

WISCONSIN STATE ASSEMBLY
Christine Sinicki
STATE REPRESENTATIVE

June 24, 2011

The Honorable Scott Walker
Governor of Wisconsin
115 East, State Capitol
Madison, WI 53702

Dear Governor Walker,

I sat down to write a letter requesting partial vetoes of various items in your budget. When the list reached five pages, I changed my mind. Now I write simply to urge you to veto the 2011 biennial budget bill, Assembly Bill 40, in its entirety. The budget as it stands is a comprehensive and fundamental assault on working families. You should throw it out and call the Legislature back so that together we can write a budget that better reflects Wisconsin's core values.

The fiscal priorities represented in this budget are completely backwards. Gov. Walker, you campaigned last year on a promise not to raise taxes. You even proposed a bill in the special session to require a two-thirds majority to increase tax rates. Yet when it came time to address the budget shortfall, and you realized that spending cuts alone could not close the gap, you chose to target the poorest, most vulnerable citizens in our state. My Republican colleagues in the Legislature have tied themselves in knots trying to explain how the cuts to the Earned Income Tax Credit and the Homestead Tax Credit are not actually tax increases. But, at the end of the day, working families and seniors on fixed incomes will pay more in taxes because of these changes.

And, at the same time you're raising taxes for people who've had the hardest time weathering the Great Recession, you're cutting taxes for other people who've made out like bandits. This budget cuts taxes on corporations by \$2.3 billion over the next ten years. The justification given for this reverse Robin Hood policy is that slashing taxes on corporations will somehow inspire them to create jobs. The economic logic behind this claim is murky, to say the least.

Corporate CEOs do not create jobs out of the goodness of their hearts or because they have spare cash to throw around. They add jobs when they absolutely have to, if it's the only way to deliver enough product to satisfy demand. Businesses aren't going to create jobs when they have more money to spend; they'll do it when their customers have more.

That is an unlikely event in Wisconsin. The customer base in our economy is the middle class. If the working and middle classes continue to be un- and under-employed, they won't have the money to spend that creates more demand for products that then creates jobs. As President Obama stated to National Chamber of Commerce members

on February 7th:

"...Today, American companies have nearly \$2 trillion sitting on their balance sheets.....I know that many of you have told me that you are waiting for demand to rise before you get off the sidelines and expand, and that with millions of Americans out of work, demand has risen more slowly than any of us would like. As you all know, it's investments made now that will pay off as the economy rebounds. And as you hire, you know that more Americans working means more sales, greater demand, and higher profits for your companies."


So far, you've not given Wisconsinites reason to expect that their disposable income will reappear or increase. Whether that's because of your tax increases, or because they're paying more for college tuition (due to your cuts to tech colleges and the UW system), or because they're public employees whose compensation has been cut, they're understandably skeptical that their economic prospects will brighten due to your fiscal policies.

Governor Walker, even after these past difficult months, the Wisconsin people still hope for your change of heart. You have another chance before signing this budget to realign your loyalties. With whom will you cast your lot? Will it be with our working people and their kids and retired parents? Or will you persist in catering to the elite ranks of the 1% nationally who own 42% (*) of our nation's wealth?

In signing this budget, as when you signed AB 10, the budget repair bill, you will tell your constituents again where your true loyalty lies. Keep it in Wisconsin, not in an imagined future in Washington, where you hope to be rewarded for obedience to conservative doctrine.

I urge you again, return this budget to the Legislature so that we may draft a new state budget that will support working people and our state.

Sincerely,


Christine Sinicki, State Rep.
20th Assembly District

CS/gp/mbg

(* Wessel, D. (Apr 19th, 2011). Big U.S. firms shift hiring abroad, *Wall Street Journal*, p. B1)