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FALL 2014

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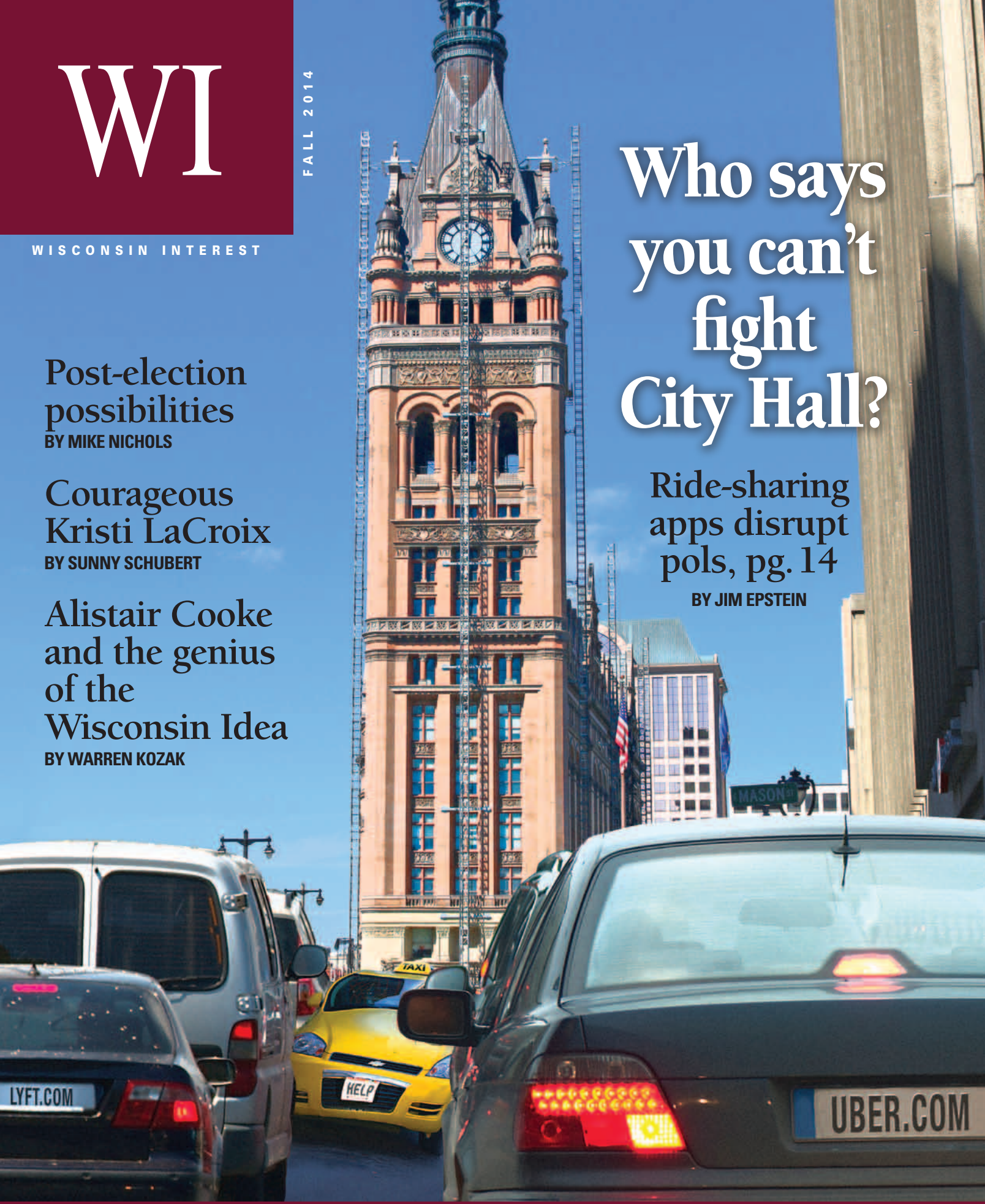

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Here we are again

In a few weeks, Wisconsin voters will again get to decide whether to continue the conservative revolution in Wisconsin. If the polls are right, it will be close.

Mike Nichols takes a look at a possible dystopian (for conservatives) future: What would happen here if Mary Burke is elected governor and is faced with a GOP legislature? Would she be able to fulfill the fondest dreams of the unionist left? Spoiler alert: Nichols thinks not. But as he writes, her defeat of Scott Walker would usher in a very different Wisconsin.

Our cover stories in this issue focus on the intersection of high-tech innovation and deregulation, which also happens to be the intersection of the free market and generational politics. Christian Schneider recounts his Uber ride to the dark side, or at least Madison, where the innovative ride-sharing company is still illegal. Jim Epstein argues that "the rise of Uber and Lyft is also more than a paradigm for the salutary effect of technology forcing change on outdated governmental operations. These two firms foreshadow a much larger technological shift that may be as significant as the invention of the Model T."

In "Rise of Disability Nation," veteran journalist Steve Prestegard explores the disturbing numbers of Americans who are claiming they aren't healthy enough to work and who are tapping into and straining the Social Security system.

This issue also features a compelling portrait of a former member of the teachers union who took on the establishment. Sunny Schubert chronicles the extraordinary story of Kristi LaCroix, a Kenosha teacher who took on the union in one of the state's strongest union towns.

And do not miss Warren Kozak's gem: the rediscovery of what British writer Alistair Cooke found when he drove through Wisconsin in 1942.

WPRI

The Wisconsin Policy Research Institute, Inc., established in 1987, is a nonpartisan, not-for-profit institute working to engage and energize Wisconsinites and others in discussions and timely action on key public policy issues critical to the state's future, its growth and prosperity. The institute's research and public education activities are directed to identify and promote public policies in Wisconsin that are fair, accountable and cost effective.

Through original research and analysis and through public opinion polling, the institute's work will focus on such issue arenas as state and local government tax policy and spending and related program accountability, consequences and effectiveness. It will also focus on health care policy and service delivery; education; transportation and economic development; welfare and social services; and other issues currently or likely to significantly impact the quality of life and future of the state.

The institute is guided by a belief that competitive free markets, limited government, private initiative, and personal responsibility are essential to our democratic way of life.

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Publisher:
Wisconsin Policy Research Institute, Inc.

Editor:
Charles J. Sykes

Managing Editor:
Marc Eisen

Art Direction:
Stephan & Brady, Inc.

Contributors:
Jim Epstein
Richard Esenberg
Warren Kozak
Mike Nichols
Steve Prestegard
Christian Schneider
Sunny Schubert
Charles J. Sykes

Board of Directors:

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Michael T. Jones
James Klauser
David J. Lubar
Maureen Oster
Timothy Sheehy
Gerald Whitburn
Edward Zore
Mike Nichols, President

Contact Information:

ADDRESS:
633 W. Wisconsin Ave.
Suite 330
Milwaukee, WI 53203

PHONE:
414.225.9940

EMAIL:
wpri@wpri.org

WEBSITE:
www.wpri.org

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Milwaukee Laborfest photo by Mike Nichols

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UW-Madison Department of Animal Sciences photo

Weaponizing the media

The story so far: Our nonglobally warmed winter gave way to an underwhelming spring and a thoroughly disappointing summer, relieved only by the spread of the bizarre but charming charitable ritual known as the Ice Bucket Challenge. Which brings us again to fall and yet another election season.

Didn't we go through this in 2010, multiple times in 2011, and again in 2012? Why, yes, we did, because in politics there is no finish line — even in Wisconsin politics.

Remembering what's important (and not)

It was an awful summer. The Mideast was ablaze; Russia invaded Ukraine; Ebola spread in Africa; the junior varsity terrorists known as ISIS beheaded two American journalists; Ferguson, Mo., erupted in racial conflict; and the economy still struggled. But our political leaders were unwavering in their focus on the critical issues of the day.

Wisconsin Sen. Tammy Baldwin signed on to a letter sent by 47 Senate Democrats and one independent that denounced the Washington Redskins nickname as a "racial slur." Her colleague Ron Johnson demurred, putting the issue in perspective:

"We have enormous challenges facing America. Only some of them are the concern of the federal government. The letter, signed primarily by Senate Democrats, concerns an issue that should be left to the team's owners, its players, and its fans. I trust that they will do what is right. This is not a matter that requires congressional action. Congress should concentrate on its own duties.

"And when it comes to football," he said, "I will concentrate on the Green Bay Packers."

Speaking of the Packers: Unlike politicians in Washington, the Packers learned from their mistakes and decided this season to keep three quarterbacks on their roster. Just in case.

John Doe frenzy

In spring, the fancy of the young turns to romance, but come election season, the media's passion turns to hyping criminal investigations of Republicans.

Disappointed by the failure of previous attempts to bring down Gov. Scott Walker, the media this summer weaponized their coverage of the John Doe investigation. In headline fonts heretofore reserved for world wars and the Hindenburg disaster, the *Milwaukee Journal Sentinel* blared:

"John Doe prosecutors allege Scott Walker at center of 'criminal scheme.'"

This, understandably, generated considerable interest and launched a thousand breathless blog posts, until it turned out that the prosecutors' theories had been rejected by two separate judges, who had shut down the investigation.

As media critic George Mitchell noted:

"The [*Journal Sentinel*] story went nearly 300 words before reporting a comment from Walker. It continued another 700 words before confirming Walker's claim that two judges had rejected the prosecution theory. Not until the second-to-last paragraph did it actually quote one of the judges.

"When questions inevitably arose about the paper's coverage, Managing Editor George Stanley attempted to justify the headline and story by stressing the fact that Walker was a **target** [emphasis added]:

> "'The second John Doe probe centers on Gov. Scott Walker as its **target** and on allegations that he and his campaign coordinated advertising spending with private groups against state campaign finance laws. None of that was known until yesterday's documents were released by the U.S. Appeals Court. Scott Walker was never known **to be a target** of the first John Doe investigation that has been closed.'"

A week later, the attorney for the John Doe prosecutor issued a statement that pulled the rug out from under Stanley, declaring bluntly: "Governor Walker was **not a target** of the investigation."

"At no time has he been served with a subpoena," said attorney Randall Crocker. Discussing the documents cited by Stanley to justify the paper's screaming headlines, Crocker wrote, "While these documents outlined the prosecutor's

legal theory [a theory rejected by both a state and federal judge], they did not establish the existence of a crime...."

Stanley was, however, not easily abashed. The statement that Walker was not a "target" was mentioned only in the fifth paragraph of the story about the statement. No apologies were forthcoming.

Commenting on the media coverage, Walker told radio host Hugh Hewitt:

"For a lot of the so-called mainstream media, particularly the newspapers, they are so afraid that they are dying that they jump to put things up on the Internet before they've confirmed things or have a good analysis of them, and that's exactly what happened. They rely on some information that came out locally, and next thing you know, it was up like wildfire, when the facts clearly showed that the headline should have been, 'Here is proof of the evidence that failed in court.' Instead, they treated it like it was a new deal."

And you know, where do you go to get your reputation back…

About those jobs

When the political world was not roiled by John Doe, it was consumed with a seemingly endless debate over the importance of creating new jobs. Both Walker and challenger Mary Burke insisted that they had better plans for growing the state's economy, especially its manufacturing work force.

But the Obama administration had different ideas. In June, it announced sweeping new rules regulating carbon usage as part of the president's promised War on Coal.

"The overreaching EPA regulations will result in higher energy costs for all Wisconsin businesses and households," predicted Kurt Bauer, president of Wisconsin Manufacturers & Commerce. "Manufacturers will be hit the hardest because they use more energy. As a result of higher energy costs, Wisconsin factories will be less competitive, and family-supporting middle class manufacturing jobs — the foundation of our state's economy — will be in jeopardy."

How many jobs? A study by the U.S. Chamber of Commerce predicted that the carbon rule would kill 224,000 jobs every year between now and 2030; 31,700 of those would be lost in the five-state region that includes Wisconsin. Analysis by NERA Economic Consulting predicted the loss of 2.85 million jobs in the United States by 2033.

Perhaps this explains why Burke chose not appear with President Obama when he spoke in Milwaukee on Labor Day.

Not the headlines he wanted

In August, Milwaukee's outspoken African-American sheriff beat back a well-funded attempt to oust him from office. In the final days of the primary campaign, former New York Mayor Michael Bloomberg dumped $150,000 into an ad campaign targeting Sheriff David Clarke Jr. because of Clarke's outspoken support of Second Amendment rights.

Bloomberg has been on an extended losing streak and apparently thought that he could score an easy win by knocking off the conservative Democrat in liberal Milwaukee County.

His failure made national news:

"NRA model sheriff wins in Milwaukee," headlined *The New York Times. The Washington Post*: "Pro-gun Milwaukee sheriff defeats challenge from Bloomberg"; *Wall Street Journal*: "Victory by Pro-Gun Sheriff Underscores the Limits of Bloomberg's Clout"; *The Washington Times*: "Bloomberg's anti-gun money up in smoke as pro-gun sheriff wins in Milwaukee."

Inevitably, Clarke got the last word, writing after his victory: "This was no ordinary defeat for Mr. Bloomberg's 'Mayors Against the Second Amendment' group. Losing to a local sheriff in a county dominated by Democratic Party voters just might have set his futile movement back to a point of no recovery."

Trolley woes

Finally, as August faded into September, the state's Public Service Commission once again dashed the fondest hopes of Milwaukee's transit elites by ruling that, no, the City of Milwaukee could not shift onto ratepayers the cost of moving utility infrastructure for the 2.1 mile trolley loop. This was widely seen as a fearsome blow to the efforts to return Milwaukee's transit system to the 19th century.

But as we were constantly reminded this year, bad ideas never really die. And, unlike old soldiers, they seldom even fade away. ■

Wisconsin Interest *editor Charles J. Sykes is the founder of the Right Wisconsin website and a talk show host on AM-620 WTMJ in Milwaukee.*

The Imperial President

The law, Obama wants us to believe, is whatever he says it is

BY RICHARD ESENBERG

Truth be told, the rule of law can be a bit of a drag. In Robert Bolt's play *A Man For All Seasons*, Thomas More upbraided William Roper, who would have eagerly "cut down every law in England" to get at the devil. Many of us want to stand with More in general, but run with Roper in the particulars.

President Barack Obama, for example, seems quite willing to cut down every law that stands in the way of slaying what he sees as the devils around him. He has a pen and a phone. He has a highly developed sense of his own infallibility and a carefully nurtured disdain for those who disagree.

The bill of particulars is long. The Affordable Care Act, riddled with both genuine errors and a flawed design, has become whatever the president says it is. He has announced that whole categories of people who are in the country illegally may remain indefinitely and is considering conferring what is effectively immunity on millions more.

He has instructed the Environmental Protection Agency to promulgate a "cap and trade" scheme that even a heavily Democratic Congress would not pass. He has fundamentally altered the Clinton-era welfare reform and instructed military contractors to ignore plant-closing laws. He has engaged in illegal prisoner exchanges and abused his recess appointment powers in unprecedented ways. We've seen Fast and Furious, IRS targeting and National Security Agency snooping. Is there no budget? No problem.

The president's disregard for the law consists largely, although not entirely, in the expropriation of power by the executive because Congress, in his view, won't let him get at the devil. Liberal law professor Jonathan Turley has observed that Obama governs the way that Richard Nixon always wished he could.

What is remarkable is the president's insouciance and the indifference of a mainstream media that once drove Nixon from office. "We can't wait," the president says, "so sue me." Many have, although some of what he has done either defers pain (in the case of the Affordable Care Act) or conferred an unauthorized benefit (in the case of welfare reform or refusal to enforce the immigration laws).

Since federal courts require plaintiffs to suffer an injury — and taxpayers don't count — there is often no one who can sue. Even when someone steps up, courts are reluctant to insert themselves into disputes between the other branches of government.

There might be a political solution to this clear-cutting through the law, but so far it has foundered on our respect — or lack thereof — for the law. The conventional wisdom portrays this imbroglio in political terms. It is either a struggle between conservatives and liberals or just the quotidian pull between branches of government. It is all about whose ox is gored, and the "sophisticated" take is that concerns about the process Obama follows can be reduced to differences over the policies he pursues.

But More's response to Roper reveals the flaw in this thinking. When Roper had cut down every law in England, More said, he would be unable to "stand upright in the winds that would blow" in the aftermath.

The separation of powers is not something to be negotiated and fought over by the bickering branches of government. To the contrary, it is an essential guarantor of our liberties and every bit as important as the enumerated liberties in the Bill of Rights.

Checks and balances are not just a set of rules governing a battle between arms of the state, but an important limitation on what the state can do to free citizens. The ways in which the law holds back the ambitions of the president are not a bug of our constitutional framework. They are a feature.

The separation of powers is not something to be negotiated and fought over. To the contrary, it is an essential guarantor of our liberties and every bit as important as the Bill of Rights.

The problem with subordinating our concern with an imperial presidency to our view of the president is that what happens today to enhance executive power becomes the new normal. In a complex and politically divided nation, it has become increasingly difficult to scale back the power of an executive whose presumption of power eliminates the need to negotiate with others (like Congress) or to conform his actions to rules or, at least, to a sharply cabined methodology (like the judiciary).

Somebody once said that if you aren't angry, you haven't been paying attention. It is time to say it again. ■

Richard Esenberg is president of the Wisconsin Institute for Law & Liberty and an adjunct professor of law at Marquette University. He blogs at sharkandshepherd.blogspot.com.

It's Jan. 5, 2015. Mary Burke is sworn in as governor. Will she make liberal dreams come true?

Answer: Probably not.

BY MIKE NICHOLS

Christopher Flores, a 50-year-old Bayview High School custodian wearing a Service Employees International Union "Wisconsin for Obama" T-shirt, remains in utter disbelief about what has transpired in Wisconsin in recent years.

"I can't believe there are some nut jobs out there who like what Scott Walker is doing. I just hope that thief does not get into office for four more years," he exclaimed at the Milwaukee Laborfest gathering in Zeidler Square on a rainy Labor Day morning.

"Anyone else is better than Scott Walker. I just want to get Scott Walker out of office."

Three and a half years after the Republican governor and potential presidential candidate signed Act 10 and all but eliminated collective bargaining for public employees, angst on the left is still palpable. Democrat Mary Burke's pledge to somehow try to restore collective bargaining rights if she's elected governor is seen as the equivalent of reclaiming labor's Holy Grail.

"That is the reason I am voting for her," said Flores. "Scott Walker is against it. She is in favor of it."

Lost in the fulmination, however, is whether the former Trek bicycle executive and state commerce secretary, should she win the November election, would have the ability to actually turn campaign promises into law, and not just with collective bargaining.

While Burke might gain control over the governor's mansion, she won't gain control over something else Walker once inhabited and still deeply influences: the Legislature. That said, Wisconsin governors still have some of the broadest veto powers in the United States, the right to appoint cabinet secretaries and judges, and the authority to construct a $68 billion biennial budget that funds everything from schools to jails to the salaries and benefits of tens of thousands of state employees.

If Mary Burke pulls off a victory in November, conservatives have to ask, could she actually make liberals' dreams come true?

In one fundamental way, the answer would be a definitive "yes." Way back in January 2014, when only 12% of Wisconsinites had a favorable view of Mary Burke and hardly anybody knew who she was, more than four in 10 Wisconsinites were already saying they would vote for her. For a large segment of the left, the election has never been about her. It's about defeating Scott Walker.

School custodian Christopher Flores thinks only "nut jobs" like Gov. Scott Walker's record.

A closer look at the issues she has latched onto and the political impediments that would stand in her way suggest that her biggest victory would likely come on election night. There would be one overwhelming obstacle in her way the day after that.

The Legislature

The elephant in the room is the elephants in the room — the big room with the white columns, stuffed eagle and oak desks that is known as the Assembly Chamber.

There are 60 Republicans in the Assembly and only 39 Democrats. Robin Vos, the Republican Assembly speaker, thinks Republicans, if anything, might actually pick up a few seats this November. And even if they don't, they will retain an enormous majority.

The GOP also currently controls the Senate, though by a much slimmer 17-15 margin with one vacancy — the southeastern Wisconsin seat Neal Kedzie resigned in June to take over the Motor Carrier's Association. Democrats will not pick up Kedzie's solidly Republican seat, and they on are track to lose the redistricted seat currently held by Democratic State Sen. John Lehman, the one-time Racine teacher who could end up as Burke's lieutenant governor. That means Democrats will need to pick up a total of three other seats to take over the 33-seat chamber.

It's not altogether impossible. Democrats hope to capture seats held by outgoing Sens. Mike Ellis, Dale Schultz and Joe Leibham. But it's extremely unlikely, and even if Burke does win and Democrats prevail in the Senate, the fact is she will still have to deal with a very conservative Assembly.

Mary Burke's hopes won't rest with allies in the Legislature. They will, at least initially, rest with her veto pen.

The budget and partial-veto authority

Wisconsin governors typically present their biennial budgets in mid- or late-February of odd-numbered years. Walker's last budget, a 1,400-page tome, included tens of billions of dollars in spending and more than 90 items unrelated to state finances. Republicans could rewrite anything Mary Burke would hand them. But she, in turn, could use her partial-veto authority to essentially rewrite much of what they would hand back.

"I think we are unique in the scope of the governor's authority," says Fred Wade, a Madison attorney who has long criticized the way Wisconsin governors can use the partial-

veto to "create legislation that the Legislature did not approve."

Like other governors, Wisconsin's chief executive has the ability to veto legislation in toto. But he — or she — also has the ability to partially veto appropriations.

Governors dating to Pat Lucey in the 1970s have used and abused this so-called "partial veto." Jim Doyle, for instance, transferred more than $400 million from the transportation fund to schools by almost comically crossing out words and stitching together parts of different sentences.

That's no longer possible. Voters altered the state constitution and eliminated the so-called "Vanna White" and "Frankenstein" vetoes that once allowed governors to delete letters in words or crudely stitch together parts of different sentences. But, Wade says, governors can still cross words, digits, whole sentences and commas out of appropriations bills in ways that can entirely defy legislators' intent.

"For Mary Burke the temptation will be to do what Jim Doyle did," says Wade. "Because he was stymied in the Legislature, he used the power extensively to write legislation the Legislature did not approve but that reflected his priorities."

Republican legislators could limit Burke's ability to do the same by excluding purely policy matters from the budget bill. And, Vos points out, governors are not able to "veto an appropriation higher." But, he concedes, Burke, if so inclined, would be able to stop Republicans "from cutting taxes or cutting waste."

In the end, it would be virtually impossible to fireproof the budget bill to prevent the new governor from creatively tweaking it to suit her agenda. But chances are that any conflicts with Republicans in the budget would be over the power of the purse.

Most policy matters would likely be fought on a different front.

The elephant in the room is the elephants in the room: conservative control of the Assembly.

Act 10

Under Walker's name on his tombstone will be three words: "Enacted Act 10."

The reverberations are hard to overstate, including savings already exceeding $3 billion dollars in public employee health and pension costs that enabled Walker to help balance both the state budget and many local government budgets.

Burke — tellingly described by her brother John as "the master of the spreadsheet" (she has a Harvard MBA) — has never promised to undo the portions of the law that pertain to health and pension contributions that put the state on a more stable financial footing. But she has been quoted as saying she would "work to restore collective bargaining," the promise that resonates with folks like Christopher Flores.

Burke has made it clear that she would try to repeal provisions of Act 10 that "crippled the political power of public-sector unions." She has called Act 10's implementation of annual union elections and ban on automatic dues collections "nothing more than heavy-handed attempts to punish labor unions" and has said she would work to repeal those provisions.

Milwaukee Laborfest photos by Mike Nichols

Vos says he can't see how she would accomplish that without control of the Legislature.

"I believe that she does not have the ability to do very much on Act 10," he says.

Retiring Democratic Sen. Tim Cullen essentially agrees, telling *Wisconsin Interest* it is "highly unlikely" she could roll back Act 10.

Joe Zepecki, communications director for the Burke campaign, says, "There is no silver-bullet strategy" on the issue. "It's bringing people together and getting that done." She would, he says, "turn down the volume a little in terms of the political back-and-forth."

Overall, Cullen thinks Burke would "govern somewhere near the middle." Vos, for his part, says that if she wins, "she gets to reshape state government in a way that is much more liberal."

A closer look at a handful of issues on which she has stated clear differences with Scott Walker shows how she might achieve that — and how she almost surely would not.

School choice

While both sides are focusing largely on who would create more jobs, there are other areas where differences can be more succinctly defined — such as school choice.

Burke, who is a member of the Madison Metropolitan School Board, appears deeply committed to limiting or reversing statewide expansion of choice and imposing a different sort of accountability on longer-standing programs in the Milwaukee and Racine areas.

Choice supporters don't doubt that she could muck up their plans. Outside Milwaukee and Racine, school choice is a new concept, and the number of students allowed to participate in the coming year is capped at only 1,000.

It would be virtually impossible to fireproof the budget bill to prevent the new governor from creatively tweaking it to suit her agenda.

Though she would lack legislative support to completely eliminate expansion, Burke could wreak havoc on funding of existing programs and leave Department of Public Instruction Superintendent Tony Evers, an outspoken opponent of vouchers, unchecked.

In an interview with *Wisconsin Interest*, Zepecki made it clear that Burke wouldn't hesitate to use her veto authority regarding both "further expansion and rolling back" the recent statewide expansion.

Burke could not eliminate the school-voucher program completely, nor has she signaled that she would try. The longer-standing voucher programs in Milwaukee and Racine now have more than 27,000 children enrolled, and low-income parents would be up in arms at the hint of any attempt to force their kids elsewhere — a fact that points to the real long-term difference on this issue between Scott Walker and Mary Burke.

When choice programs get large enough, they become virtually inviolable. If Scott Walker wins another term and succeeds in allowing expansion to continue statewide, the program would likely become entrenched and irreversible

everywhere in the state — a longtime goal of choice supporters. And once that happens, opponents will have lost a decades-old war.

Medicaid

Burke has been harshly critical of Walker's decision to limit Medicaid expansion and turn down millions of dollars in federal funding that would make it easier to balance Wisconsin's budget.

It's true: This is a fight about money, loads of it.

But it's also about principles of federalism, the history of Medicaid as a state rather than federal program, the ever-rising entitlement culture, and whether Wisconsin should fully embrace President Obama's Affordable Care Act.

Unlike Medicare, which is run by the federal government, Medicaid has always been a state-managed program. BadgerCare, the best-known state Medicaid program, was created in 1997 during the Gov. Tommy Thompson's administration and was originally seen as a departure from the entitlement mentality because it provided health care for families leaving the welfare rolls.

The program expanded dramatically in the Doyle years, however, and costs rose so quickly that critics began to argue that Medicaid was crowding out education spending. Then came Obamacare and the president's attempt to force states to expand Medicaid coverage to adults without kids and those with incomes up to 138% of the poverty level.

A crucial U.S. Supreme Court ruling that referred to the original tactic under Obamacare as "economic dragooning" of the states gave Wisconsin the option of rejecting expansion, but not without lingering financial consequences. Walker responded by pushing a "partial expansion," but he also dropped BadgerCare coverage for childless adults who are above the income line, saying those individuals should seek coverage on the federal health insurance exchange.

According to a Legislative Fiscal Bureau memo, this has been a costly decision for Wisconsin. Had the governor fully expanded eligibility for essentially everyone up to 138% of the poverty line, the fiscal bureau found, it would have added 87,000 individuals to the BadgerCare rolls. However, with more people on the rolls, the state would actually spend $206 million less in the current budget cycle because the federal government would have kicked in $561 million more.

The Republican governor has steadfastly argued that the federal government's promise to make payments to the states for Medicaid expansion is not ironclad, and that the states could be on the hook for much of the additional costs in the future.

Burke has hammered Walker on the fiscal and health repercussions, saying, "He cost the state millions of dollars and made health care less affordable." She would reverse his decision and pursue a full expansion, something that would not only bring more people onto the BadgerCare rolls but would result in a net

increase of $288 million coming into state coffers in the next biennium, which starts July 1, 2015.

Once again, though, it appears clear that she would need the Legislature's OK. Zepecki suggests that the politics could get easier for the left on this issue as time goes on and that at some point — if Obamacare were to be accepted as a fait accompli and the state's fiscal picture worsened — that could be true. But Vos calls the possibility of Legislative movement on the issue "very remote," and the specter of TV ads lambasting any conservative legislator supporting expansion of an entitlement program under Obamacare suggests he may well be accurate.

Assembly Speaker Robin Vos predicts that if Walker loses, 'We will end up having a Republican Legislature that will pass all kinds of bills that Mary Burke will veto.'

Minimum wage and the mine

Given inevitable Republican control of the Assembly, Burke would have a hard time gaining support for her other high-profile policies, including a higher minimum wage. (Increases have occurred under Republican control in the Legislature in the past. But in the current era, it's hard to imagine it happening.)

On the other hand, as governor she would control the executive branch and could use administrative rule-making and the power of the enormous state bureaucracy in ways that could leave Wisconsin looking very different had Walker won a second term.

Walker, for instance, has been an outspoken proponent of the $1.5 billion iron mine Gogebic Taconite wants to build in one of the poorest areas of northern Wisconsin.

Zepecki says that while Burke opposed the legislation signed into law by Walker, she is open to alternative proposals such as one pushed by Cullen, Schultz and Sen. Bob Jauch that "would have allowed the mine to move forward with appropriate public health safeguards."

Mine proponents counter that, without the legislation that was actually passed, Gogebic would not have committed itself to the enormous upfront investment because there was not enough certainty in the regulatory process.

Even under the existing legislation, mine proponents worry that a new, skeptical DNR

secretary appointed by Burke could significantly lengthen the time it will take for the company to submit a formal application, let alone secure a permit. In the best of circumstances with Walker re-elected, it would still take at least four and a half years before the mine is up and running.

A key point: It is the DNR secretary — a political appointee — who would have to sign off on a permit to proceed. The longer that review takes, the more it costs the company, and the higher the likelihood the mine will never open.

****

We can be sure that some things would be different under Gov. Mary Burke. The state would, for example, retain Common Core education standards that Walker now opposes. There could also be movement on gay marriage — an issue increasingly likely to be decided in the courts rather than at the ballot box — regardless of who the next governor of Wisconsin might be. Differences in other areas like right-to-work legislation, given the lack of clarity or expressed interest from either camp, are hard to predict right now, as is where a Burke administration would come down on tax levels.

What's clear is that while Burke would have virtually no ability to push major policy initiatives without the acquiescence of Republican legislators, she could also stand in the way of Vos and fellow Republicans pursuing their own conservative agenda.

Zepecki says Burke has no doubt that she can work with people like Vos and Senate Majority Leader Scott Fitzgerald. Should she win, there will certainly be much talk of bipartisanship.

In the end, though, there wouldn't just be a struggle for power between two political parties. There would be a broader struggle between branches of government. There are conservatives who feel too much power has already migrated from the legislative to the executive branch — and there will be an attempt to reclaim some ground.

"We will end up having a Republican Legislature that will pass all kinds of bills that Mary Burke will veto," predicts Vos. He suggests it will become much harder to reform entitlements, for instance, or keep a lid on taxes and spending and regulation.

Burke is deeply committed to limiting or reversing statewide expansion of school vouchers.

The leaves are turning, and November is just a calendar page away. Both conservatives who fear a Burke victory and liberals who dream of it can agree on one thing: The cheers on the left that would accompany a Burke victory in four short weeks — like the attendant tears on the right — would not spring from anyone who can fairly expect her to accomplish any sort of radical transformation of state government.

The cheers and tears wouldn't be so much about what liberals might achieve in the years ahead — but about what conservatives hereafter could not. ■

Mike Nichols is president of the Wisconsin Policy Research Institute.

Cab ride to the future

Uber and Lyft show how tech innovation and deregulation benefit society

By Jim Epstein

Not so long ago, economists pointed to government interference in the cab industry as a parable for the folly of artificial supply constraints. Take the New York City taxi mess, which began in 1937 with the passage of the infamous Haas Act.

The law, which was widely imitated by other cities, fixed the supply of taxis at 16,900 (the total has since dropped to 13,437) by issuing exclusive operating licenses called medallions that can be bought and sold on a secondary market. New York's medallions initially sold for $10 apiece; today they run about $1.15 million.

Medallions drive up fares, limit service and diminish profits. In New York, cabbies can still buy their own medallions — if they can scrounge up a $200,000 down payment and commit to an annual mortgage payment of about $28,000. Alternatively, drivers can rent medallions — which means forking over about $115 per shift.

Milwaukee's recently deposed cab system was similar to New York's.

In 1992, Milwaukee stopped issuing new taxi permits, capping them at 354. (The total eventually dropped to 321.) With the supply of cabs constrained, the value of these licenses climbed to about $150,000 apiece. Brothers Mike and Joe Sanfelippo — Joe is a Republican state representative from West Allis — control 162 cab licenses, or more than half the total.

This system has done a poor job of serving the riding public by making it nearly impossible to catch a cab in downtown Milwaukee during certain hours.

There's just one licensed taxi in Brew City for every 1,850 residents. (New York City has about three times that per capita.) But the Sanfelippos and other permit owners lobbied against boosting the cap because, understandably, they didn't want to see their assets diluted.

Licensing caps have also made it difficult for drivers to get out from under the control of cab companies. That's why, in 2011, three Milwaukee cabbies teamed up with the libertarian public interest law firm the Institute for Justice and sued Milwaukee to lift the permit cap. In April 2013, Milwaukee County Circuit Court Judge Jane Carroll ruled that the law violated the state constitution, and in November the Milwaukee Common Council voted to meet the court partway and amend the law by adding 100 new permits.

Enter Uber and Lyft, two Silicon Valley-based software companies that in just four years have remade the taxi business in cities across Europe and the United States. This is no small feat, because this seemingly impregnable industry hadn't substantially altered its operating practices since the first cabs appeared on the streets of Victorian London.

But the bigger story about Uber and Lyft is about much more than just cabs.

"Software is eating the world," venture capitalist and Netscape cofounder Marc Andreessen memorably quipped in a 2011 *Wall Street Journal* op-ed. The cab business itself isn't significant to the overall economy. (Federal data show only one of every 431 working Americans drives a cab or a limo.) But the upending of this industry provides a perfect case study for what happens when software transforms consumer markets, a trend that's been supercharged by the global proliferation of smartphones.

The upending of the cab industry provides a perfect case study for what happens when software transforms consumer markets.

Within two years, according to the digital research firm eMarketer, a third of the earth's population will be carrying these powerful, pocket-sized computers, making it seductively simple to integrate software into our everyday lives. Use of software is replacing timeworn practices — such as flagging down a cab by walking into the street and waving a hand in the air.

The curious thing is that Uber and Lyft have more in common with eBay than with a traditional taxi or limo company. Uber and Lyft don't own any cars. Their businesses are rooted in the versatile online platforms they developed to connect passengers with drivers (who are independent contractors). This has significantly reduced the transaction costs associated with taking a cab.

To order a car through one of these services, a customer first opens a smartphone app, which automatically detects the pickup location using the built-in GPS. A simple tap of the screen books a nearby driver. Then an estimated arrival time appears on the screen, and the customer can watch on a tiny map as the vehicle approaches.

After the ride is finished, a charge automatically hits the passenger's credit card or PayPal account, which Uber and Lyft keep on file, without haggling or tipping. Fares fluctuate based on the supply of cars in the pickup neighborhood. Known as "surge pricing," this controversial feature occasionally

results in outlandish fares, but it also entices drivers to underserved areas.

The very same week the Milwaukee Common Council agreed to boost the cap on cab permits, drivers for these two companies rolled into town and began making a mockery of the city's regulatory system.

"All of a sudden on a weekend in downtown Milwaukee there were hundred of cars to choose from if you want to get home from the bars," says Anthony Sanders, who was the lead attorney for the Institute for Justice in the Milwaukee lawsuit. "The drivers were more confused than anyone because for the longest time you could barely get a job driving, let alone own your own vehicle," he says. "It was just marvelous to watch it all play out."

Milwaukee's taxi regime unraveled at an astonishing pace. Ald. Robert Bauman, who sponsored the legislation that boosted the number of permits by 100, came out with a new bill lifting the cap altogether and legalizing services like Uber and Lyft. Bauman's bill was a model of laissez-faire governance, mandating that drivers submit to regular vehicle inspections but little more. The legislation sailed through the council, and in August, Mayor Tom Barrett added his signature.

Uber and Lyft transformed the city's taxi laws by throwing a wrench in the political sausage factory. The city's 1992 cap came into existence in the first place because permit holders, with much to gain, hired the law firm of Adelman, Adelman & Murray to lobby the council to impose a cap.

The bill passed the council without getting much attention because future drivers and the general public — those most hurt by the cap — weren't clued in, so they didn't know to object.

Uber and Lyft clued them in.

The companies won supporters by getting Milwaukeeans hooked on their service before wading into a political battle, which forced City Hall to play catch up. The Common Council could no longer bend to the demands of the taxi cartel because that might anger their constituents.

In Milwaukee and other cities, the battle has moved to the courts. Cabbies in Seattle, Boston and Houston have filed suit against Uber for trampling on their territory. In February, a group of operators sued the city of Chicago, claiming that by tolerating these new companies, the local government has devalued their medallions, which have an estimated worth of $2.38 billion.

In August, a group of cab companies owned by

the Sanfelippos sued the city of Milwaukee for both monetary damages and to invalidate the new taxi ordinance, on the grounds that their 162 permits, which as of February the plaintiffs said were worth somewhere between $16 million and $24 million, will lose nearly all their value when the cap is lifted.

Red Christensen, director of the Milwaukee Chapter of the Wisconsin Association of Cab Owners, says that most of the remaining 159 permits are owned by independent cabbies, who've been deprived of their nest eggs by the lifting of the cap. "They're hard-working guys — I know one driver who's 75 years old and spent $95,000 on his permit," says Christensen. "What's it worth now? Nothing."

The Madison police department ran a series of sting operations, hitting Uber and Lyft drivers with steep fines.

The great taxi upheaval has certainly had collateral damage — and not just in Milwaukee. A *Washington Post* story about the Chicago taxi market told of 40 young Ghanaian men, mostly in their 20s, who purchased their medallions for around $350,000 each. Then Uber and Lyft came to town, and the medallion market collapsed. When Chicago held an auction for 50 new medallions, nobody showed up.

Plaintiffs, including the Sanfelippos and the Chicago cabbies who got together to sue the city in February, will be hard-pressed to prove in court that their city-issued medallions and permits were protectable property, and that a change in policy that strips away their monopoly privileges qualifies as a "taking" by the government.

Madison is still wrestling with what to do about Uber and Lyft.

The capital city never instituted a permitting cap, but it still managed to create a taxi cartel by imposing rules that make it difficult for new firms to enter the market. Operators are required to provide service 24 hours a day and seven days a week, and they must service the entire 77-square-mile city.

These rules are self-defeating because erecting barriers to entry shrinks the size of the overall market, which only reduces coverage. A few years ago, when a taxi upstart called El Barrunto saw an opportunity to focus its services on Madison's underserved south side, the city intervened on the grounds that the firm was violating the universal coverage rule.

Lyft and Uber showed up in Madison in March of 2014 without asking permission, leaving City Hall scrambling to respond. The Madison police department ran a series of sting operations, hitting Uber and Lyft drivers with steep fines, which the companies shrugged off. (Both companies reimbursed their drivers.) Two bills are before the council that would regulate the two companies, which city leaders have dubbed transportation network companies, or TNCs.

Twenty-seven-year-old Ald. Scott Resnick, who's vice president of a Madison software firm, has crafted a bill that would legalize Uber and Lyft. Resnick believes the city need to embrace innovation in the industry and is calling on the community to resist a "blanket approach of saying 'no' to TNCs."

His bill is more meddlesome than Milwaukee's ordinance, but it would free these companies from many of the nonsensical rules that govern traditional taxis. One of its worst provisions is a requirement that TNCs open physical offices in Madison that stay open during business hours — a rule that Uber and

Lyft might be able to comply with, but that would make it more difficult for other firms to break into the market down the road.

Resnick's bill also severely limits surge pricing, undermining the mechanism that encourages comprehensive service — the very issue that Madison's political class is so concerned with. The promise of earning big fares entices drivers to gravitate toward areas of the city with unmet demand, which is a fairer and more effective method of expanding coverage than imposing laws.

In drawing up his own bill, Mayor Paul Soglin consulted only with the traditional taxi industry — and it shows. Among other things, his proposal requires TNC drivers to submit to vehicle inspections every 10,000 miles, which is extremely frequent by industry standards, and it applies the 24/7 rule because, according to a press release, otherwise "some operators will cherry-pick prime time days and hours."

By the same logic, shouldn't the city also require restaurants to stay open 24 hours to stop them from cherry-picking the lunchtime crowd?

Even if Soglin's draft ordinance is adopted, it seems inevitable that the rules will change to allow Lyft and Uber to thrive in Madison and elsewhere. Why?

Support for Uber and Lyft transcends political affiliation. "Republicans and Democrats are fighting over who loves Uber more," *The Verge* website noted recently. The Republican Party posted a pro-Uber petition on its website, which *Politico* interpreted as an effort "to help sell the GOP's free-market, lower-regulation message to a younger generation of voters."

Just as the petition went up, Uber announced that it had hired David Plouffe, Obama's former campaign manager, as its senior vice president of policy and strategy. Chalk it up to Uber's massive war chest and growing interest in playing the Washington game. In June, the company raised $1.2 billion in a financing round that valued the firm at $18.2 billion.

And if Madison can't pass its own TNC-friendly taxi bill, the Legislature may step in. There are already rumblings of state action to supersede hostile local ordinances.

But the rise of Uber and Lyft is also more than a paradigm for the salutary effect of technology forcing change on outdated governmental operations. These two firms foreshadow a much larger technological shift that may be as significant as the invention of the Model T.

Uber and Lyft offer a better way of *ordering* cars, by replacing dispatchers and street hails with smartphones. Meanwhile, Silicon Valley is already perfecting a better way to *drive* those same cars, by replacing humans with computers.

As software devours the analog world all around us, politicians stuck on nonsensical regulatory measures will be left at the curb. ■

Jim Epstein, who lives in Brooklyn, is a staff writer for Reason *magazine. He has worked at New York City's PBS affiliate and has written for* The Daily Beast, The New York Daily News, Barron's *and other publications.*

Going my way

The author learns about Uber and Lyft on his illegal ride to work

By Christian Schneider

Not long ago, I decided to embark on some undercover investigative journalism. I wasn't infiltrating the Mafia, nor was I posing as a campaign donor to take down a corrupt politician.

I was looking for someone to give me a ride.

Had I just whipped open the phone book and started calling random individuals for a ride, it would have been completely legal. As with the world's oldest profession, the transaction would only become a matter for Madison police if I offered to pay for it.

Schneider pops a stealthy selfie for a stealthy ride.

And pay I did, through two of the most popular "ride-sharing" services in the state's capital, Uber and Lyft. While both cab-like services have grown in popularity in America's big cities, Madison has remained resistant to their charms. Judging them a safety risk, Mayor Paul Soglin considers the services illegal.

In early August, Madison police conducted their second sting operation of Uber and Lyft drivers. Two drivers — one from each company — were cited and fined. The fines ran $681 for the companies and $303 for the drivers. To keep their drivers on the road, however, both Lyft and Uber paid the full tab.

Soglin, a Madison taxi driver himself back in the 1960s, has insisted that Uber and Lyft adhere to the city's burdensome taxi regulations, including that they operate 24 hours a day and serve every corner of the city. In late August, the mayor released a plan for regulating rideshare companies, including requiring 24/7 service, vehicle inspections by the city, and driver background checks by the police.

But Uber and Lyft maintain that they aren't cab companies, just online applications that link drivers with riders. In this sense, their drivers aren't "employees" but independent contractors looking to make some cash on the side.

That was the case with my Uber driver, whom I will call "Steve." Steve, who was driving a silver sedan, is in his early 50s and recently lost his job as a software engineer.

So while he looks for work, Steve drives people around using Uber to connect with customers. He loves the flexible schedule. He notes that traditional cab

drivers usually have a 12-hour schedule, with two people typically sharing one car. He has no interest in sharing a car, and with Uber he can use his own wheels on his own timetable.

While Steve could make more money driving at night, he's not comfortable dealing with the drunks. And in a college town like Madison, inebriates are often where the money is. Uber is especially attractive after a hard night of partying, because all a passenger needs for an Uber ride home is a credit card — cash isn't accepted. I tell Steve that his concern for his personal safety is interesting, given that many of the city's regulations are ostensibly meant to protect the rider, not necessarily the driver, from harm.

Uber and Lyft say they aren't cab companies, just online applications that link drivers with riders.

But Steve notes that all the economic incentives are for him to drive safely. Given the fact that he's driving his own car, "you get in one accident, and you're doing nothing for a few nights." Unsafe driving means lost revenue, so he sticks to the speed limit and carefully observes traffic signals.

Steve is happy with the money. For every ride, he keeps four-fifths of the fare, which is automatically charged to the customer's credit card once the ride is over. Uber keeps the rest. There's no expensive meter in the car, and Steve never has to carry cash, which makes his job much safer. Fares are in line with those of traditional cab companies in the city — the eight-mile ride from my house to my downtown office set me back 19 bucks.

For every new Uber and Lyft driver out there, there appear to be several traditional cab drivers trying to block new Steves from stealing their business. Cities like Tampa and Miami require taxi drivers to charge riders a minimum fee per ride, no matter how short the drive. (In Tampa, this fee is $50.) These sorts of regulations, pushed by the old-line cab companies, have been used to thwart Uber and Lyft.

But other big cities, including Milwaukee, have softened on ride-sharing, passing regulations allowing drivers without special permits to offer rides — with some qualifications. (SEE the related story on page 14.]

The move to deregulate taxi service has been somewhat bipartisan, though Democrats like Soglin have been prominent opponents. Interestingly, on her most recent campaign finance report, U.S. Rep. Gwen Moore, a prominent Milwaukee Democrat, reported using Uber 517 times in 2013 and 2014, spending $10,000 on the service.

For Republicans, championing Uber is a fashionable issue that demonstrates the concept of anti-competitive "regulatory capture." This is the not-uncommon phenomenon where certain industries favor stiff regulatory rules in the guise of consumer protection, knowing they are also boxing out new competitors.

And for conservatives, who are usually portrayed as cultural troglodytes, this is the rare moment when they have an issue that makes them look like cultural tastemakers to millennials and techies.

I later talked with James Lloyd, one of the millennial entrepreneurs transforming Madison, about the importance of app-driven public conveniences like Lyft and Uber. Lloyd put in five years at Epic Systems, the fast-growing, Verona-based, medical software giant, before helping launch 100Health and 100State, two key groups in Madison's downtown tech scene.

Lloyd, 30, says that young people engage in "city-shopping." They pick a place they want to live and then

"figure it out when they get there. The features and the culture of the city are becoming the primary decision points for where folks my age are moving," he explains. Access to Lyft and Uber are part of the package, because these 20- and 30-somethings like urban life and aren't enamored with car ownership.

Lloyd notes that Madison competes with cities like Austin, Portland and Boulder for these rising millennials and that access to ride-sharing services is "one of the checkpoints" affecting where they decide to move.

Like most of Madison, the younger crowd is socially liberal, he adds, but they also have a strong libertarian streak and a belief in economic competition. "There's a consensus that the best thing should win," he says. "I vote with my dollars, and good services carry on and succeed, and bad services go away."

Think Netflix. Think Blockbuster.

It is this younger demographic that my Lyft driver — we'll call him "Pete" — caters to. Unlike Steve, Pete works late into the night, picking up as many tipsy night owls as he can. Pete is a heavier fellow, in his 40s, and he drives a black Toyota Camry. He says his bar-time pickups aren't totally a public service, as he makes the most money after midnight. But he says he has a philosophy that ties into his work: He likes seeing people get to their destinations safely, and the more cars on the road that help them get home alive, the better.

As for late-night trouble, Pete says he's more worried about the drunks who walk in front of his car than the ones he picks up — he's only given three riders the dreaded "three stars or less" designation. (I joke that if I knew I was being rated, I would have worn a tuxedo.)

Pete, too, is between jobs, and he drives full time to bridge the gap. He says he never wanted to be a cab driver, but now he likes driving so much, it has slowed his job search.

Calling himself a "free-market kind of guy," Pete is critical of the older cab companies that he thinks are out to protect their control of the market. And those sporadic police sting operations against ride-sharing companies make no sense to him.

Pete has even picked people up at the Madison City-County Building, where the police department is headquartered, with no problem. (He did gently

Ride this way

Ride-sharing services are easy to use. All you do is download the company's app to your smart phone and sign up for the service. This includes listing a credit card for payment.

When a ride is called via the app, the customer can see the driver approaching on a street-grid map. There's no standing out on the corner waiting anxiously for a taxi to appear. The user's phone buzzes when the driver is close.

The primary difference between Uber and Lyft is payment. With Uber, the cost of the ride is fixed; the rider simply leaves the car and his or her credit card is charged the cost of the trip. Tips aren't encouraged.

With Lyft, riders determine how much they pay. When the trip ends, a suggested amount pops up on the user's phone — the rider can then adjust it up or down based on the quality of the ride, and determine how much of a tip to leave.

The Lyft rider is also asked to rate the driver on a one-to-five-star scale; my driver informed me that anything three stars or less is considered unsatisfactory. The driver also rates the rider, and if either rates the other at three stars or less, they won't be paired up again. (Uber also asks for ratings, but it seems more for the company's edification than anything else.)

For my ride, the suggested Lyft amount was lower than the mandatory Uber charge. The eight-mile trip from my home to my office was $19 via Uber. For the ride back, Lyft suggested I pay $16; I added a $3 tip to equal the cost of the Uber ride.

— C.S.

chastise me for getting in the backseat, as Lyft customers are encouraged to ride shotgun. He didn't give a reason, but I presume it's because he doesn't want to make it obvious to law enforcement that he's an imitation cab.)

Despite his free-market leanings, Pete says he's fine with most cab regulations, including that drivers have insurance and submit to background checks. (Both Uber and Lyft already subject their drivers to criminal checks.) But he thinks other regulations, including that companies operate 24 hours a day and serve the entire city, should be temporarily scrapped as a test to see if a Lyft/Uber-friendly system would work.

The Uber driver tells me all the economic incentives are for him to be as safe a driver as possible.

As it is, Lyft and Uber are operating outside the law in Madison. This is incongruous for a city that proudly proclaims its progressivism. Technological progress is being thwarted in the name of protecting a decades-old special interest.

As Madison-area writer Emily Mills bemoaned in the *Milwaukee Journal Sentinel*, Uber and Lyft began operating in Madison "illegally, without seeking city or public input before setting up shop." She further criticizes what she characterizes as the usual business plan for both companies: "Show up, force your way into the market, and then strong-arm local government into changing its laws to accommodate your wishes."

In other words, anyone thinking of starting a business in Madison should first bow before City Hall, because in Madison everything not expressly allowed is apparently forbidden.

This attitude bugs Steve. "Everyone knows [ride-sharing] is good," he says. "But the traditional people don't like the challenge you put to them, because they can't compete."

Steve tells me this story: One morning at 7, he gets a call to a mansion overlooking Madison's Lake Mendota. He waits 10 minutes, but nobody comes out of the house. Then, per the rules, he calls the customer to announce his arrival, but gets no answer.

After canceling the order and pulling away, Steve sees a one-shoed man sleeping on the lawn. Steve thinks nothing of it, figuring the guy is homeless and needed a place to crash for the night.

After tending to a new customer, Steve gets another call, just a couple blocks down from the earlier one. When he pulls up, in flops the one-shoed guy from a half hour before. He was a student who drank too much and ended up passed out on some burgher's lawn. Barely coherent, he fumbled around and used the Uber app the next morning for a ride home.

This is why Uber is here to stay, says Steve. "It's so easy to use. You can get a ride when you don't know where you are, and you're not even conscious," he says, laughing.

Somehow, I doubt one-shoe guy will show up in an Uber ad.

When we finally pull up to my office, I pull out my phone and frantically ask Steve what I do. I know that with Lyft, there's a process where you choose your own price (they suggest one for you), you tip the driver, and then you rate him or her.

But with Uber, it's different. "It's easy," he says. "You just go away."

Here's hoping that the Madison City Council joins the 21st century and stops guys like Steve from just going away. ■

Christian Schneider is a columnist for the Milwaukee Journal Sentinel, *among other writing assignments.*

The rise of Disability Nation

What explains the growing numbers of Americans claiming they aren't healthy enough to work?

By Steve Prestegard

Those who observe federal government finance with despair are familiar with the Social Security and Medicare deficits.

Social Security is now paying more to beneficiaries than it is receiving in payroll taxes and is projected to no longer be able to pay full benefits by 2033. Medicare has, by the estimates of Social Security's trustees, $42.9 trillion in unfunded obligations.

There is, however, a portion of Social Security that receives less attention but is more financially alarming. This Social Security deficit sheds unflattering light on the nation's employment picture, while also bringing up questions about Americans' work ethic.

The Disability Insurance Trust Fund is projected to be unable to pay full benefits by late 2016.

The Social Security Disability Insurance program "faces the most immediate financing shortfall" of any trust fund, to use the words of the Social Security and Medicare trustees in their annual report. That trust fund is projected to be depleted in late 2016, the result of costs exceeding noninterest income since 2005.

One reason is Social Security fraud. Take Susan Schepp, 54, of Weston, near Wausau. According to the U.S. Attorney's Office for the Western District of Wisconsin, she took more than $52,000 of her son's SSDI payments between 2001 and 2006 and gambled most of it away.

In May, Schepp was sentenced to six months in jail. Schepp's son, identified in court documents as "Jonathan," asked U.S. District Judge Barbara Crabb to sentence his mother to the maximum five-year prison term. Schepp's attorney asked for probation because a jail sentence would deprive her other son, Jonathan's twin brother, of his caregiver.

Stealing your own child's disability checks is one form of disability fraud. Another is misrepresenting your family situation. James Allen Mereness, 57, of New London, near Appleton, was sentenced to 10 months in prison and three years supervised release in 2013 for applying for benefits for his child.

According to the Social Security Office of the Inspector General, Mereness claimed the child lived with him when he lived instead with his mother and "had little or no contact with Mereness." Mereness used three years of payments, totaling $39,866, to buy, among other things, a vehicle.

What would be worse? Claiming you have a disability when you don't.

Lawrence J. Popp, 58, of Greendale, in Milwaukee County, was sentenced to a year in prison in January for collecting $175,000 in disability payments by claiming he was blind. The *Milwaukee Journal Sentinel* reported that Popp was nonetheless able to run two small businesses and spend money on a $25,000 diamond and emerald necklace and trips to the

What are SSDI and SSI?

Social Security Disability Insurance pays benefits to disabled people who paid enough Social Security taxes to receive Social Security benefits. SSDI is funded by a 1.8% payroll tax, split between employer and employee, part of the 15.3% federal payroll tax that funds Social Security and Medicare.

Supplemental Security Income also pays disability benefits, but based on financial need, whereas SSDI has no means test. SSI, funded out of general government revenues, replaced several state-level disability programs that were run by the states but got federal funding in the 1970s.

Cayman Islands, according to his former wife.

Certainly, one could run businesses and spend money while legally blind. The *Journal Sentinel* reported that Popp was declared legally blind in 2004. But the *Journal Sentinel* also reported that Popp was still able to read small print on his cellphone and drive a car, snowmobile and boat. After a 2008 meeting with a Social Security Administration benefits reviewer, during which Popp repeatedly said he couldn't drive, Popp was seen on video driving away.

"The lies are just one after another," said Assistant U.S. Attorney Gordon Giampietro in U.S. District Court in Milwaukee. "This is a cynical abuse of a program truly geared to those who need assistance."

"Mr. Giampietro calls it a cynical abuse," said Raymond Dall'Osto, Popp's attorney. "I think it is more like getting caught with his hand in the cookie jar."

No one favors someone's fraudulently receiving government benefits. And it's doubtful that anyone begrudges disability payments for someone who is truly so disabled that he or she cannot work. But the growth in the number of Americans receiving SSDI benefits represents a growing problem itself.

Between 2010 and the beginning of this year, the number of SSDI beneficiaries increased 10%, from 10 million to 11 million. During that time, the U.S. population increased about 2.5%.

Disability 'programs are engulfing evermore numbers into lives of permanent dependency, all with no evidence there is some national health epidemic,' says the reform group.

SSDI is funded by Social Security payroll taxes. Another disability program, Supplemental Security Income, is financed out of general tax revenues, not by payroll taxes. That program has also seen dramatic growth, from 4 million when it was created in 1974 to 8 million now, according to the Congressional Budget Office.

The landmark Americans with Disabilities Act, enacted in 1990, was supposed to expand job opportunities for the disabled.

An opinion expressed in the My Disability Blog, disabilityblogger.blogspot.com, may demonstrate one facet of the problem. The blogger's wife, a Social Security claims representative, was contacted by someone seeking to report fraud, claiming that a neighbor on disability could take trash to the curb and carry groceries out of a car.

"I tend to get very irritated when I hear or read about nonsense like this, and I really have to wonder why some individuals have nothing better to do than consider the legitimacy or illegitimacy of someone else's disability status," the blogger wrote, suggesting that the would-be complainant didn't know why the neighbor was on disability or for what kind of disability, including what he called "invisible disabilities."

If it is inappropriate to question whether someone should be on disability, is it inappropriate to question the simple math of an increase in recipients at four times the rate of population growth?

The Secretary's Innovation Group doesn't think so. This is a national organization of state human services and work force secretaries led by Eloise Anderson, secretary of the Wisconsin Department of Children and Families. The group issued a study in 2013, *Reforming Disability*, which argues that major reforms are needed in SSDI and SSI.

Reforming Disability opens by stating that "growth in disability has become unsustainable" because more and more people who have health-related limitations are working less and instead enrolling in disability programs. "Together, these programs are engulfing evermore numbers into lives of permanent dependency, all with no evidence there is some national health epidemic."

All the more disconcerting, the trend flies in the face of the landmark Americans with Disabilities Act. Enacted in 1990, the act requires employers of 15 or more people to provide people with disabilities an "equal opportunity to benefit from the full range of employment-related opportunities," both in recruitment and after hiring.

Reforming Disability notes that recipients rarely exit the SSDI and SSI programs and return to work, despite the low level of benefits, which "condemn most of these recipients to straited family financial circumstances over their lifetimes."

SSDI benefit payments averaged $1,130 per month in 2012, according to the SSA.

Disability status doesn't even benefit the programs' intended beneficiaries very well, the report argues. The "lives of permanent dependency" contrast with the benefits of work: "Work keeps individuals active, socially connected to others as part of workplace and community, better parents at home, and accessible to new opportunities of all kinds. Work occupies time in constructive activities that form the concrete part of the day. Work's absence causes a decline in physical and mental health; individuals are usually less employable over time and more likely to experience isolation and depression."

Some attribute the upswing in disability claims and recipients to an increase in the number of women in the work force — only workers can get disability — and an older work force. Women who were housewives could not get disability, so, the theory goes, the more women in the work force, the more women who will qualify for disability.

"Both of these observations are fine, but they don't explain the spike," says Jason Turner, the Secretary's Innovation Group's executive director. His explanation for the majority of the spike: "Loosening standards and an increase in putting older people on disability after they lose their job."

The number of people receiving SSDI disability benefits — workers, their surviving spouses and their children — has doubled since 1995, from 5 million to almost 10.1 million. In those years, the U.S. population has increased 19%, and the U.S. work

A primer on disability

A disability, as defined by SSDI and SSI, is a condition expected to last at least a year or result in death that prevents working at a "substantial gainful activity," defined as the inability for an individual to work at his or her previous job and to earn at least $1,070 in monthly gross income, or $1,800 monthly for blind people, at any job.

The standard for children is a physical or mental condition that "very seriously limits his or her activities" and is expected to last at least 12 months or result in death.

The most common disability in Wisconsin is "mental disorders," which account for 71,788 claims. This exceeds the population of Waukesha. Next are "diseases of the musculoskeletal system and connective tissue," totaling 45,618, almost the population of Wauwatosa.

Reforming Disability, a national study of federal disability programs, says these two conditions account for nearly two-thirds of disability determinations in Wisconsin and more than half nationally, versus only one-fifth of the claims nationally 35 years ago.

In Wisconsin, the state Disability Determination Bureau decides whether an applicant can get disability. But the bureau doesn't have the last word.

"If you're denied initially, there's a first appeal called redetermination, which is more or less a paper appeal," says Dan Lenz, an attorney with Lawton & Cates in Madison. The next level of appeal is to an administrative law judge, followed by "stages of appeal after that if you're denied," says Lenz.

"In a typical case, it's really rare that we're talking about misdiagnoses. The question is the extent of the disability," he says. "Judges aren't supposed to make medical diagnoses; they're supposed to determine the extent of the disability [and] whether the claimant's claim of the extent of symptoms is credible."

State Social Security offices have a reversal rate of 35%, less than the national average of 44%, Lenz says. – S.P.

force has increased by 17%.

"People on disability used to be outliers, and now they're an increasing part of the population," says Turner.

Nationally, 49% of workers on SSDI disability are ages 55 to 65, according to the SSA.

The growth in disability recipients makes the employment picture better than it actually is, Turner says, since people on disability are not counted in employment or unemployment statistics.

"Half of the people on disability should be added to the labor force," he asserts.

The Social Security disability system has roles for both the federal government and the states.

The initial determination of who meets the SSDI definition of disability is made by the Wisconsin Department of Health Services Disability Determination Bureau and its counterparts in other states. The bureau collects medical evidence and other information to make a determination based on the federal standard of disability.

In Wisconsin, the most recent statistics available from the SSA show that 4.8% of Wisconsinites ages 18 to 49 were receiving SSDI disability benefits. The percentage of adults 18 to 49 on disability ranges from

2.9% in Alaska and Hawaii to 9% in West Virginia.

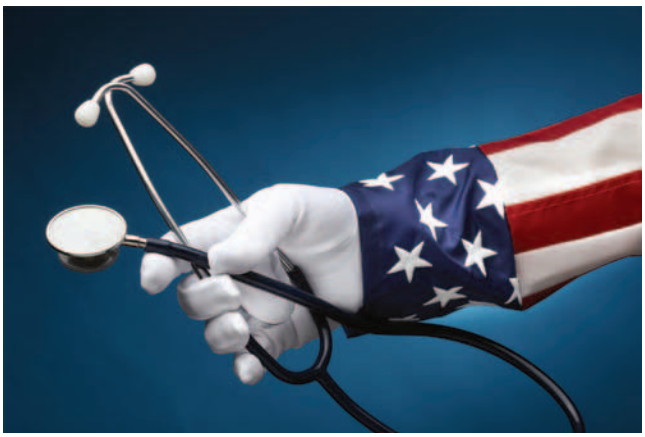
That 4.8 percent comprises 183,169 Wisconsinites — more than the combined populations of Kenosha and Racine.

Even more alarming to Turner is the percentage of working-age adults on disability in major cities, including 19% in Detroit and 13% in Philadelphia.

"One in five working-age people on disability, and they're their neighbors — that's really a danger," he says. "Once welfare became normalized, it really exploded. The same thing happened with food stamps. That's what's happening with SSI and SSDI."

The Disability Insurance Trust Fund is projected to be unable to pay full benefits by late 2016. The last time that happened, in 1994, Congress reallocated the payroll tax rate split between Social Security for retirees and disability benefit funding.

But reallocating funds or increasing revenue by increasing the payroll tax rate of 15.3% (split between employers and employees) or raising or eliminating the income cap of $117,000 doesn't get to the heart of the problem, the Secretary's Innovation Group believes.



"You have to completely revamp the standards for getting on disability," says Turner.

In essence, the secretaries believe disability reform needs to take place on the level of welfare reform pioneered by Wisconsin Gov. Tommy Thompson in the 1990s.

Reforming Disability proposes shifting disability programs to the states in the model of the Temporary Assistance for Needy Families program created in the 1990s. It also proposes mandating minimum long-term disability coverage levels, creating alternatives to permanent disability, requiring involvement of a disability manager to determine alternatives to disability after applications are made, and creating portable income-replacement accounts for employees, funded by employer and employee contributions.

The national reform movement is led by Eloise Anderson of the Wisconsin Department of Children and Families.

Turner, who led the group that created Wisconsin Works, the work-based alternative to welfare, says that the welfare reform mantra was, "For those who can work, only work should pay."

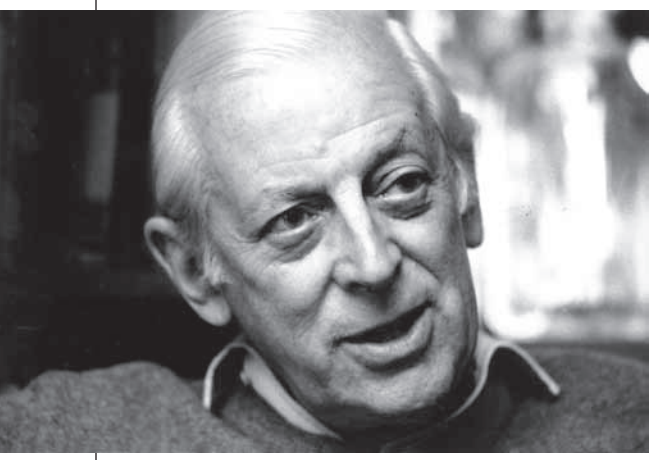
"The left agreed ... that work is preferable to welfare. Now, you don't see them agreeing with the premise. Basically what they're saying is: 'There's no obligation of the individual. All the obligation is on society.'"

Disability is becoming just another part of the welfare system, Turner says. This concerns him and worries the secretaries group.

"Once work becomes a Republican issue and the safety net becomes a Democratic issue, we've really lost something as a country," he says, sounding none-too optimistic. ■

Steve Prestegard, an award-winning multimedia journalist for more than a quarter-century, is the proprietor of the StevePrestegard.com blog. He is a periodic participant in the Wisconsin Public Radio Week in Review *segment on Fridays at 8 a.m.*

Road trip



How an Englishman's drive through the Dairy State in 1942 revealed the genius of the Wisconsin Idea

BY WARREN KOZAK

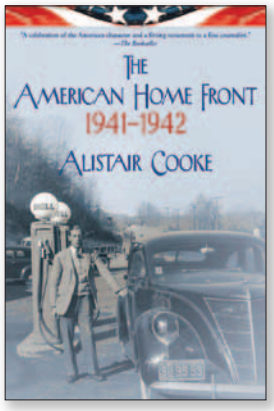
On a campaign stop in Madison just a month before the 1952 presidential election, Adlai Stevenson, the Democratic nominee, set aside the race for the White House for a moment to praise the vision of the state he was visiting. Stevenson, who was the governor of Illinois, looked at a concept that was hard to define — the Wisconsin Idea — and in his articulate way, actually defined it.

Saying it was more than just a simple belief in the people, he called it the application of intelligence and reason to help solve the problems that every society encounters. "It meant a deep conviction that the role of government was not to stumble along like a drunkard in the dark," Stevenson explained, "But to light its way by the best torches of knowledge and understanding it could find."

In other words, the Wisconsin Idea is the very best that can come from a free people, electing far-thinking leaders who are able to design a plan that will help everyone — especially those in the future — live better lives. Amazingly, given the inherent problems with government competence today, that brilliant ideas are created at all by a bureaucracy seems closer to a miracle.

All of this may sound very esoteric, like something that should be left to the philosophy department of a great university. That is one of the reasons that the Wisconsin Idea has been so hard to define over the past century. It's also hard to find concrete examples of it.

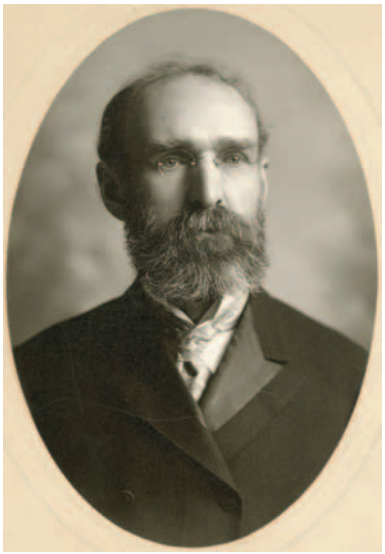
But I stumbled across a real, live example, perhaps the greatest application of this mystical idea. I found it in the most unlikely place: buried in a book, *The American Home Front: 1941–1942*, that was buried itself for more than 60 years in a forgotten manuscript



Alistair Cooke was the American idea of the sophisticated British gentleman. AP photo

unpublished until 2006. Written by an elegant British gentleman during an auto tour around the United States, the book explains the Wisconsin Idea through, of all things, a story about powdered milk.

Yes, you read that correctly … powdered milk.



For anyone over the age of 50, the name Alistair Cooke conjures up images of *Masterpiece Theatre*, the very popular PBS series broadcast on Sunday nights. Cooke was the American idea of the sophisticated British gentleman — handsome, incredibly articulate, refined and, of course, there was the pitch-perfect upper-crust accent. Cooke was the host of the weekly broadcast from 1971 to 1992. And in his introductions, he helped Americans understand the cultural nuances of their British cousins through his own personal experience.

The Wisconsin Idea has been hard to define over the past century. But the author stumbled across a concrete example in, of all things, Alistair Cooke's writing about powdered milk in World War II.

So what possible connection does this dignified gentleman from public broadcasting have to do with the Wisconsin Idea and powdered milk?

It turns out that Mr. Cooke had a very important earlier career. He came to the United States as a student during the Great Depression and became a U.S. citizen on Dec. 1, 1941, just six days before Pearl Harbor.

Cooke worked as a correspondent for the BBC and would come to write and broadcast the wildly successful weekly radio series called *Letter From America* in which he explained to the English what their American cousins were like, what they were thinking, who they really were. In essence, he started out doing the reverse of *Masterpiece Theatre*.

Shortly after the United States entered the war, Cooke took to the road with an audacious idea. He would drive across the country to see just what Americans were thinking and doing as they transitioned from the Great Depression and an isolationist economy into the arsenal of democracy and, ultimately, the most powerful nation on earth. His idea was to write a book about this enormous transformation, which he did, but not until the war was over. By that time, everyone was war-weary and didn't want to hear about it. So the manuscript sat in a box in his closet, only to be discovered after Cooke died in 2004.

Nearly 70 years later, the book is a magical time machine to an America that is no more.

It took the discerning eye of the outsider to give us the most honest account of what was happening in America in those crucial months after Pearl Harbor. Just as Alexis de Tocqueville stands out as the best chronicler of an earlier America, Alistair Cooke serves that role a century later. Bear in mind that there were no interstate, four-lane highways — they came a decade later in the 1950s. Gas was rationed during the war, and there were no tires at all because rubber was reserved for the war effort.

UW President Charles Van Hise wanted "the beneficent influence of the university [to reach] every home in the state."

Wisconsin Historical Society photo – ID 33714

Cooke drove across the country to see just what Americans were thinking as they transitioned from the Great Depression into the arsenal of democracy and, ultimately, the most powerful nation on earth.

On an early Sunday morning in spring, halfway through his trip, Cooke left Minneapolis for Wisconsin. On this leg of his journey, he reminds us that, unlike the European continent where he grew up, he could drive from one state into another — much like crossing a border into a new country — without any guards or checkpoints, not even a discernable border.

That's something Americans take for granted to such an extent that we believe it is our birthright. Yet Cooke reminds us that this freewheeling ability of movement has an impact on our national personality. It makes Americans more mobile and, in a sense, freer than other people.

The next thing he observes is that he can't find breakfast! Cooke was looking forward to a wonderful Sunday morning breakfast in one of the many roadside restaurants that were unique to that time. Long before chain restaurants gave us the same menu and taste with absolutely no individual personality, mom-and-pop establishments dotted the country's highways.

Cooke discovered that all the owners of these small restaurants, who were often the cooks and managers and sometimes the waiters, had boarded up their establishments to work in the more lucrative war industries that had sprouted up overnight across the 48 states. Never mind, our British friend finally found sustenance in La Crosse and was quite pleased with his breakfast.

As he drove through the "luscious" farmland in the southern part of the state that Wisconsinites seem to take for granted, he observed the war's demands on the dairy industry. Prior to the start of the war, he tells us, "Wisconsin provided just under 12% of the nation's milk supply and 50% of its cheese."

But with the start of World War II, everything changed in America, and the Wisconsin dairy farmer was no less a miracle worker than Henry Kaiser building his ships or Ford transitioning from Lincolns to Sherman tanks. "Before the war, there were no egg-drying plants here," writes Cooke. "Now there are a score. Wisconsin produced in the first six months after Pearl Harbor between 90 [million] and 100 million cases of powdered milk."

Just as Americans traveled across state lines without giving border crossings a second thought, the dairy farmers of Wisconsin produced unimaginable amounts of solid, nutritious food as if it were no big deal. It is the foreigner who has to stop the reader and point out that many other countries could not even feed their own people, let alone the rest of the world. It is the outsider who says, "Wait a minute here, you take this for granted but no one else can do this — anywhere."

Napoleon said that an army marches on its stomach. Wisconsin's dairy farmers would feed not only the millions of American servicemen who were stationed in the most remote and far-flung battle zones, but they would also provide hearty nutrition to children across the globe who might otherwise have gone hungry.

American GIs, who were used to the pleasures of fresh eggs, complained constantly about the dried eggs they were served for breakfast. A British youngster, who was severely rationed and often

Wartime poster advocating Americans to be "Victory Farm Volunteers." Wisconsin Historical Society photo – ID 96701

hungry, was just thankful. TV journalist Ted Koppel once told this writer: "I never understood the ease with which everyone denigrates Spam. It was one of the only protein staples in our diets, and we thought it was wonderful." Koppel was a child growing up in London during the war.

With typical Wisconsin understatement, the dairy farmers with whom Cooke spoke surely didn't see themselves as anything special. Instead, when one farmer heard Cooke's accent, he complained, "Britain is only taking about 60 million cases" and "[they] take only the top grade of our dairy products, and the lesser grades are on our hands."

Alistair Cooke does something rare. He accurately places the credit where it belongs. Yes, it is the rich farmland that contributed to this amazing abundance. And of course, it was the hard-working dairy farmer who woke up at 3:30 in the morning on frigid winter days to go to the unheated barn and start the train that eventually led to a soldier's or child's stomach thousands of miles away. But there was one more crucial piece that made it all possible.

"You cannot roam over the dairy country of Wisconsin and talk to the agricultural staff of the university without feeling the fair mating of intelligence and pride," Cooke wrote. He tells about the university's extension service, which disseminated its research to every hamlet and farm in the state. "One of its staff," he writes with amazement, "invented in 1890 a machine for testing milk. This machine records the cow's history and her horoscope, the farmer knows that this cow's milk has 3.1% butterfat."

But it is precisely because of discoveries like this one at UW-Madison that Wisconsin's dairy farmers were able to double their output per cow when the rest of the world was starving. No big deal to the farmer in West Bend or Black Earth, but a very big deal to a mother watching over her starving children. (By the way, the inventor of that butterfat device? Stephen Babcock, whose name brings a smile to tens of thousands of people who have left the doors of Babcock Hall with a very large ice cream cone in their hands over the years.)

And it is here where the Wisconsin Idea comes into play with two important dates. Wisconsin became a state in 1848, just about 100 years before Alistair Cooke drove through it on his mission. The University of Wisconsin was founded in that same year, 1848. The far-thinking men who transitioned the state from a territory in that vital year could not have foreseen a world calamity that would slaughter more than 60 million people and cause incalculable suffering a century later.

What they did understand was that in the first half of the 19th century, they were far removed from the more advanced East Coast with its industry and

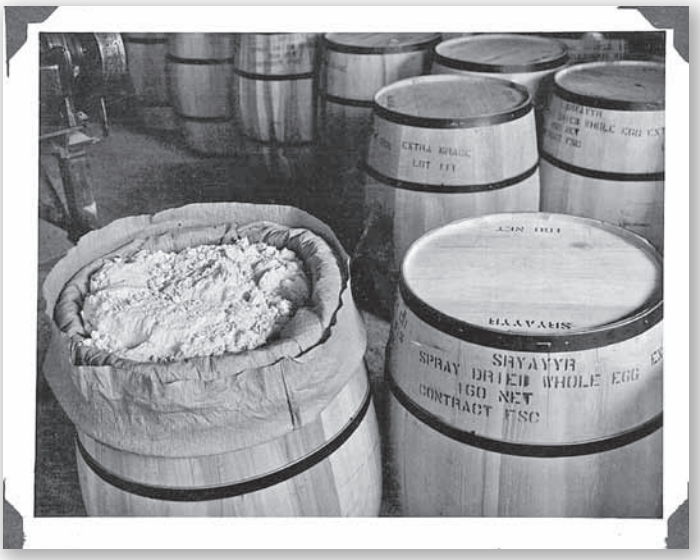
Cpl. James Butterfield of Iowa carries a load of chow and water for his Marine comrades fighting on Saipan in 1944. AP photo

Because of discoveries at UW-Madison, Wisconsin's dairy farmers doubled output per cow when the rest of the world was starving to death.

longstanding centers of knowledge. They understood that they could not be dependent on the East and would have to create a partnership of private industry and research on their own if the state was to advance.

And, yes, they understood that they may not benefit from this act immediately, but future generations would have better lives because of it.

The state's first governor, Nelson Dewey, signed the bill that formally created the university. The state's constitution spelled out "the establishment of a state university at or near the seat of state government" that was to be governed by a board of regents and administered by a chancellor.



Later, UW President Charles Van Hise was so influenced by the Wisconsin Idea that he stated in 1904: "I shall never be content until the beneficent influence of the university reaches every home in the state."

A few years later this was acknowledged nationally when President Theodore Roosevelt wrote, "In no other state in the union has any university done the same work for the community that has been done in Wisconsin by the University of Wisconsin."

Within 50 years of its creation, UW was influencing colleges everywhere else. Jack Stark, in his analysis called "The Wisconsin Idea: The University's Service to the State," wrote that the benefits were a model for all other colleges and universities. "The Wisconsin Idea certainly appears to have been important not only to this state but also to the development of American higher education."

Stark points out that the university's partnership went far beyond agriculture. "Professor Frederick Jackson Turner, who in our era would be called the most influential American historian, would travel the dirt roads of late-19th-century Wisconsin to give extension lectures. … Professor John R. Commons would repeatedly aid in the planning and drafting of legislation that would make Wisconsin the first state to solve difficult social and economic problems." The state clearly and immeasurably benefitted and would continue to benefit from the research and partnership between the university and the residents of Wisconsin.

This outreach function, especially its attention to practical problems, is a good example of the Wisconsin Idea at work.

The university conducted 57 educational institutes during the winter of 1886-'87, and approximately 50,000 farmers attended them. Over the years, the innovations that came from the partnership have saved industry millions of dollars and have, therefore, benefitted not just the private sector but the entire state and beyond.

"The real beauty of the partnership," explains Jim Harsdorf, a dairy farmer and former state legislator and former Wisconsin secretary of agriculture, "is that the dairy producers see it as a partnership, which isn't true elsewhere, and the university is a good listener.

The dried eggs of Wisconsin chicken farmers helped feed the world in WWII.
UW-Madison Department of Animal Sciences archives photos

"We've had the ability to try new ideas and keep at them even if they don't work at first," Harsdorf explains. (It would be hard to find any great invention and inventor who didn't fail the first few times.) "The other great and important impact was pushing education for the children of farmers so that now we have one of the best-educated dairy farmers in the world."

The Wisconsin Idea was not just a concept that began in the 1800s and ended in the last century. At the end of the 20th century, a Republican governor, Tommy Thompson, and a liberal Democrat serving as the UW-Madison chancellor, Donna Shalala, became pragmatic partners in a building boom on the Madison campus that would serve as another incubator for new innovations today in bio-medical research, computer science and engineering.

It was also Thompson, according to Terry Shelton, outreach director of the UW's La Follette School of Public Affairs, who saw the California emission laws in the 1990s as an opportunity to engage Wisconsin industries like Harley-Davidson, Mercury Marine and Briggs and Stratton to follow the lead and improve their engines ahead of the new standards.

"I'd say it is very much alive," observes Shelton. "But it has evolved from the Wisconsin Idea to the Wisconsin Ideal. We are now working on regulation reform and poverty issues that can be used not just in the state but throughout the country and beyond."

Shelton also reminds us of a symbolic rule that was put in place when the university and state were founded and is maintained to this day. Those early politicians and university officials said that nothing could ever be built between the Capitol and Bascom Hill that would impede the view. That way, the two would always be on equal footing — a partnership.

Back in 1942, Alistair Cooke was serving not just as a cheerleader for America. He also offered his Tocqueville analysis of the country's faults as well, and they are not pretty. But when it came to Wisconsin, Cooke was only positive. And that might come from Jack Stark's observation that the Wisconsin Idea may have actually led to a more decent and more understanding citizenry throughout the Midwest.

As Cooke notes: "America is no better, or worse, than all the strains of men that have made it. And against the shiftless and callous rapers of the Southland and the West, we can stack the hard, decent Yankees and independent German liberals who came to Wisconsin and respected the land."

Above all, Cooke offers us a reminder that government does have the ability to function with astounding results that may not be seen today or even tomorrow, but generations down the line. ■

Warren Kozak is the author of LeMay: The Life and Wars of General Curtis LeMay *(Regnery, 2009) and the 2011 e-book* Presidential Courage: Three Speeches That Changed America *(2011). He is a Wisconsin native and a graduate of the University of Wisconsin-Madison. He lives in New York.*

She stood up

Kristi LaCroix challenged the teachers unions, faced withering attacks and then triumphed

In the beginning, Kristi LaCroix just wanted to be a schoolteacher.

She grew up in Kenosha, went to Carthage College in Kenosha and all the while just wanted to teach.

But she was politically conservative. Even growing up in pro-union Kenosha, even while her father headed the police union before becoming chief, Kristi LaCroix believed in conservative principles like smaller government, less regulation, lower taxes and keeping politics out of the classroom.

She couldn't foresee the collision between her political ideals and chosen profession. She never imagined the flood of hate mail that would eventually land in her inbox. She was surprised when she was shouted down at the National

Education Association's 2008 convention and told, "Go home!" and "You're not welcome here."

But the now-former Kenosha teacher says she doesn't regret what she did at all.

LaCroix, 39, is perhaps best known throughout Wisconsin for appearing in a political ad for Gov. Scott Walker during the 2012 recall campaign. But her fight with teachers unions at the local, state and national levels actually started about 10 years earlier.

LaCroix says she'd been teaching for four or five years — she is licensed to teach grades six through high school, and specializes in at-risk children — when she really started noticing "what was going on with my paycheck."

"I was paying $110 a month to the union and watching them spend millions on politics that I didn't agree with," she says.

Her co-teacher was president of the local union, the Kenosha Education Association, and he encouraged her to get involved — to fight the system "from within."

So she did. She served on state committees for the Wisconsin Education Association Council and was a four-time delegate to the National Education Association's national meeting.

Just how liberal is the NEA, the nation's largest labor union? It has never supported a Republican presidential candidate, and according to federal campaign finance documents, gave 95% of its multi-million-dollar political war chest in 2012 to Democrats. At this year's convention, members voted to demand U.S. Education Secretary Arne Duncan's resignation because of remarks he made in support of a California initiative to get rid of incompetent teachers.

By the 2008 convention, LaCroix says, she and other conservative teachers realized that working "from within" simply wasn't realistic.

And she had already begun the process of becoming a "fair share" member of the Kenosha Education Association, WEAC and the NEA — in effect, demanding that the local, state and national unions return that portion of her dues spent on political activity, her right under federal law.

But getting the unions to comply was the equivalent of running a steeplechase, she says, jumping through hoops and vaulting over fences of confusing and duplicative paperwork. The unions didn't comply, she says, until she hired an attorney.

"And in the end," she says, "they claimed that 98.7% of my dues money was going toward 'administrative costs' and collective bargaining — that of my $110 a month, I was entitled to get back $2!"

LaCroix says she believes the teachers unions spend substantially more than that on politics, a

'I was paying $110 a month to the union and watching them spend millions on politics that I didn't agree with.'

belief that was bolstered when she finally got a refund check for more than $700.

"Teachers are just being lied to by their own unions over and over again," she says.

And then, in 2011, came Act 10: Gov. Walker's successful plan to virtually eliminate collective bargaining for public employees in Wisconsin — including teachers.

The howls of outrage were heard around the world, including in blue-collar Kenosha.

"I kept hearing people say 'my constitutional right to collectively bargain.' They said that so many times, people started believing it was true. But it's not. The state Supreme Court just said it isn't, but people still think that it is. I think it's going to take another generation to move past that," LaCroix says.

And it may take teachers even longer, she adds. "Teachers unions are a breed of their own. They're so far off the path of other unions" in their intent to set the United States on a more liberal pathway, she says.

Photos by Al Fredrickson

Act 10 prompted outraged public employees and their liberal allies to force a series of recall elections in 2012, including an attempt to get rid of Walker.

Republicans began looking for people who could assure voters that the sky was not falling — or at least, that the ceiling tiles in their local public schools were not crashing to the floor — because of Act 10. One of two public school teachers willing to pick up the fight was LaCroix.

For her, the consequences of agreeing to appear in that ad were "horrible."

Fellow teachers and other outraged "blue-fisters" bore down with a vengeance, piling on the abuse.

'I got spat on in the cereal aisle at Pick 'n Save by a fellow teacher.'

"My husband got an e-mail that said, 'I hope you know where every abandoned road in Kenosha County is, because that's where you're going to find your wife's body,'" LaCroix says.

"My superintendent was getting tons of e-mails from people saying, 'You have to get rid of her; she's a disgusting human being.' But the superintendent was behind me all the way.

"I got spat on in the cereal aisle at Pick 'n Save by a fellow teacher. At a teacher in-service meeting, another teacher singled me out and started yelling at me, mocking me and laughing at me…. I just quietly gathered my stuff and left.

"But afterwards, other teachers came up and said, 'We're really sorry about that,' and I thought, 'Why didn't you say something?' Maybe if there'd been five of us willing to stand up for what we believe in…"

Opponents also went to the "Rate My Teacher" website and loaded her file with so many negative reviews, website administrators had to step in and remove the obviously false ones, she says.

"But for every negative e-mail I got, there were two positive ones, even from other teachers, saying, 'Thank you. I wish I was brave enough to stand up like you.' I wish they were, too."

Her efforts did not go unnoticed elsewhere. In 2012, she received the National Right to Work Legal Defense Foundation's Carol Applegate Award.

While the verbal and written abuse were apparently intended to make her sit down and shut up, they had the opposite effect.

She noticed that despite Act 10, which forbade school districts from subtracting union dues from public employees' paychecks, the Kenosha District was still doing just that.

So she complained — and got nowhere. She started investigating the School Board, a majority of whose members were firmly in the teachers union's corner.

She photographed a secret meeting, in a restaurant, between four board members — an illegal quorum. She documented another secret meeting, between a KEA representative and the assistant school superintendent while the superintendent was out of town.

Eventually, the pro-union board members forced out the superintendent and convinced the School Board to enact a new contract with the KEA, in total defiance of Act 10.

LaCroix then took her case to the Wisconsin Institute for Law & Liberty.

LaCroix photographed a secret meeting in a restaurant of four Kenosha School Board members.

"We started the lawsuit, but she did, too," says Rick Esenberg, founder of the institute and an adjunct professor of law at Marquette University.

"In order to bring public policy litigation, we needed a plaintiff — a taxpayer who lived in the district — and that was Kristi," added Esenberg, who is also

a columnist for *Wisconsin Interest* and other news outlets.

A year ago, the institute and the National Right to Work Legal Defense Foundation sued the Kenosha Unified School District (the third largest district in the state behind Milwaukee and Madison), the School Board and the KEA for violating Act 10.

Six months later, the defendants caved. The settlement calls on the district, the board and the union to pay all of the Wisconsin Institute for Law & Liberty's legal fees, and more importantly, nullifies the contract between the district and the KEA.

LaCroix had not been sitting still while the lawsuit percolated. She helped enlist a new slate of candidates for the Kenosha School Board, including her ex-police chief father, Dan Wade.

And despite being outspent 6 to 1, LaCroix says, the pro-Act 10 slate was elected last spring.

Esenberg has nothing but praise for LaCroix.

"Kenosha is a union town, and it's not unlike Madison. Kristi attracted a lot of vitriol. She did have a lot of abuse heaped on her, but she was still willing to stand up and be the plaintiff," he says. (Esenberg subsequently filed a similar suit against the Madison school district on behalf of David Blaska, the conservative blogger. The suit alleges that the district's contract with Madison Teachers Inc. violates Act 10.)

The conflict did take a toll on LaCroix, who stepped down in 2013 after 15 years of teaching to become the regional membership director of the Association of American Educators.

The AAE describes itself as "the largest nonunion, professional educators' organization" in the country, and while it has just one-tenth as many members as the NEA, LaCroix says it's growing quickly.

> ***'Teachers are just being lied to by their own unions over and over again.'***

"Especially since the state Supreme Court upheld Act 10, I've been getting daily requests for information," she says. "Unlike the NEA, the AAE is more concerned with supporting teachers in the classroom. They don't do politics."

And, in the end, LaCroix is sure about one thing: "I will return to the classroom someday. I love teaching. I love the students. I can't imagine never walking into a classroom again."

She's also pretty certain that everything she has done and endured has made a difference. "I'm not creating tsunamis, but I'm making waves," she says. "You'll never open a history book and read about me, but I do think I'm making a difference.

"And I'll never give up. I'll still be causing trouble when I'm 80," LaCroix says, laughing. ■

Sunny Schubert is a Monona freelance writer and former editorial writer for the Wisconsin State Journal.

Mike Nichols

Rescue call

Deficit hawk will bring a sober message to WPRI's annual dinner

Dave Walker keeps getting cut off.

I first heard the former U.S. comptroller general for both Bill Clinton and George Bush speak about our $70 trillion national debt when he traveled the country as part of his "Comeback America Initiative" a couple years ago. The number includes unfunded obligations in programs such as Social Security and Medicare, and in 2012 it was growing by an astounding $10 million a minute.

"The sinkhole is getting bigger as the politicians do nothing," he said.

He outlined a number of solutions that he still believes in today. This country needs to spend less on everything from entitlements to defense, but it also needs to bring in more revenue by enacting comprehensive tax reform. The solution, he says, is "three parts spending reductions and one part revenue enhancement," achieved in large part through a simplified tax code.

Everyone would be affected, including poorer folks who contribute payroll taxes but pay no income taxes, as well as wealthier folks who benefit from too many deductions and exemptions.

But, I asked after his speech, what about the 350 or so members of the U.S. House of Representative from districts that are either deep blue or bright red? They say this sort of stuff out loud, and they'll be eaten alive by their own partisans.

"No," he told me. "The people are smarter than the politicians realize. They can handle the truth. They are willing to accept tough choices as long as they are part of a comprehensive package that they deem to be fair."

Walker speaks from experience. He's a certified public accountant and former partner and global managing director for Arthur Andersen LLP, a former assistant secretary of labor, a former head of the Pension Benefit Guaranty Corp., and a former public trustee of Social Security and Medicare. He's also an author and a subject of the critically acclaimed documentary *I.O.U.S.A.*

When I saw Walker a couple of years ago, he was also CEO of the Comeback America Initiative and was trying to wage a national campaign to raise public awareness about waste in Washington and the perils of ever-rising debt.

More recently, he ran for lieutenant governor of Connecticut, a state he says has the highest liabilities and unfunded obligations per taxpayer in the nation. He came very close to winning a bruising Republican primary.

"I knew that running for elected office was a superficial and ethically challenged endeavor," he quipped during a recent phone conversation. "I just didn't know how much."

Walker has data on other states, including Wisconsin, that he'll share at the WPRI annual dinner on Oct. 28. I didn't ask him for it then because he was parked somewhere on a Connecticut roadside with bad cell phone coverage that kept cutting out.

But I did ask him about that $70 trillion. The number is actually higher now, he said. But "people tend to get a false sense of security because the [annual] deficit [of a little over $500 billion] is declining in the short-term."

Walker: "People are smarter than the politicians realize."

At the same time, the total amount of federal debt is now equivalent to about 74% of gross domestic product — a higher percentage than at any point in U.S. history except a brief period around World War II, according to the Congressional Budget Office.

Walker takes a look back even further than World War II. He wonders out loud what the founders of this country would say and warns that some of our problems — including fiscal irresponsibility and the lack of political civility — are eerily similar to what precipitated the fall of the Roman Republic.

Used to being cut off by cynical naysayers, partisans, fickle voters and even poor cell phone connections, he knows how hard it is to get the message out. But, he insists, "people are starved for the truth, leadership and solutions, and they will respond if they get that." ■

David Walker will speak at the WPRI annual dinner on Oct. 28 at the University Club in Milwaukee. For more information, call Sue at (414) 225-9940 or email Susan@wpri.org.

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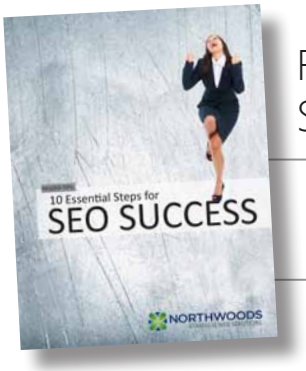

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