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Cray Inc.  
P.O. Box 6000  
Chippewa Falls, WI 54729-0080  
tel (715) 726-4000

March 27, 2001

Co-Chair Senator Brian Burke  
Co-Chair Representative John Gard  
Joint Finance Committee  
State of Wisconsin

Dear Sirs:

I am writing to inform you of Cray Inc.'s support for the University of Wisconsin 2001-03 Budget Initiative for the Chippewa Valley to expand and enhance the local Computer Science, Software Engineering, and MIS programs.

Cray, often recognized as the origin of what made the Chippewa Valley one of the countries most respected technical centers, has always drawn on graduates of the local university system in CS and SW Eng., and to a lesser extent, the MIS programs. In recent years we have hired both interns and regular full time employees from these programs on a regular basis. We, and our local suppliers, have seen our needs for graduates with strong computer backgrounds grow over the years, and expect that need to continue to grow even faster in the next few years.

While Cray's local needs for better access to advanced educational opportunities in other engineering disciplines are even greater than our need for the software and MIS disciplines, we recognize the importance of enhancing those areas at this time. We believe that the growth of these programs over the years, and the need for continued expansion of what is already a strong, high demand area, demonstrates the ability of the Chippewa Valley to support technical education initiatives, and provides a strong foundation and a model on which we can expect to expand local technical education into other fields such as Electrical Engineering in the future.

Sincerely,

A handwritten signature in black ink that reads "David R. Kiefer".

David R. Kiefer  
VP of Hardware Engineering

**Extrusion Dies, Incorporated**

911 Kurth Road  
Chippewa Falls, Wisconsin 54729-1443  
715/726-1201 FAX 715/726-2205



**Timothy C. Callahan**  
President

March 27, 2001

Co-Chair Senator Brain Burke  
Co-Chair Representative John Guard  
Joint Finance Committee

Dear Mr. Burke & Mr. Guard:

As the worlds leader in Extrusion Die Technology we are one of the premier employers in the Chippewa Valley. Our ability to design and manufacture Precision Flat dies in Chippewa Falls, WI and export over 50% of our product outside of North America makes us a very unique Wisconsin company. The only way EDI will be able to compete in the global market place in the coming years will be through continued product innovation, improved technologies and creative, well trained people.

I feel I speak for many Wisconsin manufacturing employers when I say that continuously improving the skill base of our work force is critical to the long-term health and success of our company. We are an engineer to order company and as such, we rely heavily on computers and the related software applications from 3D Cad to MIS systems.

Simply put, without the great skills of our workforce we could not compete in today's global environment. I am sure that you both understand to critical role that our higher education system has on Wisconsin's global competitiveness. As a result, I am requesting that you support the Chippewa Valley Initiative.

We are having our ISO Quality Audit on the 28<sup>th</sup> so I will not be able to attend the joint finance committee meeting. However we have a very impressive, high tech business in Chippewa Falls and I would welcome the opportunity for you to visit our operations. You could see first hand how computer science and software engineering impacts our ability to compete on a day to day basis.

Please let me know should you be interested in a brief tour of our operations

Sincerely,

A handwritten signature in black ink that reads "Timothy C. Callahan". The signature is written in a cursive style and includes a small circular mark at the end.

Timothy C. Callahan  
President & CEO

Cc: CWC, SGS, JAU, John Regetz



Designers and manufacturers of high performance die systems

# *Riverside*

*Machine & Engineering, Inc.*

*Manufacturing Facility  
206 Cashman Drive  
Chippewa Falls, WI 54729  
(715) 726-2066 office  
(715) 726-2067 fax*

*Main Offices  
12797 Meadowvale Road  
Elk River, MN 55330  
(612) 441-1855 office  
(612) 441-0798 fax*

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*Quality • Service • Innovation*

March 27, 2001

Co-Chair Senator Brian Burke  
CO-Chair Representative John Gard  
Joint Finance Committee  
State of Wisconsin

Dear Sirs,

I am writing to you to express my support for the Chippewa Valley Budget Initiative which is proposing expanding the computer sciences at UW Eau Claire. This expansion is important for Riverside Machine & Engineering in several ways.

Riverside is involved with manufacturing of Medical Devices and Implants and is very dependent upon the use of computers and computer applications for our business. With this dependency, we require individuals who can utilize this equipment in an efficient manner. As we continue to grow we will need qualified personnel to optimize these investments.

Another reason this proposal is important for us is we also manufacture computer hardware components for some of the local computer manufacturers. With more expertise in the area of systems design, we will see these companies grow and therefore help us to grow with them.

Please help the Chippewa Valley continue it's economic burst by implementing the aforementioned proposal in the next state budget. Riverside appreciates your consideration on this matter.

Thank you for your support.

Sincerely,



Tim Kilness

Chief Operating Officer

Electronic Materials  
Honeywell  
234 Cashman Drive  
Chippewa Falls, Wisconsin 54729  
715 720-5300  
715 720-5330 Fax

March 27, 2001

John Regetz  
Executive Director  
Chippewa County Economic Development Corporation  
10 S Bridge Street  
Chippewa Falls, WI 54729

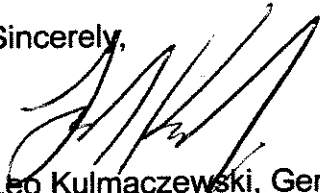
Dear Mr. Regetz:

It is with great pleasure I write this letter in an effort to support the Chippewa Valley Initiative.

As a technology-based company in the Chippewa Valley, I realize how difficult it is to attract and maintain engineering and MIS talent. I believe the budget initiative will be a step in the right direction to help grow and maintain educated talent right here in the Chippewa Valley.

Please do not hesitate to call me if you have any questions and good luck with this very important proposal.

Sincerely,



Leo Kulmaczewski, General Manger  
Honeywell Advanced Circuits



## EAU CLAIRE TRANSIT

910 Forest Street  
Eau Claire, WI 54703  
(715) 839-5111  
(715) 839-1693 FAX  
[gvandenh@ci.eau-claire.wi.us](mailto:gvandenh@ci.eau-claire.wi.us)

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### JOINT FINANCE COMMITTEE MARCH 28, 2001 Chippewa Valley Technical College Eau Claire, Wisconsin

Testimony: **Gwen Van Den Heuvel**  
Transit Manager  
City of Eau Claire  
(715) 839-5111

*Representing the Wisconsin Urban Transit Association (WUTA)*

### ***Public transit in Wisconsin is vital to the economic health of our communities!***

Every day thousands of people are transported to work on public transit systems, enabling low-income families to attain and maintain self-sufficiency, and helping employers to fill open positions in an unprecedented tight labor market.

Special populations (i.e., elderly, disabled and low-income) depend on transit to meet their personal and social needs. This allows these individuals to uphold their independence and productivity within our communities.

Public transit is an important partner in dealing with pressing community issues. For example, here in Eau Claire we had difficulty accommodating a growing University population. Neighborhoods surrounding the University were concerned about the ever-increasing auto traffic, and the University did not have adequate parking facilities. In 1997, Eau Claire Transit entered into contract

with the University of Wisconsin – Eau Claire to provide additional bus service. The service was paid for by student activity fees, and allowed all UWEC students and faculty to ride city buses at no charge. This joint venture has been wildly successful, with University ridership reaching record-setting levels this past winter—sometimes more than 40,000 rides per month! Visitors can once again park on the University campus, and there is far less traffic congestion in the surrounding neighborhoods.

***Public transit is a low-cost, EFFICIENT means of increasing our communities' economic vitality.***

In Eau Claire, our budget breakdown is as follows:

- 62% Employee wages and benefits
- 16% Bus maintenance and insurance
- 17% Purchased transportation for paratransit (ADA) service
- 5% Building rental, advertising, postage, printing, training, etc.

Like our Wisconsin peer transit systems, we operate a “tight ship.” We are proud of our ability to deliver high quality transportation services, while still maintaining responsible stewardship of the tax dollars we receive.

It should also be noted that time and again, when the Wisconsin Department of Transportation (WisDOT) has conducted comparisons, they have ***consistently*** found that Wisconsin’s public transit systems out-perform their national peers.

***Governor McCallum’s proposed public transit budget for the next biennium is 2.5% each year. THIS SIMPLY IS NOT ENOUGH TO MEET RISING UNCONTROLLABLE COSTS!***

Public transit systems have been hit hard the past year by rising fuel costs—not only diesel fuel to run the buses, but also natural gas costs to heat our facilities. In addition, we have all been affected by labor shortages. Transit systems are struggling to recruit and retain the type of employee necessary to transport our very precious human cargo. It is imperative that we remain competitive in the workforce, and we can only do this by offering fair wages and benefits. It will take additional funding to remain competitive, particularly to meet the expense of skyrocketing health insurance premiums.

*WUTA respectfully requests budget increases of 6% each year of the next biennium so that we might maintain current service levels.*

***WUTA is vehemently opposed to Governor McCallum's budget stipulation that proposes to penalize transit systems by withholding state funds, if a particular system experiences cost per passenger increases greater than the Consumer Price Index.***

Again, public transit systems are struggling to meet sharply rising uncontrollable costs, such as diesel fuel, natural gas and health insurance premiums. Furthermore, we are experiencing incredible demand on our paratransit systems. Paratransit is the specialized transportation service for elderly and disabled individuals that is mandated by the Americans with Disabilities Act. Transit systems in Wisconsin, on average, have seen demand for this service increase over 500% in the last six years! And our cost per ride is increasing just as greatly. Here in Eau Claire, our cost per passenger on our city buses is roughly \$2.75. In contrast, our cost per paratransit ride in 2001 will be \$10.30.

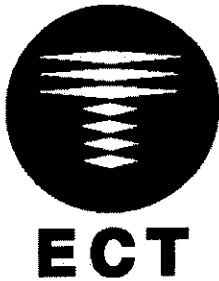
Most municipalities opt to contract paratransit service out in order to save money, and we are finding it more difficult to find contractors willing to provide the service. Our paratransit contractors have been devastated by unexpected high fuel costs. Here in Eau Claire, our private, non-profit contractor is barely surviving under other escalating costs, such as labor, health insurance and vehicle insurance. They needed a 10% increase in their contract this year in order to remain in operation, and they expect they will need at least that much, if not more, in order to stay afloat next year. *Under Governor McCallum's proposal, the City of Eau Claire would be penalized for increasing our contract with our paratransit provider to deliver a **federally mandated** transportation service. State transit funding could be withheld, which would result in severe service cutbacks, ultimately affecting the financial stability and independence of hundreds of community members.*

Please keep in mind that two years ago the State Legislature implemented performance standards for all its public transit systems. WisDOT evaluates transit system on a yearly basis in six areas of performance indicators, and they have the authority to penalize systems that fail to meet the guidelines that have been set forth.

*On behalf of WUTA, I would like to thank the Wisconsin Legislature for your past support of public transit! We implore you to continue to recognize the vital role transit plays in the economic welfare of Wisconsin's communities. We ask that*

*you **increase public transit funding by 6% each year of the biennium** to account for uncontrollable costs, and we ask that you continue to trust the expertise of WisDOT officials in evaluating and addressing transit operational efficiencies.*





# ***Eau Claire Transit***

***March 2001***

- Ridership on Eau Claire Transit buses has increased 35% since 1997. ***Eau Claire Transit is on the go!***
- We provided 896,873 rides last year, and we anticipate we will hit a **MILLION** rides in 2001. ***Eau Claire Transit is responsive to community transportation needs.***
- Who rides Eau Claire Transit? WORKERS. Approximately 60% of all non- UWEC passenger trips are work-related. ***Eau Claire Transit connects people to jobs.***
- Seniors, students and disabled individuals (developmentally and physically) comprise our next largest groups of riders. ***Eau Claire Transit helps people remain independent within the community.***
- Since 1997, we have contracted with UWEC to provide additional University bus service. UWEC students now comprise our largest group of passengers, with ridership averaging 25,000 trips per month. This partnership has reenergized our transit system and greatly reduced the traffic congestion in the neighborhoods surrounding the University. ***Eau Claire Transit is a vital community collaborator.***

**Timetables are  
not available  
on this map.**

**Please ask your  
Bus Driver for  
individual route  
schedules.**

**For help in  
planning your  
route, please call  
Eau Claire Transit  
at 839-5111.**

**Office hours are  
7:30a.m. – 5:00p.m.  
Monday through  
Friday.**

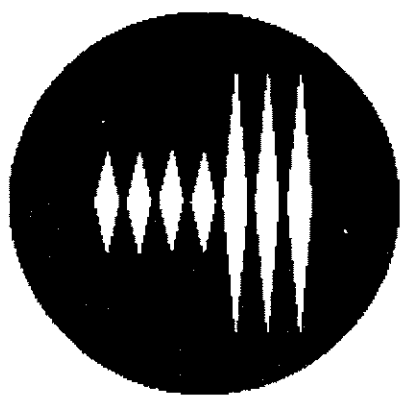
**EAU CLAIRE  
SPECIAL  
TRANSPORTATION**

Most of the city buses are low-floored and equipped with wheelchair ramps. However, some elderly and disabled passengers may be unable to utilize the city buses.

These individuals may qualify for door-to-door bus service through Eau Claire Special Transportation.

Cost of this service is \$1.80 per one-way trip, and one attendant may accompany a passenger at no cost.

**For more information on  
Special Transportation  
services, please call  
(715) 835-4241 between  
8:00 a.m. – 4:30 p.m.,  
Monday through Friday.**



**ECT  
EAU CLAIRE TRANSIT**

**ROUTE  
MAP**

**Effective January 2001**

**EAU CLAIRE TRANSIT  
910 Forest Street  
Eau Claire, WI 54703  
(715) 839-5111**

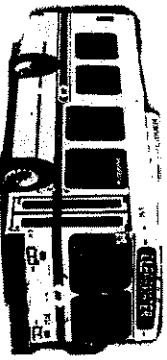
# HOURS OF OPERATION

6:00 a.m. – 10:30 p.m.

Monday – Friday

8:00 a.m. – 6:00 p.m.

Saturday



**Buses do not operate on New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving or Christmas Day**

# FARES

Regular Cash Fare	\$ .90
Elderly (65+)	.45
Disabled	.45
<i>(All include one free transfer.)</i>	

Regular Fare Tokens 6/\$5.00  
Elderly/Disabled Tickets 10/\$4.00

Monthly Regular Pass \$30.00  
Elderly/Disabled Pass 15.00  
Student MAX Pass 20.00

**Preschool children ride free when accompanied by an adult. Two children per adult may ride free; third child must pay regular fare.**

Seniors must show proof of age or a Medicare card to receive half-fare.

Disabled passengers must show a Medicare card or a Reduced Fare card to receive a half-fare. Call ECT at 839-5111 for an application for the Reduced Fare card.

**EXACT FARE REQUIRED!  
Drivers do not make change.**

# HELPFUL HINTS

## Bus Stops

You may catch the bus at any corner along the bus route. Buses make near-side stops at most corners, unless traffic conditions are unsafe.

Drivers will not stop at driveways or on highways.

*(Please note that persons catching Route 9 – University MUST board and alight at designated bus stops.)*



## Boarding the Bus

Please have your exact fare or bus pass ready, and wait for departing passengers before you board. Front seats should be reserved for elderly and disabled passengers. **Remain seated until the bus has come to a complete stop!**

## Transfer Tips

All bus routes meet downtown at the Transfer Center. One free transfer per cash fare may be obtained when you board the bus. To avoid missing a connection, notify the bus driver of the route to which the transfer will be made.

March 28, 2001

TO: Members of the State Joint Finance Committee

FROM: Gaylord Oppegard, chair, Chippewa Valley Woodland Owners Association

RE: Proposed state budget regarding DNR foresters

I am speaking on behalf of the Chippewa Valley chapter of the Wisconsin Woodland Owners Association. WWOA was established in 1979 to educate members in the wise management of Wisconsin woodlands for timber production, wildlife habitat and recreation.

County DNR foresters are busier than ever. I have spoken recently to four area foresters who wonder how they will get everything done they are required to do. They need help and I encourage you to add money to our state budget to hire more foresters and equip all DNR foresters with the tools they need. Today those tools may be cell phones and computers rather than axes and chainsaws but it is necessary to make room in our budget for the nuts and bolts of the technological age for efficient use of their time and energy.

County DNR foresters are busy with all the new landowners on the scene. The number of landowners in Wisconsin has roughly doubled since the 1960's. Landowners are using the Managed Forest Law to hold down tax bills until timber is sold. They save on their tax bills while preserving woodland for future use and enjoyment. The number of MFL applications that foresters are required to complete has increased dramatically. We need to hire additional foresters to process applications before due dates.

Land use decisions will be priority items for government officials, indeed, for all Wisconsin citizens. DNR foresters are important to steer us to wise choices for our woodlands. Poor choices are being made now. With the poor farm economy farmers are selling portions of their woodlots in order to stay in farming. Because of this we are seeing our large blocks of forested land divided piecemeal, losing an important feature of Wisconsin's diverse ecology. Some landowners sell off all available timber at one time to gain immediate income and the sustainable growth of the woodlot is lost. Both new, inexperienced landowners and old hands need the guidance of DNR foresters to maintain healthy, productive forests. We need to strengthen the hand of educated DNR foresters to protect both public and private interests in woodlands.

Those of us who live in the Chippewa Valley shake our heads at land use decisions made 150 years ago. The white pine forests here at that time were squandered by our ancestors. They destroyed more timber than they used. We need to hire and support DNR foresters in our state budget. They are the people who will educate us in the wise use and enjoyment of Wisconsin's forests. With their help we can insure beautiful, productive forests for future generations. *I urge you to support our forestry budget*

Thank you for your consideration in this matter.

*Gaylord Oppegard*

March 28, 2001

Co Chair Senator Brian Burke  
Co Chair Representative John Gard  
Joint Finance Committee  
State of Wisconsin

I SUPPORT the Chippewa Valley Budget Initiative. UWEC has proposed about \$4 million to expand our Computer Science, Software Engineering and MIS programs with increased state support.

This will drive economic development and create higher paying jobs in the Chippewa Valley. One company here opened a second office out of state for lack of trained computer personnel.

\* We have dozens of small computer companies here capable of significant growth, if trained computer personnel are available.

The state funding would help create:

- 10 new faculty in CS and MIS
- Increase the students from 1400 to 1600
- Serve 340 more students in courses
- Build 2 new labs for software design and systems control design.

Sincerely,

Gerald Hamilton, CPA Retired  
4500 Kensington Ct Eau Claire, WI 54701

*Others from Mike Schatz  
Eau Claire*

## CELESTICA

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925 1<sup>st</sup> Avenue  
P.O. Box 5000  
Chippewa Falls, WI 54729-5000

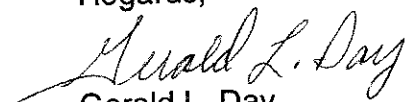
Phone (715) 720-6400  
FAX (715) 720-6370

From: Gerald L. Day  
To: Joint Finance Committee  
Date: 3/28/01

An important key to a strong local economy and the growth of its high tech businesses are strong, higher education institutions. Our business depends on qualified candidates who are ready to take on the challenges of the high tech work environment, which is developing here in the Chippewa Valley. Adding important resources will not only allow additional high school graduates the opportunity to gain a software degree locally, it will be an important offering for mature students wishing to further their education. Improving curriculum and capacity at our local universities will be an important factor in growing our business and attracting other high tech businesses to the Chippewa Valley.

Celestica has been an important part of the local economy's growth over the last several years. We urge the Joint Finance Committee to approve the funding for adding qualified faculty and laboratory space to enhance the local management information systems, computer science, and software engineering programs. This is not only important to our business, but to all of the Chippewa Valley's high tech businesses.

Regards,



Gerald L. Day  
Director of Engineering  
Celestica Corporation--Wisconsin Operation

# Advanced Computer Enterprises™



State of the Art in Non-Emergency Transportation Software

April 03, 2001

To: Joint Committee on Finance members

Re: Wisconsin's Specialized Medical Vehicle Program.

Dear Finance Committee member,

Thank you for taking the time to read this packet. I am very much aware that your time is limited but it is extremely important that you and your colleagues understand what is happening to the people providing the means Wisconsin uses to get elderly and disabled people to their medical appointments.

Without exaggeration, if something is not done soon, the current catastrophe involving SMV service providers will worsen beyond repair. For many elderly and disabled Wisconsinites the effect will be an inability to get to their medical appointments. The ramifications and costs the State faces if this situation is allowed to continue are considerable. Not the least of which is the personal tragedy of folks not being able to get to facilities where they can receive medical care.

Over time, Wisconsin tax payers will wind up paying for increased use of ambulance services for what would normally be considered "Non-Emergency" transportation. Additional medical bills for problems exasperated by an inability to access adequate treatment and / or preventive care. And premature, costly confinement to nursing home facilities.

The information this packet contains was designed to provide policy makers with helpful information concerning the current crisis in Wisconsin's SMV program.

This packet includes:

- Background information.
- An "SMV Cost Increase since 1992: Estimate"
- An "SMV Reimbursement comparison: Wisconsin vs. Minnesota"
- An example of SMV reimbursement rates adjusted for inflation and proposed rates that would bring SMV providers back to the financial position they were in on July 1, 1992.
- Budget impact estimate.

I am very appreciative of the opportunity to bring this information to your attention at a time when financing priorities are being considered. Please let me know how I can be of further assistance.

Sincerely, Jeffrey T. Stevens.

(715) 536-9800 W4609 Pope Road \* Merrill WI 54452 (800) 236-7930

# Advanced Computer Enterprises™



## State of the Art in Non-Emergency Transportation Software

**Background:** Specialized Medical Vehicle program.

As I understand it the SMV program began as a complement to the "In Home Health Aide" program.

In the early years the program worked well, cutting substantially the dollars that would have gone to nursing home care. Most SMV's operated in urban areas. In the middle to late 1980's SMV providers began to spring up all across the State providing this valuable service to an increasing number of citizens in rural areas. As this occurred, those who watch over how tax dollars are spent began to take notice. It appeared to them that the cost of this very small program was increasing at what seemed a disproportionate rate compared with the rest of the budget. *(I believe they failed to understand the reason for much of the accelerated spending was due to the SMV program opening up to citizens in rural areas.)*

The Department initiated a round of audits for SMV providers. An effort was made to "see what was going on out there" and to try to get a handle on the increase in spending. About that time an audit of the Department of Health Care Financing concluded that the SMV program had been poorly managed. Many SMV providers were ignorant of the rules and some were fraudulently draining money from this small but vital program.

Following the audit of the Department by the Legislative Audit Bureau, things began to change. However, instead of addressing the underlying causes of the problems with the SMV program *(such as ease of entrance into the program coupled with a lack of education for providers)* in a genuine effort to make the program healthy again, a much more short sighted approach was taken. It was decided that a cut in rates combined with additional "Trip" and "Eligibility" verification paperwork would solve the problems.

Think about that for a moment... Cut the pay. *(Which was certainly not too high! - witness the cost, difficulty and risk involved in this service, comparable rates paid by other states and the current, embarrassing state Wisconsin's SMV program is in due directly to the 1992 rate cuts.)* Then add on a huge burden of paper work and new vehicle requirements which meant the cost of providing the service skyrocketed.

As far as I know the goal in the early 1990's was to solve the problem of fraud and thereby strengthen the SMV program and reduce its overall cost. The policies adopted to attain that goal have not worked.

### Where we are today:

Today there exists a crisis in the SMV program.

#### SMV provider count:

February, 1997	318
March, 2000	220
February, 2001	174

Some of the providers on the most recent list I have are newly started businesses. The number of active SMV providers has decreased by 45% over the last few years. In excess of 50 providers have been forced out of business in the last year alone. Many of these former providers would tell you that reimbursement rates simply are not sufficient to enable them to continue providing service.

The problem is disproportionate in rural areas *(where there are no buses or taxis)* because of the structure of the reimbursement rate cuts of 1992. Right now only a small handful of providers cover the northern third of the State. Increasingly, vulnerable people, especially in rural areas are unable to get to their medical appointments.

**(715) 536-9800    W4609 Pope Road \* Merrill WI 54452    (800) 236-7930**



# Advanced Computer Enterprises™



State of the Art in Non-Emergency Transportation Software

## Conclusion

SMV Transportation is unique. While it is Non-Emergency, it has an immediacy, variability and logistical scope that is unlike any other medical service provided.

SMV stands for Specialized Medical Vehicle! SMV's are not buses or taxis. They provide a much higher level of service than a bus or a taxi at a much lower cost than an ambulance. *(Much of the transportation now provided by SMV's used to be handled by ambulances.)*

Using the SMV program and billing directly to the State for services provided brings the much needed cohesion and flexibility recipients and medical staff must have. The medical establishment is such that people must be able get to a wide variety of medical services, provided in a wide variety of locations, often on very short notice.

Including Non-Emergency Medical Transportation in the "Family Care" "CMO" program is proving to be a prime example of how not to try to provide this type of transportation.

We must breathe new life into fast fading rural operations soon! SMV is most critically needed in these areas. *(There are only a handful left serving the entire northern third of the State)*

Thank you for taking the time to look into this issue. If I can be of further service please don't hesitate to contact me.

Sincerely,

Jeffrey T. Stevens  
W4609 Pope Rd  
Merrill WI 54452  
(715) 536-9800  
jtstevens1@juno.com

P.S. *There are now a critical number of SMV units with excessively high odometer readings. One of the main reasons some providers have decided to stop providing service is because they can not afford to replace old vehicles and will therefore not be able to re-certify.*

*On May 1, 2002 a "grandfather clause" expires, (Trans 301.13 (3)), which will effectively remove a large number of vehicles from service unless costly changes are made to said vehicles. There are no funds in the industry to replace these vehicles or to make the needed changes. Unless something is done now, to plan for these mandated expenditures, on May 1, 2002 a large percentage of the current fleet will be placed "Out of Service" with no replacements available.*

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## SMV Cost Increases since 1992: Estimate

	Approximate cost increases since 1992	Note:
Vehicle	30% - 40%	
Conversion	100%	At least half of the added cost in this category is due to regulations placed in effect during or after 1992.
Insurance	100% +	One provider recently reported a premium increase from approximately \$12,000 to \$32,000 to insure the same 7 vehicles for the coming year. Needless to say, they are desperately trying to find another carrier.
Wages	40% - 50%	With any increase in wages goes an increase in taxes and other expenses associated with employee maintenance.
Vehicle Repair	50% - 75%	Hourly rates at Dealerships have gone from \$30.00+ to \$50.00+ per hour. Cost of parts, in many cases has doubled.
Gasoline	50% +	
Office + other business expenses	30% - 50%	Depends on each unique situation.

*Note: Above are examples of the rising costs of doing business for Wisconsin's SMV providers. As you can see, costs have skyrocketed. Unfortunately, providers have not been adequately or fairly compensated since 1992, putting Wisconsin's M.A. transportation program in serious jeopardy.*

# Advanced Computer Enterprises™



State of the Art in Non-Emergency Transportation Software

## SMV Reimbursement comparison: Wisconsin vs. Minnesota

### Wisconsin:

Base Rate: (subtract 1 <sup>st</sup> 5 miles)	\$10.62	Plus a \$1.00 Recipient Co-Payment for recipients not in Nursing homes.
Stretcher Base Rate (subtract 1 <sup>st</sup> 5 miles)	\$10.62	Plus a \$1.00 Recipient Co-Payment for recipients not in Nursing homes. Requires additional paper work.
Loaded Miles (charged only after 1 <sup>st</sup> 5 miles)	\$1.22	Per Loaded Mile.
Waiting Time	\$4.47	Far below even minimum wage! The small businesses providing this service must pay out at least \$10.00 per hour. (Wage, worker's comp, etc.) Not to mention tying up a \$25,000 vehicle for that hour.

There is also some nominal reimbursement for unloaded mileage after 20 miles and only up to 90 miles.

### Minnesota:

Base Rate:	\$15.00	No Recipient Co-Payment.
Stretcher Base Rate	\$36.00	No Recipient Co-Payment.
Loaded Miles	\$1.30	Mileage begins with the first mile.

For a 5 mile, one way trip a Minnesota provider is paid \$21.50 and a Wisconsin provider is paid \$11.62, \$1.00 of which must come from the recipient. The Wisconsin provider must spend time and money trying to collect that dollar and often never gets it.

Both providers are doing the same job with the same equipment except the Wisconsin provider has a greater documentation burden. Redundant paper work is labor intensive and costly, further depleting the \$10.62 an SMV provider is reimbursed for this much needed service.

Only a few years ago Minnesota found itself in the same position Wisconsin is now in. They too had allowed their specialized transportation system to fall into disarray. Over the last few years they have taken major steps in the area of reimbursement rates (Increasing from \$10 to \$15 base rates, etc.) in an effort to revitalize this unique service in their State. Wisconsin must follow suit soon.

(715) 536-9800 W4609 Pope Road \* Merrill WI 54452 (800) 236-7930

# Advanced Computer Enterprises™



State of the Art in Non-Emergency Transportation Software

## SMV reimbursement rates.

	Base	Loaded	Waiting
Pre - July 1, 1992	12.25	1.26	5.97
July 1, 1992	11.05	1.17	4.25
Current	10.62	1.22	4.47
	+1.00 co-pay - Often uncollectible.		

## SMV reimbursement rates adjusted for inflation.

	Base	Loaded	Waiting
Pre - July 1, 1992	12.25	1.26	5.97
Average annual inflation rate 4% Through July 2001	17.44	1.79	8.50

## Proposed SMV reimbursement rates.

Base Rate (Remove 5 mile deduction) (Remove 1.00 co-pay)	11.62	Miles 1	2	3	4	5
		13.37	15.12	16.87	18.62	20.37
Rate per Loaded Mile	1.75					
Rate per Unloaded Mile (Beginning at 10.1 miles)	.50					
Rate per hour - Waiting Time	20.00					

Adjusted for inflation, these proposed rates would only bring SMV providers back up the financial position they were in on July 1, 1992. (Excluding new costs of conforming to additional rules and regulations placed in effect since that time.)

In the mean time, there has been nearly a decade of fiscal decline which is responsible for the decay of the infrastructure in the industry.

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## Budget impact estimate:

Specialized Medical Vehicle Program Expenditures

### Year 2000

Wisconsin Share	Federal Share	Total
\$10,129,200	\$14,176,700	\$24,305,900

Figures obtained from Bureau of FEE-FOR-SERVICE Health Care Benefits  
Division of Health Care Financing

### Needed Increase: Year 2001

Wisconsin Share	Federal Share	Total
Approx. \$5,000,000	Approx. \$7,500,000	Approx. 12,500,000

### Total SMV Expenditures: Year 2001

Wisconsin Share	Federal Share	Total
Approx. \$15,500,000	Approx. \$22,000,000	Approx. 37,500,000

*Note: This increase merely brings the Specialized Medical Vehicle program back near the level of 1992 reimbursement rates adjusted for inflation.*

*This funding level request is not an exaggeration of the need! It is absolutely necessary if we are to stabilize a program that actually saves a great deal of money for the State in the overall system of Health Care Delivery in Wisconsin.*

*If little or nothing is done now, we will see another situation similar to what happened in Dental care. The difference being, SMV provides access to the entire range of medical care. Therefore, the loss of SMV will have wide ranging effects on the entire system, including costs and the overall health and well being of recipients.*

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**JOINT COMMITTEE ON FINANCE**

**April 4, 2001**

**St Joseph's Hospital  
Marshfield, Wisconsin**

**Remarks By: Greg Seubert, Transit Director, City of Wausau**

**Representing: City of Wausau and the Wisconsin Urban Transit Association (WUTA)**

**Thank You!** - First, I would like to thank the members of the Legislature for their support and passage of the transit funding bill (AB37), which was recently sent to the Governor. The bill will make funding more predictable for all transit systems in Wisconsin. I would also like to thank you for conducting these hearings throughout the state, and offering the citizens of Wisconsin the opportunity to be heard.

**The Role of Public Transit** - The City of Wausau has a proud history of public transportation, dating back to the first street car, which was introduced in 1906. Although we no longer operate street cars, we still carry thousands of passengers each day traveling to work, school, doctor appointments, and other activities. It is public transit that enables elderly, disabled and low-income citizens to attain and maintain self-sufficiency. Without public transit, many would be unable to be independent and productive within our community. For many of these people, we are the only source of transportation available to them.

**Public Transit Has Many Faces** - Public transit in Wisconsin is not limited to the big cities of Madison and Milwaukee. In fact, there are 12 medium sized bus systems, 7 small bus systems, 42 shared ride taxi systems and 4 rural transit systems. 26 urban areas across the state are served by public transportation.

**We Out Perform our Peers** - Wisconsin transit systems consistently outperform their peers nationally according to analysis performed by the Wisconsin Department of Transportation. For example, Milwaukee had a 15% lower cost per hour and 89% more riders per capita compared to similar sized transit systems across the U.S. The twelve

medium sized systems in Wisconsin had a 17% lower cost per hour, and 22% more riders per capita compared to their peers. In short, Wisconsin transit systems provide effective and efficient public transportation in communities throughout the state.

**We Are Accountable to Taxpayers** - Transit systems in Wisconsin rely on a strong funding partnership that exists between the State of Wisconsin, the Federal government and local municipalities. Transit is one of the few municipal services that crosses municipal boundaries and tries to address the needs of the larger community. Each of the funding partners scrutinizes our operations and our budgets regularly. We are audited annually by an independent auditor and by WisDOT. We are audited every three years by the Federal Transit Administration (FTA). WisDOT conducts a Management Performance Review every 5 years, and the FTA mandates that we conduct a Transportation Development Plan every 5 years. In addition, the Legislature implemented performance standards two years ago for all transit systems. WisDOT evaluates transit systems annually in 6 areas of performance and they have the authority to penalize systems that fail to meet the guidelines. Transit systems are indeed accountable to the taxpayers and have been good stewards of public funding.

**Transit's Role in Economic Growth** - Wisconsin's welfare reform initiatives and healthy economic growth have significantly increased the demand for transit service expansion. Employers trying to fill openings during 2<sup>nd</sup> and 3<sup>rd</sup> shifts are requesting that transit routes be operated later in the evening. Employers in suburban areas and outlying industrial parks are requesting transit service in an effort to combat labor shortages that limit the growth potential of their businesses. Transit services to outlying job sites are considerably less efficient than bus routes in more urban transit corridors. As a result, most transit systems find it difficult to justify service to these areas. Please note that the Governor's proposed cost per passenger performance standard would make it far less likely that service will be expanded to these areas.

**Governor McCallum's proposed public transit budget for the next biennium is 2.5% each year. This is not enough to meet increasing demand and rising costs that are beyond our control** - Public transit systems have been hit hard by the skyrocketing costs for fuel, utilities and health insurance. At the same time we are being asked to expand service to provide access to jobs and deal with the ever increasing demand for federally mandated ADA paratransit service for the disabled. Most transit systems competitively procure this service from private sector providers in order to reduce cost. However, an increasing elderly population, a lack private sector competition, and the limitations imposed by the ADA make it very difficult to control the cost of this program. Transit systems in Wisconsin, on average, have seen demand for

paratransit service increase by 500% in the last six years. In Wausau, paratransit demand has increased by more than 600% in the last six years. We have projected our costs will increase by 21% in 2001 as a result of an 11% increase in ridership and a 13% increase in our cost per trip.

On behalf of WUTA and the City of Wausau, I would like to thank you for your past support of public transit. I encourage you to continue to recognize the vital role that transit plays in the economic welfare, mobility and quality of life of the citizens we serve. I ask that you **increase public transit funding by 6% each year of the biennium** to help us deal with the increased demand for transit service and the ever increasing costs that are beyond our control. I also ask you to trust the expertise of WisDOT officials in evaluating and addressing transit operational efficiencies. I would be happy to address any questions you may have.



Submitted by: Richard R. Wentzel  
1531 Cedar Hedge Rd.  
Edgar, WI 54426  
715-687-4391

4/4/01

**Items to address in the State of Wisconsin 2001-2003 Biennial Budget  
Budget:**

**Recycling--Continue State Support for Recycling**

Recycling is wildly popular in Wisconsin. In 1999 there were 759,600 tons of material recycled in Wisconsin, averting the need to open at least one new landfill every year since 1990. Wisconsin citizens and businesses have made huge strides in reducing their waste, saving tax dollars and supporting entrepreneurs in creating "treasures from trash."

When the state established mandatory recycling, it promised to provide financial support for 2/3 of the local community costs. In recognition that local governments have limited methods of raising revenues and that the benefits of recycling go far beyond each community's borders.

However, a January 2001 report by the Legislative Audit Bureau found that state support for recycling in 1999 (\$24.5 million) covered only 30% of local program costs, a figure constantly declining since passage of the law. The Governor's budget would further reduce that support by 45%, shifting even more costs to local governments. In addition, the budget eliminates 11 of 19 DNR staff for recycling, plus all the recycling staff of UW-Extension and the UW system (4.5 staff total).

The DNR's budget proposal would have added a landfill surcharge of \$1.55 a ton to raise enough funds to continue state financial support to local programs at \$24.5 million. This proposal has the support of the Wisconsin County Solid Waste Management Association, a statewide group representing the state's 72 counties. WCSWMA also called for the tipping fee to increase by the Consumer Price Index (CPI) and to exempt these costs from local cost controls. WCSWMA supports restoring the staff at UW-Extension and UW Systems.

Continued success of community recycling programs depends on continued state funding for local recycling programs, using landfill surcharges (tied to CPI) to raise this revenue. Communities cannot individually hire technical staff, so the Budget should restore staff positions at the DNR and of UW-Extension.

## **Water Quality Programs at DNR need to be funded by retaining two Fee transfers from WisDOT.**

River and lake protection programs are funded by a transfer from the Transportation Budget based on 50 gallons per motorboat. DNR proposes to better reflect the increased horsepower of motorboats by increasing the amount to 100 gallons and counting the number of motorboats in the state. The DOT wants to end this transfer and keep the money for highway purposes. Water quality also benefits from a fee of about \$7.50 per used vehicle sold and deposited with DNR for urban/rural polluted runoff programs. DOT wants to capture this fee for highway purposes.

Reflect reality---raise the fees and protect water quality programs at the DNR.

The State Budget **should not** include pollution secrecy or a proposal to split the DNR into two agencies.

## **Remove Pollution Secrecy (Self-Audit Privilege)**

Pollution Secrecy (Self-Audit Privilege) bills have been defeated in each of the last three legislative sessions. Now Rep. Mark Duff has succeeded in getting the Governor to insert his failed bill language into the State Budget. Pollution Secrecy grants industries the privilege to do their own reporting and inspections without government review and without any penalties for violating clean air and water standards. Imagine telling the Internal Revenue Service: "Yes, I know I don't pay my taxes, but since I'm telling the IRS, you cannot penalize me."

## **Don't include a proposal to split the DNR into two agencies**

The DNR is a fully integrated environmental and conservation agency. Clean water and clean air are critical to healthy and plentiful fish and wildlife and forests. Proper forest management protects our streams and lakes and purifies our air. These ecosystem connections are intricate and endless. Coordinated planning and implementation of policies affecting these collective resources makes Wisconsin's natural resource programs more effective and ultimately more efficient. Splitting off any of these programs weakens the whole and leads to poor fiscal and environmental decisions.

Dividing the DNR into two separate agencies was proposed and defeated last legislative session. It is a bad idea for several reasons. A similar action in Michigan about 4 years ago was estimated to cost over \$4 million; since the full amount was never appropriated, programs and staffing were cut back in both agencies. DNR field offices have been reorganized along Geographical Management Units (GMUs) with integrated multi-disciplinary staff teams to address pollution and conservation issues in an

integrated fashion. Separating these functions would be counterproductive.



**TESTIMONY ON  
2001-2003 STATE OF WISCONSIN BUDGET  
(SB 55/AB 144)**

Presented to the Joint Finance Committee  
April 11, 2001

Victor M. Boyer  
Vice President - Government Relations  
Forward Janesville, Inc.

Mr. Chairman and Committee Members:

Good afternoon. My name is Vic Boyer. I'm Vice President for Government Relations with Forward Janesville, Inc. and I'm representing that organization this afternoon. Forward Janesville is a private-sector economic development organization representing more than 700 businesses in the Janesville area. We thank you for this opportunity to provide a few brief comments about Governor McCallum's proposed budget.

There are four specific items in the Governor's budget that we would like to address today. First, we fully support the Governor's proposal to replace the current three-factor corporate apportionment formula (sales, payroll, and property) with a single-factor formula based only on sales. As you are aware, surrounding states such as Illinois, Iowa, Minnesota, and Michigan have changed to a single-sales factor formula placing Wisconsin at a competitive disadvantage for future attraction, retention, and expansion of corporate headquarters. We believe this issue is extremely critical to the future economic success of our state and region. We therefore urge you to again support these proposed changes as many of you did two years ago.

Second, we support the Governor's recommendation to create up to twenty technology zones to promote development and expansion of high-technology businesses in Wisconsin. If structured properly, these types of zones could be a critical component

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in a comprehensive program to assist new and emerging enterprises, as well as existing employers who may want to upgrade to the latest technology. As the details of this proposal are worked out, we encourage you to adopt a very broad and flexible definition of "high technology" that includes high technology applications in existing enterprises, not just research and development facilities.

Our third issue concerns a provision that would apply the sales and use tax to sales of custom computer software. This proposal would treat custom computer software the same as off-the-shelf software. We believe this is a very ill conceived idea, and would encourage you to delete the provision. Not only would this create a new direct tax on businesses (\$36 million by 2003), many of our investors believe that passage of this provision would open the door to taxation of other professional services. We are also concerned that this tax would provide an additional disincentive for creation of high technology jobs in Wisconsin. Most states provide an exemption from sales/use taxes for custom software. We believe that this policy should be continued in Wisconsin.

Finally, we continue to support efforts to remove Wisconsin from the list of top ten states in terms of total per capital tax burden and personal income taxation. During the last two legislative sessions, significant progress has been made in this direction and we appear to have moved well down the list, perhaps somewhere between 5<sup>th</sup> and 8<sup>th</sup> place according to the information we have seen. Nevertheless, we still remain in the top ten in these two somewhat negative categories, and we encourage you to continue efforts to remove Wisconsin from these two lists as soon as possible.

Thank you very much for this opportunity to share our views with you on the budget bill.

April 19, 2001

TO: Joint Finance Committee

I have come here today to speak about extrication training across the State of Wisconsin.

I feel strongly that we need to take a closer look at the level of training that both paid and volunteer firefighters are receiving in this area.

The current Wisconsin Administrative Code requires that firefighters are trained to meet the minimum standard of Wisconsin State Firefighter I Certification. At this level extrication is not addressed. *(So it is safe to say that the State of Wisconsin is allowing rescuers/firefighters to perform tasks on the accident scene which they are not trained for.)*

Wisconsin State Firefighter II Certification course consists of only six hours of training in the field of extrication. Typically this training is done on outdated vehicles on all four tires with limited tools. *(I can tell you now, that with ten years of experience, six hours of training is only enough time to understand the very basics of extrication. I have responded to automobile accidents involving buses, semi trailers and handicapped vehicles. Training for these types of accidents is not addressed in the six hour class.)*

Wisconsin Administrative Code Comm 30 adopts the standards of the (NFPA) National Fire Protection Association as it pertains to firefighters. Under Subchapter VI, Comm 30.07(b) states that every fire department shall provide training that prepares firefighters for any changes in a procedure, technology, or new hazard identified in the workplace/environment.

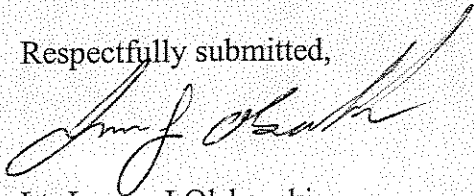
Federal regulations and public demand has driven vehicle manufactures to make changes and improvements to vehicles. Each year vehicle technology advances, thus the methods of extricating victims from vehicles falls further behind. *(Vehicles now have no cut zones, numerous air bags, pyrotechnic pretensioners, just to name a few of the changes.)* Research and development for new extrication procedures and technology is currently not being updated and disseminated to rescue personnel.

A comprehensive, structured educational program is needed that meets the standards of NFPA and Wisconsin Administrative Codes. It must deal with changing technology, vehicle design, and meet the rescuers needs who ultimately serve the people of Wisconsin.

We train so much for fires and hazardous conditions yet so little is done in the field of extrication. If you or a loved one was involved in an automobile accident, wouldn't you want the best-trained rescue personnel to arrive on the scene?

Thank you for the opportunity to address the lack of extrication training available. I feel that funding for this problem is long overdue. I urge you to take a close look at this issue

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James J. Olshanski".

Lt. James. J Olshanski

James J. Olshanski  
930 Dona Vista Dr.  
Waukesha WI. 53186

# WAUKESHA COUNTY



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April 20, 2001

TO: Sen. Brian Burke, Rep. John Gard, Co-chairs  
Members of the Joint Finance Committee

FR: Jim Dwyer  
County Board Chair

RE: **Proposed 2001 – 2003 State Budget**

Members of the Joint Finance Committee, thank you for the opportunity to share some thoughts with you this morning.

Over the past few weeks you have heard from many people across the state about their concerns regarding the proposed 2001-2003 state budget. It is indeed a difficult budget, presenting you and your fellow legislators with some very bleak choices.

I did not come here today to repeat the message you have already heard from other county officials around the state, but to initiate the crucial dialogue you as legislators and we as local government officials must engage in, if we are to ever change the dynamics of the state – local partnership.

That partnership exists **now**, but it is rooted in a fiscal function, not in a fundamental mode that will lend itself to a genuine focus of our combined creative energy to help those we serve in common.

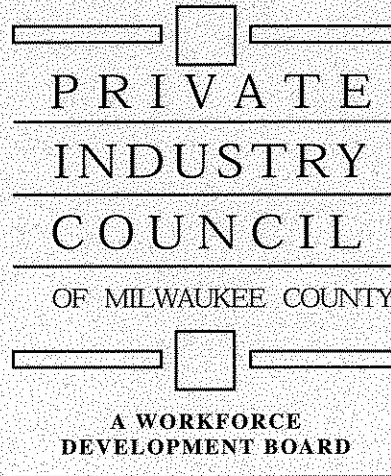
We are **not** asking for new money for new programs, but rather that together we begin the dialogue so that our constituents, taxpayers as well as people in need of services, become the focal point of this budgetary process, and not the “political football” tossed between us.

This biennial exercise should not (**again**) be a matter of “you vs. us” or “us vs. you”, but rather a “we-on-behalf-of-them”!

Please come to the table with us, as partners, and let us work together for the common good.



Susan J. Marks  
*Board of Directors Chair*



Gerard A. Randall Jr.  
*Chief Executive Officer*

**Gerard A. Randall Comments  
Joint Finance Committee  
April 20, 2001**

- The Private Industry Council of Milwaukee County provides workforce development solutions to one of the most diverse economic regions in the state of Wisconsin. We offer job training opportunities for adults, youth and displaced workers; through the Milwaukee Job Center Network and the HIRE Center we help supply area businesses with job-ready workers; and we offer important monitoring and coordination information for state and local welfare reform initiatives.
- In the last fiscal year, we have offered job training opportunities and information to more than 2,800 adults and youth. Through those services, individuals have improved their lives through accessing the skills that lead to better paying jobs. This summer, we will offer six hundred summer jobs to area youth, giving them the opportunity to not only earn money, but to gain valuable job experiences.

- We also assisted 1,910 workers last year displaced by layoffs, plant closings or downsizings at the HIRE Center. Through this program, we are able to provide experienced workers with the skills they need to move their lives forward.
- The areas of adult, youth and displaced worker job training are not new to the PIC. But over the past four years, the PIC has also developed and provided valuable services in facilitating welfare reform initiatives. Since 1998, the PIC has been the recipient of a federal Welfare-to-Work grant. Working with other organizations, the PIC targets employment and other services to non-custodial parents of TANF related minors.
- PIC's other role in welfare reform has been as the oversight monitor for the five Milwaukee County W-2 agencies. Since 1997, the PIC has assisted the Division of Workforce Solutions in the coordination of services among the five W-2 agencies and with monitoring the agencies' compliance with the provisions of their contracts.
- While there had been some indecisiveness on clarifying the PIC's role in fiscal monitoring, the PIC has clearly provided coordination and monitoring services that have benefited the agencies and the participants they serve.
- For example, the PIC has developed the inter-regional case transfer process which makes it easier for agencies and participants when they move from one region to another.

- PIC has created a series of database files that trace quantitative participant data for the Milwaukee Regional Office, including the development of special data reports to assist them and agencies to better serve participants.
- We also coordinate regional workgroups to assure collaborative efforts between the W-2 agencies, Milwaukee County DHS and DWS.
- PIC staff worked with the Milwaukee County Department of Human Services and DWS to develop the local fraud referral procedure for the W-2 agencies.
- And because of the PIC's efforts, agencies have been made more aware of training or coaching issues with their staffs and have taken steps to address those problems, thereby improving services to clients.
- In addition, the PIC's coordination efforts have resulted in numerous opportunities for the agencies to work collaboratively on programs that assist clients, including nine major job fairs in two and a half years.
- The Governor's 2001-2003 Biennial Budget proposal contains \$500,000 annual to continue the PIC's oversight role. I would ask members of the Joint Finance Committee to continue this level of funding to the PIC to allow it to provide important services to the W-2 agencies and the clients the agencies serve.

Your consideration is appreciated, and I will contact the Committee Co-chair in the near future to further address any concerns you may have.

**TESTIMONY BEFORE THE JOINT FINANCE COMMITTEE  
Milwaukee County Supervisor Robert Krug  
April 20, 2001**

Good morning. Thank you for coming to Milwaukee, and for your efforts to solicit input on the Governor's proposed 2001-2003 State Budget from citizens across the State.

As Chairman of Milwaukee County's Committee on Intergovernmental Relations and a five-year Member of the Committee on Finance and Audit, I have been following the State Budget situation quite closely. And to paraphrase a line from the movie Apollo 13, "Madison, we have a problem."

This morning I hope to deepen your appreciation for what Milwaukee County is going through. I want to lay out for you what we in Milwaukee County will face in putting together our 2002 Budget, and why it is not simply a threat – but a promise – that our constituents will see drastic cuts in services and a mandatory increase in property taxes should your Committee not improve upon the Governor's proposed Budget in several key areas.

Milwaukee County is quite literally between the preverbal “rock and the hard place”. The “rock” being Governor McCallum’s proposed budget, and the “hard place” being the State imposed tax levy cap.

The State can count on a growing income tax and sales tax base and indexed gas tax. We cannot hide structural deficits. We have to enact a balanced budget each and every year.

Our 2001 Budget is about \$1.5 million below the State-imposed property tax cap. If we get our typical growth in assessed value of \$6 or \$7 million, we’re looking at cap space of roughly \$8 to \$9 million. On top of that, we expect to see sales tax revenue growth of maybe \$2 million, which means we have about \$10 million in potential new revenue to accommodate what we believe will be more than \$25 million in mandatory new spending.

The following are just some of the challenges we face in putting together our 2002 Budget:

- The cost of providing health care to County employees continues to grow at a much faster pace than the rate of inflation;

- A recently negotiated new labor agreements with our major unions;
- A contribution to our pension fund because of situation on Wall Street;
- The increased high cost of electricity, natural gas, and fuel is having a serious impact on the County's facilities, fleet and transit system; and
- A recently reached a settlement in a lawsuit protesting alleged insufficient medical care in our Jail and House of Correction.

Once you recognize this reality, I hope you will have a better understanding as to why a freeze in programs such as Shared Revenue, Circuit Court Support grants, Guardian ad Litem funding, Community Aids and Youth Aids creates an intolerable situation for us.

Like the State, Milwaukee County must accommodate an increase in the cost of doing business every year. We do not have the ability to absorb these costs when our largest source of revenue – State grants – remains stagnant.

This situation is even more infuriating when we see increases in charges to local governments for services provided by the State – like Juvenile Correctional Institute charges – that far exceed the rate of inflation. This indicates the State does recognize that the cost of providing services increases from year to year – but only when it budgets for its own services.

Furthermore, it seems that the positive news from the Kettle Commission's Recommendations was all for not. The Governor's budget, as proposed, will put a \$7 million deficit in our budget this year and an assumed deficit of \$10 million for FY2002.

On behalf of Milwaukee County, thank you for the opportunity to appear before you this morning, and I wish you well in the difficult task that is before you.