an array of topics — from criminal justice reform to transit for the disabled.

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**Frontlines: A profile of Sand Valley Golf Resort**

The resort is lifting Adams County out of its economic doldrums. The county, once a powerhouse in the paper industry, has seen a slower recovery than virtually anywhere else in the nation. Sand Valley is changing that.

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**Mike Nichols: Front-row seat to media bias**

In Wisconsin, we've seen the pitfalls of liberal media bias. How do we move forward in a world where the old, objective news outlets have moved left while social media is too disjointed and unreliable to fill the void?

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With trade protection and corporate incentives, pro-business Republicans could lose the firm footing of their free-market principles.

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The Badger State came in dead last in the nation in 2015 for providing oral health care to hundreds of thousands of children who had dental benefits through Medicaid. Allowing dental therapists in Wisconsin could ease that crisis.

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Wisconsin newspapers fail to disclose left-wing funding sources for hundreds of stories they publish.

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Activist leanings and a lack of ideological diversity are among the many knocks against UW-Madison's Gender and Women's Studies program.

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**A dubious honor**

James Madison would be dismayed by his namesake capital's role in relinquishing local control to get federal grants. We offer an excerpt of the Badger Institute's new book, "Federal Grantstanding: How federal grants are depriving us of our money, liberty and trust in government — and what we can do about it."

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A majority of Americans polled by Gallup in 2017 said they think **“quite a few” of the people running the government are “crooked.”**

Wisconsin's overall tax structure ranks **38th** among states

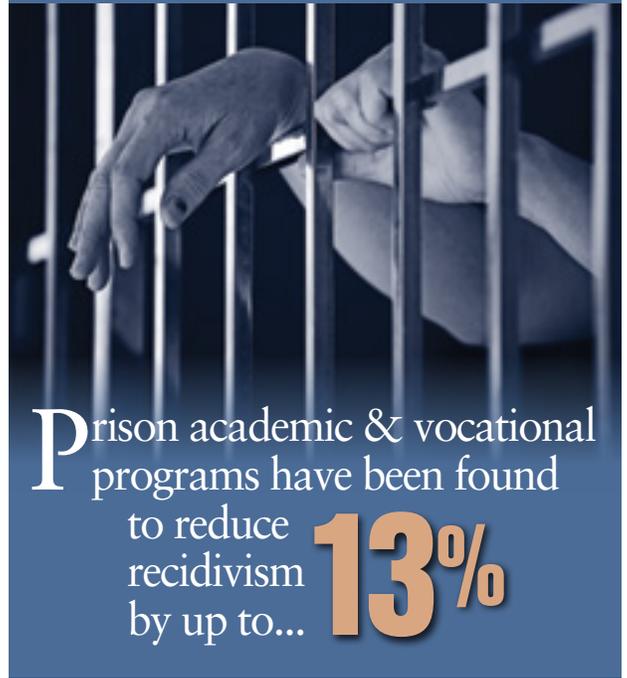


The most poorly ranked element of the state's tax system is the **individual income tax...**

**43rd** in the U.S.

Source: Tax Foundation

Imprisonment costs Wisconsin **\$89** for males **\$106** for females **PER DAY**



Prison academic & vocational programs have been found to reduce recidivism by up to... **13%**

Source: Badger Institute's "Criminal Justice Reform Recommendations for Wisconsin Policy-Makers"

Today's average urban commuter wastes

**42** hours a year

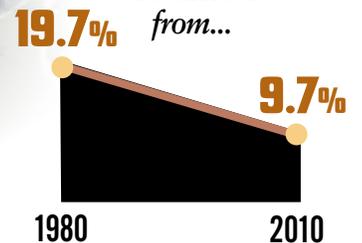
in rush-hour congestion

In 1982, it was 18 hours

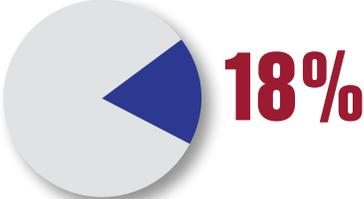


Source: "Rethinking America's Highways" by Robert W. Poole Jr.

Despite the addition of high-occupancy vehicle (HOV) lanes, workers carpooling **declined** from...



Americans who work...  
with a **DISABILITY**



with no **DISABILITY**



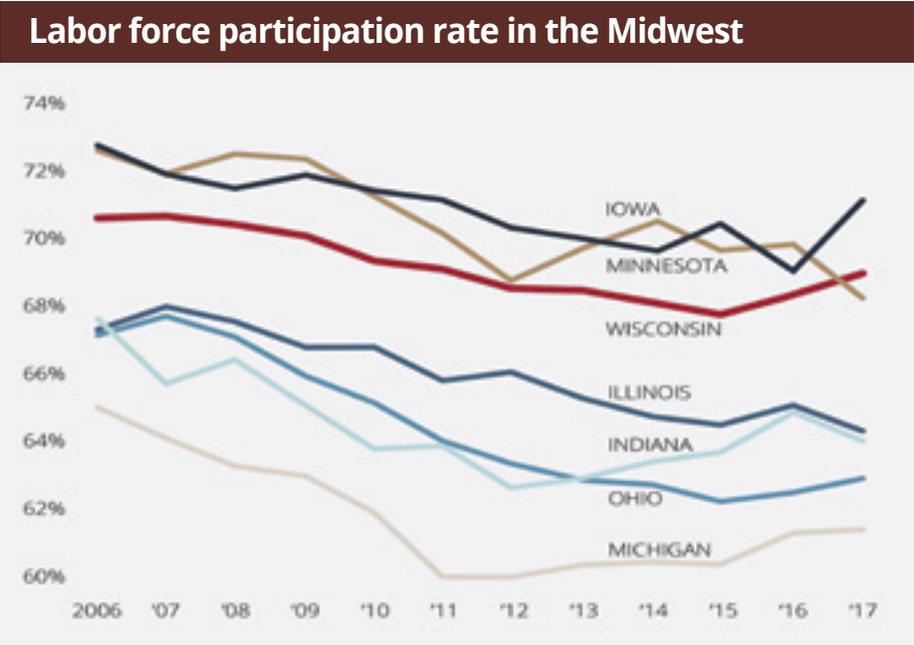
NOTE: Almost 20 percent of the U.S. population has a disability.



▶ **A 2015 New Jersey study showed...** that a quarter of all disabled Americans left a job because of travel difficulties. Almost half refused a job due to transportation challenges.

Source: Badger Institute's "Reforming Paratransit" by Baruch Feigenbaum

▶ Increasing Wisconsin's labor force participation rate by just **1 percentage point** would increase state GDP by **\$667** annually per resident.



Source: Badger Institute's "Wisconsin: A Blueprint for More Workers"

**“No government could long subsist without the confidence of the people.”**

— James Wilson, one of the signers of the U.S. Constitution



Otto Austin, assistant grounds superintendent, tends to the course at Sand Valley Golf Resort.

Luxury golf resort thrives while giving Adams County's economy a much-needed boost

*Photos by Allen Fredrickson*

# On a mutually beneficial course

*By Janet Weyandt*

**T**own of Rome — Sand Valley Golf Resort in central Wisconsin doesn't look like most other top golf facilities. For one thing, there's no ocean, no Great Lake, no picturesque body of water bordering its courses.

For another, it's all sand — a sand barren, to be exact. About 15 miles from Wisconsin Rapids, the resort in Adams County sits on what was once a glacial lake

and is now covered in natural sand dunes and huge stands of red pines left over from when the area was

prime paper mill territory.

But perhaps the biggest difference is Sand Valley's mission. In addition to creating a world-class golf resort, owner and developer Mike Keiser Sr. has created an operation that is lifting the area's economy out of the doldrums.

Keiser's son Michael, who oversees Sand Valley, says that was always part of the plan and that the benefits go both ways.

"This entire county is supporting us and lifting us up. We're nothing without the people here. We have 500 employees, and most or all of them are from the community. It's a mutually beneficial relationship, and we're humbled by that. It's an incredible privilege," says Michael Keiser.



**Michael Keiser**

## **A slow recovery**

The effects of Sand Valley are felt intensely in Adams County.

Once a powerhouse in the paper industry, the county still suffers from the decline of the region's paper mills.

Agriculture and tourism are now the county's largest industries, but recovery has been slower than virtually anywhere else in the nation.

Adams County's unemployment rate was 4.6 percent in June; the state's jobless rate is 2.9 percent. →

**ON THE  
FRONTLINES**

The labor force participation rate (LFPR) tells the story another way. According to a recent Badger Institute report, “Wisconsin: A Blueprint for More Workers,” Adams County’s rate in 2017 was the lowest in the state at 48.6 percent. That means only 48.6 percent of the non-institutionalized, civilian population over age 16 in the county was either working or looking for work. In contrast, the state’s LFPR was 69 percent.

Daric Smith, executive director of Adams County Economic Development, says Sand Valley, which opened in 2017, is too new to statistically measure its effect on the area. But numbers aren’t the only indicator.

“It doesn’t take long to look around town and see the traffic count is up,” Smith says. “It’s harder to find housing than it has been in the 12 years or so I’ve been here, which is just an indication there are more people around that are employed there. That trend started directly when Sand Valley opened. ... This is just the tip of iceberg.”

The area’s real estate market already has felt the impact. “We’ve definitely seen an increase” in housing prices in the Town of Rome, says Gordon Whitmarsh, an independent realtor in the Adams/Friendship area, about 20 miles from Sand Valley. “It’s a no-brainer. ... If you own a piece of property across from Sand Valley, the value has gone up,” he says.

Whitmarsh has a listing across from the resort for a five-acre lot with water, septic and electric improvements already completed. While he can’t say how desirable that land would have been two years ago, he knows why his prospective buyer wants it. **“I like to say Adams County is the center of universe, and Sand Valley has made that happen,”** he says.

The resort is already the county’s top employer.

Adams County sorely needs the job growth and economic investment, says Rick Bakovka, president of the Central Wisconsin Regional Economic Growth Initiative.

“Per capita income recovery here is slower than the

state, slower than the nation, even slower than the Appalachian coal industry,” he says.

The Town of Rome, an affluent and tourism-heavy 62-square-mile nugget on the north end of Adams County, created its first-ever tax incremental district to help fund Sand Valley. The \$13 million loan is on pace to be paid off by 2032.

The planning and construction of the roughly \$40 million facility encountered no pushback as bulldozers and construction crews rolled in. That’s unique among large development projects, Bakovka says.

“I challenge anyone to look at a place where a \$40 (million) to \$50 million development came to where there was no public squabbling, no court cases, there were no demonstrations, there was nothing,” he says. “The Town of Rome partnership with Sand Valley is one of the best public-private stories I think you could ever talk about.”

### An ocean of sand

A major component of the development’s long-term plan is to convert most of the land back to its natural state. So far, 9,000 acres have been put into

conservancy, and the goal is 100,000 acres, says General Manager Glen Murray.

“It’s all about restoring this unique landscape to what it looked like prior to pine pulp agriculture — an ocean of sand and flowers and prairie. The restoration of 100,000 acres in this central sands region is a story that’s applicable to a much wider audience than just golfers.”

Unlike most high-end golf resorts, Sand Valley invites visitors onto the grounds even if they don’t shell out \$195 for 18 holes. There are hiking trails alongside the two existing courses, and everyone is invited to enjoy the views and the environment. Sand Valley plans to open grass tennis courts next year and has been working to connect at least 85 miles of old logging roads for fat-tire cycling.

Because of its commitment to the environment, Sand Valley uses drought-tolerant fescue turf, which requires



**“There are quite a few people I know in town and the area that also are employed here. I know it’s helped their families.”**

— **Bob Anderson**, resort’s bar manager



Golfers relax at a refreshment area called Craig's Porch.

a fraction of the water and fertilizer that traditional courses use.

In addition to its two courses — Sand Valley and Mammoth Dunes — the resort boasts a 17-hole short course called the Sandbox and is planning a new course for next year, along with additional residences and other facilities. It had 65 hotel rooms this season and expects to have 115 next year. Occupancy this year was at 100 percent, and rooms were sold out by April. Bookings for next year are coming in three times faster than they did last year.

Those are all indicators of the impact Sand Valley will have on residents and businesses in surrounding communities in the future. Very little of that is constant, however.

According to Murray, only 15 to 20 percent of Sand Valley's workforce, not including caddies, is year round. The resort is beginning to market for year-round events, such as holiday parties, educational sessions and even winter weddings.

"The off-season isn't about generating a profit for us," Murray says. "Making the off-season profit is about being able to provide more year-round jobs."



Murray

In the meantime, though, the burgeoning seasonal jobs are vital.

**Jobs are 'a big positive'**

"Teachers go and work there in summer. It offers great opportunities for upper middle school and high school kids to get summer jobs that pay quite well. It's really a nice opportunity for people looking to supplement their income. It's a big positive," Smith says.

Melissa Mitchell came to work at Sand Valley's front desk in August. She had been working at a Wisconsin Rapids grocery store, where she'll return after the season ends. "I heard very good things from employees," says Mitchell, 21. "My brother Tim works here. It's a great place to come to work, and the pay is better. I'm hoping this becomes year-round."

Bar manager Bob Anderson spent most of his career as the owner of nearby Friar Tucks Bar & Grill and got to know many of the resort's top brass when they dined at his establishment during construction. When they found out Anderson was preparing to sell his business, they scooped him up for their hospitality segment.

Now, five Anderson family members work at the resort, and two more will join them as soon as they're old enough.

"There are quite a few people I know in town and the area that also are employed here," Anderson says. "I know it's helped their families." →

Otto Austin, assistant grounds superintendent, came to Sand Valley after 35 years at a Minnesota course. When the season ends, he'll return to his family in Minnesota but hopes to come back next year.

Austin sees one little hiccup in Sand Valley's long-term plan: employee housing. "It's a challenge to get people to come here to work long term," he says.

Michael Keiser says employee housing is always on the resort's radar. "It's an issue, one that we're constantly working on," he says. "It requires thought on our part. ... We always find solutions."

Sand Valley bought a local motel that is used exclusively for employees, and it works with local landlords to find housing for staff. In addition, housing in nearby Wisconsin Rapids has been plentiful so far, and that's where Sand Valley looks for accommodations for golf interns, who receive housing as part of their internships, he says.

### Community outreach

Wisconsin Rapids Mayor Zachary Vruwink sees positive economic effects in his Wood County community.

Sand Valley has turned to local businesses for supplies, including baked goods and coffee beans, and local firms have been involved in the construction of new buildings as well. The local airport, South Wood County Airport-Alexander Field, has undergone a major expansion, with the help of a \$4 million state appropriation, to keep pace with the growing demand by high-end golfers.

"As much as 30 percent of their golf play, I've been told, relies on private air travel," Vruwink says. "Hotels have seen a bump from pilots staying in hotels or leisure travelers themselves. (Sand Valley) was really great about utilizing local suppliers in construction. In every way, they have worked to be available and approachable to the local community."

There was still an adjustment period, however.

"We're so accustomed to manufacturing and paper



*"It's a great place to come to work."*

— **Melissa Mitchell**,  
seasonal front-desk employee

mills," Vruwink says. "We have a long way to go to realizing the true benefit and relationship that the business community outside of the Town of Rome can have with Sand Valley. I hope they continue to emphasize their relationship with the city. They can play a role to further growth in the region."

In response to the resort's opening, the hospitality program at Mid-State Technical College is expanding, Bakovka says. The result will be a pipeline of future employees ready to step into jobs at Sand Valley or elsewhere.

"The paper industry is not growing, so I think the area sees the opportunity for tourism to be an economic rebirth," Murray says.

### From cards to golf

Mike Keiser Sr. (who in full disclosure has contributed to the Badger Institute) revolutionized the greeting card industry before turning to the development of world-class golf courses like Bandon Dunes in Oregon, Cabot Links in Nova Scotia and Barnbougle Dunes in Tasmania.

A 2015 *Fortune* magazine story described the then-recent opening of Cabot Links this way: "(It) follows the same blueprint as Bandon: transform woolly, underutilized land in a picturesque and remote location into a bucket list golf destination that revitalizes a woebegone community."

Town of Rome Chairman Wayne Johnson might not describe Adams County as woebegone, but he doesn't mince words about Sand Valley's value to his town and the region.

"They're kind of changing, somewhat, the dynamics of the community from predominantly a bunch of old retired people like me and bringing some youth in," Johnson says.

"Until Sand Valley, you didn't see corporate jets flying into the airport. I think they've quadrupled jet fuel sales since Sand Valley opened. They're really good business partners for any community. I can't imagine us without Sand Valley at this point." ❏



**Bakovka**

*Janet Weyandt of Sheboygan is a freelance writer.*



A customer and employee talk at a payday loan and title loan store in Madison.

ALLEN FREDRICKSON PHOTO

# Paying too high a price

What minorities and the poor don't know about money is especially costly

By Shannon Whitworth

**M**y daily commute takes me all over Milwaukee. In the less-than-wealthy areas of the city, I invariably pass payday and title loan stores, and I wince when I see customers coming and going. These stores are so endemic in impoverished parts of town that they have come to symbolize the very nature of what it means to be poor. It's a Faustian bargain with a devil that some don't even realize exists.

It is no secret that financial literacy and education in the United States are virtually nonexistent — and people are becoming poorer for it.

A 2015 Financial Industry Regulatory Authority (FINRA) Investor Education Foundation →



LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE PHOTO

Author and motivational speaker Orlando Ceaser of South Barrington, Ill., addresses the Business Club at Milwaukee Lutheran High School on Sept. 5. The club currently has 54 members.

study showed that only 37 percent of Americans could answer more than three of five basic financial literacy questions correctly.

Here is one of the questions:

**Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?**

Answer choices:

**More than \$102 (correct)**

**Exactly \$102**

**Less than \$102**

**Don't know**

The 37 percent who answered more than three questions correctly is down from 2012 (39 percent) and 2009 (42 percent). This bad situation has gotten worse.

According to the same study, a full 26 percent of Americans had used a “non-bank” — i.e., pawn shop, short-term payday loan store, rent-to-own store or auto title loan store — to borrow money in the past five years. These alternative borrowing methods often charge much higher interest rates than banks, credit unions or credit card companies.

Sadly, while small businesses are the economic engine that drives this nation — producing 46 percent of U.S. gross domestic product in 2008 — only 15 percent of Americans reported earning income from a business that was not directly tied to a salary or wages. This means most working Americans do not own the business that provides their income; they’re working for someone else.

Forty percent of American adults could not cover a \$400 emergency without having to sell something or borrow money, according to the Report on the Economic Well-Being of U.S. Households in 2017 from the Board of Governors of the Federal Reserve System.

### **Blacks fare worse**

The FINRA study shows that the situation is worse in our black communities. African-Americans answered an average of fewer than three out of six of the basic financial literacy questions correctly (a sixth question was added to the 2015 test).

Thirty-nine percent of African-Americans had engaged in some form of non-bank borrowing in the past five years. And, while the number of black-owned

businesses is growing, there were only 2.6 million in the entire nation in 2012, or 9.4 percent of all U.S. firms, according to the Census Bureau's Survey of Business Owners. Blacks make up 13.6 percent of the nation's population. Of those 2.6 million businesses, only about 109,000 had paid employees.

The 2015 FINRA study concluded:

“Many demographic groups — including African-Americans, Hispanics, members of the millennial generation, and those without a college education — are at a disadvan-

tage when it comes to making ends meet, planning ahead, managing financial products, and financial knowledge. This means that these groups face greater risks and have fewer opportunities to overcome them, making them especially vulnerable.”

Poverty is a cultural issue as much as it is a financial issue. However, in order to lift our inner city communities out of poverty, we have to improve their economic situation, and that improvement has to come from within.

No direct influx of cash will raise up people who →

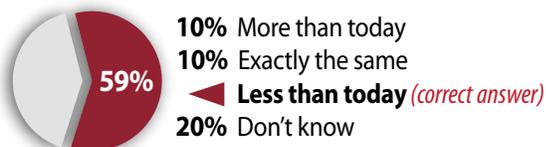
## Financial literacy quiz

Only 37% of Americans can answer more than half of these basic financial literacy questions correctly.

**Q:** Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?



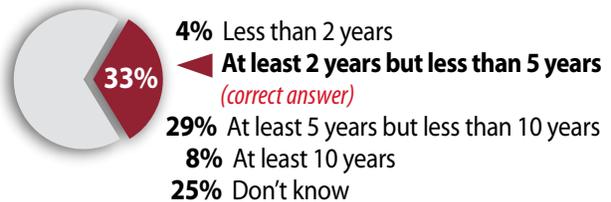
**Q:** Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account?



**Q:** If interest rates rise, what will typically happen to bond prices?



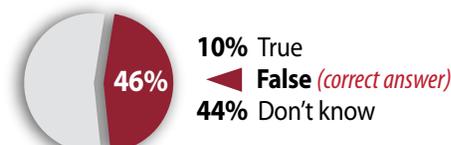
**Q:** Suppose you owe \$1,000 on a loan and the interest rate you are charged is 20% per year compounded annually. If you didn't pay anything off, at this interest rate, how many years would it take for the amount you owe to double?



**Q:** A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less.



**Q:** Buying a single company's stock usually provides a safer return than a stock mutual fund.



Source: 2015 Financial Industry Regulatory Authority Investor Education Foundation study



## Indicators of financial stress

Younger Americans, especially those 34 and under, are more likely to show these signs of financial stress, as are African-American and Hispanic respondents.

	TOTAL	AGE			ETHNICITY				
		18-34	35-54	55+	WHITE	AFR.-AMER	HISP.	ASIAN	OTHER
▶ Have taken a loan from their retirement account	13%	22%	12%	6%	11%	21%	18%	15%	10%
▶ Have taken a hardship withdrawal from their retirement account	10%	20%	8%	4%	8%	20%	15%	13%	8%
▶ Have been late with mortgage payments	16%	29%	16%	7%	13%	29%	20%	20%	15%

Incidence of overdrawing checking accounts has decreased since 2012 (22%) and 2009 (26%). Younger respondents, African-Americans and those with financially dependent children are more likely to overdraw.

	TOTAL	AGE			ETHNICITY					WITH FINANCIALLY DEPENDENT CHILDREN	
		18-34	35-54	55+	WHITE	AFR.-AMER	HISP.	ASIAN	OTHER	YES	NO
▶ Overdrawn checking account	19%	26%	21%	11%	16%	29%	23%	19%	22%	27%	14%

Source: Financial Capability in the United States 2016 study

don't know how to handle or grow it. As long as credit means "get it," you will remain at the bottom of the financial totem pole.

You can lament the social injustices in our society all you want, but the fact is *if you don't know how to control your money, it will leave you and you will be poor*. However, if you can understand and learn how to use the tools of our free-market, free-enterprise system, regardless of the circumstances from which you start out, you can build wealth and put yourself on the road to prosperity.

The only conditions are these: You have to buy in to the concept, and you have to be in it for the long term.

### Financial literacy is key

This is where Milwaukee Lutheran High School comes in.

This fall, the school launched the Free Enterprise Academy. I am its executive director. The academy, the brainchild

of Bill Nasgovitz, is incorporating the concepts and history of free markets, entrepreneurship and financial literacy into the existing curriculum and creating new courses and programming around those concepts. Nasgovitz is founder and chairman of the board of Heartland Advisors in Milwaukee, a 2017 Wisconsin Business Hall of Fame inductee and a Badger Institute board member.

Academy participants are challenged to think critically about free markets, enterprise and economics and to be financially literate. This will create graduates who then are able to produce wealth, prosperity and enterprise for themselves and their communities.

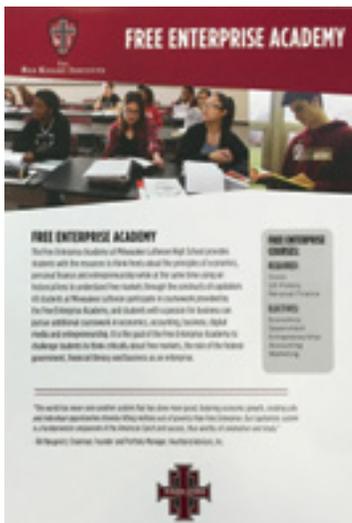
A few years ago, Milwaukee Lutheran went all in on school choice, meaning most of its students were in the Milwaukee Parental Choice Program. As a result, the majority of Milwaukee Lutheran's students are African-American and economically disadvantaged. Eighty-two percent of the

school's students are African-American, up from 77 percent last year.

These students are from areas that disseminate some of the worst information about how to handle money and business. We can change the culture, however, by educating our young people as early as possible on how to raise themselves up and out of poverty.

Among the Free Enterprise Academy's objectives:

- Students will learn why check-cashing stores set up only in poor communities.
- They will learn the dangers of credit and bad debt.
- They will learn why graduating from high school and not having babies out of wedlock are important factors in building wealth.



- They will understand that how they present themselves to business people is key to getting a job, making connections and finding help and resources.
- They will be taught that there is dignity in work, that there are benefits to delaying gratification and how to use the resources they earn to grow their money over time.
- They will learn how

to use the tools of compound interest and passive income to increase their money and build wealth.

- They will have the opportunity to learn microeconomics and macroeconomics, accounting, marketing and digital media skills.
- They will gain the skills that ultimately can be used to develop and run their own businesses, creating even more wealth for themselves and others.

## Change culture from within

How will we do this?

To begin, we will stop vilifying people who know how to make money and learn from their example. Our goal is to engage the business and education communities from Milwaukee and beyond to bring experience and practical applications to the learning.

We will use our faith-based education to address cultural issues that challenge many of our students every day. We



LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE PHOTO

Shannon Whitworth, executive director of the Free Enterprise Academy at Milwaukee Lutheran High School, speaks to the Independent Business Association of Wisconsin at the Wisconsin Club on July 20.

will employ community resources to address emotional issues and trauma that our kids experience because they live in some of our most troubled and violent neighborhoods.

In doing these things, we hope to change the culture from within. We want to graduate students with marketable skills who know how to handle their money and how to avoid violence, poverty and hopelessness.

To be sure, we are not creating robots who drink ideological Kool-Aid. ***One of the biggest problems facing young people today is that they have been taught to parrot propaganda under the guise of getting an education, mostly to their own detriment.***

But the key for anyone to be successful in business is to be able to think critically, especially while under pressure. For these students (and us) to be successful, we have to allow them room to think, challenge, disagree and articulate.

So when we urge our students not to take financial advice from broke people, we lay out the reasoning and the evidence and allow them to think things through and decide for themselves. We are confident that history, logic and experience will lead them in the right direction.

Payday loan stores are one of the few businesses that I — a free-market advocate — don't like. If we can increase people's financial knowledge and prosperity so that far fewer of them rely on those businesses, I will have done my job. ❖

*Shannon Whitworth is executive director of the Free Enterprise Academy at Milwaukee Lutheran High School and an attorney with over 20 years of litigation experience. He spent 12 of those years as a commercial litigator with a business law firm on Milwaukee's east side.*

**SEEKING  
TO FILL  
A**



## If Wisconsin allowed dental therapists, more kids

By Betsy Thatcher

**D**rew Christianson grew up in Tomahawk in the heart of rural, northern Wisconsin. But he wouldn't be able to do his job — providing basic dental care for little kids with toothaches and decay — if he still lived in his native state.

Instead, the licensed dental therapist helps children stay healthy in Minnesota, our neighbor to the west where dentists have been much more accepting of his efforts and much less fearful of competition.

Christianson doesn't buy the argument made by some in the Badger State that what he does is insignificant.

"It's a lot harder for (opponents of dental therapy) to say I'm not making a difference when I'm sitting with a 5-year-old kid who's had pain and couldn't get into any dentist and is now able to see me," he says.

Christianson recently treated a kindergartner who had missed a few days of school because of a bad toothache and extreme pain.

"As nervous as he was, I was able to calm and soothe him due to the amount of time I was able to spend with him. I

did not need to rush. ... I was able to complete the determined treatment that the dentist and I planned," he says.

All the care provided by Christianson, who sees many special needs patients and children under age 5 requiring extra attention, is coordinated alongside the clinic's dentist, he says.

"It was a win for the entire team that day but, most importantly, a win for the child ... with nowhere else to go. In the end, he was able to walk out with a smile on his face," says Christianson, who is also a clinical assistant professor in the Department of Primary Dental Care at the University of Minnesota.

### **Crisis in Wisconsin**

The Badger State ranks last in the nation for providing oral health care to the more than 550,000 children with dental benefits through Medicaid, based on 2015 statistics.

Despite those Medicaid benefits, more than 67 percent of those kids — over 368,000 — received no dental care, according to the U.S. Department of Health and Human Services.

The problem, simply, is access.

More than 90 percent of Wisconsin's 72 counties have at



## would have access to care, proponents say

least one geographical area experiencing a shortage of dental providers. Last year, 1.5 million residents lived in areas that the federal government designated as “dental shortage areas.” That’s more than a quarter of the state’s population.

Nearly two-thirds of Wisconsin dentists do not accept Medicaid, largely because reimbursement rates are low. Professional dentist organizations, including the Wisconsin Dental Association and the American Dental Association, suggest an increase in public assistance reimbursements as a solution.

### A free-market option

Some state legislators, health advocacy organizations and free-market advocates believe that allowing dental therapy in Wisconsin would increase access to care without throwing the burden back onto taxpayers.

Dental therapists are mid-level providers — the dental equivalent of medicine’s nurse practitioners and physician assistants. They can perform routine procedures, such as

fillings and simple extractions, and at a much lower cost. Currently in Wisconsin, only dentists are permitted to perform those procedures.

**“It was a win for the entire team that day but, most importantly, a win for the child.”**



Drew Christianson, dental therapist

While relatively new in the United States, dental therapists have been around since 1923 and now practice in more than 50 countries. Seven states allow dental therapy.

Minnesota was the first, approving legislation in 2009. The first dental therapist graduates began seeing patients two years later. Two Minnesota schools, the University of Minnesota School of Dentistry and Metropolitan State University,

offer accredited dental therapy education.

Ongoing studies by the Minnesota Department of Health and the Minnesota Board of Dentistry (the state’s regulatory and licensing body) indicate that dental therapists are having a positive impact.

“They’ve found that dental therapists, in the practices in which they’re working, are treating more publicly insured →

patients, the wait times (for an appointment) are lower and they are generating profits for those public clinics and private practices,” says Jane Koppelman, senior manager for Pew Charitable Trusts’ dental campaign.

“Dental therapy is something that we have researched as a model. We see it as solidly effective,” she says.

Allowing licensed dental therapists to provide routine care frees up dentists to concentrate on more complex procedures that generate more revenue, advocates say.

“Dentists are finding that if they can hire somebody who can do simple restorative care — to drill and fill teeth and extract loose teeth — for one-half to one-third the cost of a dentist, they can make a higher margin on the Medicaid revenues,”

Koppelman says. “They can make a profit in their practices, and they can serve people who couldn’t get in to see a dentist before.

“This is a supply-side answer to addressing the access-to-care problem,” she says, “because we’re not talking about states putting a line item in their budget for more funding for insurance.”

In addition to Minnesota, the states that allow dental therapists are Alaska, Arizona, Maine, Vermont and Washington (on tribal land). Oregon has a pilot program in Native American communities. Connecticut, Florida, Michigan, New Mexico and North Dakota have been considering legislation.

In Wisconsin, Rep. Mary Felzkowski (R-Irma) introduced dental therapy legislation earlier this year, but the proposal did not make it out of committee. She plans to reintroduce legislation in the next session.

Allowing dental therapists, who would be required to work under the supervision of a dentist, “will provide more access and better care,” Felzkowski says. “It’s a lot more cost-effective, especially in the Medicaid model.”

### The consequences

Lack of access to oral health care in Wisconsin exacts a toll, Koppelman says.

“When people can’t get the dental care they need, problems fester and they end up in the emergency room,” she says. “This is no good for the patients, and it’s a wasteful

use of taxpayer dollars.”

Some staggering facts cited by Koppelman:

- In 2015, Wisconsin hospitals clocked more than 41,000 ER visits for which a preventable dental condition was the primary or secondary diagnosis; 56 percent of such visits were paid for by Medicaid.
- If accounting for only primary diagnosis visits, of

which there were 33,133, at an average cost of \$749 per visit (in 2012), this represents nearly \$25 million in hospital costs.

- The lack of dental care in underserved communities is contributing to the opioid crisis. Clinics in rural Wisconsin report that painkillers, often opioids, are the common treatment in ERs. Therefore, toothaches first treated in the ER rather than at the dentist’s office can become a gateway to addiction.



**“This is a supply-side answer to addressing the access-to-care problem.”**

Jane Koppelman of Pew Charitable Trusts’ dental campaign

### Impact in Minnesota

Dental therapy has been extensively studied.

“All the data is pretty consistent,” says Michael Helgeson, CEO of Apple Tree Dental in Minnesota, a nonprofit “safety net” provider. More than half of its care centers and mobile sites are in rural areas where dental access is critically low, similar to Wisconsin. Other locations are in the Twin Cities.

“The fact is, dental therapists are making a huge impact,” Helgeson says. Apple Tree employs nine therapists throughout Minnesota.

***Lake Superior Community Health Center, another nonprofit safety net provider, has a unique situation of being able to employ dental therapists at its clinic in Duluth, Minn., but not a few miles south at its clinic in Superior, Wis.***

Dental therapists would greatly improve access, says the center’s dental director, Eric Iwen, a Marquette University School of Dentistry graduate.

“The lion’s share of procedures that are backlogged on a long waiting list here are restorative,” he says.

### The opposition

The Wisconsin Dental Association and Marquette’s School of Dentistry have strongly opposed the effort here. Felzkowski is disappointed with Marquette’s stance as Wisconsin’s only dental school. The school’s dean did not

respond to requests for comment.

Felzkowski is working with Chippewa Valley Technical College in Eau Claire and Northcentral Technical College in Wausau, which have dental hygiene programs, to develop a dental therapy program in conjunction with a four-year institution.

The WDA would rather see increased funding of the state's dental Medicaid program to improve access.

"Wisconsin's Medicaid reimbursement rates for children's dental care are the third-lowest in the nation and fifth-lowest for adult dental care. The state of Wisconsin spends less than 1 percent of its Medicaid budget on dental care," the WDA said in a statement earlier this year.

In a more recent statement, the WDA said dental therapy has not boosted access in Minnesota, citing a decrease in Medicaid patient visits from 2012 to 2016.

"That's a flawed argument," says Helgeson, a dentist for 34 years. He cites Medicaid's expansion for the 5 to 6 percent dip: "There are now about 1.2 million children, disabled adults and families, and frail elders (who) are enrolled in Minnesota's public programs. That's almost double what it was eight or nine years ago."

During the same period, Minnesota dentists saw their Medicaid reimbursement for children's care decrease by the largest margin among all states. As a result, more dentists dropped out of Medicaid, he says.

"It wasn't that dental therapy didn't work," Helgeson says. Rather there was a "combination of fewer dentists participating and more people being enrolled, more children in particular," he says.

In addition, Minnesota's two dental therapy programs can turn out only about a dozen therapists a year. Therefore, Helgeson says, it's "misleading" to expect a major impact after just seven years of dental therapy.

Minnesota has 92 licensed dental therapists, says Bridgett Anderson, executive director of the Minnesota Board of Dentistry.

She echoes Helgeson's sentiments: "There is no way, statistically, that you can take 92 individuals and expect a statistical impact on a workforce of 17,500 people." Likening the impact of nurse practitioners on the medical field, she says, "It takes decades to see meaningful data."

Initial resistance, including fears that therapists would take business away from dentists, has become a non-issue in Minnesota, Anderson says. Dental societies also cite safety concerns and potentially substandard care. There have been no complaints in Minnesota indicating substandard care, she says.

### The support

***A 2016 poll by Americans for Tax Reform showed that 79 percent of voters — across the political spectrum — favored allowing dental therapy.***

The Children's Health Alliance of Wisconsin, a non-profit agency that develops health initiatives to bring expanded and improved health care to children, is an ardent supporter.

The organization oversees a program that deploys dental hygienists and portable dental equipment to schools statewide to provide preventive care. Having dental therapists on those teams would be valuable, says Matt Crespin, the agency's associate director.

About 40 percent of the children seen in school programs need more care than a hygienist can provide, he says. Dental therapists can provide mobile care at schools, nursing homes and community centers.

"It's really unfortunate that Marquette University has decided to oppose it," Crespin says, "because their counterpart in Minnesota has not only not opposed it, but they've embraced it."

Other supporters include the Wisconsin Dental Hygienists' Association, Children's Hospital of Wisconsin, UW Health, Wisconsin Oral Health Coalition and Wisconsin Association of Local Health Departments and Boards.

Dental therapy is a common-sense fix, Helgeson says. Having 92 therapists in care settings in Minnesota "would be like 10 community clinics with nine dentists in each one. That is a hell of a lot of access for underserved populations," he says.

Christianson encourages his native state "to be open to the idea of the dental therapist." He believes mainstream acceptance of dental therapy across the U.S. is just a matter of time. ❏

*Betsy Thatcher of Menomonee Falls is a freelance writer.*



MIKE  
NICHOLS



## In Wisconsin, we have a front-row seat to the pitfalls of liberal media bias

In 1997, back in another life, I was a reporter covering City Hall for the *Milwaukee Journal Sentinel*. Like many of my colleagues, I prided myself on keeping my political opinions out of my stories and tried my best to keep them out of the newsroom.

The truth was, though, that covering local government in Milwaukee had solidified my conservative leanings. I've never understood why most reporters — front-row witnesses to the fallibility of government officials and big government programs — remain stalwart liberals.

But they do.

Which is why the then-editor of the paper about fell off her chair when I told her, in the course of an interview for a job as a columnist in conservative Waukesha County, that I had voted for Bob Dole.

The confession, which I didn't make lightly, didn't work. I didn't get the job, although later, her successor, a very even-handed and wise editor by the name of Marty Kaiser, let me write a different column. Marty has left the *Journal Sentinel* and so, it seems, has any real effort for the paper, now owned by Gannett, to remain objective, focus on anything much of real interest to readers in the center or on the right or

See NICHOLS, Page 24



Milwaukee  
circulation  
past three

-77%

**1985** The Milwaukee Journal's  
peak Sunday circulation:  
600,000

# Hidden agenda?

Wisconsin newspapers fail to disclose left-wing funding sources for hundreds of stories they publish

By Dan Benson

On Aug. 20, the *Milwaukee Journal Sentinel* and the 10 other Gannett-owned newspapers in Wisconsin published an article from the Wisconsin Center for Investigative Journalism charging that the Republican-led Legislature, in an effort to limit input from the public and Democrats, took significantly less time than in the past to approve laws such as Act 10.

Assembly Speaker Robin Vos (R-Rochester) calls the study on which the story was based “politically motivated and superficial.”

Walker administration spokeswoman Amy Hasenberg questions the newsworthiness of the study.

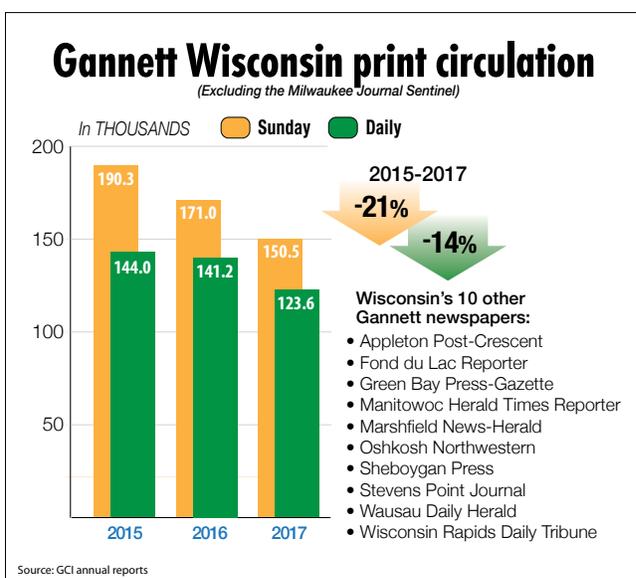
“Normally, people criticize the government for moving too slowly. ... This must be the first piece I’ve seen criticizing one for getting too much done for the people it serves,” Hasenberg says.

The authors of the article, who are not employed by Gannett but regularly feed stories to the Gannett newspapers, defend their motives not by answering the criticisms directly but with the simple bromide that the Wisconsin Center for Investigative Journalism (WCIJ) is “independent, nonpartisan and nonprofit.”

the Sunday  
on over  
decades  
7%



**2018** Journal Sentinel's  
Sunday circulation:  
134,000\*



But is it? And do those descriptions mean it’s unbiased?

## Newspapers in decline

The newspaper industry’s decline is well-documented. For more than a decade, it has been hemorrhaging readers and revenue. There are far fewer print journalists than there were just a few years ago. Newspaper downsizings and closings are frequent occurrences.

Once-grand newspaper office buildings and their newsrooms are now veritable ghost towns — filled more with memories of clacking typewriters, ringing telephones and bellowing editors than with working journalists.

In 1990, nearly 458,000 people were employed nationally in the newspaper industry. By March 2016, there →

\* Current numbers are unofficial, from newsroom sources



On Aug. 20, JSOnline posted this article from the Wisconsin Center for Investigative Journalism. In the photo, Democratic Rep. Peter Barca (right) speaks to Republican Senate Majority Leader Scott Fitzgerald.

## High-speed lane: Legislation moved much faster after Republicans gained control in Madison

were about 183,000, a plunge of almost 60 percent, according to the Bureau of Labor Statistics.

While some national papers such as *The New York Times* tout increased subscriptions, most large metro dailies are not so fortunate.

The *Journal Sentinel* and the 10 other newspapers in the Gannett Wisconsin group — which include the *Appleton Post-Crescent*, *Green Bay Press-Gazette*, *Oshkosh Northwestern* and *Sheboygan Press* — are no exception.

According to Gannett’s statement of ownership, management and circulation published on Oct. 3, the *Journal Sentinel*’s Sunday circulation has fallen under 143,000. *The Milwaukee Journal*’s Sunday peak was 600,000 in 1985; the *Journal Sentinel*’s Sunday circulation after the 1995 merger of *The Journal* and the *Milwaukee Sentinel* was 466,000. The *Journal Sentinel*’s daily circulation is now about 99,000, down from a 1985 peak of 375,000 for *The Journal* and 328,000 for the *Journal Sentinel* in 1995.

**Unofficial totals are even worse, with 134,000 subscribers on Sunday and 82,000 daily**, according to newsroom sources.

The drop among the 10 other Gannett Wisconsin newspapers has been precipitous as well, with more than a fifth of their Sunday readers lost since 2015.

The attempt to shift readers to Gannett’s digital plat-

forms also has been slow going.

While hundreds of thousands of print subscribers have been lost, the *Journal Sentinel* has only 28,000 digital subscribers, newsroom sources say.

Nationwide, only 18 percent of Americans say newspapers are their primary source of news, while 78 percent of those younger than 50 say they get most of their news through social media.

### Filling the gaps

Fewer journalists and news outlets with dwindling resources mean less coverage and fewer investigations. Nonprofit news operations supported by individuals and foundations, many of which have pet causes or political agendas, have helped fill those gaps. They often offer content to news outlets at no cost.

Those stories might not be fully vetted by understaffed and harried editors, who also may be sympathetic to the cause or issue raised in the story, be it gun control, environmentalism or women’s rights. And because of their supposed depth, the stories often run on the front pages, not in opinion sections, and sometimes even in the Sunday editions, where newspapers usually publish staff-produced investigations.

WCIJ’s website touts that from July 2013 through January 2018, its stories were printed, published online or aired 742 times by Wisconsin newspapers, television stations and

radio stations. The site also states that more than 300 WCIJ stories have been published by 600 separate news organizations nationwide with a combined reach of 56 million people since 2009.

A search of the *Journal Sentinel* website shows that the paper has published or reported on WCIJ articles, either in print or online, at least 10 additional times from January through August 2018.

Not revealed by the *Journal Sentinel*, however, is that WCIJ is primarily funded by organizations that closely align themselves with political philosophies or issues typically seen as progressive or left of center.

One, for instance, is the Chicago-based Joyce Foundation, a leading gun control advocate in the country. Since 2013, the foundation has contributed \$250,000 to WCIJ.

The primary funding source for WCIJ for years, however, was George Soros.

### **Soros a major donor**

Soros has been the prime financial engine behind nonprofit journalism around the world.

In 2017, the 88-year-old Hungarian-American investor and philanthropist donated \$18 billion to his Open Society Foundations. The donation depleted his \$23 billion fortune at the time, knocking him down from No. 20 to 59 on the Forbes list of the richest people in America.

Soros is a well-known backer of liberal causes and candidates, having given millions to Moveon.org and the Center for American Progress. He spent \$27 million in 2004 in an unsuccessful effort to defeat President George W. Bush's re-election and another \$15 million in an attempt to mobilize Latino voters to support Hillary Clinton in 2016.

Journalism outlets funded by Soros include ProPublica,

National Public Radio, *Columbia Journalism Review* and scores of nonprofit journalism schools and programs worldwide, including the Wisconsin Center for Investigative Journalism.

Acceptance of Soros money by journalists who contend they are neutral has been roundly criticized.

In 2010, Soros, via Open Society, donated \$1.8 million to National Public Radio. The *Columbia Journalism Review* said NPR's credibility was damaged by taking money from "lefty moneybags George Soros," while admitting that Soros also contributes to CJR.

Former *Washington Post* media critic Howard Kurtz, now with Fox News, criticized the donation to NPR in a *Daily Beast* article: "No news organization should accept that kind of check from a committed ideologue of any stripe. ... the perception is terrible."

Other journalism operations or groups to which Soros has donated include the National Association of Hispanic Journalists, the Committee to Protect Journalists,

Center for Public Integrity and the Center for Investigative Reporting.

One analysis estimates that at one point, Soros had spent about \$48 million on journalism schools, nonprofits such as WCIJ and like-minded foundations that in turn also fund news projects. Another analysis identifies more than 30 news operations whose boards are populated with editors and higher-ups of Soros-funded organizations.

These include *The New York Times*, *Washington Post*, The Associated Press, NBC and ABC.

An analysis by the conservative Media Research Center says that Soros has helped fund 180 separate journalism-related foundations, publications, nonprofits and other →

**George Soros** has donated millions of dollars to liberal causes and organizations such as Moveon.org and the Center for American Progress.



■ He has funded scores of journalism outlets such as the Wisconsin Center for Investigative Journalism.

■ His Open Society Foundations gave WCIJ \$185,000 from 2009-'11 and \$900,000 from 2012-'16.

outlets worldwide with a combined reach of more than 330 million people every month.

## Soros in Wisconsin

Soros has been a major funder of WCIJ — a fact the average readers picking up a newspaper over the many years that Gannett has been publishing WCIJ articles would not know. Readers would have to go to the WCIJ website to get that information.

According to the WCIJ site, Soros' Open Society Foundations gave WCIJ \$185,000 from 2009 through 2011 and upped it to \$900,000 from 2012 to 2016, accounting for more than 40 percent of the center's \$2.05 million funding over that five-year period, according to

its 2016 tax return. Total contributions to WCIJ in 2017 were \$320,857, down from \$522,995 in 2016. Donors were not detailed in the 2017 tax return.

Current WCIJ funding sources are not listed on its website, but Executive Director Andy Hall says in an email that Open Society Foundations has provided no funding since 2016.

Asked why, Hall replies:

"WCIJ hasn't sought OSF funding since 2016. We are not aware of current grant opportunities there.

"WCIJ would consider seeking revenue from any source if the terms comply with WCIJ's Policy on Financial Support, which requires, among other things, that

## NICHOLS, From Page 20

even be transparent about the source of the money for many of its stories.

Dan Benson's article about Gannett's reliance on stories from the Wisconsin Center for Investigative Journalism proves that. The University of Wisconsin-Madison should not be donating space in its journalism program to this group, and "mainstream" papers should disclose the group's major funders and left-leaning bias every time they publish a WCIJ story.

As an old newspaper hack who worked in a newsroom where we never would have considered handing over news space to an outside group — especially one with a history of questionable funding sources — I find the lack of transparency surprising to say the least.

Though, I concede, probably not to everyone.

It's clear that the Gannett newspapers, at least the one in Milwaukee, have a progressive mindset. **Story choices seem largely driven by identity politics and racial and gender score-keeping.**

I happen to be writing this on a Friday morning and have the *Journal Sentinel* on my desk. In addition to an even-handed treatment of the Kavanaugh-Ford hearing the day before and a column by Jim Stigl, the front page was burdened by a story on "greater gender equity" in films at the 2018 Milwaukee Film Festival.

Page 2 was taken up with a PolitiFact story pointing out that U.S. Sen. Tim Kaine, the former Democratic nominee for vice president who said that Donald Trump "would be

a disaster for the economy," was "no doubt" right when he also said that the "national economy was strong in its largest expansion of private-sector jobs before President Trump came into office."

Page 3 included a story about "implicit bias" that causes people to categorize by race and gender.

That's just one day.

None of this will change. Papers no longer have the revenue to pay veteran staff to produce an array of stories that editors can choose from or bury, kill or play up. Journalism mostly attracts young, underpaid liberals who likely get little direction from overworked editors. When they come in at the end of the day with stories that don't break any real news but do fill a hole, the hole must be filled.

But here I am complaining about old news and writing about it at the same time. The question is how to move forward in a world where the old, basically objective platforms have moved left while social media is too disjointed and cluttered and unreliable to fill much of the void.

At the national level, *The Wall Street Journal* asks the questions and tells the stories that *The New York Times* can't see or get.

We badly need something like that, something sustainable in digital form, here in Wisconsin. We're proud of what we're doing here with *Diggings*. But it's just a start.

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*Mike Nichols is president of the Badger Institute and editor of Diggings.*

WCIJ exercise full journalistic independence and that all donors be publicly identified.”

Hall did not respond to follow-up questions.

A list on its website of other WCIJ supporters include the *Milwaukee Journal Sentinel*, *Green Bay Press-Gazette*, *Appleton Post-Crescent*, *Wisconsin State Journal*, Wisconsin Public Radio, Wisconsin Newspaper Association Foundation and Madison television station WISC-TV.

An in-kind contributor is the State of Wisconsin, which donates space for WCIJ offices on the University of Wisconsin-Madison campus at 821 University Ave., 5006 Vilas Communication Hall, home of the university’s journalism program. The offices are offered in exchange for the center’s involvement in training journalism students.

In June 2013, the Legislature’s Joint Finance Committee proposed kicking the center off campus. Gov. Scott Walker vetoed the decision.

Despite its association with UW-Madison and support from Wisconsin news outlets, the vast majority of the center’s money comes from outside Wisconsin.

Its largest in-state contributor is the Evjue Foundation, the charitable arm of the self-described progressive *Capital Times*, according to the WCIJ website. Evjue donated just \$20,000 to the center in 2014 and 2015 and increased it to \$30,000 in each of the next three years, accounting for less than 10 percent of the center’s funding.

### No influence?

Despite receiving much of their funding from left-leaning individuals and organizations, most nonprofit journalism operations, such as WCIJ and ProPublica, say they are independent and not influenced by donors.

Yet over and over, their articles are closely aligned with causes and political viewpoints of its donors, includ-

ing those of Soros.

For instance, beginning in November 2014, WCIJ produced more than two dozen stories under a project titled “Scott Walker’s Wisconsin,” which it described on its website as “a collection of the Center’s coverage of Walker’s time as governor, from his attack on public sector unions to his record on the environment.”

WCIJ is a 501(c)(3) organization, which means it cannot directly engage in campaigning or electioneering. However, the group is legally allowed to have a perspective, and its stories reflect that.

Coverage has been decidedly critical of Walker’s administration. Stories range from documenting troubles at the Wisconsin Economic Development Corp. to the failed John Doe investigation into Walker’s political campaigns by Milwaukee County District Attorney John Chisholm.

While journalists should critically examine politicians and their policies, and be lauded

for doing so, the series included no stories on how the John Doe probe was thrown out and investigators were disciplined or on any positive accomplishments by the Walker administration, such as huge savings for school districts because of Act 10. The series also failed to include any negative coverage of Democratic Party politics or fundraising.

### Transparent?

WCIJ argues that it is upfront about its funding sources, but its model appears based largely on placing stories in mainstream media publications — and those publications often leave readers in the dark about the source of funding for the projects.

Not clearly identifying Soros or other funders would violate a code of conduct for nonprofit journalists developed in a report titled “Ethics for the New Investigative →

**In 1990, nearly 458,000 people were employed nationally in the newspaper industry.**



**By 2016, the number was 183,000, a 60 percent drop. Gannett purchased Journal Media Group, which includes the Milwaukee Journal Sentinel, in 2016.**

Newsroom,” co-authored by WCIJ’s Hall in 2010. The report urged nonprofit journalism projects to be as transparent as possible about their sources of funding.

“(N)onprofit journalism centers must . . . be transparent about who is funding them, establish guidelines for handling conflicts of interest and communicate with potential supporters to maintain public confidence in these emerging experiments in journalism,” a press release announcing the report’s recommendations stated.

“The problem of conflicts of interest and the danger of donor influence are not new to journalism,” said report co-author Stephen J.A. Ward, Burgess Professor of Journalism Ethics and director of the Center for Journalism Ethics at UW-Madison. “But they arise in the new context of centers reliant on a limited number of donors, and where there is less distance between journalists and funders.”

Asked whether the center was violating its own rules by accepting money from and not clearly identifying an ideologue like Soros, Hall says the connection has been reported elsewhere.

“The OSF (Open Society Foundations) link (on WCIJ’s website) highlights George Soros’ role in funding OSF. Soros’ role in funding also is mentioned in WCIJ’s Wikipedia entry and in previous coverage by such sources as the *Milwaukee Journal Sentinel*, *Milwaukee Magazine*, WCIJ, and (former radio talk show host) Charlie Sykes,” Hall wrote in an email.

Asked for mentions of Soros on the WCIJ website, Hall suggests searching for him on the center’s site, which turned up links to three columns that appeared in 2010, 2011 and 2013 defending Open Society’s funding of WCIJ and lauding the center for its transparency.

*Journal Sentinel* Editor and Gannett Wisconsin Regional Editor George Stanley says his papers are careful whenever they publish a WCIJ investigation.

“Before using any of the Center’s projects, we evaluate them for importance to readers and journalistic standards,” Stanley wrote in an email. “We wouldn’t use one of their reports if we saw any sign that it was not independent reporting.”

***Yet nowhere does the Journal Sentinel include information on who funds WCIJ, absolving itself because the information is available elsewhere, thus leaving it up to readers to do their own research.***

For its part, the Badger Institute, which publishes this magazine as well as other journalism and a wide array of policy research, receives funding from many individuals

and foundations.

Its major funding source for decades has been the Lynde and Harry Bradley Foundation, which, according to its website, supports “the study, defense and practice of the individual initiative and ordered liberty that leads to prosperity, strong families and vibrant communities.” Core Bradley principles include fidelity to the Constitution and commitment to free markets and civil society.

The *Journal Sentinel* and other outlets have prominently mentioned in news articles the Bradley Foundation as a funder of groups such as the Badger Institute or its predecessor, the Wisconsin Policy Research Institute. Increasingly — whether due to lack of space, lack of reporters, lack of interest or some other motive — the mainstream press does not seem to publish information from Bradley-funded groups, let alone give Bradley-funded groups space for bylined stories.

## Standards differ

Mainstream newspapers have a different relationship with WCIJ and different standards for describing the group’s perspective and funding.

While the papers often publish WCIJ stories, they appear to have never, or perhaps very rarely, disclosed the source of WCIJ’s funding. Readers of the *Journal Sentinel* and other newspapers must dig through the WCIJ website to get that information or even just links to that information.

Asked why the *Journal Sentinel* does not report that fact for readers, Stanley says the newspaper has, offering as evidence a 2011 Daniel Bice column that essentially was a defense of WCIJ after Republicans in the state Legislature complained about its perceived bias.

Fred Brown, in his book, “Journalism Ethics: A Casebook of Professional Conduct for News Media,” argues that journalists need to be transparent about their connections and “be up front” about their relationship to funding sources.

Or as a *Columbia Journalism Review* article on the 2010 report co-authored by WCIJ stated:

“Nonprofit journalists should turn their investigative instincts on their donors and themselves. By vetting funders and striving to be as transparent as possible about where the money comes from, news organizations can mitigate the sort of accusations of conflicts of interest they would aim to expose in any other arena. As the report says, ‘It is better to reveal one’s funding sources and be criticized, than not to reveal and have the information surface elsewhere.’” ❏

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*Dan Benson is a longtime Wisconsin journalist.*



Students in the Gender and Women's Studies program study at Sterling Hall on the University of Wisconsin-Madison campus.

ALLEN FREDRICKSON PHOTO

# UW women's studies program now offers 100 courses

By Rachel Horton

Activist leanings and lack of ideological diversity among the knocks against growing Gender and Women's Studies major

**M**adison — “Women’s studies is not a discipline,” declared sociologist Richard P. Taub, then associate dean at the University of Chicago, in the 1980s. Since then, the Gender and Women’s Studies program has surged at the University of Wisconsin-Madison, which now grants the second-highest number of such degrees in the country.

UW’s Department of Gender and Women’s Studies (GWS) was founded in 1975 as the Women’s Studies Program. It became a full-fledged academic department in 2008 and now includes a Ph.D. minor, a 30-credit undergraduate major, a certificate in LGBT studies and a master’s program. →

The GWS program offers 100 courses, most of them cross-listed, or taught in tandem, with another department. The courses run the gamut from introductions to human sexuality and gender to advanced coursework in intersectionality and queer studies.

An area of research once relegated to the academic ghetto now enjoys the same support and administrative infrastructure as other departments. GWS at Madison has tenured professors, 19 faculty, a research center and a colloquium series. In 2014, it added a privately funded fellowship in Feminist Biology, which allows postdoctoral students to “develop research skills in an area of biology related to gender and teaching skills in feminist approaches to biology.”

***This growth has occurred despite decades of push-back from the broader academic community.***

In 1984, when many of the programs were in their infancy, Walter Goodman of *The New York Times* quoted a University of California-Berkeley social scientist as saying, “There is no logic in intellectual life for singling out any group as a separate discipline, be it blacks, Chicanos or women.”



Tripp

Madison’s department chair, Aili Tripp, disagrees. “The pursuit of knowledge is only enhanced when the perspectives and experiences of women, racial and ethnic and sexual minorities, and others who have been on the fringes of scholarship are taken into account.”

She hopes her students gain an awareness of global issues, specifically, “how far behind the U.S. (is) compared to most other advanced industrialized countries when it comes to women’s rights.”

Tripp notes, “More American women are dying of pregnancy-related complications at higher rates than any other developed country, and only in the U.S. has the rate of pregnant women who die been rising. We don’t have (federal) paid maternity leave, a benefit women enjoy in most countries in the world.”

Opinion editor Abigail Steinberg, writing in *The Badger Herald* student newspaper in October 2017, argued that GWS courses are not only beneficial to the student body but should be mandatory.

“These misunderstandings (relating to sex and gender) are not only inconvenient but detrimental to the culture, relationships and well-being of all humans,” she wrote.



A sampling of undergraduate courses offered at UW in fall 2018:

- **Race, Gender, Colonization, Capitalism**
- **Sex and Power in Greece and Rome**
- **Gender, Migration and Muslim Women Writers**
- **The Female Body in the World: Gender and Contemporary Body Politics in Cross-Cultural Perspective**
- **The Personal is Political: Applying Concepts in Gender, Sexuality and Social Inequality**

Books by Gender and Women’s Studies faculty and affiliates:

- **“Finding a Movement: Sexuality, Contested Space and Feminist Activism”**
- **“Global Feminism: Transnational Women’s Activism, Organizing and Human Rights”**
- **“Both Hands Tied: Welfare Reform and the Race to the Bottom in the Low-Wage Labor Market”**
- **“Second-Wave Neoliberalism: Gender, Race and Health Sector Reform in Peru”**
- **“Varieties of Feminism: German Gender Politics in Global Perspective”**
- **“Transfeminist Perspectives In and Beyond Transgender and Gender Studies”**

Therefore, “it is both logical and imperative that women’s and gender studies courses be required.”

### **There are skeptics**

Others may wonder: What is the goal of a gender studies education?

Its direct connection to the post-college job world seems shaky at best; it lacks the timelessness and practicality of subjects such as history or math. A Gender and Women’s Studies degree could leave idealistic prospective activists

struggling to find relevant employment.

National data show that most GWS graduates become elementary and middle school teachers or work in the legal field. The highest-paying industry for GWS majors, by average wage, is travel arrangements and reservation services (travel agents, miscellaneous managers, sales reps, etc.).

Most GWS students at Madison are double majors. “They go into fields as diverse as marketing, law, banking, communications and a variety of health fields,” Tripp says.

UW-Madison trails only the University of Michigan in the number of Gender and Women’s Studies degrees granted in the United States. While UW’s program remains relatively small, with 88 undergraduates majoring in the field as of spring 2018 (four of whom are male), the introductory classes prove popular.

GWS 103, Women and Their Bodies in Health and Disease, draws a wide variety of undergraduate students in both its online and in-person classes. Part sex education, part introduction to feminist thought, the class examines how an individual’s health connects to “larger social and political contexts.”

### Diverse viewpoints shunned

Kara Bell, a senior majoring in political science and

communications, took the course online over the summer. While she found it beneficial in emphasizing the disparities and challenges in health care in the U.S. as well as providing a solid foundation of sex education, it didn’t adequately acknowledge a diversity of opinions, she says.

***If students shared a conservative viewpoint in a discussion, “the instructor would often encourage them to consider the viewpoint we were taught and ‘consider a new perspective,’ ” Bell says.***

Rather than allow students to fully articulate their own opinions, “the discussion assignment was often phrased in a way that developed the responses of the students” — essentially prompting students to answer in line with the instructor, she says.

The notion of gender and sex as a spectrum was heavily emphasized throughout the course material. According to the class, gender is not confined to male or female but exists on a spectrum, influenced by factors beyond one’s birth sex. One lesson’s introduction stated, “Culture shapes an individual’s gender throughout life.”

Throughout the discussions, students were required to use terms such as “male-assigned” or “female-assigned” instead of “man” or “woman.” In fact, “woman” was considered to be a subjective term, and in discussing →



The Department of Gender and Women’s Studies is housed at Sterling Hall at UW-Madison.

ALLEN FREDRICKSON PHOTO

pregnancy, one couldn't simply assume the gender identity of a mother, Bell says.

She questions the purpose of this in light of the aims of the department: "How can we fight for women when we can't even define what a woman is?" Bell asks.

Most troubling to Bell, however, was how the course covered the subject of abortion. Students watched the documentary "I Had an Abortion," which seeks to destigmatize abortion by interviewing a variety of women and highlighting what led them to terminate their pregnancies.

One of the course's readings, "What is Feminist Sex Education?," states that feminist sex education is "pro-choice, supporting the right of women to have complete sovereignty over their bodies at all times, including during pregnancy, and equally supporting the right of those who do or can become pregnant to choose abortion, adoption or parenting."

Bell feels the class failed to acknowledge the other side of the issue; pro-life works and research were not part of the curriculum. Rather than presenting both sides, the class cemented the notion that modern-day feminism and pro-life beliefs are incompatible.

### **An open-minded approach**

Other introductory courses and instructors, however, take a more open-minded and inclusive approach.

Professor Christine Garlough's GWS 102, Gender, Women and Society in Global Perspective — described as a "global, interdisciplinary, social science-oriented analysis of gender, race, class and sexuality in relationship to social institutions and movements for social change" — has 240 students enrolled this semester.

Sinead Van Dresse, a sophomore hoping to study nursing, is taking the class despite feeling that the subject matter is not quite her forte. But she credits Garlough's engaging teaching style and breadth of knowledge with helping to "broaden her horizons."

Each class opens with Garlough prompting students to discuss with a classmate a current event related to course content. "We all have our go-to news sources," Garlough explains, so she asks students to look at different types of news sources, including ones that offer

opposing viewpoints.

In doing so, she hopes students "learn how to think critically, and understand (they're) encountering arguments in a public sphere, there are people behind those arguments and understand them in context."

Introductory classes of this size often feel impersonal and dull, with their large lecture halls and harsh fluorescent lighting. But Garlough held the attention of the well-attended lecture on a recent September day with ease, as she spoke on the issue of women's suffrage throughout history, encouraging students to share their reactions to the material, presented without bias.

One advanced course offering this semester is Contemporary Queer Art and Visual Culture. The course description notes, "The political imperatives of a queer or queered position, linked to the intersections of race, class, sex and gender will shape thematic investigations of practices related to activism, documentation, abstraction, mining the archive, craft, camp, and drag, among others."

This focus on these intersections — known as intersectional theory — has taken an increasingly prominent role in the department, as well as in modern academic scholarship more broadly.

### **Intersectionality**

On the Undergraduate Learning Outcomes page, the department lists intersectionality as one of the areas of knowledge that students are expected to accrue. The department expects GWS students to "recognize how gender intersects with other axes of inequality, such as race, class, disability status, sexuality, gender expression, nationality, geography and age."

Intersectionality plays a role in many of the GWS courses and has been a course subject in its own right.

Taught in a prior semester, Theorizing Intersectionality asked students to "critically examine important issues, questions, and debates regarding intersectionality or the notion that race, gender, sexuality, and other terrains of difference gain meaning from each other."

One option for the final project was to write a manifesto outlining why feminist activists working in a particular arena (reproductive rights, sexual violence, affirmative action, workplace discrimination, subsidized



**"The majority of the coursework tries to show the progression of female empowerment but oftentimes falls short and stays in the victimization viewpoint."**

— Kara Bell,  
*UW senior*

child care for working mothers, etc.) can and should embrace intersectionality.

It's not clear how a student would fare on these assignments should she or he take a more critical view of the application of intersectionality. The professor who taught the course did not respond to a request for an interview.

While intersectionality is one of many lenses through which students learn to view the world, there are drawbacks.

As Jonathan Haidt and Greg Lukianoff note in their recent book, "The Coddling of the American Mind," "interpretations of intersectionality have the potential to turn tribalism way up. ... (They) teach people to see bipolar dimensions of privilege and oppression as ubiquitous in social interactions."

By creating these stark divisions between privilege and oppression, intersectionality perpetuates the "us vs. them" mentality already spreading on campus. Intersectionality →

## The ironic facts: Women flourishing at UW and other colleges

By Christian Schneider

"Oh, if I could but live another century and see the fruition of all the work for women!" said famed suffragist Susan B. Anthony in the late 19th century. "There is so much yet to be done."

More than a hundred years after Anthony's death in 1906, much has been done, and one of the most striking examples of women's progress has been in higher education. In the University of Wisconsin System and at college campuses across the nation, female students now dominate.

Today's colleges would be unrecognizable to Anthony: 57.8 percent of all undergraduate degrees and nearly 60 percent of all master's degrees in the United States in 2018 will be earned by women, according to the National Center for Education Statistics.

***All told, 420,000 more women than men will walk out of college in the U.S. this year with a bachelor's, master's or doctoral degree.***

At the turn of the 20th century, only about 5,200 women received undergraduate degrees, or 19.1 percent of all such degrees conferred. By the early 1980s, though, women had become a majority on college campuses, and they haven't looked back.

### Strength at UW

In the UW System, 55 percent of all degrees and 57 percent of master's degrees were earned by women in 2017, according to the system's 2016-'17 Fact Book.

On the 13 system campuses, female students outnumber male students on all but two — UW-Platteville and UW-Stout — often by large margins. For

instance, women make up an astounding 67 percent of students at UW-Green Bay, 61.6 percent at UW-Superior and 61.4 percent at UW-River Falls.

Women also dominate the staff in the UW System: 53 percent of all system employees are female, as are nearly half of all associate and assistant professors. While men still outnumber women among total faculty and instructional staff, women's numbers continue to trend upward. Between 2014 and 2016, the percentage of female faculty inched up from 46.1 percent to 46.6 percent, while the share of male faculty dipped from 53.9 percent to 53.4 percent.



Blank

who is the university's chief operating officer; and Vice Chancellor for Student Affairs Lori Reesor. Three other campuses have female chancellors.

Thus, in an America where the pay gap between genders is a hotly debated political issue that purports to show the disadvantage that women face, another gap exists that rarely merits attention: The surge in women on college campuses as both students and instructors has created an "education gap" that has seen men fall behind.

takes the complexity of the human experience and reduces it to a set of characteristics like race, class, gender and sexual orientation.

### Academia vs. activism

Historically, skepticism of Gender and Women's Studies was in part due to fears that scholarship in the discipline too often blurred the line between academic research and social activism.

"This focus on activism makes women's studies suspect as an academic field. Proponents of women's studies aim to exert political influence in the larger world," says Karin Lips, president of the Network of Enlightened Women.

For GWS at UW-Madison, the connection between research and activism is inextricable.

As the department's diversity statement notes, "Our Department affirms our commitment to research that exposes and condemns multiple axes of inequality. ... (GWS) is strongly committed to using the tools of scholarship and teaching to help create a more inclusive and just world."

This takes shape in a number of ways. For example, professor Araceli Alonso uses her research on human trafficking to aid victims not only in Madison but around the world.

Another example is the department's focus on Feminist Biology, which, according to professor Janet Hyde, "seeks to redress inequities or bias, particularly bias, in past research and create new research that corrects those biases."

But, of course, feminists have their own biases, and by merging feminist activism with biology, the potential for politicized research is strong. As Christina Hoff Sommers of the American Enterprise Institute notes in a video blog, "***We need good biologists, not agenda-driven, politicized science.***"

Lips worries about this melding of activism and academia: "Too often these institutions and departments lack intellectual diversity and a spirit of open-mindedness. They're activist, not academic."

GWS's diversity statement affirms a commitment to diversity in many areas, including race, religion, immigration status, gender and sexuality. But there is no mention of ideological diversity.

The department notes that many of these groups "have felt attacked and abandoned. The Department of Gender and Women's Studies recognizes their pain in the face

of glacial institutional change and a new-found cultural license to goad, harass, and hate."

While an admirable sentiment, language such as "glacial institutional change" seems oddly hyperbolic and evocative of the type of cognitive distortion that Haidt and Lukianoff warn about.

### Victimization mode

"The majority of the coursework tries to show the progression of female empowerment but oftentimes falls short and stays in the victimization viewpoint," Bell says.

"Victimhood culture breeds 'moral dependency' in the very students it is trying to help — students learn to appeal to third parties (administrators) to resolve their conflicts rather than learning to handle conflicts on their own," writes Haidt, co-founder of Heterodox Academy, an organization composed of 1,800 professors and graduate students devoted to increasing ideological diversity in universities.

Women are autonomous beings capable of making their own health decisions but apparently are also in need of administrative support and bias response teams to ensure their well-being.

Universities traditionally have had the pursuit of truth as their unifying purpose. Mottos such as "Veritas" and "Strength Through Truth" adorn university crests across the nation. Increasingly, social justice and activism have played a larger role on campus, and

the compatibility of these aims with ideological diversity continues to confound administrators and faculty alike.

There are drawbacks to policies that prioritize the comfort of students, as they can stifle discussion, a vital part of the learning process. Classes that fail to acknowledge opposing and potentially "offensive" viewpoints actually harm the learning process.

Courses that don't encourage and respect differing opinions on subjects of sex and gender do a disservice to students, shaping the narrative around gender dynamics on campus. Without ideological diversity, women aren't empowered to form their own opinions and come to their own conclusions.

Instead, they're molded to fit a larger narrative, one that fails to acknowledge the inherent intellectual capacity of the individual — regardless of gender. ❏



**"They're activist,  
not academic."**

— Karin Lips,

*president of the Network  
of Enlightened Women*

*Rachel Horton of Milwaukee graduated from Indiana University with a degree in economics.*

The Capitol at the heart of Madison contravenes so much of what James Madison believed about the delineation of state and national governments.

# A dubious honor

**James Madison would be dismayed by his namesake capital's role in relinquishing local control to get federal grants**

*This is an excerpt from the Badger Institute's recently published book, "Federal Grant\$standing: How federal grants are depriving us of our money, liberty and trust in government — and what we can do about it."*



James Madison

James Madison had barely been buried in 1836 when territorial leaders named the place that would become the capital of Wisconsin after him. But one need only look at the local street signs to know it was more than just the common custom of naming places posthumously after deceased presidents that prompted the choice.

Were the "Father of the Constitution" to rise from his Virginia grave and today walk the streets of the Wisconsin city →

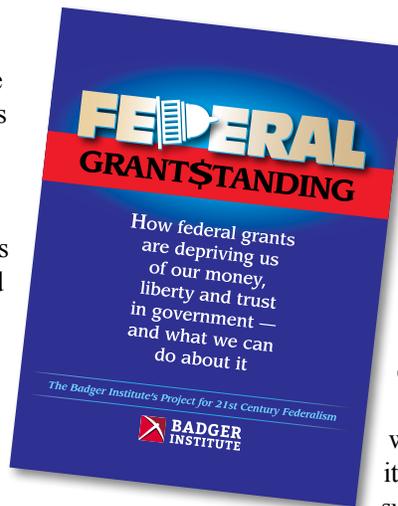
that honored him, he would recognize the names of virtually all of the main avenues and roads.

Dozens of them around the Capitol building — including Hamilton and Washington, Langdon and Mifflin, Morris and Pinckney and Wilson and Carroll and King — were named after the men who attended the Constitutional Convention alongside Madison in 1787.

Madison the man would immediately realize that Madison the city, at least around the Capitol, is quite literally an everlasting commemoration of the U.S. Constitution and most of the 39 men who signed it in Philadelphia.

Were he, on the other hand, to walk inside the state Capitol at the center of it all, witness the workings of the budget, see how policy is made and why, ascertain just how deeply the state government has become intertwined with and dependent on the federal government, he might feel less than honored.

The Capitol at the heart of Madison the city, after all, contravenes so much of what Madison the man — and the rest of the framers of the Constitution — believed about



the delineation of state and national governments.

### National vs. state governments

Had Madison lived to witness the naming of this city so far from the seat of national power, it's likely he initially would have taken considerable comfort from the fact that settlers out here in the hinterlands chose to commemorate the Constitution at all.

One of the principal concerns of those who opposed ratification, after all, was that it would be a threat to the states, which were supposed to be the repositories of primary political power. Without the states protecting

individual liberties and assuring that the power to govern in our republic comes directly from the people, detractors feared, the distant and intrusive national government would extend its tentacles into all facets of life.

Alexander Hamilton and James Madison were both nationalists to be sure, at least in the context of the times. They, after all, were the authors of a Constitution forged in reaction to what Jay Cost calls “the miserable experiences of the 1780s — an impotent national Congress combined with selfish and often illiberal states.” America

## The federal takeover of Wisconsin agencies

Wisconsin Department	Total FTEs	FTEs paid by feds	% federal employees	Department budgets	Agency's federal dollars	% paid by feds
Health Services	6,176.89	1,253.45	20%	\$23,933,789,300	\$12,197,710,700	51%
Workforce Development	1,603.05	1,166.18	73%	\$709,647,300	\$406,747,600	57%
Transportation	3,242.11	822.82	25%	\$6,069,418,900	\$1,776,898,700	29%
Natural Resources	2,499.60	466.84	19%	\$1,096,064,500	\$162,635,000	15%
Children & Families	783.16	376.93	48%	\$2,563,578,500	\$1,395,870,500	54%
Military Affairs	489.30	362.35	74%	\$227,296,900	\$145,413,600	64%
Public Instruction	642.00	312.84	49%	\$14,220,327,000	\$1,758,688,900	12%
Agriculture	627.90	83.77	13%	\$192,285,100	\$21,108,800	11%
Administration	1,470.42	60.15	4%	\$1,160,186,800	\$279,750,700	24%
Justice	683.14	38.73	6%	\$267,984,300	\$46,494,100	17%

*FTE = full-time equivalent*

was doomed under the mere Articles of Confederation. Hamilton was explicit in Federalist 6 about the dangers of “independent, unconnected sovereignties” that he thought might devolve into violent conflict.

Fearing unconnected sovereignties, however, should not be confused with fearing a balance between national and state power. Madison in particular was careful to build in extensive safeguards for the states. Writing as Publius in the Federalist Papers, he countered fears of national overreach with unmitigated assurances that the states would have powers later codified in the 10th Amendment.

“The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people,” famously reads that part of the Bill of Rights.

The Federalist Papers were not diaries; they were public arguments, the equivalent of 18th century op-eds that appeared first in the newspapers of New York. They were not a venue for expressions of doubt or rumination. But the authors — Hamilton, Madison and at times John Jay — seemed utterly convinced that the purview of the states would remain separate and apart.

Hamilton, a firm believer in the “splendor of the national government,” doubted ambitious national politicians would even care enough about mundane matters of state and local interest to attempt to usurp their power.

He did recognize the “wantonness and lust of domination” inherent in many politicians. But even “allowing the utmost latitude to the love of power which any reasonable man can require, I confess I am at a loss

to discover what temptation the persons intrusted with the administration of the general government could ever feel to divest the States of (their) authorities,” he wrote in Federalist 17.

The exercise would be “troublesome” and “nugatory” and “contribute nothing to the dignity, to the importance, or to the splendor of the national government,” he believed.

In any case, Hamilton assured readers in Federalist 17 that it would “always be far more easy for the State governments to encroach upon the national authorities” than vice versa.

Madison, much more the adherent of decentralized power, wholeheartedly agreed.

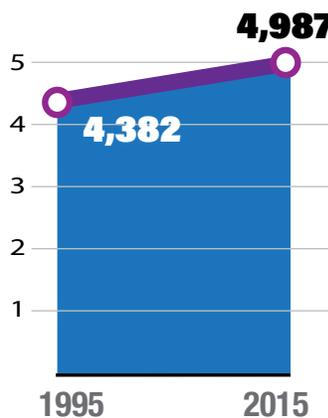
In Federalist 45, he wrote that state governments “will have the advantage” over the federal government “whether we compare them in respect to the immediate dependence of the one on the other; to the weight of personal influence which each side will possess; to the powers respectively vested in them; to the predilection and probable support of the people; to the disposition and faculty of resisting and frustrating the measures of each other.”

“The State governments may be regarded as constituent and essential parts of the federal government; whilst the latter is nowise essential to the operation or organization of the former,” Madison continued.

“Federal GrantStanding” reaffirms the wisdom of the founding fathers’ federalist vision. Government is more responsive, accountable, efficient and variegated in a way that accommodates all the diversity of America and all our individual foibles, ambitions and proclivities →

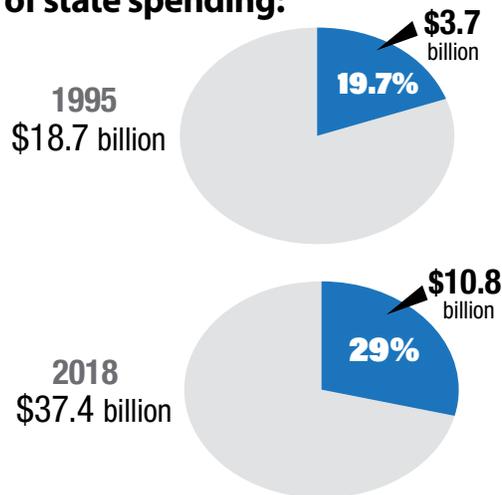
### The federalization of Wisconsin state government

State workers\* paid by feds:



\*Measured as full-time equivalents

### Federal revenue as a percentage of state spending:



## “I honestly wondered if I was actually elected governor or just branch manager of the state of Nebraska for the federal government.”

— Former Democratic Nebraska Gov. Ben Nelson, who as a U.S. senator later was accused of negotiating the “Cornhusker Kickback” that directed even more federal Medicaid money to his state and made the problem worse

when it is closer to the people.

The book also illustrates, unfortunately, in one concrete and essential way — the federal grants-in-aid system — how that vision has failed to endure and what the very real consequences of that failure are.

### Grants-in-aid

There are many types of direct federal spending and assistance to individuals and programs throughout the United States, including contracts, direct entitlements and a wide variety of grants. “Federal Grant\$anding” focuses exclusively on one type of spending: grants-in-aid — grants that flow directly from federal coffers to state and local governments.

Such grants sent from Washington have risen from just \$7 billion in 1960 to an estimated \$728 billion in 2018. ***The system has grown so quickly and so large that most states today get about one-third of their revenues from the federal government.***

Overspending is one concern. The Congressional Budget Office now projects that federal debt held by the public will reach 96 percent of gross domestic product (or \$29 trillion) by 2028 — the largest percentage since 1946.

There are obviously other categories of spending, though, that are much larger than grants-in-aid. So concern about debt constitutes only one of the reasons we focus on this particular type of federal spending.

We focus on monetary cost, to be sure. But the ever-expanding grants-in-aid system illustrates just how deeply dependent states, including Wisconsin, are on the federal government in other ways as well.

The book demonstrates how the federal government exercises an influence over the lives of Americans that is increasingly personal, and it details how the federal government effectively frustrates the desires and abili-

ties — indeed, the independence and liberties — of so many state residents, no matter their political bent. And for what reason?

Wisconsinites paid over \$53 billion in taxes to the federal government in 2017 alone, according to the Internal Revenue Service Data Book. Some of that money stays in Washington, D.C., or is spent outside the country. And money that does flow back to the states does so in many ways: directly to people receiving federal entitlement payments such as Medicare, Social Security, unemployment compensation or food stamps; salaries and wages of federal employees paid directly by the federal government; federal purchases of services or goods such as military equipment (procurement); and grants.

There are, in turn, many types of grants, including grants to universities and grants to non-governmental organizations. But a big chunk of money takes the form of grants sent right back to state governments and local governments for everything from road building to educating our

kids to child care to housing.

There are scores and scores of such grant programs and, as you’ll see, there are two more bureaucracies — one at the state level and another at the local government level — that also have been constructed to make sure the “federal” money arrives and is directed back to the same places that sent it to Washington in the first place.

Many politicians in Washington and elsewhere love these grants. Those in the capital get to claim they are helping constituents (i.e., voters) back home; and politicians back home get to brag about securing federal money to build the latest road or elevator or building.

Our goal is not to look at the issue from the perch that is Washington, D.C. Nor is this merely a theoretical or academic examination of constitutional issues. Quite the

### What is a grant-in-aid?

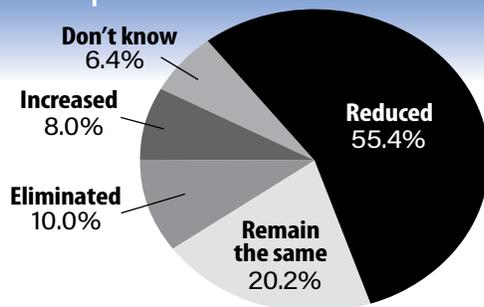
*A grant-in-aid is the transfer of money from the federal government to a state or local government to fund a specific project or program.*

*The money comes from federal income tax revenue. The grant does not have to be repaid, but it does have to be spent according to the federal government’s guidelines.*

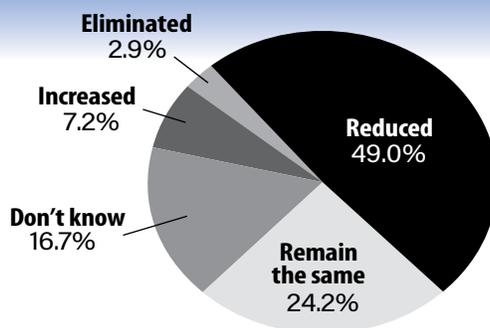
## Too much federal involvement

▶ *Should the federal government's role in education be:*

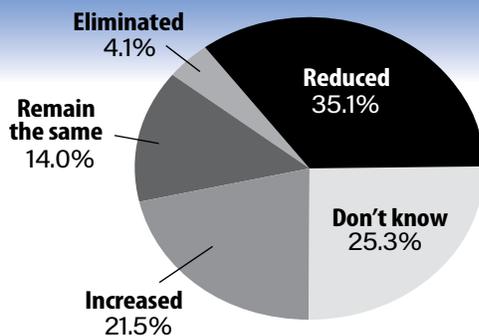
**451** Administrators & school board members responded:



**347** Non-Milwaukee Public Schools teachers responded:



**316** MPS teachers responded:



Source: Badger Institute surveys

opposite. Using Madison the city as our platform, we write from the states' view and with the knowledge that the frustration and discontent we've found in Wisconsin exist in the other states as well.

"Federal Grant\$anding" vividly illustrates from the state perspective just how far the country has strayed from the vision of the founding fathers. James Madison had an essential vision that the states would retain powers numerous, distinct and indefinite. The city named after him, ironically, fundamentally undermines that vision. But it goes much further than that.

It shows in concrete ways that federal dollars and influence are undermining local decisions, accountability and innovation, driving up costs for taxpayers, creating confusing and nonsensical bureaucratic overlap, transferring authority to unelected bureaucrats instead of elected officials who are accountable to the people, and fostering a culture of unrealistic and illogical expectations.

There has been much written over the years about constitutional issues that set parameters for grants to the states. That is a starting point, and a necessary framework. We indulge in some of that. It's important to remember what the Federalists and Anti-Federalists both thought at the time the Constitution was debated and ratified. But our real goal is not to show why federalism mattered as a concept in 1789; it's to show why it matters today, why true federalism will improve both our wallets and our lives.

*We want to start to change the mindset in this country that federal money is "free."* And we have proposed straightforward solutions that can help restore both state control and the confidence of citizens in their governments. While we hope change can come from Washington, our goal is to foment discussion in and pushback from the states as well.

Right now, citizens' trust and confidence in government — especially the federal government — is at a historical low point. Most Americans who live far from the nation's capital no longer believe in our leaders or their ability to govern. Madison and Hamilton would be deeply concerned about the ramifications of that loss of faith for our representative democracy and likely surprised by their own lack of prescience.

We have only to look at their words and love of this country — and compare those words to the comments and attitudes of citizens in 2018 — to realize that. ❖

Read "Federal Grant\$anding" at [badgerinstitute.org/Reports](http://badgerinstitute.org/Reports)

*“Freedom is never more than one generation away from extinction. We didn’t pass it to our children in the bloodstream. It must be fought for, protected and handed on for them to do the same, or one day we will spend our sunset years telling our children and our children’s children what it was once like in the United States where men were free.”*

— Ronald Reagan



## Are pro-business Republicans heading for a

By Richard Esenberg

**T**he Gipper was right about so many things, including, unfortunately, that freedom is never finally and forever won but must be continually defended and fought for.

On the left, socialism seems to be enjoying a strange new respect. As the Clintons retreat into history, the “triangulation” that they championed — a policy of strategic retreat and concessions to free markets and a more modest state — seems on the wane.

Bill Clinton declared the era of big government to be over. Bernie Sanders and Elizabeth Warren want it back. The new face of the Democratic Party is New York congressional candidate Alexandria Ocasio-Cortez, a millennial version of the New Socialist Woman whose discombobulation over facts never seems to dent her self-esteem.

*The New York Times* publishes op-eds from academics who argue that the only way we can be free is to force others to give us free stuff. The left wants us to know that not only

**With trade protection and corporate incentives, politicians could lose the firm footing of their free-market principles**

can we have our cake and eat it, but someone else will pay for it.

The new socialists may not want the state to own the means of production, but they do want the state to control them. They prefer politics to markets and the collective to the individual. They have confronted the problem of scarcity — the idea that resources are limited — and wished it away.

But this new collectivism is present on the right as well. The most obvious example is increasing enthusiasm for trade protectionism, which deploys politics to protect some Americans from foreign competitors at the expense of

**Slippery**

other Americans who benefit from trade. It is redistribution cloaked in nationalism.

And then we have the “public-private partnership” — the notion that the state ought to tax some Americans and give the money to private businesses to subsidize a development that ostensibly “wouldn’t have happened” without public largesse. This crony capitalism takes a number of forms: protectionist regulation, tax incremental financing and unalloyed handouts. It is almost always a mistake.

***It is a mistake because politicians are poor economists.*** Writing in the mid-19th century, French economist and author Frederic Bastiat famously observed that a bad economist only considers “the visible effect” and not “both ... the effects which are seen, and also of those which it is necessary to foresee.”

As a result, “the bad economist pursues a small present good, which will be followed by a great evil to come, while the true economist pursues a great good to come — at the risk of a small present evil.” History does not tell us whether Bastiat ever visited Washington, D.C., but he certainly understood the swamp.

Post-war American conservatism has generally held that government shouldn’t be in the business of picking winners and losers. A political authority can never have the knowledge that is wielded by numerous market participants whose individual choices yield a more efficient allocation of resources than any politician or group of politicians could ever command.

As Austrian economist Friedrich Hayek put it, “The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design.” That observation also has been, however imperfectly and inconsistently, part of the genius of American conservatism.

But not always. In a rush to be “pro-business” (as distinct from “pro-market”) and to be seen as “job creators,”

Republicans have embraced their own form of big government.

Rather than simply focusing on creating the proper conditions for economic growth through low taxes and a minimal regulatory burden (thereby facilitating the things that are unseen), they have found it politically profitable to lavish favored companies and in-

dustries with incentives and handouts (focusing on only the visible effect). As my colleague Collin Roth and I recently wrote in *National Review*, “Job totals are now tallied like points on a scoreboard.” And politicians take credit.

When challenged, Republicans often claim to be “pragmatists” living in “the real world.” But their pragmatism sometimes runs to their own political fortunes, not sound public policy. With respect to the latter, the politicians can be hopelessly soft-headed and mired in wishful thinking — imagining that they can direct our complicated economy and that they, through the exercise of their will, can manufacture prosperity.

Central planning does not become something else because it proceeds by ad hoc corporate welfare rather than five-year plans.

Political control of the economy does not become a good idea because state ownership of the means of production is replaced with joint ventures in which risks are socialized and profits remain in private hands.

The result is market distortion, an inefficient use of resources and a program of economic development built on myths and hubris. It serves neither business nor workers.

Politicians have convinced themselves that without tax incentives — without *them* — new jobs would never be created and lost ones would never be replaced. This thinking is, quite simply, false. It fails to see what occurs in the economy every day when consumer choice and markets determine whether businesses succeed or fail.

Perhaps the much-ballyhooed Foxconn project in Wisconsin will be the exception that proves the rule. One could argue that, given the absence of a national requirement that public funds be used for public purposes, the Walker administration could not unilaterally disarm and that the size and scope of the project are transformational in a way that justified extraordinary measures. Only time will tell.

But departures from principle come at a cost, and now sundry and various businesses will want the Foxconn treatment. And politicians will always see the jobs they “save,” not the jobs that are lost because resources were diverted to a less efficient use.

Freedom works. It just requires a little faith, a bit of patience and, as President Reagan understood, the courage to defend it. ❏

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