

Another Bad Idea from Madison

By Glenn Grothman

During the past month I've received several contacts regarding a new program known as "Homes for Heroes", recently announced by Governor Doyle. Basically, this program offers special low-interest loans to full-time firemen, teachers and police officers in the state of Wisconsin.

The loan program is administrated by WHEDA (Wisconsin Housing and Economic Development Authority) – a state agency specializing in low-interest loans. These special loans are at one-quarter-interest rate lower than their normal rates. A lower down payment than normal – only \$500 - is also allowed. Ten million dollars is set-aside until December 30, 2004 or until the money is used up, whichever comes first.

The income limits are the same as for other loans - \$62,600 for a family of two or less, \$68,000 for a family of more than two - in Washington or Ozaukee Counties. You will notice the WHEDA program also penalizes people who get married. A single person making \$40,000 is eligible for a loan, but a married couple making \$75,000 is considered too wealthy – but that is a story for another day.

I am opposed to the program. I have all the respect in the world for our fine teachers, fire fighters and policemen. However, the economic downturn has focused scrutiny on state and local budgets. There is resentment, sometimes with good cause, at generous fringe benefits offered government employees. While it has now changed, last year most state employees still paid nothing for health insurance. The Wisconsin pension plan is better than that offered to all but a few well-paid employees in the private sector. Furthermore, a yet to be released study by the American Legislative Exchange Conference (a non-profit Washington think tank) shows Wisconsin is the seventh most generous state in the country in government salary compared to private sector, even before fringe benefits.

Why then, would the Doyle administration offer loans to groups of primarily government employees not available to others? (Teachers from private schools are also eligible.) Government employees are, of course, much more politically active than most people. They were very active in the last governor's race and will be very active in the next one as well. It is therefore tempting for elected officials to pay more attention to them.

I should point out, however, that the WHEDA board, still made up of primarily Republican board members (seven out of twelve) due to holdovers from the Thompson and McCallum administrations, could act to end this program, but as of this time has not acted. The program was initially implemented by WHEDA executive director Antonio Riley, a Doyle appointee and former liberal legislator from Milwaukee.

The Governor made a mistake in beginning this program and the board has made a mistake in not immediately terminating it. While the cost of the program is not that great, it encourages the increasing public perception that government operates for the benefit of the government itself more than the public as a whole. It increases tension between taxpayers and civil servants by encouraging the perception we have two classes of employees in the state. Why are only government employees heroes?

I will be introducing legislation barring the Wisconsin Housing and Economic Development Authority from discriminating on the basis of occupation again.

Please let me know what you think on this issue. Contact me here in Madison--

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