

The  
*Madison Policy Digest*

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Presented by: **The James Madison Institute**

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**JMI News Briefs**

\* Last week JMI welcomed the Mackinac Center's President, Larry Reed to Tallahassee. Mr. Reed was in town to speak at JMI's quarterly board meeting and meet with staff to discuss future plans and goals for the institute.

\* Today, JMI staff and Dr. Randy Holcombe, a JMI senior fellow, were in attendance at the final meeting this year of the Property Tax Reform Committee. Staff conversed with committee members before the meeting and Dr. Holcombe presented a proposal that would cap local government spending and roll back millage rates during the time allotted for public testimony.

\* Be on the lookout for appointments to the Taxation and Budget Reform Commission. The commission is organized every 20 years by state law and was created to examine the state budgetary process, the revenue needs and expenditure processes of the state, the appropriateness of the tax structure of the state, and governmental productivity and efficiency.

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**Featured Topics**

**WHAT HAPPENS WHEN YOU DRAG YOUR FEET?  
MORE POWER TO YOU  
BUILDING HOUSING SOLUTIONS  
GETTING IT RIGHT AT THE TOP**

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**Teachers union sues over bonus-pay plan**

*Tallahassee Democrat*

By Aaron Deslatte

December 14, 2006

Florida's teachers union sued Wednesday to block a performance pay plan for educators that lawmakers slipped into the state budget last spring.

The Florida Education Association said its lawsuit filed in Leon County was prompted by the state's failure to delay a looming Dec. 31 deadline for school districts to submit bonus-plan proposals.

The union representing more than 130,000 teachers had already challenged the plan in an administrative proceeding, but now is asking a circuit court judge to toss out the bonus plan.

"We had hoped it wouldn't come to this," FEA President Andy Ford said in a statement. "But the lack of action on the part of the Florida Department of Education has forced us into a corner."

Lawmakers inserted \$147.5 million for the teacher bonus plan called Special Teachers Are Rewarded, or STAR, into the budget last May along with guidelines for how school districts should dole out the money.

The plan would reward the top 25 percent of elementary-, middle- and high-school teachers in districts that enact the plans.

For complete article click here:

<http://www.tallahassee.com/apps/pbcs.dll/article?AID=/20061214/CAPITOLNEWS/612140344/1010/NEWS01>

## Florida could get new nuke facility

The plant in Levy County would be the 6th in Florida. It would be the first nationwide to win approval in decades.

*Orlando Sentinel*

By Kevin Spear and Jack Snyder

December 13, 2006

Riding fears of global warming, uncertainty over energy supply and fading memories of past disasters, the state's second-largest utility on Tuesday announced plans for the first nuclear plant in Florida in more than a quarter-century.

The plant, planned about 75 miles north of Tampa Bay in rural Levy County, could start as soon as 2016, have 500 workers, electrify at least 700,000 homes and cost a minimum of \$2.5 billion, officials said. A final decision by the utility to proceed could be a year or more away.

"I think that as folks take a step back and objectively look at the record and the statistics of the safety and dependability of nuclear power in this country, it's a striking performance record -- striking in a very favorable way," Progress Energy Florida President Jeff Lyash said.

The nation has 103 nuclear plants at 64 sites in 31 states. In Florida, there are five plants: one in Citrus County, two south of Miami and two near Fort Pierce, where the state's newest reactor began generating electricity in 1983.

For complete article click here: [http://www.orlandosentinel.com/news/local/state/orl-  
nukeplant1306dec13,0,1944479.story?coll=orl-news-headlines-state](http://www.orlandosentinel.com/news/local/state/orl-<br/>nukeplant1306dec13,0,1944479.story?coll=orl-news-headlines-state)

## Affordable housing solutions pitched at forum

Forum held at FGCU delivers legislative wish lists to state lawmakers

*Naples Daily News*

By Denise Zoldan

December 14, 2006

The pitches flew either fast and straight or slow and curved, and the pitchers sprang from equally different camps Wednesday.

Developers and government officials hurled divergent answers at Southwest Florida's affordable housing crisis during the Solutions '07 Southwest Regional Delegation Forum at Florida Gulf Coast University.

The daylong forum was designed to give state lawmakers a regional look at solutions to regional problems before they head back to Tallahassee for the 2007 legislative session.

And as affordable housing panel members tossed possible solutions at the crowd of nearly 150 government, business, and community leaders, more details of the much-heralded housing project for essential service workers in Collier County surfaced.

For complete article click here:

[http://www.naplesnews.com/news/2006/dec/14/affordable\\_housing\\_solutions\\_pitched\\_forum/?local\\_news](http://www.naplesnews.com/news/2006/dec/14/affordable_housing_solutions_pitched_forum/?local_news)

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### Opinion

## The Top 1% . . . of What?

*The Wall Street Journal*

By Alan Reynolds

December 14, 2006

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As many others have done, Virginia's Democratic Senator-elect Jim Webb recently complained on this page of an "ever-widening divide" in America, claiming "the top 1% now takes in an astounding 16% of national income, up from 8% in 1980." Those same figures have been repeatedly echoed in all major newspapers, including this one. Yet the statement is clearly false. The top 1% of households never received anything remotely approaching 16% of personal income (national income includes corporate profits). The top 1% of tax returns accounted for 10.6% of personal income in 2004. But that number too is problematic.

The architects of these estimates, Thomas Piketty of École Normale Supérieure in Paris and Emmanuel Saez of the University of California at Berkeley, did not refer to shares of total income but to shares of income reported on individual income tax returns -- a very different thing. They estimate that the top 1% (1.3 million) of taxpayers accounted for 16.1% of reported income in 2004. But they explicitly exclude Social Security and other transfer payments, which make up a large and growing share of total income: 14.7% of personal income in 2004, up from 9.3% in 1980. Besides, not everyone files a tax return, not all income is taxable (e.g., municipal bonds), and not every taxpayer tells the complete truth about his or her income.

For complete article click here: <http://online.wsj.com/article/SB116607104815649971-search.html?>

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### Quote of the Week

"Government, even in its best state, is but a necessary evil; in its worst state, an intolerable one."

—*Thomas Paine*

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### Cartoon of the Week



Jake Fuller, *The Gainesville Sun*

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### Speakers' Bureau

Need a speaker for your next event? JMI's team and network of scholars are available to headline or participate in your organization's next gathering. JMI staff will help you match the topic with the appropriate speaker. To learn more contact Thomas at 850-386-3131 or [Thomas@JamesMadison.org](mailto:Thomas@JamesMadison.org)

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