

January 3, 2011

Public Policy Commentary

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2011 LEGISLATIVE SESSION IS UPON US

Tomorrow will be a significant day for Watchdogs because the 2011 legislature will be in session, featuring a new House, a new governor, and a not-so-new budget deficit. And while the issues are paramount, it's also important to know what's happening on a day to day basis so you can keep your legislators accountable. And that's why the Watchdog is here. The Minnesota Watchdog will be there to report on the doings of the legislature as they cast their votes. Here's how you can follow the 2011 legislature:

- www.theminnesotawatchdog.com. The Watchdog, as always, will publish our weekly commentary, chock full of news and analysis from the week's legislative activity. Visit the web site to sign up for this free weekly service. Regular readers should also note that pursuant to past practice, we will move the weekly update to Fridays to give you the freshest information. And don't forget about our morning blotter, featuring headlines from the Capitol in Saint Paul.
- @themnwatchdog. Harold Hamilton will be closely monitoring the legislature and will publish news as it happens via his Twitter account. Visit [@themnwatchdog](https://twitter.com/themnwatchdog) to follow Harold.
- Session Daily. This is an Internet news service run by the non-partisan Public Information Services at the Capitol. <http://www.house.leg.state.mn.us/hinfo/sdaily.asp>.
- Television and Streaming Video. Visit <http://www.house.leg.state.mn.us/htv/liveweb.htm>
- Your legislator. Legislators send out periodic email updates. Visit your [legislator's](#) web page to sign up.
- [Bills and Votes](#). Visit our friend Bob Shipman's outstanding web site, the web site that tells you how they voted on the important bills AND the amendments every day.

- As a default, always visit the [House](#) and [Senate](#) web sites.

The Issues.

Here are the top 5 issues going into the session. We'll revisit this list after the session concludes to see how it all shook out. There are always unforeseen issues that blast to the fore every session

#1. The budget. The state will be setting its bi-ennial (two-year) budget this year. Revenues will go up 5% (\$1.5 billion) but spending is projected to rise a whopping 27% (\$8 billion). Hence, the mammoth \$6 billion-plus deficit. If the budget isn't agreed to by July 1, government will shut down (oh, the horror).

#2. Pension Reform. Like all levels of government, the state of Minnesota faces crushing long-term pension obligations. Like the deficit, this isn't a very sexy issue and has been ignored for years. Is this the year legislators get serious about the pension time bomb?

#3. Health and Human Services/ObamaCare. State spending on welfare health care accounts for 70% of the projected new spending in the budget. How will the legislature reign in these skyrocketing costs? Will the legislature even have reform options as [creeping ObamaCare](#) further erodes states' rights and enhances the role of federal decision makers?

#4. Football Palace. Will the Vikings finally get the legislature to open the public till to finance a new stadium to increase Zygmunt's net worth and subsidize the leisure activity of some? History would say "yes," given that billionaires generally get their way in government, especially when those billionaires provide circus for the hoi polloi.

On the other hand, the state has a massive deficit and the Vikings ham-handed lobbyist Lester Bagley still hasn't secured legislative champions, a local partner, a financing plan, or a stadium site.

#5. Bonding. Will the legislature pass yet another massive debt-financed "stimulus" bill? The governor wants one, but Republicans have correctly noted that bonding is normally done in the even-numbered years and while the legislature has passed billions in bonding in recent years, we still haven't seen the stimulus effect.

FAILED PUBLIC SCHOOLS BECOME NATIONAL SECURITY ISSUE

The ways in which our government-run schools have failed us have been well-chronicled in the pages of this publication.

Well, you can add one more failure to the ever-growing list: national security. Yes, the government school monopoly's failures have now become a national security issue, threatening our ability to defend our national interests when challenged by our enemies.

The Education Trust [reported](#) last week that about 1 in 4 Army recruits who take the basic exam to enter military service can't pass it.

And these recruits are considered "the cream of the crop" because they are among the 25% of initial recruits who passed other requirements to be eligible to even take the test.

Put another way, 75% of those who walk in the door of the recruitment office don't even get seated for the exam because they're fat, criminals, lack a high school diploma, or boast a combination of this foolishness (their parents must be proud).

Of all the indictments of our failing government school monopoly, this one may be the most damning, not only because military readiness is negatively impacted, but because the entrance exam isn't difficult.

If you paid even minimal attention in class in high school, you can pass. Take the Dog's mini-quiz, featuring actual test questions:

Question 1. Air is less dense than water because

- A. it is lighter.
- B. its molecules are further apart.
- C. its molecules are closer together.
- D. it moves more quickly and easily.

Question 2. **Wilted** most nearly means

- A. left.
- B. limp.
- C. budding.
- D. requested.

Question 3. =

- A.
- B. 3
- C. 9
- D. 12

If these questions stump you and the answer isn't obvious, you're unfit to carry a rifle in today's Army. Moreover, call the high school that conferred a diploma on you and tell them you need to come back. (correct answers are: B,B,B)

PER DIEM PIGGERY

Remember "per diem" payments? Those are the daily reimbursement payments legislators can claim whenever they're down at the Capitol doing the people's work.

The payments are ostensibly to reimburse legislators for things like meals, even though most of us who work in the real world are required to pay for our own food (ever hear of a brown bag lunch, guys?).

Senators can claim \$96 per day while members of the House can claim \$77 (the amount is set by a simple vote of each body's Rules Committee, thus bypassing even a vote of the entire body). Accountability and transparency, anyone?

The only transparency we taxpayers can count on is the per diem report published every two years as an old legislature dissolves and before the new one convenes.

The 2009-2010 helped itself to a heaping helping of per diem payments, which is no surprise since the DFL dominated both bodies.

- In 2009, members of the Minnesota House took more nearly \$1.3 million in per diem payments, slightly more than in 2010 (\$1.023 million), for a grand total of \$2.3 million for the whole two years. The Senate took home \$904,000 in 2009 and \$710,000 in 2010, for a total of \$1.62 million.
- The top 10 per diem takers in both chambers for the biennium were DFLers. In the Senate, outgoing St. Paul Sen. Mee Moua topped the list at \$35,136. Her opposite number in the House, Crystal Rep. Lyndon Carlson, claimed \$28,947 during the same period. (These bullet points were originally published in Politics in Minnesota.)

What a surprise that the top 10 per diem piggies in both houses were DFLers. Also note that the top six per diem takers in the Senate took home more in per diem than their annual salaries of \$31,140. Also remember that rural legislators get a housing allowance and mileage allowance.

When you take a salary, per diem, a housing allowance, and a mileage allowance, legislative service can be a real sweet deal, especially when the cost of living in so many rural areas is rather modest.

To see where your legislator ranked, click [here](#).

SENATOR SLAPS FAMILY OF FALLEN SOLDIER

The Watchdog doesn't often comment on events in other states, but this one can't pass our eyes without comment.

Senator Maria Cantwell of Washington apparently can't read well. Her office sent a [sympathy letter](#) to the family of a soldier killed in action in Afghanistan last month - AND HAD THE WRONG NAME.

The family of SGT Sean Collins got a condolence letter noting the Senator's sympathy for the death of "Bryn," and not "Sean" in only the past paragraph, clearly indicating that the letter was a "cut and paste" job by her office.

You would think a matter as serious as this would merit something beyond a form letter. Moreover, the form letter could at least be proofread.

For the family of a fallen soldier to receive a sloppy, erroneous form letter regarding their dead child is a slap in the face.

Shame on Cantwell.

January 7, 2011

Public Policy Commentary

In This Issue:

Editor's Note: Welcome to the Friday edition of the The Minnesota Watchdog. We will be publishing on Fridays during the legislative session to bring you a fresh recap of events at the Capitol and around the County.

Also, if you've been following the Watchdog on Twitter @HHWatchdog, please switch over to @mnwatchdog.

1. Capitol Update.

CAPITOL UPDATE

As readers know, the 2011 legislature convened this week to usher in the historic seating of a GOP-dominated House and Senate, something that has never happened since partisan designation was re-introduced in the early 1970s.

There was little in the way of fireworks during the organization process for each body, but penurious items stand out.

Over in the House, DFL state Representative Ryan Winkler introduced a proposed rule that would prevent the House from considering "divisive" social issues like gay marriage until the budget deficit had been resolved.

The proposal was promptly referred to the Rules Committee, where it will receive a proper burial.

While the Watchdog agrees that the budget is the priority, this proposal stank of hypocrisy.

First, while gay marriage received top billing, where was mention of other divisive issues like universal health care or amnesty for illegal immigrants?

Second, the House will take bill introductions next week.

Anyone want to take odds that there will be a multitude of bills addressing social issues, authored by DFL House members?

The DFL, as the loyal opposition, can and should do more to offer a stronger contrast with the GOP to keep them on their toes and force the majority to thoughtfully consider the legislation they pursue.

The other bit of tawdry political kabuki theater happened over in the Senate.

[Senator D. Scott Dibble](#) (DFL - Minneapolis), lashed out at Cal Ludeman and Senator Michelle Fischbach, who were appointed as Secretary of the Senate and Senate President, respectively.

Regarding Ludeman, Dibble [complained](#) that he had a "proven track-record of putting party ideology over public interest." Dibble further noted that Ludeman was apparently unfit because his partisan background conflicted with the non-partisan nature of the Secretary's role.

If that's the case, they where was Dibble's outrage regarding Pat Flahaven, a previous Secretary of the Senate?

Dibble on multiple occasions voted in favor of his appointment, even though [Flahaven](#) came to the state Senate after working as a partisan aide to DFL Congressman Joe Karth. Moreover, his wife worked for Rudy Perpich.

And if Dibble's response is that Flahaven had already proven his objective, non-partisan bona fides, our response would be to let Ludeman do the same.

(For the record, Flahaven was an excellent public servant.)

Cal Ludeman is a highly respected public servant who will no doubt prove his worth to the state Senate.

And regarding Senator Fischbach, get over it. Every senator is a partisan and is elected on a partisan ballot. The new GOP majority has every right to pick their Senate President.

If partisanship is such a concern, maybe they need to write a letter to the U.S. Senate, where a guy named Reid has been a partisan firebrand.

Newly inaugurated Governor Mark Dayton had a more hectic week than the legislature, in large part because he signed an executive order moving Minnesota into "early enrollment" of Medicaid, meaning he pushed us into ObamaCare faster than the rest of the country.

This expansion of Medicaid is a pig in a poke.

First, this is a federal-state cost sharing program, meaning the expansion will cost the state money, even though there will be some savings as less pressure is put on other welfare healthcare programs.

Second, Medicaid is a traditional fee-for-service program absolutely lacking in reform. In other words, the state is doubling down on a massive entitlement program that is

headed for bankruptcy, delivers subpar service, is experiencing massive cost increases, and delivers nothing in the way of desperately needed reforms.

Third, it's a piece of ObamaCare. Need we say more?

Today, Governor Dayton mused aloud that he's considering re-applying for federal funds for education under the "Race to the Top" program.

Governor Pawlenty had applied for the funds but Minnesota was not selected.

Federal officials dinged Minnesota's application primarily because the state lacked a plan to get good teachers into the classroom and overall opposition from the teacher's union, Education Minnesota.

Recall that the legislature, on a bi-partisan basis, had worked with Governor Pawlenty to pass a reform package. That package was killed in the House by Speaker Margaret Kelliher, who needed the teacher's union in her bid for governor.

In other words, if Governor Dayton is serious about another application, he's going to have to do battle against Education Minnesota.

Dayton has now laid down a marker and will be forced to decide between kids and the union.

It will be interesting to see who wins.

Speaking of education and Race to the Top, rumors abound that Republicans will introduce an alternative licensure bill next week.

"Alt licensure" allows people with a demonstrated track record in another profession to gain a teaching license without having to go through the traditional process.

For example a physician could be fast tracked to teach biology or an engineer could be fast tracked to teach math and science.

This concept drives Education Minnesota crazy because it breaks down a barrier to market entry for teachers and introduces professionals into the system who haven't spent their entire careers exposed to union propaganda. And they might just be more talented than some of the career teachers.

Such a bill was introduced last legislative session with bi-partisan support.

It's going to be an interesting session for Education Minnesota.

Finally, Republicans also hinted that they will introduce a bill to repeal the state's ridiculous ban on nuclear power plants.

For crying out loud, even the French have embraced nuclear power.

January 14, 2011

Public Policy Commentary

In This Issue:

1. GOP Priorities.
2. DFL Punishes Their Own.
3. Good Company.
4. The Vikings "Ready, Fire, Aim!" Again.

GOP PRIORITIES

The first few bills introduced by the majority party each session are much more than bills with a low House File number or a low Senate File number.

These first bills and who authors them say much about the priorities of the majority party while offering a road map for the how the majority expects the session to play out.

The first bills offered by the newly minted majorities in both houses demonstrates the commitment of Republicans to reigning in government and making good on their campaign promises. These priorities stand in stark contrast to the Big Government bills the DFL introduced at the start of the 2010 session, when that party enjoyed strong majorities in both bodies.

House GOP

Here's a look at some of the more interesting GOP bill introductions thus far:

- HF 1, a bill to streamline and shorten the amount of time it takes a business to receive an environmental permit. Authored by Dan Fabian, a freshman from northern Minnesota.
- HF 2, a bill to take government spending off auto-pilot by forcing the legislature to make priority-based decisions about spending instead of working off projections from the last budget. Remember that the current budget process shows revenues going up 5% but auto-pilot spending projected to go up 27%. This bill would stop that madness. Authored by freshman King Banaian, an economist from Saint Cloud.
- HF 5, a bill to freeze state employee salaries, authored by Denny McNamara of Hastings.
- HF 7, a bill to eliminate unfunded mandates the state imposes on local units of government, authored by Steve Drazkowski of Mazeppa.

- HF 9, a bill to repeal the existing ban on new nuclear power plants, authored by Joyce Peppin of Rogers.

Over in the Senate, some of the more notable bills include:

- SF 1, a bill streamlining the permitting process for businesses and cutting corporate taxes, authored by Geoff Michel of Edina.
- SF 12, a bill imposing term limits of legislators, authored by Paul Gazelka, a freshman from Baxter.
- SF 30, a bill to reduce incentives for non-Minnesotans to travel to Minnesota and take welfare benefits, authored by Paul Gazelka.
- SF 33, a bill declaring it to be the public policy of the state that all citizens have freedom of choice regarding health care, authored by David Hann of Eden Prairie.
- SF 40, a bill to allow alternative licensure for career professionals to get a teaching license, authored by Gen Olson of Minnetrista.

Beyond the merits of any particular bill, these early Republican bill introductions weave a tapestry of a majority committed to reducing the size and scope of government while encouraging an atmosphere conducive to job creation.

These bills send a message to job creators that government in Minnesota is going to be helpful in creating and keeping jobs in Minnesota, even if Governor Dayton has other ideas.

This is important because businesses both large and small anticipate the job climate, they don't react. Many times, what politicians signal they going to do is more important than the final product. If job creators anticipate that Minnesota is going to be a more inviting place for them, our economy will be better for the effort of these Republican legislators.

DFL PUNISHES THEIR OWN

A few weeks ago, the Watchdog pointed out the hypocrisy of DFL activists feigning outrage at the punishment of some well-know Republicans who have worked to defeat endorsed Republican candidates, Arne Carlson among them.

As is our policy, we always correct the record when we get something wrong. In this case, we suffered from the error of omission.

In compiling our list of DFL legislators who have been punished for not toeing the liberal line, we forgot to mention state Representative Carlos Mariani of Saint Paul.

Mariani's crime of liberal transgression was his staunch support of alternative teacher licensure, which readers will remember is a bill that would streamline and truncate the process for career professionals like doctors or engineers to get a teaching license.

Big Labor, in the form of the AFL-CIO, a pillar DFL constituency, denied Mariani their endorsement, even though the veteran legislator is a staunch liberal who would never be confused for a conservative, much less a moderate. Oh by the way, Mariani has a career 94% approval rating from this group.

But thing that makes Mariani beyond his liberal world view is his commitment to his principles. He represents the heavily Hispanic area of Saint Paul south of the River and recognizes that the achievement gap will be nearly impossible to close without breaking down barriers to getting the best possible teachers into the classroom, whether through traditional or non-traditional means.

Because of this one policy difference with the keepers of the DFL status quo, Mariani was punished.

So spare the Watchdog the feigned indignation the next time Republican activists recognize the reality of folks like Arne Carlson walking away from the Party.

You can read a column from Representative Mariani himself on the subject [here](#).

GOOD COMPANY

The Watchdog has lot of respect for [Politics in Minnesota](#) (PIM), an excellent publication that deserves to read along the Minnesota Watchdog each and every week.

Like the Watchdog, PIM publishes a weekly Capitol update every Friday.

This past week however, PIM was published before the Watchdog, thanks to the aforementioned fight with influenza.

In their update, PIM published a piece similar to what the Watchdog wrote last week regarding DFL complaining about the partisan background of newly elected Secretary of the Senate Cal Ludeman. We noted that Pat Flahaven, who served when the DFL had control, had a similar partisan background.

In part, here's what we wrote on January 7th:

Regarding Ludeman, Dibble [complained](#) that he had a "proven track-record of putting party ideology over public interest." Dibble further noted that Ludeman

was apparently unfit because his partisan background conflicted with the non-partisan nature of the Secretary's role.

If that's the case, they where was Dibble's outrage regarding Pat Flahaven, a previous Secretary of the Senate?

Dibble on multiple occasions voted in favor of his appointment, even though [Flahaven](#) came to the state Senate after working as a partisan aide to DFL Congressman Joe Karth. Moreover, his wife worked for Rudy Perpich.

And if Dibble's response is that Flahaven had already proven his objective, non-partisan bona fides, our response would be to let Ludeman do the same.

Here's what PIM wrote last Friday, the 14th:

Pat Flahaven, who became Secretary of the Senate when the Liberal Caucus took control after the 1972 election, had been and continued to be active in DFL politics. He stepped down in 2008. Earlier in his career, Flahaven had been an aide to Democratic U.S. Rep. Joseph Karth. When Karth stepped down in 1976, Flahaven sought the 4th District DFL endorsement, eventually losing to Bruce Vento. It's worth noting that Flahaven replaced George Goodwin, who had been secretary when Conservatives were in control. One Capitol veteran recalled that Goodwin still worked on the Senate desk after the Conservatives were deposed and would even give advice as Flahaven got settled in.

It's been the case for longer than anybody can remember in the Senate that the secretary has been somebody trusted by the majority party. In that regard the Senate is different from the House, where long-time Chief Clerk Ed Burdick wasn't one to show a political side.

Flahaven, whose accolades included serving as chair of the National Conference of State Legislatures, is remembered as a fair interpreter of the Senate's rules. It's certainly true that Ludeman has big shoes to fill. But we think the partisan sniping should be saved until he applies an overtly political bent to his actions at the rostrum and among his staff.

Let us be clear in stating that this is not an accusation of plagiarism or anything untoward on the part of PIM. After all, Flahaven's previous partisanship was in the public domain.

Instead, the fact that the Watchdog, to the best of our knowledge, was the first to comment on this situation, even ahead of PIM, proves that our publication is on par with a publication acknowledged to be "best in class" among the Capitol crowd.

This despite the fact that they don't even list us on their blog roll (and we've advertised with these guys!).

As the headline mentions, we're proud to be in good company.

THE VIKINGS "READY, FIRE, AIM!" AGAIN.

This publication has noted on many, many occasions that [Lester Bagley](#), the Viking's stadium lobbyist, is a taxpayer's best friend, thanks to his unique ability to snatch defeat from the jaws of victory while displaying a lack of lobbying agility that makes Bagley the political equivalent of all Three Stooges embodied in one man, wrapped in a cloak of purple and gold.

With a hearty "nyuk, nyuk, nyuk," Bagley took to the media circuit this week to announce that the Vikings and mega-rich owner Zygi Wilf wouldn't be paying for a retractable roof on the new palace they seek to house all ten of their home dates each season.

In addition to the gall of dictating stadium terms to a fatigued taxpaying public yet again, the news also wasn't well received by state Senator Julie Rosen (R-Fairmont), the chief legislative proponent for a new stadium. The news went over like a [two-eye finger poke](#) with the veteran legislator. Rosen said in numerous subsequent media interviews that a roof, which would provide year-round access for events, is a critical component for any facility getting a public subsidy.

Now maybe we here at the Watchdog are just plain folks who don't grasp the grand strategy of the Vikings and Curly Bagley. Maybe this latest statement is a grand plan that gets the deal done in 2011. Maybe there was a "wink, wink" with Rosen, but it sure doesn't look like it.

Instead, it sure as heck looks to us like these guys continue to stumble and bumble around. It seems like legislative malpractice to make a high-profile announcement regarding stadium financing and not be in harmony with the legislator who is going to author your bill. There is rarely an upside to a media story that exposes conflict within your own team. Instead of the story focusing on the team's desire to only pay for a roofless facility, the story was all about Senator Rosen's disagreement with the team's desire to not pay for a roof. How such a story line benefits the Vikings is beyond us.

Keep it up, Vikes. It's the middle of January and you have yet to introduce a bill. As Chris Berman would say, "tick, tick, tick, tick, tick, tick!"

January 21, 2011

Public Policy Commentary

In This Issue:

Editor's Note: Due to the inept technical fumbblings of the gang over at Twitter, we've been forced to revert to our former user name. Please follow the Watchdog at @hhwatchdog and not at @mnwatchdog. We apologize for the inconvenience.

1. Saint Paul Capitol Update.
2. Washington, D.C. Update.

SAINT PAUL CAPITOL UPDATE

Here's what went down this week in Saint Paul:

Republicans unveiled \$1 billion in spending cuts, labeling them "round 1" of what promises to be a 15-round bout with Governor Dayton to resolve a \$6.2 billion deficit. The cuts come primarily from extending the unallotments Tim Pawlenty made in 2009 and cutting local government aid by about \$236 million.

Watchdogs will recall the torturous route the unallotments took. Late in the 2009 session, the DFL majority sent Pawlenty a budget that jacked up spending. Pawlenty signed those bills but then vetoed the omnibus tax bill that raised taxes to cover the new spending (probably the last time in Minnesota history that the legislature will send the tax bill to a governor after all the spending bills).

Because spending went up without the revenues to cover it, a deficit was created, allowing the governor to "unallot," authority provided in Minnesota law to the governor to unilaterally cut spending to balance the budget.

The DFL howled in protest, arguing that the unallotment authority was abused because Pawlenty had intentionally created a deficit and because the unallotment power was only to be used to balance the budget at the end of a budget cycle, not the beginning. (Remember that the 2009 budget bill was the main budget bill to fund state government for the next two fiscal years).

The DFL and some affiliated special interest groups sued and brought their argument to court. A Ramsey County District Court judge agreed. The Pawlenty administration appealed to the Minnesota Supreme Court.

In May of 2010, near the end of the legislative session, the Minnesota Supreme Court upheld the District Court decision and ruled against Pawlenty.

That year, the legislature went to special session and Pawlenty convinced the DFL majority to adopt the unallotments legislatively, but only for the current budget.

The GOP has smartly proposed carrying these cuts forward into the next budget. The state has already lived with these unallotments for a budget cycle. Surely, they can live with them in the next. This is low hanging fruit.

Representative Keith Downey introduced a bill to cut the size of the state workforce, which was met with the customary wailing and gnashing of teeth by Governor Dayton and his government worker union buddies (recall that AFSCME was an early supporter of Dayton).

One of the more curious arguments from the Left is that Republicans are cutting jobs at the very same time they are talking about creating jobs, making them hypocrites.

Hold on a minute, Sparky. It is apparent that the "jobs" Republicans are talking about is far different from the "jobs" meant by the DFL.

When Republicans speak of "jobs," they refer to private sector jobs. This isn't because of some animus towards public employees. Instead, Republicans are using the term "jobs" as a proxy for wealth creation. When jobs are created in the private sector, it is indicative of a growing economy and the creation of wealth. These jobs in turn create more wealth and thus an updraft that lifts the economy, creating more prosperity.

Government jobs do nothing of the sort. While having a government job is surely positive news for the person holding the job (with today's average government wages and benefits, it's AWESOME news to have a bureaucratic gig), that job does not create wealth. All government jobs are funded solely by money that has already been taken out of the private economy. More government workers does not signal wealth creation and a healthy economy.

By the DFL's logic, government could wipe out unemployment by hiring two-man teams, one man to dig a hole and the other to fill it. Viola! Jobs! Oh, wait. Isn't that what the "stimulus" was all about?

What Republicans understand is that you can only have a healthy public sector and a healthy public economy if it is underpinned by a healthy private economy. Sure, government can get away with a large disparity between the two for a period of time. But like gravity, government will come crashing down, at least with respect to the money it can shower on favored interests, without a healthy private economy to underpin it.

Not all "jobs" are created equal.

Remember when voters went to the polls in 2008 and put a sales tax increase directly into the constitution?

Surely Watchdogs will recall that Minnesotans voted to raise the sales tax by 3/8ths of a percent to fund the outdoors, bike trails, and the arts.

These funds are fenced off and may not be spent for other purposes. Instead, a small group of people appointed by the politicians in Saint Paul meet in a room and decide how to divide the spoils.

Surprise, surprise, the money is being wasted on frivolous crap - literally. A recent watchdog report (not from THE Minnesota Watchdog, but an enviro weenie group), highlighted some of waste.

One project was a \$40,000 grant to install rain gardens at an elementary school in Medford. The idea was to reduce fecal bacteria counts in a nearby river.

Whoops, turns out that the high poop count is caused by feedlot runoff into the river, not by children who had too much Taco Bell the night before.

This is precisely what happens when special interests hijack the legislative process. A small but powerful coalition of outdoors and arts groups got together and pushed this through the legislature and then mounted a sophisticated, high buck political campaign to get voters to ratify it.

Any money raised by the government in the form of tax revenue should be sent to the general fund, where our elected representatives should spend it based on their priorities.

These types of decisions shouldn't be made behind closed doors and then rubber stamped in some type of democratic charade.

And there's the spectacle of the state shelling out fat appropriations to bike trails and puppet shows while cutting nursing homes and public safety because we can't touch this money.

It makes us all look just a little bit stupid.

WASHINGTON, D.C. UPDATE

It's about time. The Minnesota GOP announced today that it has created a web site regarding the far left voting record of Senator Amy Klobuchar. The Watchdog couldn't agree more with GOP Chairman Tony Sutton that Klobuchar talks the moderate talk but walks the ultra-liberal walk.

Klobuchar voted for the "stimulus," ObamaCare, and cap and trade legislation. Visit the web site [here](#).

Another Washington careerist decided to hit the bricks this week. North Dakota senator Kent Conrad announced he won't be sticking around to get booted in 2012.

Fellow senator Byron Dorgan smartly decided not run for re-election in 2010. The open seat was carried by the GOP in convincing fashion, with a 24 point victory.

John McCain carried the Peace Garden state by 8 points in 2008.

Furthermore, longtime North Dakota congressman (at large) Earl Pomeroy was booted in 2010 as well.

2012 promises to be a banner year for Senate Republicans. Democrats must defend 23 seats, with Republicans only needing a net gain of four seats to control the Senate.

It looks like North Dakota will be in the GOP column.

Finally, the House voted to repeal ObamaCare. That makes our weekend.

January 28, 2011

Public Policy Commentary

In This Issue:

1. Teacher Pay Freeze Primer.
2. The \$3.7 Million Blunder.
3. Washington Update.
4. Senator Newman - Much Ado About Nothing.

TEACHER PAY FREEZE PRIMER

A bill to freeze teacher pay (and other school district employees) for two years has generated a great deal of controversy and stoked public discourse over K12 school finances. The bill, [Senate File 56](#), is authored by Senator [Dave Thompson](#) (R - Lakeville).

Thompson's bill is an excellent piece of legislation and ought to be signed into law immediately.

Of course, Big Education and their cronies are going to argue against the bill. We're going to hear that the bill infringes upon "local control" of schools and that a freeze will prevent "the best and brightest" from entering the teaching ranks.

This legislation is long overdue and the Watchdog is more than happy to break it down and explain why.

REASON #1: Those who pay have the say.

State aid to our K12 public schools consumes over 37% of the state's general fund budget. In the current bi-ennium, the state will spend over \$13 billion (yes, BILLION) on K12 education. Thus, it is completely appropriate for the state to put restrictions on the way in which school districts spend their money.

If some districts are truly interested in "local control," then they should refuse state aid and send every penny back to the treasury in Saint Paul. So long as the largest expenditure item in the state budget is K12 education, the legislature has every right weigh in with respect to school district spending.

REASON #2: Local control often means union control.

Let's face it, the average voter doesn't know much about school board candidates and therefore doesn't have a great deal of interest in school board races as compared to higher profile races like those for Congress.

The folks who do take a great deal of interest in school board elections are Big Education, meaning the teachers' unions. They endorse candidates, raise money, drop literature, run phone banks, and do much to get candidates elected who promise to be on their side.

What this means is that teacher contracts are often negotiated and approved by school boards who are controlled by the unions. When the school board sits down to bargain with the union, no one is there to represent the taxpayer. Figuratively speaking, everyone is sitting on the same side of the negotiating table.

Therefore, it should shouldn't be surprising that teacher contracts are almost always chock full of compensation increases even during times of economic stress.

Senator Thompson's bill is a good stopgap measure until the legislature can make systemic reforms, starting with a law dealing with the blatant conflict of interest some school board members have in being supported politically by the teachers' union and then being responsible for negotiating against them.

REASON #3: Layoffs don't matter as much as seniority.

Have you ever wondered why school districts are frequently laying off teachers while handing out pay raises? It has happened all over the state during the Great Recession.

The answer lies, once again, in the collective bargaining process used to set teacher pay and compensation.

Invariably, the union negotiating teams are comprised of senior teachers. In a union setting like a school district, layoffs are not determined by merit but instead are determined by seniority. "Last hired, first fired" is the mantra in Minnesota school districts.

Thus, union negotiating teams often have little interest in protecting jobs as compared to securing pay increases. If getting pay raises during a recession means layoffs for junior teachers, so be it.

There is a saying in the labor relations profession that "unions eat their young." Seniority is looked upon as a sacred job benefit that confers special treatment upon senior union members. Conversely, junior employment status means less job perks, including exposure to job loss.

Again, it's not surprising that many local teacher unions often negotiate contracts that include compensation increases, even though it means layoffs and all that comes with layoffs, including larger class sizes.

And what of the school board? Aren't they concerned about large class sizes, for example? Remember who writes the campaign checks and runs the get out the vote operation when they're running for office.

On top of all that, school boards and unions have a ready-made alibi that the public eagerly swallows year after year. School districts have to slash popular programs and lay off teachers because the school aren't properly funded, not because school districts spend more than they have on employee pay packages, so they say.

As long as gullible taxpayers swallow the hook, this charade will continue.

REASON #4: A Pay Freeze is more like slush.

In the current fiscal environment, it has become popular for school districts and teacher unions to talk about "pay freezes" that have been put in place.

But their definition of "pay freeze" may not be your definition and may not be a freeze at all, but instead merely a chill in the onward march of more pay and benefits.

Readers should know there are three ways in which teachers earn money. In Minnesota, teachers are on a Soviet industrial era pay grid. Teachers start at one corner of the pay grid and seek to move both vertically and horizontally across the grid until reaching the top of the pay scale.

This "[step and lane](#)" (see page 44 of the link) system offers two methods to increase pay. Under the "step" part of the systems, a teacher moves vertically each school year. This is known as "butt time" because a teacher earns more pay simply by putting in time each year while doing nothing more than avoiding being fired.

Under the "lane" process, teachers move horizontally across the pay grid by accumulating academic credits beyond a bachelor's degree. There is a great deal of debate regarding whether or not having more education credits makes for a better teacher.

Finally, teachers earn more money a third way through COLAs (cost of living adjustments). A COLA raises the entire pay grid. For example, a 3% COLA raises the pay amount on every square of the pay grid by 3%.

School districts will often freeze one or two of these three pay increase avenues and then loudly proclaim they have "frozen" teacher pay.

If your district claims a teacher pay freeze, ask if steps, lanes and COLAs have all been frozen. If not, then it's not a pay freeze.

Also keep in mind that these contracts are often negotiated for multiple years, usually 2 or three. Another school district trick is to freeze pay for one year but not another and still claim a pay freeze.

Ask if pay is frozen for all years of the contract.

Finally, don't forget about other compensation like health insurance. Money is money. Another trick school districts play is to freeze pay but jack up other forms of compensation like insurance and retirement benefits. Be sure to ask your school board about other compensation costs.

Remember, it's not so much about a pay freeze as it is about keeping the cost of the contracts down. Also be sure to ask about the total cost of a new contract as opposed to the cost of the old one. That's the one sure way to determine whether or not the school board has really driven a hard bargain on behalf of the taxpayers.

THE \$3.7 MILLION BLUNDER

Speaking of our well run government schools and teacher compensation, we read this week that the worst performing school district in the state, Minneapolis, committed a [\\$3.7 million error](#) in favor of its teacher union.

During recent contract negotiations, the district agreed to a contract that it had priced at \$11 million. It turns out the people who get paid very well to count the numbers for the district can't add very well. Due to what the district termed a "significant" clerical error, the contract will actually cost the district's taxpayer's \$14.7 million.

So the contract is going to cost 33% more than originally thought. The district's reaction to this news?

Despite the error, the district went ahead and approved the contract anyway.

Superintendent Bernadeia Johnson said of the contract that both sides were "very pleased."

What was it we wrote above about the union and the school board being on the same side of the negotiating table?

It's outrageous that the school board just went ahead and ratified a \$3.7 million windfall to district teachers.

Since this is a budget year at the Capitol, the legislature ought to reduce Minneapolis' student aid by \$3.7 million.

WASHINGTON UPDATE

President Obama delivered his State of the Union address this week. To be honest, the Watchdog has trouble getting excited about these public relations pageants, what with all the cheap talk and endless standing ovations. Talk about feigned sincerity and false pretense.

All we got out the address was confirmation that Obama is indeed a statist and a socialist. He truly believes that government - and gobs of it - is the only path to American prosperity and competitiveness.

This means that our Republican majority should find little in common with the president and engage in very little cooperation.

There is a loudly stated fundamental difference of opinion here. While the goal of American prosperity is shared (even in Obama is the first president to disavow American exceptionalism), the means to get there is the subject of a profound difference.

Republicans believe that our country won't remain strong and prosperous, in fact CAN'T be strong and prosperous, unless government is pared back. Republicans believe limited government is a necessary condition precedent to American greatness.

So the executive believes that government is the solution. The legislature (at least one house) believes government is the problem.

We have the makings of a showdown.

And here is where the Tea Party plays such a valuable role. Our new Republican majority needs to be held accountable every step of the way.

Let's face facts, Watchdogs. The recent Republican majorities (1994 and 2002) didn't change Washington. Washington changed them. They went native. They grew the budget. They embraced earmarks. They became entangled in ethical problems ranging from bribery (Duke Cunningham) to prostitution (David Vitter).

As far as the Watchdog is concerned, this new majority in the U.S. House doesn't have the benefit of the doubt. They are suspect until they match their campaign rhetoric with conservative deeds.

The Tea Party will no doubt play a critical role in keeping the majority focused on their promise of limited government and enhanced personal freedoms.

And if the class of 2010 pulls the same stunts as previous majorities, the Tea Party will be there in 2012 to exercise some much needed accountability.

Conservatives don't need Big Government Republicans. If we want that, we can always vote Democrat. What we want is a party that governs like it campaigns. That shouldn't be too much to ask.

SENATOR NEWMAN - MUCH ADO ABOUT NOTHING

The media made a [big deal](#) of state Senator [Scott Newman](#) (R-Hutchinson) refusing to meet with the Minnesota Nurses Association (MNA) because they endorsed his opponent.

Unfortunately, Newman backpeddled off the his position and blamed his legislative assistant for the refusal.

That's too bad, because Newman was right the first time.

The MNA is nothing more than a [special interest group](#) that does what all these groups do. They hang out at the Capitol full time trying to rig government in their favor.

Moreover, this is a liberal special interest group that does all it can during the campaign season to defeat conservative candidates and elect liberals.

Don't believe us? Check out MNA's 2010 [endorsed candidate list](#) and count how many Republicans received their endorsement.

Why should Republican legislators pretend that their doors are open to these people who tried to defeat them?

If the MNA is going to get involved in partisan politics and bet on certain horses, then they pay the price when their horse doesn't win.

The MNA can't play politics and then cry about the rules after they lose. If the game is perceived as unfair, then don't play it.

If all these legislative doors should be open to the MNA, then we can't help but wonder why they make endorsements and make campaign donations to certain candidates in the first place.

The MNA does this because they know that this kind of support helps open the doors of the candidates they help to victory.

Conversely, this means that the doors of those they worked to defeat may not be open.

This is the way politics works and everyone knows it.

We certainly take the good senator at his word when he says that he had no knowledge of the email in question.

To that end, we note that elected officials are often well served to take the advice of staff!

February 4, 2011

Public Policy Commentary

In This Issue:

1. Kabuki Political Theater.
2. The Proper Messaging.
3. Dayton Drops Gaming.
4. Big Business = Big Wussies.
5. ObamaCare Waivers.

KABUKI POLITICAL THEATER

By all the wailing and gnashing of teeth down at the Capitol last week, one would have thought the world was coming to an end and the Armageddon was upon us.

Shrieks and cries of "reckless!" and "irresponsible!" echoed throughout the chamber of the House of Representatives.

All over \$1 billion in budget reductions to begin trimming down the projected \$6.2 billion deficit the state faces this coming fiscal biennium.

This "phase I" reduction authored and passed by the House Republican majority consisted of low hanging fruit like extending the unallotments that are in effect right now, holding local government aid steady (no increase), and tapping unspent funds.

This easy fiscal layup barely passed, garnering the bare majority of 68 votes necessary for House passage.

Four Republicans voted against the proposal, apparently believing their "no" vote will garner goodwill amongst the Big Government set back home. (the four are [King Banaian](#), [John Kriesel](#), [Deb Kiel](#), and [Rich Murray](#)).

It won't matter. The DFL, if they think they can get mileage out of it, will tie the passage of the bill to these four anyway. Just ask Republican House members like Jeff Anderson, Jim Rhodes, and Linda Boudreau. They were tied to GOP legislation even if they didn't vote for it in 2004, when the House GOP lost 13 seats.

On the other hand, conservatives back home in these districts are likely to be upset that these representatives they worked so hard to elect decided to vote against the tip of the cutting ice berg.

Moreover, these "no" votes added a dimension to the message narrative the GOP wanted to avoid. As one would expect, the media seized upon these negative GOP

votes as evidence of the "extremism" of budget cuts and dissention within the GOP ranks.

In fact, the Capitol hallway chatter is that the GOP Senate majority will not take up this bill until they have all 37 of their members on board to vote for the bill. The hallway talk further indicates that the GOP leadership believes it can garner a unanimous caucus vote.

UPDATE: Late yesterday the state Senate passed their version of the Phase I cuts, with all Republicans present voting in the affirmative.

The Watchdog has called all of this kabuki political theater because in the final analysis, these cuts will be agreed to by the governor and the GOP legislative majorities.

Why? Because even the most liberal DFLers have not called for the level of tax increases that would be required to eliminate these easy budget reductions.

Thus, the governor should be careful about the rhetoric he uses to describe these cuts and the possibility of vetoing them. Again, he will be agreeing to these cuts at the end of the day. He has no choice.

The DFL legislative minorities should take care as well. Even though they get the luxury of carrying no legislative responsibilities as the minority party, their rhetoric against these cuts could splash onto their governor.

The Watchdog has called its shot. The governor will agree to these cuts at the end of the day. The GOP Senate will pass them and so will the House. Speaker Zellers and Senator Koch are excellent leaders who guide the team to victory this session.

THE PROPER MESSAGING

Let the Watchdog be the first to correct ourselves, the press, and legislators regarding how we describe the budget situation.

Like others, the Watchdog is guilty of discussing the budget in terms of cuts and budget reductions, which isn't accurate.

The choice here is not one between spending increases and spending cuts.

Instead, the argument centers on how much government will grow.

The Republican majority wants government to grow no more than 5% in the coming budget cycle, which is how much revenues are expected to increase. In other words, any growth beyond 5% will need to be financed with tax increases.

The DFL wants to grow government well beyond 5%, to some indeterminate number that will really be decided by the level of taxation the governor proposes.

The public discourse gets erroneously channeled into talk of "cuts" because Minnesota government is put on spending auto-pilot.

The state forecasts that the state budget should grow 27% on auto-pilot in the next budget cycle.

Since revenues are projected to go up 5%, the 22% gap is the deficit.

Therefore, there will be no real "cuts" this budget, even under the GOP plan. In the next budget cycle, state spending will increase over the previous budget.

The DFL rhetoric simply calls any level of increase less than the projected 27% a "cut."

This makes about as much sense as the man who gets a \$10,000 raise saying he suffered a \$5,000 pay cut because he expected a \$15,000 raise.

Watchdogs, there will be no overall reduction in the state budget this upcoming budget cycle. Spending will increase. It is just a matter of how much.

It's time for our side to stop referring to cuts and start talking about responsible growth as opposed to the DFL's truly reckless plan to spend our children and grandchildren into oblivion by giving government a 27% raise.

Did you receive a 27% raise at work this year?

The Watchdog asks, what's so harsh about a 5% increase?

DAYTON DROPS GAMING

There wasn't much of a media stir this week when Governor Dayton stated that his upcoming budget proposal wouldn't contain any new revenues from expanded gaming in Minnesota.

"I don't expect to have any gaming in my budget," Dayton noted this week.

He also noted in separate remarks that he is open to Racino gaming, but "I'm not supporting it at this time."

Well, that's interesting. During his campaign, Dayton relied on \$300 million from expanded gaming to help fill the budget gap.

Readers will also remember Dayton had a math boo boo in his income tax increase proposal during the campaign that left him a few billion shy of solving the budget deficit.

So where will Dayton come up with another \$300 million? Either he's going to find \$300 million in cuts (stop laughing) or he's going to raise someone else's taxes by \$300 million.

Curiously, Dayton didn't say why he turned his back on gaming.

It's no secret that the Tribes have had a long-standing relationship with the DFL and speculation is that the governor was reminded of this special relationship. Even he didn't benefit from tribal bucks, his DFL legislators surely did.

At some point, the legislature will likely call Dayton's bluff and send him a gaming bill. In politics, you can always run but it's oh so very hard to hide, especially as governor.

BIG BUSINESS = BIG WUSSIES

During the campaign cycle, countless small and large business owners complained of the state's cumbersome and expensive environmental permitting process.

Dutifully, the new House majority, pursuant to their promise to create private-sector jobs, made the very first bill introduced this session ([HF 1](#)), a bill to reduce permitting red tape.

As the bill has moved through House committees, the well-paid lobbyists for our state's business interests have been conspicuously hard to find, offering little in the way of public support for the bill.

This development has shocked some Capitol rookies but not the Watchdog.

The business lobbying groups have been afraid to cross the DFL as long as we can remember.

Some pro-business interests supported DFL-sponsored transportation tax increases that culminated in an override of Governor Pawlenty's veto, giving us a \$6.6 billion tax increase.

Business groups were afraid to testify in support of Senator Amy Koch's proposed constitutional amendment to limit state spending.

It doesn't surprise the Dog in the least that the business community sits on the sidelines at the Capitol as the GOP tries to help.

This certainly isn't the first time.

These groups that represent business interests are truly a bunch of wussies.

OBAMACARE WAIVERS

Among the thousands of government mandates contained in ObamaCare, one requires employers who provide health benefits to have plans that offer no less than \$750,000 in annual limits. The limit climbs to \$1.25 million next year and then \$2 million the year after.

This expensive mandate will force many health benefit plans to drop coverage, unless they can get a waiver from Big Brother.

We learned this week that 500 new exemptions have been granted. All told, 166 of those waivers have been granted to union health plans.

This is what happens whenever government has power. Favors are granted based upon a political calculus. Friends of those in power get favors while others do not.

The simplest way to avoid this cronyism is to deny government as much power as possible in the first place.

We call this concept limited government.

Here are some Minnesota organizations that received a special waiver from Team Obama, courtesy of our friends at the Freedom Foundation:

WAIVER RECIPIENT	ENROLLEES
MinnesotaCement Masons Health and Welfare Fund	2,000
Minnesotaand North Dakota Bricklayers and Allied Craftworkers	1,876
MinnesotaTeamsters Construction Division	1,248
Northern Minnesota-Wisconsin Area Retail Food Health & Welfare Fund	3,100
Benton County	200
City of Brooklyn Park	372
City of Burnsville	290
City of Cloquet	79
City of Cottage Grove	90
City of Eagan	120
City of Inver Grove Heights	130
City of Roseville	210
City of Roseville/Minnesota State Retirement System	280
Post-Employment Health Care Savings Plan	

City of Shakopee Post-Employment Health Care Savings Account Plan	153
AnokaHennepin Credit Union	15
Center for Energy and Environment	105
League of Minnesota Cities	70
Mounds View Public Schools	76
TotinoGrace High School	94
Anderson Corporation	2,720
M.A. Mortenson	332
Pearson Candy Company	204
Sieben Polk Law Firm	3
TwinCityDie Casting	148

February 11, 2011

Public Policy Commentary

In This Issue:

1. The Billion Dollar Scam.
2. State of the State Analysis.
3. Washington County Shame.

THE BILLION DOLLAR SCAM

Last week, Governor Dayton proposed a billion dollars worth of [capital improvement projects](#) for the state. Dayton touted the bill as a "jobs" bill (isn't every bill at the legislature a "jobs" bill these days?) that would put Minnesotans back to work, fix the economy, and turn water into wine.

As you would expect, the recommendations are filled with hokey, pork barrel projects totally unrelated to the state's core functions:

- A new stadium for the Saint Paul Saints (they're still here?)
- An upgraded civic center for Mankato
- An upgraded civic center for Saint Cloud
- An upgraded civic center for Rochester
- An African-American history museum
- Upgrades to Target Center

Yeah, life will just come to a screeching stop if these projects aren't done and done right now.

In addition to the expected chicanery of a DFL bonding proposal, there was an added twist: a \$470 million bribe. Yes, our silver spooned, trust funded gov'nr left nearly half the booty for Republicans to divide amongst themselves. Like Blackbeard, Dayton hoisted the Jolly Roger over the Capitol and issued an invitation to House and Senate scallywags: Avast, ye scurvy legislators! If ye join me in plundering the wee one's future, there be capital improvement riches fer ye district and re-election for all! If not, then ye walk the plank and sleep in Jesse Ventura's locker.

The Minnesota Watchdog has on many occasions pointed out the problems with "bonding" bills and why they don't deliver on their promises to stimulate economic growth.

This week, we'll analyze what's wrong with these kinds of bills and tell you a couple of things most folks outside the walls of the Capitol don't know about bonding.

Reason #1: Bonding is debt.

Capital investment bills are called "bonding" bills because they are financed with bonds. Bonds are nothing more than debt instruments, paid off over many years with interest.

In other words, Governor Dayton proposes to put a cool billion on the state's credit card, to be paid back by our children and grandchildren who are already being crushed under a mountain of debt at the federal level.

The fastest growing expenditure item in the state budget isn't health care or education - it's debt repayment.

If passed, the debt service alone on the bonds would cost \$165 million in the upcoming budget cycle.

Reason #2: Government Debt Doesn't "Stimulate."

Are you sick of hearing politicians claim that government spending will "create jobs?"

Apparently, our intrepid governor didn't get the memo that the federal stimulus utterly failed. Obama's \$865 billion gamble on Keynesian economic theory didn't pay off.

So why does the governor think a billion in government debt is going to lift us out of the economic doldrums when all those many billions couldn't deliver on the Obama promise of unemployment that wouldn't exceed 8%?

To give you some idea of how insignificant this billion dollars would be, consider that Minnesota's economy, measured by "gross state product," was \$226 billion dollars in 2009, the latest year for complete statistics.

Thus, a billion dollars in stimulus would equal less than one-half of one percent of the state's economic output.

Where those dollars would be significant, however, is the addition of that much money to the state's debt load.

Another factor to consider is recent history. The state has pumped billions of bonding dollars into the economy. Where are the results?

2001: \$117 million

2002: \$673 million

2003: \$747 million

2004: \$0

2005: \$963 million

2006: \$1 billion

2007: \$106 million

2008: \$862 million
2009: \$300 million
2010: \$686 million

Since 2005, the state has put nearly \$4 billion on the credit card. No evidence has been presented that this massive issuance of debt has produced a favorable effect on the economy.

This is because these dollars are not "investments" in our economy at all. Remember that government only spends money that it has confiscated from the private economy. In short, government only re-circulates money that was already in the economy.

What's worse, the private economy allocates resources based on merit, with dollars flowing to productive sectors and away from inefficient sectors.

In the public economy, dollars are allocated based on political influence, with no heed paid to market efficiency. If your group is powerful enough, you get the money, regardless of the merits.

For every dollar the government takes out of the private economy, that is a dollar that a private company or individual no longer has to invest as they see fit. It's not as if money in the private economy doesn't work. It's not buried in coffee cans in the backyard. The difference is that when a small business hires another worker or buys a piece of capital equipment, there isn't a horde of attention seeking politicians there to hold a press conference with the adoring media on hand to give them a platform.

For an American public raised on sitcoms and video games, it's all too easy to be fooled by politicians who can show you a bricks-and-mortar community center built with government money. It's much harder to grasp the concept of wealth created by abstract issues like capital investment gains and asset appreciation.

Is it any wonder that stimulus spending doesn't work? In this equation, it's a zero sum game. There is a dollar out there in the economy. It can either be deployed in the private economy where efficiency is the touchstone, or it can be diverted into the public economy, where it is spent to curry favor with whatever powerful special interest group happens to prevail at the time.

And in the case of bonding, it's a dollar that must be repaid with interest.

Reason #3: There is No Such Thing as "Shovel-Ready."

Dayton has touted his billion dollar bonding proposal as a bill that will not only produce jobs but produce them quickly, with a focus on projects that are "shovel-ready" and "paint-brush ready."

This claim is totally bogus and the Watchdog will tell you why for reasons that can only be found in the pages of this publication.

The average citizen may think that once a bonding bill becomes law, the money magically begins to flow and the jobs appear at once.

Minnesota government bonds are like any other bond issue in many respects. They are heavily regulated by securities laws and are subjected to scrutiny by financial markets.

Before state bonds are sold, bond underwriters and bond rating agencies engage in a thorough "due diligence" process to assemble the proper disclosure information, establish ratings and interest rates, and prepare the bonds for sale in financial markets.

An important aspect of due diligence is to examine the bond issue in the context of the state's overall financial situation. This means waiting until the state closes out its books on the current fiscal year. Once the books are closed, the bond houses are then able to properly examine the bond issue and assemble concise, strictly regulated information for investors.

Remember that the state's fiscal year ends June 30th. Given normal underwriting schedules, bonds from a 2011 bonding bill wouldn't be put out to market until about September, under normal circumstances.

And these aren't normal circumstances. Given the state's big deficit, there is a likelihood that the governor and the legislature won't be able to agree upon a budget during the regular legislative session and perhaps not until after the June 30 fiscal year-end.

Moreover, in past years, the state was able to get around the due diligence time delay by borrowing cash from the state general fund to get projects started. Once the bonds were sold, proceeds would repay the general fund.

Again, this is not a normal year. The general fund is in deficit and there is no money to float the bonding projects.

Reason #4: There Are Projects Still in the Pipeline.

Even if one were to accept the governor's reasons for a bonding bill, one isn't needed. The state still has over \$1.5 billion in previously authorized projects that have yet to take place.

As Rep. Larry Howes noted, "If this is 'shovel-ready' someone forgot to buy the shovel."

Perhaps the governor should prod his own cabinet to get busy on the projects still in the pipeline before issuing yet more debt.

Reason #5: This Isn't a Bonding Year.

For many years, the state legislature only met during the odd number years. In 1973, DFL legislators changed the law to allow the legislature to meet every year. The ostensible purpose of the change was to allow for the crafting of a bonding bill.

The legislature passed a bonding bill in 2010. There are still over \$1.5 billion in projects still in the pipeline.

The Republican legislature should tell the governor to shelve his bonding proposal until 2012, the proper year for it.

STATE OF THE STATE ANALYSIS

Governor Dayton must have heard wrong. When his staff told him he had to deliver a "state of the state" address, he must have heard "state of the state government" address.

At a time when citizens were expecting to hear Dayton's plan to get wealth creation back on track in Minnesota, they were instead treated to a lecture that could have been entitled, "Why Government is Important and Can't be Cut."

Dayton's [address](#) was nothing more than a lengthy defense of government spending and the indispensable role government plays in the state's prosperity.

While he played lip service to the importance of private sector business, the core of the address supported the role of Big Government in our lives.

Dayton failed to lay out a single meaningful proposal to encourage job creators to come to Minnesota or stay in Minnesota. The only time he came close was to acknowledge an executive order to speed up the permitting process.

In fact, Dayton renewed his call to increase taxes on job creators so that government services won't be "savaged" by budget cuts.

Next, the governor expressed his concern that the state government not shutdown on July 1st if no budget agreement is reached with the legislature. He implored legislative leaders to join him in a pinky-swear, double secret probation, cross-your-heart-and-hope-to-die oath not to let government shut down because of the potential lack of a budget agreement by July 1. No state parks open for the 4th of July? The humanity!

The governor laid out a "5 point plan" (not this [5 point plan](#)) that articulated his vision for Minnesota.

Dayton started with education. Because the governor frequently confuses spending with results, he called for increasing education funding every year he's in office to get better results. It's going to be one heck of a Houdini act to see him increase education funding without proposing off-your-rocker tax increases.

He also took pains to separate himself from all the meanies who have been asking our schools to bring down costs and increase teacher accountability.

In short, as much as he protests otherwise, it's the status quo plus a few million more as far as education is concerned.

Dayton next moved to transportation, where he rightly noted that a strong transportation system is part of a health economy.

He then got his facts confused by claiming that transportation spending went down during the Pawlenty years. Not true. Under Pawlenty, the biggest transportation spending in the state's history took place.

And so did that little \$6.6 billion transportation tax increase that happened via a veto override.

The next point concerned the tired old platitude about "government efficiency," complete with the same old "blue ribbon" panels that will find some billions in savings through shared copy machines and car pools.

Of course, we also heard about our beleaguered, underappreciated government employees, which was a tip of the cap to the AFSCME endorsement Dayton got early on in the governor's race.

He finally did get around to talking about job creators, but it was within the context of the importance of public-private partnerships. The few times the governor mentioned private business in his address, it was always within the context of how government has helped the private sector.

It was also telling that every single person the governor saluted during the address was congratulated for their public service. Teachers, college administrators, former governors, and cops were all singled out for praise. Not a single job creator was mentioned or given any type of prominent role, again underscoring Dayton's lack of support for the private sector.

While the Watchdog has no quarrel with the good people who were saluted, it was telling that our job creators were left out at the very time Minnesota needs them most.

It was also a huge disappointment to see our chief executive blame others for the current situation and preemptively disavow his own upcoming budget.

"In closing, I ask all Minnesotans for the same forbearance. I ask not to be finally judged by the budget I am required to submit next week. I ask you to remember that I was not given a blank slate on which to write my best proposals for our state's future. Neither was the Legislature. We were left a horrendous fiscal mess, a decade of economic decline, and state agencies poorly managed."

Translated: Man, I sure wish the economy was doing well so I could leave government on auto pilot and spend a mountain of cash, just like Wendy Anderson.

That's leadership for you. The same kind of leadership that causes one to lock his Washington office and run scared from an imagined threat.

Mark Dayton's state of the state was a total dud that offered nothing beyond a defense of Big Government and the status quo.

It is clear that our governor believes that government is the answer to our problems.

Fluffy platitudes are easy to come by in February. We'll see what the hard choices of May bring to our chief executive.

WASHINGTON COUNTY SHAME

Washington County rightly enjoys a reputation for fiscal conservatism and is home to some of the state's most prominent conservatives like Michele Bachmann, Ray Vandever, Matt Dean, and Bill Pulkrabek.

How disappointing it was to learn this week that the Washington County Board of Commissioners doesn't have the votes to repeal a transit tax they instituted back in 2008, joining a [consortium](#) of other counties who also imposed the tax to pay for social engineering mass transit projects.

An informal test vote was taken by the board this week, with 3 commissioners voting to keep the tax and 2 voting to repeal.

Commissioners [Bill Pulkrabek](#) and [Autumn Lehrke](#) voted to repeal the tax.

The three who opposed repeal were:

[Gary Kriesel](#), who, like John Kerry, voted against the tax before he voted for it. Kriesel was one of the 2 who voted against the tax in 2008 but now supports it.

[Lisa Weik](#), who claims to be a fiscal conservative.

[Dennis Hegberg](#), who represents the most conservative area of the county, but also understands the value of [letting others drive](#) on occasion.

February 18, 2011

Public Policy Commentary

In This Issue:

1. The Dayton Budget.
2. Off Message.
3. Tingelstad Shocks the Delegates - Again.

THE DAYTON BUDGET

Governor Dayton released his proposed [Fiscal Year 2012-2013 general fund budget](#) yesterday. The Watchdog's reaction? We felt as if we were in a time warp, baby. We were transported back in time to a place where leisure suits, wide lapels and disco ruled the day. Phrases like "groovy," "dude," and "mama," dominated the popular discourse. Inflation ran in the double digits, stagflation ran rampant, and we waited in gas lines.

As yes, the 1970s. Governor Trust Fund offered up a budget that was only about 35-40 years too late.

Chock full of tax increases and way too light on reductions, Dayton is stuck in a time warp and apparently believes the world hasn't changed in the past four decades.

So let's all pile into the El Camino, put some Bee Gees on the 8 track player and cruise on into our erstwhile failed senator's proposed budget:

Tax Increases:

Dayton proposes to raise taxes by \$4 BILLION, which would be the largest tax increase in Minnesota history.

- \$2 billion would come from the creation of a fourth income tax bracket at 10.95%
- \$918 million from a "temporary" surtax of an additional 3% on incomes over \$500,000
- \$84 million from a property tax increase on homes valued in excess of \$1 million
- \$430 million from closing tax "loopholes"
- \$877 million in health care provider taxes
- \$34 million from miscellaneous sources

Budget Reductions:

Dayton proposes net spending reductions of \$525 million:

- Health and human services reductions of \$350 million

- Higher Education Reductions of \$171 million
- Public Safety reductions of \$6 million

Budget Shifts:

• Dayton proposes to continue the 2009 \$1 billion plus education funding shift beyond the upcoming budget cycle, to be paid back starting if fiscal year 2014, with an installments of 10% each fiscal year until repaid.

Other Items:

- K12 education would receive a funding increase, albeit a modestly.
- Local government aid (LGA) would not be cut.

BREAKING DOWN THE TAXES, THE REDUCTIONS, AND THE REST

If enacted, the new income tax increases would give Minnesota the dubious distinction of having the steepest income tax rates in America.

Moreover, the 3% surtax on incomes over \$500,000 is anything but permanent. We remember when Arne Carlson proposed and the legislature passed a temporary .5% increase in the state's sales tax. That was back in 1993. Only in government would 18 years be considered "temporary."

The DFL likes to label some tax increases as closing "loopholes" in the tax code, thereby implying that the tax increase is little more than a needed correction in tax policy.

Take the example of foreign operating corporations. The governor wants to raise \$277 million by taking away certain tax deductions these corporations receive, calling them a "loophole."

Instead, these deductions were part of a very deliberate public policy to encourage international trade.

Again, the governor is stuck in a time warp, back in a place and time where international trade wasn't so important.

Today, America has no real chance to significantly grow jobs without robust free trade policies. Growth markets are overseas, not at home. Even our Community Organizer in Chief recognizes this fact, pushing Congress to ratify free trade agreements with a number of nations, most notably South Korea.

Minnesota's economic future will rely more and more on trade. Even those unions jobs up on the Iron Range depend on this reality. Much of the iron ore mined on the Range is destined for foreign markets.

Regarding reductions, the governor looks for a pathetic \$525 million or so in net reductions. He proposes to spend \$37 billion, so his net reductions are about 1.5% of what he proposes to spend, while his tax increases of \$4 billion comprise more than 10% of his proposed budget.

The proposal to continue the education funding shift is a stark example of the rank hypocrisy of the DFL.

When Governor Pawlenty first proposed the shift in his 2009 budget, the DFL cried foul and dismissed the shift as "smoke and mirrors" and a budget "gimmick."

Now that the DFL governor proposes the same, there is a curious silence coming from the DFL legislators.

For the record, the Watchdog doesn't support these shifts, whether proposed by the DFL or GOP. It's high time the legislature forced some education reform by reducing K12 education aid. You can't keep 40% of the state general fund budget off limits, nor should it be off limits. There's plenty of bloat and inefficiency in our schools. Cutting the money would spark the reform.

Want some more hypocrisy? Take the proposal to hold local government aid (LGA) harmless. After declaring that the budget isn't a game, Dayton then proposes to hold LGA harmless, a move that many Capitol observers say was done to divide metro and rural Republicans (rural Minnesota gets most of the LGA), much like his bonding bill proposal.

So Dayton plays games with his budget but isn't called on it. What a surprise.

OVERALL IMPRESSIONS

THIS ISN'T A SERIOUS BUDGET

At a time when our state desperately needs leadership, the governor punted. He constructively locked his office and hid under the desk.

Dayton's budget is utterly lacking in the reform and unorthodox, out-of-the-box policy initiatives that will change the way Minnesotans think about state government.

Instead, citizens got a cookie-cutter budget straight from the DFL playbook. It's a budget proposal that does little more than continue the status quo ante plus a few billion in tax increases in a pathetic attempt to sustain the unsustainable.

This isn't a serious budget. A serious budget would have acknowledged the need for reform and significant spending reductions, not because of Republican insistence but because there is no other choice.

A serious budget would have sent the message to our government (at all levels) and to our taxpayers that we need to think about what the government does for us in a new light. A serious budget would have set the tone for the inevitable reality that state government will be pared back, like it or not (we like it).

And yes, a serious budget would have also acknowledged the reality of a Republican legislature. There is no way in he\$\$ the Republican legislature is going to ratify Dayton's appalling tax increase proposals.

Instead of a budget that attempted to meet Republicans half way, the governor laid out a laughable high-ball offer that portends contentious, adversarial budget negotiations. All the syrupy feel-good talk about cooperation evaporated in the heat of the budget battle. We have seen the governor's true colors.

The budget proposal also lacked credibility in the national context. Governors across America, on a bi-partisan basis, understand the fiscal situation. It's not just Mitch Daniels of Indiana and Chris Christie of New Jersey who are looking to reform and spending reductions while eschewing tax increases.

Also look at Democrat governors. John Kitzhaber of Oregon has proposed education funding cuts. Andrew Cuomo of New York wants pension reform for public employees. Even Jerry Brown, an icon of 1970s liberal government, has proposed serious budget reforms for fiscal basket case California.

But not Mark Dayton.

Mark Dayton has proposed hammering Minnesota's job creators with the largest tax increase in state history to create the highest income taxes in the nation to support A 23% INCREASE IN STATE SPENDING!

Remember that the vast majority of Minnesota businesses are "flow through" entities, meaning they pay their taxes as individuals, not as corporations. When income taxes are raised, taxes are raised on main street businesses, the very folks we need to get jobs created in Minnesota.

And unlike the 1970s, capital is hyper-mobile, capable of being deployed and re-deployed in the click of a mouse.

In other words, jobs, money, and other forms of capital are much more sensitive to punitive, confiscatory taxation policies. It is quite easy in today's economy for capital to flow out of punitive jurisdictions (California, New York, Minnesota) and flow into welcoming jurisdictions (Texas, North Dakota, Tennessee).

Worst of all, Dayton's budget proposal feeds into ugly human emotions like envy and greed. His "soak the rich" solution tells the majority of citizens they can continue to enjoy unsustainable governmental services that will be paid for by someone else.

His budget accuses the most successful Minnesotans of shirking their civic duties by not paying their "fair share" of taxes, even though reams of indisputable non-partisan data demonstrate a small minority of the wealthiest pay the vast majority of taxes already while consuming little in the way of government services.

Worse, Dayton also fails to acknowledge that the most successful among us provide the lion's share of job opportunities and the bulk of charitable giving that makes Minnesota a better place to live.

Instead of celebrating the virtues that made us great, like self-reliance, hard work, and thrift, Dayton's budget appeals to the worst in human nature, dividing citizens by class and encouraging sloth, envy, and perpetuating dependency.

Desperate situations demand leadership and inspire greatness. Unfortunately, not every leader rises to the challenge.

For every Abraham Lincoln, there's a Jimmy Carter.

It looks like Minnesota hired a governor sorely lacking in leadership skills. That may work when times are good. It's a disaster when the chips are down.

It's time to park the El Camino, turn down the thermostat and put on a warm sweater. A certain [malaise](#) is about to set in.

OFF MESSAGE

Memo to our Republican friends in the Minnesota legislature: you're off message. Way off message.

Throughout the 2010 campaign, Republican candidates did a magnificent job keeping "the main thing the main thing." In other words, they made jobs and the economy the central theme of the campaign.

Voters rewarded Republicans by handing them the majority in both houses of the legislature for the first time in decades.

That's why it's so puzzling to see Republicans exhibit a lack of focus so far during the legislative session.

The Republican message regarding jobs and the state budget has been confused with a host of other issues that have received media attention, including:

- The Vikings stadium
- Repealing the smoking ban
- Repealing pay equity mandates
- English only
- Photo ID to vote
- Challenging Doe vs. Gomez
- Second Amendment rights

Now don't get us wrong. Many of these issues are excellent public policy initiatives (except the Vikings stadium) that deserve to become law.

It's not a matter of policy but instead one of timing.

When these issues garner attention, they take away from the attention that should be rightfully focused on contrasting Dayton's jobs and budget plan with Republican plans regarding the same.

Republicans took the majority in both houses on the strength of independent voters. Independent voters swung radically from the DFL to the GOP in 2010. These folks provided the winning margin in some very close races.

They did so because Republicans made a strong and convincing argument that they had a better plan for jobs and the state budget.

Kurt Zellers and Amy Koch and all Republican legislators have a great message when it comes to jobs and the budget. Live within your means, don't raise job-killing taxes, and allow job creators to do their thing without undue governmental burdens.

Let that message ring loud and clear, guys! Once the budget is resolved, there will be time for other important issues.

TINGELSTAD SHOCKS THE DELEGATES - AGAIN

Former state Representative and current [registered lobbyist](#) Kathy Tingelstad has developed quite a talent for shocking the Republican establishment, especially the delegates in Senate District 49 who used to endorse her and work for her re-election.

Republicans have long been used to Tingelstad going south on fiscal issues. They well remember her [staunch advocacy](#) for the failed \$317 million Northstar rail commuter train as well as her [vote to override](#) her own governor to implement a \$6.6 billion transportation tax increase.

Believe or not, Tingelstad early in her legislative career had a solid voting record on fiscal issues. But something happened along the way.

Now it looks like the same thing has happened regarding Tingelstad's pro-life views.

At last week's district 49 BPOU convention, Tingelstad engaged in a very public and very heated argument with conservative stalwart and radio personality [Sue Jeffers](#).

As Jeffers repeatedly chastised Tingelstad for her poor fiscal voting record, Tingelstad could do little in her defense beyond asking, "What about my pro-life votes?"

True, she did have a commendable pro-life voting record as a legislator, but much like the fiscal realm, it appears something has happened along the way.

A review of 2010 [campaign finance records](#) shows that Tingelstad contributed money to both Margaret Anderson Kelliher for governor and the Friends of DFL Women political action committee (PAC).

So what's a former Republican legislator and current Republican delegate doing helping the DFL? Great question.

And what about the espoused pro-life values? Kelliher was a staunch pro-choice legislator and received the endorsement of pro-choice organizations in her run for governor, including [Planned Parenthood](#) and [Emily's List](#).

And what about the Friends of DFL Women? This organization is allied with and [works in concert](#) with a number of pro-choice organizations to [endorse and elect](#) pro-choice women. This PAC also [directly contributed](#) funds to a number of pro-choice, DFL women candidates.

The Watchdog has long maintained that Tingelstad has little credibility with Republicans in the legislature.

It now looks like she has little credibility with the Republicans in her own neighborhood.

February 25, 2011

Public Policy Commentary

In This Issue:

1. Workers' Rights.
2. Caught Lying.
3. \$32 Billion is Enough.
4. Quote of the Week

WORKERS' RIGHTS

Much has been written regarding the showdown between taxpayers and unions happening in Wisconsin and elsewhere.

The issue rightfully deserves intense coverage and belongs in the public discourse, but one essential element has been missing.

We have seen very little written about one of the fundamental issues at play - the rights of individual workers.

So far, unions have done a good job co-opting the phrase "worker rights" in asserting their interest in exactly the opposite.

The fundamental right at issue here is the right of every human being to have the freedom to contract for their labor with an employer without the interference of third parties, including unions.

Unions have long enjoyed monopoly powers over workers as the "exclusive agent" of employees, whether employees like it or not. If a particular union wins a representation election, the spoils of that victory are a "winner take all" monopoly over the terms and conditions of employment for every employee in the bargaining unit.

Human beings are reduced to a collective "unit" that experiences the same pay and benefits, regardless of merit.

While the budget battles fought in state capitals are important, the more important issues are "right to work" bills being considered in those states that currently allow unions to force citizens to belong to a union and pay union dues against their free will.

Nothing is so odious to American ideals as compulsory union membership. This situation strips citizens of their right to bargain the fruits of their labor, deprives them of the ability to individually negotiate their working conditions, and forces them to give their

money to a private entity (the union) that spends the money as they see fit, including spending money for political activities.

Forcing a citizen to belong to a union is such an affront to the constitution that it is not too extreme to say that one cannot support compulsory union membership and also say they believe in the principles that made our country great.

"Right to work" laws are nothing short of a civil rights issue. No person should be forced to participate in a union against their will.

CAUGHT LYING

It shouldn't surprise any readers of this publication that the mainstream media is biased.

We have yet another example before us regarding the way ethical matters down at the state capitol are covered.

Remember when Republican state Senator Scott Newman of Hutchinson was hauled before an ethics committee for exercising his First Amendment right to free association? You will recall that he refused to meet with lobbyists from the special interest group Minnesota Nurses Association (MNA) in part because they worked to defeat him in 2010.

The Watchdog correctly predicted Newman would be cleared by the ethics panel. So what happens when a favored special interest group gets caught red-handed lying about an important issue before the legislature?

Very little coverage, that's what.

This past week, a lobbyist for the Coalition of Greater Minnesota Cities was caught in an email encouraging city officials to lie about the impact of local government aid (LGA) cuts to cities.

In the email, lobbyist [JD Burton](#) of Flaherty & Hood, which represents the Coalition, encouraged Redwood Falls Mayor Gary Revier to conceal material information from legislators regarding his city's foresight to build LGA cuts into their budget.

The [email](#) reads:

"Please do not tell him the cuts in (sic) OK because you planned for it, even if you did. This will only lead to another massive round of cuts later this session because legislators will believe the first round of cuts caused no harm, and therefore cities should do more to "feel the pain" or "live within their means."

So where's the outrage and the media coverage?

Senator Newman was pounded into the ground for acknowledging what every legislator does and has a right to do - meet whomever they wish.

But when a lobbyist encourages an elected official to mislead the legislature, that's apparently no big deal.

What's worse, the Coalition of Greater Minnesota Cities is a special interest outfit that is funded with our tax dollars.

According to the most recent (2009) data from the [Office of the State Auditor](#) (page 203), the Coalition pocketed over \$1 MILLION in dues from cities across Minnesota. That's a cool million of your tax dollars at work.

So what we have is a situation where a government-funded lobbyist encourages an elected official who is himself paid with tax dollars, to mislead the legislature over LGA, which is also funded with tax dollars.

Unfortunately, there appears to be little the legislature can do to punish the lobbyist.

One thing they can do is ban this guy from their offices for good.

Or will that cause another media snit like Senator Newman experienced?

\$32 BILLION IS ENOUGH

The state will release a revised economic forecast on Monday that will be used to as a starting point for final budget negotiations between Governor Dayton and the Republican legislature.

The forecast is expected to show an improvement in the state's finances, which leads to an interesting issue for legislative Republicans. If there is an improvement in the state finances, should the money be spent?

Of course, the answer is "no."

Operating under the current forecast from last November, the state will take in \$1.5 BILLION more in the upcoming budget cycle than was spent in the current cycle.

This \$1.5 BILLION represents a 5% increase in state revenues.

Recall that the state is projected, if left on autopilot, to spend 27% more than the current budget. Hence, the budget deficit and the call by Dayton for astronomical tax increases.

In short, \$32 BILLION is enough. State government getting a 5% raise is far more than most taxpayers will see in 2011.

One point of concern is a small cadre of GOP freshmen who seem to be troubled that the state may "only" spend 5% more in the coming budget than is spent in the current budget.

Among those interested in boosting spending more than 5%:

Senator [Jeremy Miller](#) (Winona)
Senator [John Howe](#) (Red Wing)
Rep. [Rich Murray](#) (Albert Lea)
Rep. [John Kriesel](#) (Cottage Grove)

If you live in a district represented by these legislators, contact them and let them know 5% is enough.

QUOTE OF THE WEEK

"I have a hard time making a local benefit argument. The last I heard, the tractor pull people weren't asking for a new venue."

-Hennepin County Commissioner Peter McLaughlin on a Vikings stadium

We don't often quote the liberal commish from Minneapolis but he's dead on here.

And even though the Watchdog doesn't believe a sound economic case can be made for public stadium subsidies at all, many decision makers are getting wise to the fact that the Vikes play a fraction of the home games the Twins do, meaning a fraction of the alleged "benefit."

And a note to the Ramsey County Commissioners: You guys are being played big time. The Vikings are using you to leverage Minneapolis and Hennepin County into agreeing to a downtown stadium.

Don't forget that Zygi is a sleazy strip mall king from New Jersey. He wants real estate bucks from a stadium in addition to increased franchise value.

The real action for Zygi is in Minneapolis, not at some polluted Army dump in the suburbs, far away from their season ticket base and the transportation arteries to get fans to the game and back.

You suckers are going to alienate your voters by publically musing about a sales tax increase when it will result in nothing for your county except some hurt feelings (ask

Dan Erhart up in Anoka County) and expenses related to the junkets and dinners for county officials (again, ask Dan Erhart).

Then again, there is really no risk. The voters in Ramsey County keep sending you people back to office after your outrageous pay raises and property tax increases. Why would this foolishness be any different?

This whole stadium issue is nothing but fun for the Watchdog.

Vikings chief lobbyist Lester Bagley and his crew of incompetents are right on schedule. It's almost March and there's no bill, no funding, no location, and no local partner.

Just a lot of planted media blather with no substance.

Who needs an anti-stadium effort with Ol' Lester at the helm of Zygi's Viking Longship?

Iceberg! Dead ahead!

March 4, 2011

Public Policy Commentary

In This Issue:

1. The Capitol Week in Review.
2. Washington Week in Review.

THE CAPITOL WEEK IN REVIEW:

The February Economic Forecast.

On Monday, the Department of Management and Budget (MMB) released the updated economic [forecast](#) for the state.

Now before you yawn and bypass this news item, understand why the forecast is so important. First, the forecast provides the fiscal basis for the upcoming budget showdown between Governor Dayton and the Republican legislature.

Second, the forecast also updates the fiscal situation for what remains of the current fiscal year, which ends on June 30 and is a reflection on the fiscal policies of former Governor Pawlenty.

Third, the forecast provides a forecast for not only the upcoming budget cycle but also the one beyond that.

For the current fiscal year ending on June 30, MMB projects an improvement of \$264 million to the state's general fund bottom line. This means that the state will finish the current budget cycle with a projected positive balance of \$663 million.

That's right folks, Governor Pawlenty's last budget will leave Minnesota well over a half-billion to the good.

Not only did Pawlenty balance the state's budget without tax increases, he left his successor with a \$663 million surplus.

This is a far cry from all the liberal rhetoric about Pawlenty's fiscal austerity leaving the state in a hole. The reality is a far cry from all the wailing and gnashing of teeth from the Left about Pawlenty's policies leaving a mess for Dayton.

The reality is that Pawlenty left office with a balanced budget and a surplus to boot.

And let's not forget to acknowledge TPaw's magnificent accomplishment regarding this current budget. Namely, this is the first budget in modern Minnesota history that actually cuts spending in real terms. He didn't just reduce the rate of projected growth. This budget spends less money than the previous budget.

So where's the media on this?

In addition to the current budget improvement of \$264 million, the upcoming two-year budget cycle outlook (which begins July 1) has improved by nearly \$900 million, meaning that the February forecast has improved the state's total budget outlook by nearly \$1.2 billion over the previous forecast last November.

The upshot is that state tax revenues are expected to be \$33.3 billion in the upcoming budget cycle compared to just over \$30 billion in tax revenues for the current budget.

The the state will take in about 10% more in tax revenues in the upcoming budget cycle than in the current cycle.

In other words, without any tax increases, state spending could still rise 10% if government leaders choose to do so.

So why the projected deficit of over \$5 billion? That's easy. Thanks to the state's auto-pilot budgeting techniques, state spending is projected to be over \$39 billion. When the \$33.3 billion is combined with other inflows, the math equals about \$5 billion more in spending than revenues.

Simply put, Governor Dayton wants to jack up taxes by billions to fund a whopping 22% growth in government spending.

Republicans, thankfully, will never go for this kind of profligate spending.

Having said that, Republicans face a dilemma that is sure to cause debate within their ranks. Do they spend all \$33.3 billion on programs? Do they spend less and cut some taxes, like the job-killing corporate tax? Do they reduce the state's outrageous business property tax? Or do they spend all of it and look for even more revenue, like gambling expansion?

You know where the Watchdog is. Don't spend anymore than what we spent in this current budget. All of us have lived with freezes throughout the recession. Government can do the same.

Use the enhanced revenues to create incentives for job creators to expand in Minnesota by cutting the statewide business property tax, cutting the corporate tax rate or eliminating other small tax disincentives like the capital equipment sales tax refund delay scheme.

Republicans said they were about jobs. Prove it up.

Unemployment Down.

Minnesota got another dose of good economic news when the Department of Employment and Economic Development (DEED) [reported](#) that unemployment in the state edged down to 6.7%, the lowest rate since 2008.

Throughout the Great Recession, the state's unemployment rate was lower than the national average and often far below the national average.

Again, did the media ever give Governor Pawlenty any credit for a jobless rate far below Obama's number? Of course not. But if the economy continues to improve, look for Governor Dayton to get all sorts of credit.

Here again we have factual data supporting the theory that Pawlenty's policies were right despite a very, very difficult environment.

It just goes to show that facts never got in the way of a good media narrative.

DFL Bogus Budget Bloviating.

Legislative DFL leadership engaged in some hypocritical kabuki theater this week when they held a press conference to [demand](#) that Republicans get crack-a-lackin' on a budget proposal now that the calendar has turned to March.

Funny, the DFL leadership said at that same presser confessed that they themselves will not be submitting a budget.

Moreover, March is traditionally the time when omnibus budget bills are introduced. There is nothing unusual about what Republicans are doing regarding their budget timelines, with one notable exception.

Republicans have moved up their committee deadlines for fiscal bills to allow for more time to negotiate with the governor in hopes of avoiding a special session or a government shutdown.

This is something the DFL majority never did when Governor Pawlenty was in power.

Vikings Update.

It looks like legislators are getting wise to what the Watchdog has been saying for months about the Vikings and their ham-handed stadium efforts down at the Capitol.

This week, House Tax Committee Chairman [Greg Davids](#) publically [scolded](#) the team for not having a bill introduced despite the fact that the legislature has been in session for two months.

Davids noted that a bill should have been introduced on the first day of session.

Yeah, if you have a plan. The Vikes obviously don't.

On another front, elected officials and opinion leaders in Ramsey County continue to get played like an old banjo by Zygi.

This week, the Arden Hills City Council voted to formalize their game of footsie with Zygi via a council resolution that authorizes city staff to work with the team on a potential stadium site on the polluted plot known as TCAAP (Twin Cities Army Ammunition Plant).

Local opinion makers also stepped up Zygi's three card monte table. Both the Twin Cities North Chamber of Commerce and the Saint Paul Area Chamber of Commerce passed [resolutions](#) supporting the pursuit of a stadium.

Seduced by the siren song of fantastic claims of economic development, jobs, and the "coolness" factor of stadium, these folks have all lined up for a big dose of public humiliation when it becomes obvious that they were little more than stalking horses for a Minneapolis stadium deal.

What is always real with a stadium deal is the taxes that comprise the public subsidy to fund the football palace. Let both these chambers not be heard to complain about taxes of any kind in the future.

Now the Minneapolis deal may or may not happen, but Ramsey County isn't a serious deal.

Didn't these guys watch the Anoka County drama? Local elected officials and local chambers of commerce all stepped forward to dance with Zygi. And they all looked stupid in the end. In addition, the Anoka County commissioners got to look extra stupid because they walked away \$1 million lighter after doling out big bucks on lobbyists, consultants, and restaurant tabs for Commissioner Dan Erhart to fill his face while pretending to be a big shot dealmaker.

Suckers.

Yeah, it's different this time. Riiiiight.

Legislature Rejects Dayton's Taxes.

The legislature overwhelmingly [rejected](#) Governor Dayton's budget this week, which is no surprise.

Republicans and even many DFL legislators don't want to go home being on record for such a massive tax increase to support a 22% in state spending.

What was interesting was Dayton's shrill denunciation of his own bill.

Dayton called the vote "juvenile political theater" and even urged legislators to vote against his own proposal.

Strange, no Democrats were heard to complain about "juvenile political theater" when Democrats put Governor Pawlenty's budget to a vote of the legislature just last year.

Imagine that. Governor Dayton urging legislators to reject his own budget proposal.

WASHINGTON WEEK IN REVIEW

Obama's newfound "pro business" schtick not working.

President Obama tried on a new costume this week, that of a pro business, pro jobs chief executive.

So far, those dastardly folks who have spent a lifetime in the jungle of global corporate leadership have somehow seen through Obama's master deception plan to pull a Jedi mind trick on the business leaders in the same way he pulled a fast one on the American people.

Who knew that folks who understand how to create jobs and maximize shareholder value would be so astute?

Take a look at what some of the country's most respected leaders and respected business organizations have had to say about the president's new detente with corporate America:

[George Buckley](#), 3M CEO;

[Jack Welch](#), former GE CEO;

[National Federation of Independent Business](#) (NFIB), representing America's small businesses.

There's bloat in the federal government?

The non-partisan General Accounting Office (GAO) issued a [report](#) this week that surprised no one when it reported billions in government waste and duplicative effort.

What was surprising was the amount of waste and abuse found.

Check out this sampling of program duplication:

Food safety: 15 agencies

Homelessness: 20 programs

Economic development: 80 programs

Teacher quality: 82 programs

Transportation for poor people: 80 programs

Help people understand finances: 56

The cost of this duplicative spending is estimated to be upwards of \$200 billion per year.

This isn't at all surprising, given that government lacks a profit motive to enforce fiscal discipline. Because there is no profit motive, it is impossible to make government efficient because there is no penalty for inefficiency. In fact, inefficiency is often rewarded with even more funding, especially if there is a powerful constituency behind the program (e.g. public education).

Thus, the only true way to make government as accountable as possible is to make it as small as possible. The smaller the government, the smaller the pool of inefficiency and waste.

The Chinese own us.

Oops. The Treasury Department was wrong. They underestimated the amount of American government debt the Chinese hold.

The feds underestimated the Chinese holdings by only a mere 30%, meaning that the Chinese hold over [\\$1 TRILLION](#) in U.S. debt.

Beyond being a fiscal issue, this massive debt obligation is also a national security issue and even one that goes to our very sovereignty.

For example, the Chinese have used their debt holdings, and the threat of refusing to lend us more money, as leverage in geopolitical disputes.

The U.S. recently dropped F-16 fighters from an arms sale package to Taiwan after the Chinese [argued](#) that a sale of the fighters could make it more politically difficult to continue to lend money to the U.S.

Moreover, these massive debt payments of interest and principle enable the Chinese to pursue military advances like a Blue Water navy and stealth fighter technology, all of which threaten vital Pacific sea lanes and valuable Asian trade partners like Japan, South Korea and Australia.

Obama's solution? Even more debt.

March 11, 2011

Public Policy Commentary

In This Issue:

1. It Sure Looks Like Gangster Government to Us.
2. The Ocean of Red Ink.
3. Low VOLTage.
4. How Un-American.
5. The Hypocrisy of Calls for "Progressive" Taxes.
6. GOP Releases Budget Targets.

IT SURE LOOKS LIKE GANGSTER GOVERNMENT TO US

Congresswoman Michele Bachmann has taken a lot of heat lately from the intelligentsia over her observation that the Obama administration is running a "gangster government."

Well, if it isn't a gangster government, it sure as heck looks like one.

Gangster government ignores the rule of law. Gangster government tortures the Constitution to fuel an ever larger, paternalistic government. Gangster government establishes rules for all and then allows for "exceptions," especially for favored constituencies.

An example of ignoring the rule of law is the auto maker bailout.

The United Auto Workers (UAW) knew they were in trouble and had finally killed the goose that laid the golden egg when the economy went south in 2008.

Appealing to gangster government, the UAW and the horribly mismanaged auto makers got a bailout and were allowed to "reorganize."

The reorganization included defeating the legal and contractual expectations of auto maker bondholders.

The bondholders were shunted aside in order to make for a softer landing for the UAW.

Of course, the UAW is a favored constituency of the Obama administration.

These bondholders, many of whom were middle class individuals, purchased bonds based upon long-established laws and legal precedence surrounding bonds.

The rule of law was pitched out the window so one favored group could get a spiff paid for by another group that was denied the protection of the rule of law.

While the auto bailouts were a shocking example of gangster government, the takeover of health care has been nothing short of appalling.

The cornerstone of ObamaCare is the requirement that every American buy health insurance or face a fine.

The president and his administration have made all sorts of arguments, often conflicting, about the authority they have to force citizens into the health insurance marketplace.

To the Watchdog, it's obvious that the rationale is a tortured reading of the Commerce Clause that makes the breathtaking, unprecedented argument that the Commerce Clause can be used to force Americans to participate in commerce.

Never before in American history has the federal government compelled its people to participate against their will in commerce.

If that's not nauseating enough, take a gander at the exploding number of waivers the Department of Health and Human Services is issuing to states, unions, and other employers exempting them from ObamaCare's mandates.

The [list](#) of favored organizations receiving waivers could serve as a fundraising template and list of necessary constituencies for the 2012 re-election campaign.

Every American has a right to expect that the law will be applied equally and fairly, regardless of political influence, wealth, or other characteristic.

There is a reason why Lady Justice wears a blindfold.

Examining just the auto maker bailouts and the ObamaCare fiasco is enough to demonstrate that this administration exhibits all the hallmarks of a gangster government.

THE OCEAN OF RED INK

The Obama administration's reckless spending has created almost mind-numbing statistics regarding the national debt and the ongoing budget deficits.

More bad news arrived this week when federal officials announced that last month's federal deficit was the largest monthly budget deficit in American history.

In fact, the record \$223 billion deficit was larger than the federal budget deficit for ALL of 2007 and represented a daily deficit of nearly \$8 billion each day of the month.

Imagine that. The federal government spending \$8 billion more than it took in for every day of the month.

So far, this year, the federal government has spent over \$100 BILLION on interest payments on our debt.

So far, President Obama has run a deficit every single month he's been president.

But don't worry. All that debt has done nothing to reduce unemployment and has begun to spark wild inflation hikes in energy and food.

Can our democratic institutions survive Obama? It's going to be one heck of a test.

LOW VOLTAGE

Speaking of governmental interference in the marketplace, have you seen the latest sales figures for the Chevy Volt?

The Volt is a real "twofer" for fans of Big Government. The car is not only built by a company owned by the federal government, this electric car comes with all sorts of market-distorting favored tax treatment.

There really is no market for Chevy's electric vehicle, so the government is attempting to make one, which is nothing more than yet one more Obama administration policy attempting to force us ignorant yokels to adopt the visionary and wise policies of our intellectual superiors in Washington.

So how's that all working out for the Volt?

Drum roll, please.

This past month, Chevy sold all of 281 Volts.

To give this number some perspective, Chevy sold 142,919 autos last month, meaning that the Volt comprised just 0.1% of the total.

Maybe Chevy can start building bicycles.

HOW UN-AMERICAN

While Democrats in Washington have been hogging most of the headlines this week, Democrats right here in Minnesota have been enjoying some humble pie as well.

There were media stories this week highlighting the difficulty many cities and counties are experiencing as they attempt to deal with the state's "Buy American" law that forces them to purchase American made products, such as police uniforms.

Not surprisingly, the law has often made it difficult and expensive to find domestically manufactured products, as the American product is sometimes more expensive or is even not available.

Thus, this feel-good law amounts to nothing more than an unfunded mandate on local government.

Moreover, the law is un-American in and of itself. Competition is an American virtue. Merit is an American virtue. Protectionism and the closing of competition is decidedly un-American.

Local units of government should be free to choose the manufacturer they believe offers the best product for the best price, regardless of country of origin.

Moreover, the practical aspects of what constitutes "American" can be a problem as well.

What if parts are made in Canada and parts are made in America? What if the plant is located in Mexico but the company headquarters are in Minnesota? What if the plant is located in Iowa but the company is headquartered in Germany? What if 50% of the ownership is Japanese and 50% American? What if 100% of the parts are manufactured in South Korea but the whole of it is assembled in North Dakota?

Really, folks. There's a budget problem to solve.

THE HYPOCRISY OF CALLS FOR "PROGRESSIVE" TAXES

Okay, the Watchdog will just come out and say it. We're getting really sick and tired of hearing DFL legislators and Governor Dayton bray on and on about the need to make taxes more "progressive."

"Progressive" taxes punish successful people more, making them pay their "fair share" as the DFL likes to say.

Conversely, "regressive" taxes hit the poor harder.

It is a fact that income taxes, when tiered by income brackets, are progressive. An example of a regressive tax is the sales tax. It hits the poor harder because they spend more of their income paying sales taxes.

So if a progressive tax structure is so important to the DFL, why do they back regressive taxes?

Why did the DFL legislature in the 1990s go along with Arne Carlson to impose a .5% increase in the state sales tax that we're still paying today? Why have they never supported a repeal?

And how about the sales tax increase to fund the arts, bike trails, and nature?

That bill passed with the help of 68 DFLers in the House (out of 85) and passed the Senate with 35 DFL votes (out of 44).

And how about that bill to raise the Hennepin County sales tax to build a ball park for the Pohlad's family enterprise?

34 out of 66 DFLers got it through the House while 23 of 35 DFL senators helped get the bill passed in that body.

So spare us all the hand wringing about taxes in Minnesota being too regressive. You helped make it so.

GOP RELEASES BUDGET TARGETS

Both the GOP House and Senate released budget targets yesterday. As expected, their budgets don't raise taxes and spend within the forecast revenue amounts.

The Watchdog is analyzing the budgets in detail and will have a more in-depth report next week.

March 18, 2011

Public Policy Commentary

In This Issue:

1. Tax Burdens - What's Fair?
2. Those "draconian" Republicans.
3. The Stadium Comedy.

TAX BURDENS - WHAT'S FAIR?

The headlines in newspapers and the liberal blogosphere went haywire this week with hysterical claims that Minnesota's tax system is unfair, that it slams "working" folks while letting the "rich" off the hook.

The cause for panic amongst the Marxist set was the annual release of the Minnesota [Tax Incidence Study](#), published by the Minnesota Department of Revenue (DOR).

The study causes lawmakers and policy makers to sit up and take notice because it is thorough, accurate, reputable, and professional. The study is put together every year by a team of non-partisan tax professionals at DOR who enjoy a reputation for unbiased and objective work in an area that inevitably attracts emotional and vitriolic rhetoric.

The same reputation for professional and unbiased work, unfortunately, isn't enjoyed by the "journalists" who toil at the liberal rags that pass for newspapers and legitimate public policy web sites.

They shrieked their collective horror at the study's conclusion that the top 10% of income earners in Minnesota pay 10.3% of their income in state and local taxes while the other 90% pay 12.3%.

This news, of course, drives liberals nuts because in their world, successful people should be punished while the less successful should be rewarded. The lever for that balancing is the government, which is asleep at the switch, in their view.

Inevitably, the news over the next days and weeks will be filled with calls by the DFL and their media allies to "balance" the state's increasingly "regressive" tax system by raising taxes on job creators and, by the way, bringing some more moolah into state coffers to help sustain those double digit spending hikes that are so critical to the government economy that sustains liberal politicians by sustaining their political patrons (e.g. teacher unions and the social services industrial complex).

The dirty secret is that these outlets are cherry picking the data and not telling the full story.

Putting aside philosophical arguments about the efficacy of a progressive tax system, let's get under the hood of the study and take a closer look at a couple of critical data sets to better explain what's happening.

There are two ways that a tax system becomes more regressive. The first is to cut taxes for those at the top of the income distribution ladder. The other way is to increase taxes for those at the bottom.

Just last week, the Watchdog called out DFL legislators precisely for raising taxes on folks at the bottom and then hypocritically decrying the growing regressivity of the tax system.

All taxes aren't created equal. Some are progressive in nature while others are regressive.

A system has been created to measure taxes on this continuum. The "Suits Index" is a system that tells us which taxes are progressive and which are regressive and how much so.

Check out the taxes that are most regressive:

- Tobacco taxes;
- Minnesota's "sick tax" to fund state health care;
- Utility taxes;
- Gasoline taxes;
- Estate taxes;
- Gambling taxes;
- General sales taxes;
- Corporate taxes (which in some fashion are passed to consumers).

Think about it. DFLers have participated in raising just about every one of these taxes in the recent past. And then they turn around and cry foul over a system that has become more regressive.

Now there are two way to fix this "problem," if that's what you think should be done from a public policy perspective.

You could adopt the DFL plan, which is to raise progressive taxes, meaning the income tax, and therefore bring more money into government.

The alternative is to cut regressive taxes, which is what House Speaker Kurt Zellers suggested in response to the media breathlessly demanding his reaction to the news that job creators and other successful people aren't ponying up their "fair share."

Are the wealthy paying up when it comes to taxes?

Take the income tax, for example.

When broken down by decile, you can see that the successful pay the majority of the income tax.

And the less motivated amongst us?

The bottom 10% don't pay ANY income taxes. In fact, they get back from the state over \$17 million through refundable credits and other goodies.

The next 10% pay NO income taxes and receive \$23 million in refunds.

The next 10% pay in, net, a little over \$4 million, which is less than 1% of the total income tax collected.

The next 10% pay, net, about \$80 million, about 1.1% of the total.

The next 10% pay, net, about \$207 million, about 3% of the total.

The next 10% pay, net, about \$357 million, about 5% of the total.

The next 10%, net, pay about \$526 million, about 7.5% of the total.

The next 10%, net, pay about \$788 million, about 11% of the total.

The next 10% pay, net, about \$1.2 BILLION, about 17% of the total.

The next 10% pay, net, about \$4 BILLION, about 56% of the total.

Put another way, the top 20% (those with household incomes above \$90,000 per year) pay nearly three-quarters of the income tax while the bottom 20% pay nothing and even get something back.

Put another way, the top 5% of households (households income above \$183,000) pay about 43% of the income tax.

Put yet another way, the top 1% (household incomes above \$430,000 per year) pay about 25% of the income tax.

That, loyal readers, is what the media won't be telling you about Minnesota's tax burden.

Are the successful paying their fair share? They most certainly are and then some.

If the DFL wants a more progressive system, maybe they ought to rethink all the regressive taxes they've embraced to satisfy other elements of their constituency.

THOSE "DRACONIAN" REPUBLICANS

Governor Dayton emerged from his [broom closet](#) this week just long enough to blast Republican budget targets as "draconian," meaning that they deeply offend the liberal world view of government and its expanding role in our society.

A simple check of the elementary math leads any rational thinker to ask just what in the he\$\$ Governor Dayton is talking about.

Both the GOP House and Senate budget targets propose to spend just over \$34 billion in the upcoming budget cycle. That's a fact.

The next fact is that the state will spend about \$30 billion in the current budget cycle, which ends June 30.

Any first grader can tell you that these numbers mean that the GOP intends to INCREASE spending in the next budget cycle, not CUT spending.

The numbers make for about a proposed 13% increase in state spending, which is a little rich for the Watchdog's blood.

The GOP can do better.

Only in liberal government world does a 13% increase in government equal to a severe cut.

Beam us up, Scotty!

THE STADIUM COMEDY

Zygi's quest for a new football palace has become nothing short of a political comedy, such as they are.

Just a week out from the first legislative deadlines at the Capitol, the Purple Purveyors of Political Perfidy still lack a financing plan, a location, a local partner, legislative champions, and a bill.

In fact, it appears that things are getting more and more desperate for Zygi's quest for stadium welfare.

A new concept involving unprecedented stadium piggery has been floated for our consumption.

This plan proposes not just a shiny new palace for the Vikes, but also a new home for the minor, minor, minor league baseball Saints, a renovated Target Center for basketball's Timberwolves (they're still here?) and the retirement of remaining debt for

the home of the Minnesota Wild, perhaps the most mediocre team in professional sports today.

Of course, one of the financing options for this Old Country Buffet style stadium plan is a Metro-wide sales tax increase.

With DFL luminary Ted Mondale now the public point man on the stadium front, do you get what we are saying when we talk about DFLers and regressive taxes?

Mark our words. At some point soon, there will be DFLers coming forward to endorse some type of regressive tax to build mega-rich tycoons a stadium or two in which their very rich employees will ply their athletic skills.

And those same DFLers will also be among the crowd lamenting regressive nature of our tax system.

While we can take a snarky chortle from the Vike's woeful political situation, things may be a bit more serious for elected officials over in Ramsey County, who have been playing footsie with the Vikings in the back of Zygi's Rolls Royce.

Recently, Miami-Dade Mayor Carlos Alvarez (Miami-Dade has unique metropolitan form of government) was [ousted](#) from office in a recall election.

Remarkably, 9 out of 10 voters chose to reject a sitting mayor and send him packing.

The reason? In large part, he got booted because he pushed for a new stadium for the Florida Marlins, raised property taxes in a recession, and got paid a fat salary well above what most taxpayers in the area make.

Geez, any parallels there between Miami-Dade and one possible Ramsey County future?

See you next week, Watchdogs. Keep em' accountable!

March 25, 2011

Public Policy Commentary

In This Issue:

1. Saint Paul Update.
2. Washington Update.

SAINT PAUL UPDATE

Item 1: It's been a busy week at the Capitol for omnibus bills. "omnibus" bills are the finance bills that comprise the GOP majority budget proposal in each house for the upcoming two-year (aka "bi-ennial") cycle.

Both the House and Senate are working overtime in order to meet a deadline of today to pass all budget bills through all committees in each house of origin and on to the floor.

Because these bills don't match up exactly, the bills will then be sent to a conference committee, where select legislators from each body will work to craft a "conference report," which is nothing more than an agreed upon bill.

The conference report will then be sent back to voted upon, without amendment, by each body.

If a bill passes both bodies, it is sent on to Governor Dayton's desk, where he has the option of signing or vetoing the bill (he also has the option to let a bill become law without his signature, but that rarely happens).

It is widely expected that Dayton will veto the GOP bills because they don't tax and spend enough for his liking, with the possible exception of the agriculture/veterans bill, which is historically a bi-partisan affair.

Once vetoed, the governor and the legislature have until approximately the end of May to reach a budget solution. This date is the constitutionally mandated end of session.

If no budget agreement is reached by then, it would be up to Governor Dayton, in his sole discretion, to call a special session of the legislature.

Once called, the next important date is July 1, the start of the new fiscal year. If no budget agreement is reached by then, the unfunded parts of government will shut down and the courts will get involved.

The courts will get involved by deciding which governmental services are "essential" and must remain in operation, whether the legislature likes it or not. The Watchdog

finds this state of affairs unconstitutional, but that's the state of the jurisprudence right now.

Look for a special session followed by a government shutdown that will only end when one party declares defeat and goes home.

It's the GOP no-new-taxes immovable object versus Governor Dayton's tax-the-rich irresistible force.

It's hard to see a way out of this conflict without one party losing face and retreating on a key campaign promise.

Buckle in for a long, bumpy ride, Watchdogs. Someone is going to get smoked.

Item 2: Religious leaders have become lobbyists and political opinion makers, taking sides in the partisan budget warfare by supporting the notion that government should, by threat of force and deprivation of liberty, confiscate the wealth of one citizen to hand over to another.

A [letter](#) signed by Catholic and Lutheran clergy leaders addressed to legislators suggests "both dollar savings and increased income (aka tax increases) to achieve a balanced budget..."

Since when did church leaders go from providers and doers of charitable works to lobbyists and budget experts?

If these church leaders truly believe that a \$3 billion increase in state spending isn't enough and that government needs more "resources," perhaps the property tax exemption churches enjoy should be repealed in whole or in part.

In Minnesota, billions in property tax revenue is lost because churches don't pay taxes on the property they own. Having said that, they still call the fire department if the church catches fire. They still call police if someone steals from the Sunday collection box.

We can't help but wonder how eagerly these leaders would support increased taxes if they were among those who would bear an increased tax burden.

The call for higher taxes by these leaders is unfortunate because they should know and appreciate that higher taxes mean that many people will be unable to continue to give to their churches or contribute to other organizations that undertake charitable works on behalf of the less fortunate.

Who would have thought we would see the day when church and state would team up in favor of bigger government budgets at the expense of family budgets.

Item 3: We have heard and will continue to hear the mantra that the budget solution must be a "compromise" and a "mix" of spending cuts and tax increases.

We are told that such a solution is the "middle ground" of the debate and thus a fair place in which to reach a compromise.

That's a bunch of bunk and an overtly simple solution for both non-critical thinkers as well as the unprincipled.

Crafting a budget free of tax increases IS THE MIDDLE GROUND. It is the COMPROMISE position.

In the past 50 years, the state has seen both taxes and spending skyrocket, with an average spending increase of 21% every budget cycle since 1960.

A budget that holds the line on both taxes and spending would represent one of the few instances in the past 5 decades where government exercised some restraint.

If legislative Republicans are to be true to their brand and their campaign promises, they will unite behind fiscal restraint and hold together for as long as it takes to win the day.

To do otherwise would doom the party to minority status, much as Republicans in Washington were after they failed to live up to their promises and their stated principles.

Item 4: Can we stop with all the handwringing over Local Government Aid (LGA)?

LGA is essentially welfare for cities and counties, and much like welfare for people, LGA provides a disincentive for the recipient to do the correct thing.

First, LGA encourages a lack of fiscal restraint because, to the recipient city or county, the money is "free" because the local unit of government didn't have to raise the taxes that funded the LGA. The legislature taxes the money, the locals spend it.

This disconnect between the taxpayer and the spender reduces accountability and transparency.

In addition, like welfare, LGA encourages inefficiency and delays needed reforms. For example, many cities and counties that would be more efficient if they merged in whole or in part don't because LGA papers over budget gaps that indicate that the current state of affairs is unaffordable.

With some cities getting over 30% of their general fund budgets from LGA, it is clear that many of them would be better served by dissolving back into a township form of government or by merging services with adjacent jurisdictions.

Of course, the obstacle is political, not fiscal. Local legislators are harangued at every turn by city and county officials back home who just can't imagine life if Mayberry dissolved or if old Cletus was no longer the fire chief or if the city police force of all three officers went away in favor of coverage by the sheriff's office.

Item 5: Here is one of the most ridiculous items of the legislative session. [Representative Tina Liebling](#) introduced an [amendment](#) to the omnibus Health and Human Services bill that would require the commissioner of Human Services to buy a Mega Millions lottery ticket and count the potential winnings in the budget.

Of course, Liebling is being nothing more than a wise a**, emphasizing her haughty, arrogant view that the GOP hasn't come up with spending plan that meets her standards.

Antics like this do nothing to further the process or the debate on a such a serious issue.

Moreover, her amendment wasted taxpayer time and resources. A research staffer, on state time and money, had to draft, copy, and deliver the amendment. Another staffer had to post the amendment to the Internet. A committee page had to make multiple copies of the amendment for committee members and the public in attendance.

Such amendments also take precious committee time.

Stunts like this provide a window into the mentality and maturity of some DFL legislators.

Get real, Representative Liebling.

WASHINGTON UPDATE

With the country rightly focused on the Community Organizer in Chief's ineptitude as Commander in Chief on full display over the Libyan action (what is it, really? War? An intervention? Civilian protection? Regime change? A distraction from the one-year anniversary of ObamaCare?), we wanted to make sure you kept up to date on a couple of other items.

Item 1: Speaking of ObamaCare, one of the law's staunchest defenders, New York Congressman and all-around jerk [Anthony Weiner](#), spoke publically this week of the possibility of New York City seeking one of those infamous Golden Ticket Waivers from the onerous provisions of the law.

And given Weiner's superb liberal credentials, he would be in a position to seek a favor from the Obama administration, which believes that laws should be selectively applied

and applied mostly to opponents or at least those who aren't down with the B to the H to the O.

Weiner is taking a special interest in New York City as he is rumored to be interested in being mayor.

Only in New York would a [weiner](#) like Weiner be a contender.

Item 2: Too bad they don't teach math at Harvard Law School. While driving the country's finances off a cliff, we learn that Obama has been cooking the books as well.

Instead of driving us over the fiscal cliff at NASCAR speed, we learn this week that we are being driven over the edge on a rocket ship.

The Congressional Budget Office (CBO) this week [announced](#) that Obama's fiscal year 2012 budget understated the deficit it would produce by \$2.3 trillion.

Yes, Obama had told the country his budget would "only" add \$7.2 TRILLION in deficits over the next ten years.

Now we find out that the true number has been missed by a mere 30% or so! The real deficits caused by the proposal are estimated by the CBO to be \$9.5 trillion.

What accounts for the difference? First, Obama was just a wee bit too optimistic about economic growth over the next ten years.

Second, a supposed half trillion in "savings" from changes to how the feds finance highway projects and Medicare doctor payments were dismissed by CBO as too vague to be reliable.

The Watchdog understands that it's easy to become desensitized to numbers this big, but every American ought to be concerned not only with Obama's deficits but with the creative bookkeeping employed to mask the true depth of his outrageous and irresponsible spending.

This man is a failed president.

April 1, 2011

Public Policy Commentary

In This Issue:

1. Is GOP Losing the Budget Battle?
2. A Governor, Not a King.
3. Another Problem with Soaking the Rich.
4. Ridiculous Quote of the Month.

IS GOP LOSING THE BUDGET BATTLE?

We confess, Watchdogs, Harold Hamilton is getting a little concerned that the GOP down in Saint Paul is losing the budget battle with the DFL and Governor Dayton, both in terms of policy and politics.

As the Dog has explained in recent weeks, the GOP in both the House and Senate is proposing to spend about \$34 billion from the general fund in the fiscal year 2012-2013 biennium. In the current biennium, the state is spending about \$30 billion.

In other words, the GOP-led House and Senate is proposing a spending increase of nearly 14% over the current budget.

This large of an increase right out of the gate is bound to cause some angst amongst the Republican base and perhaps pose problems with respect to the end game negotiations with the governor.

First, the GOP base, deeply concerned about the size and scope of government, is sure to be concerned that a double-digit spending increase continues to take government in the wrong direction, providing too large an increase to this always money-hungry Leviathan.

To be fair, some of the spending increase isn't "new" spending. Some of it instead uses state monies to replace one-time federal "stimulus" funding that helped paper over budget gaps in the 2009 and 2010. The decision to take this stimulus money was made before the GOP gained control last November and certainly isn't the fault of the new legislative leadership.

Nonetheless, the size of the proposed increase does grow government above the recent history under Governor Pawlenty's leadership. Below are the general fund increases under Pawlenty's reign:

FY 04-05: 5.6%
FY 06-07: 11.9%

FY 08-09: 7.5%
FY 10-11: -10.6%

Yes, you read that right. For fiscal years 2010-2011, the state's general fund budget was cut in real terms, it's not merely a smaller increase than forecast. For the first time in modern Minnesota history, Governor Pawlenty achieved an actual reduction in state spending, with a DFL-dominated legislature no less.

Second, these GOP budget proposals are not so much budgets in and of themselves but rather the establishment of negotiating positions for the budget negotiations that will begin in earnest after Dayton vetoes the bills when they reach his desk next week.

Viewed another way, these budget bills represent the GOP's opening position regarding the negotiations in much the same way that Governor Dayton's proposed budget represents his opening bid.

In short, the GOP position represents the budget "floor" while Governor Dayton's budget represents the "ceiling."

Thus, it is highly likely that the final budget will fall within a range of increased spending between 14% (GOP position) and 22% (Dayton position).

If the GOP is to maintain a position against tax increases, their leadership will have to hold a strong line at the current spending position, leaving little bargaining room with the Governor.

Finally, the DFL has done well so far to frame the global budget debate as one between GOP "cuts" and DFL "investments," with the GOP reductions being "severe," "devastating," and "draconian." (The "draconian" adjective is a loser for the DFL. Most people don't know who the Athenian [Dracon](#) was nor do they understand his place in antiquity.)

The GOP needs to do a better job framing the debate as one between responsible, reasonable growth, coupled with reform, and a massive increase, financed with tax increases, lacking any measure of reform.

In other words, the debate should be framed as a choice between responsible growth and meaningful reform and the same old DFL solution of massive, irresponsible growth larded on top of the same old broken, inefficient system.

There are no "cuts," as much as that may chagrin some conservatives. Instead, the GOP is offering a smaller increase than what the bureaucrats forecast (27%) and what the DFL wants (22%).

Thankfully, the GOP has excellent leadership in Speaker Zellers and Majority Leader Koch. Moreover, they are supported by a very capable staff and an energetic rank and file.

Whatever battles they may be losing, they can most certainly turn things around to win the battles. And win the war they will.

This brave band of legislators is undertaking the tough task of wrestling the government beast to the ground. They are the subject of much hatred and vitriol from the special interests who make a living from the welfare state.

These legislators are doing good work and are steadfast in their support of smaller, efficient government as well as their opposition to tax increases.

They deserve our thanks and support.

A GOVERNOR, NOT A KING

Quick, someone get our rookie governor a copy of the Minnesota Constitution. Apparently, he thinks that he's a king and not a governor.

In addition to showing a petty, peevish side by publically lambasting GOP proposals at every turn, the governor also inserted himself into the mechanics of the budget process by [proclaiming](#) that he won't negotiate with the legislature unless and until a number of his demands are met, including a complete budget and the submission of the legislature to executive branch bureaucrats as the sole arbiters of budget numbers.

First, the legislature has always passed budget bills in chunks, known as "omnibus" bills. These bills follow a logical sequence of passing through their constituent committees and then on to the floor for final passage. It makes sense, for example, that the education bill only speak to education funding. In fact, the [Minnesota Constitution](#) requires it, stating that all bills must embrace only one subject. Again, someone get that man a copy of our founding document!

Next, it is the sole province of the legislative branch to assemble the budget. Any fourth grader can tell you all about the legislative branch being the dudes who hold the purse strings.

The governor doesn't get to dictate how the legislature, a separate, coordinate branch, goes about its fundamental business.

The legislature, within the bounds of the constitution and the law, has the privilege of crafting the budget as it sees fit. The legislature is under no requirement to agree to treat the bureaucracy, in this case the Department of Management and Budget, as the sole arbiter of the calculated budgetary savings of the proposed legislative budget.

Of course, the governor does have veto power over all bills presented for his signature. But that veto power is a privilege over only the final product, not the process.

Moreover, the governor has it half right. It isn't only about a budget that he is willing to sign. It's also about a budget that will garner enough votes to pass the legislature.

It looks like Dayton is doing more to position himself to avoid blame than reaching out to the Republican leadership to find a way to reach a budget agreement.

Dayton apparently doesn't understand that in the eyes of most citizens, he IS the state government. He is looked upon to take the high road and find solutions to problems, regardless of his party affiliation or that of the legislature.

For better or worse, the failings of state government fall on the shoulders of the governor and not the legislature.

If a budget solution isn't reached and a government shutdown drags on, Dayton will find this out the hard way, as he takes the blame for the budget stalemate.

Dayton would better served to foster conditions conducive to a budget solution and hone a public image of a governor who is above the fray, working to bring people together to find solutions to very tough problems.

The image he's crafting as a shrill, hyper-partisan cheerleader for the liberal cause who will accept nothing less than that which meets his demands will not serve him well.

Citizens expect the governor to govern, regardless of the circumstances, as tough as they may be.

Dayton is playing with political fire.

ANOTHER PROBLEM WITH SOAKING THE RICH

America's best newspaper, the Wall Street Journal, had a great [article](#) this week examining another problem with the "soak the rich" tax mentality that doesn't get much attention.

While many public policy groups, including the Watchdog, have explained that high tax burdens on the wealthy kills jobs and innovation and contain a component of moral repugnancy, few have examined how this philosophy creates tax revenue volatility.

Lawmakers and taxpayers across the board decry the "boom and bust" roller coaster of government budgets, where money falls like rain in good times and disappears in a puff of smoke during bad economies.

The primary culprit of the boom and bust cycle is the heavy dependence on a small segment of wealthy individuals who provide a large chunk of tax revenue to state coffers, especially in states with highly progressive tax structures like California, New York, Connecticut, and Vermont.

Wealthy individuals tend to have very volatile incomes themselves, often tied to financial markets through stock-based pay or other investment vehicles. According to the Journal, for example, between 2007 and 2008, the incomes of the top earning 1% fell an average of 16%, while the incomes of U.S. earners as a whole fell only 4%.

Thus, when the economy is doing well, states with progressive taxes see huge revenue windfalls and see just the opposite when the economy heads south.

So while it might make some feel good to pound the rich, this philosophy is responsible for the whiplash finances of many state governments and the current predicament they face.

To wring volatility from budgets and create stability, tax codes should provide for a broad tax base with low rates, not one with a narrow base featuring high rates for a very small group of earners.

It's ironic that all the special interests who are fretting over government not having enough money to feed their appetites have only themselves to blame.

RIDICULOUS QUOTE OF THE MONTH

It's only April first but we already have a winner for the month's most ridiculous quote. Drumroll, please. The winner is Education Minnesota union president Tom Dooher.

Making remarks before the union's Representative Convention, Dooher noted that the union's opposition to education reform and the current political environment wasn't merely a clash of opposing public policy ideas.

Oh no. For Dooher, the political clash of ideas is "a struggle about preserving basic human rights."

Oh, really? Since when did working 9 months a year become a basic human Right? Since when did preserving teacher "prep time" become a basic human right? Are teacher tenure rules that make it all but impossible to fire incompetent teachers a basic human right, too?

What a stupid comment. Basic human rights are concerned with truly serious issues like genocide, political oppression, and the abrogation of civil rights.

To compare the preservation of a limited work year and gold-plated benefits to the fight to prevent another Rwanda, Soviet Union, or Srebrenica is appalling.

To the best of the Watchdog's knowledge, no public school teacher in Minnesota has been imprisoned for their union advocacy. To the best of our knowledge, no teacher has been stripped of their right to life, liberty, or the pursuit of happiness because of their professional life. That's laughable.

Dooher ought to be ashamed and apologize immediately for his boneheaded remark.

April 8, 2011

Public Policy Commentary

In This Issue:

1. Zygi Wilf: Going Forward in Reverse.
2. CATO Strikes Again!
3. Dayton Shortchanges Roads and Bridges.
4. Obama Passes Gas.

ZYGI WILF: GOING FORWARD IN REVERSE

The Watchdog continues to derive oodles and oodles of [schadenfreude](#) at Zygi Wilf's expense as his quest to shaft taxpayers into funding his latest real estate project, er, stadium, continues to be as popular as child molesters and Ebola down at the Capitol.

With just six weeks left in the 2011 legislative session, the Vikings still have no stadium bill. They have no local partner. They have no stadium site. They have no legislative champions other than a couple of legislators.

Yes, with just six weeks left until the legislature hits the Vikings self-imposed calendar ultimatum, the best Zygi, his millions, and his numerous [hired gun lobbyists](#) could muster was a meager letter outlining some of the broader points of the "forthcoming" (since February) bill.

In public relations terms, this latest gimmick had all the impact of a popcorn fart out of a field mouse.

Aren't public relations campaigns supposed to gain momentum over time and BUILD support?

The stadium drive appears to be doing just the opposite, diminishing support and momentum over time. Leave to Lester Bagley and Zygi to jump in the car, hit the gas, and shift into reverse.

It was hilarious to watch the Vikings try to praise the letter while at the same time pretending that they didn't know it was coming.

Jeff Anderson, talking head for the local football squad, declared tepidly that the letter was a welcome conversation starter.

Huh? Maybe no one told Zygster and Vikes that the session ends in six weeks. It's a little late to be "starting conversations" for a \$1 billion mega-project.

Moreover, Anderson's quote belies an obvious fact; Minnesota has been having a conversation about Zygi's new football stadium for a long time. He just doesn't like what taxpayers are saying.

Even better, legislative leaders knocked each other over rushing to the microphone to be the first to publically disavow any support or even knowledge of the stadium plan.

What was it President Kennedy said about failure being an orphan? When it comes to this [ugly baby](#), no one wants to claim legislative paternity.

House Speaker Kurt Zellers was characteristically blunt when he said of the letter, "I don't think it has anything to do with us." He further remarked that his caucus would only act on the bill when they absolutely couldn't avoid it anymore. "Our job is, once they present a bill with those components (financing, site, etc.), then we can act on it."

Senate Majority Leader Amy Koch similarly treated the letter with all the enthusiasm of an impending root canal. Koch noted that her team would be "cautious" about entertaining Zygi's dreams while simultaneously dealing with a massive budget deficit.

And what of Senate Minority Leader Tom Bakk, who just last year was a champion of the stadium issue?

My, what a difference a year makes. Of the four legislative leaders, Bakk was the most pessimistic, declaring that there wasn't enough time left in the session to properly consider a stadium bill. Ouch.

So how about House Minority Leader Paul Thissen? Could Zygi go one for four with his letter?

Nope. Thissen said it would be difficult to support raising taxes when the legislature was resistant to raising taxes to support spending in program areas like health care and higher education.

In short, the stadium letter garnered no support from all four legislative leaders.

And what of those taxes outlined in the letter? Among them were a surcharge on player salaries, a new tax on sports memorabilia, and the now-infamous exemption from a local referendum to implement a local sales tax to finance the local partner share of the stadium plan.

Ironically, the Vikings dissed their only hope for a stadium thus far by expressing concern over the player income tax surcharge. Players already pay part of their salaries into a league fund that helps finance stadiums, so the league and the players' association would have concerns. And so would the Vikings, who would have to lure free agents and attempt to attract other talent in a high-tax environment. What player wants to pay a higher income tax just to play for the Vikings?

The memorabilia tax attracted the ire of local sports stores and other memorabilia outlets that fear that a new tax will simply drive consumers to the Internet, where they can avoid the tax.

Perhaps most offensive, however, is a proposed exemption from a local sales tax referendum. Readers will recall that Hennepin County didn't have to put their local sales tax for the Twins stadium up for a referendum because their stadium bill provided an exemption.

Of course, the Vikings want the same exemption, even though state law says local sales tax increases must be put to a vote of the people.

The simple reason that the Vikings don't want to face the voters is that they know they would lose. Readers will also recall that Saint Paul under then-Mayor Norm Coleman put a sales tax for the Twins up for a referendum in 1999. Despite a well-financed campaign, the referendum lost 52-48.

Despite the money, lobbyists and influence the Vikings can bring to bear on the legislature, it is appearing more and more likely that the team won't get a stadium this session.

Why is that? In addition to the usual left-right coalition of folks who don't want to spend tax dollars to subsidize a stadium, additional dynamics are at work against the stadium effort.

First, the economy has dimmed public enthusiasm for a stadium. When you're out of work and losing your house, it's hard to get motivated to call your legislator and tell them to work on getting a billionaire a football field.

A second, related point is the state's fiscal situation. For folks who would normally be willing to have the legislature consider a stadium, it's hard to do when people are getting kicked off health care and courts are facing cuts. For them, a stadium is a low priority under these circumstances.

The third group cares about the on-field product. Ironically, the Vikings' Super Bowl near-miss in New Orleans in 2009 hurt the team's stadium chances when the team tanked in 2010. The mediocre 2010 season stood in stark contrast to the excitement of the 2009 season, sapping even die-hard football fans of their stadium spunk.

Finally, a large segment of the public has developed stadium fatigue. The Vikings have been pushing the issue so hard for so long, some taxpayers have become desensitized to the issue. For them, it's become background noise.

In sum, the key to legislative action is convincing the legislature that their constituents want an issue resolved and resolved now. The Vikings have so far utterly failed to convince legislators that the folks back home want the stadium situation resolved.

CATO STRIKES AGAIN!

Many readers are familiar with the Cato Institute, a wonderful pro-liberty think tank that offers practical and thoughtful policy proposals to shrink government and restore individual liberties.

Cato is great because they aren't afraid to call out both Republicans and Democrats for their profligate spending and sometimes tyrannical ways.

Cato has one again rendered great service to the country by launching downsizinggovernment.org, a comprehensive web site that examines the federal budget line by line and identifies significant budget savings, not the paltry \$61 billion Republicans want in the current budget cycle, even though we give kudos to Paul Ryan regarding his long-term plan to salvage America's future by reducing long-term expenditures \$6 trillion.

The web site's department-by-department examination of unrealized savings is among the best work we've seen in some time.

Do yourself a favor and spend some time getting familiar with Cato and their good work.

Better yet, turn your congressional representatives onto this web site and tell them to get their spending under control.

DAYTON SHORTCHANGES ROADS AND BRIDGES

Governor Dayton this week released his administration's 2011 summer road construction plan, all \$900 million of it.

The 2011 road construction program is significantly smaller than Governor Pawlenty's 2010 plan, which spent \$1.3 billion.

So Dayton cuts road and bridge spending by over 33% and we get not a word of criticism from the media.

Rest assured, if Tom Emmer were governor, the media and the Left would be all over him, bashing him for a lack of "investments" in roads and bridges.

The media would surely crow that Emmer couldn't even deliver on roads and bridges, something Republicans actually support.

Yet Dayton gets a pass.

To give readers some perspective regarding Pawlenty's record on this issue, which critics always based as too little, too late, we have listed road and bridge spending years that exceeded \$1 billion:

2010: \$1.3 billion

2009: \$1.4 billion

2007: \$1.5 billion

2006: \$1.5 billion

2005: \$1.7 billion

Not bad for a Republican who was constantly based for not "investing" in the state. We'll see in time how Dayton compares in this regard.

OBAMA PASSES GAS

Speaking of rank hypocrisy, the media and liberal silence regarding our President and the massive spike in gasoline prices on his watch is simply deafening.

Where are Chuck Schumer and Nancy Pelosi when you need them and some good old demagogue action?

Where are the calls for congressional hearings on price gouging?

Where is the demonization of Big Oil and Halliburton?

Apparently, such hysterics only apply to Republican administrations.

For his part, the Community Organizer in Chief was right on cue, providing his own special brand of ineptitude on the issue.

Fresh off his bungling of Libya and the handing out of hundreds more ObamaCare waivers, the president had a let-them-eat-cake moment when he told a concerned citizen that there wasn't much he could do about high gas prices, other than tell them man to trade in his truck for a hybrid.

Why stop there, Mister President? If you screw things up any worse, we can all trade in our cars for a rickshaw or a skateboard.

After all, this would be part and parcel of his underlying rage against an imperialistic America. The less gasoline we consume, the less we exploit foreign oil resources, according to the president's world view.

To him, high gas prices are a convenient tool to control the energy consumption habits of the American people and thus tamp down the natural tendency of America to unfairly take that which belongs to others.

Don't believe us? Read this [book](#).

April 15, 2011

Public Policy Commentary

In This Issue:

1. Tax Day.
2. The Leadership Vacuum.
3. The Road to Hell is Really a Bike Path.
4. The Vikings Stadium - a Closer Look.

TAX DAY

April 15 is always a dark, dark day for Watchdogs. Of course, April 15 is Tax Day, the day you either write a check to the government or you get a refund - which means you gave the government an interest free loan during the year.

Here are some fast facts regarding taxes and government revenue:

Tax Freedom Day this year is April 12, meaning that the average American worked from January 1, 2001 to April 12, 2011 just to pay their obligation to the government.

The federal debt stands at \$14.2 trillion. By way of contrast, the entire American Gross Domestic Product is \$14.6 trillion. The debt to GDP ratio is better than 97%.

The federal debt per citizen stands at \$45,938. The federal debt per taxpayer stands at \$128,562.

The current federal deficit is \$1.35 trillion. By contrast, current federal spending is \$3.5 trillion. Put another way, approximately 38% of current federal spending is financed with debt.

Ten years ago, the federal debt stood at \$5.8 trillion. Twenty years ago, the federal debt was \$3.8 trillion. Thirty years ago, it was a mere \$1 trillion.

Put another way, back in 1981, the debt was about 33% of the American GDP. Today, it is 97% of GDP.

Thankfully, the immoral aspect this appalling, reckless spending has taken front and center in the national political discourse.

Handcuffing our kids to the Mount Everest of debt is a crime.

THE LEADERSHIP VACUUM

Those hoping for a statesman-like moment from the president this week were sorely disappointed. Those hoping to see the centrist, post-partisan Leader of the Free World were disappointed as well.

The president delivered a [speech](#) this week regarding America's fiscal future and the serious issue of deficit reduction and sustainable government.

Instead of a legitimate, visionary roadmap to fiscal solvency, citizens were treated to a shrill, petulant campaign rally stump speech that was devoid of meaningful policy and full of vitriol and vapid rhetoric.

The president attacked the GOP deficit reduction plan as one pitting children with autism or Down's Syndrome against every millionaire and billionaire in our society. Presumably, the president didn't mean to include all his millionaire and billionaire friends, like the ones who got waivers from ObamaCare or the officers and directors of General Motors, AIG, and General Electric, who have all benefitted from the new Crony Capitalism ascendant in Washington.

The president went on to castigate the GOP budget plan as one that tells the sick and infirm that they're "on their own" merely because the plan embraces patient choice and provider competition.

Overall, the president labeled the GOP plan as Un-American. Apparently, the president considers the borrowing of trillions of dollars from foreign creditors to finance bloated, inefficient entitlement programs to be a hallmark of Yankee ingenuity.

Worse, the speech lacked specifics regarding deficit reduction. Instead, the president threw out a savings number of \$4 trillion over 12 years.

Fully 25% of the savings comes from the already phantom accounting and "savings" from ObamaCare, a program that is pure political alchemy, simultaneously growing government healthcare while reducing costs.

Most of the other savings come from pounding the successful into the ground and making them pay their "fair share."

This speech was truly a sad moment not only for the president but for the country.

Our nation desperately needs a president who can rise to the occasion, rise above the partisan rancor, and provide a vision that restores America's promise by restoring our fiscal solvency.

Instead, the president resorted to partisan attacks, played the same old class warfare card, and failed to tell Americans how he intends to get us out of this mess.

It appears that the president is laying out a re-election strategy that relies on attacking Republican ideas instead of promoting his own.

This stratagem is bound to fail.

The American people require a game plan from their president. The president doesn't get to rely on rhetoric and sound bites. Candidate Obama got a pass in this regard. President Obama won't. The people want to see that their president has a plan and knows how to solve tough problems. This president, sadly, has no plan and no leadership skills. This is what you get when you elect a Chicagoland community organizer as president.

In addition, a scorched earth hyper-partisan campaign will not serve Obama well. He was elected to be a centrist, post-partisan president. The many Independents and Republicans who voted for him will punish Obama if he resorts to the kind of campaigning only Howard Dean could love.

Then again, none of this may matter. If unemployment remains high, inflation takes off, gas prices exceed \$4 per gallon, and foreign adventures like Libya persist, Obama will be a one-term (and failed) president regardless.

THE ROAD TO HELL IS REALLY A BIKE PATH

Often times, a small example wonderfully illustrates the larger problem.

Such is the case with our bloated, inefficient, overreaching, outsized Leviathan federal government.

The example comes by way of a rather modest \$22 million federal grant.

The grant was distributed to organizations across the Twin Cities to promote walking and bicycling, which is enshrined in Article III of the U.S. Constitution, right under the clause establishing FEMA and right above the clause establishing Head Start.

The program became [news](#) this week because the federal government, despite the yawning budget deficit, is increasing funding for this critical program in fiscal year 2012.

One non-profit recipient of your federal tax dollars is the Community Partners Bike Library, which provides the free use of a bike for sixth months to low-income adults, some of whom will presumably use the bike to wheel down to the liquor store or pedal down to the closest social services agency to enroll in some equally wasteful program.

According to the leadership of Community Partners Bike Library, the program is a dandy way to share a love of bicycling with folks who are left out of the "mainstream bicycling community," whatever that means.

Organizers hope that the bikes create a sense of community and "encourage" folks to not steal the bike at the end of the sixth month loan period.

Geez, perhaps the \$22 million would be better spent teaching these folks some marketable skills so they can earn more money, wean themselves off the dole, and learn the dignity that comes with a good paying job. Heck, maybe they could even earn enough money to buy their own bike, perhaps even a snazzy Trek or a GT with freestyle pegs, bearclaw pedals and some totally stylin' mag wheels.

We learn that enrollees get a bike, a lock, a helmet (of course!) and a two-hour class on how to ride a bike and use a kickstand.

Perhaps the most telling (and disgusting) feature of this government grant program is the way in which taxpayer resources are treated. Remember what was mentioned above about "encouraging" people to not steal the bikes?

Well it turns out 3 of every 10 bikes in the program are stolen (do think perhaps some of those bikes are traded for drugs or alcohol?).

What's worse, the people who are entrusted to be stewards of these resources don't care. Do they attempt to get the bikes back? Are the stolen bikes reported to the police and those apprehended charged with a crime?

Check out this quote from a staffer regarding the 30% theft rate. "Honestly, I'm very impressed with how many came back, considering it's a complete honor system. I just think it shows how good people are and how people really care about their community," said Claire Stotscheck.

In this person's world, keeping 30% of what doesn't belong to you is a sign of integrity.

In fact, the program estimated from the start that 25% of the bikes would be pinched.

Can you imagine Target, Walgreens, Macy's or some other retailer putting up with 30% of their inventory being stolen? They wouldn't, because the doors would close to bankruptcy.

Can you imagine a parent who allows a child to lose 30% of his or her belongings?

How about a soldier allowed to lose up to 30% of his assigned equipment?

As far back as Aristotle, critical thinkers have noted the lack of accountability and responsibility that accompanies community ownership.

Book II of Aristotle's "The Politics" lays out this argument in full detail, noting: Each man pays most attention to what is his own, but less attention to what is common, or else, as

much as contributes to his own interest. For each man, besides other reasons, thinks that others will take care of the matter and so pays less attention to it, as in domestic duties where many servants sometimes do a job worse than a few servants.

The lack of accountability and dubious merits of this program is indeed emblematic of the entire federal government.

And we wonder why the country is so far off track.

VIKINGS STADIUM BILL

Alright, let's take a peek under the hood of [House File 1441](#) and [Senate File 1164](#) and take a closer look at the Vikings stadium bill and find out just what Republican senators [Julie Rosen](#) and [Doug Magnus](#) as well as GOP representatives [Morrie Lanning](#), [Joe Hoppe](#), [Rod Hamilton](#) (of [veto override](#) fame), [John Kriesel](#), and [Paul Anderson](#) have signed on to with this piece of legislation.

What immediately jumps out at the eye of the reader is the enacting clause, which is at the head of the bill and tells readers just exactly what the bill does and what provisions of state law the bill will change.

Right there on page one at line 5 is language that says, "authorizing the imposition of certain taxes." So we know that the bill raises taxes, despite what the GOP has said about raising taxes during a poor economy.

Section 4 of the bill lays out the first tax, a tax on sports memorabilia. The tax applies to all memorabilia relating to any professional sports team., which debunks any talk that is tax is more of "user fee." A person who buys a Timberwolves hat will pay the tax, whether or not they like the Vikings, much less attend a game. Moreover, there will be football fans who pay the tax but never attend a game, likely because they can't afford to attend.

There is also a heavy administrative burden, requiring sellers of memorabilia to pay estimated taxes to the state.

A "use tax" is also imposed, meaning that anyone who didn't pay the tax at purchase is now legally responsible to paying the tax to the state. Good luck enforcing that one.

Do readers think it's possible folks may just buy online to avoid the tax, thereby putting hometown businesses at a competitive disadvantage?

Section 7 of the bill exempts construction materials used to build the stadium from the sales tax. Funny, hospitals, fire stations, and police stations aren't exempt from the sales tax. But Zygi's stadium will be if this bill becomes law.

Section 10 is unique because it puts the lie to the claim by Governor Dayton and others that this is a "people's stadium" that is intended for all sorts of egalitarian endeavors. This section states in part, "The purpose of this chapter is to provide for the construction, financing, and long-term use of a stadium PRIMARILY as a venue for professional football."

Section 13 allows for a host of local taxes to finance the local government share of the cost, including a local sales tax, liquor tax, lodging tax, entertainment tax, admissions tax, food and beverage tax, or just about any other tax the local unit of government can come up with.

Section 17 imposes an income tax surcharge of 5% on football players who play in the new stadium. Look for the Vikings to get this one jettisoned ricky-tick. Roger Goodell and the Players' Union don't want other teams getting any bright ideas on this front.

It really comes as no surprise that this bill is filled with tax increases wholly unrelated to the use and enjoyment of the stadium and is filled with goodies that aren't available to other public works projects.

The only real surprise is the number of Republicans willing to put their names on this bill.

They are stirring up a hornet's nest of opposition from not only the Republican base, but others who are stunned that the legislature would be considering such a bill while the state is in the midst of a critical budget debate that will shape Minnesota government for years to come.

What does the timing of this bill say about priorities? What does it say about professed Republican principles and values concerning the role of government in our lives and merits of tax increases?

April 22, 2011

Public Policy Commentary

In This Issue:

"To take from one, because it is thought his own industry and that of his father's has acquired too much, in order to spare to others, who, or whose fathers, have not exercised equal industry and skill, is to violate arbitrarily the first principle of association, the guarantee to everyone the free exercise of his industry and the fruits acquired by it."
--Thomas Jefferson

Editor's Note: The Minnesota Legislature has been on the Easter/Passover break this week, returning to the Capitol next Tuesday morning to begin the sprint to session adjournment May 23rd.

If no budget agreement is reached by then, the legislature will no doubt be called into special session, with a government shutdown looming by July 1st.

Legislators are all home in their districts, listening to constituents and gathering feedback regarding the issues of the day.

Now is a perfect time for you to contact your state senator and state representative to tell them what you're thinking as the legislature gets down to the wire on the budget, the Vikings stadium, and other thorny subjects.

Click [here](#) to find your legislators and their contact information.

In This Issue:

1. Emmer vs. Johnson - Notes from the RNC Race.
2. State Central Committee Speaks on Stadium Issue.
3. Obama is Your Financial Adviser.

EMMER VS. JOHNSON - NOTES FROM THE RNC RACE

The Watchdog has been a bit surprised that the mainstream media didn't devote more attention to the outcome of the campaign for Republican National Committeeman between Jeff Johnson and Tom Emmer.

Johnson's decisive victory over Emmer on the first ballot was a surprise in many quarters and represented a stunning defeat for Emmer, who just months ago was the Party's endorsed candidate for governor and a rising star within the state GOP.

Most people, including many in Johnson's camp, expected a tighter race that would involve multiple ballots.

To provide some background for readers unfamiliar with the process, each state has one man and one woman (yes, this is an example of a gender quota within the GOP) who represent the state on the [Republican National Committee](#) (RNC).

The RNC committeeman and Committeewoman from Minnesota are elected by the State Central Committee, a sort of "super delegate" group of about 350 GOP activists who are elected to sit on the committee by their local GOP party unit.

The Watchdog spoke with many delegates who supported Johnson to find out exactly why they chose him over the man who last November represented the party at the top of the ticket.

EDITOR'S NOTE: Harold Hamilton is not a Central Committee delegate and did not endorse or support a candidate in this race.

As you might expect, many voted for Johnson because they were impressed by him while others cast an "anti-Emmer" vote for various reasons.

Many of the "pro-Johnson" delegates were impressed with his energy, enthusiasm, and vision for the role of RNC representative.

Johnson's well-executed campaign plan should have surprised no one. Johnson has a lengthy political resume, including multiple terms as a state Representative, a run for state-wide office (attorney general), as well as his current stint as a Hennepin County Commissioner.

Many delegates simply liked what they saw and heard from Jeff Johnson.

On the other hand, there were indeed some "anti-Emmer" delegates who were displeased with him for various reasons, which fall roughly into four categories.

The first faction believes Emmer ran a poor campaign for governor, allowing the DFL to recapture the governor's office for the first time since the 1986 campaign cycle.

These delegates, some of whom supported Emmer for governor from the start, didn't want to "reward" Emmer by electing him to the RNC.

One party insider told the Watchdog, "Emmer blew the unblowable race."

The second group is irritated that Emmer is on the air with KTLK, sharing time with personalities like Sue Jeffers and Bob Davis, who have been rather pointed in their criticism of House Speaker Kurt Zellers and Senate Majority Leader Amy Koch.

These delegates believe the criticism is unwarranted and a violation of Reagan's 11th Commandment.

In the words of one delegate, "I listened to Sue Jeffers call for the head of Zellers and Koch and Emmer just sat there, failing to stick up for his former colleagues."

The third faction was disappointed with Emmer's decision to become a [registered lobbyist](#) for a group he opposed as a legislator.

For many delegates, Emmer's status as a political "outsider" and avowed opponent of the government status quo was a supremely attractive quality in picking a gubernatorial candidate, which resonated with Tea Party delegates hungry for a fighter to challenge business as usual in Saint Paul.

For these folks, taking a job as a registered lobbyist meant that their outsider had become the ultimate insider.

The last group is supportive of Tom Emmer but believed that his skill set was better suited to other offices.

Our friend Craig Westover is representative of this group. Westover had this to say on another [blog](#):

I supported Emmer for Governor (after Pat Anderson switched to the auditor's race) and Jeff Johnson for RNC. There is a place for the ideological candidate and a place for the "workhorse" behind the scenes guy. The RNC is a workhorse position. The strongest point Jeff made in his speech (and throughout the campaign) was that the work at the RNC is done at the staff level; the path through success is through the staff, not the egos.

It will be interesting to what Emmer's future holds. While there are certainly Emmer supporters who want to see him run again for elective office, it is hard for the Watchdog to conclude that he is anything other than dead politically. He was roundly rejected for the RNC position and has now lost three races of late (House minority leader, governor, RNC).

STATE CENTRAL COMMITTEE SPEAKS ON STADIUM ISSUE

With all the excitement surrounding the RNC race as well as the re-election of Tony Sutton and Michael Brodkorb as chair and deputy chair, respectively, one issue from the State Central Committee meeting utterly escaped the attention of the media and conservative blogosphere.

Delegates passed a resolution affirming the Party Platform plank regarding sports stadiums while reminding GOP legislators that the base's view of public stadium subsidies is far from positive.

The Party Platform states: Programs, such as public broadcasting, sports stadiums, and the arts, should be funded by its users and voluntary donors, and not subsidized by the use of taxpayer money.

The resolution passed by the State Central Committee Reads:

Be it resolved...

That Section 1, page 2, paragraph 7 of the 2010 Standing Platform of the Republican Party of Minnesota states, "...sports stadiums... should be funded by its users and voluntary donors, and not subsidized by the use of taxpayer money."

That taxing sports memorabilia, liquor, lodging, entertainment, food, and beverages of those not using the stadium, violates our Standing Platform.

That providing a multi-million dollar sales tax exemption on stadium construction materials is essentially a taxpayer subsidy, violates our Standing Platform.

That eliminating the sales tax referendum requirement required under current law, violates our Standing Platform.

That we consider the promotion of this stadium legislation by Republican endorsed legislators, as undermining our Minnesota Senate and House leadership.

That we consider the promotion of this stadium legislation by Republican endorsed legislators as betraying the grass roots activists of the party.

Therefore we, the State Central Committee of the Republican Party of Minnesota, condemn the promotion of legislation to use taxpayer money for the construction of a stadium for the Minnesota Vikings football team.

Can there be any doubt in any Republican mind regarding how the base feels about this issue?

The Republican legislators supporting this legislation need to reconsider. Strongly reconsider.

OBAMA IS YOUR FINANCIAL ADVISER

And a poor one at that. As any lover of liberty well knows, government only offers a negative sanction, meaning that government compels citizens to do or refrain from doing things only by taking away things or threatening to do so.

Don't pay your taxes? Lose your house. Break the law? Go to jail. In other words, anytime the government takes action, the governed are coerced into coming along for the ride, whether that ride takes us over the skies of Libya, into the healthcare system, or into the books and business plans of American business.

Likewise, the Obama administration has made all of us involuntary investors in General Motors, another "too big to fail" enterprise that no private institutional investor would have touched with a ten foot pole.

So how has our investment in Government Motors worked out?

Your \$50 billion investment in the company would require a per share price of \$53 just to break even, much less return a profit on the investment.

Right now, GM is trading at about \$30 per share, below the IPO price of \$33. In other words, GM hasn't been anywhere around \$53 per share lately.

If the government (meaning YOU) sold its remaining stake in GM today, the loss would be over \$11 billion.

So why would the government sell now and take a massive hit? Why not stay in the game and hope for a rise in stock price?

Certainly, many investors jump out of sour investments to stop the bleeding. But that's not what Uncle Sam is doing here.

The government has plans to sell this year because of politics and politics alone.

You see, next year is an election year for the Financial Adviser in Chief and he doesn't want the GM bailout hanging over his head when he stands before his clients, er voters, to be re-hired for another four years.

This is yet one more example of why limited government is the best form of government.

Government makes all decisions from a political point of view. Facts are irrelevant. Merit is not a consideration. Instead, the politically influential and powerful decide how to expend the limited resources of government.

Government has no profit motive. There is no penalty for inefficiency, waste and bloat. There is no incentive to make good decisions but every incentive to make political decisions.

This state of affairs is made all the worse by the realization that all resources are limited. When government wastes money appeasing and rewarding political interests, it does so at the expense of society and the economy at large.

Because government only consumes resources and does not create them, it must steal from the private sector the resources it uses to pay off political cronies like GM, GE, and AIG.

Thus, the private sector is left with fewer resources to invest into wealth creating enterprises, which require constant investment in order to find innovations and better ways to do more with less.

In other words, the \$50 billion the government used to buy crappy GM stock was \$50 billion it appropriated by threat of force from the private economy, meaning the private economy was \$50 billion poorer and thus had \$50 billion less to invest in human and other capital.

There is perhaps some wonderful invention or new technique out there that will go unrealized because the money that would have brought it to fruition was instead confiscated by government and used to pay off one of the president's business cronies.

The United States of America is the most prosperous nation the world has ever known. We got that way by forging a society that encouraged thrift, self-reliance, and entrepreneurship.

That society is under assault from a White House that downplays American exceptionalism and sees little value in the entrepreneurial ethos.

Never before has the country been led by a president so disconnected from the principles and values that built the nation.

The presidential race in 2012 may very well be the most important campaign since the Civil War.

On the other hand, it may not matter at all. It may be too late.

April 29, 2011

Public Policy Commentary

In This Issue:

1. Self-loathing.
2. Whimpy Republicans.
3. Put That in Your Pipe.

SELF-LOATHING

"The problem with lobbyists is they exist."

- Pat Anderson

Put us in the "disgusted" camp over the news that RNC committeewoman Pat Anderson is acting as an influence peddler for the crowd that thinks government doesn't have enough money.

We hear all sorts of excuses why Republicans are supporting "racino" down at the Capitol, but that's just a bunch of smoke and mirrors to hide the fact that many Republican legislators didn't mean it when they said that government had to live within its means. To the contrary, they think government needs more revenue and this is a palatable way to get some ching down to the state treasury so we can preserve the displaced homemaker program, enhance MPR programming, and maybe build a cool football stadium for some uber rich schmuck from New Jersey.

Said Anderson to [MPR](#), "We have given an unregulated, untaxed monopoly to the Indian tribes, and not one dime in Minnesota goes back to the taxpayers, and I think that's just wrong for many, many reasons, and we should be getting on board and supporting some of these other proposals."

Not one dime goes back to the taxpayers? She's troubled by the fact that a group of folks isn't suffering under the heavy hand of state taxation?

The Watchdog says good for the Indians. They must be spending the money far more effectively than government could.

And how about the timing? Less than two weeks after being elected to the RNC committeewoman position, we all learn that Anderson is going to lobby for Racino.

Funny, she said nothing about this gig during the RNC committeewoman campaign. Admittedly, the Watchdog has no way of knowing the status of Anderson's job status with the Racino folks during that time.

But let's face facts. In politics, perception is everything and it looks to many party faithful to be an impossibility that she didn't have some contact or even an outright employment agreement during the campaign.

She ought to come clean with the delegates regarding her contacts, if any, with the Racino crew before and during the RNC campaign.

Next, it is absolutely stunning to witness the contempt Anderson holds for the party platform.

To many delegates, there is an expectation that party leaders will work to uphold the party platform, which is the touchstone foundational document for the base.

None of them knew during the committeewoman campaign that Anderson was a practicing cafeteria conservative who was going to pick and choose which planks she would support as RNC committeewoman.

And make no mistake. The party platform opposes the expansion of gambling:

We seek to eliminate all state-sponsored gambling and oppose any expansion of gambling in Minnesota.

What's so hard to comprehend about this?

Moreover, this plank falls under the boldface headline of: Limit the Influence of Gambling in our State.

In any case, Anderson feels bound to support and defend none of it under her brand of cafeteria conservatism. "I think you have an obligation to generally support the party platform. Generally," Anderson said.

Really? Kind of like a priest has to "generally" support church teachings or the way a soldier has a duty to "generally" follow orders?

What a bunch of poppycock. Republican delegates have a universal expectation that their leaders support the platform in all instances, not just some.

Moreover, this statement begs the question of just exactly what other planks of the platform she doesn't support.

Will we be seeing Anderson picking up other lobbying gigs against the platform?

If Anderson truly believes she has no obligation to defend the platform in its entirety, then she must tell the party, in writing, where she stands on every item of the platform so the delegates understand exactly which things Anderson will not be supporting.

It was also troubling to read of Anderson defending her position with the specious argument that it is okay to lobby against the platform on gaming because some delegates disagree with the platform.

Those delegates aren't party leaders. Leaders are supposed to guide others, not take refuge from their duties by pointing to the apostasy of the rank and file.

By this logic, she no obligation to follow the platform at all, since there is likely less than 100% delegate support on every item in the platform.

Ultimately, the party must learn from this sorry episode and prohibit party leaders from acting as registered lobbyists.

Having party leaders acting as hired gun lobbyists creates a perception that the party and its leadership positions are up for sale, even to bidders who have interests in direct conflict with party principles. It taints the reputation of the party and sows doubt in the minds of delegates about the commitment of party leaders to the cause.

WHIMPY REPUBLICANS

Speaking of leadership, Anoka County Chairwoman Rhonda "Iron Lady" Sivarajah was down at the Capitol this week to testify in favor of a good piece of government reform before a House committee.

This legislation would allow counties to publish legal notices electronically instead of through ink-based newspapers.

And the stakes might be a bit larger than you would think.

Here in Anoka County, home of Watchdog global headquarters, county government spends about \$100,000 every year publishing these notices. Don't forget that we have 87 counties.

Moreover, only about half the county even receives the legal notices.

So you would think Republicans would be in favor of this reform. A no brainer, right? Wrong. The measure failed.

It seems some of our GOP legislators would rather screw the taxpayer in order to protect the newspaper monopoly on this publication racket.

There was a lot of hand-wringing on the part of Republicans about how such a change might harm the local newspaper.

Big damn deal. Since when is it government's job to subsidize newspapers, which are a dying medium anyway.

More importantly, since when did Republican legislators become protectors of an inefficient status quo?

If these guys don 't have the cajones to do this, can we really count on them to stand against tax increases to solve the \$5 billion, 22% spending increase Governor Dayton wants?

Geez, and we thought Republicans were all for the free market and against the government insulating markets against competition.

The GOP party platform clearly favors free markets: We support a fair, honest and competitive business environment, and therefore, oppose corporate welfare.

Perhaps party leadership should check in with these wayward opponents of free markets and government reform.

We'll have to contact Pat Anderson and ask if this is one of the planks she supports. She may already be lobbying for the newspapers.

PUT THAT IN YOUR PIPE

We haven't done a dumb bill in a while but this is a bad one.

State Representative [Joe Atkins](#) (DFL - Inver Grove Heights) has introduced a bill to designate the State Fire Service Memorial Band as the "official pipe band of the state."

The bill is House File [1517](#).

Wow. That's important.

And the DFL has the gall to blast Republicans for considering bills outside the budget like the ones defining marriage or requiring a photo identification to vote.

May 6, 2011

Public Policy Commentary

In This Issue:

1. Picture, Please.
2. No Prom Date for Zygi?
3. So Who's Not Serious?
4. The \$45,000 Man.

PICTURE PLEASE

The GOP-controlled legislature continues to press ahead with a variety of bills requiring voters to show picture identification at the polls.

While legislative DFLers continue to oppose the concept, Governor Dayton will have an interesting dilemma on his hands when the final bill reaches his desk.

First, this issue has enormous support amongst Minnesotans of all political stripes. In a society that requires a photo ID to cash a check, get on an airplane, or walk into Sam's Club, few are opposed to the idea that voters need to show an ID to prove who they say they are when they exercise the core constitutional right to vote.

It is difficult for a chief executive defy the overwhelming sentiment of the those he governs. In short, you don't want to be on the wrong side of an 80-20 issue. Think of Bill Clinton and welfare reform.

Second, with the Republicans in control of both houses of the legislature, it is highly likely they will put the issue on the ballot as a constitutional amendment in 2012 if they are unsuccessful in gaining the governor's signature on a bill. In Minnesota, a constitutional ballot question only needs to pass the legislature to be up for consideration in the next election. With regular bills, of course, the governor has an opportunity to veto.

A constitutional ballot question would pose four problems for Dayton and the DFL. First, as mentioned, Dayton would have no control over the language or enabling legislation of a ballot question. With a bill, he has an opportunity to negotiate the language.

Next, a constitutional ballot question would drive Republican turnout in 2012. This issue resonates strongly with the Republican base and would only add to the motivation of GOP voters who will already be fired up to cast a vote against President Obama.

Third, the issue would be a major campaign topic, endangering DFL legislative candidates from swing areas who oppose the measure. Signing a bill now puts the issue to bed and ensures it won't be a topic in 2012.

Finally, constitutional language can only be amended or repealed through another constitutional ballot question. Thus, if the DFL ever runs the table on the governor's office and the legislature, they will be unable to amend or repeal the photo ID requirement through legislation.

In sum, the Watchdog takes the position that the odds are in favor of Dayton signing some version of a photo ID bill.

Either way, we win.

NO PROM DATE FOR ZYGI?

The Vikings continue their backwards march to deleverage momentum as the 2011 legislative session draws to a close just over two weeks.

This week's giant leap backwards came in the form of Hennepin County Commissioner Mike Opat informing Governor Dayton via U.S. Mail that his county isn't interested in taking Zygi to the stadium prom.

In his letter, Opat cited proposed state budget cuts, perceived legislative ambivalence for a stadium and lack of time to develop "a thoughtful proposal" as reasons for not pursuing the stadium.

This news is a huge blow to the team's effort to extort taxpayer money for a stadium.

Hennepin County is one of the few local partners with the tax base to support the proposed local cost share of a stadium.

Moreover, the county has proven in the past that it has the savvy and political will to take on and successfully execute a stadium plan.

It appears for now that the team is now focusing on Minneapolis and the current Metro Dome location as well as Ramsey County and the former Army Ammunition Plant (TCAAP).

Minneapolis certainly can't bear the entire local cost share and the city's charter forbids any substantial investment in a stadium. For this option to work, a heavy Metro-wide or state-wide tax would have to be implemented, surely to be opposed by many legislators who would see their constituents pay the tax while Minneapolis got the benefit.

Ramsey County is a small county with a tax base much smaller than Hennepin's. It will be interesting to see what kind of tax rate would need to be levied to make the financing work.

Moreover, TCAAP needs significant infrastructure improvements and who knows what kind of contamination might be found on the site once bulldozers start turning dirt. While environmental work has been done, it's hard to know exactly what you're dealing with until dirt is moved.

Commissioner Opat was spot on with his observation that there is no time left for a thoughtful proposal to divert tax dollars to Zygi's football club.

On May 6th, the team still lacks a firm financing plan, a stadium site, a local partner, and a stadium plan.

Geez, the bill hasn't even had a single hearing yet.

But don't worry, crack Vikings lobbyist Lester Bagley said the team "hopes" to have a final plan "within days."

Yes, and "within days" the legislative session will be over.

It has been amusing to watch a supposedly sophisticated NFL franchise repeatedly step on their own necks as time ticks away.

Oh well. Perhaps it's time for the off-field team to adopt the on-field motto: "There's always next year."

SO WHO'S NOT SERIOUS?

It's clear that the DFL attack narrative of late has been to blast Republicans in Saint Paul for focusing on issues other than the budget.

Whenever the legislature considers legislation on topics like abortion or photo identification to vote, the DFL Twitter and Facebook communities explode with feigned indignation that the legislature would consider trivial matters like protecting the unborn or protecting the integrity of the voting process with the budget issue still unresolved.

Let's put aside for a moment the fact that the DFL has no budget proposal of their own. Let's also put aside for the moment the fact that these issues have DFL support, especially the abortion issue.

So what are DFLers focusing on as the session draws to a close? What do they consider to be a priority?

Consider [House File 1657](#) and its companion, Senate File 1376. The House version is sponsored by Rep. [Carolyn Laine](#) (DFL - Columbia Heights) and the Senate version by the always-petulant [Barb Goodwin](#) (DFL- Columbia Heights).

This important bill establishes the Black Bear as the official state mammal.

So while they criticize Republicans for spending time considering abortion, the DFL wants to take legislative time to designate an official state mammal (no word on whether there is interest in designating an official state reptile, but we have some candidates in mind).

The next time you hear from the DFL that there's a lack of focus in Saint Paul, ask them if they're referring to the official state mammal debate.

THE \$45,000 MAN

Just when the budget debates gets really serious, a government spending scandal erupts.

The [uproar](#) surrounds a \$45,000 speaking fee paid to author Neil Gaiman to speak to Stillwater students.

The \$45,000 was paid by the Metropolitan Library Service Agency, which receives funding from the state via the Legacy Amendment, the constitutional amendment that increased the sales tax to pay into a special fund for arts, entertainment, and nature.

The whole sorry episode is a testament to the danger of legislative special interests, bureaucratic incompetence, and the arrogance of the elite who feel entitled to suck money out of the public trough while heaping scorn and disdain on the unwashed masses who fund the public trough from which they feed.

Hopefully, the taxpayers of this state have learned a lesson about creating special money funds and enshrining tax increases in the state's constitution.

A very powerful coalition of special interests came together to write a constitutional amendment to raise the sales tax for the sole purpose of funding arts, entertainment, and nature.

These well-funded interests then hired influential lobbyists to jam the ballot measure through the legislature.

The enabling legislation also included a particularly underhanded provision regarding "supplantation," meaning that the new money raised could not be used to offset cuts to arts and nature programs. In other words, the amendment tied the legislature's hands by not allowing a dollar raised by the sales tax increase to be used to cut a dollar from arts and nature funding.

Moreover, with the language enshrined in the constitution, there is no way the legislature can alter the funding to respond to changes in economy or the political landscape. The only way to bring about a change is to bring another amendment to the voters.

That leaves our state with the bizarre spectacle down at the Capitol of legislators gathering in one room to decide who to kick off health care while they gather in another to appropriate more and more money to bike trails, puppet shows and speakers like the author mentioned above.

This what happens when we put government on auto-pilot.

This story is also one of bureaucratic incompetence. For example, the one who arranged the speaking engagement never negotiated the outrageous fee. Rest assured, if that was a private company that brought in the author, there would have been some haggling.

"In our naivete, we simply thought there was no room for negotiation," said Chris Olson, the group's executive director. "I am very sorry."

And these are folks who are entrusted with our hard earned tax dollars.

Finally, this is also a story about elites and their attitudes about taking money from the public fisc.

When asked about his massive speaking fee, Mr. Gaiman noted, "I won the Newbery Medal. I won the Carnegie Medal."

Well, why didn't he say so? The Newberry Medal? The Watchdog is impressed - not.

Gaiman also took pains to point out that his rake wasn't \$45,000. After his agent got a taste Gaiman only booked about \$33,000.

How tough.

He also copped a typical elitist attitude when he learned of House Majority Leader Matt Dean's comments about the affair.

"If I actually wanted to come after you, dude, I could," Gaiman said of Dean.

Actually, it looks like the legislature is going to be coming after the library folks who let this happen.

Rep. Dean Urdahl, the chair of the division that oversees the casting of lots to divide the Legacy booty has cut the library appropriation by a not-so-coincidental \$45,000.

Dude!

May 13, 2011

Public Policy Commentary

In This Issue:

1. RAMSEY COUNTY VIKINGS? NOT SO FAST.
2. WHAT'S THE PLAN, STAN?
3. RALLY WRAP-UP.
4. MORE CONTROVERSY FOR PAT ANDERSON.

RAMSEY COUNTY VIKINGS? NOT SO FAST

Vikings fans have been foaming at the mouth all week with the news that they would finally be given a chance to tailgate on polluted land lacking infrastructure while taxpayers learned they would get to foot 60% of the bill to subsidize their neighbor's Sunday boozing and vicarious football fantasies.

News outlets featured [photos and video](#) of grown men wandering around the vacant Twin Cities Army Ammunition Plant, which bears an eerie resemblance to Chernobyl, in purple tights wielding plastic swords they borrowed out of their toddler's toy box.

While Zygi and his purple plunderers of public dollars tried to spin a narrative of inevitability, the \$1.3 billion boondoggle is far from a done deal. Let the Watchdog tell you why.

Loyal readers are well aware of the fact that this publication has been truly amazed at the level of incompetence and political amateurism displayed by a supposedly sophisticated, for-profit commercial enterprise during this whole stadium debacle.

Tuesday's announcement of the Ramsey County stadium site was no different. In fact, it represented a whole new level of dubious distinction for the Minnesota Vikings Football Club.

The first thing the Watchdog noted was that there wasn't a single legislator present at the press conference. As far as the Watchdog could tell, the only two elected officials present were county commissioners Tony Bennett and Rafael Ortega. This lack of political support for Ramsey County was telling and foreshadowed the negative media to follow.

It didn't take long for legislators and other elected officials to immediately pound the proposal.

Ramsey County state Rep. Kate Knuth fired off a [letter](#) to the Wilfs expressing concern and demanding that they kick in a bigger share.

Roseville state Rep. Mindy Greiling blasted the proposal as well. She noted that "the vast majority of legislators don't support it."

Roseville state Senator John Marty and Saint Paul state Rep. Alice Hausman piled on by releasing a joint statement that read in part, "Ramsey County is facing massive and damaging cuts in human services. To choose to raise taxes for a Vikings stadium represents not only misplaced priorities, but a lack of sensitivity to human needs."

House Speaker Kurt Zellers reacted by observing that the infrastructure costs were a major hurdle.

Senate Majority Leader Amy Koch has already stated that a stadium will not be considered before the budget problem is resolved.

Governor Dayton also chimed in, noting that he would not favor accelerating needed road improvements over other road projects. He also remarked that any state contribution for infrastructure improvements would come out of the state's share of the stadium cost.

And what about state Rep. Morrie Lanning (R-Moorehead) and state Senator Julie Rosen (R-Fairmont)? Neither was at the press conference and both offered statements that pointed out problems with the proposal while offering not a scintilla of support.

Finally, Saint Paul Mayor Chris Coleman expressed doubt, saying the local sales tax was "politically difficult" to support while he also questioned the value the city would get in exchange for bearing the brunt of the sales tax burden.

In short, the Vikings appear to have either failed to line up legislative support beforehand or they just went ahead with the press conference without bringing key decision makers into the loop.

In this respect, the Vikings have taken a step backwards and have no legislative champions identified for their latest stadium plan, with the exception of some tepid comments from state Rep. Mike Beard (R-Shakopee).

Moreover, it will be interesting to see whether at least 4 of the 7 Ramsey County commissioners have the stomach to pass a whopping half-percent sales tax increase on their residents, especially in this tough economy.

Yes, 6 of 7 voted back in February to authorize the county to explore stadium options, but that is a far cry from a vote to levy sales tax increase to finance a \$350 million bond issue.

This lack of political support exposes yet another hole in the team's stadium campaign. The news cycle in the immediate aftermath of a major, high-profile announcement is critical to the public relations battle.

The narrative of the past 72 hours has been overwhelmingly negative. Outside of Zygi and Bud Grant, it's hard to find any opinion makers who are enthusiastic about this proposal.

Just like on the legislative front, the Vikings got whupped on the public relations front.

And then there is the timing. There is just one week left in the legislative session if the team wants to pass a bill this year. If the team was on top of things, this proposal would have been introduced in January. If the proposal has any momentum at all, it will have to wait until next February more than likely.

What about a special session? The Watchdog would be highly surprised if the legislature entertained a football stadium plan during a special session, if the budget impasse comes to that.

And finally, it's surprising to the Watchdog that the team has pushed all its stadium chips in on the Arden Hills site. Yesterday's announcement made it quite clear that the team is no longer looking at Minneapolis. In short, Zygi told Mayor Rybak he wasn't going to the prom.

It will be interesting to see how the business community reacts to this development. Sources have told the Watchdog that many corporate titans in the Twin Cities are supportive of a Minneapolis location. Will they support the new site? Time will tell.

In any case, it appears that the team has is committed to the Ramsey County site and that site only.

In sum, Watchdogs shouldn't get swept up in the hype that a \$1 billion stadium is coming to Ramsey County anytime soon. In fact, it can be argued that the team actually hurt its stadium prospects by choosing this site and unveiling the plan without significant political support.

WHAT'S THE PLAN, STAN?

In addition to all the political and public relations nincompoopery, there is also, of course, a great deal of fiscal nincompoopery as well.

At this point, many of the details (where the devil always resides) have yet to aired for public scrutiny.

As Watchdogs would likely guess, the details that are emerging are cause for suspicion and concern.

The most important detail to be found in a recently released 12-page "agreement of terms" is a clause that would exempt the Ramsey County sales tax from a public referendum, just like Hennepin County pulled with the Twins stadium.

State law requires that a local sales tax be approved by the voters. But like the Twins, the Vikings know a local referendum would fail. The solution? Get an exemption from the law of the land that applies to everyone else, except the other big-time sports franchise in town.

And we wonder why people are cynical about politics.

We always knew the stadium was about more than enhancing the value of Zygi's franchise. It's also about the ancillary real estate development opportunities as well.

The agreement also spells out plans for a "campus" with corporate offices, restaurants, shops, a movie theater, and residential homes.

Really? Do the Twin Cities need more office space with so much vacant space already on the market? Do we need more residential homes with so many foreclosures on the market and prices so depressed? Another movie theater? There's already a mega-plex just up the road on County 10 in Mounds View.

We also learned that Zygi may not be on the hook for all of the team's commitment of \$407 million. Other sources, including the NFL itself and "other private revenues" may be part of the \$407.

And what of the cost overruns? The Vikings will only pay for some of them, with the team not responsible for overruns "associated with certain on-site and off-site infrastructure improvements, including surface parking and related interior circulation."

If there are any savings from the project's estimated costs, the Vikings are first in line to recover them, with the team getting the first \$41 million. The next \$100 million in savings would be shared between the team and Ramsey County.

Moreover, the Vikings will grab all stadium-generated revenue from things like parking and advertising.

And those pesky roads? The Vikings will pay for none of it.

Geez. Maybe we don't want to see the rest of the details.

A taxpayer boondoggle in the making!

RALLY WRAP-UP

Last Saturday's annual tax cut rally was wonderful, inspiring, and timely, all under blue skies and sun. Watchdogs joined with fellow conservatives and allied organizations like the [Taxpayer's League of Minnesota](#) and [Minnesota Majority](#) to tell lawmakers that we're taxed enough.

More importantly, fed up citizens were there to tell law makers that \$34 billion in state government spending is enough.

In fact, the Watchdog is going to disagree with the many signs and shirts saying \$34 billion is enough.

We at the Watchdog think \$32 billion, the amount spent in the previous budget, is enough. We see no reason to go to \$34 billion.

Having said that, we're an agreeable sort here at the Watchdog and we're okay with \$34 billion so long as it's not a penny more. No tax increases and no other "revenues" in the form of fees or new streams of money.

The state doesn't need any more revenue streams and any more dollars flowing into the treasury. Every dollar taken into the state treasury is a dollar sucked out of the private economy, where market forces deploy those dollars far more efficiently and effectively than political forces.

[Not a penny more!](#)

MORE CONTROVERSY FOR PAT ANDERSON

Our readers are well aware of the controversy surrounding RNC Committeewoman Pat Anderson and her lobbying activities.

The Watchdog is already on record opposing her lobbying efforts as contrary to the party platform. Moreover, this publication is on record opposing paid lobbying activities on the part of any elected party leader or paid employee regardless of the lobbying subject, even those consistent with the party platform.

These lobbying activities inevitably cause problems because they create the perception that the party and its leaders are available to the highest bidder. It also creates the perception that party leaders are focused on supporting political clients and not the party itself.

Another example of the distraction created by leader lobbying came this week when the 8th Congressional District GOP executive committee passed a resolution calling on the state GOP to remove Anderson from her RNC post if she does not first resign.

This is one headache we can do without. It's time for the party to craft bylaws prohibiting paid lobbying activities by elected party leaders and paid employees. Hopefully, we can learn from this sorry episode.

The text of the letter is below:

*Tuesday, May 03, 2011
Minnesota State GOP Executive Committee
525 Park St # 250
Saint Paul, MN 55103-2145*

Committee members:

Since being elected National Committeewoman on April 16th, Pat Anderson has publicly obfuscated the intent of the Minnesota GOP platform regarding the expansion of gambling.

Ms. Anderson has undertaken the advancement of expanded gambling in contravention of the pertinent and unambiguous platform provision, to wit: "We seek to eliminate all state-sponsored gambling and oppose any expansion of gambling in Minnesota."

Ms. Anderson, through her actions, has caused unacceptable and irretrievable harm to this Congressional District organization in the form of negative publicity.

The consequences of Ms. Anderson's actions were surely known to her or should have been known to a prudent person. This lack of prudent conduct along with her blatant disregard for the MNGOP Platform make Ms. Anderson an unacceptable representative of this organization on the Republican National Committee.

The Minnesota State GOP Executive Committee must take purposeful and expeditious action to request that Ms. Anderson resign from the honored position of GOP National Committeewoman.

Notwithstanding her response or cooperation, prompt action must be taken to replace Ms. Anderson by arranging an election for that purpose consistent with the provisions of MNGOP's Constitution.

*Sincerely,
Ted Lovdahl, Chair 8th CDGOP*

May 20, 2011

Public Policy Commentary

In This Issue:

1. Micro Control Company in the House!
2. Now is the Time.
3. The LGA Piggies.
4. Obama Takes a Pounding.

MICRO CONTROL COMPANY IN THE HOUSE

The Watchdog gives big props to GOP state Rep. [Glen Gruenhagen](#) (R - Glencoe) for highlighting Micro Control Company on the floor of the Minnesota House this week.

During the debate over Governor Dayton's tax bill, Gruenhagen called upon his visit to Micro Control Company to remark that Minnesota job creators are taxed heavily enough.

(View the video [here](#), remarks start at the 39 minute mark).

He was spot on with his recollection that the company pays 50 cents of every dollar of gross revenue to the government. In other jurisdictions, it's as low as 17 cents on the dollar.

And he's also correct in noting that other states and countries regularly seek to have the company relocate.

But Harold Hamilton isn't about that. If he left, who would keep the heat on the liberals?

It's just like Harold told Senator (now former!) Don Betzold. "I could retire to the Bahamas, but I'm going to stick around and create some more jobs!"

And don't forget Democrats, Harold's standing invitation for plant tours is open to ALL elected officials.

Recently, Congressman Keith Ellison was a guest.

Come for a tour. If you dare.

NOW IS THE TIME

Watchdogs, the regular session of the 2011 Minnesota legislature is drawing to a close, drawing the curtain on just the opening act of what could be the most significant political drama in modern Minnesota history.

Despite lengthy, meaningless, resource-wasting filibusters from the DFL (which never offered a budget plan of their own), the Republican-led legislature early yesterday passed a comprehensive, reform-laden budget package that puts Minnesota government on a sustainable spending trajectory that truly changes the way our bloated, inefficient government does business.

Of course, a budget bill lacking tax increases and double digit spending increases will surely meet the veto pen of Governor Dayton.

These budget bills are now within the three day window the governor has under the state constitution to either sign or veto the bills.

With an adjournment date of May 23, it highly unlikely that a negotiated budget agreement will be reached before the legislature leaves town.

Undoubtedly a special session, perhaps a lengthy one, looms on the horizon.

To refresh readers' memory, legislative leaders and the governor will have until July 1 to reach a budget deal before a partial government shutdown. After July 1, those state government functions a district court judge deems "essential" will carry on. All other will be mothballed.

Watchdog sources at the Capitol tell us that Governor Dayton is unlikely to call legislators back into special session until a budget deal is reached with GOP leadership.

And this, friends, is a time for choosing. Governor Dayton has repeatedly stated his resolve to raise taxes. Republican legislators are equally resolute in their view that taxes must not be raised.

It is no understatement to say that the outcome will shape Minnesota politics for years to come. With a \$5 billion deficit, a decisive outcome is guaranteed. The hole is too big to cover with band-aids and bailing wire. There aren't enough shifts, special funds to raid, or payment deferrals to paper over the yawning fiscal chasm.

Someone is going to lose this titanic battle of ideas. If Republicans win, a new era of reasonable, sustainable government will prevail for the first time in generations.

Minnesota will put on a path to competitiveness in the New Economy. Our Scandinavian style model of high taxes and big government, already on the way out in Europe, will be jettisoned.

On the other hand, if Governor Dayton wins, the status quo, plus a few billion more in tax increases, will be cemented in our political psyche for another generation at least. If we resort to outrageous tax increases in this economy, when will we ever engage in fiscal austerity?

In short, this budget battle is THE most important issue at the Capitol this year. All else pales in comparison.

Therefore, now is the time for conservatives to support and aid Republican legislators in their firm resolve to reject tax increases and double digit spending growth.

Now is the time to put all other issues aside and lend our voices in support of this brave band of 109 who are bearing the brunt of nasty attacks from many quarters.

Whatever grievances you may have with individual Republican legislators, their leadership, or the caucuses in general must be put aside in recognition of our political compact to reduce the size and scope of government.

These legislators need and deserve your support. Over the coming weeks and months, they will face a barrage of hostile, vitriolic, and misleading invective because of their convictions.

If you have a Republican representing you, send a [message](#) of thanks and support. If you don't, send one to Speaker Kurt Zellers and Senator Majority Leader Amy Koch.

The stakes couldn't be higher.

THE LGA PIGGIES

The local government aid (LGA) piggies are out in full force at the Capitol, [whining](#) away about the possibility that state aid to cities might have to take a cut.

LGA, as has been explained before, is nothing more than welfare for cities. It's a bad public policy that decouples spending from taxing, allowing cities to spend money the state taxed to raise. Separating the accountability of taxing from privilege of spending encourages waste and lacks transparency.

What's even worse, the LGA folks are represented by a group called the Coalition of Greater Minnesota Cities, which takes in money in the form of dues from member cities (meaning taxpayer dollars)

The Coalition is run by a firm called Flaherty & Hood, which makes money by getting a whopping paycheck from the Coalition (meaning your tax dollars).

In 2009, this firm was paid over [\\$900,000](#) (see page 12) in fees!

The Coalition also ran into [trouble](#) earlier this legislative session when one of their lobbyists authored an email that appeared to urge a mayor to withhold information from a legislative committee that would have undercut the narrative the Coalition was spinning about the harm of LGA cuts.

LGA does little more than promote the inefficient expenditure of taxpayer dollars and allow the cities most in need of merging or going back to township government from doing so.

OBAMA TAKES A POUNDING

And not from conservatives. Prominent black intellectual and professor of African American studies Cornell West this week lambasted President Obama in a rather nuclear way.

In an [interview](#), West called Obama "a black mascot of Wall Street oligarchs and a black puppet of corporate plutocrats." He went on to say this about Obama, "I think my dear brother Barack Obama has a certain fear of free black men," West said. "It's understandable. As a young brother who grows up in a white context, brilliant African father, he's always had to fear being a white man with black skin. All he has known culturally is white...When he meets an independent black brother, it is frightening."

Wow.

May 27, 2011

Public Policy Commentary

In This Issue:

1. Straight to the Moon, Alice!
2. The Dayton Double-Dip.
3. And They Want More Money?
4. Photo ID Vetoed.

STRAIGHT TO THE MOON, ALICE!

Some readers may not remember the early TV sitcom "The Honeymooners," with Jackie Gleason and Audrey Meadows. Gleason, playing Ralph Kramden, had a catch phrase in which he would point his fist to the sky and declare, "Pow! Straight to the moon!"

It looks like President Obama has been tuning into reruns of the show, giving taxpayers an uppercut and sending our national debt straight to the moon.

With our national debt standing at a staggering \$14-plus trillion and our debt ceiling maxed out, many American can have trouble grasping the enormity of \$14 trillion.

After you read this article, feel free to contact your congressional representatives and tell them not to increase the debt ceiling.

Fast facts on the debt:

1. The debt, in stacks of \$1,000 bills, would stand 900 miles high.
2. Stacked in \$1 bills, the debt would reach the moon and back - twice.
3. U.S. Treasury Secretary Timothy Geithner has said the United States borrows about \$125 billion per month.
4. With that amount, the United States could buy each of its more than 300 million residents an Apple Inc iPad.
5. In a 31-day month, that means the United States borrows about \$4 billion per day.
6. A stack of dimes equivalent to that amount would wrap all the way around the Earth with change to spare.
7. In one hour, the United States borrows about \$168 million, more than it paid to buy Alaska in 1867, converted to today's dollars.
8. In two hours, the United States borrows more than it paid France for present-day Arkansas, Missouri, Iowa and the rest of the land obtained by the 1803 Louisiana Purchase.
9. The U.S. government borrows more than \$40,000 per second. That's more than the cost of a year's tuition, room and board at many universities.

10. The net worth of Bill Gates would cover the deficit for only 15 days. Warren Buffet could do it for only thirteen days.

Feeling nauseous? Contact your member of [Congress](#) and tell them about it.

Editor's Note: This piece borrowed from [this article](#) in the RealClear Markets.

THE DAYTON DOUBLE-DIP

It looks like the GOP is having a little trouble winning the message war against Governor Dayton so far.

Dayton has succeeded in painting the budget impasse as a matter of simply deciding how much more the "rich" should pay. Dayton deftly moves to the center of this issue by walking back the amount he wants to confiscate while Republicans are forced to stand still on this question as they rightly oppose these tax increases in any amount.

The problem is that the average citizen sees one party moving to compromise while the other stands on its opening position. In our culture, people expect compromise. In our politics, where independent voters hold sway, compromise is an article of faith for them.

Moreover, it's hard to get the vast majority of taxpayers who won't pay the tax increase to feel concerned for those who will. This is simple human nature, captured generations ago in the aphorism "Don't tax me. Tax that man behind the tree!" This divide-and-conquer strategy has worked since the Scribes of ancient Egypt enforced the tax laws.

As long as Republicans fight Dayton on this ground, they are likely to lose.

Thus, it was refreshing to see the GOP legislative leadership fly around the state this week to remind taxpayers that they have offered a larger budget than the last cycle, one that spends all new revenues and increases spending by 6%.

It is vitally important the GOP recast the debate as one about how big government will grow and how much it will spend.

Government spending affects all citizens and taps into the anxiety most people feel about runaway government (see article above).

Since 1960, the state of Minnesota has increased spending an AVERAGE of 21% every two-year budget cycle. The facts can be found right [here](#).

In the current budget cycle, the state will spend \$32.2 billion.

The Republican majority crafted a budget for the upcoming cycle that spends \$34 billion, a reasonable 6% increase that puts the state on a sustainable spending

trajectory and is more than the increase in revenues that many taxpayers will see this year.

In other words, the Republican majority has already agreed with Governor Dayton to spend every penny of the new revenues, making this the biggest budget in Minnesota history.

Using the football metaphor, the GOP met Dayton on their own goal line, giving in to his demand to spend all the new revenues.

While some may argue that the proposed budget spends too much, it is indeed a budget that doesn't raise taxes and holds the spending increase to a reasonable amount.

This is why Republicans are so adamant about not agreeing to tax increases.

Dayton already got his way on spending the new funds. To lard a tax increase on top of the new spending in an unacceptable double dip that would grow government 12%.

Republicans have already given in to Dayton's demand on spending the increased revenues. Now he can make a concession by agreeing not to raise taxes, thus putting the GOP budget proposal smack dab on the proverbial 50-yard line.

It is Governor Dayton who is being unreasonable by insisting on spending more money than what is projected to come in the door. Whether he offers 1/2 his original tax increase, 1/4 or even 1/16, he is moving beyond the objective compromise position. A fraction of a crappy idea is still a crappy idea. Eating 1/4 of a dog turd still tastes as bad.

Let's also move off the idea that Republicans didn't get the budget done this year. They put a complete, comprehensive and balanced budget on Dayton's desk.

He vetoed those bills and has driven the legislature into a special session and likely a government shutdown over his desire to push his tax increase agenda even though the Republicans have already agreed to spend every penny of new revenue.

Any shutdown is clearly on Dayton's shoulders.

In short, we're looking at a shutdown of government because we have a governor who wants to spend all the new money and then some, growing government by double digits.

Legislative Republicans are right to stand foursquare against tax increases. It is just and moral for them to hold firm no matter how long the impasse may drag on.

\$34 billion IS the compromise.

AND THEY WANT MORE MONEY?

Our public schools have received significant funding increases in recent times and continue to seek more funding, including a funding increase in the recently vetoed Republican education funding bill. Yes, governor, funding was increased.

Yet, the results are about the same.

The most recent standardized test scores for Minnesota high school students showed no real progress.

Math scores raced ahead by 1% from last year, reading scores were also up a whopping 1% while writing scores fell 1%.

89% of students passed the writing exam on the first try while 79% passed the reading exam the first time.

Math scores, however, were really in the toilet, with only 59% of students passing on the first try. This in a world where technological innovation is the key to prosperity and national security.

Even worse, the achievement gap between white students and students of color was a massive 30% or more.

Only 54% of black students passed the reading exam.

Sadly, only 24% of black students passed the math exam.

The simple fact is that our society cannot afford to have minority citizens relegated to the economic sidelines generation after generation.

Of course, the Governor Dayton solution is more spending on the same programs that aren't producing the desired results.

It's high time that we recognize that problem isn't dumping more money into the same old Education Industrial Complex.

It's a rigged system built by special interests, namely the teachers' union, that is inherently hostile to accountability and results.

The only way to fix the system is to introduce true parent/student choice, hold teachers accountable through empirical evaluation methods, and limit the influence of Education Minnesota, which exists solely to grab all it can for its membership, often at the expense of quality teaching and student achievement.

PHOTO ID VETOED

Governor Dayton yesterday vetoed the photo ID bill. That was a mistake on his part and a play to the extreme left of his base.

This veto now gives Republicans a chance to put the issue on the ballot next year, where it will pass in overwhelming fashion.

It wasn't smart of Dayton to give the GOP an opportunity to put an 80-20 issue on the ballot.

Moreover, Dayton has, according to state officials, vetoed more bills already than Tim Pawlenty did his entire first term.

Don't hold your breath for the mainstream media to start labeling the governor an obstructionist who can't cooperate with the legislative branch, even though that meme was banged home regularly regarding Pawlenty during his 8 years in office.

How long until Dayton vetoes more bills than Pawlenty did over his entire two terms?

June 3, 2011

Public Policy Commentary

In This Issue:

1. Tweet of the Week.
2. Vikings Stadium Action Alert!
3. Bunker Mentality.
4. Photo ID Coming to a Ballot Near You.
5. Washington Bits.

TWEET OF THE WEEK

Our tweet of the week comes from freshman Republican state Senator [Al DeKruif](#) (Madison Lake). DeKruif is one of 12 legislators [targeted](#) by ultra-liberal special interest group Alliance for a Better Minnesota (ABM), which believes the only way to have a great state is to have high and higher taxes.

So how's the bullying campaign working out so far?

DeKruif tweeted yesterday:

SenatorDeKruif Alliance 4 Better MN, keep sending callers to talk with me. I've asked if 6% is enough growth or Dayton's 16%. Most say 6% is enough!

VIKINGS STADIUM ACTION ALERT!

Attention, Watchdogs! The Ramsey County Charter Commission will be holding a special meeting to consider a resolution regarding the stadium proposal for Arden Hills.

As you know, Ramsey County has a charter which gives citizens of the county unique rights. Those rights could very well be denied under legislation approving a Vikings stadium.

Attend the meeting and make sure your voice is heard whether or not you live in Ramsey County. Taxpayers around the state would be impacted by the proposed taxes.

June 8 (Wednesday)

6 PM

Vadnais Heights Commons, Willow Room
655 E. County Road F, Vadnais Heights, MN

BUNKER MENTALITY

As the budget impasse drags on, Governor Dayton has already adopted a counter-productive, bizarre bunker mentality.

As governor, Dayton is expected to lead the budget negotiations and drive the parties towards a solution. In many respects, he is supposed to rise above the fray and take the role of statesman. He should be more leader than follower. More statesman than partisan. More conciliatory than peevish. He should calm tensions, not exacerbate them.

So far, it's been just the opposite.

Instead of using the power of his office to bring the parties together to work doggedly to a conclusion, Dayton has instead called few meetings. He seems resigned to a government shutdown that need not happen.

While not having time to formally engage Republicans, Dayton has had ample time to pander to his base through numerous media appearances, where the governor has donned the partisan-in-chief hat to blast Republicans as intransigent extremists who have the gall to limit government growth to 6%.

Things took an even stranger turn Thursday morning when Governor Dayton called a press conference regarding a budget update.

Dayton then took the unprecedented step of calling for a federal mediator to guide the budget negotiations.

Huh? Since when does the governor of the state of Minnesota shirk his constitutional duty and push them off on a federal bureaucrat?

Again, the people expect the governor to lead. Calling for a federal mediator to come in and take the lead is a failure of leadership. The tough job of negotiating a budget falls squarely on the shoulders of the governor and legislative leadership.

Maybe it's not so much that Dayton wants a mediator as much as he wants a particular mediator.

Dayton suggested that U.S. magistrate Jonathan Lebedoff be brought in.

Well, no wonder. Lebedoff has given [campaign contributions](#) to Barack Obama and Amy Klobuchar.

Did we mention that Dayton is demonstrating he doesn't understand his role?

As if that wasn't weird enough, the governor then withdrew even further away from the legislature by stating that his budget and revenue commissioners wouldn't be

appearing, as requested, before the Legislative Commission on Planning and Fiscal Policy ([LCPFP](#)).

Dayton, and some DFL legislators, derided the commission meeting as a political stunt.

Once again, Governor Dayton demonstrated that he doesn't understand his job.

During the multiple LCPFP meetings called by the DFL majority during 2009 and 2010, Governor Pawlenty each and every time made his commissioners available to the commission.

Funny, no DFLers were heard to complain about the LCPFP when they ran it.

There has been a custom for as long as anyone can remember around the Capitol of the executive branch accommodating legislative requests for participation in committee hearings.

Moreover, Governor Dayton really doesn't have any options. Minnesota statutes give the legislature subpoena power to compel the appearance of people before committees, even executive branch employees.

Chapter 3.153 states:

Subdivision 1. Commissions; committees.

A joint legislative commission established by law and composed exclusively of legislators or a standing or interim legislative committee, by a two-thirds vote of its members, may request the issuance of subpoenas, including subpoenas duces tecum, requiring the appearance of persons, production of relevant records, and the giving of relevant testimony. Subpoenas shall be issued by the chief clerk of the house of representatives or the secretary of the senate upon receipt of the request. A person subpoenaed to attend a meeting of the legislature or a hearing of a legislative committee or commission shall receive the same fees and expenses provided by law for witnesses in district court.

Subd. 2. Service.

Service of a subpoena authorized by this section shall be made in the manner provided for the service of subpoenas in civil actions at least seven days before the date fixed in the subpoena for appearance or production of records unless a shorter period is authorized by a majority vote of all the members of the committee or commission.

Subd. 3. Counsel.

Any person served with a subpoena may choose to be accompanied by counsel if a personal appearance is required and shall be served with a notice to that effect. The person shall also be served with a copy of the

resolution or statute establishing the committee or commission and a general statement of the subject matter of the commission or committee's investigation or inquiry.

Subd. 4.Attachment.

To carry out the authority granted by this section, a committee or commission authorized by subdivision 1 to request the issuance of subpoenas may, by a two-thirds vote of its members, request the issuance of an attachment to compel the attendance of a witness who, having been duly subpoenaed to attend, fails to do so. The chief clerk of the house of representatives or the secretary of the senate upon receipt of the request shall apply to the district court in Ramsey County for issuance of the attachment.

Subd. 5.Failure to respond.

Any person who without lawful excuse fails to respond to a subpoena issued under this section or who, having been subpoenaed, willfully refuses to be sworn or affirm or to answer any material or proper question before a committee or commission is guilty of a misdemeanor.

###

The bottom line is that yesterday's performance clearly shows that we have a governor, like our president, who is in way over his head.

While Governor Dayton has admittedly done a fine job wearing the DFL partisan hat, he has failed miserably thus far in his role as leader and statesman.

It is very troubling that he appears not to know when he is required to be a leader as opposed to a DFL cheerleader.

If he doesn't, he will soon be told by the millions of Minnesotans who look to the governor first and foremost to fix the state's problems that it is time to be a leader.

PHOTO ID COMING TO A BALLOT NEAR YOU

We told you so, loyal readers. Just days after Governor Dayton vetoed a bill requiring voters to present a photo ID at the polls, state Senator Scott Newman (R - Hutchinson) and Rep. Mary Kiffmeyer (R - Big Lake) sent out a [press release](#) this week stating their intention to put photo ID on the ballot in 2012 as a constitutional amendment.

As the Watchdog noted last week, it was foolhardy for Dayton to veto the bill, which did nothing for him strategically, except amp up the same fringe element of the DFL base that was going to vote for him again anyway in 2014.

Republicans would be foolish not to pass this in the 2012 session and get it on the ballot that November.

The issue will pass overwhelmingly, put the DFL on the defensive over an issue 80% of voters favor, and give Republicans another reason to vote in 2012. And after it's put in the constitution, it will be nearly impossible to get back out (witness the Legacy Amendment).

Passage of this legislation should be a top priority for Republicans when they return to Saint Paul in late January 2012.

WASHINGTON BITS

-The U.S. House overwhelmingly rejected an increase in the debt ceiling absent significant reforms coming with it. Democrats blasted the vote as political theater even though many of them sent Speaker Boehner a signed letter demanding such a vote.

-Just days after Vice President Biden bragged yet again about the genius of the Detroit auto bailout, we learn that President Obama is no better a business leader than a world leader. Taxpayers will take at least a \$14 billion loss on the bailout, which is absolutely consistent with the way this administration handles everything.

-In Thursday's edition of the Wall Street Journal, it was reported that housing prices are still mired deep in recession-type numbers while home sale prices in Washington, DC are increasing. In fact, sales in the DC metropolitan area are approaching boom-time levels, helped by a stable employment base. Boom times for DC, paid for by the rest of us.

-And finally, we learned that Rep. Anthony Weiner has apparently been attending the Brett Favre school of social media. The smart-mouth Democrat from Brooklyn has yet to offer a benign explanation regarding a lewd photo sent from his Twitter account to a young woman in Seattle. Couldn't have happened to a [better guy](#). Or a [nicer guy](#).

June 10, 2011

Public Policy Commentary

In This Issue:

1. Tweet of the Week.
2. Fight the Good Fight.
3. Big Business - Big DFL.
4. Profiles in Courage.
5. Ramsey County Charter Commission and the Vikings.

TWEET OF THE WEEK

Last time the MN GOP shut down state government, they lost the MN House. What do they say about people who fail to learn from history? - State Rep. [Melissa Hortman](#) (DFL - Brooklyn Park)

The Watchdog says: Last time the MN DFL pushed a \$1 billion tax increase, they lost the MN House AND the MN Senate. What do they say about politicians who don't get it?

FIGHT THE GOOD FIGHT

Fight the good fight every moment
Every minute every day
Fight the good fight every moment
Make it worth the price we pay

- Rik Emmet

So this is it, Watchdogs. The stakes are incredibly high as we stand at a true decision point in our representative democracy.

At the Capitol in Saint Paul, a titanic struggle is shaping up over the future and direction of our government.

Facing a \$5 billion deficit and an economy convulsing from the failed policies of Barack Obama, Governor Dayton insists upon a massive tax increase to continue the rapid expansion and growth of government.

On the other side, we have a brave band of legislative Republicans who display a firm grasp of both rudimentary math and economics. Thus, they are making a principled stand in favor of a competitive and prosperous future for Minnesota.

So how can Watchdogs help the cause? What resources are out there to help you be a patriot for your state?

[Contact Governor Dayton](#) and tell him what you think of his tax increase.

Contact Senate Majority Leader [Amy Koch](#) and tell her what you think of her budget that spends only existing monies.

Contact Speaker [Kurt Zellers](#) and tell him what you think of her budget that spends only existing monies.

Contact [your legislator](#) and let them know where you stand on tax increases.

Also check out these resources that give you the information you need to speak truth to power and debunk the budget pap spewing forth from various special interest groups who are spending millions (and they say the Republicans have rich friends!) to convince your friends and neighbors that government needs more money:

MN [GOP](#).

[Senate GOP](#).

[DaytonShutDown.com](#)

Taxpayer's League of Minnesota [TV Ad](#).

MN Majority [Ads](#).

Keep MN [Open](#).

Katherine [Kersten](#).

BIG BUSINESS - BIG DFL

We all know the mainstream media is going to cherry pick data, persons, places, things, and events to spin a narrative that favors the tax increase position of Governor Dayton.

Of course, the spin often appears as a sleight of hand imperceptible to many people. Such is the case of a recent [opinion piece](#) in the Star Tribune.

The thesis of the essay is that massive tax increases aren't of any real concern to job creators, contrary to the overwhelming testimony of Minnesota business leaders large and small.

The author, Roger L. Hale, boasts impressive business credentials, according to the editor's note at the bottom of the essay:

Roger L. Hale is a former: CEO of Tennant Co, director of five NYSE companies, chairman of the Minnesota Business Partnership and the Governor's Workforce Development Council, and successful start-up investor.

Those are certainly impressive credentials that lead the readers to believe that Hale is a respected business leader who is weighing in on this issue as a business leader and solely as a business leader who has no formal deep ties to any political party or ideology.

If he did, the Star Tribune would point out the author's political leanings in the interest of informing readers, right?

Wrong!

Roger L. Hale has an extensive and lengthy history of political donations to DFL candidates and organizations, including Mark Dayton. In addition to listing Hale's business credentials, the Strib should have also noted that Hale is a DFL donor.

You can see some of Hale's donations [here](#).

PROFILES IN COURAGE

Another blatant bias of the mainstream media is the martyrdom bestowed upon any Republican who votes against the prevailing GOP opinion.

We saw it with Jim Abeler and the transportation tax override. We saw it last with Rep. John Kreisel and his vote against the Marriage Amendment.

Invariably, the media holds out legislators and issues like these to make a point that the prevailing GOP attitude is wrong, misguided and ignorant.

The media then moves into "phase II" by looking for any hint that Republicans are angry with that particular legislator. If they find it, the next story is one that spins a narrative of GOP intolerance and retribution.

Leave it to the Watchdog to point out a DFL profile in courage, that of state Rep. [Gene Pelowski](#) (DFL - Winona).

Pelowski has consistently and courageously voted against DFL tax increases. Yet, the Watchdog is unaware of a single media story extolling Pelowski's courage to follow his convictions.

Oh, yeah. Pelowski also faced retribution for his "sin" of tax increase opposition.

AFSCME, the big government employee union and the puppet master of the DFL, [endorsed](#) a challenger against Pelowski, saying he treated his constituents with "contempt," for failing to raise taxes so AFSCME's rank and file can continue to enjoy pay and benefits the taxpayers can no longer afford.

Here's to you, Gene! Oppose those tax hikes!

RAMSEY COUNTY CHARTER COMMISSION AND THE VIKINGS

The Ramsey County Charter Commission held a special meeting this week to consider two resolutions regarding the Vikings stadium. Ramsey County is a charter county, which essentially means that the county is sort of hybrid between representative government and direct democracy.

The outcome was a mixed verdict. One resolution upheld the right of county citizens to vote on a tax increase. The other resolution said that the charter commission had no business passing the first resolution.

In a surprise move, long-time Republican activist Bev Apilkowski voted against the resolution protecting the right to vote on the sales tax and for the resolution stating that the charter commission had no business passing the first resolution.

We would be happy to hear from Apilkowski regarding her reasons for voting that way.

Those who voted the wrong way on the resolution safeguarding the taxpayer vote: Aplikowski, Sonterre, Hendricks -- Leifeld abstaining.

Below is an account of the evening's proceedings provided by a Watchdog who was there:

Wednesday night the Ramsey County Charter Commission met in Vadnais Heights for a special meeting regarding the Vikings stadium sales tax proposal. On the agenda was a resolution put forth by member Rod Halvorson that stated, "the charter commission opposes any effort to circumvent the Ramsey County Home Rule Charter . . . by denying Ramsey County citizens the right to vote on a countywide sales tax or preventing Ramsey County citizens from seeking a referendum . . ."

The resolution passed 10-3 with 1 abstention, but not before another resolution brought to the meeting by member Peter Hendricks was also passed by a vote of 7-6. The Hendricks resolution however said that the Commission had no business making any such resolution. Hendricks said anyone can lobby legislators individually, and "the Charter Commission is not the policy-determining

body of the County....and would exceed its authority by approving any resolution related to proposed or speculative state legislation that does not affect any rights created by the Charter." The commission asked county attorney Phil Carruthers for his opinion. "You have the ability to express your opinion on this issue. I don't see any problem with it."

Since the Hendricks resolution was taken up first, it appeared that the meeting was ready to adjourn since some said its passage nullified the resolution that was on the agenda. Member A. L. Brown then kept the meeting alive by making a minor amendment to the Halvorson resolution. The one-hour meeting ended up being a kind of muddled affair with two resolutions being passed, but which opposed each other by 180 degrees.

One resolution said the charter commission opposes any circumvention of the county charter while the other resolution said the commission has no authority to make such a resolution.

Members Halvorson, Mike Fratto and A. L. Brown spoke in favor of the charter commission taking a stand against any possible legislative action that would prevent Ramsey County citizens from being able to exercise their referendum rights provided in the county charter, which they approved at an election some twenty years ago.

They said they felt that it was their duty as charter commission members to protect the charter and inform citizens when there was a threat of their rights being taken away.

Although no legislative action has yet taken place, Halvorson said his contacts at the capitol have told him that the Vikings bill does contain language that calls for a by-pass of the Ramsey County charter. Halvorson also said that he was not permitted to see the current version of the bill, and that it would not be made public until near the time it's ready for a vote.

Halvorson also took umbrage with Ramsey County Commissioner Tony Bennett's recent comments to the media where he has said over and over again that we live in a republic, where elected officials make the decisions. Halvorson pointed out that in Ramsey County a hybrid is used - part republic and part democracy. By adopting a charter, voters chose to have a partial democracy that includes initiative and referendum powers.

Absent from the meeting were commission members Marv Koppen of Maplewood and Bob Weisenburger of White Bear Township.

Approximately 30 to 40 people attended the meeting, with a handful wearing Vikings regalia. No public comment was taken.

So now we await action by the legislature that will most likely approve a half-of-one-percent sales tax in Ramsey County towards construction of a Vikings stadium. Then we'll see if that action is passed to the Ramsey County Board. If the County Board votes to impose the sales tax as permitted by the legislature, residents would have 45 days to collect 28,000 signatures to put the question on the ballot.

June 17, 2011

Public Policy Commentary

In This Issue:

1. Tweet of the Week.
2. Shutdown Update.
3. Budget Update.

TWEET OF THE WEEK

In 24 hrs I've gotten 3 emails from Mason Dixon tea partiers who think I serve in DC. Let's plz not model our public ed system after theirs.

State Representative [Carly Melin](#) (DFL - Hibbing)

The Watchdog Says: We remember DFL delegates hysterically chanting "four more years!" when Paul Wellstone ran for re-election to the U.S. Senate. What public school system failed to teach these people that U.S. senators serve a six-year term? Hmmm?

SHUTDOWN UPDATE

In just over two weeks, the state will undergo a shutdown, which the Watchdog calls "rightsizing government."

While the legislature and Governor Dayton sit at an impasse, the real action shifted to the courts this week.

The attorney general and the governor both filed petitions in district court to have certain state services declared "essential," meaning that the functions must be delivered and funded, even if the legislature didn't appropriate funding for that particular function.

The court's decisions with respect to this question have a number of important implications both for the shutdown itself and for our government in general.

First, the scope of what is considered "essential" will define how painful the shutdown will be for those who consume state government services. Thus, the scope of essential services will ultimately impact the negotiations between Governor Dayton and GOP legislative leadership.

If the scope of essential services is narrow, it may put pressure on the parties to negotiate a settlement. Conventional wisdom holds that under this scenario, it is

Republicans who will feel the heat from constituents back home who are inconvenienced by a broader shutdown.

The Watchdog disagrees. If there is a widespread shutdown, the pressure falls on Dayton. After all, those who provide state government services and those who most consume those services are mostly part of the DFL constituency. State government unions and the "disability community," for example, belong to the DFL constituency. When these folks complain loudly, it is Dayton's ear that rings, not the GOP's.

Second, the court's actions will be far-reaching and precedent setting in many ways, regardless of how the court rules.

Twice in the recent past (2001 and 2005), the court's have issued guidance and declarations regarding state government shutdowns.

In both these cases, the decisions were more limited in scope and duration. In 2001, a shutdown was avoided altogether while in 2005 the shutdown was limited to just a few days.

In 2005, even though there was shutdown the scope of the court's decision was limited because a number of funding bills had already been passed by the legislature, leaving just a few budget areas to be considered by a judge.

This time, the entire state budget except one small program area (agriculture) is unresolved and thus subject to the court's jurisdiction. In other words, the court will potentially exercise outsized influence because of both the scope and potential length of the a shutdown.

The scope of what exactly constitutes an "essential" service goes to the heart of two issues. The first being a serious analysis of constitutional separation of powers issues and the second being a practical examination of what each party (the attorney general, the governor, and the legislature) defines as an essential service.

Thus, a court's ruling regarding what is to be funded or shuttered during a shutdown involves very serious constitutional issues that go the very heart of the state's constitution.

The starting point for this analysis begins with a reading of [Article 11, Section 1](#), which states: No money shall be paid out of the treasury of this state except in pursuance of an appropriation by law.

Moreover, [Article III](#) says that: The powers of government shall be divided into three distinct departments: legislative, executive and judicial. No person or persons belonging to or constituting one of these departments shall exercise any of the powers properly belonging to either of the others except in the instances expressly provided in this constitution.

These sections read together persuasively argue that the courts have no role in determining which government functions should be funded. Those decisions belong to the legislative department and legislative department alone.

This where the Watchdog stands on the matter and hopes that legislators, on a bi-partisan basis, adopt the same point of view before a judge, even if it means litigation (more on that below).

While these issues can be very serious (e.g. keeping the violent locked up), the solution is not for the judiciary to usurp the legislative function unto itself and unilaterally appropriate monies to functions it deems essential. This type of outcome is a direct violation of the very clear and well-accepted separation of powers doctrine that has been a hallmark of representative government for centuries.

So what do the three parties (attorney general, governor, and the legislature) think about the situation? What do they deem essential?

Let's take a look.

ATTORNEY GENERAL

DFL attorney general Lori Swanson takes an [expansive view](#) of the court's power to dictate spending. Specifically, she argues that the state and federal constitutions require that certain "core" functions of government be carried out, whether or not the legislature has appropriated the money to do so. These core functions are deemed essential or critical and therefore must be funded.

In fact, Swanson's proposed framework for defining "essential" or "critical" services could create a situation where the exception swallows the rule. In other words, a court using the Swanson framework could mandate that most government functions be deemed "essential" or "critical."

For example, Swanson uses criteria borrowed from the federal government that, in part, define a core governmental function as:

- The payment of welfare benefits;
- The performance of any contract obligation of the government;
- Protection of land owned by the government;
- The protection of research property.

Most surprising, Swanson would let local units of government define for themselves which functions are critical and therefore must be funded.

To be fair, Swanson is essentially adopting the framework for what the courts used in 2001 and 2005 in fashioning their orders.

That being said, it doesn't make it right, constitutional, or fair.

Under the 2001 and 2005 framework Swanson advocates, the following are a sampling of "core" functions that [must be funded](#), even in the absence of a legislative appropriation:

- The Minnesota Zoo;
- Road construction and maintenance;
- Freeway ramp meters;
- Highway weigh scales;
- State-owned tree nurseries;
- Wetlands law enforcement;
- Busses and light rail;
- Welfare checks;
- Community Action grants;
- Public health communications;
- Education technology grants;
- Migrant educational grants;
- Farmers Market nutrition program;

GOVERNOR DAYTON

In Many respects, [Dayton's petition](#) invites the same judicial overreach as Attorney General Swanson's, with some major exceptions. Overall, Dayton's petition seeks a much more limited definition of core functions, which is little more than a cynical calculation that a harsher shutdown will force Republicans to come to the table and sue for peace.

Highlights of the Dayton petition of things to remain funded:

- Grass cutting and flower planting at state buildings;
- MINNCOR (a program where prisoners get to work making things instead of being in their cells where they belong because they did things like rape and murder people);
- Prison education programs (where the same violent criminals get a taxpayer funded education as part of their "punishment" for committing crimes);
- Disability applications;
- Governor's office policy development (to continue to churn out those new ideas like raising taxes);
- Governor's office public communications (to churn out the propaganda);
- The Governor's mansion (um, isn't there another mansion where you can crash during a shutdown? You're a Dayton, after all);

- Welfare checks;
- Methadone for junkies;
- Maintenance for Giants Ridge golf course;
- Bison herd care;

Dayton also proposes to close some functions that Swanson does not or ones that were considered core functions in the 2001 and/or 2005 court order. The motive would seem to be to maximize the pain of a shutdown:

- Nearly all of the Department of Education;
- Many boards that issue professional licenses (e.g. accountants and engineers);
- Emergency Medical Services Board;
- Many Boards that investigate complaints (e.g. pharmacy board, psychology board);
- Tax court;
- Busses, light rail, and commuter rail;

THE LEGISLATURE

As mentioned above, there is one school of thought that believes that the courts and the executive branch lack the power to appropriate money.

In fact, during the 2005 shutdown, a group of legislators filed a lawsuit arguing just that point. Formally known a writ of quo warranto, the complaint sought to stop the executive branch from spending funds ordered by the court. This lawsuit was brought by both GOP and DFL legislators representing both the House and the Senate.

The district court dismissed the complaint, primarily because it was filed after the money was spent, thereby mooting the controversy.

The legislators appealed to the Minnesota Court of Appeals. The Court of Appeals agreed that the issue was mooted because it was brought after the fact.

But the court did warn the executive branch that a future lawsuit brought in a timely manner would be seriously considered:

We recognize the legislators' compelling argument that the commissioner's court-approved disbursements interfered with their appropriations power and improperly affected the dynamics of the legislative process during the special session.

. . . If the events of 2005 repeat themselves, the legislators can raise a timely challenge to seek a judicial remedy for their asserted injury.

Note that the court recognizes the legislature's "compelling" argument that the court-ordered spending interfered with their appropriations power.

Look for members of the legislature to bring a more timely lawsuit this time around. As of this edition, a lawsuit of this nature was [rumored](#) but not yet filed.

If the courts agree with the argument brought forth in the legislature's 2005 lawsuit, immediate pressure would be brought to bear on the governor and the legislature to reach agreement, even though the court could delay implementation of its order to allow for negotiations.

Nonetheless, such a development would be a real bombshell. And it would be good for our democracy.

Courts don't appropriate money. Legislatures do. No matter how noble the motive, whenever courts exercise the legislative power to appropriate, they denigrate our democratic institutions and mask accountability.

Legislators and the governor are responsible for crafting a budget agreement. The courts shouldn't excuse them from that responsibility, in whole or in part.

Stay tuned.

BUDGET UPDATE

This is breaking news. As this edition goes to press, the GOP legislature has made a [new offer](#) to Governor Dayton.

As the Watchdog predicted weeks ago, the legislature has offered to give up the tax cuts in its budget and instead add the money that would have gone to tax relief to other program areas like education and public safety, among others.

Remember that tax cuts reduce the amount of revenue coming into government and are thus carried as spending items. This is called a "tax expenditure."

The GOP budget that was vetoed by Governor Dayton had about \$200 million-plus in tax relief.

Of course, Governor Dayton panned the proposal because it doesn't raise taxes, something the governor seems to obsess about day and night.

Perhaps some guilt from a silver spoon trust fund kid who has never worked a real job? The GOP offer expires on June 20th.

June 24, 2011

Public Policy Commentary

In This Issue:

1. Post Hoc, Ergo Propter Hoc.
2. Capitol Update.
3. Washington Update.

POST HOC, ERGO PROPTER HOC

So those Latin classes from way back when may be a little hazy. Or maybe you attended public schools.

Translated, "post hoc, ergo propter hoc" means "after this, therefore because of this."

This concept is called a logical fallacy, meaning in lay person terms that it is utter, total bullspit.

The classic example of this fallacy is the belief that the call of the rooster causes the sun to rise. Each morning, the rooster calls and then the sun rises. Therefore, the rooster was the cause of the sun rising.

A modern example involves our friends on the Left, who believe in a number of these fallacies, but we'll stick to one.

During these intense public debates about government spending and taxes, Lefties pick out select years when tax cuts were implemented and then cite a subsequent downturn in the economy. Of course, we're to believe that somehow tax cuts ushered in an economic downturn. Conversely, we're expected to believe that tax increases cause economic growth.

For example, the Minnesota state tax cuts and reforms of 2001 caused the economic downturn of 2001-2002. Never mind that whole episode of September 11, 2001.

Or, for example, the Bush tax cuts that President Obama renewed. The Left would have you believe that these tax cuts caused the Great Recession. Never mind all those bad actors in the real estate industry and on Wall Street. Never mind the mind-boggling spending binge of Obama.

Well, the Watchdog is here to call out these flat-earthers and put them to their proof. Watchdog CEO and Chief Innovator Harold Hamilton announces an essay contest. The first reader to persuasively argue that tax cuts are harmful to private-sector job growth and wealth creation will win a \$250 cash prize. The winner, if we get one, will have the

distinct honor of being \$250 richer and have bragging rights as the tallest economic policy midget in their neighborhood.

Oh, yeah. You could always ship that \$250 down to Saint Paul and help Mark Dayton get the "enhanced revenues" he's looking for.

Send your work to harold@theminnesotawatchdog.com.

CAPITOL UPDATE

With a government shutdown just a week away and with special interest groups who feed at the government trough streaming down to Ramsey County District Court like it's the last chopper out of Saigon, there's a flurry of activity happening.

As you might expect, some of the more important stuff is being ignored by the mainstream media. And as you might expect, we're here to offer the insight and analysis you've come to expect from this publication.

First, there was news this week that Governor Dayton and the employee unions that supported his campaign had worked out a tentative "deal" that would help state workers while magically helping taxpayers at the same time.

This political alchemy would alter the current union contracts by rewriting layoff provisions that would force employees to burn banked vacation time before collecting unemployment and other provisions that would entitle employees to severance payments.

The deal would also continue insurance benefits and guarantee that employees would retain all their benefits upon a return to work.

The Star Tribune tells us that this agreement will save the state tens of millions of dollars in severance payouts and is therefore a fine example of our beleaguered, over-worked and under-paid state employees giving us folks who fund government a big helping hand, even though we all make millions, drive German imports and ridicule the less fortunate for sport.

Wait a minute.

How much is the continuation of insurance benefits going to cost the taxpayers?

Moreover, allowing employees to save their unused vacation time isn't a savings to the state, at least long-term.

Vacation time saved right now will only result in it being paid out in the future or used by employees. And yes, vacation days are an expense to the employer when used. Paying someone not to be at work is an expense.

Does anyone really believe a deal between Mark Dayton and the government unions will result in a benefit to the taxpayer? A deal between two foxes to guard the henhouse is no deal for the hen.

###

Freshman GOP Senator John Howe (Red Wing) has been in discussions with Governor Dayton about a proposal to expand the sales tax, either as a way to increase tax revenue or as a revenue neutral proposition.

Howe is a fine legislator but is on dangerous political ground with his proposal.

As a matter of public policy, it is generally good tax policy to have lower, broader tax rates. Conservative economists of note such as Art Laffer and Larry Kudlow support this proposition.

The problem for Howe is political. First, if his proposal results in more tax revenue to the state, then it's a tax increase - period. The Watchdog stands with the legions of conservatives who think \$34 billion is more than enough money to run the state. We don't need more tax revenue, especially revenue derived from a sales tax expansion.

But even if his plan is revenue neutral (meaning that it brings in the same amount of money as before), an expansion of the sales tax is rife with serious political issues.

For example, the two biggest revenue generators under this concept are extending the sales tax to clothing and food. No legislator wants to be known as the guy or gal who voted to tax someone's underwear or orange juice.

Next, extending the sales tax to any particular service, such as accounting or legal services, riles up trade groups for those interests and causes serious lobbying efforts to oppose the extension to that particular group's professional services.

Moreover, the sales tax is regressive and not nearly as progressive as the income tax. Something DFLers hate, unless the sales tax is for a Twins stadium or arts/bike trails/zoos.

Given that Governor Dayton is interested in both more tax dollars and a more progressive income tax structure, it is hard to believe that the governor is interested in this proposal, unless it brings in some serious dough.

An expansion of the sales tax has been under serious consideration in Minnesota for over a decade and there's a reason it hasn't happened. The political ramifications are

immense, meaning that any real change in this regard must be a true bi-partisan effort that is led by the governor and legislative leadership.

When one freshman senator proposes the idea, he is needlessly exposing himself to serious political artillery. Rest assured, the DFL will pound Senator Howe next election, saying that he favored taxing underwear and Fruit Loops.

Trust us on this one, readers. We've seen this happen in 2002, 2004, 2006, 2008 and 2010.

Howe is a very talented legislator and a rising star for the Senate GOP. While we admire his courage in wading into this debate, this is a serious and unnecessary risk.

###

And let the Watchdog clearly state that we don't give a rip if legislators continue to be paid during a shutdown. The GOP sent Dayton a budget, on time, fully balanced, without tax increases.

They shouldn't have to pay the price because the governor has an almost maniacal obsession with taxing job creators and the successful.

Dayton vetoed the budget, he caused the current problem. He's the one who refuses to call a special session and let legislators get to work attempting to find some type of compromise the governor can accept - if he actually can accept the fact that there aren't enough votes to jack up taxes.

Legislators get paid a measly \$31,140 a year for the many hours they put in, including all the wonderful conservative legislators who toil under the dome to promote individual liberty, free markets, and a more prosperous future. Many of these folks took big pay cuts and passed up on professional advancement opportunities to put their conservative ideas into action.

It's easy for Mark Dayton to be Mr. Big Balls on this issue. An accident of birth landed him on a pile of wealth he did nothing to earn. He can do what he has always done - fall back on a big cushion of Benjamins when times get tight.

The same can't be said for many legislators. They have bills to pay and families to feed.

It is short-sighted for conservatives to complain about this situation. Paying our fine conservative legislators for all the good work they do is one instance of tax money well spent.

Let's train our passion and energy on budget items that really matter: big pension obligations, welfare entitlements, and education dollars that flow out the door without accountability.

###

Finally, it's ironic that the liberals and their allies in the media constantly tout public opinion polls that support their world view. Whenever one of those flawed Minnesota Polls sponsored by the Strib come out, the Left goes nuts, trumpeting the fact that an oversampling of DFLers has declared that Skip Humphrey is going to be governor or that Janet Reno is the sexiest woman in politics.

Of course, polls running the other way don't get the same attention.

We refer to this week's KSTP Survey USA poll regarding the state budget.

Let's end our state news on this positive note:

Going forward, should Minnesota's government increase spending? Decrease spending? Or continue to spend about the same amount as it has been?

8% Increase
60% Decrease
27% About The Same
5% Not Sure

Would making cuts to state services be acceptable? Or unacceptable? To you?

61% Acceptable
31% Unacceptable
8% Not Sure

WASHINGTON UPDATE

This isn't so much Washington news, but we had to report on the big news this week that Target employees in New York rejected unionizing, a major blow to organized labor.

After the brouhaha in Wisconsin, we heard big boasts about a resurgence of unionism. The unions then lost a Wisconsin Supreme Court race they targeted, lost their lawsuit to stop the Wisconsin bill that curtailed union privileges, and now have lost this high profile organization effort, which would have made this the first Target store to be unionized.

Well, there's always the National Labor Relations Board to get them what they can't win at the ballot box.

###

The Congressional Budget Office (CBO) issued an ominous fiscal report this week that further cemented President Obama's status as a failed president.

The report states that by 2020, the projected federal debt will equal 90% of the nation's economic output. When Obama took office just three years ago, the federal debt stood at 40% of GDP.

By comparison, the debt to GDP ratio was 109% at the end of World War II. Greece has a debt to GDP ratio of 115%.

When Obama took office, each American household's share of the national debt stood at \$56,000. Today that bill is \$72,000. By 2020, each household will owe \$170,000 to cover the federal debt.

July 1, 2011

Public Policy Commentary

In This Issue:

OWEBAMA: HE MADE IT WORSE:

Unemployment is up 25% since Owebama took office.
The federal debt is up 35% since Owebama took office.
Gasoline prices are up 105% since Owebama took office.

SPECIAL GOVERNMENT SHUTDOWN EDITION

\$34 BILLION IS ENOUGH EDITION

It's July 1 and our state government has shutdown. Are you still alive? Is your house still standing? Is your city still intact and not a smoldering ruin?

That's what we thought.

It's now time for Republican legislators to really cinch up the chin strap and hang tough. They can win this battle and make some excellent progress in winning the war for a more sustainable, prosperous future for this state.

The biggest impediment to achieving this objective, however, isn't Governor Dayton.

No, the biggest obstacle is Republican legislators who are appearing with greater frequency in the media talking about all the different "revenue enhancements" they are willing to consider to get a deal with Dayton.

Fees, tax "loopholes," gambling, sin taxes, an expanded sales tax and all sorts of other schemes are under consideration.

Guess what? \$34 billion is enough. \$34 billion is enough!

The problem here is that government spends too much money. The issue isn't merely one of taxation and the undesirability of an income tax increase.

Let's be honest. All these different revenue raising schemes have been offered for one purpose: to get more money into Mark Dayton's hands and avoid the tough fight to put Minnesota on a path to prosperity.

Most amazing, Dayton can't even tell Minnesotans what he would do with the new money!

-

Public pronouncements from GOP legislators about the different devices they support to get the budget up and over \$34 billion is bad public policy - and bad politics.

Think about it.

Republicans won a massive, historic election in 2010.

In the Minnesota House, Republicans had just 47 seats after the 2008 election. That was two fewer than the 49 they had after the 2006 election.

In 2010, Kurt Zellers and crew roared back to gain the majority by picking up 25 seats to take a 72-62 majority.

In the state Senate, Republicans had never held the majority since party affiliation was re-introduced in the early 1970s.

After the 2008 elections, the Senate Republicans could meet in a phone booth.

In fact, the Senate Republicans didn't even have enough votes to uphold a Tim Pawlenty veto.

With just 21 out of 67, the Senate GOP was relegated to the sidelines.

After November of last year, the Senate GOP was in control, boasting a 37-30 advantage over the DFL.

So how did these legislative majorities happen?

They happened with a lot of hard work and a simple, powerful message.

Republican legislative candidates across the state were unified and rallied around the message that government had to live within its means. Government had to live within a budget, just like every family, business, and non-profit in the state.

In other words, Republicans promised Minnesotans that if they were put in charge, they would govern in a fiscally responsible manner.

And they were rewarded - handsomely.

During election campaigns, broad themes are more the norm than well-defined and comprehensive proposals.

Such was the case with the GOP promise to make government live within its means.

But during the 2011 legislative session, the Republican majority coalesced around defining "fiscal responsibility" as a \$34 billion general fund budget. While a solid argument could have been made for a \$32 billion general fund budget, \$34 billion made

since in that it didn't require new revenues, either through income taxes or any other taxes, fees, or "loophole" closing.

In short, the GOP has defined its central promise to Minnesotans as \$34 billion and, to borrow a phrase, [not a penny more](#).

Thus, each time a GOP legislator expresses a willingness to boost government spending beyond \$34 billion, it undercuts the central message.

Undercutting this core promise emboldens the Left and demoralizes Republicans.

Undercutting the promise strengthens the hand of a profligate governor and weakens the hand of legislative leadership.

And for what purpose? Republicans are winning the public relations battle. Our cause is just and our ideas are carrying the day!

Instead of looking at their feet and mumbling about a 6% increase in government, every GOP legislator should proudly proclaim their opposition to the kind of increased government spending that has bankrupted our future and put us on a fiscal footing one step above Greece.

Editorials across the state recognize that Governor Dayton is reneging on his pledge to avoid a government shutdown.

Citizens recognize that Dayton is playing shutdown politics by not calling a special session and by refusing to close out budget program areas that are agreed upon.

It seems some Republicans are snatching defeat out of the jaws of victory.

This is a once-in-a-generation opportunity to truly redefine the role of state government in our lives.

We have talented and principled leaders who are squared off against a weak, erratic governor who was a failure as a U.S. Senator and who won his seat by a margin of only 8,000 votes.

And we have GOP legislators out there talking about new revenues!?

So what happens if a budget deal comes together that includes hundreds of millions or even a cool billion in new revenues?

The crap hits the fan, that's what.

Those who exhorted the GOP to compromise by larding another billion on to the budget will go out and do what they did in 2010 - work and vote for DFL candidates.

Independents, who swung hard to the GOP in 2010 for fiscal reasons, will once again be up for grabs because the GOP failed to deliver on their central promise, feeding the cynicism so many independents feel regarding the state of our politics.

And the GOP base will be left demoralized, disappointed, and dispirited. After being forced to swallow the turd of double digit spending increases, we'll be given a small breath mint entitled, "well, at least we didn't raise income taxes."

Good luck with that one. Conservatives are smart enough to realize that anything above \$34 billion is a betrayal of our values and a bitter surrender to politics as usual.

If GOP legislators think that the folks who pound the lawn signs, drop the lit, march in the parades, and dig deep to write checks will be mollified by this outcome, they will be sadly mistaken.

Victory is at hand and we expect nothing less.

The Watchdog will not turn a blind eye and give a wink and a nod to these revenue raising schemes, either.

Taking away tax deductions is a tax increase for those who lose it. Expanding the sales tax in a way that generates more revenue is a tax increase. Minnesota doesn't need tax increases, no matter the form. We have a spending problem, not a revenue problem.

And any scheme whatsoever designed to get more money into the state coffers to grow government will be strongly opposed by this publication and its founder.

The state has enjoyed an average spending growth rate of 21% percent since 1960. It is time for government to yield to the reality of our dire fiscal situation.

This is the best opportunity Republicans have had in the modern era to craft the kind of limited, efficient, and transparent government that defines the essence of our collective conservative values.

To lose this opportunity to Governor Dayton and the Democrats would be an infamy almost beyond comprehension.

This is a defining moment in the career of all 109 Republican legislators.

They can go home goats.

Or they can go home heroes.

The Watchdog is betting on the heroes.

Stand tall, Republican legislators! Your cause is just and history will reward your courage.

July 8, 2011

Public Policy Commentary

In This Issue:

EDITOR'S NOTE: It's day 7 of the shutdown. Is your house still standing? Can you manage to get to work past all the dead bodies stacking up in the street? Are you outraged that you can't buy a lottery ticket? Are you mad-as-hell-and-I-won't-take-it-anymore angry that you have to pee at Burger King or Super America because the rest stops are closed? THE HORROR!

In This Issue:

1. Tweet of the Week.
2. Quote of the Week.
3. Victory is the Only Option.
4. The Fossil Commission.

TWEET OF THE WEEK

This week's tweet is a real barn burner and, frankly, one that ought to land the sender in hot water.

Senator [Linda Higgins](#) (DFL - Minneapolis) sent the following tweet Thursday afternoon:

[SenatorHiggins](#) Someone give Grover Nordquist his meds. Clearly he forgot them today. #mnleg #shutdown <http://t.co/6lbDNwR14> minutes ago · [reply](#) · [retweet](#) · [favorite](#) Sen. Linda Higgins (DFL) SD 58 - Minneapolis

This tweet is incredibly insensitive to the thousands of Minnesotans suffering from mental illness who rely on medication to assist them in balancing and stabilizing their lives.

It is especially galling to read after Higgins and other DFL senators pitched a tantrum over the [tweet](#) of fellow GOP senator [Gretchen Hoffman](#), who was hauled before an ethics committee to answer for her tweet.

The Watchdog also recalls the hue and cry from liberals when GOP chairman Tony Sutton labeled Governor Dayton's behavior "[erratic](#)."

Can you imagine the outcry from the Left if a Republican had speculated about Dayton in the way Higgins speculated about [Grover Norquist](#)?

We won't hold our breath for any kind of rebuke from the media and others that Senator Hoffman absorbed.

Actions like this coming from Democrats are always quickly dismissed with a wave of the hand and a recitation of various bills they have supported that support the offended group.

Shame on you, Senator Higgins.

By the way, get it right. There is no "d" in Norquist, Linda.

QUOTE OF THE WEEK

"Something's got to give, and I don't believe we should have to."

- LuVerne Shepard

Shepard is a mass transit rider quoted in a Star Tribune article about the woes of transit riders who might have to shell out an extra 50 cents to ride the bus.

Shepard's entitlement attitude is emblematic of the growing legions of Minnesotans who feed at the government trough and sneer at the suggestion that they, and not the anonymous taxpayer, pay a bit more for the heavily subsidized services they enjoy.

Unfortunately, the DFL modus operandi is to encourage this attitude while promising to fulfill it as a means of gaining political power and influence.

Frankly, LuVerne and others who share her attitude can go jump in a lake. The Watchdog is tired of hearing the childish and outrageous demands of those who expect government (meaning you and me) to give them something for little or no cost, in many cases to make up for poor behavioral choices like taking drugs, having children out of wedlock, or refusing to make the sacrifices needed to get ahead in life.

This shutdown has exposed the ugly politics of envy, especially of those who demand that government expropriate by threat of violence the resources of the successful so they can be enjoyed by those who haven't been as successful.

The number of folks pulling the wagon shrinks while the number riding in it grows by leaps and bounds.

This shutdown is about more than numbers. It's also a moral issue regarding the role of government in confiscating the fruits of one's labor to give to another, not out of a sense of charity, but at the point of gun wielded by a faceless and pitiless government that acts all too often at the behest of the masses who are attracted to the argument that they can have something that belongs to someone else. They fall prey to the arguments of demagogues who tell them that the wealth of America is a zero sum game, that they lack material wealth because someone else has it.

Republicans reject these arguments. They believe in equality before the law and in a society based on meritocracy, where success is to be celebrated, not punished.

Government must work to ensure equal opportunity, not an equal outcome.

Successful, thrifty, industrious neighbors are to be emulated, not castigated.

Sadly, the class warfare of Governor Dayton represents just the opposite.

This is why there can be no compromise with him. It's about more than meeting halfway on the numbers. More importantly, this budget is about moral imperatives and the role of government in our lives.

The Republicans are correct and if they stand firm, history will prove them so.

VICTORY IS THE ONLY OPTION

So Governor Dayton and his DFL cronies got what they wanted.

They pushed the GOP legislative majority into a shutdown so they can have a comprehensive and unified attack narrative for the 2012 elections.

"Republicans shut down government!" "Republicans can't manage the state!" These headlines will no doubt appear on thousands of hit pieces that will appear in mailboxes around the state next fall.

After all, every seat in the legislature will be up for grabs, offering an opportunity for the DFL to reclaim both houses of the legislature and the opportunity to exercise an Obama-Pelosi-Reid style triumvirate of fiscal evil.

We all know that Minnesotans blame both the legislature and Governor Dayton for the budget impasse.

But Dayton isn't on the ballot in 2012 and the DFL legislative minority can claim bystander status to a claimed Republican-led train wreck.

In short, the GOP majority next fall will be wearing the stain of the shutdown while they campaign to retain majority status.

They only antidote to this universal allegation is to win and win decisively.

If the GOP holds firm and wins a budget that only spends what the state can afford, the GOP will have drawn a very clear and bright line of distinction between the DFL and itself.

When voters see that living within our means doesn't mean the apocalypse, voters will reward Republicans for doing something politicians rarely do - deliver on a promise.

Moderate Republicans who wring their hands in anxiety over this situation and look for ways to bring in more tax dollars are wasting their time.

Reaching an accord with Dayton that spends hundreds of millions more than what the state has in the checking account will hand the DFL a victory and allow them to claim that the shutdown was needed and worthwhile to bring the extremist Republican caucus into line.

Agreeing to more spending now will blur the moral distinction between the parties on the issue of government spending and reduce next fall's legislative campaigns to a dry academic exercise about fine distinctions between \$35 billion and \$34.7 billion and \$35.2 billion in spending.

It's hard for Republicans to argue that a government shutdown took place so we could find an extra billion to spend, regardless of the source.

Standing firm at \$34 billion is the only position that truly draws a bright line between the parties and gives voice to the very powerful Republican argument that government must change its fiscal ways.

It's the only position that gives voice to the Republican narrative.

When given a choice between two spenders, voters will pick the DFL every time.

When given a choice between a party that controls spending and one that doesn't, the GOP wins.

Whether the Capitol players realize it or not, the GOP has been pushed beyond the point of no return.

And that's a good place for Republicans to be. The moderates who think DFL-lite is a good position have now seen Governor Dayton burn their ships at the shore.

THE FOSSIL COMMISSION

So the much ballyhooed "third way" [report](#) from the Mondale-Carlson has been published.

While the Watchdog is happy to see these guys get back to playing canasta and watching Matlock reruns, we didn't think the report was a total failure.

But maybe that's because our expectations were so low.

Don't get us wrong, we firmly believe \$34 billion is enough. And yes, we oppose all the tax increases. And yes, spending an additional \$1.5 billion with no explanation of what reforms the money would buy, if any, is unacceptable.

But we did admire, for example, the guts of the commission to call for an across the board tax increase.

It's provided a fresh take on tax increases that departed from Dayton's tired class warfare canards.

We'll see how many liberals sign up for paying for a better Minnesota when they're included on the hit list of those being made to pay.

Okay, so maybe there was only one thing we liked about the proposal.

But agreeing with anything Arne Carlson says or does these days is noteworthy.

Remember to contact your [legislator](#) and tell them \$34 billion is enough.

July 15, 2011

Public Policy Commentary

In This Issue:

SPECIAL EDITION!

VICTORY!

Republicans won a history-making victory under the Capitol dome yesterday in Saint Paul. Standing strong throughout a government shutdown in which they were harassed and pressured by the legions of special interests who feed at the government trough, these legislators turned back a liberal governor's agenda of massive tax increases.

THE DEAL

While details need to be worked out, the framework of the budget has been settled. Overall, Republicans put another \$1.4 billion in one-time monies on the table in exchange for Dayton dropping all his tax proposals, including expanded income, sales, and sin taxes.

The \$1.4 billion will come from borrowing against future income from tobacco lawsuit payments to the state (\$700 million) and a further school funding shift (\$700) million. Read how tobacco bonds work [here](#).

Also, the deal includes dropping all GOP policy proposals and their plan to cut the state workforce.

Finally, the deal includes the passage of a \$500 million bonding bill.

Yes, the deal isn't perfect and there are things to dislike about it.

Dropping the policy proposals hurts. Republicans passed some excellent, game-changing proposals including photo ID for voting and educational reforms that would have transformed public education in Minnesota.

The next legislative session will be here in January. Republicans can go back to the drawing board and hit the peg again.

Moreover, for items like photo ID, they can always be put on the ballot as a constitutional amendment, bypassing the governor's desk and his veto pen.

And, yes, it is disappointing to see state spending rise another \$1.4 billion. The Watchdog wasn't in the \$34 billion camp. We were in the \$32 billion camp.

Having said that, this deal cuts state spending by nearly \$2 billion from what the state was projected to spend.

Republicans should be proud of the fact that they put serious brakes on runaway state spending.

This is an incredible achievement in the face of a liberal governor. Remember all the bragging after the session started in February from the DFL, taunting Republicans by saying that "governors get 90% of what they want?"

The simple fact is that legislative Republicans shouldn't compare this deal to what MIGHT have happened had we won the governor's office last fall.

Don't let the vision of what might have been under a conservative governor cloud the reality of a very good deal under deeply divided government.

Next, the new spending is one-time money, meaning that the DFL will have to come back looking to replace or extend these revenues in the next budget cycle.

This is actually good news, compared to what the media is going to say about it. They will tell you this is a spending band-aid that "kicks the can down the road." The DFL will decry this plan as an irresponsible "borrow and spend" plan.

Not at all. It's a good thing these are one-time and not permanent, ongoing revenues. You see, the DFL and the media (and Arne Carlson) want permanent, ongoing monies so there will be no debate about this level of revenue (and spending) going forward.

This is precisely the kind of government-spending-on-autopilot budgeting that they love and crave.

With one-time money, we indeed will be having this debate again down the road. And that's a good thing. It's a good thing to make DFL legislators and their special interest constituencies come back to the legislature and make the case that they need huge spending increases.

The simple fact is that the big spenders hate accountability and transparency.

One-time money forces that accountability and transparency. Embrace it.

There is also some angst out there among GOP legislators regarding a bonding bill.

While the Watchdog agrees that bonding bills add too much to the state's credit card and are filled with pork, it's an easy concession to make to Governor Dayton.

Why? Because a bonding bill was going to happen anyway. As long as GOP leadership applies this bonding bill's cost against the larger bonding bill that will pass next year, it's a good deal.

The reality is that many GOP legislators love bonding as much as their DFL counterparts. Take a look at recent bonding bills and the number of Republicans who voted for them. The reality is that pork is a bi-partisan addiction.

More importantly, a bonding bill needs to be done. While there are some legitimate needs for bonding (bridges, water treatment plants etc.), the public is conditioned to seeing one competed and passed each bi-ennial session.

If you don't believe it, remember 2004, when the legislature failed to pass a bonding bill. The media and the DFL spun a narrative that the legislature "didn't get its job done."

Even though the vast majority of Minnesotans didn't know what was in the failed bill or even how bonding bills work, they believed that legislators went to Saint Paul, collected pay and per diem, and did nothing.

The House GOP lost 14 seats and came back weakened, with a razor-thin 68-66 majority, which allowed GOP RINOs to run wild and call the shots.

But most important, this victory is remarkable in both the short-term and the long-term. In the short-term, Republicans beat back tax increases in a traditionally liberal state led by a liberal governor, all in the face of a massive, \$5 billion budget deficit.

Legislative Republicans forced the sitting governor of Minnesota to abandon THE central premise of his campaign - raising taxes, especially on job creators and the successful.

After the November elections, DFLers were cock-sure that tax increases would not only be a part of the solution, they would be the lion's share of the budget solution.

They, including the chief executive of the state, got nothing.

Just as important are the long-term benefits.

The simple fact is that Governor Dayton blinked and Zellers/Koch didn't.

Governor Dayton lost this important, high-stakes poker game with his legislative counter-parts.

A dynamic has now been established going forward between these three leaders.

That dynamic dictates that if Zellers and Koch stay committed to their positions, Dayton will eventually fold as long as you throw some parting gifts his way.

Whether Dayton realizes it or not, his handling of this shutdown greatly diminished his influence, standing, and gravitas among legislators, especially Republican leadership.

The Watchdog respectfully encourages Republican legislators to do three things.

One, declare victory and proudly embrace the history you all have made. Don't dwell on the aspects of the budget deal that you don't like. You won and you won big.

Two, vote for the budget bills next week. Unanimous passage among Republicans further supports the narrative that this is big victory for us.

A bunch of "no" votes accompanied by floor speeches decrying various aspects of the agreement will be picked up by the media and blown out of proportion. The mainstream media will be looking for every opportunity to find and report on negative Republican comments regarding the agreement.

Finally, go home. Once the special session is done, get home to your families, your businesses, and your life. Enjoy. You deserve it.

DECLARE VICTORY!

July 22, 2011

Public Policy Commentary

In This Issue:

1. Yes - We Won.

YES - WE WON.

Well, it's all over but the shouting, which will continue until November 2012.

The state shutdown ended this week with a whimper as all went according to plan, with Republicans demonstrating that they both manage state government and do so guided by their collective principles and values.

The easy way out would have been a "compromise" with Governor Dayton sometime prior to June 30th.

It would have been a "compromise" based upon how much higher taxes would have risen in Minnesota and it would have been a compromise that would have required the GOP to abandon the core of its covenant with Minnesota voters.

Republicans promised that they would go to Saint Paul and get government spending under control. That promise required both the rejection of tax increases and a meaningful reduction in spending.

And that promise also required one more thing - the reform and redesign of a system of government that was geared towards a 1970s economy and was based upon the liberal values of the 1970s, namely a belief that government was the primary driver of prosperity and society's foremost problem solver.

Instead, this GOP majority held fast to their collective values and withstood the attraction of political expediency, the condescending scolding of the editorial boards, and the relentless pressure of special interest groups who, frankly, got their undies all wound up because someone finally had the courage to tell these spoiled brats that the party was over.

Conservatives across Minnesota should rejoice that this legislature crafted a balanced budget based on a foundation of three core values: the rejection of tax increases; the

crafting of a budget that puts Minnesota government on a path to fiscal sustainability; and a budget that embraces public policies that reward work, family, and free markets.

While the war over the size and scope of the state budget took center stage, the showdown between Governor Dayton and legislative Republicans over tax increases was the main battle front.

The centerpiece of the Dayton campaign was a promise to raise taxes, especially on our most successful job creators.

Republicans not only forced Dayton to scale back his income tax proposal, they got him to drop it completely. Not only that, they also forced him to drop tax increases

altogether. No sales tax increase, no cigarette tax increase, no alcohol tax increase, no tax increase of any type in any amount. Zip. Zilch. Nada. Nothin'.

The sitting governor of Minnesota was forced to abandon the central premise of his campaign and was no doubt a core value of his.

Republicans were also successful in putting some serious brakes on spending while putting the state on a path to sustainable and reasonable growth.

Yes, we agree with those Watchdogs who wanted to spend less. It would have been nice to have ended up a \$32 billion general fund.

But that just wasn't going to happen. Not with a DFL governor sitting across the negotiating table.

The dream of what could have been with a GOP governor shouldn't cloud the reality of what the GOP accomplished against a DFL governor. (Note to GOP: endorse a better candidate next time around.)

The state budget forecast predicted general fund expenditures in the upcoming budget cycle of \$39 billion. Remember \$39 billion. There is no doubt that Governor Dayton and DFL legislature would have found a way to slake the \$39 billion thirst of the Leviathan that is state government.

Dayton backed his plan down to \$37 billion, \$3 billion above forecast revenues and \$5 billion above current general fund expenditures.

A budget compromise just above \$35 billion represents a \$4 billion reduction in forecast expenditures and is a major achievement Republicans should trumpet to taxpayers.

Let's also take a moment to address all this "kicking the can down the road" business.

Of course, this phrase is designed to label the GOP as fiscally irresponsible and too feckless to confront difficult budgetary choices. Nonsense.

Far from irresponsible and bad, the use of one-time monies like the school shift is beneficial in many respects.

First, the fact that one time monies were used does not "kick the can down the road."

Instead, it takes government off auto-pilot and will force the legislature and the governor to openly debate and consider future "revenue enhancements," should they be needed.

Revenue increases like taxes, gambling expansion, and other schemes were all permanent revenue streams that would have fattened government coffers forever into the future, masking the need for reform and redesign.

The fact that these revenues won't be built into future forecasts may indeed mean future deficits.

But future deficits, if they occur, will not likely be caused by inadequate revenue.

Instead, they will likely be caused by irresponsible spending - just like this budget.

Future projected deficits are called "structural imbalances." Big spending weenies like Arne Carlson and John Gunyou get all bent out of shape over them.

Watchdogs shouldn't. Structural imbalances can be made structural through spending cuts as well as tax increases.

It is much easier to right size government from a deficit posture as opposed to a surplus posture.

And this is why DFLers and RINOs get worried about one-time money. As long as the books are balanced, it's all good, even if the books show massive spending increases. We're willing to have that debate again in 2013.

The odds of future deficits are greatly reduced, however, by GOP budget victories that reform and redesign state government.

Not only do these victories represent public policy triumphs that reward work, family, and free markets, they will help drive down future expenditures because fewer governmental services will be required, much to the chagrin of the Social Services Industrial Complex.

Here are some highlights of the reforms and redesigns Republicans won in the budget compromise:

Judiciary and Public Safety:

- Prioritizes the use of state funds on state cases over federal cases
- Specifies that funding increases are used to alleviate caseloads and pay for specified operations costs
- Prohibits additional funding for increased employee salaries
- Requires a co-payment for prison inmate initiated healthcare

Taxes:

- Provides \$30 million in net tax relief, including estate tax relief for farms and small businesses, sales tax exemption for townships, sales tax exemption for public safety water, and sales tax exemption for resale ticket purchases
- Freezes city and county aid at 2010 levels.
- Modifies county maintenance of effort (MOE) requirements to allow for greater flexibility and cost savings in delivering local services
- Includes federal tax conformity to simplify taxpayer filing and tax administration
- Suspends the Political Contribution Program is suspended for two years
- Includes federal taxes in the Tax Incidence Study, allowing for a more accurate portrait of the burden on MN taxpayers

K-12 Education:

- Seeks mandate relief with the repeal of the contract settlement deadline (January 15) and penalty (\$25 per pupil)
- Extends by two years the relief from requiring local districts to spend 2 percent of their basic revenue on staff development
- Requires school districts to "earn" Literacy Incentive Aid funds through student reading test scores in the early elementary grades

- Creates Early Graduation Scholarships, allowing academically capable and hard-working students to complete their high school education early and to take the funds to the college of their choice
- Requires regular evaluations of principals and teachers: student test scores must be connected with the rating of the teacher

Higher Education:

- Enacts tuition limitation at MnSCU's two year institutions, forcing systematic reform and efficiency
- Requires the U of MN and MnSCU schools to meet performance benchmarks to receive a portion of their funding

Health and Human Services:

- Bends the curve on health care spending to slow the massive growth in the fastest growing part of the state budget
- Creates a defined contribution to privatize public health care for some MinnesotaCare recipients
- Repeals the provider tax AKA the Sick Tax
- Provides tax relief from the MinnesotaCare provider tax with a blink-on or off depending on the financial structure of the Health Care Access Fund.
- Prevents welfare fraud by strengthening welfare eligibility requirements and placing greater photo ID requirements and restrictions on the use of EBT cards for alcohol or tobacco purchases
- Limits the Medicaid fee-for-service spending for the next 4 years

Agriculture:

- Ends ethanol subsidies by making the final ethanol producer deficiency payment in 2012

State Government:

- Consolidates Office of Enterprise Technology services throughout government
- Requires E-Verify status check to be used by all businesses that contract with the state
- Establishes a Sunset Advisory Commission to review state agencies, improve operations, and consolidate programs
- Calls for strategic sourcing with private firms to ensure efficiencies in state buildings and vehicle fleet management
- Requires the Department of Revenue to seek tax fraud prevention measures and increase delinquent collections

- Links state employee pay to performance, with salary increases subject to sufficient ratings

This wasn't a perfect budget compromise by any means. But it was a damn good one.

July 29, 2011

Public Policy Commentary

In This Issue:

1. Senator Berglin, Good Luck.
2. Two Cheers for Jim Abeler.
3. Purple Entertainment.

SENATOR BERGLIN, GOOD LUCK

And we mean it in a very [Garage Logic](#) sort of way.

After nearly 40 years of careerism at the state legislature, state Senator [Linda Berglin](#) has announced that is resigning from the legislature.

To take a regular job? Ha! Don't be silly.

Berglin will be moving from the state payroll over to the Hennepin County payroll.

You see, the senator is an expert in the field of health and human services (HHS).

For many years, she chaired the Senate HHS committee. In government, when you build a beast, you then get to make a living helping others navigate the beast.

In fact, she is nearly solely responsible for billions and billions in state budget obligations in this budget area. She crafted many of the money-draining programs Republicans are attempting to reign in before they consume every state penny in the treasury, much like a fiscal version of the Blob.

Talk about leaving a mess.

Berglin said she was leaving because she was "underutilized," which means she threw her sucker in the dirt and stormed off because she didn't get to be queen of the HHS playground anymore.

Heck, she was even too much for Governor Dayton, who passed her by in picking a commissioner of the HHS department.

The state will be wrestling with Berglin's legacy of entitlement health care costs for years to come.

Now watch for all the lamestream media fawning over Berglin as she leaves the legislature.

She cared!

Good luck? We taxpayers are the ones who will need it.

TWO CHEERS FOR JIM ABELER

Get up, and get your grandma out of here.

Pick up, old Jim is workin' hard this year.

- [Paul Stanley and Gene Simmons](#)

Watchdogs, please sit down. The Anoka County Watchdog is going to do what it always does, just for a different - very different - public figure.

Consistent with our past practice, we are giving some credit where credit is due. The unusual thing is that the credit in this case goes to [Jim Abeler](#), a legislator who is frequently not in the good graces of either the Watchdog or the conservative movement in general.

Having said that, Abeler, House Health and Human Services (HHS) committee chairman, deserves a great amount of credit for the HHS bill he and his Senate counterpart, [David Hann](#), crafted.

While much attention has been rightly focused on the GOP tax victory, Watchdogs should be aware of the great work Rep. Abeler and Sen. Hann in controlling costs and implementing reform in one of the state's largest budget programs, and one of the fastest growing.

Consider these noteworthy reforms:

- A phase-out and permanent repeal of the "sick tax" you pay when you visit the doctor;
- Welfare reform that prohibits those on the dole from using your tax dollars to purchase cigarettes and booze (yes, you could do that before!);

And check out this eye-popper. Abeler and Hann bent the cost curve so that projected HHS spending in the next budget is projected to be a mere 4.8%! It was projected to be 22%. The dynamic HHS duo wrung 17% out of the cost curve. Bravo!

In fact, the HHS budget in the final deal came back \$658 million lighter than the bill passed out of conference committee during the regular session.

In the past, we haven't hesitated to encourage readers to contact Abeler. We encourage you to contact both Abeler and Hann and give them your congratulations on a job well done.

Okay, THREE cheers for Jim Abeler.

We told you this budget was a victory for conservatives.

PURPLE ENTERTAINMENT

Who needs actual football to be entertained by the Minnesota Vikings?

The Watchdog gets a kick out these yahoos on an almost daily basis.

The regular session provided a healthy dose of Lester Bagley and company rumblin' bumblin' and stumblin' around the Capitol trying to dredge up support for the ever-changing stadium plan.

And there was the special session. Bagley and company thumped their chests and declared that the Vikings had waited long enough and now it was their turn to finally get their fingers on some taxpayer loot, just like GM and AIG. Crony capitalism they call it.

Oops. The special session churned out bills like poop through a goose. Sorry, no purple turds for Zygi and company.

The Watchdog did hear from multiple Capitol sources on both sides of the aisle about the behind the scenes drama, including a frantic effort to waive off a visit by Zygi, whereby he was going to chain himself to the doors of the Senate and engage in a hunger strike, ala Bobby Sands, until he got his real estate development, er, stadium.

We are kidding about the chains. We're not kidding about the plan to make a dramatic entrance during special session.

The entertainment of late comes in the form of the Arden Hills plan falling apart.

Multiple sources tell the Watchdog that many political leaders are opposed to the Arden Hills site. Some like Saint Paul Mayor Chris Coleman, have been public. Others, more influential, have kept their opposition out of the public eye but nonetheless are dead set against Arden Hills, preferring a Minneapolis site.

Moreover, the sources maintain that there are all sorts of problems regarding the true cost of the road improvement projects around the Arden Hills site, leading to even more skepticism of that location.

Meanwhile, we're told Minneapolis site advocates work behind the scenes to undermine Arden Hills.

Arden Hills? Minneapolis?

The Watchdog predicts neither.

There will be no Vikings stadium in 2012. The Vikings, through their continued incompetence, will be unable to put together a stadium plan to generate enough support and the requisite number of votes in the legislature.

Moreover, after DFLers digest the reduced spending levels to health care and education, they will be hard pressed to spend money on a football stadium.

On the Republican side, legislators who swallowed hard to spend more than \$34 billion will be in no mood to spend money on football.

Third, the NFL lockout has reminded us regular folk that the league is a successful, \$9.4 billion enterprise. They can afford their own damn stadium.

Finally, there is nowhere for the Vikings to go. The entire stadium distortion scheme is premised upon the NFL's ability to exploit an anti-trust exemption to create induced demand for a football franchise.

Simply put, a stadium blackmail scheme only works so long as there is a legitimate threat to move a team to a new city if it doesn't get a stadium.

For the first time in decades, the economy has disrupted that scheme. There are more teams wanting to move than cities that want a franchise, or at least can afford the massive public subsidies most franchises demand.

Jacksonville, Carolina, Saint Louis, San Diego and Arizona are all franchises that are more likely to move than Minnesota.

The spin doctors are so desperate, they've resorted to rumoring that Los Angeles is looking for not one, but two franchises.

This is a city that has a history of difficulty in supporting one team, much less two.

Wilf or a new owner would have a lot of trouble in moving the team.

No stadium in 2012. You heard it here first.

August 5, 2011

Public Policy Commentary

In This Issue:

1. Change - By the Numbers.
2. Explaining DFL Tax Policy.
3. What Conservatives are Fighting For- Badger Style.

CHANGE - BY THE NUMBERS

Wow, are we in a hot mess. Investors voted with their dollars this week as socialist economic and social policies across the globe moved one step closer to the ash bin of history, potentially pulling us down with them.

In Europe, the failure to stem massive government debt caused by collectivist policies has put the entire Euro Zone on the brink of economic chaos, which is what happens when you put the French in charge of anything.

Over on our side of the pond, the Dow Jones took a whipping as President Obama continues to demonstrate the Congressman Eric Cantor is right - the president is indeed in over his head.

We've all seen those billboards with a smiling George W. Bush asking, "Miss me yet?"

If this keeps up, we could start seeing billboards with Jimmy Carter asking the same.

Obama could realistically go down as not only a failed president, but perhaps the worst in our entire history.

Here's how the Obama report card reads right now:

- Unemployment above 8% for 32 straight months;
- Two million-private sector jobs have been lost.
- Unemployment jumped from 7.8 to 9.2 percent with a simply terrible 2011 first-quarter economic growth rate of just 0.4 percent.
- A record 1 in 7 Americans is on food stamps.
- Gasoline prices more than doubled, from \$1.83 to \$3.74 per gallon.

- National debt increased 35 percent, to \$14.5 trillion, or \$137,000 for each taxpayer.
- National unfunded liabilities increased 47 percent, to \$114.9 trillion, or a cool \$1 million for each taxpayer (and this does not yet include Obamacare).
- America is on the verge of losing its AAA credit rating.
- Federal borrowing is now equal to 100% of GDP, which hasn't happened since WWII.
- What the he## is pulling off in Libya?

Other than that, things are going just fine.

No wonder Obama's polling numbers are starting to look more like George Bush Senior's than either G.W. Bush or even Bill Clinton.

The most important data to examine is not presidential approval or the handling of issues.

It is instead important to look at economic polling data.

A close examination reveals that these polling results are closer to George Bush Senior than the other two former presidents at this point in their presidencies.

We all know Clinton and G.W. were re-elected while Bush Sr. was not.

Perhaps James Carville had it right. It IS about the economy, stupid.

And right now, ours is headed for a double-dip recession.

Can anyone really say Obama's doing well as president? With a straight face?

EXPLAINING DFL TAX POLICY

Editor's Note: This publication's sister web site, The Anoka County Watchdog, published a piece this week setting a misguided liberal straight with respect to regressive DFL tax policy.

We know there are many misguided liberals who read this publication who would also benefit from a bit of schooling regarding regressive taxes, progressive taxes, and the Suits Index.

The Anoka County Watchdog exists, above else, to educate. For the past six years, this publication has been a purveyor of public policy enlightenment for the great masses here in the northern suburbs.

The Watchdog is here again this week to rescue another ignorant soul from the clutches of liberal brainwashing and help remove the tinfoil hat of collectivist thought from his crown.

This week's cry for help emanated from the pen of one David Frederick of Coon Rapids, who wrote a [letter to the editor](#) in this week's Coon Rapids Herald.

Mr. Frederick pleaded ignorance in understanding Minnesota's tax code, especially as it relates to the interaction between who pays the taxes and how much each person pays in taxes.

He also demonstrated a lack of understanding with respect to tax policy and especially tax politics, trotting out the old shopworn bromide about Republicans protecting the "rich" while the DFL is for the "workin'" man (as if lazy people get rich, not counting the lottery or 1-800-ask-gary settlements).

So let's get started.

Dave is correct in noting that folks lower down on the economic ladder pay a greater percentage of their income in taxes than do more successful people.

Having said that, successful people pay the vast majority of taxes in this state, especially the income tax. In fact, the top 10% of income earners pay the lion's share of the income tax. This is a fact liberals conveniently forget when they talk taxes.

The reason that less successful people, in some cases, pay more in taxes as a percentage of their income is that Minnesota has made the tax code more regressive.

A "regressive" tax is one that falls harder on poorer folks than richer folks.

Conversely, a "progressive" tax is one that falls harder on the more successful.

In short, you have to remember that not all taxes are created equal. Each tax has a certain regressive or progressive quality to it.

And check this out. Economists have long had a method to calculate the regressive (or progressive) nature of a particular tax.

The "Suits Index" was created by economist Daniel Suits to measure the regressivity of different types of taxes.

Just like a certain bed, every tax proposed by government can be given a Suits number, just like a sleep number.

As a general rule, income taxes are progressive.

Also, as a general rule, sales taxes are regressive.

Likewise, excise taxes like alcohol, tobacco, and gas taxes are especially regressive.

Thus, in order to make a tax code more progressive, you could jack up income taxes, especially on the rich.

Or, you could stop jacking up regressive taxes.

Thus, Mr. Frederick would be well served to recall the DFL fervor to pass all sorts of regressive taxes in Minnesota.

Where was the party of the workin' man on the following:

- \$6.6 billion transportation tax increase, to include a gas tax increase and a sales tax increase, over Governor Pawlenty's veto:
The [veto override](#) was supported by every single DFL legislator
- A [vote](#) to increase tobacco taxes through the disguise of a "health impact fee":

40 House DFLers were among the 88 who voted to pass the bill.

In the Senate, every DFLer but 5 voted to pass the bill.

- A [vote](#) to increase the sales tax in Hennepin County to fund a Twins stadium:

In the House, 34 DFLers voted to implement the sales tax, providing nearly half the votes need for passage in the House.

In the Senate, 23 DFLers joined just 11 Republicans to pass the bill and impose the sales tax.

- A [vote](#) to put a sales tax increase on the ballot and into the constitution for arts, entertainment, and the outdoors:

In the House, 67 of 85 affirmative votes came from the DFL.

In the Senate 35 of 46 "aye" votes came from the DFL.

So there you have it, Mr. Frederick. A few billion dollars worth of examples of the Party of the Workin' Man passing regressive tax increases that cause the less successful to pay more, only as a percentage of their income, than the more successful.

And they're still at it.

Saint Paul Mayor Chris Coleman, a DFLer, recently called for an alcohol tax increase to fund a football palace for Zygi and his band of purple plunderers.

And don't forget about all the DFLers who support expanding the sales tax to items like clothing and food. How regressive do you imagine such a move would be. You betcha.

There you are, Dave Frederick. Go forth fortified by the knowledge that the DFL has been screwing working people on regressive taxes while complaining that taxes are too regressive.

There's another lesson for you: politics as usual.

WHAT CONSERVATIVES ARE FIGHTING FOR- BADGER STYLE

With the Wisconsin legislative recall elections just days away, we learn of yet one more reason why Republican state legislators took the courageous and difficult path to reforming the state's runaway public employee pay and benefit package.

A group called [Taxpayers United of America](#) (TUA), has uncovered bloated and lavish public employee pensions that should gall every hardworking taxpayer in both Wisconsin and Minnesota.

Here's what TUA had to say:

A report released today by Taxpayers United of America (TUA) reveals that government employees of the City of Madison, Univ. of Wisconsin, Dane County and Madison

government schools are not only receiving very generous salaries, but their estimated pension benefits in many cases will be larger than salaries in the private sector.

"The state refuses to release figures relating to pensions, and I condemn this lack of transparency," said Tobin. "Once the employee retires it's hands-off, even though the public is paying for the pensions."

"The most outrageous pensions and salaries are at the Univ. of Wisconsin," said Christina Tobin, TUA Vice President. "98 of the Top 100 salaries and estimated pensions for the State of Wisconsin are for employees of the University. Barry L. Alvarez, Dir. of Athletics, draws an enormous annual salary of \$500,000. When he retires, his pension including Social Security is estimated to start at an amazing \$376,000 a year. When you estimate the total pension payout, Mr. Alvarez will be taking away almost \$8 million from a state budget struggling to pay for basic services, thanks to union bosses and Democratic Party players who so graciously rose to power on the backs of struggling blue collar workers in the rank and file."

"Employees of the government schools in Dane County are also raking it in. Daniel Nerad of Madison Metropolitan Sch. Dist. received a jumbo annual salary of \$201,438, and when he retires his estimated annual pension including Social Security will be a whopping \$167,007, for an estimated total pension payout, including Social Security, of \$3,507,139. His fringe benefits, which include charges paid by local taxpayers, such as Social Security taxes, health insurance premiums and retirement contributions, stand at an extravagant \$58,034."

"Heading the City of Madison's Top 50 pensions is Mark A. Olinger, Dir. of Plan Development, who received an annual salary of \$167,803. When he retires, his estimated annual pension including Social Security will start at \$143,462. Leading Dane County's Top 100 wages and pensions is Bradley Livingston, Airport Dir., who received a 2010 salary of \$153,821. When he retires, his estimated annual pension including Social Security will start at \$133,675."

"Wisconsin's pension system is making multi-millionaires out of public employees at taxpayer expense," said Tobin. "Yet what is most shocking is that priorities can be so twisted, that a glorified coach makes more in salaries and benefits than his university's Chancellor, and more than 12 times what the average hard working Wisconsin resident takes home. Anyone who supports these pensions and calls themselves a progressive is living a lie."

August 12, 2011

Public Policy Commentary

In This Issue:

1. The Minnesota Primary.
2. Obama or Liberalism - Someone Failed.
3. Another Teachable Economics Moment.
4. Over in Wisconsin...

THE MINNESOTA PRIMARY

As our readers well know, tomorrow marks high noon at the OK Corral for two Minnesota GOP heavyweights, Michele Bachmann and Tim Pawlenty.

The Iowa Straw Poll could prove to be a launching pad or an ocean of political quicksand for these two presidential hopefuls.

Bachmann is in the position of fighting heightened expectations regarding her finish while Pawlenty is striving to prove that he's relevant to the GOP presidential field.

Regardless of the outcome, not many could have predicted that our state would produce two legitimate presidential hopefuls duking it out across the haystacks and corn fields of a state that wields incredible political influence for no real good reason.

Watchdog CEO and founder Harold Hamilton has read with interest and amusement the many email communications he's received from our loyal readership regarding this race.

To her supporters, Michele Bachmann is an authentic leader and unapologetic conservative who has the right stuff to bring the right kind of change to Washington.

To her detractors, she's an attention seeking media hound who has trouble telling fact from fiction while accomplishing nothing while in office at either the state or federal level.

For Pawlenty, his supporters tout him as a thoughtful, seasoned chief executive who achieved noteworthy results while governing a blue state and fighting a DFL majority. To them, he's a mainstream conservative who can win a general election for president.

To his critics, Pawlenty is a RINO who flirted with global warming and Obama-style health care while embracing subsidized baseball stadiums and mass transit schemes like commuter rail.

This publication's readership appears to be divided right down the middle on these two.

It's a heavyweight bout of epic proportions. Will Minnesota make history on the presidential stage or will both become footnotes in political science textbooks?

Give us your thoughts: harold@theminnesotawatchdog.com.

OBAMA OR LIBERALISM - SOMEONE FAILED

Speaking of feedback, the Watchdog has a question for our liberal readers - and there are many of you who appreciate this publication's thoughtful defense of conservatism and principled prosecution of liberalism.

If you liberals are able, acknowledge the premise that the Obama administration has proved to be an abject failure.

Unemployment, the S&P downgrade, the federal debt, Libya, Afghanistan, and Obamacare are just a few of the lowlights regarding perhaps the most inept administration of the modern presidential era.

Only the most blind loyalists and acolytes of "hope and change" could still believe all the campaign tripe about "post-partisanship" and getting the "car" of government out of the metaphorical "ditch."

So, liberal readers out there, what failed?

Did liberalism fail or did Barack Obama?

Where does the blame lie?

One could certainly blame liberalism as Obama has been the most successful president in American history in implementing a progressive, liberal agenda.

For example, Democrats have pursued nationalized health care since the Truman administration. Obama got it. For the first time in American history, we have a law on

the books that says every American must engage in the commerce of health insurance or face a government-imposed penalty.

Another example is federal spending and the Democrat belief in the "multiplier" effect of government "stimulus."

Obama, Pelosi and Reid successfully turned on the government money press and exploded the federal balance sheet, flooding the economy with cheap dollars and boosting federal spending to a percentage of GDP that hasn't been seen since the country shouldered the burden of fighting a world war to defeat Germany and Japan.

In many respects, liberals have realized the dream of a central government that controls the economy in a way that SHOULD, according to liberal economics, bring about the peace and prosperity we all seek.

Or is it Obama who failed? Perhaps he implemented these schemes in a way that only appeared to be successful from a liberal point of view.

After all, Obama has deeply disappointed liberals in some respects, especially regarding foreign policy.

Not only is the U.S. still fighting in Afghanistan, Obama increased the number of troops. Code Pink must be really upset.

On the home front, the Big Labor dream of "card check" elections, which would bolster union membership dramatically, never received the White House support labor wanted.

So maybe Obama screwed it up by not being liberal enough to make things work well under a liberal paradigm.

This argument is somewhat similar to the liberal argument regarding the failed Welfare State.

Welfare programs never produced the promised results because we didn't have enough of it, according to the Left. If only we spent a few trillion more on food stamps and cash assistance, then it all would have worked.

This is also the public education argument. Our government schools don't produce the promised results because we don't "properly fund" the children. If we would just build fewer bombers and raise taxes a bit more, we could erase decades of crappy results

and really show the world how great our schools really are, even though the most socialist of First World countries have rejected the liberal model of a government monopoly on schools.

So tell us liberals, where is the failure? Does it lie with the man you once touted as a demi-god, the apostle of hope and change? Or does the blame lie with the very core of your world view? Is liberalism ultimately a failed model of government?

We would love to know. harold@theminnesotawatchdog.com.

ANOTHER TEACHABLE ECONOMICS MOMENT

Oh, the liberals are a twitter with the news that luxury goods are selling well in the good ol' U.S. of A.

We have endured the plaintive cries from the Left that America has become a country that can't/won't support the less fortunate while the uber-rich enjoy the spoils of a capitalist system rigged in their favor. "Let them eat cake!," fret the liberals.

The genesis of this liberal angst is a recent [New York Times](#) article noting that luxury goods makers like Chanel, Tiffany's, and Mercedes-Benz are experiencing strong sales while government (gulp!) has to swallow less-than-expected spending increases.

And what's so wrong with luxury goods makers doing well? Is there a problem from an economic perspective? A moral perspective?

Let's consider what happens when some rich dude buys a new Benz and the company realizes increased demand for its product, which didn't benefit from a government bailout.

There is a benefit for all the folks who are involved in mining the elements that make up the car's components, all the way from the chassis to the computer chips that control the vehicle.

There's a benefit to all the people who work to transport the car from factory to destination.

There's a benefit to all the Mercedes-Benz employees who do everything from design the car to sweeping the floors at the factory.

There's also a benefit to the middle class sales staff that realizes a nice commission from the sale.

There's a benefit to the skilled mechanics who earn a living repairing and maintaining the vehicle.

And those are just some of the direct benefits to the private economy, viewed in a rather oversimplified fashion.

And, oh yeah, there's a benefit to the government when it realizes tax revenue from the sale.

So, contrary to the concerns of the Left, there is a broad-based economic benefit to the manufacture and sale of luxury goods that accrues to the benefit of many levels of the economic hierarchy.

The real problem the Left has with this scenario is that government didn't get a big enough take.

For the liberal, the better solution is to confiscate a big chunk of the income that otherwise would have been spent on a Mercedes and divert that money from the private economy into the public economy, where government, not the private citizen, can decide how the money should be deployed.

After all, it's hard for Big Government to justify its existence unless there are some goodies to distribute to the constituencies that benefit from governmental confiscation.

Spend money on a luxury car? No way! The liberal thinks it a better outcome to force the wealthy citizen to buy a Chevy while government pumps the newly confiscated wealth into some unaccountable grant program to teach left-handed Wiccans how to fish with bamboo poles.

The private economy allocates resources in the most efficient way, without regard to the political influence of each citizen.

The public economy, on the other hand, confiscates wealth by threat of force and then spends that wealth with regard only to rewarding political constituencies who lay claim to the booty without any regard to merit or economic efficiency.

So which system is more efficient, just, and moral?

This, in essence, is why government must be restrained and limited to the greatest extent possible. It is matter of both economics and morality.

OVER IN WISCONSIN...

No matter how they spin it, Big Labor suffered yet another major blow this week when their attempt to take over the Wisconsin state Senate through recall elections failed miserably.

Labor touted the recall elections as a watershed political moment where the Working Man would rise up and deliver a rebuke to Governor Walker and legislative Republicans regarding the labor reform bill they passed this spring.

The Labor fat cats did all they could to deliver on the promise, pouring millions of dollars and untold hours into the effort.

The result was a failure for Big Labor, plain and simple.

Of the six state Senate seats subject to the recall (all GOP-held), the Republicans retained four of the seats, losing two.

Democrats needed three seats to seize control of the state Senate.

One of the seats lost was one the GOP barely won the last time around while the other seat was lost in a nail biter and the GOP incumbent was badly damaged after it was revealed that he allegedly couldn't keep his badger in the cage, so to speak, and has been shackled up with a woman almost 20 years his junior. Heck, even the incumbent's wife signed the recall petition against her estranged husband.

Now, the state Senate stands 17-16 in favor of the GOP.

Next week, two Democrat-held seats will be up for recall.

Wisconsin voters sent a clear message this week that they support the GOP agenda in Madison.

And it's no wonder. Already, the reform bill is producing savings for the state.

The clear message across the nation is that the GOP reform agenda isn't toxic. It's a winner.

August 19, 2011

Public Policy Commentary

In This Issue:

1. Iowa.
2. The Magical Misery Tour.
3. The Magical Misery Tour - Mini-Me Style.
4. Dismal Test Scores - Again.
5. Payback.

IOWA

Last Saturday's Straw Poll is in the books and now a chapter in American political history.

Michele Bachmann took the victory, with Ron Paul just on her high heels.

Tim Pawlenty, on the other hand, was sent packing, a victim of the energy and passion of other candidates as well as a lethal self-inflicted wound caused by his unwillingness to press the "ObamneyCare" attack when presented the opportunity to do so.

The Watchdog thanks Tim Pawlenty for his service to Minnesota and his graceful exit from the stage. He'll no doubt be heard from again, perhaps in a run against Al Franken.

Interestingly, the Straw Poll seemed to have little effect on the GOP presidential field other than killing Tim Pawlenty's candidacy.

The race appears to be one between Rick Perry and Mitt Romney, with no mention being made of Bachmann's chances or those of Ron Paul, who seems to be the Rodney Dangerfield of the race.

Romney was on the ballot but made no effort to participate in the Straw Poll while Perry wasn't even on the ballot.

Besides the two frontrunners, the other two candidates most often mentioned aren't even candidates: New Jersey Governor Chris Christie and Wisconsin Congressman Paul Ryan.

So what does it say about the Straw Poll when the top two finishers aren't even acknowledged by the pundits and political intelligencia?

Is this a form of elitism that excludes outsiders like Bachmann and Paul?

Or is this an indictment of the Straw Poll?

We think it's the latter. The Straw Poll has only once in its history picked a winner who has gone on to win the White House.

After all, how representative can these 16,000 Iowa activists really be when determining who the nation wants as the Republican nominee?

Each presidential election cycle, more and more Republicans are questioning the wisdom of allowing Iowa to have such outsized influence in the presidential nomination process.

The frontrunners all skipped the Straw poll in 2011.

It will be interesting to see how many skip it the next time around.

THE MAGICAL MISERY TOUR

President Owebama is so far out of his depth it's funny. Well, it would be funny if the results weren't so painful for America.

This president is clearly out of ideas, if he had any to begin with. He is bereft of workable solutions to our problems and has nothing left to offer except excuses and hyper-partisan rhetoric.

This past week saw the Community Organizer in Chief (CiC) hop on a Canadian-built bus to embark on a three-state campaign swing to convince voters to hate the Congress, specifically Republicans.

This tour was conducted on the taxpayer dime, ostensibly as part of the CiC's official duties, as if being the Partisan in Chief is an official duty.

Once the bus tour fulfilled its goal of excusing the CiC from any responsibility for the hot mess we're in and firing up Democrats to hate the GOP, the president jetted off to Martha's Vineyard to commiserate with the yacht basin crowd.

We're told that after Labor Day, nearly three years after being elected, the CiC is finally going to unveil a "jobs" plan for America.

We read in the national press that the "jobs" agenda is little more than warmed over, tried-and-failed programs like even more stimulus spending and tax credits to bribe corporate America into hiring some folks.

Stimulus? Wow! How many trillions do we need to add to the federal deficit before it's acknowledged the Keynes was wrong? The stimulus didn't work before and more of the same poison won't work now.

Perhaps our post-partisan has a different agenda besides doing something that works.

Maybe he wants to send the Congress something he knows they won't pass so he can blame them and pass the buck, avoiding accountability.

And what about these tax credits to hire workers?

This has been tried before.

In addition to adding to the national debt (does the president care at all about the debt?), these tax credits have never worked and won't work.

Companies that take advantage of them were going to hire anyway.

Moreover, these credits in the past have been subject to fraud and abuse, such as hiring phantom employees or hiring a person only to lay them off a short time later.

There is a universal truth in capitalism that Owebama can't avoid: job creators only hire employees when there is a business need to hire.

There is no other reason to put someone on the payroll.

Take it from Harold Hamilton, a man who has created thousands of jobs: job creators ONLY hire when there is a business need to hire.

-

No rinky dink tax credit will change that universal truth.

The cold hard fact is that the only way to create real wealth-creating jobs is to get the economy moving again. That only happens when government regulations are brought under control, government spending is brought under control, and America's private sector is allowed to flourish.

Sadly, all this is anathema to the liberal world view.

Enjoy those approval ratings, Mr. President. You deserve them!

THE MAGICAL MISERY TOUR - MINI-ME STYLE

Did you hear? Fresh off the heels of the president's Misery Tour, we learn that Governor Dayton, a veritable "[mini-me](#)" when it comes to copying the president's failed policies, is embarking on a "jobs" tour of his own.

The governor will be touring Minnesota looking for some ideas to jam into his noodle to get folks working again.

And just like with the president, Governor [Mini-Me](#) knows what produces jobs. It's just that he can't act on those policies because they are contrary to his world view and they pi\$\$ off his constituency, one that is addicted to the public spending and Big Government.

Ideas, governor? Low taxes, less regulation, more freedom. It's that easy.

DISMAL TEST SCORES - AGAIN

Like a needle skipping across a deeply scratched vinyl LP (remember those?), Minnesota student test scores released this week were once again pathetic and troubling, providing yet one more example of why the current government monopoly on education is failing students and taxpayers.

The subject this time around was science. You know, science, the basis for the kind of innovation and technological advancement critical to national security and prosperity in the 21st Century.

Only 48% in grades 5, 8, and high school demonstrated proficiency, which was also a 1% drop from last year's score.

While the high school cohort posted a 2% gain in proficiency, the 8th grade cohort dropped 3%, to 45% proficiency.

Most appalling, only 21% of black students demonstrated proficiency.

Year after year, decade after decade, test scores stagnate while the rest of the developed world climbs above America.

The only thing that rises in American schools is the amount of money we pour into government-run schools.

With education becoming a national security issue, how long will it be until the American people demand the accountability, transparency, and competition that drives results in the private sector as well as the educational results in other countries?

We know the answer. It starts with competition, forcing schools to compete for students and the dollars that follow each student.

And let's not lay these problems solely at the feet of the Education-Industrial complex. Too many parents are sending their kids to school unprepared to learn, no matter how good the teacher or the school.

Along with education reform, it's high time for government to end the failed Welfare State programs that reward sloth and indolence. We need public policies that demand accountability from BOTH government-run schools and parents who take advantage of social welfare programs.

For example, drug testing welfare recipients would be a great start. It's hard to be a good parent when you're a single parent tweaking on meth and you dropped out of high school after 9th grade.

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In the Anoka-Hennepin district, students showed just how average their educational experience is by posting 55% proficiency.

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PAYBACK

What was that Michele Bachmann said about gangster government?

Just days after downgrading America's credit rating, we learn that the Obama Administration is investigating the S&P rating agency for mortgage "irregularities."

Chicagoland.

August 26, 2011

Public Policy Commentary

In This Issue:

1. In Minnesota, the Road to Hell is Really a Bike Path.
2. An Underpaid Public Servant.
3. After Two Years of Obama...

IN MINNESOTA, THE ROAD TO HELL IS REALLY A BIKE PATH

In many respects, the City of Lakes is the epitome of liberal utopia. New York, San Francisco and Los Angeles get all the love, making our own Minneapolis the Ron Paul of metropolitan liberalism. It just can't get any attention from the elites.

If you need any more proof of Minneapolis' leftist bona fides, check out the latest job [opportunities](#) from that fair burgh:

Bicycle and Pedestrian Coord. - Transportation Planner

SALARY: \$61,986 to \$84,743 Annually

Yes, you read it correctly. The city, despite the economy, despite lower property values, and despite the shootings (multiple episodes this week alone), is looking to hire someone to coordinate biking and pedestrian activities in the city.

For a salary of upwards of \$85,000 no less.

Now before you pop a gasket, let's consider the talent, knowledge, and experience the job requires:

- Serve as the City's subject and technical matter expert on bicycling and walking while leveraging and increasing the City's internal and external knowledge base

This publication is happy to report that all Watchdog staffers believe they are experts in the bicycle and pedestrian arts.

All staffers report that they are competent with both bikes and their shoes. In fact, all staff boast of years of experience in bicycling and walking.

In fact, some staffers were heard to boast of the ability to walk and perform other tasks at the same time. One braggart even noted her ability to walk competently after four glasses of wine.

The competition was just as fierce among staffers to demonstrate their bicycle acumen.

One staffer in the research department noted that he could do a wheelie on his mountain bike for at least 25 yards while another chimed in that he could go "no hands" all the way to his mailbox.

One member of the marketing department noted that while she didn't have any special bike skills, her son could do a bitchin' tail whip and a "720" on his Haro freestyle bike. Who bought him that bike? Who drove him down to the half-pipe at the city park? Who put Band Aids on the scrapes and cuts? That should count for something, she pleaded.

But earning that \$85,000 takes more than some cool bike and walking skills.

- Supervise up to five positions including but not limited to the NTP Coordinator and Bike Walk Ambassadors positions.

Supervise 5 people? Manage the Bike Walk Ambassadors? We hear that's a pretty rowdy group. Is General Petraeus available? Donald Trump? Rex Ryan?

- Communicate effectively and appropriately to the Mayor, City Council, City management, stakeholders, general public, and other agencies.

Communicate effectively AND appropriately? No wonder the job pays so well. To find someone who can communicate effectively is pretty easy. But finding someone who can communicate both effectively and appropriately is indeed a rare skill, indeed.

This requirement effectively disqualifies all Watchdog staffers from the position because "appropriate" communication no doubt means communicating in a respectful way with the mayor and there is no way any of the staff could address R.T. Rybak respectfully. "Dope" and "clown" were the two most popular titles for the mayor around Watchdog HQ.

In any case, doesn't Minneapolis have big budget problems? Wasn't old R.T. leading the victim parade down at the Capitol among all the cities whining about local government aid (LGA) cuts this past legislative session?

"We have said for years that the Legislature's cuts to Minneapolis have negative, real-life consequences, including on public safety." [Press Release](#) 8/9/2010

"Reluctantly, we must make the cuts that we said we would make, because the State has left us no choice." [Press Release](#) 7/21/11

"Our economy can't sustain the amount of cuts to Local Government Aid proposed by the Legislature."

[Press Conference](#) 5/13/11 (Comments of Duluth mayor Ness, Rybak in attendance)

"they (Republicans) would simply continue a deeply misguided policy that passes the State's fiscal problems onto communities, is directly responsible for driving property taxes higher statewide and has hampered our ability to keep people safe."

[Press Release](#) 1/18/11

But you have the money to hire a bike and walking coordinator?

Remember, Watchdogs, these cities all have enough money.

Cut away, legislature!

AN UNDERPAID PUBLIC SERVANT

And why should Minneapolis hog the spotlight of ignominious public spending?

Across the river in Saint Paul, the Pioneer Press [reports](#) that Saint Paul School Superintendent Valeria Silva is getting a \$40,000 spiff to assist her in moving her home from Woodbury to Saint Paul.

Despite a BASE salary of \$180,000, the school board felt that Silva needed some financial assistance.

How having the superintendant live a few miles closer improves student learning wasn't explained in the article.

Instead, interviewed school board members spouted some platitudes about having the superintendent "submerged in the community." It was also claimed that living in Saint Paul would show a "commitment" to the district.

Whatever.

The moving spiff for Silva comes on the heels of an announcement that the district will be laying off teachers and staff.

According to the school district [collective bargaining agreement](#), the school district could hire a new teacher for \$36,000 in salary.

So instead of having another teacher in the classroom, the district has instead chosen to pony up \$40,000 to pay for the moving costs for an employee who is already earning 5 times what a starting teacher is earning.

You people who live in Saint Paul and Minneapolis truly get the government you deserve.
Suckers.

AFTER TWO YEARS OF OBAMA...

(Republished from other Internet sources)

	January 2009	TODAY	% chg	Source
Avg.. Retail price/gallon gas in U.S.	\$1.83	\$3.44	84%	1
Crude oil, European Brent (barrel)	\$43..48	\$99..02	127.7%	2
Crude oil, West TX Inter. (barrel)	\$38..74	\$91..38	135.9%	2
Gold: London (per troy oz.)	\$853.25	\$1,369.50	60.5%	2
Corn, No.2 yellow, Central IL	\$3.56	\$6.33	78.1%	2
Soybeans, No. 1 yellow, IL	\$9.66	\$13..75	42.3%	2
Sugar, cane, raw, world, lb. Fob	\$13..37	\$35..39	164.7%	2
Unemployment rate, non-farm, overall	7.6%	9.4%	23.7%	3
Unemployment rate, blacks	12.6%	15.8%	25.4%	3
Number of unemployed	11,616,000	14,485,000	24.7%	3
Number of fed. Employees	2,779,000	2,840,000	2.2%	3
Real median household income	\$50,112	\$49,777	-0.7%	4
Number of food stamp recipients	31,983,716	43,200,878	35.1%	5
Number of unemployment benefit recipients	7,526,598	9,193,838	22.2%	6
Number of long-term unemployed	2,600,000	6,400,000	146.2%	3
Poverty rate, individuals	13.2%	14.3%	8.3%	4
People in poverty in U.S.	39,800,000	43,600,000	9.5%	4
U.S.. Rank in Economic Freedom World Rankings	5	9	n/a	10
Present Situation Index	29.9	23.5	-21.4%	11
Failed banks	140	164	17.1%	12
U.S.. Dollar versus Japanese yen exchange rate	89.76	82.03	-8.6%	2

U.S.. Money supply, M1, in billions	1,575.1	1,865.7	18.4%	13
U.S.. Money supply, M2, in billions	8,310.9	8,852.3	6.5%	13
National debt, in trillions	\$10..627	\$14..052	32.2%	14

Sources:

(1) U.S. Energy Information Administration; (2) Wall Street Journal; (3) Bureau of Labor Statistics; (4) Census Bureau; (5) USDA; (6) U.S. Dept. Of Labor; (7) FHFA; (8) Standard & Poor's/Case-Shiller; (9) RealtyTrac; (10) Heritage Foundation and WSJ; (11) The Conference Board; (12) FDIC; (13) Federal Reserve; (14) U.S. Treasury

September 2, 2011

Public Policy Commentary

In This Issue:

1. The Leadership Vacuum.
2. Purple Fiasco Update.

THE LEADERSHIP VACUUM

Mayday. Mayday. There's a leadership vacuum that threatens to expose millions of innocent civilians to rudderless, arbitrary government.

And we're not talking about Libya. We're talking about Minnesota.

Okay. We took some artistic license to dramatize the situation, but the Watchdog can't recall a governor who took more pains to distance himself from his own decisions than Mark Dayton.

In office for only about 9 months, it's hard to pin Dayton down on anything.

Take the state budget and the historic government shutdown.

After pledging not to shut down government, Dayton vetoed all legislative omnibus budget bills and forced a shutdown.

During the shutdown he caused, Dayton then offered a cigarette tax increase just months after blasting one of his campaign opponents for supporting a cigarette tax.

"That's money out of the pockets of working people and poorer people, and that means kids don't have as much to eat or don't have the same quality of food. Those are addictions, and I think you treat addictions as addictions and you don't penalize the people who are dealing with them economically," Dayton said as he lectured Tom Horner.

Then, Dayton agreed to end the government shutdown by taking the same deal he was offered by Republicans the day before the shutdown. Namely, a school shift and the sale of tobacco bonds.

In the aftermath, to hear Dayton tell it, he was just a bystander to history.

Dayton has called the budget deal he signed "irresponsible" and something he "didn't agree with."

Okay, General Patton.

The latest iteration of this existentialism from Dayton concerns the Market Value Homestead Credit, a property tax relief program which was eliminated in the budget deal.

The governor insists that it was Republicans who proposed eliminating the credit.

So what? No matter who proposed it, governor, you signed it. Your signature is on the bill.

Dayton's difficulty in accepting responsibility and exercising leadership has most recently manifested itself in his "I did/no I didn't" routine regarding a taxpayer referendum for a Vikings stadium.

On August 29th, Dayton [said](#) of a referendum, "It's Ramsey County's issue, but I'd be supportive of it. In a case like this, people should have their own voice."

Just a day later, Dayton took to the microphones to make sure that Minnesotans understood that he had been misquoted and had NOT, repeat NOT, taken a position - on anything. At all. Whatsoever.

Dayton, indeed, [had not](#) taken a position. "I'm not supporting it, per se. I'm not opposed to it. If they pass legislation and the Legislature goes along with it, I'll support it," Said Dayton.

Well played, governor. Just like Winston Churchill would have done it.

Oh, well. The good news is that Republicans control the legislature.

How did this guy win the governor's office?

PURPLE FIASCO UPDATE

The comedy parade just keeps on coming from Zygi, Lester, Larry and the gang of Purple Would-Be Plunderers.

It's been a heck of a week for a team that claims, yet again, to be finalizing stadium plans.

First, the Ramsey County Charter Commission is under intense pressure to pass a resolution in favor of a voter referendum.

And yesterday, America's best senate Majority Leader weighed in on the side of a referendum, which we know she won't disavow, like a certain governor we know.

Senate Majority Leader Amy Koch (R-Buffalo) said, "I feel there should be a referendum." That was a concern I had with the Twins stadium proposal and I think there should be a referendum on this. I'd like to see that."

The response from the Purple Plunderers has had the Watchdog staff in stitches all week.

In response to the referendum, the Vikings pleaded that they wanted to be treated "just like the Twins."

Okay.

The Twins never took a penny of state general fund money, whereas the Vikings want \$300 million even though the state coffers are dry.

We look forward to the Vikings announcing that they are no longer seeking state general fund monies.

Second, the Twins successfully got a local sales tax increase of .15%.

The Vikings want a .5% local sales tax increase.

We look forward to the Vikings slashing the local sales tax increase they seek by .35%.

There. Now you're just like the Twins.

And then there's Tony Bennett. Bennett is the Ramsey County commissioner who fancies himself a big player in the stadium debate.

Bennett gets credit from the Watchdog for either being the most honest or the dumbest politician in Minnesota.

Bennett's response to the referendum issue was to simply admit that Ramsey County voters wouldn't pass one, so the only way to get a stadium built is to ignore his constituents and state law, which declares that a sales tax increase must be put to a vote of the people.

Bennett flatly [stated](#) that the referendum wouldn't pass and that his constituents are in no mood to brook tax increases.

And so the answer is to do end-around of state law and cram a tax increase up their tailpipes with no vote?

You're quite the public servant, Tony.

Let Commissioner Bennett know your feelings [here](#).

And don't forget about the whole canard that a referendum is an affront to representative democracy.

Somehow, the purple faithful have all traded in their Zubas for a powdered wig and an unshakable faith in governance by the elites. They just can't trust the unwashed masses to vote on something as important as a huge subsidy for their leisure time activity of sedentary football viewing.

Funny, the Watchdog didn't see any organized effort this past legislative session from these folks to repeal the state law that mandates a citizen referendum for a local sales tax increase.

Epitomizing the mouth-breathing troglodytes who feel entitled to your money so they have something to do on Sundays is [Larry Spooner](#), a shill for Zygi who always makes himself available to the media to offer some claptrap about how important the Vikings are to fabric of Western Civilization.

Spooner was featured on a KARE 11 story about the referendum this week saying that "we don't put bridges or education" to popular referendum.

Really? Last time we checked, K-12 property tax excess levies were put to referendum, and no school district gets an exemption.

And K-12 schools are in the [Minnesota Constitution](#), unlike the Minnesota Vikings.

And the joke goes on...

September 9, 2011

Public Policy Commentary

In This Issue:

Editor's Note: This issue of the Watchdog is dedicated to the heroes of 9/11. We will never forget.

1. The American Job Act.
2. Purple Comedy Tour.
3. White House Comedy Tour.
4. Animal Farm.
5. Capitalism is the Cure.

THE AMERICAN JOB ACT

The Chosen One ascended the podium last night to inspire the American people. We weren't impressed.

Our reaction? Been there, done that, got the Chinese made and financed t-shirt.

Titled "The American Jobs Act," the legislation the president peddled last night was really "The American Job Act," a political stunt designed to save one job - his.

Weighing in at about half of the original failed stimulus act, this bill is stimulus-lite, meaning that it will fail in half the time as the original stimulus.

The legislation is nothing more than the same old song and dance of more government spending and "targeted" tax cuts, which is a prime example of crony capitalism and market distortion.

Of course, there is about \$175 billion in spending for unemployment benefits, wads of cash to local units of government to "prevent layoffs," and money to "modernize" schools, as if the problem with public education is that school buildings don't have enough "green" windows or climate-controlled lunch rooms.

The other side of the legislation offers all sorts of tax cuts to entice employers to hire more workers.

As the Watchdog has always maintained, a tax credit or payroll tax deduction will not cause hiring. More people will be hired when businesses have a legitimate need to hire more workers.

No business worth a spit will put someone on the payroll simply to cop a tax credit. That's a losing proposition.

The Watchdog supports tax cuts, but tax cuts must be across-the-board and not in favor of a particular market sector (e.g. solar energy) or for a particularized purpose, as the cuts become market distorting.

Moreover, tax cuts must be matched with dollar for dollar spending cuts. We don't need more debt.

Obama self-righteously declared that the \$447 billion program would not add to the deficit, although he didn't say one word about what cuts he would make to pay for it. Instead, he simply threw the cutting task in the lap of the Congress, thereby setting up House Republicans to kick the crap out of them when/if they offer up \$447 billion in cuts. Did we mention this was the "American Job Act?"

And, of course, the entire speech was wrapped in the dress of moral righteousness, with talk of "doing the right thing," "ending the political circus," "coming together to get things done."

The president is right. This isn't a game. Republicans are firm in their resolve to fulfill their campaign promises and election mandate to put an end to the appalling "stimulus" and massive government overreach of Barack Obama.

Republicans should reject this legislation out of hand and declare it DOA.

Let's let the American people decide who is correct in November 2012.

PURPLE COMEDY TOUR

The Purple Comedy Tour (aka the Minnesota Vikings Stadium Team) brought their road show to the Saint Paul Rotary Club, where gasps, laughs, and guffaws were once again on tap as comedians Lester Bagley and Tony Bennett left the crowd, well, speechless and wondering just what hit them.

Besides the typical laugh lines about economic development, jobs, and "quality of life" issues, a new level in purple comedy was reached when Bagley uncorked a map of the Arden Hills stadium site that featured a "potential convention center hotel."

The gag worked better than the idea Zygi had for purple and gold snakes jumping out of a can or a purple lapel flower squirting water, as the assembled gasped aloud at the prospect of a taxpayer-subsidized convention center that would possibly compete with other taxpayer-subsidized venues such as the River Center in Saint Paul or the Minneapolis Convention Center.

Not to be outdone by his partner, Bennett hammed it up by telling the crowd that the convention center would just be a little one. So small, in fact, that only small children and household pets would fit inside. Ba bump bump boosh!

Then, in a masterful display of comedic timing, Bagley grabbed the microphone to tell everyone that there would be no convention center at all. It was just a joke! The map is outdated! Just joshin, people! We'll be here all legislative session! Thank you and good night!

The Watchdog can only wonder just how naive people can be.

Does it surprise anyone who thinks even somewhat critically that Wilf would have designs on much more than a football stadium?

Geez, folks, the guy is a New Jersey real estate developer. Get a clue.

If this news surprised you, you probably also had trouble figuring out the plot of any after-school episode of Scooby Doo. (You mean old man Johnson is really the phantom? I didn't see that one coming!).

What a sordid and disgusting affair this whole thing has become.

On a related note, the Vikings faux grass roots web site "Minnesota Momentum" is now urging all purple and gold mouth breathers to contact Senate Majority Leader [Amy Koch](#) and Speaker [Kurt Zellers](#) and chastise them for having the audacity to support state law and Ramsey County's charter process by holding a voter referendum on a county sales tax increase.

Do your part and contact these two to tell them that supporting the rule of law is a good thing, no matter what Bennett, Wilf, and Bagley may say.

WHITE HOUSE COMEDY TOUR

A decidedly unfunny Barack Obama has been trying out some new material out on Martha's Vineyard and even in Detroit this past week in preparation for the big gig last night before a national audience.

There was the news that the United States has now fallen to 5th in a ranking of the world's most competitive economies, based in large part on the massive "stimulus" deficits Obama has racked up and which have had utterly no positive effect on the economy.

Then there was the news that the U.S. can't account for some \$60 billion in aid given to the governments of Iraq and Afghanistan. Even worse, the Taliban insurgents in Afghanistan count the diversion of U.S. aid as their second largest revenue stream, behind the illicit drug trade.

Great. Our enemies are using our own incompetence to steal our money to buy weapons to use against our own soldiers.

And then we learned a new word: Solyndra.

Solyndra was the beneficiary of some crony capitalism in the form of a \$535 million federal loan guarantee to assist the company in making and selling its solar power arrays, thereby "spreading the wealth around" and creating some of the "green jobs" that liberals use to prove their capitalist bona fides, as it were.

Well, well. Solyndra has announced that it is bankrupt and will indeed not be producing solar power arrays, jobs, or anything like it, demonstrating once again that government is a piss poor allocator of resources.

The episode also demonstrates that Obama believes in capitalism, at least crony capitalism.

The U.S. House Energy and Commerce Committee has opened an investigation after learning that Solyndra was backed by a major Obama donor named George Kaiser (no word on whether Kaiser also owns a bank with Maxine Waters or her husband).

Prosperity is just around the corner...

ANIMAL FARM

Some people just don't know when to leave the stage.

We all thought we were done with Nancy Pelosi after the 2010 elections booted her from the Speaker's rostrum and the Air Force jet she used to fly back home to San Francisco.

But Pelosi is back, along with her cast of House Democrat weirdoes, engaging in a bit of Orwellian theater for our amusement.

Namely, Pelosi and company are dropping the word "stimulus" from their collective vocabulary. Sadly, they're not dropping stimulus spending from their agenda. They're just not calling it by its real name anymore.

Demonstrating their true arrogance and haughtiness, House Democrats think the people they serve are so stupid that we'll fall for more stimulus spending if it's called by a different name.

The new code word for "stimulus" is now "job creation." The vehicle for stimulus spending, the Recovery Act, will now be called "Make it in America."

Two can play at that game. Instead of calling Pelosi's economic agenda a bunch of bulls**t, we'll simply call it "bovine scatology."

What's next? Pelosi calling a press conference to bleat "four legs good, two legs bad?"

CAPITALISM IS THE CURE

The global financial crisis has proven beyond a shadow of a doubt that capitalism, with an emphasis on free markets and limited government, is the best economic system ever conceived and the tonic for what ails the global economy.

Think about it. Every country attempting to revive its economy is finding relief in capitalist policies.

Austerity programs in Greece and Ireland.

Tax cuts and regulatory relief (EPA ozone rules) in America.

The recognition that the Texas model has clearly outperformed the California model.

An acknowledgement that recent tax increases have harmed the U.K.'s economy.

Yes, there are those who think that more of the same poison is the solution, but even they have to accept a strong dose of capitalistic medicine (See Barack Obama and the ozone rule withdrawal).

We are witnessing the ultimate triumph of Friedman over Keynes.

September 16, 2011

Public Policy Commentary

In This Issue:

1. Daddy Daycare.
2. Obamawatch.
3. The Scorecard Has Landed.
4. A Little Discipline, Please.

DADDY DAYCARE

Governor Mini-Me is still taking his cues from the Community-Organizer-in-Chief out in Washington.

The latest "Simon Says" issue is organized labor. President Obama bellowed "Simon Says give the unions a big sop by bailing out the United Auto Workers, beating down Boeing for the Aerospace workers, and help all the downtrodden working folk by forcing employers to post notices that invite workers to unionize."

Governor Dayton responded by getting involved in an effort to unionize day care providers. Apparently, day care providers are the new mine workers or textile plant workers who are losing life and limb changing diapers and putting on Sesame Street DVDs.

Yes, they do important work. No, they don't need a union.

Even worse, Dayton was considering an executive order to force unionization on day care providers without a vote. That is, until he was notified by Republican leadership that such a move was beyond his authority. You know, that whole cumbersome constitutional thing that Dayton and Obama find to be so meddlesome.

It's ironic that the election of two chief executives who kow tow to labor interests have seen the fortunes of unions decline precipitously.

Union membership has fallen precisely because workers have come to understand that their economic well being is tied to that of the company and not the union.

The UAW, for example, may have appeared to have done wonderful things for its membership but it was just an illusion as exploding labor costs ultimately steered GM and Chrysler into bankruptcy and only a bailout from a labor-friendly president saved their bacon.

Perhaps unions are becoming a vestige of a bygone era, when employers and unions fought bloody labor wars over how many hours a man would stand at a machine per day.

Perhaps we are entering a new era where there is an understanding between labor and management that both sides prosper when the company makes money.

That means that unions are an unnecessary barrier to that cooperation and are, in fact, an impediment to cooperation, with an unproductive focus on confrontation and even violence (see the labor violence on the West Coast ports).

Unions are on the decline and employee freedom is on the rise.

More and more states are adopting "Right to Work" laws which free employees from compulsory union participation.

In the next legislative session, look for [House File 65](#) to get serious consideration.

The bill proposes an amendment to the state constitution that would guarantee the right of any employee to NOT join a union as a condition of employment.

If passed, the constitutional question would be put to voters on the 2012 ballot.

Sources tell the Watchdog that this amendment has strong support among GOP legislators and is almost as popular as a constitutional amendment to mandate photo ID to vote.

One GOP insider said passage of the amendment would be a "game changer" for Republicans and certain to draw Republicans to the polls.

Good. One of the most sacred rights a person has in a free society is the right to sell his labor to whomever he wants at whatever price he wants. Forcing a person into an employment relationship with a union against their will is offensive to a free society.

If Joe Blow wants to join a union, let him. But if Joe doesn't want the union, it shouldn't be forced on him.

There is little doubt that such an amendment would pass. The state fair poll, which is admittedly unscientific, also traditionally skews liberal.

In the recent [2011 poll](#), a Right to Work constitutional amendment was favored by over 52% of respondents and opposed by just 37%.

The same poll showed that 66% of respondents oppose an amendment that would outlaw gay marriage.

Look for Minnesota to join the majority of states that recognize the morality of labor freedom and the detrimental effect unions have on economic competitiveness and job creation.

OBAMAWATCH

This guy's presidency is in such a freefall, it's time to simply start the Obamawatch, whereby the Watchdog and its readers witness the implosion of the Obama presidency.

We've come a long way from the Chosen One, the guy who delivered a speech in front of Doric columns and boasted of the epic meaning of his impending election.

It seems like eons ago when the trash-talking Obama said he was "like LeBron, baby," and crowed that he "had game."

That was before we got news that household incomes in America are falling. Falling, in fact, to levels last seen in 1996, some 15 years ago.

That was before we learned that \$800 billion in stimulus equals 9% unemployment and \$14 trillion in federal debt.

That was before we learned that the White House was pushing the Department of Energy to become a venture capital firm for Obama donors in the cynical name of "green" jobs.

That was before a special election in New York City elected a GOP representative to the U.S. House in a district that features a 3 to 1 registration advantage in favor of Democrats and hadn't elected a Republican to Congress since the 1920s.

That was before another special election in Nevada saw the GOP candidate for Congress score a double digit victory in a state Obama carried. Moreover, the GOP candidate carried Washoe County, one of America's "bellwether" counties.

And that was before, way before, Obama's poll numbers cratered, especially with the independents who were critical to his election.

To top it all off this week, the president unveiled his plan to pay for Stimulus II, the \$447 billion jobs program, with tax increases.

So, we're going to create jobs by providing tax incentives to employers, to be paid for with taxes on employers? Now we're confused.

Oh wait. It all makes sense if Stimulus II is actually just a campaign prop and not a serious piece of public policy.

You see, Obama would pay for this monstrosity by eliminating certain tax deductions for the Evil Rich, eliminating tax breaks for Evil Oil, and by sacking Evil Jet Owners with higher taxes.

Hmmm. Aren't the rich, oil companies, and jet-setting corporate titans Barack's Bogeymen?

You bet.

The president is actually hoping, yes hoping, that his jobs bill fails. He can then spin a narrative in 2012 that Republicans would rather protect Barack's Bogeymen than side with regular folks.

In other words, the joint session of Congress and prime time speech was nothing more than a political stunt to give the president a prop that hopes to draw attention away from his abysmal fiscal and economic record and towards a bogus choice between "real" people and the Bogeymen.

This is a morally and intellectually bankrupt president.

THE SCORECARD HAS LANDED

It's that time of year, folks. The Taxpayer's League of Minnesota has published its annual [legislative scorecard](#), keeping legislators accountable.

The Watchdog offers a hearty congratulations to the following "Best Friends of the Taxpayer" awardees:

Rep. Bruce Anderson (R - Buffalo)
Rep. Steve Drazkowski (R - Wabasha)
Rep. Kathy Lohmer (R - Lake Elmo)
Rep. Duane Quam (R - Byron)
Rep. Linda Runbeck (R - Circle Pines)
Sen. Gretchen Hoffman (R- Vergas)

Harold Hamilton is impressed with your commitment to shrinking the Leviathan.

And with Steve Dille and Dennis Frederickson finally gone, no GOP senator scored below an acceptable 69% score.

Scores were also impressive in the House.

This is one conservative crowd. Either that or Phil Krinkie has gotten soft!

A LITTLE DISCIPLINE, PLEASE

The Watchdog can take no more. It's time to devote some ink to pleading with Michele Bachmann to exercise some care with her remarks.

The lack of discipline is starting to make all conservatives and the good people of the Sixth District look a bit foolish.

After awhile, it starts to add up. The secret Iranian plan to partition Iraq, the cost of the president's travel to India, John Wayne's birthplace, Elvis' birthday, the HPV vaccine and its potential risks.

Sheesh, didn't we conservatives pound Al Gore for his loose affiliation with the facts?

If this keeps up, the sweet victory in Ames is going to be but a distant memory.

Get it together, Congresswoman. There's a lot at stake for you and for us.

September 23, 2011

Public Policy Commentary

In This Issue:

1. Know Your Role.
2. ObamaWatch.
3. True Small Government.

KNOW YOUR ROLE

Governor Dayton stepped forward this week to further solidify the viewpoint of most Minnesotans that the guy really doesn't know just what it is he is supposed to do.

Sadly, the job doesn't come with a handbook or a DVD tutorial telling one how to be a governor.

Dayton took to the microphone this week to blast the legislature for holding hearings on the proposed unionization of daycare providers.

In addition to showcasing Dayton's commitment to the failed policies of yesteryear (states are going the opposite direction on unions and are beating the pants off us), he also demonstrated a fundamental lack of understanding with respect to democratic government and basic constitutional law.

Since they apparently don't teach American Government at Blake and Yale, let the Watchdog provide a primer for the governor.

To be blunt, legislative hearings are none of the chief executive's business. The legislature is a separate, coordinate branch of government. Thus, the legislature's deliberations are beyond the purview and power of the executive branch.

In fact, the legislature has a primary role, in addition to appropriating money, of acting as a check and balance against executive power.

So, Governor Dayton, butt out. If the legislature wants your input on establishing another union in Minnesota, you'll be asked to participate.

What's really funny is that Dayton has criticized the hearings as a waste of time and money. Laughably, the governor suggested that the legislature "reform itself" as a priority.

So where was Dayton when the DFL ran the legislature? Where was the concern over the use of legislative resources back then?

Because the state operates on a two-year budget cycle, 2009 is most comparable year to 2011.

According to Watchdog research the DFL majority held 111 legislative hearings over the summer and fall of 2009.

This GOP majority isn't even close to that number and won't reach that number.

As to reform? Isn't Dayton the guy who wanted to keep his taxpayer-financed maid and chef as "essential" employees during the government shutdown?

Isn't he the guy who vetoed most government reforms the legislature sent him last session?

The good news is that Dayton will have a big opportunity to put his money where his mouth is come January. "Reform 2.0" will be put on his desk and he can sign those reforms he's talking about into law.

What are the odds?

OBAMA WATCH

The latest from the Incredible Imploding Presidency:

- The president has proposed \$1.5 trillion in tax increases and has threatened to veto any bills that trim entitlement programs that aren't accompanied by tax increases. Obama is doubling down on his class warfare rhetoric to appease the Democrat base, which will come at the expense of further alienating independents. Whatever happened to our post-partisan president? Better yet, where's the guy who said raising taxes during a recession is a [bad idea](#)?
- Operation "Twist," the latest intervention of Obama and the Federal Reserve into the economy landed with a thud this week as stocks cratered and investors fled to safe havens like treasuries. Quantitative easing, Stimulus, and bailouts have done nothing to salvage the economy. Who would have thought handing more

money to unemployed people and the United Auto Workers wouldn't rescue the economy? Only the millions of conservatives, libertarians, and critical thinking Americans who pull the wagon as Obama piles more people into it.

- Speaking of bailouts and crony capitalism, executives at Solyndra, a corporation that received over \$500 million in stimulus money to create "green" jobs and then went bust, plan to plead the 5th Amendment before Congress this week. Employees of the company have come forward to tell of lavish, wasteful spending. The massive infusion of taxpayer money obliterated any incentive to slash costs, manage cash flow, and boost profit margins. Government is a horrible, horrible venture capital firm.
- And don't think Solyndra is only stimulus tragedy. LightSquared is another company that has benefitted from the "venture socialism" of the Obama administration. In addition to good old cronyism, the LightSquared fiasco also boasts of allegations of influence peddling and witness tampering. Read Michelle Malkin's excellent piece on the subject [here](#).
- Speaking of bailouts, Ford Motor Company finally got the stones to launch an ad campaign taunting their Big Three rivals who took corporate welfare while Ford chose not to do so. Ford is living large in the hearts of Watchdogs for being one of the few to decline corporate welfare. Oh, yeah. Don't forget that taxpayers are expected to lose \$14 billion on the GM/Chrysler bailout while GM just agreed to pay \$5,000 cash bonuses to UAW workers. See the ad [here](#).
- And we're not done with the hit parade of government waste. It was revealed this week that the University of North Carolina was awarded a \$760,000 stimulus grant to study interactive dance. One of the goals of the project is to provide choreographers with the ability to experiment with interactive dance without having to have a full cast of dancers present, according to the news report.

TRUE SMALL GOVERNMENT

The Watchdog is going to pick a bone with one of our good friends, the [Republican Liberty Caucus](#) (RLC).

The RLC is an outstanding organization dedicated to "limited government, individual liberty, and free markets."

That's great.

So why did the caucus recently announce that it has endorsed two members of the legislature who favor more governmental revenue?

The legislators in question aren't the only Republican legislators who favor "racino," which is a proposal to grant a government-sanctioned gambling oligopoly to two horse tracks to install and operate slot machines.

The racino plan violates two of the RLC's three principles.

First, it violates the principle of limited government. Racino advocates state that the plan will bring some \$250 million in extra money into government coffers.

Since when are conservatives concerned that Minnesota government get more money? The problem is clearly a spending problem, not a revenue problem. More revenue only breeds more programs and more spending.

If racino proceeds were used to cut taxes on productivity in a revenue neutral way, then we would be doing something worthwhile.

There are plenty of folks in Saint Paul who are concerned about getting "revenue" into government coffers. We call them Democrats.

No Republican who backs the racino plan has offered a proposal to use the money to cut taxes. They have all offered, in one way or another, to spend it.

C'mon, guys. We can do better than that.

The current racino scheme also violates the principle of free markets.

The two horse tracks who would be granted the right to operate slots are the only two locations who would get this privilege.

That "fencing" however, hasn't stopped advocates from calling racino a "free market" idea to break the Indian tribal monopoly on slot machines.

Here's an idea. Embrace a true free market proposal and allow any qualified organization to open a casino. Fencing off the market to two horse tracks isn't free market. A truly open market would honor our shared conservative principles regarding

free markets and bring in a lot more money to government - which must then be used to cut taxes on productivity, dollar for dollar.

Second, racino is touted as a benefit to Minnesota's struggling horse racing industry.

Again, Republicans shouldn't be supportive of government propping up various sectors of the economy.

Whether its ethanol, AIG, General Motors, or horse racing, subsidies are inherently inefficient and prevent capital from flowing out of inefficient markets and into more efficient markets.

Conservatives can't blast Obama and the GM bailout and then turn around and favor ethanol and horse industry subsidies.

The Watchdog has no position on gambling expansion other than our ongoing commitment to ensure that government actions promote limited government, individual liberty, and free markets.

If gambling is expanded, it should be done in a way that honors RLC's three principles. The current proposals don't make the grade.

The GOP legislators who support racino are excellent public servants who all earned their stripes this past session in so many ways by standing firm on tax increases and supporting reform efforts that were vehemently opposed by the special interests. We agree with these good people on most every issue, which is why racino is such a head scratcher for us.

What gives? Give this thing a second thought, guys.

September 30, 2011

Public Policy Commentary

In This Issue:

1. Can You Hear Us Now?
2. An Empty Threat.
3. Minnesota's Largest Employers.

CAN YOU HEAR US NOW?

The Ramsey County Charter Commission held the first of two public hearings Wednesday night for the purpose of taking public testimony regarding a proposed charter amendment. About 170 people poured into the New Brighton community center to voice their opinions on the County Board wanting to impose a one-half of 1 percent sales tax to help pay for a new Vikings stadium on the TCAAP site in Arden Hills. A total of 68 people made comments, but at least another three dozen more had signed up to speak. Many left early when the commission chair Rich Sonterre called for an intermission about 90 minutes into the meeting, thus clearing the most of the room.

The proposed amendment reads, "Shall Ramsey County be prohibited from using any revenues, including those raised by taxes or bonding, to fund or assist in funding a Major League Baseball or National Football League sports team or stadium?"

The Charter Commission was ready to vote on the amendment at its Aug. 31 meeting but was advised by counsel Phil Carruthers, that in his opinion a violation of the Open Meeting Law may have occurred if they had proceeded. Carruthers said the agenda's language did not convey that a vote would be taken. This was seen by many as a delay tactic to buy the Tony Bennett forces more time - or more time to fumble (pardon the pun).

The Wednesday night hearing gave the public their first chance to speak at a Ramsey County meeting about the sales tax. Ramsey County residents were given first priority at the microphone and after 56 people, the score was 53-3 for a referendum. In the room, the makeup of the audience was about 15 stadium foes to every 1 Vikings fan (they had their jerseys and horn helmets on, and all were from outside the county).

An additional 4 non-county residents spoke for referendum, and 6 against - all Vikings fans, some of which had driven from Watkins and Sauk Rapids.

Greg Copeland of St. Paul, former member of the St. Paul Charter Commission and one of the leaders of the 1999 Twins stadium referendum in St. Paul, asked where the county commissioners were. Absent. "They don't care what you think". He reminded the audience that the true cost of the debt service on the stadium over 30 years is going to be \$675 million, a figure never mentioned by County Commissioner Tony Bennett or the Vikings, although it has been available in a report on the county website for months. Copeland also questioned why it falls to the Charter Commission to have public hearings that really should be held by the County Board, as it is their project.

Mark Pittman of Shoreview said, "don't take away my vote and don't let the legislature take away my vote," a statement many expressed. Pittman referred to the charter as a document that already gives citizens referendum powers, so the issue is really taking away a vote rather than granting one.

The fear has been that the legislature would ignore a state law that requires a referendum on any sales tax. The 2006 legislature decided to ignore that law and granted permission to the Hennepin County Board to impose the Twins stadium tax and said it was okay not to hold a referendum.

The difference with the Vikings proposal is that Ramsey County has a charter, and Hennepin did not. The legislature would also have to ignore the charter as well as the state law. The charter was voted in by the people of the county, and to ignore it would be essentially nullifying that election: In effect, the message would be "we aren't going to acknowledge your vote; for our selfish purposes we are going to pretend there was no election that approved a special set of laws for your county, called a Charter."

Many small business owners, including Steve Donatelli, restaurant owner in White Bear Lake, said that the added sales tax would turn away customers, cost business owners more money when making large purchases, that disposable income is a lot less today and many businesses are hurting because of it, and that his own costs for food and supplies have gone up significantly. Many in the audience frequently used the phrase, "it all adds up".

Another public hearing, finalizing the language and voting on whether to amend the charter will be taken up at the next Ramsey County Charter Commission meeting, to be held Oct. 11 at 6:30 pm at the County Courthouse in downtown St. Paul.

AN EMPTY THREAT

The very core of the NFL's stadium strategy is the concept of artificial demand.

The NFL spends millions upon millions to induce demand among citizens for an NFL franchise and then intentionally fails to meet that demand in order to hold cities that do have a franchise hostage to stadium demands.

Simply put, it goes like this: You may not like the cost of a new stadium. You may not like the subsidies we demand. But if we don't get the stadium we want, we'll move to a city that will meet our demands.

This is the heart of NFL stadium politics.

Limit the number of franchises to drive up the value and bargaining leverage of each one.

We see this tried and true strategy on display in the current debate over a new stadium for the Vikings, er, a new stadium for "the People."

We're told we better give in to Zygi's extortion or the team will move to Los Angeles and leave Minnesota without an NFL franchise. The horror!

First, let's cut the crap and acknowledge that Los Angeles isn't about to build a stadium.

Much was made this week of a bill signed into law by California Governor Moon Beam that would limit lawsuits and environmental permit delays for any stadium and other large construction projects.

The mouth-breathers in purple Zubas want you all to believe that Zygi and Lester Bagley have already rented a U-Haul and have packed Adrian Peterson's jock for the City of Angels.

And yes, there is another stadium proposal in Los Angeles that is competing with the project that has been getting all the headlines.

So Los Angeles indeed has two bored billionaires who want to stadium and a team to fill it.

But a strange thing happened on the way to the blackmail party.

The economy and the NFL's own expansion policy have turned the stadium scam on its head.

It appears that the NFL is facing the unique situation where there are more teams who want to move than there are potential new homes.

Realistically, only Los Angeles is a legitimate possibility for relocation.

So we've got one town interested in a team.

And, by the way, let's drop all the talk of LA looking for two teams. This city has had a miserable history supporting one team, much less two. The "two team" scenario propagated by NFL shills like Sid Hartman insults the intelligence of taxpayers.

Anyway, we've got one town that is even remotely a possibility to gain a team.

On the other side of the equation we have multiple teams looking to move. For the first time in a long, long, time, the NFL's unmet demand scheme has become an unmet supply scheme. Put another way, there are more teams who want to leave their current home than there are places to go. LA is the only possible lifeboat and there is only one seat.

And don't believe for a moment that Zygi is the one closest to the lifeboat.

Jacksonville, Saint Louis, Buffalo, Oakland, and San Diego are just a few of the teams who are looking to possibly move.

The Watchdog will not get into the specifics here, but suffice it to say there are other franchises that are in a better position to head to Los Angeles, IF the city gets into a position to take on a team.

So, Zygi, go ahead and try to move. You've got nowhere to go.

MINNESOTA'S LARGEST EMPLOYERS

The Business journal has published its annual list of the state's 50 largest employers.

Can you guess the top employer? C'mon. One guess.

You guessed it. The state of Minnesota.

No one employs more people than the state. 40,208 folks work for the state bureaucracy.

How about #2? That would be the federal government. The feds employ 34,000 people in the state.

It isn't until we get to #3 that we find a private employer, that being the Mayo Clinic at 33,000 employees.

And what about the remainder of the top 10? There are two other government agencies in the top 10:

#9: The University of Minnesota (19,000 employees)

#10: The State Colleges and Universities System (18,000 employees)

And rounding out the top 50:

#20: Hennepin County (8,000 employees)

#34: Hennepin County Medical Center (5,000 employees)

#42: Ramsey County: (4,000 employees)

#50: City of Minneapolis (3,000 employees)

And we wonder what went wrong with our economy. Government shouldn't be a top employer, especially the #1 and #2 employers in the state.

And before all you liberals get crazy talking about how government employees pay taxes and the like, let's stop you right there.

Government employees are paid with public dollars that have already been stripped from the private economy and laundered through the public economy. The taxes they pay are not new dollars and thus are not new wealth. It's just re-circulated money that was already in the economy. There's no net benefit to our collective prosperity.

Government jobs don't create wealth or boost the economy for this reason. If they did, we could just take every unemployed person and put him on the government payroll and watch the economy take off like a rocket.

While some government jobs are of value to society (e.g. public safety), those jobs don't create wealth. That's why job creation in the private sector is so important. Those jobs are the source of wealth that allows government to spend money on things like hiring bureaucrats.

Fundamentally, this is where President Obama makes his biggest mistake, among the many he has pulled since January of 2009.

He thinks a job is a job. If we hire more government workers (and he has, big time), then we are moving the economy forward, even if private sector employers are on strike. Even if capital is on strike.

Until government removes barriers to private sector wealth creation, the downward spiral will continue.

October 7, 2011

Public Policy Commentary

In This Issue:

Editor's Note: Quote of the Month:

"Don't blame Wall Street, don't blame the big banks, if you don't have a job and you're not rich, blame yourself."

- Herman Cain

1. Obama Watch.
2. Get Off Chip.
3. We Thought Pawlenty Ruined Health Care.

OBAMA WATCH

So what's new this week with the Incredible Shrinking Presidency?

- The scrawny fella with the big ears starting talking some trash this week and taunting Republicans to pass his "jobs" bill, warning them that they would have to explain their opposition to the public.

No problemo. Senate GOP Leader Mitch McConnell obliged and called for a vote. Uh, the script has gone awry. Democrat Leader Harry Reid refused to call up the bill, knowing that he didn't have the votes on his own side of the aisle to pass it. The White House saw its plan blow up in front of the American public as Democrats stalled the bill the president claims the country so badly needs.

Of course, the "jobs" bill is anything but and everyone knows it. The Transformative President is now a shell of a president, reduced to pulling political gimmicks since his policy initiatives have all failed, leaving the country drowning in debt and joblessness.

The "jobs" bill is a political stunt designed to set up the narrative of the president running against a "do nothing" Republican congress that would rather protect the rich and Wall Street fats instead of help all the regular folk out there.

Part of this new strategy is to tie the GOP to Wall Street. Republicans beholden to Wall Street? Obama as populist? As we said, this guy is truly bankrupt - morally and

intellectually. And he's made the country fiscally and morally bankrupt as crony capitalism runs amok and we bleed red ink (more on this later).

In 2008, Obama collected over \$10 million in Wall Street donations, double what McCain grabbed from The Street.

So is the Great Populist planning to give back that \$10 million so he doesn't look like a total hypocrite bashing Wall Street.

And let's not forget that Wall Street bailout for the Too Big to Fail welfare kings.

Recently, Obama held a fundraiser for Wall Street donors in the home of Jon Corzine, who made a fortune on Wall Street.

Donors paid up to \$35,800 per person to hear Obama prattle on about the American Dream he has ruined for generations to come.

And the man who's closet to the president, the chief of staff? None other than Bill Daley, a former Wall Street executive with JP Morgan Chase & Company.

You just can't make this stuff up?

- Speaking of Crony capitalism, Solyndra and Government Motors continue to drill home the lesson that Obama is a poor venture capitalist, but a great venture socialist.

The Chevy Volt, the electric car nobody wants, is right on track to become the car nobody wants.

Heavily subsidized by you, the taxpayer, the Volt is struggling to find a home in the real world marketplace.

Government Motors boasted of a sales goal of 11,000 of these oversized golf carts for 2011. Nine months into the year, 3,895 have been sold.

Last month, only 723 Volts found a home.

And what of those big SUVs and pickups, the ones with the huge carbon footprint?

In September, GM sold 1527 Escalades, more than double the Volt's 723.

That same month, 5,246 Suburbans sold, seven times the Volt's number.

The tried and true Avalanche sold 1,861, again more than double the Volt.

No matter how he tries, Obama just can't beat the market.

But he can hook up his friends.

Newly released email show that the Obama administration was poised to give Solyndra ANOTHER loan even though the company was in dire financial straits.

In May of 2010, the administration was preparing a \$470 million loan as the company's own auditors were raising red flags with respect to the company's money situation.

Emails obtained by the Congress reveal that top Obama officials and campaign donors were closely monitoring Solyndra and were involved in discussions regarding the company.

- So how's it all working out in the polls? To start, 40% of Americans "strongly" disapprove of his job performance.

47% of seniors "strongly" disapprove.

Conversely, only 21% "strongly" approve of his performance (we would love to meet those people).

A majority now believe that Obama will be a one term president. Count us in.

- That's okay, you can always get away from it all with a taxpayer-financed junket. It was revealed this week that First Lady Michelle Obama's trip to Africa cost taxpayer in excess of \$423,000, not counting all expenses.

Now the Watchdog normally leaves the children of politicians out of things, but when the Obama daughters are listed as "senior staff" on the manifest it is only fair to ask what these two senior staffers did to add taxpayer value to the trip.

Let them eat cake!

GET OFF CHIP

It's about time for all the liberals criticizing Congressman Chip Cravaack's family life to go get a life of their own.

Cravaack and his wife recently made the decision to send their children out east to live with her since she works in the Boston area.

Liberal mouth breathers have attempted to make an issue of the situation.

God forbid a husband and wife should make a decision that they feel is in the best interest of their children.

The liberals all insinuate that Chip is putting his career in Congress ahead of family.

Funny, we don't hear of them call for Mrs. Cravaack to quit her job. That would be downright sexist of our erstwhile bra burners.

So Chip has decided to serve his country in Congress. His wife has a sweet job as a business executive.

She in one state and he's in another. The kids live with mom.

So what. End of story.

Maybe we should have John Edwards, [David Wu](#), and Eliot Spitzer weigh in on this.

WE THOUGHT PAWLENTY RUINED HEALTH CARE

The DFLers in the legislature just couldn't stop lambasting Governor Pawlenty regarding health care.

To hear them tell it, Pawlenty was engaging in scorched earth governing by doing crazy things like slowing the growth of the state's health care budget to around 20% instead of 30%.

We learned this week that Minnesota is leading the nation in palliative care, which focuses on easing pain and discomfort while patients undergo aggressive medical treatments.

How in the world did the Minnesota health care industry pull that off?

We thought Tim burned the system to the ground over 8 years.

Democrats exaggerated budget reductions? No way!

October 14, 2011

Public Policy Commentary

In This Issue:

1. Democrat Economic Theory.
2. The Rich ARE Paying Their Fair Share.
3. The Chairman Speaks.

DEMOCRAT ECONOMIC THEORY

We admit that every now and then, something so profoundly stupid comes to our attention that we are stunned. As jaded, cynical and somber as we are, we occasionally surprised by the toxic mix of ignorance and smugness we see out of people. People who are usually elected officials and liberal, another toxic combination.

Minnesota's own Congressman Keith Ellison shocked the crap out of us this week when he claimed that government regulation create jobs.

Sorry, we should have asked you to put down your drink before you read that.

Yep, Ellison actually touts the benefits of regulations, especially as they affect (positively!) job creation.

Here is the transcript of the [interview](#) where Ellison took the "stimulus" effect of government to a whole new level:

"I think the answer is no," Ellison said when asked if he believes regulations kill jobs. "And here is why: When we talked about increasing fuel efficiency standards, the industry responded, and they need engineers and designers and manufacturers, and they need actually more people to help respond to the new requirement."

"I believe if the government says, look, we have got to reduce our carbon footprint, you will kick into gear a whole number of people that know how to do that or have ideas about that, and that will be a job engine. I understand what you mean, because if anything adds a cost to a business, you could assume that that will diminish that business's ability to hire. But I don't think that's actually right. I think what businesses want is customers and what -- if they are selling product, if

they have a product to sell they will do well even if they have some new regulations to meet.

Is this guy for real? This guy understands economics and wealth creation about as well as fish understand bicycles.

Ellison doesn't understand that people who get paid to overcome regulations on products and services are an overhead expense.

They don't create wealth or even enhance profits. They decrease profits and drain revenues away from wealth-creating centers in the company. For every dollar spent on compliance, that's a dollar unavailable for R&D, for example.

Moreover, people employed to meet government regulations could likely be better employed in other capacities, especially those that actually create wealth.

Furthermore, even if the regulations were ostensible designed to spur innovation or solve an issue facing our society, those regulations are politically driven and not market driven, meaning that the allocation of human and other capital to this issue is by definition inefficient because government directed the allocation and not the free market.

For example, if society has a need to perfect nuclear cold fusion, the private sector will efficiently allocate resources to find a solution.

How well has Solyndra perfected solar technology and created "green" jobs? We rest our case.

Think about how dumb this belief really is.

If regulations create jobs and prosperity, why doesn't Ellison propose to double the size of the federal tax code?

The tax code is 16,845 pages long. There are over 1.76 million accountants in America who help people and corporations (who in Mitt's mind are one in the same) navigate the tax code.

If we doubled the code to 33,000 pages, we could create another 1.76 million jobs just like that!

And why stop there?

Instead of merely mandating increased fuel standards, why not mandate that cars also be capable of space travel? Think of the engineers and other smart folks who would be needed to solve that one!

Ellison's views demonstrate the liberal's misplaced faith in the ability of government to solve problems and engineer a more perfect world.

Worse, Ellison has fallen into the same old trap that befalls so many who think as he does.

He fails to appreciate that there is a difference between a job and a job that creates wealth. A job that is necessary to help a business overcome and meet regulatory burdens doesn't create wealth, it is simply overhead to the company and an inefficient allocation of human capital on both a micro and macroeconomic level.

Hey, Keith. If you want to heal the economy, start by removing barriers to innovation and the taxing of productivity.

That would be a great start.

THE RICH ARE PAYING THEIR FAIR SHARE

Another liberal meme is that rich need to pay their "fair share" of the tax burden.

Isn't this enough?:

The top 1% pay 38% of the federal income tax;
The top 2-5% pay 21% of the federal income tax;
The top 6-10% pay 11% of the federal income tax;
In other words, the top 10% pay 70% of the federal income tax.
And the bottom 50%? They pay 3% of the federal income tax.

THE CHAIRMAN SPEAKS

State Rep. [Pat Garofalo](#) is a Watchdog favorite. He's the chairman of the Education Finance committee in the House and a true change agent for better school accountability and transparency.

Rep. Garofalo has alerted taxpayers to a particularly pernicious scam involving teachers and their co-conspirators who populate so many seats on our school boards.

The scam works like this: school boards and the local teacher's union agree to delay resolution on a new contract until after a school levy vote.

The teacher's union works with the school board to pass the levy and get some more dough into the district's coffers.

The two sides then return to the bargaining table and negotiate a new contract. If the levy has passed, the board kicks back a chunk of the new booty in the form of a pay raise.

Rep. Garofalo recently penned an editorial that could apply to your school district:

This November, Northfield School District voters will be asked (again) to raise their property taxes. As a State Representative who represents major portions of the Northfield School District and is Chairman of the House Education Finance Committee, I believe it is essential that voters have the necessary facts to make an informed decision on the matter. Contrary to the doom and gloom being preached by the teacher's union, local Democrats, and those who want to raise taxes - the Northfield School District is anything but underfunded. According to the Minnesota Department of Education, state and local dollars have grown dramatically in the last 10 years from \$6,632 per pupil in 2003, to an eye popping \$9,754 projected in 2013. This 47% increase in funding has been described by apologists for the status quo as "not keeping up with inflation". Facts tell otherwise. Even adjusted for inflation - a questionable measurement in and of itself - these revenues are 17.5% higher than inflation over the last 10 years. Has your paycheck increased 47% in the past 10 years? Yet despite these increases, taxpayers are being threatened with the dire consequences of what would happen without yet another tax increase. When reasonable people ask "How much is enough?" the answer is all too often "it's never enough."

In Northfield and other districts, taxpayers would be foolish to vote for yet another tax increase without knowing how that money is going to be spent - yet that is exactly what is being asked of them. As of the date of this article, the Northfield School District and the local teacher's union have yet to reach an agreement on a new contract. Rest assured, this is not by accident. A common tactic that the teacher's union uses is to defer agreement on a contract until AFTER the local levy vote has taken place. The local union will then adjust its demands based on whether you pass a tax increase or

not. The more you raise your taxes - the more salary, benefits, and other employee costs the teacher's union will demand. Absent a contract agreement before the levy vote in November, no promise can be made of maintaining services for children. This bait and switch tactic may serve the adults well - but it's a raw deal for the kids.

-
Last session, Governor Dayton and the state legislature increased education funding by over \$650 million dollars. Northfield will see a \$397 per pupil increase in state and local funding between last year's budget (2011) and next year's budget (2013). Taxpayers would be wise to question how the first increase in money will be spent before approving a second increase. As always - and rightfully so - this decision rests with you. Choose wisely.

October 21, 2011

Public Policy Commentary

In This Issue:

1. The Limo Has Landed.
2. The Family Budget Revisited.

THE LIMO HAS LANDED

With the economy in the tank and the state on the verge of another fiscal crisis, Governor Dayton emerged from his broom closet this week to manufacture another chapter in the "stadium crisis" by declaring this week "Vikings week" instead of say, "tax cut week," or "reign in government week," or "I promise to get out of the 1970s week."

Here's our take on the situation:

No bill, no special session, no support.

-
While the media breathlessly reports on the faux stadium crisis and portrays a dynamic situation where stadium events are moving quickly at the Capitol, that's just not the case.

The Watchdog has extensive sources at the Capitol on both sides of the aisle who tell a far different story than the lamestream media.

First and foremost, there is no Vikings bill for the legislature to consider. In a typical "ready, fire, aim!" maneuver, the governor and his legislative stadium allies have called for a special session and passage of a bill that doesn't even exist.

Call us crazy, but it would seem that the first step would be to show the world a stadium plan that identifies a site, explains the financing mechanism, allocates risk among the parties, and divides the revenues.

Yes, various stadium bills have been introduced, but there is no comprehensive bill that addresses the stadium issue in a comprehensive way, answering the recent questions that have been raised.

Second, there is utterly no appetite for a special session. The legislature already had one special session this year and a November special session is especially unattractive.

Our semi-clever governor hasn't done such a great job covering up the fact that a special session in November has the smelly distinction of being held during a holiday week when the public is least paying attention.

Moreover, the state will release an updated economic forecast in early December, which will likely show another deficit and obviously dampen what enthusiasm exists to hand over some corporate welfare to the Vikings.

A survey of our sources puts the odds of a special session at "0%," right now.

Of course, the governor has the sole authority to call a special session but there is no support for one from the legislature.

Most importantly, a Vikings stadium doesn't have the votes to pass. The majority of Republican legislators with whom we've spoken are opposed to corporate welfare for the Vikings regardless of what the details look like.

One senior Republican told the Watchdog, "the votes just aren't there and I don't see how the votes come together unless the DFL puts up a large number."

Speaking of the DFL, there isn't a lot of gusto for a Vikings stadium on that side of the aisle.

At a time when the DFL perceives that health care, education, and other program areas haven't gotten enough money, there is no way many DFL legislators want to be seen as handing over money to a wealthy corporate interest.

As things stand today, it looks like no special session and no new home for Zygi.

The Symbolism.

- Images are powerful and are symbolic of deeper, meaningful messages. Any reader can quickly recall a famous picture that represents an idea, a philosophy or an ideology.

New York firefighters raising the flag at Ground Zero. The National Guard at Kent State. Neil Armstrong on the moon.

No one can deny the power of symbolism.

Thus, we found it supremely arrogant and symbolic of what the NFL stands for when League officials showed up at the Capitol this week in a limousine to beg/extort money from Governor Dayton.

It was a stunt reminiscent of auto executives arriving in Washington, DC in private jets to take a bailout from the taxpayers.

That big black car parked out front of the Capitol symbolized the lunacy of a flat-broke state and its distressed taxpayers considering hundreds of millions in subsidies to a multi-billion dollar cartel.

Whatever happened to Dayton's "tax the rich" mantra? Taxing the rich? Hell, he's giving away millions!

View the limo [here](#).

The Extortion.

We knew it was coming. We knew it would happen at some point. We just knew that the NFL would at some point tell us to pony up for a stadium or else the team would move.

NFL bagman Eric Grubman rode into town in his black limo (see above) and proceeded to lecture us hayseeds on the importance of forking over our hard earned money to his boy Zygi.

Grubman feigned worry that a stadium extortion plot wouldn't come to fruition and smiled right through his teeth when noted that no deal could force poor old Zygi to "consider an alternative plan in a different city."

As the Watchdog has noted in recent editions, there is no place to go. Los Angeles may or may not get a team. And if they do, it won't be the Vikings. The Twin Cities is a major media market and the Vikings have been here over 50 years. The NFL Wants a franchise in Minnesota.

There are other candidates to go to LA.

Sorry , Eric. You must take us for some real dolts if you want us to swallow the Vikes-to-LA bunk.

Show US the money.

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We continue to hear the same old shopworn platitude that a \$650 million taxpayer spiff to the Vikings will create all sorts of economic benefits.

While it's true that a new stadium will generate a measure of economic activity, that's not the question.

The question is whether or not the downside of a \$650 million public subsidy is outweighed by the resulting economic benefit.

The legislature should demand such an analysis. This isn't difficult. The metrics exist.

Having said that, one will likely never be done because the numbers wouldn't favor the Vikings.

We've heard these "stimulus" arguments before.

If government spends a dollar, the result will be an economic benefit that will exceed a dollar.

This is called Keynesian economics and it's a load of bunk.

Want some proof? Check out that \$800 billion stimulus bill from Obama. How did that work out for the taxpayers and the unemployed?

Whether it's \$800 billion or \$650 million, stimulus is stimulus and it's all a bunch of crap.

In fact, if the state is considering any new "revenue streams," a football stadium isn't where they should go.

Instead of a special session to provide a stimulus bailout to a billionaire, the legislature ought to have a special session to cut more government and cut taxes.

The Vikings are such a small employer, they're nearly irrelevant to Minnesota in an economic sense.

The legislature should be looking to enhance the business climate for all job creators.

And here's another suggestion.

We keep hearing that the Vikings are an integral part of our culture and our heritage.

Fine. Remember that sales tax increase we put into the constitution in 2008?

Called the "Legacy Amendment," the money is reserved to protect and promote our culture and heritage.

If the legislature must fund a stadium, tap those existing funds. They do nothing but fund bike trails and puppet shows anyway.

THE FAMILY BUDGET REVISITED

If the federal government was an American family, here's what the finances would look like:

Income: \$21,700

Expenditures: \$38,200

New credit card debt: \$16,500

Outstanding credit card balance: \$142,710

Spending cuts: \$385

And the Vikings want a stadium from us?

October 28, 2011

Public Policy Commentary

In This Issue:

1. Our Purple Legacy.
2. Don't Call it Obamacare.

OUR PURPLE LEGACY

The Watchdog last week noted that there was already a funding stream available to fund a Vikings stadium, therefore requiring no new taxes, fees, revenue streams or whatever euphemism you want to cook up to help the Vikings get a new home suitable for Zygi Wilf's profit model.

While not a new idea, using money from the increased sales tax we pay to fund the "Legacy Amendment," has resurfaced in recent days as a stadium funding option.

State representatives [Kurt Daudt](#) and [Pat Garofalo](#) have been talking about this option as has our Trust Fund Governor, who has said all options should be on the table.

Maybe the gov really believes in this option or maybe he just wants to take a poke at his ex-wife, another silver spooner who blew some family dough on the massive public relations campaign that tricked voters into enshrining into the state constitution a sales tax increase for arts and entertainment.

The Legacy Amendment raised the sales tax by 3/8ths and dedicates the money into different pots of money, including 20% of which may only be spent to preserve Minnesota's cultural heritage.

This is exactly what keeping the Vikings in Minnesota would do, according to stadium supporters, our elected officials, and those who don purple Zubas, beads, and face paint every Sunday as they watch Ponder and company get smoked.

These folks constantly talk about the Vikings being an "asset to the state" and part of the "cultural fabric" of Minnesota.

Great. It sounds like preserving this cultural asset is just what that tax increase was designed to protect.

Now don't get us wrong. The Watchdog's position is that government has no role in subsidizing this business or any other business. When government gets into this activity, subsidies distort the market and tax dollars are allocated on the basis of political influence, not merit. The best policy is for government to get the heck out of the way and let the job creators create jobs.

Having said that, if the legislature must kiss the ring of our current suitcase team owner, then do it with this money.

Now, of course the arts and croissant crowd has been going bananas at the thought of their opera and fine painting money being used to support such a barbaric sport supported by such an unrefined and unwashed mob.

Our precious arts money being used to subsidize professional football? Egad!

Football fans probably don't know the works of Monet, the tenets of Impressionism, or the proper etiquette for drinking tea, according to these erudite and refined connoisseurs of fine art. Indeed!

Pitting the limousine liberals against mouth-breathers who demand a stadium is a sport in and of itself and reason enough to support using Legacy money for a stadium.

It's also interesting to hear the arts and croissant crowd decry using Legacy money for a "for profit" organization like the Vikings.

These folks think taxpayers are dumb enough to think that somehow a non-profit organization is just some sort of small-time operation solely dedicated to the general public welfare. Sort of like missionary work.

Don't be fooled. Non-profit organizations can be very large and very lucrative. Yes, they can't have shareholders and a distribution of profits, but people can get very rich at the business of non-profits.

Take a look at the salaries of some of these poor not-for-profits, based on 2009 data:

Bill Kling, National Public Radio: \$654,000

Joe Dowling, Guthrie Theater Foundation: \$646,000

Thomas Kingston, Amherst Wilder Foundation: \$471,000

Eric Jolly, Science Museum of Minnesota: \$367,000

James Pagliarini, Twin Cities Public Television: \$326,000
Nina Archabal, Minnesota Historical Society: \$300,000

Not-for-profit certainly doesn't mean not-getting-rich.

Oh, yeah. These people all lead organizations that take a lot of taxpayer funding.

It's rather ironic to see the arts community point a finger at Zygi Wilf and accuse him of greed. Yes, he's greedy, but so are you guys. Talk about the pot calling the kettle black.

We're not done with Legacy amendment business and all its problems.

Just this week, it was [reported](#) that over \$100 million in Legacy funding remains unreported to the state web site that provides transparency and accountability to taxpayers regarding the use of these funds.

Never mind the fact that it's been nearly three years since the amendment passed. Just how hard is it to track spending and put it on a web site?

Moreover, state bureaucrats were given \$70,000 to develop the web site. That ought to be more than enough to establish a web site.

But maybe it's better that we don't know where some of this money is going.

If you're uncomfortable with idea of using this money to preserve our purple heritage, consider where the [money is currently going](#), at least the money we can actually track:

American Society of Landscape Architects-MN Legacy Project

To document in 8 interviews the story of landscape design in 20th Century Minnesota

An Oral History of Homelessness in Minnesota

To document in 9 interviews the homeless experience in Minnesota outside of the metropolitan area

Documenting the History of Minnesota Comics

To document in 15 interviews Minnesota's cartoonists' community

Duluth Birth History Oral History Project

To document in 5-7 interviews the history of maternity care in Duluth prior to 1941

Heritage and Cultural Growth from Somali Sports in MN Oral History

To document in 20 interviews the history of Somali experience in Rochester

IAM Oral History Project

To document in 7 interviews the history of subcontinental Indian music in Minnesota

Intergenerational Learning Programs

A set of projects designed to bring together members of multiple generations around history topics

Neighborhood Leadership Program

The Minnesota Historical Society is partnering with the Amherst H. Wilder Foundation to continue the Neighborhood Leadership Program, an initiative that develops leadership skills of community members to take effective action

New Faces of Minnesota Oral History

To fabricate and install an exhibit on new Minnesotans who have begun to weave themselves into the state's story

Saint Paul Police Women's Oral History Project

To document in 11 interviews the history and culture of women serving the St. Paul Police Department

Fishing: A Cross Cultural Gateway to Environmental Education

Develop fishing as a gateway for communicating meaningful environmental information; teaching skills for lifelong outdoor participation; and instilling values of stewardship in three generations of Southeast Asian communities

Folk and Traditional Arts

Dance Revels Moving History will work with local French and Metis (French-Indian) cultural specialist/interpreter Virgil Benoit, French Director Josette Antomarchi, and several French cultural groups to produce dance workshops, discussions about being bi-racial, and a dance theater show about the Metis founding father of Minneapolis and St. Paul, Pierre Bottineau and his multi-racial world.

It's either football or this stuff. You voted it into the constitution.

DON'T CALL IT OBAMACARE

Democrats continue the slow march towards an Orwellian world.

The hallmark of a totalitarian state is the abolition of individual liberty by undermining the rights that support individual liberty.

The right to free speech is one of those critical rights, hence liberal speech codes that chill the free exchange of ideas by banning certain words and phrases, including the infamous crime of "lookism," under which a male could be punished for an "inappropriate" glance at a female colleague.

We also see these semantic machinations at work when liberals label something that it is not.

For example, the new stimulus bill isn't really a "stimulus" bill. It's a "jobs" bill.

Tax increases aren't really tax increases. They're "revenue enhancements." Even better, most tax increases are now described as closing "loopholes," which clearly implies that the government is merely correcting a mistake and acting in a moral fashion to prevent a citizen from taking advantage of the rules under which we all live, unless you're a friend of the president.

So it really came as no surprise this week when the liberals in Congress attempted to stifle free speech by complaining about the use of the word "Obamacare."

The issue arose over the use of the word in taxpayer-financed mailings that members of Congress use to communicate with constituents, called the "franking privilege."

These mailings, understandably, should not be used for partisan or personal reasons.

A bi-partisan committee decides what language is deemed to be "personal, partisan, or political," and therefore in violation of the rules.

This week, Democrats complained that the word "Obamacare" violates the rules because, they admit, it ties the legislation to an unpopular president, thereby making the health care law unpopular.

Uh, Obamacare is a piece of crap that is unpopular all by itself. We could call it, "sweet and pleasant health care" and it would still smell to high heaven.

Unfortunately, Republicans rolled over and agreed to drop the term from any communications funded with franking dollars.

No word on whether Nancy Pelosi has been successful in finding a way to call Obamacare some type of "jobs" legislation.

Four legs good, two legs bad.

November 4, 2011

Public Policy Commentary

In This Issue:

1. Election Day - November 8.
2. A Moment of Sanity, Finally!
3. GOP Leading on Education Reform - Again.
4. Stupid in Oakland.

ELECTION DAY - NOVEMBER 8

With all the manufactured fervor surrounding the Vikings (more on that later), election day 2011 has been lost in the shuffle just a bit.

As always, the Minnesota Watchdog strongly encourages our readers to exercise their sacred right to vote next Tuesday.

You can find your polling place [here](#).

Even though it's an off-year election, there is plenty at stake.

Many cities are conducting municipal elections.

School board seats are up for grabs.

And, of course, many school districts are going out for property tax increase excess levies. In fact, there is about \$900 million in school levy dollars at stake next Tuesday (more on that later).

Get educated on the issues and vote!

A MOMENT OF SANITY, FINALLY!

The faux stadium crisis the Vikings manufactured absolutely dominated the political debate in Minnesota over the past several weeks.

A moment of sanity finally broke this week when House Speaker Kurt Zellers told his House GOP colleagues and the governor that he wasn't interested in a special session to resolve the so-called "stadium problem."

Let's all give a moment of big, big thanks and praise for Speaker Zellers and his leadership on this issue.

He had the courage to stand up to this crap and yell, "[serenity now!](#)"

There is no stadium crisis. The purple emperor has no clothes and the extortion won't work.

The Vikings aren't moving to Los Angeles. They aren't moving anywhere. The veiled threat behind the fact that the Metro Dome lease expires in a few months means nothing.

There is no place for the team to go and there is no desire on the part of the NFL to let them go.

More than that, just when in the h**l did this issue become a state problem? The state doesn't have a stadium problem. We have all sorts of venues for youth and collegiate athletics.

If Wilf wants a new place of business that will enhance his bottom line, he can do what 3M, Medtronic, General Mills, Micro Control Company, and the local hardware store all do.

He can get off his duff and access capital markets. You know, that whole private sector thing. If this stadium is a good deal, all those greedy capitalists will be jumping at the chance (minus Jon Corzine, who has proven equally adept at wasting public AND private money).

It has been truly horrifying to step back and consider the political capital that has been wasted on this frivolous issue.

Imagine what could have happened if the governor had bothered to declare the state's job climate in crisis?

What if he had devoted similar time and capital to reforming government, streamlining regulations and reforming the tax code to encourage investment and productivity instead of punishing the same?

We're the only state in the union during this recession that declared the need for a special session of the legislature to build a taxpayer-subsidized football palace.

Many Minnesotans look down their noses at our brethren to the south and cop a contemptuous attitude towards their folkways and mores.

Funny, states like Florida and Louisiana held special sessions to reform education, not build a football stadium.

These states are at the forefront of school reform, school choice, and teacher accountability for results.

What's more important to the state's long-term well being? A football stadium or a quality education system?

That's what their governors spent political capital to achieve. Instead, our governor flies over Arden Hills in a helicopter, clears his calendar for the NFL and spends his time working on a stadium.

Our test scores stink, our business climate sucks, and health care costs are eating us alive.

A special session? Let's do it for Zygi!

What a major embarrassment.

Yep, Speaker Zellers is going to take heat for his decision. He's going to be criticized for standing on principle.

The Watchdog couldn't be prouder of him.

And we're also proud of the House Republicans who stood behind him and gave him the support he needed to come forward and announce an end to the stadium circus, at least for now.

It's time to stop investing scarce state resources into stadium financing schemes.

It's time for ALL Republicans to stop feeding into this media frenzy by going to meetings with the governor and announcing their best efforts to find a way to violate the party platform by using taxpayer dollars to fund a stadium, possibly with gambling proceeds, which also violates the party platform.

By the way, it's also high time that our RNC committeewoman get back to work SUPPORTING the party platform. Is it too much to ask that our committeewoman be a platform Republican?

The Watchdog isn't naive. We know that there will be public hearings and bills introduced to that build Wilf his stadium.

It doesn't have to be that way. Hopefully, Republicans will consider standing firm upon their collective belief in capitalism, the belief that holds that the private economy will pick winners and losers. It is also the belief that government does a horrible job allocating scarce resources and picking winners and losers.

A careful consideration of the principles that conservatives believe built this great nation lead to one simple conclusion. State government has no business getting involved in the stadium issue. The Vikings are a private, for-profit enterprise that has no claim to government resources. It's a sad day when only liberals like Rep. Jim Davnie, Rep. Mindy Greiling, and Sen. John Marty are the only ones who are standing up and saying what conservatives should be saying.

GOP LEADING ON EDUCATION REFORM - AGAIN

Huge kudos go out to State representative Pat Garofalo (R - Farmington), the chairman of the House Education Committee.

Garofalo has been at the forefront of school reform in the Minnesota House, despite the undies-in-a-bunch crowd down at the teacher's union, who favor the bloated and failed status quo because that's what's good for their rank and file, and children don't pay union dues.

He was at the forefront again this week when he [announced](#) that he would introduce a bill during the 2012 legislative session to mandate that school levy votes be held in even-number years instead of odd-number years.

You see, holding elections in odd-number years (and at odd times during odd years) greatly increases the chances of voter approval, since the turnout is so low.

The Education-Industrial Complex turns out their people and watchdogs don't have a chance.

Want proof? 70% of school levy referendums pass in the odd-year elections. Only 50% pass in even years, when regular taxpayers show up to vote and not just those turned out by Education Minnesota.

We gave thanks and praise for Speaker Zellers above. Now give thanks and praise that Rep. Garofalo is there for us as well.

STUPID IN OAKLAND

And we thought Democrats had the market cornered on bad ideas, boorish behavior, and a spoiled-brat mentality towards the blessings of liberty.

These "Occupy" clowns are liberals on ideological steroids.

And the award for dumbest "Occupy" movement chapter? Envelope please... Oakland, California!

The judges indicated that New York made a strong bid for the award, given the hard work that went into sexually assaulting people and the creative energy behind defecating on police cars.

But Oakland was just too much to overcome.

The icing on the cake was the closing of the Port of Oakland, a hub of not only local commerce but American commerce.

How ironic that a band of losers protesting the lack of jobs in America worked so hard to close the port and prevent blue collar dock workers from... working!

Hey, dummies. Vandalizing property, closing streets and intimidating the law abiding isn't conducive to job creation or prosperity. Not that you're interested in what really creates jobs. You just demand one. Or better yet, you just demand that others turn over their hard-earned resources to you because you feel entitled to it.

No wonder Democrats like Nancy Pelosi have embraced these malcontents. They practice a strain of liberalism very close to that practiced by a number of Dems in Congress like Pelosi, Henry Waxman, Keith Ellison, Maxine Waters, and Anthony Weiner.

A shared feeling of entitlement, a hatred of merit, and an unfounded belief in the moral and intellectual superiority of their worldview creates a very thin line between the collective view of the Occupy clowns and their cheerleaders in Washington.

If the Tea party is reflective of the Republican Party, then the Occupy folks are reflective of the DFL.

Which crowd would you rather have visit your neighborhood?

Honey, there's mud on the hood of the car! Hey, that's not mud!

November 11, 2011

Public Policy Commentary

In This Issue:

Editor's Note: The Watchdog pauses to recognize the service of all Americans who have proudly served in the armed forces, including Harold Hamilton, a salty old Navy veteran.

Quote of the Week: "Oops. Sorry."

- Texas Governor Rick Perry, who had trouble [counting to three](#) when he could only name two of three federal agencies he promised to eliminate. Maybe at the next debate Perry can ask "[Is our children learning?](#)" or speak to the ability of man and fish to [peacefully coexist](#).

1. School Levies All Around!
2. The Stench of Freedom.
3. The Economics of Barack Obama and the Occupy Clowns.
4. Government Lobbyist Tries to Have it Both Ways.

SCHOOL LEVIES ALL AROUND!

On Tuesday night, approximately 80% of school levies passed, with most of those levies being renewals of existing levies, thereby arguably not raising property taxes.

The renewal of so many levies really proves three things.

First, the Education Industrial Complex has a well-oiled machine that nearly always prevails over the grass roots, underfunded campaigns of those who oppose these property tax increases and demand more accountability.

When the resources of the teachers union is combined with the taxpayer resources that are used to "educate" voters, the outcome is rarely in doubt.

This year's propaganda theme was "survival." We were told that these levies were "survival levies" that would allow our "cut to the bone" schools to simply survive.

Of course, the fact that these districts got a \$650 million INCREASE in state aid this year was overlooked and never discussed.

Nor was the fact that the much decried "school shift" did nothing more than stretch out state aid payments to a 28-month pay cycle from a 23-month pay cycle.

Oh, the humanity!

Second, the majority of voters still don't care about accountability and results.

In the real world, investors who put money into any kind of endeavor demand a return on investment (ROI) that spells out, with quantifiable metrics, what kind of results the investor will see from the investment of their resources.

Funny, the Watchdog is unaware of any school district that went out for levy promising the taxpayers any kind of quantifiable increase in student learning or teacher accountability resulting from increased funding.

They say pride goes before the fall. Our own smug arrogance regarding our public schools blinds us to the fact that we are way behind other developed countries and that we are falling behind the states we so often ridicule.

While states like Florida, Louisiana, and Tennessee are linking teacher compensation to student achievement and developing methods to enhance student learning, Minnesota inches along, hampered by a teacher union and its toadies in the legislature who maintain a status quo that is wonderful for teachers (especially the incompetent ones) and horrible for children.

In 2011, Minnesota clings to a teacher pay system that moves teachers across a Soviet-style pay grid that increases pay for seniority and how many college credits a teacher accumulates and has absolutely nothing to do with student learning or teacher competence.

While the teacher union complains of no money, many of their local chapters have rejected the extra compensation that comes with "Q comp" a pay program that is based on results and not how many years a teacher has avoided getting fired.

Don't expect the increased spending to result in better educated students. Voters didn't demand it. Instead, we're told that class sizes won't be increased or that the kids will have new high definition televisions in each classroom. Sorry, even reduced class sizes

can't be linked to better educational outcomes. Check with Japan or any private school that serves impoverished urban areas.

So long as better results aren't demanded, we won't get them.

Finally, we know that Watchdogs need to support and encourage legislators who have demonstrated the courage to take on the status quo in education.

Folks like state Representative Pat Garolfalo are working hard to change the system.

Ideas like moving school levy votes to even numbered years will help. So will a more rigorous enforcement of laws against using taxpayer resources to push levies.

We also need to do a better job as Watchdogs. Yes, the Education Industrial complex will always have more resources. So what. Elections like that of Congressman Chip Cravaack show that we can prevail when we work hard and believe in our principles and values.

Onward, Watchdogs!

THE STENCH OF FREEDOM

That smell over in Maplewood isn't leftover garbage. It's the stench of councilmember [John Nephew's](#) dead political career.

Nephew was crushed in his bid for a second term on the city council after voters rejected his quest to bring government-run trash collection to the city.

The vote outcome was significant and even a bit shocking because Nephew had come in first place in the August primary, besting 4 other opponents.

Moreover, Nephew had the DFL endorsement and the usual Big Labor endorsement that are a prerequisite to elected office in this part of town.

Over the course of the summer and fall, the three other candidates who survived the primary, including incumbent DFLer Marv Koppen, all campaigned against the government takeover and in favor of free choice and free markets.

In addition, a [political action committee](#) made up of small, independent haulers weighed in with mailers both attacking Nephew's position and supporting DFLer Koppen and the GOP-endorsed Bob Cardinal.

Election brought one heck of a surprise for Nephew. Voters rejected his paternalistic approach to trash collection by putting him last place among the candidates, just ahead of "write in."

MAPLEWOOD-CITY COUNCIL

	Total	
Number of Precincts	16	
Precincts Reporting	16	100.0 %
Total Votes	11214	
<hr/>		
MARVIN C KOPPEN	2935	26.17%
JOHN NEPHEW	2170	19.35%
BOB CARDINAL	3352	29.89%
REBECCA CAVE	2707	24.14%
Write-in Votes	50	0.45%

In other words, the citizens of Maplewood voted 80-20 against government-run trash collection.

The Watchdog has never in all our years of observing politics seen a candidate implode so mightily, at least at the city level. Rick Perry imploded in seconds. Nephew over the course of many weeks. Either way, the resulting fireball was something to behold.

While a lame duck city council could still foist this scheme on the public, it would be the height of governmental arrogance and abuse, even for a Maplewood city council that demonstrates an arrogance and haughtiness that rivals the Dan Erhart-era Anoka County Board.

Marv Koppen should be introducing a resolution to drop this bad idea.

Good luck to the next city that puts its hand on this hot stove!

Last place for John Nephew? After Tuesday, "DFL" took on a whole new meaning for this soon-to-be ex-city councilman.

THE ECONOMICS OF BARACK OBAMA AND THE OCCUPY CLOWNS

We've finally figured out why the Occupy thugs have earned the admiration of the President of the United States.

Simply put, they share the same economic philosophy. Think about it.

Obama was a huge cheerleader for the "cash for clunkers" program, which paid Americans to destroy productive assets, namely automobiles that still had useful life.

In a similar way, Obama could have paid Americans to all step outside and throw rocks at their windows, thereby creating jobs for folks in the window industry, with the added bonus of installing some "green" windows to protect us from the nightmarish specter of windows with poor "R" values.

The Occupy movement is a similar boon to the economy. Think of all the overtime public safety employees are earning. This money will then be spent on consumer goods while a portion comes back to the treasury in the form of tax payments.

And when protesters vandalize property, well that's another opportunity for folks in the service and manufacturing industry to get busy in the economy. Just like if every American did their patriotic duty to support the furniture industry by burning their couches so they can buy a new one.

Car washes also got a huge boost from the Occupy clowns. When they defecate on a police car, you had better bet the chief is going to authorize some extra expenditures for the "super hurricane wash." The net income over the "basic wash" will create millions of jobs, at least by the White House's math.

No perp deserves to have his face slammed into a dirty car hood.

Barack Obama has a grasp of economics that is no better than the average Occupy loser. The real Occupy tragedy is the occupation of our White House by perhaps the most incompetent president in history.

GOVERNMENT LOBBYIST TRIES TO HAVE IT BOTH WAYS

Not many readers are familiar with [Keith Carlson](#) (photo 10 years and 50 pounds ago), a long-time Capitol lobbyist.

Carlson lobbies for an organization called the [Minnesota Inter-County Association](#) (MICA), which is made up of a group of Minnesota counties, including Anoka county.

Of course, MICA is funded with dues that come out of each county's funds, meaning the taxpayers pick up the tab for this organization, made up of governments, to lobby other units of government.

Now, don't confuse MICA with the [Association of Minnesota Counties](#) (AMC), which is another organization that represents counties down at the Capitol and is funded with county tax dollars as well.

And we wonder why government is broke and broken.

In any case, MICA's funding makes lobbyist Keith Carlson a government lobbyist.

Now the case with Mr. Carlson gets interesting when we talk about an arcane subject called the Market Value Homestead Credit (MVHC).

You don't have to understand MVHC beyond knowing that it was an aid program that sent state money to the cities and counties to help offset property taxes.

The other thing you need to know is that the program was a reimbursement program, meaning that the cities and counties lowered property tax bills and that the state made up the difference.

The problem is that the state rarely ponied up the full reimbursement amount, forcing the local units of government to eat the credit.

No one liked the system because it was essentially a state government lie. The state promised to reimburse the credit and never did, at least never at the level that was promised.

So, this past legislative session, the legislature and the governor eliminated the MVHC because it was a scam. A good bi-partisan piece of legislation.

Now, please pay attention. Here's what Carlson told a legislative committee about the elimination of MVHC months ago:

"I do particularly want to reiterate the comments that some of the city testifiers have already made that we're very pleased with the changes that are being made with the Market Value Credit changing that to an exclusion. The frustration that all local governments have suffered with the difference as to what appears on the statement versus what we are actually reimbursed is clearly addressed by this proposal and is a good outcome from our perspective."

But wait! Apparently, some of Carlson's bosses down the county courthouses started to worry that they wouldn't have the legislature to scapegoat for property tax increases, so they collared Old Keith and told him to change his tune on the MVHC, which some counties see as a vehicle to blame the legislature and not themselves for property tax increases.

So, here's what Carlson had to say about the MVHC just a few days ago:

And when taxpayers open [their statements], counties hope the fliers they have stuffed inside will make it clear that a state policy change - not the county, not the city and not the school district -- is responsible for higher taxes, Carlson said.

It's becoming a real race to see which governmental institution can be held in the lowest esteem. The race to the bottom has begun.

November 18, 2011

Public Policy Commentary

In This Issue:

1. Fire Up the Bullhorn!
2. Daddy Daycare.
3. Fiscal Responsibility - A Way of Life.
4. Duh.
5. Crony Capitalism Update.

FIRE UP THE BULLHORN!

The Minnesota Senate has announced public hearings regarding the taxpayer-financed football palace.

The public is invited to testify at two hearings that will be held November 29 and December 6 (details regarding times and locations to follow in the coming days).

Mark your calendar and attend these important hearings! Rest assured, those who would benefit from the government subsidization of the Vikings will be there in force (and in Zubas and face paint) to bray on and on about the benefits to our collective lives if Zygi gets his way and blackmails the taxpayer.

Have you had enough of crony capitalism? Solyndra, AIG, and possibly the Vikings. Be there, Watchdogs! You can stop this one.

DADDY DAYCARE

Governor Trust Fund stepped away from his busy schedule of working on the Vikings to sign an executive order mandating a union representation vote for daycare providers.

While the Watchdog is unaware of brutal working conditions and high rates of death and injury in this field, we trust that the governor had nothing but the purest of intentions in this noble pursuit of public policy.

For example, we know that this move had nothing, absolutely nothing, to do with any payback to the AFSCME public employee union that backed Dayton's campaign and now stands to benefit as the exclusive representative of day care providers should the union prevail.

And this executive order has nothing to do with growing government, which is the outcome of any successful vote to unionize. It is a fact that unions drive up the cost of goods and services their members produce.

In this case, day care is heavily subsidized by the taxpayers.

Think about this scenario. If the union wins, AFSCME will represent many day care providers. They will negotiate with the Department of Human Services, which is run by a person who is appointed by Dayton.

This whole negotiation process is overseen by the Bureau of Mediation Services (BMS), which is run by, you guessed it, another Dayton appointee.

Geez, who's representing the taxpayer in all this?

Do you think costs will go up? Yep. And then DFLers will moan that we need to spend more on subsidized daycare to keep it "affordable" for everyone.

See how the game works?

It's just like the education game, where teacher unions negotiate with school boards that were endorsed by the teacher union, which begets a more and more expensive education system that works to the benefit of teachers and not children.

In much the same way, a successful union effort for day care providers will produce a system that shovels more and more money into the hands of day care providers while producing no tangible benefit to the kids who are supposedly the reason why the system exists.

Any middle class parent who has a kid in daycare ought to be scared to heck over this. If this goes through, you get higher costs and poorer service.

Thanks, Governor!

And by the way, where does Dayton get the authority to order this election by gubernatorial fiat?

Look for a law suit challenging the governor's authority to call an election, filed by some folks who care about the taxpayer - your friendly GOP legislators down in Saint Paul.

FISCAL RESPONSIBILITY - A WAY OF LIFE

Members of Congress are required to file personal financial statements, giving us all a [window](#) into their net worth.

The reporting requirements fall within certain ranges and don't require a listing of debts and assets down to the penny.

Most members of the Minnesota delegation have a decent amount of scratch, led by Senator Al Franken, who is worth approximately \$8 million. Who knew that vile, profane, coke-fueled humor could prove so lucrative?

On the other end of the spectrum is Representative Keith Ellison, who ranks as the 506th richest member of Congress, with only 29 other members falling below him on the wealth rankings.

Ellison has an average negative net worth. If his assets are on the high end of the reporting range, he would have a maximum positive net worth of about \$19,000.

Ouch. What's he doing with that \$165,000 salary?

While the Watchdog believes that Congress shouldn't be an exclusive millionaires club, we do expect that those who serve in Congress demonstrate the ability to manage their financial affairs.

If you can't manage your checkbook, how can you manage the nation's finances?

Franken manages to make millions selling scuzzy humor. Ellison has negative net worth.

Maybe we're getting to the root of this whole problem. Not enough members of congress who understand money and the business world, no matter their individual wealth. Not enough job creators who understand the practical effects of government monetary policy on the domestic and international economy.

Think about it. Your federal dollars managed by the likes of Franken and Ellison. And we wonder why we're on the decline.

DUH

That's about all we can say to the news this week that nearly 10,000 Minneapolis school children (the majority of whom are black) have fled to charter schools or suburban schools made available to them pursuant to a lawsuit settlement.

Black and poor doesn't mean apathetic and ignorant. Black parents have the same universal desire as all parents to see their children succeed in life. Black parents understand as well as white parents that a good education is a ladder to upward mobility to today's society.

A study by the National Alliance for Public Charter Schools shows that 7,761 Minneapolis kids enrolled in charter schools last year, some 18% of all Minneapolis school kids.

Another 2,129 took advantage of the "Choice is Yours" program to attend suburban schools in select districts.

Freedom of choice. What a powerful concept.

The only tragedy here is that choice isn't a universal option, as it is in many countries, including many welfare Legacy States in Europe.

No child should be sentenced to a crappy, inadequate school.

Perhaps we will live to see a day in America when schools are held accountable for their results and parents have the freedom to place their child in the educational environment that is best for their individual needs.

In Minneapolis, they're still waiting for Superman.

CRONY CAPITALISM UPDATE

Hey, unwilling investors in that venture socialism firm called "Obama and Associates, Inc.," it's time for an update on your portfolio.

- Over at Government Motors, the Treasury Department has upped the estimate of how much money we're going to lose on our investment. What was once an estimated \$14.3 billion loss on the \$49.5 billion bailout is now estimated at a \$23.6 billion loss, thanks to a steep decline in GM stock. It looks like the private financial sector isn't as bullish on GM as Obama and Associates.
- At Solyndra, we're engaging in financial accident reconstruction to determine how our solar company investment went south. Oh, yeah. That one was about paying off Obama fundraisers, as opposed to paying off the labor unions over at GM. Recently released emails show that Obama administration officials pressed Solyndra to delay layoffs until after the 2010 election, thereby concealing the issue from Obama and Associate shareholders (i.e. taxpayers) so they couldn't hold Obama accountable at the polls. That didn't matter as Obama got pummeled anyway.
- If you haven't heard the name BrightSource, become familiar with your latest investment, taxpayers! Another solar energy company, BrightSource had \$1.8 billion in debt obligations before an infusion of money from Obama and Associates. Until the taxpayers stepped in, the largest shareholder of the company was a venture capital firm run by Robert Kennedy, a familiar name indeed. Even better, a former employee of Kennedy was installed as a grant

advisor at the Department of Energy prior to BrightSource cashing in a \$1.4 BILLION loan. The company admits it can't be viable unless it builds a massive solar plant named "Ivanpah." In a regulatory filing, the company says the Ivanpah project is subject to "significant risks and uncertainty."

Party on, Barack!

November 25, 2011

Public Policy Commentary

In This Issue:

FRIDAY COMMENTARY

Per tradition, the Minnesota Watchdog pauses this week to reflect upon the blessings of liberty and freedom conferred upon us by our Creator and those Americans who have gone before us bearing the torch of freedom during our darkest hours.

I wish you and yours the very best this holiday season!
Sincerely,

Harold E. Hamilton

On a lighter note, as we all digest our turkey from yesterday, check out this note from a real group of turkeys:

Washington -- With a week left before President Barack Obama "pardons" two turkeys, PETA President Ingrid E. Newkirk fired off a letter to the president asking him to rename the traditional Rose Garden ceremony and say that he will "spare," instead of "pardon," the turkeys. As Newkirk explains in the letter, which appears below, turkeys haven't committed any crimes, so it's inaccurate to "pardon" them. Semantics-as any movement for social change realizes-is important.

For more information, please visit PETA.org.

December 2, 2011

Public Policy Commentary

In This Issue:

Editor's Note: If you're reading this in your Chevy Volt, get out! The Watchdog's acerbic wit and incendiary commentary has been proven to cause arcing and fires in the Volt's battery housing.

1. No Need for More Dough.
2. It's Never Enough.
3. And We Wonder Why Government is Broke.
4. Remarkable Arrogance.

NO NEED FOR MORE DOUGH

Surprise, surprise. The state revealed yesterday a project \$876 MILLION surplus for the remainder of this two-year budget cycle.

Perhaps we can now stop with all the talk of finding new revenue streams to fund more government.

Moreover, let's stop the talk right now about what to "do" with the money, if by "do" folks mean "spend." Discussions about how to spend surplus money lead to nothing but deficits.

Whatever is done with the money should not lead to more government. We don't need a Vikings stadium and we don't need a fat 2012 bonding bill.

What we all "need" is some fiscal discipline that puts the money in reserve or in the cash flow account. At most, the money should be used in a revenue neutral way.

It's already troubling that so many legislators and executive branch staff are acting as if Santa has already been down the Capitol chimney with a sack of sweet cash.

Not so. Minnesota government has all sorts of long-term problems (e.g. pensions, growing health care obligations) that money like this shouldn't been as a gift or a reason to celebrate.

It's more like finding \$50 bucks on the sidewalk when you have \$10,000 in credit card debt.

IT'S NEVER ENOUGH

Ugh, here they go again. Our always efficient and results-oriented public schools have begun to complain that the shift in school aid will cause them to borrow some \$382 million, at a cost of \$3 million in interest.

To be honest, the Watchdog didn't favor the school shift. We favored cutting the education budget and forcing schools to prioritize, just like the rest of us.

Of course, the media and the liberals will be all over this, decrying the sorry state of education funding and the immoral tragedy of "borrowing" from our schools. Existential question: Is it possible to borrow from your own debtor? The money in question is state money, not school district money. Extending the aid payment period isn't "borrowing." But again, this is the same logic that calls an increase a cut if the increase isn't what was projected or promised.

And what of the increase in the general formula of \$50 per student? What of the additional \$650 million in aid? That would more than offset the borrowing costs.

Moreover, \$3 million in interest costs is a small fraction of the \$12 BILLION annual state education budget, not including federal aid and local tax revenues.

Talk about a non-event. But we all know the media will portray the situation as a dire one in which we all need to think about the children.

AND WE WONDER WHY THE GOVERNMENT IS BROKE

As many legislators look around for more "revenue streams" for government, here's a place to find some money: the payout of unused sick and vacation time.

Unlike the private sector, state employees who retire are paid for unused vacation and sick time, sometimes resulting in obscene and absurd payouts.

The Pioneer Press recently revealed that some high-ranking college administrators in the state colleges and universities system received monster payouts.

For example, the former chancellor of the State Colleges and Universities System (MnSCU), raked in nearly \$93,000 for unused sick time and nearly \$47,000 for unused vacation time.

Another MnSCU bigwig, Jon Quistgaard, walked off with a \$126,000 check when he retired from Bemidji State University.

Two other administrators from MnSCU got six-figure payouts as well.

This practice is defended as one that prevents the "abuse" of sick leave and vacation time.

Funny, we thought the prevention of abuse came from state employment policies that prevent - guess what? - the abuse of sick leave and vacation leave.

Moreover, the problem first stems from the fact that public employees get obscene amounts of sick and vacation leave in the first place.

Let's take a look at a janitor at a local public community college. The janitor, the kind of downtrodden Workin' Man lionized by the Left, is represented by the AFSCME public employee union.

Here's what the contract says about holidays, vacation, and sick leave for a janitor with seniority:

Holidays:

- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Day
- New Year's Day
- Martin Luther King Day
- President's Day
- Memorial Day

Vacation: 234 hours (29.25 days) of vacation each year.

Sick leave: 104 hours (13 days) of sick leave each year.

That's 418 hours (52.25 days) of paid time off each year. That's 20% of a normal work year!

The Watchdog is unaware of any private sector company that offers this kind of paid time off.

The Watchdog is also unaware of any private sector company that offers unused sick and vacation payouts.

No wonder these big payouts are happening. It's next to impossible to take 20% of the work year off.

Since many legislators read the Watchdog, here's the solution: legislation that caps the amount of vacation and sick leave an employee gets. Second, ban the practice of payouts for unused sick and vacation leave.

Take these issues away from the bargaining table and fix them by legislation.

After all, Governor Dayton is now negotiating a new deal with the very unions that backed his candidacy. Who is representing the taxpayer?

REMARKABLE ARROGANCE

The Dog really has sympathy for the good people of Maplewood. You've got yourself quite a city council there.

In fact, it's one of the most dysfunctional, arrogant, hostile, unresponsive groups we've ever seen.

This past Monday, hundreds of concerned citizens packed city hall (not just the council chambers) to protest the city's move to government-run garbage collection.

Never mind that the ring leader for government-run garbage collection, councilman John Nephew, was voted out of office this past month, coming in last place among four candidates.

Talk about ignoring the will of the people.

What was even more amazing was the attitude of three of the council members.

First, there's Mayor Will Rossbach. Rossbach during the meeting walked off the dais on three separate occasions, refusing to continue the meeting because citizens had the gall to applaud testifiers. He also belittled citizens by calling them "children" and forcing council doors to be closed, depriving the hundreds in the city hall foyer the chance to be heard.

Oh that's not all. Rossbach, when reminded that he wasn't king of the council, responded, "As a matter of fact, I am." He also publically admitted he was arrogant and frequently cut off speakers.

Second, the aforementioned soon-to-be-ex councilmember Nephew, who essentially accused the voters of being sheep who were easily misled by garbage haulers, who combined forces to educate the public.

Uh, the garbage haulers didn't cast a single vote, Johnny. The voters kicked you out because they saw your true radical, arrogant colors.

Then there's councilman Jim Llanas. Llanas readily acknowledged the layoffs that he was causing with his vote for government collection but went ahead and did it anyway, noting that laid off garbage haulers could beg a job from Allied Waste, a big trans-national hauler out of Phoenix that got the sole license to operate in the city (is that an out-of-town hauler?).

Watchdogs, check out the city council meeting [here](#). What a circus!

December 9, 2011

Public Policy Commentary

In This Issue:

1. Quote of the Week.
2. Deconstructing the GOP Mess.
3. Secret Santa is No Solution.
4. Do We Need a Vikings Update?

QUOTE OF THE WEEK

"I simply do not know where the money is."

- MF Global boss and former Democrat U.S. Senator Jon Corzine when asked what happened to hundreds of millions of dollars in client funds.

This kind of thing is exactly what gets you a high-ranking position in the Obama Administration.

DECONSTRUCTING THE GOP MESS

Alright, let's admit the obvious. The state Republican Party has a mess on its hands and, at least in the short term, the news is getting worse.

The current situation stems from two separate but intertwined issues, the hangover from the failed Emmer gubernatorial campaign and the party's dire financial straits.

The fallout from the Emmer candidacy has been in the making ever since Mark Dayton recaptured the governor's chair for the DFL in 2010.

There has always been a good deal of animosity as many Seifert delegates were upset by what they perceived as hostile and boorish behavior from some Emmer delegates. Regardless of the facts, the always rough and tumble nature of intra-party politics was rendered particularly bruising in 2010. The divisions created during that process were never fully repaired, even though many Seifert supporters dutifully got behind Emmer once the gavel fell at the Minneapolis Convention Center to close the state party convention.

In fact, the bitter aftertaste for Seifert delegates was never washed away as Emmer ran a particularly poor campaign.

In what has to be regarded as a case study for any political science class, Emmer squandered the summer of 2010 by conducting a one man debate over the tip credit, a concept unknown to 99% of voters prior to the numerous You Tube [videos](#) Emmer conducted on the subject.

The frustration was evident on election night as Republicans scored historic victories, including winning both houses of the legislature and booting Jim Oberstar from office. Emmer, on the other hand, went down to defeat by a whisker. As events would later prove, it would have been better if the loss hadn't been so close.

Repairing the fissures within the party has proven to be difficult, as the events continue to push last year's governor's race to the fore.

A major step was taken when state central party delegates earlier this year elected Jeff Johnson over Emmer in the RNC Committeeman race in a stunning first-ballot victory. The election in many respects was a collective venting of the party base, as frustrations only continued to build after delegates watched Mark Dayton stymie Republican legislative initiatives and activists were left to wonder what might have been.

The party may have been able to move on but for the small matter of party finances.

It has been revealed over the course of the past months that the party is in debt. It is not only in debt, but no one is quite certain how much debt.

At the outset, the debt issues was framed as a simple choice between financial prudence and electoral glory.

State party chairman Tony Sutton attributed most of the debt to a strategic choice to literally "go for broke" in the 2010 election cycle by pouring leveraged resources into gaining the aforementioned historic election victories.

That explanation appeared to temper the anxiety of most state central committee delegates until the debacle regarding the gubernatorial recount.

As we all know, the Emmer-Dayton race went to a recount. For better or worse, the state party, not the Emmer campaign, took on the recount effort, incurring the expense that comes with such an undertaking.

But in what can only be termed a bizarre turn of events, we aren't sure who took on the recount effort, as least as far as the sizable debt remaining is concerned.

News accounts from this week indicate that Tony Sutton signed legally binding agreements with vendors, including the lawyers who represented the Emmer campaign.

But that's when things get little hazy.

Did Sutton sign an agreement that only bound a separate business entity to the agreement?

Or did he sign an agreement that bound the state party? Or both? Or neither?

If Sutton signed an agreement that obligated the state party to cover the debt, the matter was apparently never approved by the party's executive committee.

In an embarrassing episode, party officials are now scrambling to determine if some \$500,000 in debt will be added to the books because of the recount debt.

The matter has also reopened old wounds as governor's race is once again being relived and re-litigated by party faithful.

This has become a serious matter for the party.

The party must resolve this issue quickly. Delegates are losing faith in party leadership and the GOP brand is taking a beating in the court of public opinion.

Those who call themselves Republicans are entitled to a full accounting of the party's finances and an explanation of the events that led to the inexcusable situation of the party not knowing whether or not it is legally obligated to pay some half-million in debts.

The investigation must be thorough and transparent. It must be credible and brutally honest. It must further identify those responsible and recommend procedures to ensure it never happens again.

The integrity of the party is at stake.

The good news is that if things are done correctly, the party has a chance to regroup and emerge a stronger organization.

There is an opportunity to elect new leadership to take the party in a new direction and build on the success of the recent past.

There is an opportunity to heal the divisions of the past and recognize that the party delegates and activists are united by a common vision of America and not divided by the disappointments and grievances of a past election.

But it has to be done right. Take note, leaders.

SECRET SANTA IS NO SOLUTION

Unfunny comedian and erstwhile coke user Al Franken continues to embarrass us all in the Senate.

While the country remains mired in economic malaise, growing debt, and a diminishing place on the world stage, Franken stepped forward this week with a grand idea.

A solution to the debt? A plan to reform entitlements?

Nope. Franken has initiated a "Secret Santa" program at the Senate.

Whoop-de-doo.

Franken told the media, "We use to have Secret Santa parties in elementary school. It was a good excuse to have a party, meet kids and make friends."

How very, very, special. Maybe this will lead to other important friend making adventures like a sock hop, pot luck dinner, or a team building day playing laser tag.

Here's an idea, Senator. You could build friendships with your colleagues by refraining from jackbag behavior.

Like [this](#).

Or [this](#).

Or [this](#).

Or [this](#).

Boy, he makes us proud!

DO WE NEED A VIKINGS UPDATE?

Not really. But since there was a hearing on the matter this week, here goes.

The team still has no stadium site.

The team still has no identified local partner. Yes, Ramsey County is there but they admit they have no plan for their share of the money.

The team still has no financing plan.

The team still has no bill to offer the legislature.

And the Vikings tell us time is of the essence.

December 16, 2011

Public Policy Commentary

In This Issue:

1. Quote of the Week.
2. Harold Hamilton: Unicorn
3. LEA Scorecard Keeps 'Em Accountable.
4. Liberal Hypocrisy.
5. Dayton's Grades.

QUOTE OF THE WEEK

"The NFL is a healthy league."
- Vikings stadium cheerleader Lester Bagley

Yes, indeed the NFL is healthy. That's why you don't need any taxpayer funds for a stadium.

HAROLD HAMILTON: UNICORN

In addition of the titles of president and CEO of [Micro Control Company](#), Harold Hamilton may want to add one more title: unicorn.

In what may be the dumbest statement of the year, Senate Majority Leader Harry Reid [claimed](#) that wealthy job creators are like unicorns, they don't exist.

Said Reid, "Only a tiny fraction of people making more than a million dollars, probably less than 1 percent, are small business owners. And only a tiny fraction of that tiny fraction are traditional job creators...Most of these businesses are hedge fund managers or wealthy lawyers. They don't do much hiring and they don't need tax breaks."

Well, despite the Democrat's level best efforts to drive the economy into the ground, Micro Control Company significantly increased its employee compliment in 2011, which is more than we can say for Solyndra, unless you count all the wealthy lawyers they employed to answer grand jury inquiries.

Moreover, Micro Control Company continues to provide quality, high-paying manufacturing jobs right here in the Twin Cities even though the company pays 50% of every dollar of gross revenue to the government, so Obama and company can hire some more government workers to implement Obamacare and administer "stimulus" programs.

A unicorn like Harold Hamilton may be rare, but animals like Harry Reid are all too common in Washington: the yellow-bellied jacka\$\$.

LEA SCORECARD KEEPS 'EM ACCOUNTABLE

A key part of The Minnesota Watchdog's mission is to hold legislators accountable for their actions or lack thereof as our representatives in Saint Paul. This publication's cornerstone is a commitment to conservative principles, not a political party or any particular interest group.

That's why the Watchdog doesn't accept donations or advertising dollars from anyone - period. The publication is owned and operated solely at the expense of Harold Hamilton, free from outside influence and persuasion.

In honoring that mission, the Watchdog respects and publicizes the work of select brothers and sisters in the conservative sphere.

One of those groups is the [Legislative Evaluation Assembly](#) (LEA). LEA is strongly committed to limited government principles and the vision of America's Founders.

This group publishes a noteworthy legislative scorecard that is both comprehensive and fair. Some scorecards only score a small sample of votes or hand out high scores to nearly every legislator, making high marks meaningless (kind of like our public schools).

The [2011 scorecard](#) is no exception. In fact, 2011 was a very noteworthy year from at least two perspectives.

First, it was the first time in more than a decade that there were more Senate honorees than House honorees.

Second, Representative Joyce Peppin (R - Rogers) was the first legislator to earn a perfect score from LEA since 2008.

Let's take a closer look at Minnesota legislators to honor a great group of conservative (and all Republican) stalwarts who garnered some hardware from LEA this year:

Senate Honorees:

Ted Daley (Freshman, Eagan): 94%
Gretchen Hoffman (Freshman, Vergas): 94%
Dave Thompson (Freshman, Lakeville): 94%
David Hann (3rd term, Eden Prairie): 90%
Ray Vandveer (2nd term, Forest Lake): 90%

House Honorees:

Joyce Peppin (4th term, Rogers): 100%

Steve Drazkowski (3rd term, Mazzeppa): 95%
Bruce Anderson (9th term, Buffalo): 90%
Glen Gruenhagen (Freshman, Glencoe): 90%

Senate Honorable Mention:

Roger Chamberlain (Freshman, Lino Lake): 88%
Al DeKruif (Freshman, Madison Lake): 88%
Paul Gazelka (Freshman, Brainerd): 88%
Benjamin Kruse (Freshman, Brooklyn Park): 88%
Ted Lillie (Freshman, Lake Elmo): 88%
Sean Nienow (2nd term, Cambridge): 88%
Mike Parry (Freshman, Waseca): 88%
Pam Wolf (Freshman, Spring Lake Park): 88%

House Honorable Mention:

Kurt Bills (Freshman, Rosemount): 85%
Bob Dettmer (3rd term, Forest Lake): 85%
Mary Franson (Freshman, Alexandria): 85%
Tom Hackbarth (8th term, Cedar): 85%
Kathy Lohmer (Freshman, Lake Elmo): 85%
Branden Petersen (Freshman, Coon Rapids): 85%
Linda Runbeck (3rd term, Circle Pines): 85%

A hearty congratulations is offered to these fine legislators!

LIBERAL HYPOCRISY

Yes, the two terms go together like "chocolate and peanut butter" or "Mick and Keith" but this one really takes the cake.

The Politico news web site ran an article last week about a vote among the International Association of Machinists at Boeing.

The article utterly failed to catch the irony of an iron-clad requirement that all union members show a photo ID to vote.

This coming from a union that pours money into Democrat coffers to, among other things, fight the requirement that a photo ID be shown to vote for political office.

Check out the [photos](#) here and put one on your door for a good, sarcastic laugh.

DAYTON'S GRADES

Mark Dayton has either gone to summer school or he's adopted outcome based education grading criteria.

As a U.S. Senator, Dayton rightfully gave himself a grade of "F" and promptly reported to detention in some bunker so the terrorists wouldn't get him while the other 99 senators went about their regular business of printing money and ruining the country.

Upon further review, it appears that the governor indeed based his "A" on some dubious criteria.

[Said Dayton](#), "I give myself an A for effort, and doing my very best." Really? Children get praise for their efforts and "doing their best" when they use a potty chair or resolve Lego sharing issues without biting other kids.

For adults, we get graded in life on results and results only.

The NTSB finds that the 747 crashed due to pilot error. Having said that, we determine that the pilot was trying really hard.

Doctor, you had no business performing brain surgery, but we won't suspend you because we find you were trying hard.

Is this guy for real?

Maybe Senators Franken and Klobuchar can draw up a NGLB program, just like NCLB. No Child Left Behind? No GOVERNOR Left behind!

What an embarrassment.

December 23, 2011

Public Policy Commentary

In This Issue:

1. Senate GOP Fallout.
2. Whither Ellen Anderson?
3. Another Deadline, Another Yawn.

SENATE GOP FALLOUT

Well, that was quite a bombshell. The Capitol was rocked this week as Senate Majority Leader Amy Koch admitted to a sexual relationship with a male staffer, presumed in some media reports to be former communications director Michael Brodkorb.

The particulars of the issue are well known to readers, unless you've been living under a rock.

We will leave it to readers to judge how harshly they view the marital indiscretions of Senator Koch, who is married with a young daughter.

Having said that, the Watchdog will point out that Koch's poor judgment has placed the state Senate in potential legal jeopardy.

The as-yet-unnamed male staffer in question was subordinate to Koch. A workplace sexual relationship between a superior and a subordinate raises serious legal issues.

For example, an affair between a superior and a subordinate in the military can result in prosecution under the Uniform Code of Military Justice (UCMJ).

Article 134, paragraph 62 makes adultery a prosecutable offense that can lead to severe discipline.

Nearly every company has a policy regarding workplace relationships, especially when the relationship is between boss and subordinate.

There's a good reason for these policies. Workplace romance can severely damage morale, create a negative workplace environment, and negatively impact the image of the organization.

Senator Koch's serious lapse in judgment has harmed more people than Koch herself.

There are some fellow conservatives, particularly Republican women, who are outraged by Koch's treatment at the hands of Senator Geoff Michel and other senior caucus leaders.

Some claim that the handling of the matter amounts to a form of sexism, meaning that if Koch had been a man, the issue would have been handled more gently or even swept under the rug.

Others claim that there were ulterior motives for confronting Koch, ranging from power grabs by fellow senators to the quashing or advancement of particular legislative issues, most notably the Vikings stadium or the expansion of gambling.

The Watchdog cannot and will not speculate on these alleged nefarious motives. To know these motives would require knowing the intent of the senators involved, a most difficult task.

Assigning dubious motives to those who confronted Koch is serious. These folks should buttress their allegations with evidence, circumstantial or direct.

So far, the "evidence" has comprised little more than additional rumor and innuendo. For example, the claim that "other legislators have had affairs and weren't treated this harshly."

That may be true. In fact, all the complaints leveled against Michel et al. may be true. If so, accusers must produce the evidence and refrain from trading in rumor and gossip.

There is no doubt that the credibility and integrity of the Republican brand has been tarnished by this sordid, salacious episode.

The quickest way to rebuild that credibility and integrity is for a full and thorough accounting of the affair.

In short, it's time for everyone to come clean, right now, in a public way.

The GOP brand cannot long withstand the daily drip of individual, uncoordinated interviews and press statements that offer only incomplete answers, which only serves to beg more questions and prolong the agony.

It also wasn't helpful in the least that Senator Michel offered a less than honest answer regarding a key chronological fact.

Dishonesty in the name of any cause is corrosive and damaging in the long run.

Now, the veracity of the acting senate majority leader has been called into question.

Now is the time for those involved to tell the public what they knew and when they knew it. It is time for those who bear responsibility to take responsibility and refrain from offering excuses or implausible explanations.

Let's not make the way in which the episode is handled worse than the episode itself.

The senate GOP can put this episode behind them and move on to the business of governing the state and preparing to defend a newly won majority.

There are a number of talented senators in the caucus who can repair the damage, including a talented, principled group of freshmen rank and file senators.

The Watchdog is confident the Senate GOP will elect a new majority leader who can provide the stability and reassuring public demeanor the state deserves.

But that will only happen after the full scope of the episode is known and acknowledged. That accounting will take place sooner or later.

The Watchdog pleads for "sooner."

WHITHER ELLEN ANDERSON?

Yes, Watchdogs there is other news coming out of the Capitol other than the personal proclivities of legislators.

The hottest of those tidbits concerns Ellen Anderson, a former state Senator who resigned to take a position with the Public Utilities Commission (PUC).

PUC positions are subject to senate confirmation.'

Sources tell the Watchdog that Anderson's confirmation is in serious jeopardy and she will likely be rejected by the state Senate, perhaps as soon as the first week of the legislative session.

There are ample reasons to reject Anderson both on public policy and political grounds.

During her time in the legislature, Anderson took the lead on environmental and energy issues, pushing public policy hard in the direction of radical environmentalism.

Anderson was a full-throated supporter of every "green" proposal and was an opponent of traditional, inexpensive, abundant, domestic energy resources.

In the most recent bi-ennium, Anderson scored a perfect 100% from the Sierra Club, which would like all of us to live in caves and depend on solar power.

She also received perfect scores from a group called "Clean Water Action."
You get the picture.

Needless to say, Anderson's radical environmental and every views are incompatible with the more balanced aggregate views of the senate majority.

Thus, it would be correct for the senate to reject her appointment and demand that the governor appoint a person whose views are more balanced and consistent with the views of the citizens the senate represents.

Second, rejecting Anderson would be consistent with the political culture of the senate as established by the DFL during their 30-plus years of authoritarian rule.

This was especially true during the tenure of Majority Leader Larry Pogemiller, who engineered the rejection of Pawlenty Education Commissioner Cheri Pierson Yecke.

Pogemiller used the threat of rejected gubernatorial appointments as a cudgel with which to beat Governor Pawlenty.

In addition to Yecke's ouster, Pogemiller frequently and very publically threatened other appointees, most notably Commissioner Dan McElroy.

Senator Ellen Anderson was a full participant in these machinations.

A rejection by the senate on these grounds would be in order as well.

ANOTHER DEADLINE, ANOTHER YAWN

Uh, oh. Watch out! We're quaking in our boots. Governor Dayton has issued a stadium deadline.

Really? Another stadium deadline? Are we the only ones suffering some stadium fatigue here?

We thought the deadline was the end of the 2010 legislative session?

Then it was the end of the 2011 session.

And then it was the 2011 special session.

And then November 23, 2011.

Now we have to have a stadium plan by the end of 2011 and a vote by the end of January.

Yeah, right. Ok, Guv.

This deadline will come and go just like all the others.

Why? Because the Vikings have yet to snow enough legislators to push through a massive taxpayer subsidy for one of the most profitable enterprises in American history.

The Vikings: losers on and off the field.

December 30, 2011

Public Policy Commentary

In This Issue:

SPECIAL YEAR-END EDITION

TOP STORY OF 2011

Here we are Watchdogs, the end of another year.

This past year featured a number of high-profile dramas that could have been awarded our top story for 2011.

Tim Pawlenty ran for president and was a legitimate contender until he was derailed at the Iowa Straw Poll. Politicos will speculate for some time about his early departure from the race and what could have been if had stayed in the race.

A burgeoning story that is still developing is the dark cloud that has descended on the Minnesota GOP. The state party's finances are in disarray and a leadership vacuum remains to be filled.

Moreover, Senate Republicans are dealing with scandal and potential legal ramifications.

But the top political stories of the year centered on the tension between the governor and the Republican legislative majorities in the 2011 session.

The stage was set for tension and conflict when the voters made a bit of history on election night 2010.

For the first time in 24 years, a DFL governor was installed in the corner office at the Capitol, leading to an ongoing sub-plot in the GOP regarding the campaign run by Tom Emmer, who missed an easy layup in losing to Mark Dayton.

But the voters weren't done. For the first time since party identification was re-introduced in Minnesota, the Republicans captured a majority in the state Senate, electing a number of true conservative legislators in the process.

Oh, yeah. The voters also booted the DFL majority in the state House, giving Republicans control of the legislature and setting the stage for a showdown in Saint Paul.

Not surprisingly, that conflict is best exemplified by the budget solution that reached after the longest shutdown in state history.

For many reasons, the 2011 special session budget is The Minnesota Watchdog's top story of 2011.

(What do you think? What was the top story in 2011? Let us know at harold@theminnesotawatchdog.com).

For conservatives, the budget solution was simultaneously so satisfying yet so disappointing.

It was satisfying primarily because a massive multi-billion budget hole was resolved without tax increases, a key tenet of conservative belief.

A deficit resolved without tax increases was historic and an achievement not reached in 2005, when a House GOP majority conspired with Governor Pawlenty to fashion a "health impact fee" (AKA "a tax") on tobacco to end another state shutdown.

The sophistry practiced by Sviggum and Pawlenty wasn't well received by the GOP base and led to a schism within the party that took time and resources to repair.

Second, Governor Dayton made tax increases the centerpiece of his gubernatorial campaign and his first year in office. Dayton's bravado on the subject was off-putting and sanctimonious (I can wait in July, August, and December for a tax increase.)

In the end, legislative Republicans denied Governor Dayton his signature initiative and scored a powerful victory on taxes.

And if a big victory was scored on taxes, the result was somewhat disappointing regarding spending.

While spending was restrained compared to previous budget cycle, it was nonetheless increased, especially in the area of K12 education, where spending was increased by some \$650 million.

Many conservatives pressed the legislature to limit general fund spending to \$32 billion, the amount of money spent the previous cycle (disregarding Obama "stimulus" one-time monies).

In order to accommodate more spending, the legislature resorted to some tried and true accounting tricks, including most notably an education funding "shift" and the leverage of tobacco lawsuit settlement monies though the sale of bonds.

Cutting projected growth to match revenues was the preferred course of action as far as conservatives were concerned.

Did conservatives win or lose in the budget battle? Good question.

The Minnesota Watchdog believed, on balance, that conservatives won, given the fact that the governor was denied a tax increase and that spending did not reach projected levels.

Governors in Minnesota have traditionally wielded a great deal of influence, leading to the axiom that "governors get 90% of what they want."

Mark Dayton didn't get close to what he wanted, denied by a Republican legislature that stood fast in the face of the pressure that comes with a lengthy government shutdown and the constant drumbeat to reach resolution.

Much credit goes to Speaker Kurt Zellers and majority Leader Amy Koch as well as the troops they led.

For conservatives, the glass is more than half full. We won. We best Mark Dayton.

Here's what the Watchdog had to say about the budget resolution back on July 15th:

Republicans won a history-making victory under the Capitol dome yesterday in Saint Paul. Standing strong throughout a government shutdown in which they were harassed and pressured by the legions of special interests who feed at the government trough, these legislators turned back a liberal governor's agenda of massive tax increases.

THE DEAL

While details need to be worked out, the framework of the budget has been settled.

Overall, Republicans put another \$1.4 billion in one-time monies on the table in exchange for Dayton dropping all his tax proposals, including expanded income, sales, and sin taxes.

The \$1.4 billion will come from borrowing against future income from tobacco lawsuit payments to the state (\$700 million) and a further school funding shift (\$700) million.

Read how tobacco bonds work [here](#).

Also, the deal includes dropping all GOP policy proposals and their plan to cut the state workforce.

Finally, the deal includes the passage of a \$500 million bonding bill.

Yes, the deal isn't perfect and there are things to dislike about it.

Dropping the policy proposals hurts. Republicans passed some excellent, game-changing proposals including photo ID for voting and educational reforms that would have transformed public education in Minnesota.

The next legislative session will be here in January. Republicans can go back to the drawing board and hit the peg again.

Moreover, for items like photo ID, they can always be put on the ballot as a constitutional amendment, bypassing the governor's desk and his veto pen.

And, yes, it is disappointing to see state spending rise another \$1.4 billion. The Watchdog wasn't in the \$34 billion camp. We were in the \$32 billion camp.

Having said that, this deal cuts state spending by nearly \$2 billion from what the state was projected to spend.

Republicans should be proud of the fact that they put serious brakes on runaway state spending.

This is an incredible achievement in the face of a liberal governor. Remember all the bragging after the session started in February from the DFL, taunting Republicans by saying that "governors get 90% of what they want?"

The simple fact is that legislative Republicans shouldn't compare this deal to what MIGHT have happened had we won the governor's office last fall.

Don't let the vision of what might have been under a conservative governor cloud the reality of a very good deal under deeply divided government.

Next, the new spending is one-time money, meaning that the DFL will have to come back looking to replace or extend these revenues in the next budget cycle.

This is actually good news, compared to what the media is going to say about it. They will tell you this is a spending band-aid that "kicks the can down the road." The DFL will decry this plan as an irresponsible "borrow and spend" plan.

Not at all. It's a good thing these are one-time and not permanent, ongoing revenues.

You see, the DFL and the media (and Arne Carlson) want permanent, ongoing monies so there will be no debate about this level of revenue (and spending) going forward. This is precisely the kind of government-spending-on-autopilot budgeting that they love and crave.

With one-time money, we indeed will be having this debate again down the road. And that's a good thing. It's a good thing to make DFL legislators and their special

interest constituencies come back to the legislature and make the case that they need huge spending increases.

The simple fact is that the big spenders hate accountability and transparency.

One-time money forces that accountability and transparency. Embrace it.

There is also some angst out there among GOP legislators regarding a bonding bill.

While the Watchdog agrees that bonding bills add too much to the state's credit card and are filled with pork, it's an easy concession to make to Governor Dayton.

Why? Because a bonding bill was going to happen anyway. As long as GOP leadership applies this bonding bill's cost against the larger bonding bill that will pass next year, it's a good deal.

The reality is that many GOP legislators love bonding as much as their DFL counterparts. Take a look at recent bonding bills and the number of Republicans who voted for them. The reality is that pork is a bi-partisan addiction.

More importantly, a bonding bill needs to be done. While there are some legitimate needs for bonding (bridges, water treatment plants etc.), the public is conditioned to seeing one competed and passed each bi-ennial session.

If you don't believe it, remember 2004, when the legislature failed to pass a bonding bill.

The media and the DFL spun a narrative that the legislature "didn't get its job done."

Even though the vast majority of Minnesotans didn't know what was in the failed bill or even how bonding bills work, they believed that legislators went to Saint Paul, collected pay and per diem, and did nothing.

The House GOP lost 14 seats and came back weakened, with a razor-thin 68-66 majority, which allowed GOP RINOs to run wild and call the shots.

But most important, this victory is remarkable in both the short-term and the long-term.

In the short-term, Republicans beat back tax increases in a traditionally liberal state led by a liberal governor, all in the face of a massive, \$5 billion budget deficit.

Legislative Republicans forced the sitting governor of Minnesota to abandon THE central premise of his campaign - raising taxes, especially on job creators and the successful.

After the November elections, DFLers were cock-sure that tax increases would not only be a part of the solution, they would be the lion's share of the budget solution.

They, including the chief executive of the state, got nothing.

Just as important are the long-term benefits.

The simple fact is that Governor Dayton blinked and Zellers/Koch didn't.

Governor Dayton lost this important, high-stakes poker game with his legislative counter-parts.

A dynamic has now been established going forward between these three leaders.

That dynamic dictates that if Zellers and Koch stay committed to their positions, Dayton will eventually fold as long as you throw some parting gifts his way.

Whether Dayton realizes it or not, his handling of this shutdown greatly diminished his influence, standing, and gravitas among legislators, especially Republican leadership.

The Watchdog respectfully encourages Republican legislators to do three things.

One, declare victory and proudly embrace the history you all have made. Don't dwell on the aspects of the budget deal that you don't like. You won and you won big.

Two, vote for the budget bills next week. Unanimous passage among Republicans further supports the narrative that this is big victory for us.

A bunch of "no" votes accompanied by floor speeches decrying various aspects of the agreement will be picked up by the media and blown out of proportion. The mainstream media will be looking for every opportunity to find and report on negative Republican comments regarding the agreement.

Finally, go home. Once the special session is done, get home to your families, your businesses, and your life. Enjoy. You deserve it.

DECLARE VICTORY!