

SUDDENLY LAST SUMMER

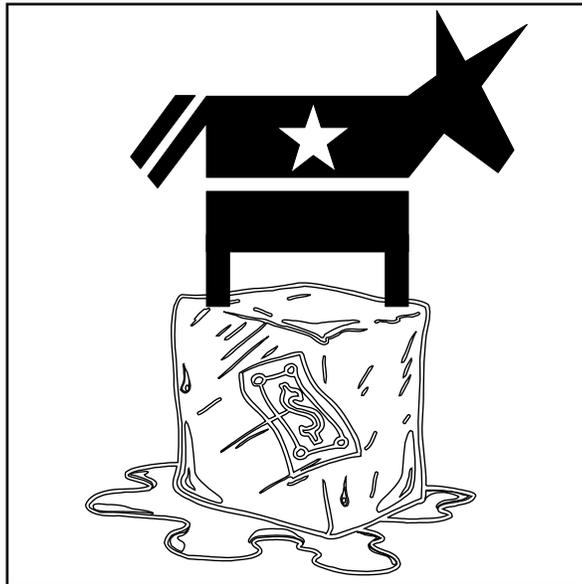
A SCORECARD FOR WISCONSIN BUDGET WARS

JEFF MAYERS

The state budget debate began with a new Democratic governor pledging to fill a \$3.2 billion 2003-05 deficit without raising taxes.

It ended in August with Governor Jim Doyle fending off a Republican attempt to overturn his veto of a “property tax freeze,” backing a Democratic legislative plan to deliver property tax relief through state tax breaks — and getting little credit for what his aides portray as a budget-balancing miracle. Even Doyle’s embrace of a big business agenda item — the future single factor sales tax break — got lost in the freeze publicity and failed to curb the aggressive pro-freeze activism of the Wisconsin Manufacturers & Commerce.

Along the way, Republicans recovered some of their familiar footing on the tax-and-spend issue and exposed the soft underbelly of Doyle’s tax pledge. By the time Doyle signed the budget on July 24, Republicans already had enjoyed weeks of virtually uncontested publicity on their “freeze” as they wrapped up the budget and campaigned to take a previously Democratic Assembly seat in southern Milwaukee County.



Mark Honadel’s unexpectedly easy victory in that July 22 special election and Doyle’s announcement two days later that he would veto the freeze in its entirety (rejecting suggestions that he poke holes in the freeze, sign it, and take the issue away from Republicans) propelled the issue into the mainstream media. Milwaukee radio talk show hosts then kept up a

daily drumbeat to an audience stirred up since January 2002 by the scandal atmosphere in Milwaukee County — from the replacement of longtime Democratic County Executive Tom Ament with Republican Scott Walker to recalls of county supervisors to investigations at Milwaukee City Hall.

Democrats and their allied groups rallied strongly enough to narrowly defeat the Republican override attempt on August 12 and to conjure up some rival property tax relief plans (none with the utter simplicity and initial appeal of the “freeze” slogan). They correctly pointed out that the freeze wasn’t really a freeze — Democratic Senator Bob Jauch called

Jeff Mayers is the president of WisPolitics.com and WisBusiness.com, Madison-based online news services.

it a “tax fraud,” not a tax freeze — and would allow property tax increases, that Republicans were playing politics (lining up tough roll call votes to use in the '04 legislative elections), and that the GOP was desperate to seize back the middle ground that Doyle had taken via his tax pledge, his state government and state employee cuts, and his pro-business rhetoric.

But the Democratic team's August counter-offensive gelled too late to prevent what Republicans saw as major advances in their quest for Milwaukee's swing suburban voters (many of them older, union “Reagan Democrats”) and more ammo to throw at three targeted senators next November. Senators Roger Breske of north-central Wisconsin's Eland and Robert Wirsch of Kenosha County's Pleasant Prairie voted with Doyle on the veto override. A third targeted senator, Dave Hansen of Green Bay, was freed to cast a vote against Doyle, for the time being calming anti-tax fervor in his district once held by Republicans; but Hansen had previously voted against the Republican budget partially vetoed by Doyle.

The bonus for Republicans was that they also stirred up opposition to newly elected Senator Jeff Plale, a conservative Democrat who in the spring was elected to serve the remainder of former Senator Rick Grobschmidt's term through 2006. The South Milwaukee Democrat had held the swing seat taken by Republican Honadel and said after Honadel's big win that he was leaning to override Doyle's veto. When Plale announced on the Monday before the override vote that he was sticking with his governor against an imperfect freeze (thereby letting the air out of the GOP's override balloon), talk of a recall — fueled again by Milwaukee radio talk show hosts — immediately ensued. Plale can't be recalled until he's been in office for a year, but the activists who first went after Ament seem unlikely to forget the perceived flip-flop. Republicans noted their experience in losing former Racine Senator George Petak in a recall election spurred by Petak's flip-flop in favor of the Brewers' stadium tax. What goes around, comes around, they said.

What made things worse for Plale was that the final override vote ended up just one short of the 22 necessary tallies. Even though the chances of a two-house override were never that good, the vote tally allowed opponents to say Plale was the deciding vote, the reason that the freeze didn't become law through override. Plale got credit from strategists for his aggressive media plays — going into the lion's den to talk to WTMJ-AM's Charlie Sykes the day of the freeze override vote and appearing on a Sykes-less Sunday TV show. But explaining the Democrats' property tax freeze alternative in a compelling manner, sufficient to sap the power of the simple slogan, proved difficult at the outset.

Republicans also showed that they would not let their new pet issue wane with Wisconsin's summer. Assembly Republicans who had aggressively pushed the freeze concept, along with a core group of Republican senators led by Bob Welch, manufactured a split decision on August 12 by immediately passing a revised freeze plan as a separate bill. The sponsor? None other than the Republicans' “Mr. Freeze,” Mark Honadel. Honadel was a good candidate from the start, favored over Democrat Al Foeckler, but the freeze issue helped his supporters crystallize the message and portray Foeckler as a tax increaser.

GOP Assembly Speaker John Gard, who engineered the Honadel victory and who became the major counterbalance to Doyle in the statehouse throughout the first 8 months of 2003, had vowed to keep alive the freeze through separate legislation. But the immediate passage caught some Democrats off guard. In the end, five Democrats — four of them from metro Milwaukee — crossed party lines to support the revised freeze.

The special Assembly election in Milwaukee County and the summer campaigns for and against the freeze set up a year of political gamesmanship leading up to the November 2004 elections. Because Doyle's veto was not overridden, Republicans still have an opportunity to drive the issue, using local gov-

ernment levy setting and property tax bill deliveries as reasons to send Doyle more freeze legislation and invite more vetoes. Such legislation — and perhaps more veto override attempts — would put vulnerable Democrats through the wringer again. It remains to be seen whether mainstream media will stay engaged. Recall threats, however, could keep media attention focused on the issue.

It all leads up to November '04. On the ballot will be President Bush and as-yet-undetermined Democratic challenger, U.S. Senator Russ Feingold and an undetermined challenger (but maybe freeze advocate Welch, whose state campaign committee aired pro-freeze radio commercials featuring Welch's voice), all state members of Congress, all of the state Assembly, and half of the state Senate. Doyle won't be on the ballot, but his fortunes will be at stake nonetheless — because the Republican freeze gun is pointed at him.

Doyle doesn't have Milwaukee talk radio on his side, but he does have plenty of tools at his disposal. By mid-August he had shown his ability to effectively use the bully pulpit and raise money (in fact he held a \$1,000 per person golf fundraiser in Lake Geneva on the day of the freeze vote). The Democrats say the Honadel election and the override victory have pulled them together, energized the unions, and helped Doyle refine his property-tax control message.

Doyle became the protector of shared revenue and municipalities with his victory over GOP Governor Scott McCallum, who was defeated in part because he proposed phasing out shared revenue and suggested that big-spending local officials were to blame for high taxes. Then Doyle solidified his position with the freeze veto, putting him squarely in the

camp of unionized teachers, public employees, and those union members who owe much of their work to municipal contracts.

Doyle made it a point to urge cities and other municipalities to follow the state's lead and hold the line on taxes while suggesting that the state wasn't responsible for property tax increases. After his override victory, he joined legislative Democrats in seeking a state solution that looked to many like warmed-over legislative plans from budgets past. But despite the flaws and underwhelming rollout, Democrats came to recognize that the best way to fight the freeze wasn't with doomsday predictions but with a better, more appealing message.

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Property tax relief, after all, is a Democratic stand-by stolen by Republicans this year. Republicans had enacted the two-thirds school funding promise as a property tax relief mechanism, but they did it with controls on school spending and teacher salaries. Doyle abandoned the two-thirds promise, kept revenue caps, and tried unsuccessfully to lift the QEO.

In previous budget negotiations, former GOP Assembly Speaker Scott Jensen would stress income tax relief while former Senate Majority Leader Chuck Chvala would stress property tax relief. Now the tables are turned. Democrats are arguing for local control, and Republicans are preaching property tax relief.

Chvala, in a speech on the Senate floor during the freeze debate, noted Doyle's abandonment of the property tax relief plank. "This budget should have been a property tax relief budget," said Chvala, facing multiple felony charges for using his office to extort campaign contributions for Democratic campaigns. But Doyle, he said, "wanted to go Republican lite"

and play “the Republican game” of no tax increases.

“What you want is the political vote,” Chvala told Republicans on the floor. “You want it so you can take a couple of Senate seats and a couple of Assembly seats so you can beat Doyle. Now to be honest with you, it may be that this could be Doyle's Waterloo. It wasn't handled well. He didn't look down the chess board, and he made a big mistake. But this is not a game.”

Other Democrats privately acknowledged the same, saying this issue had damaged Doyle's ability to hold the tax-sensitive middle — a dangerous place to be for somebody who only got 45 percent of the vote in November 2002.

While the plan unveiled by Democrats in August has its faults, it is a plan that could deliver tax relief to traditionally Democratic voters. The problem, even some Democratic strategists admit, is that taxpayers don't necessarily connect property tax bills in December with tax credits in April. And it doesn't match up to the sexy (albeit misleading) label, the “freeze.”

Some Doyle supporters, while crediting the Republicans for a clever strategy, think the governor will eventually prevail by stressing above-board fiscal responsibility, not gimmicks. “We needed to fight this,” said one pro-Doyle Democratic strategist. “Voters expect the governor to be an adult.” But the strategist admitted that was a tough message to carry beyond editorial boards. The governor can win the debate over time, but it's a “huge challenge,” the strategist admitted. Democrats hopefully speculated that the issue might have

peaked in August, that the issue if anything is Milwaukee-centered, and that the media will tire of the “make-Doyle-veto-it-again” strategy of Republicans. There's the possibility of a Republican push for a tax limitation amendment to the Constitution, but that item could not appear on the ballot sooner than April 2005, and tax-related constitutional amendments have not experienced roaring success in Wisconsin.

Was this just a summer fling, something to occupy the media, political operatives, and talking heads at a time when most Wisconsinites were on reduced work schedules, traveling, or rushing to squeeze in all the recreational endeavors they had failed to pursue since Memorial Day? Is there a real property tax revolt in the offing? Will the state ever really be able to control property taxes?

Those questions were on the minds of strategists in late August, as talk of recalls circulated. The California recall election, while a media and political circus, could embolden activists all over the state to try it for themselves. That could mean the spread of recall fever beyond the Milwaukee area, with Democrats and Republicans using recall petitions as a technique for harassment.

Instead of passing by quietly as a sleepy post-budget period, the summer of 2003 set the stage for the politics of the '04 election year, speeded up the campaign cycle, and once again made the words “property tax relief” the first thing to pass politicians' lips. But property tax relief in Wisconsin has always been easier to promise than to achieve. The freeze is merely the latest attempt to soothe voters who often blame state politicians for the tax they hate the most.