

# Flynn campaign: Exposes the false numbers of the Foxconn fiasco

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(Milwaukee) - In the wake of the Walker Administration's release of records on the corrupt Foxconn deal, Democratic gubernatorial candidate Matt Flynn today charged Walker with deliberately misleading the public about the deal's costs and benefits.

"I challenge Scott Walker to present Wisconsin taxpayers with an honest analysis of the Foxconn deal," said Flynn. "Step up and provide Wisconsin taxpayers with an evaluation that is based on current costs, employs standard financial analytical techniques, and is written in clear language."

Perhaps most significantly, Walker's analysis does not calculate the impact that Foxconn spending will have on the funds diverted away from schools, roads, or property tax relief. The report avoided any discussion of the terrible impact on the rest of Wisconsin's economy.

"Walker's Foxconn deal is taxing almost \$4.5 billion from taxpayers in Green Bay, Eau Claire, Portage, Racine, Rhinelander, and throughout Wisconsin to transfer to a Chinese company with a questionable past to pay for their cost of doing business."

Flynn noted several ways the same money could be spent that would have greater economic benefit:

- Wisconsin could lower taxes. Income taxes on middle income taxpayers and property taxes are already too high. We should lower those taxes before raising them to transfer to a foreign company.
- Wisconsin could send 427,000 students to Wisconsin state universities,

colleges, and technical colleges for free for 2 years.

- Wisconsin could provide 452,000 infants and young children with childcare, giving families peace of mind, no longer having to choose the care of their children over working.
- Wisconsin could fully repair our neglected roads and infrastructure, making us once again among the best in the country.

Flynn pointed to several ways the Walker Administration intentionally misled Wisconsin voters and taxpayers about the Foxconn agreement:

1. When calculating the return on the state's investment by 2044, Walker's cost/benefit analysis fails to account for the present value of the taxpayer money. Today's dollar is worth considerably more than a 2044 dollar because it can be invested and receive returns for the next 26 years. Flynn stated a discount rate of 4.5% should be applied in a revised analysis. This is the long-term interest rate that Wisconsin is currently charged when it must borrow. Applying the correct interest rate, Wisconsin's return of its investment will be delayed indefinitely.
2. Walker was informed by the Wisconsin Economic Development Corporation (WEDC) that Wisconsin did not want to start subsidizing Foxconn suppliers, and that neighboring states likely would. Walker extrapolated economic growth from work for Wisconsin suppliers when, in reality, those contracts are unlikely to go to Wisconsin firms. According to the Milwaukee Journal Sentinel, a state policy analyst told the state budget director, "A good portion of the suppliers appear likely to be out-of-state, and there is some question about what suppliers the company would actually bring with it."
3. WEDC hired Baker Tilly Virchow Krause LLP to assess the Foxconn deal. They indicated that 40-50% of jobs during the construction period and ongoing jobs associated with the project could be filled by people living outside Wisconsin. When Walker disapproved, they revised their report to say 0% of those jobs would go to nonresidents. In doing this, Walker has applied a fake multiplier.

Said Flynn, "A governor has to be truthful to Wisconsin voters. As governor, I will improve economic conditions here. I will also present real facts, not misleading rhetoric nor financial tricks that are designed to mislead you."

"When I am governor, I will file suit to rescind this contract. Wisconsin will once again be a model for other states," he continued. "Our history is one of national leadership in education, clean water, and clean and honest government. We must

re-invest honestly in our state. No more tax dollars for fiascos like Foxconn.”