



2010 Proposed Budget
Economic Development Highlights
September 30, 2009

Our *Milwaukee County Works* accelerated building plan includes \$128.5 million worth of general obligation bonds for more than 100 projects that will create some 1,000 jobs. Normally, our long-term capital plan would have the work on the projects done in 2010, 2011 and 2012.

Now, through the use of the low-interest Build America bonds, the county can save up to \$3 million in interest costs and complete the work (normally done in three capital budgets) by the end of 2010. Since the building program is accelerated, there will be no capital budget for 2011 and 2012. By the end of 2012, the outstanding debt for the county will actually be 28% less than it was in 2002.

In addition to the general obligation bonds issued by the county, the budget includes federal funds from the “stimulus bill” that was passed earlier this year and signed by the President. At the start of the year, I wrote in several publications that the best way for the federal or state government to truly “stimulate” the economy was to use these funds for major tax cuts that would put more money in the hands of the people and employers that make this country and state work.

A similar strategy in 1983 led to the largest, peacetime economic boom in American history with 21 million new jobs created and 5 million new businesses started. The centerpiece of the recovery was a major cut in the marginal tax rate at the federal level.

As we now know, the federal bill only had a small tax cut.

In those same columns I wrote that if the federal and state government did not pass major tax cuts and funds were available, I would not recommend that the county seek them unless they met the following criteria:

- No matching funds required by the county
- No ongoing commitments
- No obligation to the county for ongoing operating expenses

With this criteria, the county is eligible for significant portions of the transportation funding within the federal legislation. Our accelerated building program includes federal funds that meet these criteria.

Bottom-line: we are using one-time funds for a one-time purpose – all while creating jobs when we need them the most (now), saving money on our interest costs and lowering our outstanding debt by the end of the program. In other words, we're spending taxpayers' money as if it were our own.

Scott Walker

Milwaukee County Executive

Click on following links for the full text of the budget address and budget highlights:

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<http://tinyurl.com/ybzotpk>