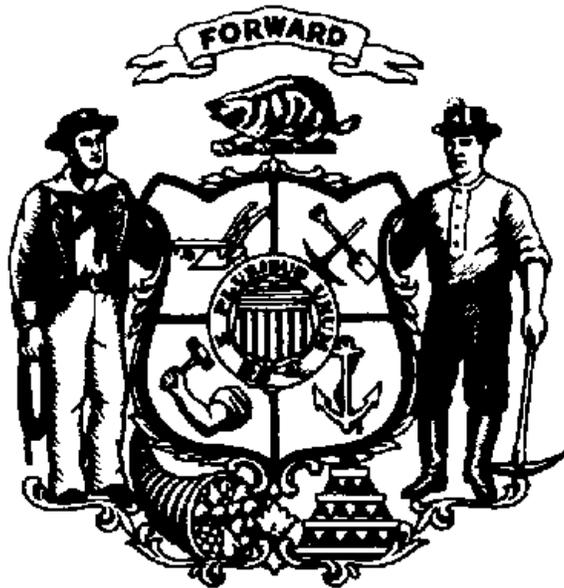


# Alternative Waste, Fraud and Abuse Report



**By: Senator Chris Larson  
&  
Representative Mark Pocan**

January, 2012





## WISCONSIN LEGISLATURE

P.O. BOX 8952 · MADISON, WI 53708

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### **An open letter from the authors:**

We supported the original mission of Governor Walker's Waste, Fraud and Abuse Commission, which was intended, according to the Governor's Executive Order, "To identify waste, fraud and abuse **in state government programs and state appropriations** and recommend solutions." We agreed to serve on this commission because we believe that government should not strictly be measured based on the size of its budget, but rather on the value of services it provides to those it governs. Fraud, waste, and abuse should not be tolerated because they hamper the efficient and effective delivery of vital services and programs.

Unfortunately, while the commission's goal was laudable, the commission lost its way quickly. This is evident in the final copy of its report, derived from a flawed process that didn't include membership or adequate input from the appropriate stakeholders such as end users and state workers. The flawed process was most notably underscored **by the lack of a final vote from commission members.**

We caution readers that the Republican report is full of ideas that have already been accomplished, are already being implemented or items over which the decision-making process rests in the hands of the federal or local units of government. Therefore, **the purported savings in this report do not fulfill the commission's mission.**

We take issue with several of the findings in the Republican report that either **relies on federal law or rule changes or local governments** to realize the savings for which the commission takes credit. For example:

- The report suggests requiring photo ID's to be added to the Quest FoodShare card, yet readily admits that federal policies require the state to "permit all members of a household to use that card, reducing the effectiveness of any enforcement efforts." In fact, we believe applying a photo to the Quest card will only result in confusion at checkout aisles in grocery stores across the state, resulting in families in need being denied the very food they need to survive. This suggestion is inconsiderate, lacking of human compassion and illogical. Yet, Republicans, in their haste to require a photo ID on almost everything these days, suggest it in their report.
- In its court debt collection section, the Republicans recommend passage of H.R. 1416, and then take credit for the \$5.4 - \$27 million in savings passage of this

piece of federal legislation would create. We find this tactic outlandish, sloppy and misleading, as none of the commission members are elected to federal office. Thus, this commission has no control over passage of federal law and therefore cannot take credit for any savings changes in federal law would realize.

Further skewing the Republican report's final figures is that they **take credit for previous actions of state agencies, Governor Walker or the Legislature.** For example:

- The section on overtime rules for public workers takes credit for changes already set in motion by the Republican anti-collective bargaining 2011 Act 10. In fact, the commission's report indicates their own recommendations are already under way, yet they take credit for future savings already put into motion by Governor Walker's union busting efforts.
- In its integrity section, the report admits the Department of Health Services has already "identified inefficiencies in the eligibility determination system for public benefits, which, if corrected, will reduce program costs by \$40 million per year." Yet, the commission takes credit for finding these savings.
- Governor Walker's report takes credit for "A plan adopted in the FY 2011-13 biennial budget bill by the Joint Committee on Finance," that requires counties to form up to ten consortia through the state to streamline the eligibility determination process for health and human services. The 2011-2013 biennial budget was passed six months ago.
- Governor Walker's report continues a Democratic initiative in the 2009-11 biennial budget to hire more Department of Revenue agents to collect additional back taxes, despite Republican opposition of additional agents at the time, calling it a "tax increase." However, the Walker administration recently announced it would lapse more than \$2 million in funds from the Department of Revenue that are supposed to be used to clamp down on tax cheats, which will presumably cost the state revenue in the long-run.
- While we were led to believe the commission was going to find new savings through clamping down on waste, fraud and abuse in state government, \$50 million of the report relies upon a suggestion that the state require agencies to lapse funds each year, something that both Democratic and Republican legislatures and Governors have required in various amounts for the last several biennial budgets. This is hardly the kind of innovative idea that we were led to believe this commission would uncover, nor does it address waste, fraud or abuse of government.

We, the only two Democratic members of this commission, do agree with many of the suggestions in the Republican report. However, we feel the flawed process used to compile the report, which began with the exclusion of public workers from the commission and concluded with the lack of a vote of approval by commission members of the Republican report, necessitates more than Democratic criticism.

The following report are Democratic ideas we feel compelled to provide, partially in an effort to balance the partisan conclusions and misdirection of this failed commission, but also because the

commission did not operate through an openly democratic process with an in depth cover to cover discussion of the commission's report.

We caution readers of the Republican report as to the accuracy of their figures, as they were never corroborated by independent nonpartisan agency. As such, the numbers in our alternative report were also not corroborated by an independent third party validator. Thus, we have taken an abundance of caution to offer conservative estimates and broad savings ranges in our plan, so as to not mislead the public as the Republican report did. Regardless, we caution readers of both reports as to the accuracy of the numbers in both reports.

We agree with many of the ideas in the Republican commission's report and even articulate some of them in our report. However, we also feel the Republican report, in a desire to protect Governor Walker from his failures, neglected many good ideas from its report. Thus, enclosed are also several ideas where Democrats differ from Republicans.

Now more than ever, Wisconsin citizens need government to be both efficient and fair. This is why we are frustrated that the commission crafted both the interim and final reports in secrecy, cynically using the commission testimony to draw conclusions and recommendations limited with a fatally flawed view held by an extreme partisan perspective. This occurred without as much as a vote from members of the commission, nor a complete discussion of this report.

It is our hope that whoever is Governor in 2012 will have a more sincere interest in safeguarding the integrity of Wisconsin government and services.

Sincerely,



Senator Chris Larson  
7<sup>th</sup> Senate district



Representative Mark Pocan  
78<sup>th</sup> Assembly district

## Democratic Biennial Savings Estimates:

<b>ITEM</b>	<b>SAVINGS</b>
A. Putting Integrity in State Programs	<i>\$116,800,000 - \$177,000,000</i>
B. State Employees v. Contract Engineers	<i>\$18,400,000 - \$36,400,000</i>
C. Frugal Investment – Using our tax dollars	<i>\$250,000,000 - \$500,000,000</i>
D. Shared Services	<i>At least \$67,500,000</i>
E. Revenue Loss – Catching Tax Cheats	<i>\$35,000,000 - \$70,000,000</i>
F. Corporate Tax Roll Backs	<i>\$46,400,000 - \$212,000,000</i>
G. Waste in Walker Administration	<i>\$151,700,000 – 174,100,000</i>
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<b>TOTAL PROPOSED BIENNIAL SAVINGS:</b>	<b>\$685,800,000 - \$1,237,000,000</b>

## **A. Putting Integrity in State Programs**

*Savings: \$116,800,000 - \$177,000,000*

Although biased and limited in its findings, the Commission's final report did recognize the value of public assistance programs as the basis for Wisconsin's safety net. It also illustrated that preventing fraud and abuse are important to ensuring that resources get to those who are eligible and in need.

The commission heard strong testimony indicating that direct contact with program applicants is an effective way of reducing both intentional and unintentional application errors. Unfortunately, the commission failed to strongly recommend increasing the number of frontline staff that works directly with program applicants, something we believe would be an asset to reinstating integrity into many of our safety net programs.

Furthermore, there has been a significant amount of analysis conducted on the barriers of adequately and correctly delivering public assistance services. We found it frustrating that the report seemed written to discredit past efforts, while applauding only the current governor's actions. We believe an unbiased look at all efforts to cull the best practices for preventing fraud would produce a more comprehensive set of recommendations for reducing fraud in social services. Fortunately, the non-partisan Legislative Audit Bureau's December, 2011 Medical Assistance Program Audit did what the commission failed to do. There are strong recommendations in the audit that include common themes associated with waste, fraud and abuse in the Walker administration including the outsourcing of state jobs to for-profit businesses. The audit also strongly calls for honest budgeting and contract bidding in the Walker administration to increase transparency and diminish waste.

The commission also failed to adequately review the non-partisan Legislative Audit Bureau FamilyCare Audit (11-5). It clearly indicates that substantial tax savings could be realized if the cap on FamilyCare were removed and we shifted MA recipients from a fee for service model to managed care. Fortunately, the federal government has interceded and forced Governor Walker to lift the cap on FamilyCare; this will improve quality of life for program recipients as well as save tax dollars.

Finally, we also feel strongly that the commission should have looked more closely at whistleblower protections in Wisconsin so that people are more comfortable coming forward when they see waste, fraud, or abuse.

The commission's final report claims a savings of \$177 million per year. We agree that at least some of this amount can be saved with better administrative efficiency, an increased front counter staff, and savings suggested by the Legislative Audit Bureau. We believe it to be more fiscally responsible to assume a range of one-third to half of the projected \$177 million in annual savings, at least until an independent review of these projections is compiled. Thus, we suggest savings in this section to amount to anywhere from \$58.4 million to \$88.5 million each year, or \$116.8 million to \$177 million each biennium.

**Recommendations:**

- Review and implement the majority of the Legislative Audit Bureau audit recommendations.
- Increase the number of frontline staff that work directly with program applicants. This will both improve efficiency in delivery of services and improve our “first line of defense” against fraud.

## **B. State Employees v. Contract Engineers**

*Savings: \$18,400,000 - \$36,400,000*

A simple dialogue with state workers, including engineers, would yield scores of anecdotal evidence that our state wastes considerable taxpayer dollars on outsourcing our engineering work. Furthermore, a May, 2009 Legislative Audit Bureau Letter Report brings us to the same conclusion that in-house contractors saves the state money. Unfortunately, these conversations were not part of the commission process.

Over the past decade, the use of contract engineers at the Department of Transportation has spiked greatly, and it should come as no surprise that state spending on outsourcing engineering has increased as well. While we commend the commission for including this topic in its final report, we wish the commission would have taken a stronger position in favor of requiring government to use more in-house engineers on transportation projects.

In 2009, the non-partisan Legislative Audit Bureau issued a Letter Report entitled “Construction Engineering in State Highway Projects.” The report found Wisconsin uses contract engineers at a greater percentage than any other state in the Midwest. For instance, the report indicates Iowa and Ohio seldom use consultants, Minnesota uses consultants 5 percent of the time, and Indiana uses them 10 percent of the time. Each state uses consultants far less than Wisconsin. The letter report further shows that out of the 214 cost-benefit analyses completed, 58 percent of the analyses concluded state staff could have completed the work at a lower cost, while 39 percent of the case studies showed consultants could complete a project at a lower cost. Furthermore, the Department of Transportation indicated that, while state workers could have done the job cheaper, consultants were hired in each instance where state workers would have been cheaper because there weren’t enough available state engineers.

According to the non-partisan Legislative Fiscal Bureau, the Department of Transportation projects to spend \$110 million on state engineers and \$225 million on contract engineers in fiscal year 2012. As the commission indicated in its report, one of the major barriers to reducing waste is the lack of data from which to perform a better cost benefit analysis. However, on May 25, 2011, [www.channel3000.com](http://www.channel3000.com) issued a report that found, “In the first four months of this year, it cost taxpayers a total of \$13.8 million extra to have private engineering consultants to work on projects rather than state employees.”

While we’d prefer independent budget analysis as we noted in both our letter of submission to the official commission’s report and the cover letter for this report, if we were to extrapolate the first quarter of the year upon the rest of the year based on this analysis and convert that to biennial numbers, the state overspends \$110.4 million each biennium on outsourcing its engineering projects.

We readily admit contract engineers play an important role in our state’s transportation projects. Without contract engineers, we likely would not have had the flexibility to put the American Recovery and Reinvestment Act funds to use to get Wisconsin’s road builders and associated industry employees back to work. However, we believe the state can and should do a better job saving taxpayer dollars by hiring more engineers and conducting more work in-house.

**Recommendations:**

- The Legislative Audit Bureau should automatically conduct an annual analysis of the 2005 Wisconsin Act 89 mandated cost benefit reports, which measure the cost benefit analysis of Wisconsin's Department of Transportation outsourcing of engineering work (similar to portions of Legislative Audit Bureau May, 2009 letter report). This analysis should review the proportion of in-house engineers versus the use of contract engineers and make recommendations to help the state deliver its services more effectively and efficiently.
- The Governor should direct his budget team to expand upon the Democratic initiative in 2009 Wisconsin Act 28, which authorized the hire of 25 new engineers for the Department of Transportation. Because the savings listed in the news report above haven't been independently corroborated, we believe it to be prudent to conservatively estimate savings in this section. Thus, if this expanded directive targets realizing even just one-third to one-sixth of the \$110.4 million suggested in the news report cited above, this would save the state \$18.4 - \$36.4 million each biennium.

**C. Frugal Investment – Using our tax dollars**      *Savings: \$250,000,000 - \$500,000,000*

Rather than focusing on savings that can be realized from action of federal or local governments, we would have preferred the commission to have set its sights on decisions by Governor Walker, which have cost Wisconsin well over \$1 billion in federal funds.

Wisconsinites see fewer of their tax dollars put to use in our home state than most taxpayers of other states. This fact is made all the worse when you consider, according to the Wisconsin Budget Project, an initiative of the Wisconsin Council on Children and Families, Wisconsin has surrendered \$1.3 billion in federal funds through returned grants and underfunded programs.

State budget cuts to state programs with a federal matching program cost Wisconsin over a half a billion dollars in available federal funds. Coupled with more than \$800 million in two large grants, one for high speed rail and another for high speed internet, the only thing high speed about Wisconsin's economy is that our Governor is turning away our federal tax dollars at a higher speed than almost every other state in the country.

Additionally, the Walker administration has also turned away grants such as \$13.2 million for job training for people with disabilities, \$8.3 million for enforcing child support orders and \$4.2 million for administering FoodShare and medial assistance programs according to the study.

Wisconsinites work hard, play by the rules and pay our federal taxes. In return, we expect our government officials to do the best to bring our tax dollars back to Wisconsin, where they can put people back to work and spur our economy. We recognize that it is not realistic for even Governor Walker to continue turning federal dollars away at this break neck of a pace. However, Governor Walker's undeniable track record speaks for itself. We readily admit that, because of his track record, the federal government isn't likely to offer another \$800 million in high speed rail or high speed internet grants.

However, we believe it is likely the federal government will continue to extend some grants and other funds, similar to the remaining \$500,000,000 cited in the report. Thus, if you remove the high speed rail and high speed internet from the equation, it is safe to assume Governor Walker will easily return on average one-quarter to one-half of the remaining \$500,000,000 each year that he has already turned away from the federal government in his first year in office. Thus, we believe it is likely the governor's policies will result in Wisconsin losing out on \$250,000,000 - \$500,000,000 of federal funds each biennium.

**Recommendation:**

- The Walker administration should reverse its position on federal funds and do everything they can to acquire future government grants and matching funds in an effort to grow our economy and stretch our taxpayer dollars further.
- The Walker administration should petition the federal government for every one of the \$1.3 billion it has turned away and do everything in its power to recover at least a small portion of what it has already turned away.

**Update:** *After writing the Alternative Rresponse to Walker's Waste, Fraud and Abuse Commission report, a December 22, 2011 Milwaukee Journal Sentinel article quoted Republican Senator Frank Lasee, a fellow commission member, stating Governor Walker is turning down a \$38 million federal grant to help Wisconsin implement a health care exchange, further continuing this disturbing trend of sending Wisconsin's federal tax dollars to other states.*

## **D. Shared Services**

*Savings: At least \$67,500,000*

The Commission heard testimony from local governments and from an administrator of a Cooperative Education Services Agency (CESA) regarding the benefits and savings of consolidated services. Each made persuasive arguments about the value of working across traditional boundaries to adopt a regional approach to bulk purchasing and services.

### **School Services**

Due to Governor Walker slashing education funding, Wisconsin schools are reeling from a \$1.6 billion cut leading to teacher lay-offs, larger class sizes, special education cuts, and fewer extra-curricular opportunities. Prospects for next year are even grimmer with the Survey of School Districts by Wisconsin Association of School District Administrators (<http://dpi.wi.gov/eis/pdf/wasdasurveyresults.pdf>) indicating that even more substantial cuts will occur if Governor Walker's agenda continues. Given the state of education funding, school districts are desperate to share service costs. CESA's can be an important component in providing consolidated regional services.

With CESA's playing such a critical role in helping school districts consolidate services and keep their costs down, we find it a glaring omission that the commission failed to discuss concerns about CESA's. Concerns include lack of transparency and accountability to the public, varied services with no established standards, no annual reporting requirement to the Department of Public Instruction and membership does not have to reflect representation from each school district.

The Commission report strongly recommends that CESA's should play a role in saving funds by offering larger insurance pools to government employees. Despite requests from Democratic Commission members, the commission refused to explore the substantial savings to taxpayers of expanding the state employee health system to municipal employees and private citizens.

### **Municipal Cooperation**

Local government officials testified to the commission regarding the considerable time and energy spent developing multijurisdictional agreements. Despite the challenges, waste can be reduced by sharing services and taking a more regional approach. The commission findings strongly embrace regional consolidation and all commission members applauded the commonsense cooperation of these governments.

However, we believe, the report errantly claimed that Governor Walker has provided numerous tools to local governments to respond to hard economic times. Contrary to this claim, local governments have seen massive state aid cuts, limits to revenue growth, and even restrictions on their ability to work cooperatively.

Embracing and encouraging regional cooperation and consolidation is a growing necessity and a crucial tool to local governments as they struggle to provide important services and fulfill state mandates with fewer resources. The commission failed to look at the efficiency of citizen

supported, broader regional initiatives like Regional Transit Authorities (RTA). RTA's could offer tremendous savings and better transit services throughout Wisconsin.

The report claims savings of \$45,000,000 per year by increasing energy efficiency in educational facilities, pooled purchasing, and local government service consolidation. We believe that savings could greatly exceed this figure if barriers to more efficient healthcare and regional municipal cooperation are removed. However, to be true to our promise of fiscally conservative projections, we recognize the commission's projection of \$90 million in savings each biennium. However, we believe a closer estimate at this time would be three-fourths of this amount, or \$67.5 million.

**Recommendations:**

- Allow school districts, local municipalities, and small businesses to enroll their employees in the state health insurance pool.
- Reverse statutory prohibition on municipal cooperation through RTA's

## **E. Revenue Loss – Catching Tax Cheats**

*Savings: \$35,000,000 - \$70,000,000*

According to the Department of Revenue, there are approximately \$750 million in delinquent taxes, of which approximately \$350 million are recoverable. There are two leading factors for an increased burden on the individual taxpayer. We discuss the GOP increased corporate tax breaks and giveaways in a different section of this report. The other item that increases the tax burden on the individual is when the state doesn't collect adequate amounts of back taxes owed by corporations and individuals shirking their civic duty.

We applaud the Waste, Fraud and Abuse Commission's report for acknowledging that hiring more staff in the Department of Revenue's Compliance Bureau will bring in more revenue. In fact, this was such a good idea that Democrats already proposed the first incremental hiring of new agents during the 2009 biennial budget. That budget authorized the hiring of 31 more agents, which was projected to bring in approximately \$70 million, or roughly \$2.25 million per additional agent per biennium.

Unfortunately, when Democrats originally proposed hiring more revenue agents as part of the 2009 biennial budget, it was met with partisan opposition by Republicans, who indicated clamping down on tax cheats was a tax increase because it would bring in new revenue. We were glad Republicans appeared to be finally coming around on a successful tactic to bring in additional revenue at a time of economic crisis. However, just days before final release of the Republican commission's report, Governor Walker's administration alarmingly pulled away from its promise by announcing a proposed lapse of more than \$2 million in funds from the Department of Revenue that are supposed to be used to clamp down on tax cheats, which will presumably cost the state revenue in the long-run.

However, we question why Governor Walker's Commission only estimated the hiring of new revenue agents would bring in an additional \$10 million per year when there is still \$350 million in recoverable unpaid taxes that have yet to be collected. We believe that the Democratic initiative to bring in more unpaid taxes has been successful. Given the Department of Revenue estimates there are at least \$350 million in "recoverable" unpaid taxes, we believe the department should make an effort to recover at least 10% - 20% of the \$350 million in unpaid taxes each biennium over then next one or two biennia.

Finally, we also agree with the Commission's report recommendation, which would call for an annual report from the Department of Revenue to the Legislature on the impact of additional revenue agents upon delinquent tax collections.

### **Recommendations:**

- Expand upon previous Democratic advances in this area by hiring new agents, beyond current plans, to recover an additional 10% - 20% each biennium, or about \$35 - \$70 million of the \$350 million in "recoverable" back taxes.
- Require the Department of Revenue to report annually to the Legislature on the effectiveness of hiring new revenue agents to collect delinquent taxes.

## **F. Corporate Tax Roll Backs**

*Savings: \$46,400,000 - \$212,000,000*

This Commission was created one year ago with a specific mission to eliminate waste, fraud and abuse in state government. Implicit to this mission is bringing more accountability and transparency to the taxpayers of Wisconsin. While Walker's final report is quick to blame spending on social and health care programs for the economic difficulties of the state, it was unwilling to reflect on legislation passed by the Governor and Republican legislature this session that gives billions in corporate tax breaks with little accountability and transparency to the taxpayer.

The Governor's promise has been one of creating jobs – or at best creating what he believes to be a business environment conducive to job growth. To this end, Governor Walker has been quick to hand out more than \$2.3 billion in tax breaks (LFB Paper, 8/16/11) to corporations and special interests with little or no oversight on how such tax cuts actually create jobs. The same document shows that in the current biennial budget, Wisconsin will lose \$212 million in lost revenue. Recent figures from the Department of Labor have shown that despite these tax breaks and taxpayer dollar giveaways, Wisconsin is ranked 43<sup>rd</sup> in job creation over the past year.

Notably, the Commission failed to look at accountability for job growth and potential for abuse from the Governor's massive tax giveaways. Yet, the Commission refused to address the heart of the issue – the state provides incentives for corporations to abuse the state's tax structure and taxpayers pick up the bill.

If the Commission were serious about providing accountability and transparency to taxpayers, it would investigate our "business climate" and close tax loopholes.

### **Recommendations:**

- Close corporate tax loopholes – like the Las Vegas Loophole that Republicans recently reopened, which would generate \$46.4 million in the current biennium and \$80 million in each biennium for the foreseeable future.
- Create performance measures of state government linking tax breaks to job creation.
- Audit all legislation passed in the 2011 legislative session and make recommendations for increased accountability and transparency of tax giveaways.
- Focus state resources to small businesses rather than large corporations.

## **G. Waste in Walker Administration**

*Savings: \$151,700,000 – 174,100,000*

Since taking office in January, Governor Scott Walker's administration has been riddled with costly power grabs, costly political paybacks and costly new expenses all on the taxpayers' nickel.

Wisconsin Act 10 includes one of the most blatant power grabs in Wisconsin history. Governor Walker converted 36 civil service positions to political appointees, which he's already used to pay back donors and special interests. The civil service structure ensured safeguards for taxpayers. Now that Governor Walker has destroyed those safeguards, we believe those positions should simply be eliminated, a projected savings of \$7.4 million per biennium.

Furthermore, Governor Walker has struggled to create jobs in his first 12 months in office, unless you are an attorney who has contributed to Republican candidates in the past. At every turn, Governor Walker and Republicans are hiring private attorneys to defend themselves against unjust and unfair legislation and redistricting proposals at great taxpayer expense. According to a December 23, 2011 Milwaukee Journal Sentinel article, Wisconsin spent more than \$294,000 in attorney fees defending Governor Walker's union busting law and approximately \$400,000 in private attorney fees defending the Republican redistricting plan. We believe the GOP should use in-house attorneys for these types of lawsuits, saving Wisconsin at a minimum of \$694,000 this legislative session alone, which is expected to increase in 2012.

In another waste of taxpayer money, Governor Walker refused to negotiate with public workers even after they agreed to his proposed increases in pension and health care payments. This sparked the largest peaceful protest in recent Wisconsin history. Despite the protest remaining peaceful, Governor Walker called in police from around the state to guard the Capitol, costing the taxpayers approximately \$8.2 million according to the non-partisan Legislative Fiscal Bureau. While this number isn't reflective of any projections of savings, we feel compelled to mention Governor Walker's expensive refusal to negotiate as an unfortunate waste of taxpayer dollars.

As we referenced in a previous section of this report, Republicans are committed to requiring a photo ID for almost anything these days. No photo ID requirement was more highly publicized and perhaps more expensive than the GOP requirement for voters to present a photo ID to be able to vote in Wisconsin. While an August 22, 2011 Milwaukee Journal Sentinel pegged the cost of this provision to limit access to the polls at \$7 million, there will certainly be continued costs as Wisconsin's seniors, students and other populations request new ID's. Even if the ongoing costs of the photo ID for voting provision costs just one-seventh of the start-up costs, Wisconsinites will be left to pay the \$1 million biennial tab for this poor public policy.

While our report articulates a major failure of the Walker administration by turning away more than \$800 million in federal grants for high speed rail, this policy amounted to a double whammy for taxpayers. Not only did we lose out on economic development in Wisconsin, we are stuck picking up the tab for train track and station upgrades. An estimate of this costs lies between \$142.6 million and \$165 million according to the non-partisan Legislative Fiscal Bureau, as reported in a December 11, 2011 Milwaukee Journal Sentinel article. Furthermore, even if you

consider daily operating expenses, the state will spend more money to keep the current service than it would have had Governor Walker accepted the federal funds and expanded rail service, according to the same news report.

Another waste of government resources we feel compelled to mention is the killing of the future of wind energy in Wisconsin. This report, because of a lack of a solid fiscal estimate, will not reflect what are most assuredly millions of dollars of economic development through the building of infrastructure and through future energy savings. Regardless, we would be remiss to mention the commission omitted this from its report. We believe this topic to be important and worthy of further investigation.

Finally, we find the Waste, Fraud and Abuse Commission's yearlong partisan witch-hunt as a waste of taxpayer resources. For future partisan activities such as this commission, we believe Governor Walker should rely on the non-partisan Legislative Audit Bureau to conduct independent analysis.

**Recommendations:**

- Eliminate the 36 civil service positions Governor Walker converted to political appointees under Act 10.
- Stop outsourcing the state's legal representation. If the state is being sued, the administration should rely on the Attorney General or DOA's legal team, not Republican campaign financing private donors.
- Eliminate the costly photo ID for voting law.
- Seek access to federal high speed rail federal grants the Walker administration has already turned down now that we know those grants would have saved the state money in long term operating expenses and federally mandated facility and infrastructure upgrades.
- Reconsider Wisconsin's policies on wind citing to ensure more energy efficient solutions to our energy needs.
- Utilize the non-partisan Legislative Audit Bureau for all future such audits.