B

WAUSAU SCHOOL DISTRICT
EDUCATING FOR THE FUTURE, ONE CHILD AT A TIME.

Testimony for the Joint Finance Committee Concerning the 2002 Budget Repair Bill

Presented by:
Charles T. Skurka, Ed.D.
Superintendent of Schools
Wausau School District
415 Seymour Street
P.O. Box 359
Wausau, WI 54402-0359
(Office) (715) 261-2561
(FAX) (715) 261-2503
cskurka@wausau.k12.wi.us

Thank you for the opportunity to bring testimony concerning issues impacting every one of us in Wisconsin. Last year I made comments before you about the financial constraints under which our District was operating. Today our state's financial challenge has left no town, city, or county in this state untouched. We empathize with our public sector colleagues who find themselves in the disturbing circumstances that public schools have been in since 1993 when revenue limits and the qualified economic offer were imposed by the Legislature.

Let me say that those of us in public education are extremely appreciative of Governor McCallum's proposal to maintain the state's commitment to its children by preserving two-thirds state funding for public schools.

In recent years our District has reduced its operating budget by over $4.5 million—$2.3 million during last year alone. These financial constraints have translated into a reduction of 44 staff positions in the past 3 years and have caused reductions in funding that have forced our District to:

- Reduce staff development and training programs
- Close an elementary school
- Delay curricular implementations and textbook adoptions
- Increase class sizes in all our schools, except SAGE and CSR classes and schools
- Delay upgrades in technology infrastructure and hardware.
- Carry the burden of increased Special Education and ESL costs that pare funds away for the regular instructional program
- Eliminate extracurricular opportunities

Our financial forecast indicates that in the next five years we will have to trim $8.3 million from our general fund under the existing revenue cap formula. The Governor's budget proposal exacerbates next year's shortfall from $1.2 million to $1.4 million which will force us to cut 23 additional certified staff and 8 support staff positions. There will also be a reduction of custodial services and further reductions in extra-curricular and athletic programs. A tax freeze would devastate our budget by demanding a total of $2.7 million in cuts for the upcoming school year.

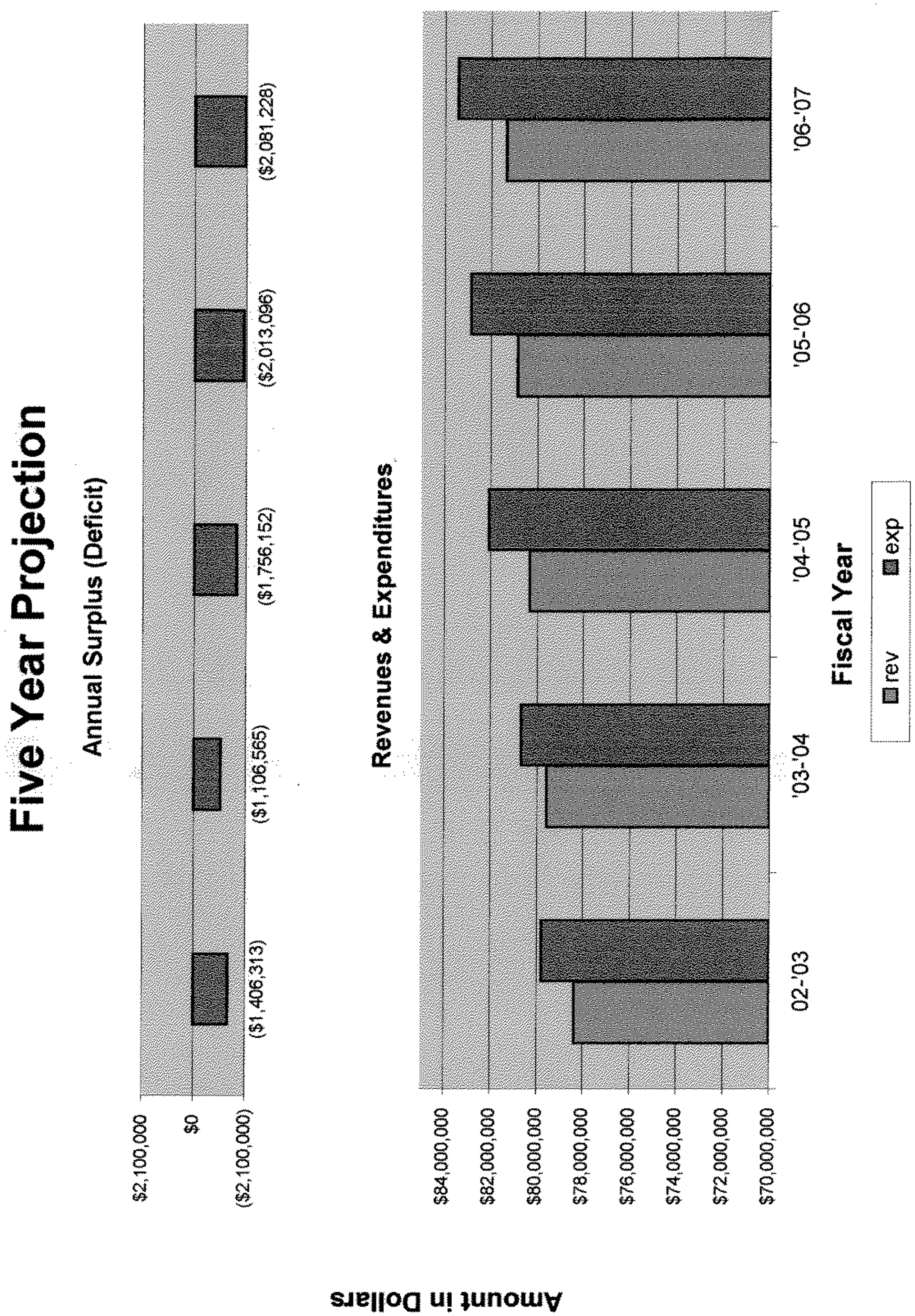
The 2% revenue increases seen in the last four years fall far short of the funding needed to comply with the required minimum QEO settlement. In fact, we would need to double that revenue amount to provide the minimum mandated salary and benefit increases or, as we are today, plunder that settlement amount from our operating budget.

Escalating health insurance premiums are also stripping away our ability to offer employees cost of living increases as more of the contract settlement package goes to offset soaring health insurance costs. Unless we are able to find a way to curb our annual 30% insurance premium increases, we will have to decrease our employees' wages in order to pay for their health care in the future.

If our government is unable to tackle and resolve the financial problems plaguing our state, we will soon lose our chance at attracting and retaining the best and brightest teachers. A state educational system that was once the envy of the entire nation is now on the brink of mediocrity. Ultimately our state, and its hope for a trained and viable workforce, is in jeopardy.

I implore you and your colleagues in the Assembly and the Senate to move with haste to adopt the Governor's budget repair legislation. School districts across Wisconsin are working now to develop operating budgets for the upcoming school year. Give us the direction we need to proceed. Maintain the strength of Wisconsin by upholding your commitment to its most important resource—its children. Thank you.

ATTACHMENT A



ATTACHMENT B

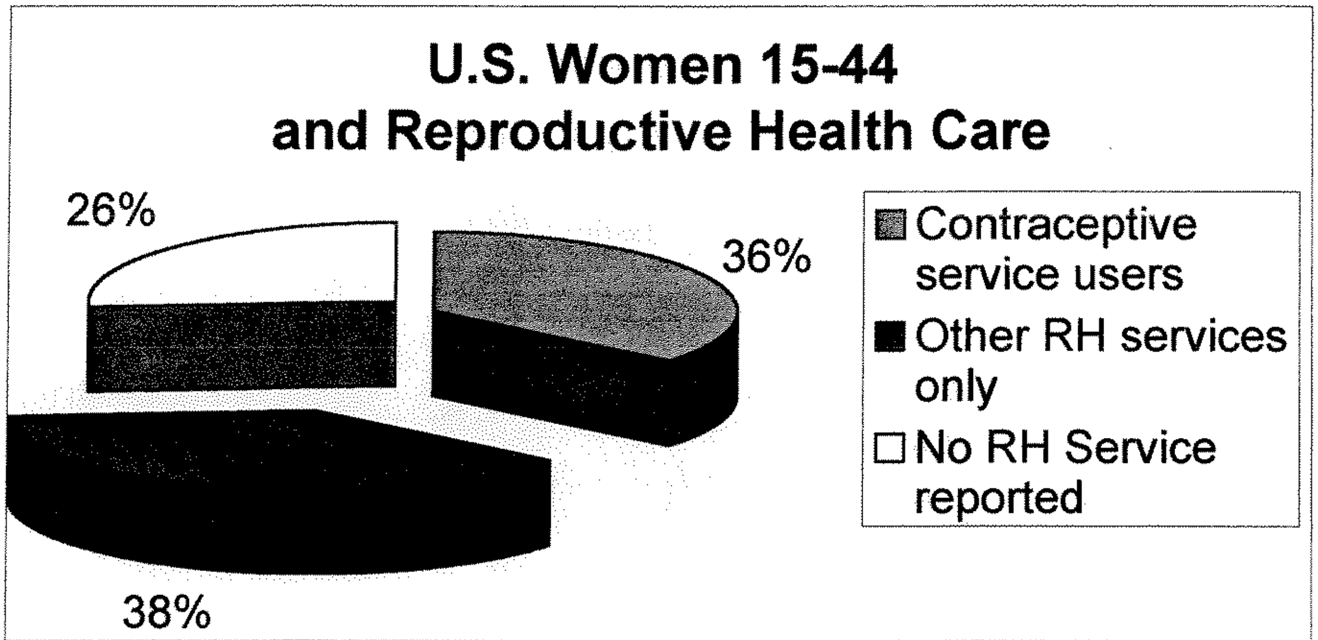
COMPARISON GENERAL AID DISTRIBUTION UNDER ACT 16, GOVERNOR'S REFORM BILL, AID FREEZE AND 11% AID REDUCTION IF IMPLEMENTED IN FY02

Notes: 1. Some districts see no aid reductions under Budget Reform Bill due to existing 85% hold harmless provision
2. Percentages and dollar amounts may vary slightly from expected numbers due to rounding and other existing aid adjustments
3. This is a simulation for FY02. Actual experience in FY03 will vary from the amounts shown here.

District	Total FY02 General Aid Under Act 16	Total FY02 General Aid if Reform Bill had been in effect	$ Difference: Reform Bill - Act 16	% Dec.	Total FY02 General Aid if aid level frozen at FY01 amount	$ Difference: Aid Freeze - Act 16	% Dec.	Total FY02 General Aid if aid reduced by 11%	$ Difference: 11% Cut - Act 16	% Dec.
WATERFORD UHS	4,464,366	4,444,411	-19,955	-0.45%	4,306,147	-158,219	-3.54%	3,793,250	-671,116	-15.03%
WATERLOO	4,905,031	4,884,578	-20,453	-0.42%	4,779,910	-125,121	-2.55%	4,374,183	-530,848	-10.82%
WATERTOWN	17,056,726	16,955,877	-100,849	-0.59%	16,439,721	-617,005	-3.62%	14,438,952	-2,617,774	-15.35%
WAUKESHA	41,350,454	40,900,309	-450,145	-1.09%	38,596,303	-2,754,151	-6.66%	33,820,813	-7,529,641	-18.21%
WAUNAKEE COMMUNITY	12,637,176	12,558,319	-78,857	-0.62%	12,154,722	-482,454	-3.82%	10,590,267	-2,046,909	-16.20%
WAUPACA	11,761,357	11,693,780	-67,577	-0.57%	11,347,919	-413,438	-3.52%	10,040,891	-1,720,466	-14.63%
WAUPUN	12,929,609	12,879,016	-50,593	-0.39%	12,620,093	-309,516	-2.39%	11,616,424	-1,313,185	-10.16%
-WAUSAU	44,713,649	44,502,449	-211,200	-0.47%	43,421,546	-1,292,103	-2.89%	39,231,639	-5,482,010	-12.26%
WAUSAUKEE	2,280,615	2,280,615	0	0.00%	2,280,615	0	0.00%	2,280,615	0	0.00%
WAUTOMA AREA	6,687,730	6,643,232	-44,498	-0.67%	6,419,605	-268,125	-4.01%	5,914,293	-773,437	-11.57%
WAUWATOSA	22,751,369	22,487,441	-263,928	-1.16%	21,136,533	-1,614,836	-7.10%	18,034,452	-4,716,917	-20.73%
WAUZEKA-STEUBEN	2,542,638	2,538,897	-3,741	-0.15%	2,519,756	-22,882	-0.90%	2,445,558	-97,080	-3.82%
WEBSTER	800,330	800,330	0	0.00%	800,330	0	0.00%	800,330	0	0.00%
WEST ALLIS	37,084,634	36,831,860	-252,774	-0.68%	35,538,108	-1,546,526	-4.17%	30,523,164	-6,561,470	-17.69%
WEST BEND	26,950,183	26,743,359	-206,824	-0.77%	25,684,784	-1,265,399	-4.70%	21,581,453	-5,368,730	-19.92%
WEST DEPERE	6,356,580	6,293,227	-63,353	-1.00%	5,968,966	-387,614	-6.10%	5,267,916	-1,088,664	-17.13%
WEST SALEM	8,753,179	8,725,116	-28,063	-0.32%	8,581,506	-171,673	-1.96%	8,024,828	-728,351	-8.32%
WESTBY AREA	7,080,750	7,062,004	-18,746	-0.26%	6,966,083	-114,667	-1.62%	6,594,260	-486,490	-6.87%
WESTFIELD	5,452,605	5,405,231	-47,374	-0.87%	5,162,754	-289,851	-5.32%	4,599,415	-853,190	-15.65%
WESTON	2,246,240	2,239,024	-7,216	-0.32%	2,202,092	-44,148	-1.97%	2,058,933	-187,307	-8.34%
WEYAUWEGA-FREMONT	5,106,711	5,078,760	-27,951	-0.55%	4,935,713	-170,998	-3.35%	4,381,218	-725,493	-14.21%
WEYERHAEUSER AREA	888,230	880,017	-8,213	-0.92%	837,981	-50,249	-5.66%	755,348	-132,882	-14.96%
WHEATLAND J1	2,457,792	2,448,438	-9,354	-0.38%	2,383,713	-74,079	-3.01%	2,143,580	-314,212	-12.78%
WHITE LAKE	782,355	770,474	-11,881	-1.52%	709,660	-72,695	-9.29%	634,943	-147,412	-18.84%

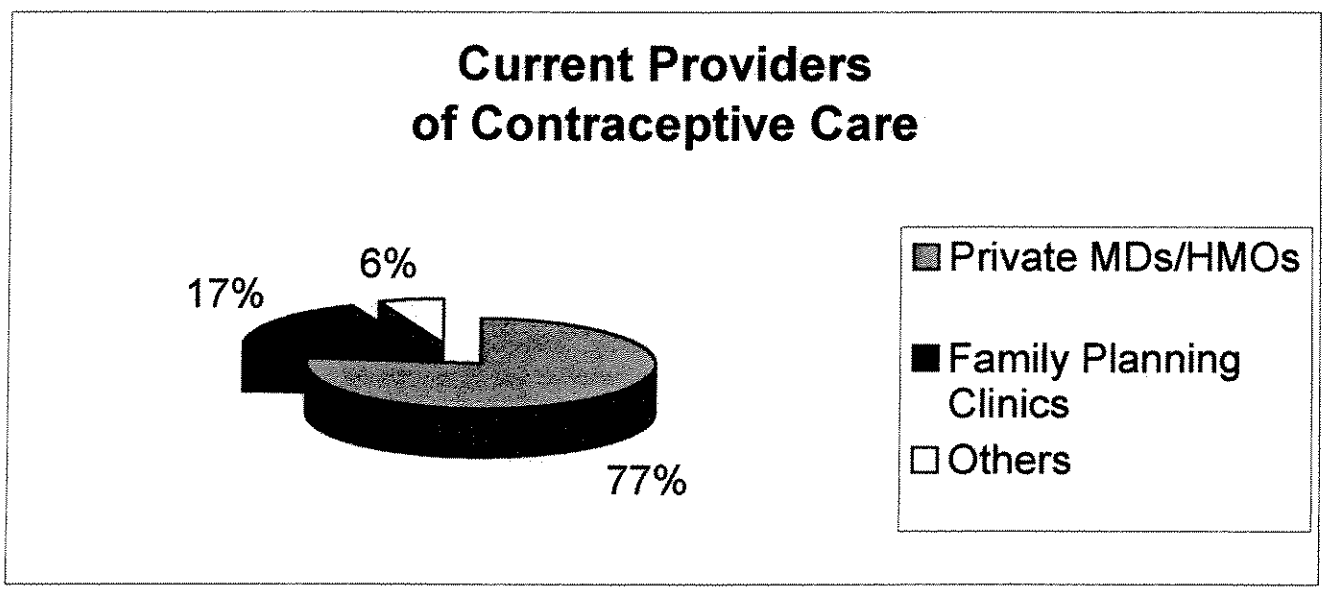
Who uses reproductive health services?

Most women of reproductive age are receiving reproductive health care. In the U.S., 74% of women of reproductive age report receiving contraceptive care or other services (such as pap and pelvic exams, STD testing and treatment, and pregnancy testing) each year.



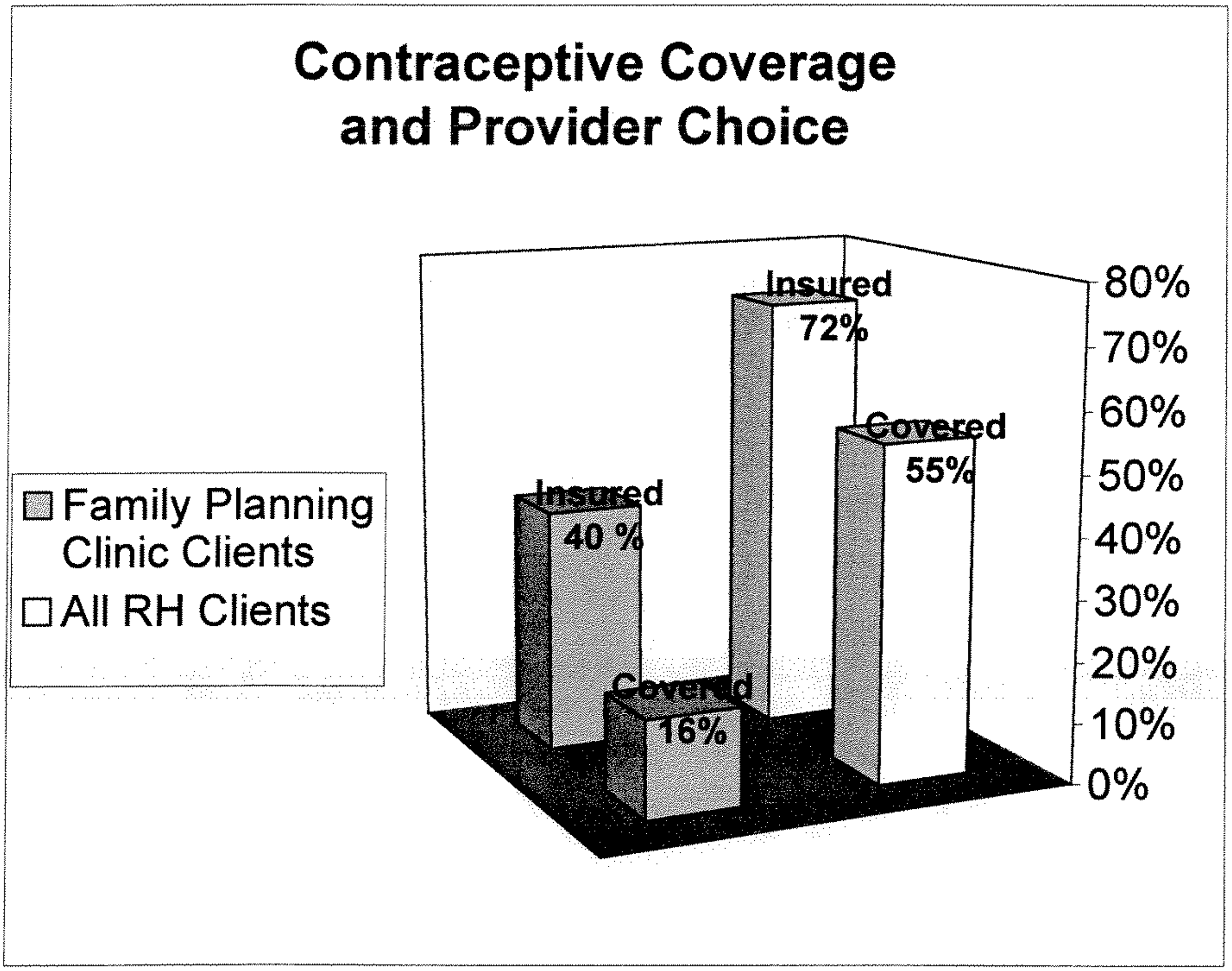
Where do women go for Contraceptive Care?

Most women who receive contraceptive care go to private medical doctors, but 17% go to Title X and Title V family planning clinics. Clients of subsidized family planning clinics tend to be younger, with less education, and lower income. They are more racially diverse and more likely to be single. A small percentage of women go to other providers such as military facilities and hospitals for reproductive care.



Why do insured women go to family planning clinics?

There are distinct statistical differences between clients of family planning clinics and other providers of reproductive health care. Family planning clinic clients are less likely to be insured and, even when they have insurance, their policies cover contraceptive services less comprehensively (higher deductibles and more restrictions and exclusions). Regardless of insurance coverage, however, a significant percentage of women choose a family planning clinic provider.



Choice of Provider

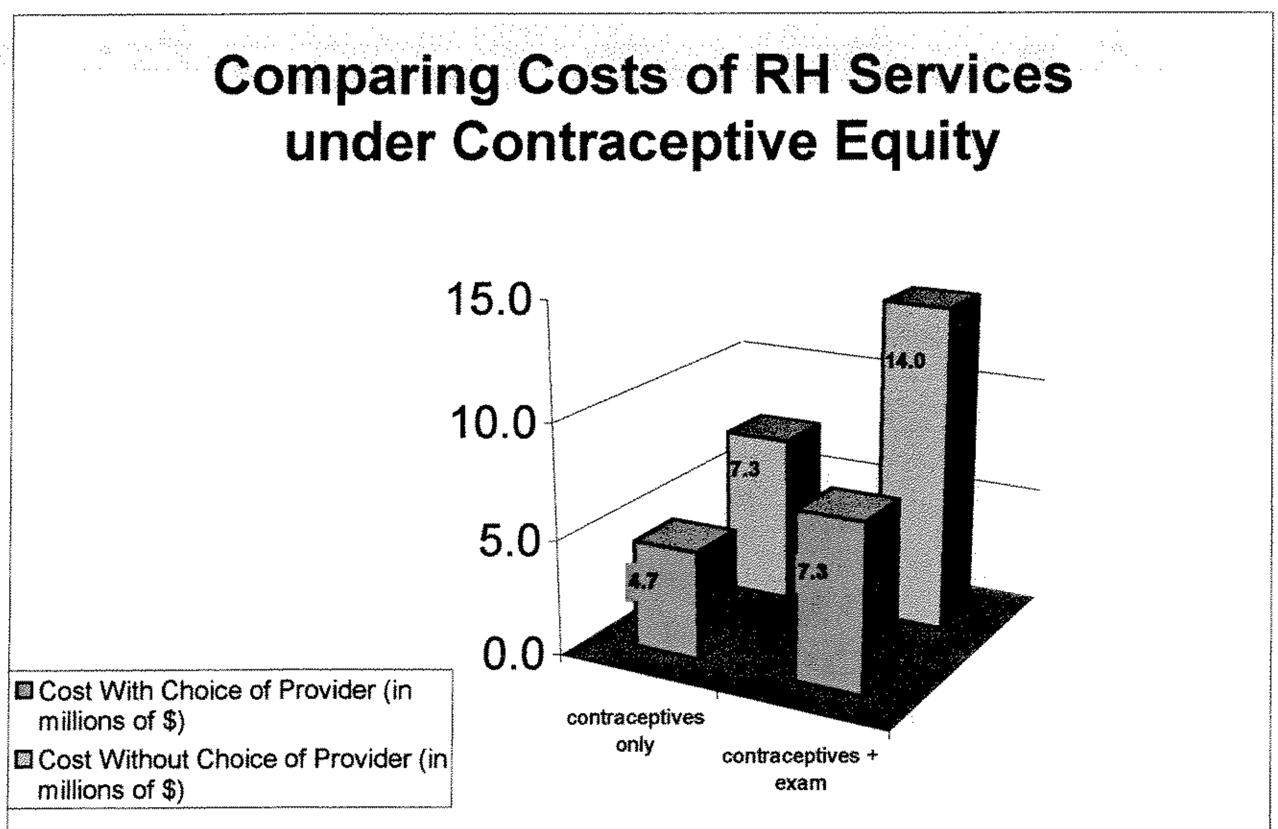
The Wisconsin Family Planning and Reproductive Health Association is proposing a unique direct access provision which would allow women to seek the reproductive health care provider of her choice. Thirty-eight states (including Wisconsin) have some variation of direct access provisions eliminating barriers to women in their choices in this sensitive area. The language we are recommending is based upon Minnesota's law and experience. Allowing women to continue to receive their care at family planning clinics would have a positive financial impact on employers and insurers.

Recommended Language to be included in Contraceptive Equity Legislation:

Provided that this clause does not refer to abortion services, no health plan company may restrict the choice of an enrollee as to where the enrollee receives services related to the voluntary planning of the conception and bearing of children. These services may include testing and treatment of sexually transmitted infections, and testing for AIDS or other HIV-related conditions. This requirement should not be construed to increase reimbursement rates or to add benefits not otherwise provided in the enrollee's contract or certificate of coverage.

If women currently receiving care from a family planning clinic went to a private provider, what would it cost?

If Contraceptive Equity becomes law and one half of insured women currently receiving contraceptive supplies at a family planning clinic in Wisconsin went to a private clinic for those supplies, insurance providers and employers would pay $2,600,000 more for the same supplies. If Contraceptive Equity included coverage for the pap and pelvic exam and education, insurance providers and employers would pay $6,700,000 more for the same services.



WFPRHA

February 20, 2002

Thank you for the opportunity to speak to members of the Joint Committee on Finance today. My name is Lon Newman, I'm the executive director of Family Planning Health Services which provides health and nutritional services to women and children in seven counties in Central Wisconsin. I am also the president of the WI Family Planning and Reproductive Health Association whose members provide family planning services throughout the state.

In the fall of 1997, this committee included in the state budget, a requirement that the Wisconsin Department of Health and Family Services submit a Medicaid waiver that would have allowed women at or below 185% of poverty to receive family planning services regardless of child-bearing status. According to DHFS estimates, had the waiver been implemented in July of 1998, as the legislature intended, it would have saved \$20,000,000 in health care expenditures by now. Most of you know that the waiver has not been implemented. \$20,000,000 perhaps doesn't seem like much in the face of deficits over a billion, but perhaps you would allow me to share what it means from my point-of-view.

The fact that this legislation has languished and sputtered . . . The fact that this legislation has been ignored and then alternately politically attacked . . . the fact that the executive branch, the legislative branch, and the bureaucracy have shown this level of disregard for women's health, for children's health, and for taxpayer's money . . . the fact that the executive branch, the legislative branch and the bureaucracy have shown the unwillingness or inability to get this waiver implemented while other states who started out **after** Wisconsin have been realizing the health benefits and the financial savings, demonstrates to me what is wrong with government in Wisconsin. Obviously, if the administration doesn't feel like implementing a law, the bureaucracy just ignores it.

It has been five years since this waiver was passed. It was signed into law by Tommy Thompson. Implementing this law is the right thing to do for maternal and child health. It's the right thing to do financially. It's the right thing to do legally. It prevents abortion. It improves employers' profitability by decreasing unintended pregnancy and reducing training costs – family and medical leave costs – and health insurance costs. It will improve retention rates – reduce absenteeism – and help families meet their educational goals, their career goals, and their economic goals. Members of the Joint Committee on Finance, women and families in Wisconsin have waited long enough.

We have made some progress . . . and I believe there is a chance for this family planning waiver to be implemented. (Proving that I represent a faith-based organization) . . . but the most difficult obstacle isn't the very small and very politically vocal minority that openly opposes access to contraceptive care . . . the most difficult obstacle is a lack of commitment and follow-through to getting this job done. The Health Care Finance Administration, now called CMA, is prepared to authorize Wisconsin's family planning waiver, but Wisconsin's Bureau of Health Care Financing is already saying that Senior Care is a higher priority and they don't have the means to get the job done.

I've attached our association's recommendations for the State's TANF plan. It includes specific recommendations that would deprive the Bureau of Health Care Finance of the excuse that they don't have the resources to implement the family planning waiver. It is a perfectly appropriate use of TANF funds, since one of the goals of TANF is the reduction of unwed pregnancies. The unintended pregnancy rate in the U.S. is 50%. Among low-income couples, the unintended pregnancy rate is 70%. Among teens, the portion of pregnancies that are unintended is over 85%. If you want to reduce unintended pregnancies, give women access to contraception. And, again, may I say that as important as Senior Care is, it doesn't save taxpayer dollars. Access to family planning services saves employer dollars, health care dollars, and taxpayer dollars.

Wisconsin Family Planning and Reproductive Health Association
719 North Third Ave., Wausau, WI 54401
(715)675-9858 - fax (715)675-5475 - email Newm104w@Juno.com

WFPRHA

I have one other request for you to consider. I've met with many of you over the past two years. We've put forth a proposal that we call "Choice of Provider."

This proposal simply allows women to choose their own reproductive health care provider. Once again, having that choice will save money. Choice of Provider does not add benefits to insurance plans. Choice of provider does not add costs.

Thirty-eight states have some form of legislation that recognizes the need for people to choose their own health care provider for reproductive health care. Let me illustrate a few of the reasons this provision is so important:

1) In Antigo, Langlade Memorial Hospital is the only other community health care provider. An employee at Langlade Memorial, for example, may wish to come to our family planning clinic because she doesn't want to seek care from someone with whom she works on a daily basis. The daughter or sister or brother of an employee may not want to be seen in the waiting room. Langlade Memorial Hospital is a Catholic Institution and the employee may want contraceptive care or emergency contraception services that the Hospital doesn't make available.

2) Insurance plans have been merging in our area. An insurance provider may feel that it does not want to include family planning clinics in their network, and yet the only other providers in the community may not provide the full range of services that another provider does. Again, emergency contraception for a victim of sexual assault must be quickly and conveniently available to prevent an unintended pregnancy. Not all providers offer Emergency Contraception.

3) One of the major barriers to contraceptive care is cost. As you know, many insurance plans do not cover routine reproductive care and contraceptive supplies. Family planning clinics provide these services at about one-half the cost of for-profit providers. Having access to lower cost supplies may be the reason a woman uses an effective hormonal contraceptive method instead of a barrier method or no method at all.

The Choice of Provider packet language is perfectly reasonable and just as important with or without Contraceptive Equity legislation. It saves tax dollars by preventing unintended pregnancy at the lowest cost. And that is the main point that I'd like to leave you with: whether it is implementing the family planning waiver that was passed in 1997 under Tommy Thompson, or whether it is allowing women to choose their own reproductive health care provider: Improving women's access to family planning services saves taxpayer dollars and improves maternal and child health.

WFPRHA

November 28, 2001

Jennifer Reinert, Secretary
Wisconsin Department of Workforce Development
Post Office Box 7946
Madison, WI 53707-7946

Dear Secretary Reinert:

Thank you for this opportunity to comment on Wisconsin's draft TANF Plan for 2002-03. Our association represents Wisconsin's state and federally funded family planning providers. We are proud to provide contraceptive care, sexually transmitted disease testing and treatment, breast and cervical cancer prevention services and education throughout the state. Our clients are statistically younger, poorer, more diverse, and they are more likely to be underinsured or uninsured than the general population. Because our clients have access to contraceptive care, however, they have a dramatically lower rate of unintended pregnancy than the general U.S. population rate (50%). That reality is the central theme that we would like to ask you to apply to the TANF Plan.

TANF specifically focuses on the reduction of "unwed" pregnancies as one of its primary goals. Most unwed pregnancies are unintended pregnancies. The primary mission of Wisconsin's community of family planning providers is the prevention of unintended pregnancy. The goal of preventing unwed pregnancy is referred to many times in the draft plan. We believe there is an overemphasis on prevention of adolescent pregnancies and that the draft lacks incorporation of strategies proven to effectively prevent unintended pregnancy. Here are some important points that we would like to see in the plan:

- TANF-eligible clients are parents or pregnant. This population is sexually active and predominantly adult. Successful prevention of unintended pregnancy in this population should not rely predominantly on abstinence promotion.
- One of the major reasons that women in education and/or the workforce are unable to maintain or achieve their career goals is unintended pregnancy. The rate of unintended pregnancy is higher among women with less education, lower incomes, and among those with inadequate health insurance. It is likely that a significant portion of TANF participants experience job placement and retention difficulties as a direct consequence of unintended pregnancy.
- Poverty itself is calculated based on family size. An unintended pregnancy and childbirth can easily put a low-income working family below the poverty line.
- Wisconsin's Adolescent Pregnancy Prevention Plan and Wisconsin's Adolescent Pregnancy Prevention Committee represent good efforts in the context of W-2 participants, to reduce subsequent pregnancies. However, the portion of W-2 participants who are adolescents is relatively small and the Adolescent Pregnancy Prevention Plan does not have funding for reproductive health services or education. It relies primarily on an abstinence promotion model that may be less than effective for the TANF population.
- The draft plan encourages families to avoid subsequent pregnancy by limiting benefits. This may discourage TANF participants from having additional children, but contraceptive access and reproductive health education would be more effective reducing subsequent pregnancies.
- The draft plan discusses W-2 agencies maintaining a list of family planning providers and suggests that workers <u>may</u> counsel participants or provide referrals for family planning. Training personnel to be sure that discussion of family planning services is competently conducted within a system of information provision and referral agreements emphasizing convenience, confidentiality and low cost could be developed and implemented.

Wisconsin Family Planning and Reproductive Health Association
719 North Third Ave., Wausau, WI 54401
(715)675-9858 - fax (715)675-5475 - email Newm104w@Juno.com

- Most of the W-2 agencies throughout the state are county human services departments. While federal Title XX funding for these agencies requires them to insure provision of family planning services, this requirement is not enforced. Many counties in Wisconsin do not have an available, accessible low cost family planning clinic within their borders. Working with family planning providers, county human services and local public health departments to assure that services are accessible would be consistent with state and federal requirements that services be available.
- The percentage of MA enrollees who are using the reproductive health benefits they are entitled to is surprisingly low. Their awareness of these benefits is correspondingly low and as a result, their unintended pregnancy rate is unsurprisingly high.
- Wisconsin is rapidly approaching a Title XIX family planning waiver that will enable all women of reproductive age at 185% of poverty and below to receive MA subsidized contraceptive care. The statewide community of family planning providers is eager to make this waiver work and to help all Wisconsin families gain access to the reproductive health care they need.

Recommendations for Action:

1) Provide TANF administrative funds to write the state regulations and to develop eligibility standards and forms that will be required to implement the Family Planning Waiver.
2) Provide TANF funds for the development of materials to train case workers and family planning clinic staff on assessment of reproductive health needs of TANF participants and on how to implement a client-focused system of referral between family planning providers and W-2 agencies.
3) Provide TANF funds to modify the CARES/EDS/MMIS system computers so that proper federal reimbursement for family planning services is received and to insure that family planning services rendered are properly monitored and reimbursed.
4) Provide TANF funds to facilitate Title XX provisions to insure access to family planning services are followed. For example, Title XX funds could be utilized for informing people of these benefits by every county human services agency and all W-2 agencies.
5) Provide funds to develop outreach strategies for the waiver. For example, WFPRHA is working to educate employers about the personnel costs of unintended pregnancies. TANF funds could be used to help employers understand the lost productivity and higher health costs associated with unintended pregnancy.
6) Provide TANF funds to prepare an effective evaluation system for the waiver.

Our overarching theme in a time of economic restraint is that the cost of unintended pregnancy is very high when compared to the costs of preventing unintended pregnancy. In the U.S., Medicaid supports almost one-third of all childbirths. The average health care cost of childbirth in Wisconsin in 1999 was $7,500. Family planning clinics provide subsidized contraceptive and reproductive health care to a client for approximately $300 per year.

Not only does preventing a low-income woman's pregnancy help her continue to make progress in her career and in her education, it delivers a substantial savings to taxpayers. Thank you very much for your consideration.

Sincerely,

Lon Newman, President

Wisconsin Family Planning and Reproductive Health Association
719 North Third Ave., Wausau, WI 54401
(715)675-9858 – fax (715)675-5475 – email Newm104w@Juno.com

Joint Finance Committee,

I am married with 3 young children and unemployed. My husband is employed at Stora Enso, which has recently cut many employees or layed them off, which leaves us in question about his job security. We are trying to lock in some security for our families' future, and this budget cut will greatly extend the time frame involved!!

I am here today speaking on behalf of myself and many fellow students of MSTC in Wisconsin Rapids who are on a waiting list to enter into the Nursing Program. The waiting list includes 143 names that have just recently heard the waiting time will be twice as long. I personally will have a 2-½ year wait in between with no classes to take. All my general studies and sciences will be completed next semester. My number is 139. It will be 2 - 1/2 years before I can begin my Clinical Studies and a total of 2 more years before I will be able to graduate from what is suppose to be a 2 year program. All because of lack of funding!! MSTC had plans to expand their program in 2002 to meet the needs of this much needed profession, however, will not succeed because of the proposed budget cut. The budget cut will effect all 16 Technical Colleges in the state of Wisconsin.

MSTC is a respected college in our area and is known for its quality Nursing Program with a 100% job placement after graduation. MSTC prepares students to qualify for the Registered Nurses State Board with a passing rate greater than State and National average! This is why so many students like myself are drawn to this campus.

Our country is in dire need of nurses. Why would this area which is so vital to our needs be a consideration of a budget cut? Nursing students are caring and hard working individuals who are willing to fulfill this huge shortage but cannot because of the proposed budget cut! Please help us out and we'll be there some day when you, or a loved one needs our help. Thank you!

Sincerely,

Tami Irwin

Tami Irwin
551 10th Ave South
Wisconsin Rapids, WI 54495
(715) 424-5291 tirwin@tznet.com

MSTC Associate Degree Nursing Waiting List
February 1, 2002

Waiting List Number	Name
1	Sarah O.
2	Jennifer A.
3	Maria C.
4	Melissa R
5	Natalie W.
6	Ruth G.
7	Stephany A.
8	Cheryl T.
9	David T.
10	Dodie M.
11	Cindy S.
12	Nicole D.
13	Melissa O.
14	Maurissa R.
15	Amber H.
16	Valerie R.
17	Krista B.
18	Nicole P.
19	Judy C.
20	Robin E.
21	Jennifer S.
22	Angela W.
23	Samantha H.
24	Jack R.
25	Matt O.
26	Kelly K.
27	Tracy D.
28	Terese O.
29	Jennifer H.
30	LoriAnn L.
31	Wendy G.
32	Kelly N.
33	Nancy P.
34	Crystal W.
35	Denise R.
36	Sara D.
37	Donna K.
38	Amanda F.
39	Stephanie L.
40	Lindsay H.

82.	Laura S.
83.	Amy C.
84.	Eric Z.
85.	Anne C.
86.	Angela S.
87.	Danielle L.
88.	Heidi L.
89.	Angela W.
90.	Catherine G.
91.	Jaime G.
92.	Jennifer S.
93.	Tammie L.
94.	Bethany N.
95.	Elizabeth T.
96.	Mai X.
97.	Janice K.
98.	Karie L.
99.	Alanna H.
100.	Katy S.
101.	Melissa S.
102.	Keith B.
103.	Michael H.
104.	Loretta S.
105.	Rachel R.
106.	Jessica B.
107.	Petra M.
108.	Bonnie E.
109.	Pam D.
110.	Karla K.
111.	Thomas G.
112.	Mary M.
113.	Janet O.
114.	Kori H.
115.	Julie S.
116.	Barbara G.
117.	Patricia W.
118.	Patricia W.
119.	Lorraine O.
120.	Linda M.
121.	Joy D.

122.	April G.
123.	Rhonda R.
124.	Amy P.
125.	Carrie R.
126.	Jessica G.
127.	Nancy S.
128.	Peggy B.
129.	Diane M.
130.	Tamara H.
131.	Karen G.
132.	Crystal B.
133.	Brandon B.
134.	Lisa K.
135.	Stephanie H.
136.	Kelly L.
137.	Shelly D.
138.	Jennifer H.
139.	Tammy I.
140.	Carrie R.
141.	Brandy C.
142.	Cassandra K.
143.	Daniel V.

Members of the Joint Finance Committee:

My name is Nancy Pazurek and I am a single mom of two teen-agers. I have recently become a Dislocated Worker due to the sale of Consolidated Papers to Stora Enso North America, and the down-sizing that was involved.

I have chose to pursue a 2-year Associate Nursing Degree at MSTC to further my education and improve my financial status. I have been put on the waiting list due to a recent overwhelming number of students interested in this profession. In the meantime, I have completed all of my required classes, all I have left are the clinical nursing classes. The only thing holding me back from obtaining my degree is the limited number of students accepted each semester due to limited funding.

MSTC had plans to expand the ADN program-matter of fact-doubling it- to help meet the needs of the growing shortage of trained nurses in our area. Due to the recent proposed budget cuts, this expansion to the nursing program has been put on hold, along with my future educational plans, as well as many of my former co-workers who themselves have also become Dislocated Workers, and many of whom have also chose MSTC to further their education, thus increasing their employability skills.

With such a shortage of nurses in the job force and such an increased interest to become a nurse through the MSTC system, I am urging you to reconsider these proposed cuts to the Technical College System. It is extremely important to me to increase my education, obtain a degree in nursing, and become financially independent again. With these proposed budget cuts, my goals along with many of my class-mates goals will again be put on hold. Please reconsider, as I feel education is our greatest asset.

Thank you,

Nancy Pazurek

NANCY PAZUREK

1640 2nd Ave So
Wisc. Rapids, WI
54495

Health Insurance Compared to the BA Base - Statewide Data

Year	Family	Percent Increase	BA Base	Percent Increase	CPI Index	CPI-W	Insurance % of BA Base
1984-85	2016		14630				13.78%
1985-86	2058	2.10%	15705	7.35%	107.4	3.40%	13.11%
1986-87	2160	4.93%	16715	6.43%	109.5	1.96%	12.92%
1987-88	2482	14.92%	17711	5.96%	114.3	4.38%	14.01%
1988-89	2958	19.18%	18640	5.25%	119.9	4.90%	15.87%
1989-90	3613	22.16%	19541	4.83%	125.6	4.75%	18.49%
1990-91	4273	18.26%	20526	5.04%	132.2	5.25%	20.82%
1991-92	4625	8.23%	21548	4.98%	136.1	2.95%	21.46%
1992-93	4958	7.21%	22558	4.69%	140.3	3.09%	21.98%
1993-94	5518	11.28%	23209	2.89%	143.7	2.42%	23.77%
1994-95	5673	2.81%	23651	1.90%	147.9	2.92%	23.99%
1995-96	5745	1.27%	24031	1.61%	151.8	2.64%	23.91%
1996-97	6027	4.91%	24530	2.08%	156.1	2.83%	24.57%
1997-98	6218	3.17%	25090	2.28%	158.6	1.60%	24.78%
1998-99	6691	11.01%	25733	2.56%	161.2	1.64%	26.00%
1999-2000	7124	6.47%	26454	2.80%	166.0	2.98%	26.93%
2000-01	8024	12.65%	27054	2.27%	171.7	3.43%	29.66%
2001-02	9810	22.25%	*27668*	*2.27%*	*175.4*	*2.13%*	35.46%
2002-03	13243	*35.00%*	*28296*	*2.27%*	*181.0*	*3.20%*	46.80%
Avg. - Since 84-85		11.54%		3.75%		3.14%	
Avg. - Since 90-91		11.12%		2.90%		2.85%	
Avg. - Since 93-94		11.08%		2.29%			
Aggregate Increase		557%		93%		68%	

for immediate release 2/20/02
prepared by WASB

[illegible]
[illegible] School Board

Statewide - Health Insurance Projections based Upon Historical Trends

Year	11.54%		3.75%		Insurance
	Family Health Increase		BA Base Increase		% of BA Base
2003-04	14772	11.54%	29357	3.75%	50.32%
2004-05	16478	11.54%	30457	3.75%	54.10%
2005-06	18380	11.54%	31598	3.75%	58.17%
2006-07	20502	11.54%	32782	3.75%	62.54%
2007-08	22868	11.54%	34011	3.75%	67.24%
2008-09	25509	11.54%	35285	3.75%	72.29%
2009-10	28453	11.54%	36607	3.75%	77.73%
2010-11	31738	11.54%	37979	3.75%	83.57%
2011-12	35402	11.54%	39402	3.75%	89.85%
2012-13	39489	11.54%	40879	3.75%	96.60%
2013-14	44048	11.54%	42411	3.75%	103.86%
2014-15	49133	11.54%	44000	3.75%	111.67%
2015-16	54806	11.54%	45649	3.75%	120.06%
2016-17	61133	11.54%	47360	3.75%	129.08%
2017-18	68190	11.54%	49134	3.75%	138.78%
2018-19	76062	11.54%	50976	3.75%	149.21%
2019-20	84843	11.54%	52886	3.75%	160.43%
2020-21	94638	11.54%	54868	3.75%	172.48%
2021-22	105564	11.54%	56924	3.75%	185.45%
2022-23	117751	11.54%	59057	3.75%	199.39%
2023-24	131344	11.54%	61270	3.75%	214.37%
2024-25	146508	11.54%	63566	3.75%	230.48%
2025-26	163421	11.54%	65948	3.75%	247.80%
2026-27	182288	11.54%	68419	3.75%	266.43%
2027-28	203332	11.54%	70983	3.75%	286.45%
2028-29	226806	11.54%	73643	3.75%	307.98%
2029-30	252989	11.54%	76403	3.75%	

The Wisconsin Valley Fair

July 30 - August 4, 2002

Marathon County
Courthouse

500 Forest Street
Wausau, WI 54403
Phone: 715/261-1539
Fax: 715/261-1538
wivafair@dwave.net
wisconsinvalleyfair.com

February 20, 2002

RE: Budget Hearings; State Aid Reimbursements

I, Jayme Buttke, would like to go on record that I testify against the proposed cut in aid to fairs. State aid is vital to fairs throughout the state.

The number one reason in mind that fairs happen is so that the youth in our state can grow as individuals. Fairs provide youth the opportunity to take on new projects, develop plans to educate others on those projects, and gain confidence in trying new projects. We as fairs give youth immediate feedback on their participation by a ribbon and a premium. Whether they do well or not, they have always learned something that will take them further in life. Wouldn't you rather have the youth learning new ideas, projects, and programs then sitting in front of the TV all of the time? I would. Being involved in my county fair gave me many of the leadership skills I use today. If you continue to take state aid away, you are giving up on the youth that thrive from fairs.

In 1999 to 2000, the state cut $65,000 from state aid. With the proposed cuts of $20,500 this year and $29,300 for next year, there will be a total loss of $114,800 since 1999. Currently, 80% of all state aid goes to youth. Decreasing state aid, may eventually decrease the number of youth that are ever given an opportunity to participate in fairs, because the fairs won't be able to survive without state aid.

Sincerely,

Jayme Buttke

Jayme Buttke
Executive Secretary

NICOLET MEDICAL & DENTAL CLINIC

Ann Hogan
Executive Director
Crystal Petersen
Operations Director

P.O. Box 179
Lakewood, WI 54138
(715) 276-6321
Fax (715) 276-1428

Joint Committee on Finance Testimony on Special Session Assembly Bill 1
Wednesday, February 20, 2002
Ann Hogan, Executive Director

My name is Ann Hogan. I am the Executive Director of the Northern Health Centers, otherwise known as the Nicolet Medical and Dental Center in Lakewood. We're located in the heart of the Nicolet National Forest and my clinic provided over 10,000 medical and dental services last year. On behalf of myself and my colleagues, who run our network of 14 Federally Qualified Health Centers across the state, and who cared for over 100,000 patients last year, I urge the Committee to reinstate the State Community Health Center Grant Program.

Governor McCallum's plan eliminates the entire $3 million annual program funding for the coming year. What's even worse, our base appropriation in the Department of Health and Family Services budget is gone. The program, created by this Committee, will be entirely eliminated.

As Governor McCallum himself said in his speech talking about this bill, "This is exactly the wrong time to reduce funding that provides a safety net for people." I couldn't agree more– we are the safety net.

We care for people affected by the weather who work in the tourism industry. We care for people who were laid off their manufacturing jobs because of the slowing economy. We care for people who work in positions that don't get health insurance through their employers anymore. We care for the migrant and seasonal farm workers. We care for the homeless. We are the safety net.

Last week in your Madison hearing you received statewide information about the impact of this program elimination. I want to tell you specifically what will NOT happen in Lakewood because of this cut.

We will lose our ability to hire an additional dentist. As this Committee knows, perhaps better than any other, the demand for dental services, particularly for Medicaid and BadgerCare recipients, has reached a crisis point. Health Centers provide Medicaid dental services. We are happy to serve anyone who is a Medicaid patient but we can't meet the need unless we expand our capacity so that we are able to see more people. These state dollars were critical with helping to build our infrastructure and with allowing us to expand. Without these State monies, we need to limit Medicaid and BadgerCare patients to our service area.

Nicolet Medical and Dental Center will not be able to open our own on-site mental health services. As many of you know, behavioral health care services are limited because of access and financial issues in northern Wisconsin. The stress of the winter weather and its impact on our local economy is great and people need to be able to access affordable behavioral health care at a time and place it is convenient. These state dollars would have allowed us to expand to bring this care to our friends and neighbors who are most in need.

My clinic's situation is no different than my counterparts across the state. This $3 million state investment in Wisconsin's health care safety net goes a long way in helping to care for those who need a little help and those who, like the majority of my clinic's patients, would have to drive great distances to receive primary medical and dental care. We serve rural and urban populations, Republicans and Democrats, and those who have health insurance and those who don't. This investment saves money down the road through lower- cost births and prenatal care, less emergency room visits for primary care services, and less hospital admissions because chronic conditions are managed in an appropriate setting. Spending $3 million now saves you untold millions in the future.

TESTIMONY
OF HARRY POKORNY
before
THE JOINT COMMITTEE ON FINANCE
FEBRUARY 20, 2002

My name is Harry Pokorny. I am the Treasurer of the Coalition of Wisconsin Aging Groups, Past-President of the Portage County Coalition of Aging Groups, the representative to these groups for the Portage County Lincoln Senior Center, and a member of the Portage County Long Term Care Council.

The legislature and, especially the Joint Finance Committee, were very supportive of the issues most important to the elderly. I want to tell you about how Family Care affected me.

My sister lives in South Milwaukee, is in her mid-sixties and has Cerebral Palsy. Ever since our parents died in the 1970's, she has worked and fought very hard to stay out of a nursing home or any other institutional setting. She believes, and has proved that, with help, she can live alone. She was first enrolled in the Community Care Organization, a program set up by Lt. Governor Schrieber as a pilot program to aid people in living alone. That program was phased out over the years as people entered institutions, moved out of state, or died. After five years on a waiting list, she was transferred to a CIP program. Under the CCO program, she received the care and transportation she needed. For instance, when she fell and broke her arm, she received help every day to dress, prepare food, bathe, etc. Under CIP, she did not receive such intensive care. She was enrolled in Family Care last November. She fell and broke her elbow in December, and received the total care she needed.

She now has help in every day living, including dressing, laundry, food preparation, shopping and her finances. This has taken a big burden off of my wife and I. All of this is being done for her through Family Care. Our big worry was what would happen to her if we weren't around. This has happened when I had a heart attack and also when I had a spinal fusion. We could not get there to help her, and there was no one else.

Over the years my wife and I have had to be an advocate for her. This was extremely difficult to do because we live 200 miles from her. It meant trying to get to see her a least once a month to check her bills, her checking account, her clothes, trying to be sure she was eating right, be able to go to various activities, such as shopping, ceramics classes, etc. My wife and I are in our seventies now, and it is increasingly more difficult to go to see my sister.

Family Care has given us relief, knowing there is someone else helping her on a daily basis if needed; someone else working hard so my sister can keep her independence. I wanted you to know that Family Care doesn't just affect the people enrolled in it, but has a profound effect on the lives of their immediate family. In our case, it affects ten others, because, our sons and their families tried to help as much as possible when we couldn't. Furthermore, the State saved nursing home fees for over thirty years because she refused to go even though she could have gone any time she wanted to.

I urge you to please not take money from the Family Care program. It is too cost effective, not only in quality of life, but also in dollars.

I know your task is very difficult, and no matter what your decisions will be, you will antagonize a lot of people. You also will please a lot of people. It is interesting that while we were in Florida in January, they were also discussing how to generate more tax money. They were looking at their sales tax to raise revenue. The big news was that there were more special interest items exempted than items that are taxed. I'd like to suggest that you consider reviewing our tax exemptions, and see how much revenue could be generated by removing some of them.

Thank you,

Harry Pokorny
1902 Tamarack Street
Plover, WI 54467
(715)341-3212

TESTIMONY
OF SUSAN POKORNY
before
THE JOINT FINANCE COMMITTEE
FEBRUARY 20, 2002

The legislature, and especially, the Joint Finance Committee supported the programs that were of most concern of the elderly. We want to thank you for your support and ask that you continue to support those programs, namely, prescription drugs for the low income elderly, long term care and help for victims of elder abuse.

Wisconsin is now in a budgetary crunch and your job is to work out a plan to find over one billion dollars. I feel that you have to look at both cutting programs and also increase taxes, otherwise the task is impossible without gutting essential programs. There are a couple of areas that more revenue can be found. Two such are increasing the cigarette tax and closing some of the loopholes in the sales tax.

Cutting revenue sharing with the counties will have a devastating effect on the elderly and the disabled. What this would mean in Portage county, is a cut of at least $60,000 in funding just for programs for the elderly, such as the senior center, adult day care transportation, Interfaith Outreach, and home delivered meals. Portage County taxpayers add considerable money to these programs because the state funds do not cover the costs of all of these activities. If levy limits are also imposed, there will be even less money for the elderly.

I know your task will be difficult, but please don't balance the budget on the backs of the elderly.

Thank you.

Susan Pokorny
1902 Tamarack Street
Plover, WI 54467
(715)341-3212

INFORMATION SHEET

BACKGROUND AND EFFECTS OF GOVERNOR McCALLUM'S PROPOSED BUDGET REFORM BILL

- The State has a $1,117,300,000 (that's one billion, 117 million dollar) deficit due to State Government spending decisions.
- Wisconsin municipalities are not responsible for the deficit. The amount that has been "shared"* with municipalities has remained constant over the last decade.
- The Governor's proposed Budget Reform Act, by cutting out all shared revenues, results in property tax payers "picking up the bill" for 93% of the State's deficit.
- In Taylor County, the State will be taking the equivalent of between $52 and $490 per person annually from your local government's available dollars.
- The Governor's proposal will take from the City of Medford, each year, $277 for every man, woman, and child who resides in the City.
- The amount that the Governor's plan takes from the City of Medford residents is $1,203,160 per year.
- The amount taken by the Governor's plan is equal to an increase in local property taxes of approximately $675 annually on a $100,000 home.
- The Governor's proposed plan will prevent Counties, Cities, Villages, and Towns from increasing taxes to make up for the funds his plan takes from your local community.
- Services will have to be cut in all of Taylor County, including the City of Medford, the Towns, and Villages. The type and amount of cuts that will be required in the City of Medford are outlined in the example on the reverse of this sheet.
- While Municipal Governments pick up 93% of the State's deficit, only 7% will come from cuts and adjustments to State programs.

*NOTE: Shared revenue is the method by which some of the taxes collected from us by the State are returned to our local governments based on need. Shared revenue accounts for more than 25% of the revenue of 700 of the State's 1,850 local governments. Many rural municipalities in Northern Wisconsin are in this category.

YOU CAN HELP! We must act quickly before the "Governor's 2001-2003 Budget Reform Bill" goes to the legislature for a vote. Write letters to the Governor opposing this bill. Write letters to the editors of our local, regional, and state newspapers. Tell State Senator Russ Decker and Assemblyman Marty Reynolds you appreciate them fighting for you against the Governor's Bill. Tell everyone about this threat to our local governments - the level of government closest to the voters.

639 SOUTH SECOND STREET MEDFORD, WISCONSIN 54451-2058 715/748-4321

EXAMPLE OF CONTINGECY PLAN

Addendum A

Governor McCallum's proposal to eliminate shared revenues by 2004 will require the City of Medford to cut $1.2 million from its budget, or make up the difference by raising property taxes.

Even if the following programs are eliminated, property tax rates will remain the same.

Example
General Government Budget Cuts

	2002-2003 Total Cut	% Cut	Tax Increase on $100,000 home %	$7.17 / $1,000
General Ledger Item	$ 1,203,160		94.2%	$ 675.41
Indefinitely Cancel Taxi Service	$ 17,500	100%	1.37%	$ 9.82
				$ -
Indefinitely Cancel Summer Rec. Program	$ 27,000	100%	2.11%	$ 15.16
Indefinitely Close Library	$ 132,761	100%	10.39%	$ 74.53
				$ -
Indefinitely Cancel Civic Promotion	$ 15,046		1.18%	$ 8.45
Christmas Decorations, etc.				
Veterans/4th of July Flags				
Labor Day Events				
Indefinitely Cancel 4th of July Fire Works	$ 14,000	100%	1.10%	$ 7.86
Indefinitely Close Ball Diamonds	$ 4,178	100%	0.33%	$ 2.35
Indefinitely Close Swimming Pool	$ 68,474	100%	5.36%	$ 38.44
Indefinitely Close Ice Rink	$ 4,000	100%	0.31%	$ 2.25
Indefinitely Close Riverwalk	$ 2,359	100%	0.18%	$ 1.32
Indefinitely Close Skate Park	$ 6,200	100%	0.49%	$ 3.48
Indefinitely Cut Mayor/Council Salaries & Admin Budget 16 %	$ 48,500	16%	3.80%	$ 27.23
Indefinitely Cut Public Works Non-Salary Budget 16%	$ 53,000	16%	4.15%	$ 29.75
Indefinitely Cut City Jobs 25%	$ 360,000	30%	28.19%	$ 202.09
Indefinitely Cut Continuing Education & Dues for City Staff	$ 27,500	100%	2.15%	$ 15.44
Indefinitely Cancel Economic Development Grants	$ 17,500	100%	1.37%	$ 9.82
Indefinitely Cut Legal Services	$ 13,100	50%	1.03%	$ 7.35
Indefinitely Eliminiate Emergency Reserve	$ 58,250	100%	4.56%	$ 32.70
Indefinitely Eliminate Brush Cutting	$ 22,819	100%	1.79%	$ 12.81
Indefinitely Eliminate New Park Equipment	$ 18,000	100%	1.41%	$ 10.10
Indefinitely Eliminate Swimming Equipment	$ 2,000	100%	0.16%	$ 1.12
Indefinitely Eliminate Wading Pool Replacement	$ 15,000	100%	1.17%	$ 8.42
Indefinitely Cut East Riverwalk Development	$ 3,500	100%	0.27%	$ 1.96
Indefinitely Cut Capitol Expenditures Annually	$ 248,473		19.45%	$ 139.48
Turn Off Street Lighting	$ 24,000	25%	1.88%	$ 13.47
	$ 1,203,160		94.20%	$ 675.41

Required Property Tax Increase to Restore the above: 94.2%

The 16% matches the cut Governor McCallum is making to his administrative budget. However, his cut does not apply to his salary or that of the State legislators.

***** This is the approved example contingency plan subject to review, revision and approval by Council should Governor Scott McCallum's proposed budget reform bill be adopted.***

Docket #02-2/12-2

RESOLUTION #1484

Resolution Opposing Governor Scott McCallum's Proposal
to
Eliminate the Shared Revenue Program

Whereas, Governor Scott McCallum has proposed an immediate cut of $350 million in the Shared Revenue, Expenditure Restraint and Small Municipalities Shared Revenue Programs for cities, villages, towns and counties in Wisconsin; and

Whereas, Governor Scott McCallum has proposed the complete elimination of all Shared Revenue Related Programs in 2004 thus shifting repayment of the State's deficit that resulted from State government decisions onto the municipal taxpayers; and

Whereas, Governor Scott McCallum misled local taxpayers by describing this proposal in his budget as "… a 4 percent reduction to local government budgets in calendar year 2002"; and

Whereas, Governor Scott McCallum repeatedly in his budget speech called municipal officials "Big Spenders"; and

Whereas, the City of Medford is budgeted to receive $1,203,160 from Shared Revenue Related Programs in the current budget year, which represents 39.5% of its General Government Budget; and

Whereas, the facts show that the City of Medford did not increase its tax rate in 2002; and

Whereas, from 1990 to 2000 the City's real expenditure growth averaged less than 1% per year; and

Whereas, the City of Medford operates with only 40 full-time employees: 10 in the Police Department for a 24/7 operation (24 hours per day, 7 days per week); 10 in the Public Works Department 24/7 on-call; 4 Library employees; 3 operating the Wastewater Utility 24/7 on-call; 5 operating the Electric Utility 24/7 on-call; 1 individual serving as Assessor, Planner & Building Inspector; 4 accounting personnel that not only do City accounting, but also billing for the various utilities; an administrative support person for the Public Works Department who also serves as Deputy Clerk; a City Clerk who also provides administrative support to the Mayor & Council, and a City Administrator; and

Whereas, the City employs 1 full-time worker for every 108 people in the City while providing the most essential services such as: police, fire, water, sewer, electric, streets, snowplowing plus other numerous activities; and

Whereas, the State of Wisconsin employs 1 full time employee for every 85 people in the State; and

Whereas, this clearly demonstrates the City of Medford and its officials are not "big spenders" as Governor Scott McCallum has indicated; and

Whereas, the elimination of Shared Revenue Related Programs would have a devastating impact on our community that would force huge cuts in public services.

Now, Therefore Be It Resolved that the City of Medford strongly opposes Governor Scott McCallum's proposal for slashing and eliminating the Shared Revenue Program; and

Be It Further Resolved that the hard-working officials and employees of this community are personally offended by Governor Scott McCallum calling us "Big Spenders"; and

Be It Further Resolved that copies of this Resolution be sent to the Governor and the state legislative delegation representing this community and to the League of Wisconsin Municipalities.

Submitted By: Committee on Finance & Personnel

Vote Taken and Date: February 12, 2002 (8 Yes; 0 No)

Parent - Yes	Latsch – Yes
Schmitz - Yes	Kraschnewski – Yes
Simek - Yes	DeChatelets – Yes
Wellner - Yes	Gebert – Yes

Council President's Signature, if approved: Michael Wellner

Michael Wellner, Council President

Attest:

Diane Maar — 2-14-02

Diane Maar, City Deputy Clerk — Date

State of Wisconsin)
County of Taylor) ss.

I, Diane Maar, Deputy Clerk for the City of Medford, do hereby certify that the above resolution is a true and correct copy of Resolution #1484 duly adopted by the City of Medford Common Council at its meeting held February 12, 2002.

Dated this ________ day of February, 2002.

____
Diane Maar, City Deputy Clerk, CMC

February 20, 2002

To: Members of the State Joint Committee on Finance;

In making a determination as to how the shortfall in the State budget can be resolved, responsibility for the shortfall should be placed on our State government, not our local governing bodies.

The State government should have seen the storm coming and also should have initiated corrective measures. Now, our State elected officials refuse to accept responsibility for the budget deficit.

Obviously, cuts must be made but they must be equitable to all. The fairest way to resolve the shortfall is for every agency in the State government to accept an equal percentage of revenue cuts to make up the deficit. This would prevent placing most of the financial burden on the "Little-Guy."

In the proposed budget, the big-spenders are not being asked to share in any revenue cuts and to make matters worse, they are crying for more money and we all know who they are.

Our township has a population of approximately 2,200 residents. We operate on an annual budget of $550,000, of which $90,000 comes from shared revenue. Our township, in cooperation with two neighboring townships and the city of Mosinee, own and operate a joint fire department and a full time ambulance service. Additionally, the Town of Mosinee rebuilds and maintains 48 miles of town roads. This includes graveling, blacktopping, and snowplowing. Does this really sound like we are the "Big Spenders?" I believe the Town of Mosinee is a prime example of the efficiencies that town governments have always demonstrated. A model for the state to emulate, not obliterate.

Sincerely,

Town of Mosinee Chairman,

Ernest J. Walters

Ernest J. Walters

I am Jacqueline Turk of Wausau. Thank you for holding this hearing in our community and for my opportunity to speak to you. I am here in opposition to several proposed cuts in the budget.

First, I oppose the elimination of shared revenue to local units of government. The idea that local governments are poor managers of money just doesn't fly . Please don't make the mistake of painting all counties by the brush on one county's well-publicized mis-management. As long as the state of Wisconsin mandates specific services to be provided by specific units of local government and also sets rules about when, how, and at what level those services are to be provided, you need to pay the cost.

Shared revenue has existed for almost a century. It was established to balance the inconsistencies of property values around the state and help insure a more equitable provision of services to Wisconsin residents state wide. That philosophy is still good and should not be scrapped in a knee jerk reaction to a short fall on the state's part.

Counties begin the budget planning process approximately six months before the beginning of each fiscal year on January 1. Counties do that to take a thoughtful, deliberative approach to plan how best to provide cost-effective, quality services to our residents with available dollars. For this year, Marathon County's shared revenue was $6,368,000. Now, mid-year in this budget you are proposing we lose 5 million dollars.

I also oppose the cuts to the grants to community medical centers. Our Bridge Clinic plays an important role in our community. They provide medical and dental services to many people in our area who have no health insurance and very little money. Many of our UWMC students use them to provide needed medical care they cannot afford to pay for. I work in the student services office at UWMC, so I know first hand how much many of our students use Bridge Street Clinic. Since neither the state nor federal government has stepped in to fill the gap with a comprehensive health coverage plan for the uninsured, we need facilities such as the Bridge Street Clinic.

My last point of opposition (since I have not yet had a chance to look at the rest of the proposed cuts) is the increase in tuition for our university students. We cannot continue to increase tuition and provide an education to our students, much less hope to keep them in Wisconsin after graduation. They will have to go where they can make the money to repay their debts. My son attended UWMC and UW-Madison. He now works in Manhattan, where he makes many times more money than he could in Wisconsin.

Thank you very much for your time.

Jaqueline D. turk
220 S. 8th Ave
Wausau, WI 54401

CITY OF

WASHBURN WISCONSIN

119 Washington Avenue
P.O. Box 638
Washburn, WI 54891

715-373-6160
715-373-6161
Fax 715-373-6148

Outline of Concerns Related to the Governor's Budget Reform Act of 2002

Comments Presented by Washburn City Administrator, Pete Mann

to a legislative listening session on February 2, 2002

The City of Washburn is a good steward of the resources entrusted in its care by our citizens. Unlike the governor's recent rhetoric, the City is not extravagant. The City does not raise monies it does not need.

- City of Washburn provides its citizens an array of ***expected*** municipal assistance ranging from emergency services to sanitation, code enforcement, street repairs, park and recreation programs along with the basic administrative services required by law of all local governments. Yes, the city operates a marina and utility systems, but these enterprises pay their own way.

- Unlike the portrayal provided by our Governor, the City of Washburn is not extravagant with the monies provided by its citizens for the operation of municipal government. The City still has dirt streets, sidewalks are in disrepair and unsafe (the city cannot afford to repair them and can't afford to remove them). Municipal facilities including city hall, other buildings, parks, streets and utilities have all suffered deferred maintenance for years, squad cars have better then 160,000 miles on them and nearing the end of their lives, selected public works vehicles are rusted hulks and parked because repair funds are not available.

The governor wants local municipalities to share services.

- City of Washburn shares services with adjoining jurisdictions. At present these include fire, emergency medical services and operation of the library. Police services are provided outlying areas when called upon without ***any compensation*** from any other unit of government.

- Unfortunately, the governor's proposal punishes this effort by penalizing cooperating municipalities by reducing shared revenues to these jurisdictions at the same level as those who do not have cooperative services. All jurisdictions sharing services with the City of Washburn are losing shared revenues - the monies they need to pay for those shared services. What is the incentive to cooperate?

The consequences of the proposals in the governor's Budget Reform Act are not understood.

- The rhetoric coming from the office of the governor and legislative leaders suggests that the state can't absorb a 5% loss in its operating revenue ($1.1 billion deficit out of a $23.18 billion budget), but feigns confusion and a mystical lack of comprehension as to why local governments can't absorb cuts in revenue the Legislative Fiscal Bureau notes will approach 53% for some communities. It is clear that those who have been persuaded to support the governor's proposal by the emotional rhetoric that is being bandied about of late lack a true understanding of local government operations and the consequences the Budget Reform Act will have on those services.

- Under the governor's proposal the Legislative Fiscal Bureau has calculated City of Washburn will loose $89,527 or 5% of its available revenue in the 2002 fiscal year. Its too late to raise the levy $1.31/$1,000 in valuation to make up that cut. The governor timed his message to prevent such a tax increase. Although significant, the City can, and will, manipulate its budget to cope with this reduction.

- State Shared Revenues account for 37% of the revenue of the City of Washburn or $682,000 out of a $1.9 million budget. How does any organization continue to function with such a loss. Private industry certainly cannot, but they have bankruptcy laws for protection. Yet government somehow is expected to magically survive and operate as it had without the reduction. To suggest, as some legislative leaders are stating, that any community can continue to provide the same level of services residents are receiving today in the environment of such a cut is inconceivable. Every aspect of municipal service will be affected.

- The governor's proposal will not lower property tax rates. Shared revenues are not generated via property taxes. How are the residents of Washburn, or other areas of the state for that matter, to benefit from the proposal? They will suffer from the service reductions that will be inflicted by the Budget Reform Act but they will not visibly see any benefit from the reduction of a property tax bill. Even if the state were to eliminate the $.23/$1,000 attached to the property tax levy for forestry operations, every cent of that reduction will be absorbed by others in an effort to make up the elimination of shared revenues.

- The cut in shared revenues that the Fiscal Bureau has calculated would be suffered by the citizens of the City of Washburn would require a doubling of our local tax levy to restore the lost revenue to maintain our current level of municipal services. The governor knows that. In his proposal is prohibition against such increases.

The governor's Budget Reform Act is avoiding making cuts where significant cuts should be made.

- Question - The governor has accused local government from failing to live within its means. When is the state, the level of government he oversees, going to live within its means? Of all the layers of government in Wisconsin, local government is the one most in touch with our citizens. Local government provides the services requested by our citizens. Local government is the level of government that answers the phone to resolve a constituent concern. Local government is the level of government that responds to constituent emergencies.

  What do the office buildings in Madison and the legions of public employees housed therein have to do with the delivery of local police, fire and ambulance services. How do those civil servants help the citizens of Washburn keep city streets clean, control stray animals, collect solid waste, unplug sewers, respond to citizen concerns. My guess is nothing! Yet, the governor is supporting the maintenance of those bureaucracies and gutting the budgets of the level of government that directly serves and assists the public.

Issues that have to be considered while deliberating over the governor's Budget Reform Act.

- Private utilities and railroads are not taxed locally. They pay a tax to the state that is then placed in the shared revenue pool and distributed to local governments as shared revenues. Yet local communities provide services to these properties. If shared revenues cease, local communities need the ability to charge these companies for the services provided. The governor's proposal does not permit this.

- Selected communities in the state host public facilities such as county administrative offices, highway shops, state offices, public schools, etc. that are exempt from local taxation, yet benefit from local services. In Washburn, the holdings of local schools, county government, state and federal governments and non-profit institutions are significant. The City needs to be able to raise revenues from these facilities to pay for the services provided in any new relationship that is crafted between the state and local governments.

- Because of continuing tax exemptions granted by state government to selected business groups, property taxes may be artificially higher then necessary to make up the loss of revenues needed for the operation of local governments. The elimination of business exemptions, agricultural exemptions, etc. is essential in any new relationship the governor is advocating between state and local governments.

- The Budget Reform Act fails to recognize that differences are present in the diversity of the state. The economies of different parts of the state as well as the economics of providing public services in sparsely settled areas of Wisconsin vary significantly. The concept of shared revenues recognized this situation and attempted to level the playing field. Any proposal to eliminate shared revenues must address the inequities of the geography and economies of our state and the costs of providing basic community services.

And the legislature needs to restore the trust between state and local government that has been harmed by the governor's recent campaign rhetoric. The animosity the governor and legislative leaders are causing by their continuing pretentious comments has built a wall between state and local governments that is unnecessary and harmful for an objective discussion the opportunities a changing relationship between local and state government may provide. We have had the studies and discussion on the change that is needed in this relationship - it was called the Kettl Commission. The governor and the legislature failed to implement its recommendations. Don't beat up on local government because the chief executive's failure to embrace the outcome of the Commission's study and the implementation of all its recommendations - the incentives as well as the changes.

And finally, in danger of raising the level of emotional rhetoric on the issue, something I have just suggested should be tempered, let me say not long ago, state government ordered, against the wishes of many affected taxpayers, a tax increase to be inflicted upon the citizen's of southeast Wisconsin for the purpose of constructing Miller Park, a $300 million baseball coliseum for modern day gladiators to play within. Now the same level of government is proposing that local communities, the providers of necessary services to our citizens, be prevented from raising the monies needed to replace lost shared revenues in order to continue to provide the basic public services expected and required of any civilized society - sanitation, law enforcement, fire protection, ambulance services, cultural and recreational amenities. Who is the extravagant spender? State or local government?

City of Washburn

Resolution No. 02-002

WHEREAS, The Wisconsin legislature adopted the 2001-2003 state budget for funding state, county and municipal operations with inadequate funding provisions; and,

WHEREAS, Wisconsin Governor McCallum has chosen to introduce the 2002 Budget Reform Act into the Wisconsin Legislature to correct the revenue deficiencies of the previously adopted state budget; and

WHEREAS, Wisconsin Governor McCallum has chosen to balance the state budget deficit on the backs of county and municipal governments; and

WHEREAS, local governments in Wisconsin, acting responsibly in the interests of their constituents to balance the needs of the communities they represent while protecting the resources of their citizens while carrying out government's responsibility to provide essential public services; and

WHEREAS, local governments cannot continue to provide essential public services without adequate funding; and,

WHEREAS, the 2002 Budget Reform Act will eliminate 37% of the revenue available to the City of Washburn for providing police and fire protection, ambulance service, maintenance of streets, snow removal, cultural and recreational facilities, park maintenance, and health and sanitation services, etc.

NOW THEREFORE, The Common Council for the City of Washburn, Wisconsin, representing a community of 2,385 residents of the state of Wisconsin dependent upon state revenue sharing for the maintaining of a healthy community and prosperous local economy, vigorously oppose the provisions of the 2002 Budget Reform Act that will reduce and eliminate the states responsibility to serve the public through local government services; and

FURTHERMORE, directs its city administrator to protect the interests of the citizens of Washburn by communicating to the Governor, state legislature, and municipal associations, the displeasure of this community with the plans of Governor McCallum to abdicate the state's responsibility to local government and resolve the state budget deficit at the expense of true providers of citizen services - local and county governments.

Resolved this 28th Day of January, 2002 By the Common Council for the City of Washburn, Wisconsin.

Ruth F. Amraen

Ruth Amraen, Mayor

Wisconsin Metropatterns

Regional Cooperation, Economic Growth and Environmental Protection

MYRON ORFIELD
THOMAS LUCE

METROPOLITAN AREA RESEARCH CORPORATION
February 2002

marc
Metropolitan Area Research Corporation

MARC Board of Directors

MARC Staff

Research
Thomas Luce
Anne Discher

Development
Lisa Bigaouette
Jenny Jones

GIS
Andrea Swansby
Aaron Timbo
Bill Lanoux
Mike Neimeyer
Micah Brachman

Finance/Budget
Cheryl Hennen

Graphic Design
Two Spruce Design,
Minneapolis MN

Foreword

The Metropolitan Area Research Corporation (MARC) was created in 1995 by Myron Orfield, a Minnesota legislator and law professor. He is a nationally recognized leader in promoting reform around the issues of land use, social and fiscal equity and regional governance.

MARC's objective is to study the relationship between common regional development patterns in U.S. metropolitan regions, and the growing social and economic disparities within them. MARC also assists individuals and groups in fashioning local remedies that address these concerns. Since its inception, MARC has studied more than 30 U.S. regions, including the 25 largest metropolitan areas in the country.

This study was commissioned by Wisconsin Sustainable Cities Inc., and financed through a generous grant from the Joyce Foundation. We would like to acknowledge the ongoing review and advice provided by Wisconsin Sustainable Cities' partners: 1000 Friends of Wisconsin, Citizens for a Better Environment and the Greater Milwaukee Committee.

Cover photo by Scot Wallace of children from the Multicultural Center of Green Bay.

Wisconsin Metropatterns

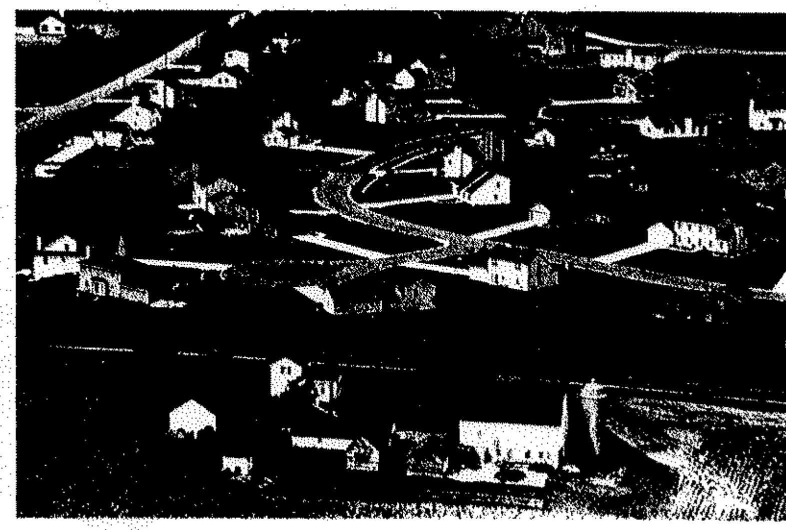
THE ECONOMIC and cultural life of Wisconsin is increasingly centered in its metropolitan areas. In 2000, two of every three Wisconsin residents lived in one of its urban centers. People move to, and stay in, cities and their suburbs because they offer economic opportunity and unprecedented access to cultural activities, education and recreation.

But the way these regions are growing — individual units of government competing intensely with each other for economic resources and high-income residents — ends up hurting all parts of metropolitan areas.

At the core are older communities facing growing poverty and declining tax bases. The problems associated with concentrated poverty — everything from high crime and troubled schools to poor health — place a significant burden on city resources, discourage investment in those neighborhoods and dramatically limit the opportunities of residents. Ultimately people living in high-poverty neighborhoods become isolated from educational, employment and social opportunities available to residents in other parts of the region, making it extremely difficult for them to participate fully in the metropolitan economy.

Although this scenario is most common for portions of central cities, it is also increasingly familiar in inner-ring suburbs — communities that are often more fragile than the cities they surround. These places are often especially hard hit by social decline because they lack the cultural amenities, desirable old homes and downtown tax base that help central cities survive despite their problems.

Many fast-growing outlying bedroom communities are struggling, too, but in their case it is to stretch their modest fiscal resources to build the schools, roads, parks and sewers needed by new residents. Although these places, with their higher-achieving schools, lower land costs, new homes, more space, less congestion and low taxes, appear to offer an alternative to declining communities at the core, over time the costs of growth can exceed the ability of local taxpayers to pay for it.



The apparent "winners" in this tug-of-war are the most prosperous outlying areas — those with expensive homes, plentiful commercial and industrial development and few social strains. Although these places, generally home to a small percentage of the region's population, appear to reap all of the benefits of regional competition with few of the costs, they are in many ways victims of their own success. As they grow, the open space that attracted residents in the first place is lost to development, traffic congestion makes getting around more and more difficult, and employers have problems attracting the low-wage workers they need, but who cannot afford to live in the vicinity.

These patterns have a long lineage. Americans, immersed in the ideals of privacy and open space, and strongly disposed toward the "new," have traditionally had an uneasy relationship with sometimes crowded, often diverse cities. That unease has frequently been translated into policies, such as restrictive annexation and zoning rules and generous subsidies of freeways, that helped people with means "escape" from cities, spurred the creation of many smaller political jurisdictions around them, and isolated poverty in the center of the region.

The results are metropolitan areas profoundly divided by race and

Photo courtesy: Racine Journal Times

income, governed by inequitable fiscal policies and wracked by inefficient development patterns. This pattern of concentrated poverty and wealth has particularly harmful effects on minority residents. In part due to subtle discrimination in the housing market, they are much more likely than other groups to live in high-poverty areas, and those who do not must keep moving to stay ahead of the social strife that often follows them out of the inner city.[1]

Elementary schools serve as an early warning signal for communities on the verge of decline. Deepening poverty and other socioeconomic changes show up in schools before they show up in neighborhoods, and they show up in elementary schools before they show up in junior high and high schools. This makes elementary schools useful institutions to study.

The forces of dispersal and decline are clearly at work in Wisconsin's

largest metropolitan area, Milwaukee. Suffering from notable income and racial segregation (with segregation indices above the averages of Wisconsin and the 25 largest U.S. metropolitan areas), the Milwaukee area experienced relatively slow population growth in the 1990s, 5 percent — a rate similar to those in Detroit, St. Louis and Philadelphia. Many of Milwaukee's inner-ring suburbs are also experiencing decreases in tax base as social needs are growing dramatically.[2]

But the same stresses are also evident in the next tier of Wisconsin's regions — Madison, Appleton, Beloit-Janesville and Green Bay. In these regions, schools in the central cities and some suburbs are becoming poorer and these municipalities are losing the competition for tax base, while many other suburban communities are gaining ground. The regions' minority pupils are increasingly segregated in just one or two school districts.

And there are indicators that even the state's smaller metropolitan areas like Superior and Eau Claire are at risk of following the same route. These communities in many ways still look like traditional Midwestern rural centers, where the city is home of much of the region's wealth and poverty is concentrated in the surrounding countryside. But changes in the 1990s seem to indicate a shift to patterns typical of larger urban areas, with poverty concentrated in the urban center. As these small cities become more diverse, signs of racial segregation are increasing as well.

A growing body of research shows that, for better or worse, the well-being of the different parts of metropolitan areas are linked. One team of researchers, for example, found that median household incomes of central cities and their suburbs move up and down together in most regions and that the strength of this relationship appears to be increasing. They also found that metropolitan areas with the smallest gap between city and suburban incomes had greater regional job growth.[3] Another study found that in large metropolitan areas, income growth in central cities results in income growth and house-value appreciation in the suburbs.[4] These and other studies argue that cities and their suburbs are interdependent and that when social and economic disparities are minimized, the region is stronger.

As a result, there is growing recognition that the problems of segregated metropolitan areas — declining neighborhoods, congested highways, degradation of valuable natural resources and wasteful intra-regional competition — cannot be addressed through the actions of individual local governments working alone. At the same time, it is very difficult to design state-wide policies that can accommodate the wide range of conditions in Wisconsin's metropolitan areas. What is needed are comprehensive, coordinated *regional* strategies for addressing *regional* problems with *region-wide* solutions.

ABOUT THIS STUDY: This study focuses on seven of the state's metropolitan areas: Milwaukee, Madison, Appleton-Oshkosh-Neenah, Janesville-Beloit, Green Bay, Eau Claire and Superior. Its purpose is threefold: 1) document social and economic separation in Wisconsin's metropolitan areas; 2) identify the effects of these patterns on local governments and entire regions; 3) establish a base for community members to discuss regional problems and identify strategies to address them.

The study outlines strategies to address regional problems in three areas: fiscal equity, such as tax-base sharing (simulated for Wisconsin regions in this study); regional land-use planning, such as cooperative planning among local governments for public infrastructure and economic development; and regional governance, such as expanding the powers of two planning entities already present in Wisconsin cities: the Metropolitan Planning Organization and Regional Planning Commission.

Photo credit: Jeff Thompson

Milwaukee

THE MILWAUKEE REGION covers five southeastern Wisconsin counties: Milwaukee, Ozaukee, Racine, Washington and Waukesha. With 1.8 million people in 2000, it is the most populous metropolitan area in Wisconsin. The metro includes the cities of Milwaukee and Racine, and 119 smaller cities, towns and villages.

For the past 20 years, the region has grown more slowly than the state and nation — 6 percent since 1990, and just under 3 percent in the 1980s. But growth across the region is far from uniform. The population of Milwaukee County, home to the city of Milwaukee and inner-ring suburbs, has declined over the past 20 years. That decline has been accelerating — from 0.6 percent in the 1980s to 2 percent in the 1990s. Racine County has experienced very slow growth over the last 20 years, posting rates of 1 percent in the 1980s and 8 percent in the 1990s. Most of that growth has been outside of the city of Racine.

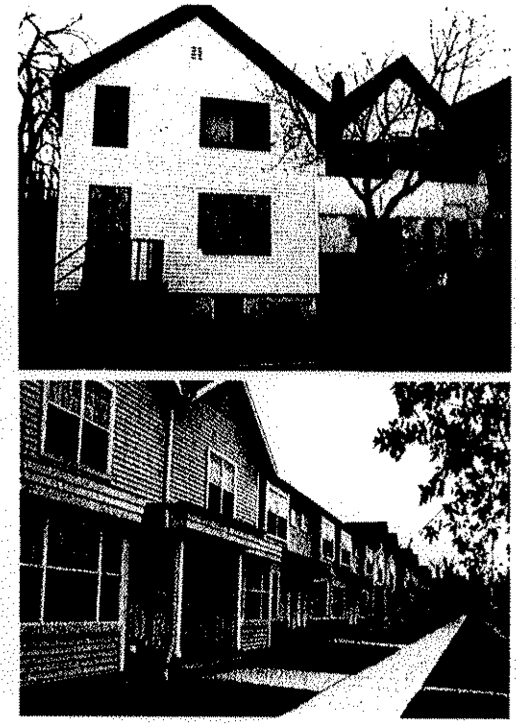
While communities in the center of the region, as far out as Waukesha, and older satellite cities decline, new communities on the outer edge are booming. Waukesha County, in the far west, posted growth rates of 9 percent in the 1980s and 18 percent in the 1990s. Washington County, in the far north, posted growth rates of 12 percent in the 1980s and 23 percent in the 1990s.

Residential density in the metro has decreased in recent decades. Between 1970 and 1990 the urbanized area around Milwaukee expanded 12 percent while its population actually decreased by 2 percent (Map 5). The urbanized area around Racine expanded 14 percent while its population increased only 4 percent.

THE ECONOMY

Almost one-third of the jobs in the Milwaukee region are in goods-producing industries, demonstrating the region's continued reliance on manufacturing. This manufacturing base has fueled strong growth in the construction, service, transportation and finance sectors. Driven by a corps of unionized manufacturing workers, wages in the area are very high. The Milwaukee area has a strong, steadily growing labor force, with unemployment surpassing the national average of 4 percent only in Milwaukee and Racine counties.

Much of the growth in these industries, manufacturing included, is shifting away from the cities toward the suburbs: 75 percent of the over 78,000 new jobs created in the between 1993 and 1998 were outside Milwaukee and Racine counties.



City neighborhoods offer opportunities both for rehabilitation of old homes and the construction of new ones.

SOCIAL SEPARATION

Poverty in schools in the region is highly concentrated in Milwaukee, home of the state's most populous school district (Map 1). Nearly two-thirds of elementary pupils in city schools are eligible for free lunches.[5] But there are danger signs in the older suburbs and satellite cities.

Other districts with significant poverty rates — between 13 and 20 percent — are also in older communities in the region's core. They are Racine and the inner-ring districts surrounding Milwaukee: Cudahy, West Allis, Greenfield, St. Francis, South Milwaukee and Glendale-River Hills. The Hartford district, located in the northeast metro, is the only outlying district with similarly high poverty rate, 13 percent.

It is also the inner-ring suburbs that are experiencing the greatest increases in poverty (Map 2). Glendale-River Hills and West Allis saw

Photo credits: Barb Jakopac

In the Milwaukee region, large homes are sprouting on the urban edge, while houses in the region's core are abandoned.

increases significantly above the regional average, as did the districts of Brown Deer and Waukesha. The Greenfield, Cudahy and Fox Point districts experienced slightly above-average increases. Outside the core, the districts of Port Washington-Saukville, Freiss Lake and Erin saw slight increases. Milwaukee's poverty rate fell slightly during that period.

The lowest rates of poverty in the region are in the fast-growing western and northern suburbs: the Cedarburg, Richfield, Richmond, Merton and Swallow school districts. The poverty rates in all but Swallow decreased between 1993 and 1998.

The Milwaukee region is also extremely segregated by race. Milwaukee County is the home of over 88 percent of the African Americans in the region. Segregation is especially noticeable in the region's schools. In Milwaukee 82 percent of elementary pupils belong to racial minority groups, while the north suburban district of Cedarburg has a minority enrollment of less than 2 percent and the west suburban district of Erin has no minority pupils at all. Even in school districts that are relatively integrated as a whole, individual schools are highly segregated. In Wauwatosa, for example, minority pupils make up 23 percent of the total enrollment. But minority enrollment in individual buildings ranges from 13 percent to 80 percent.

Poverty is growing fastest in inner suburbs.

The region's dissimilarity index, which indicates the percentage of minority pupils who would have to change schools to achieve an identical mix in each building was 69 in 1998, up from 64 in 1993. This is almost double that of any other area in the state and compares poorly with other large metropolitan areas across the country.[6] Poverty and race interact in the Milwaukee region in a way that is very detrimental to the educational opportunities of minority pupils. Minority pupils are over six times more likely than white pupils to attend a high-poverty school district.[7]

Fiscal capacity

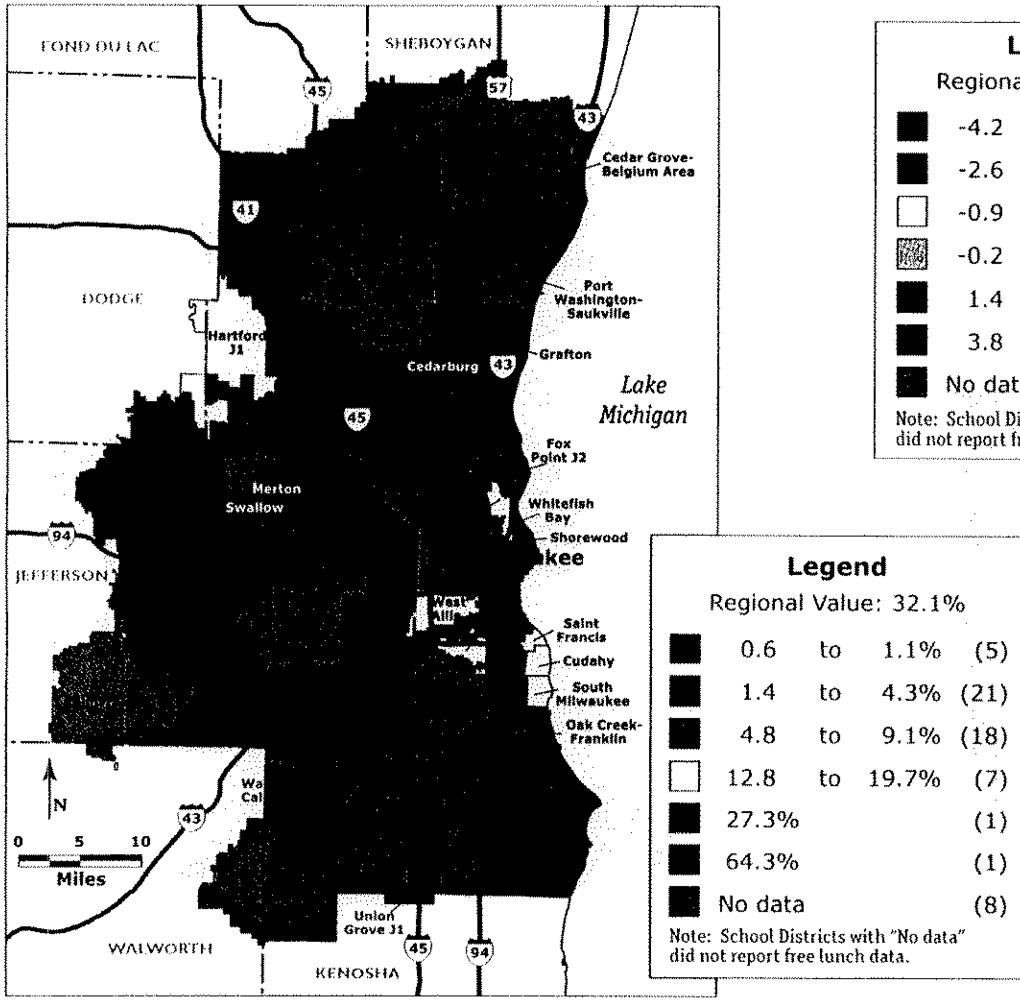
Local tax capacity measures a local government's ability to generate revenues from its local tax base. It shows the revenues that would be forthcoming if each locality in the region assessed the same tax rate (the regional average). Tax capacities vary widely among communities in the Milwaukee area, with the lowest-capacity communities concentrated in the core of the metro: the cities of Milwaukee and Racine had capacities 45 and 40 percent below the 1999 regional average, respectively (Map 3). Tax capacities are also very low in inner-ring suburbs like West Allis, St. Francis and South Milwaukee. Outlying cities of West Bend, Port Washington and Waukesha have slightly below-average capacities. High-capacity communities are concentrated in the north metro, in a line from River Hills to the town of Belgium, and to the west in a wedge from Elm Grove out to Oconomowoc and the town of Eagle.

These patterns of inequality appear to be hardening over time, in a pattern characteristic of regions growing much faster in land area than population. Decreases in tax capacity are most evident in the older communities in and near the core, and in fast-growing communities as far out as Waukesha (Map 4). The inner-ring suburbs of River Hills, West Milwaukee and Wind Point suffered the biggest decreases. The largest increases were in suburban communities on the metropolitan edge.

One way to reduce fiscal inequality is with regional tax-base sharing, discussed in more detail in the final section of this report. Map 6 shows the outcomes of implementing one variation of this type of policy in the Milwaukee area in the 1990s. Roughly 70 percent of the region's population resided in municipalities that would have benefited from such a plan — central cities, inner suburbs and some older satellite cities.

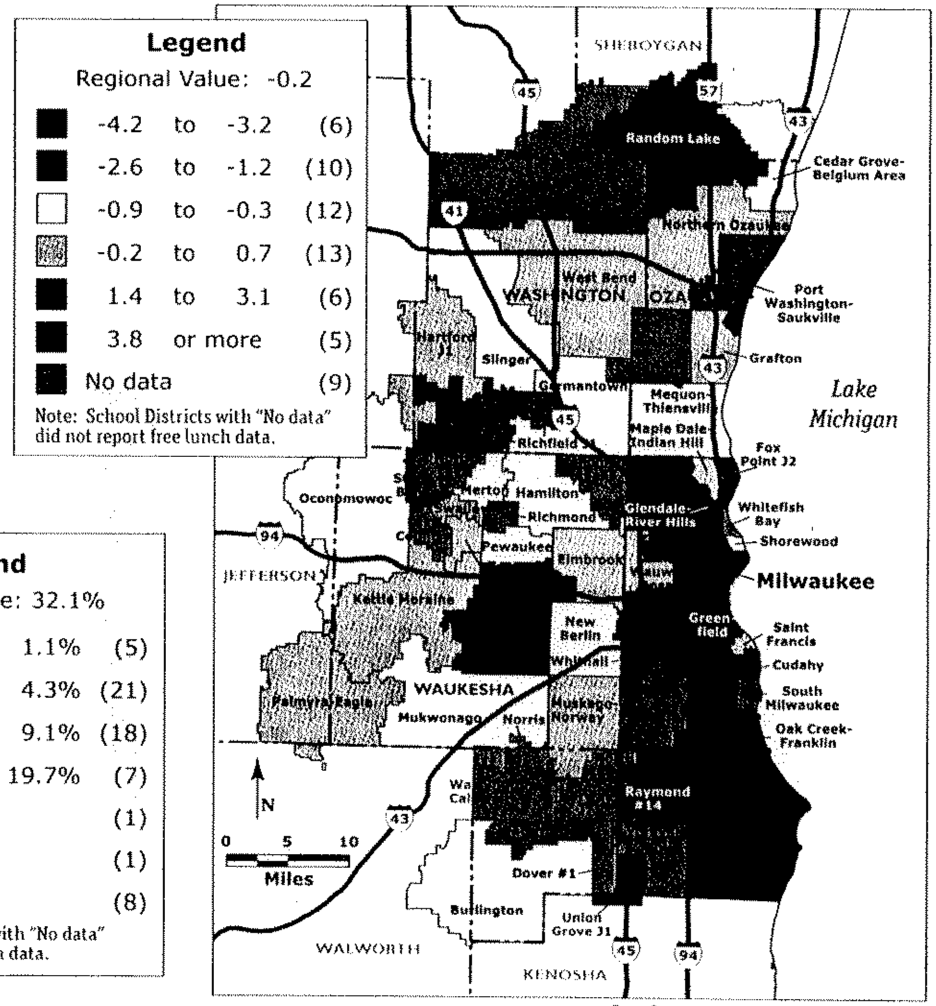
Photo credit: Barb Jakopac

Map 1: Percentage of Elementary Students Eligible for Free Lunch by School District, 1998



Data Source: National Center for Education Statistics.

Map 2: Change in Percentage Points of Elementary Students Eligible for Free Lunch by School District, 1993-1998



Data Source: National Center for Education Statistics

Pupil poverty is heavily concentrated in the school districts of Milwaukee and Racine, which have poverty rates of 64 and 27 percent, respectively. Almost 90 percent of the region's poor pupils attend one of these two districts. The average poverty rate in districts outside of Milwaukee and Racine is 6 percent.

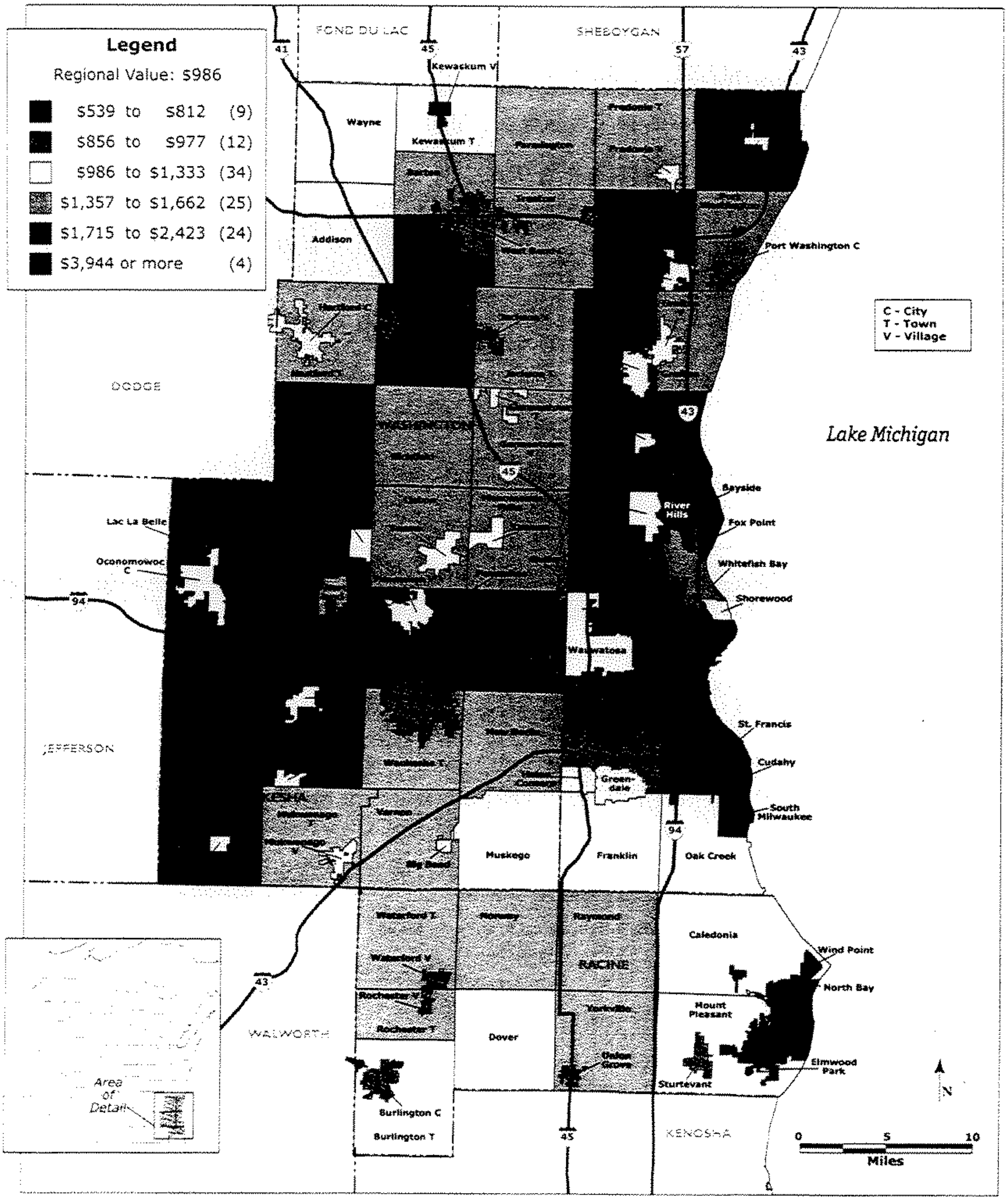
The most dynamic changes are taking place in the inner-ring communities of Milwaukee, where the poverty rates in 1998 were already significant: Cudahy (20 percent), West Allis (15 percent), Greenfield (15 percent), St. Francis (15 percent), South Milwaukee (15 percent) and Glendale-River Hills (11 percent).

Milwaukee's poverty rate actually fell during that period, while Racine's increased significantly. Poverty rates in most of the outer suburbs held their own or fell slightly.

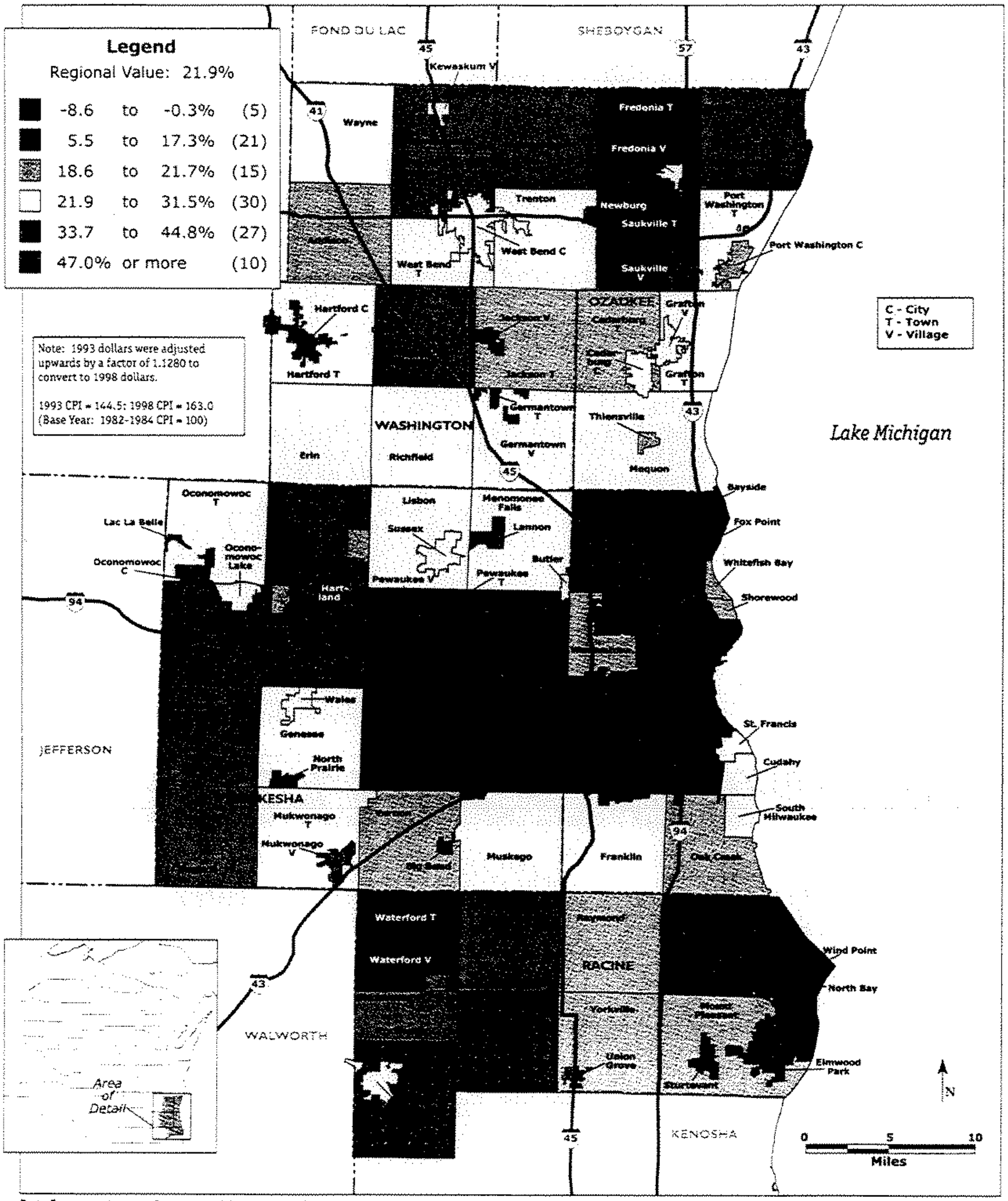
Map 3: Tax Capacity per Household by Municipality, 1999

The ability to raise revenue to provide services — known as tax capacity — varies widely across communities in the Milwaukee region. Tax capacities are extremely low in both the central cities of Milwaukee and Racine as well as their inner-ring suburbs, such as West Allis, West Milwaukee, St. Francis, and Greenfield. The areas with the highest tax capacities are the outer suburbs to the west of Milwaukee in Waukesha County and those just north of it in Ozaukee County.

Data Source: Wisconsin Department of Revenue, U.S. Census Bureau.



MAP 4: PERCENTAGE CHANGE IN TAX CAPACITY PER HOUSEHOLD, BY MUNICIPALITY, 1993–1999

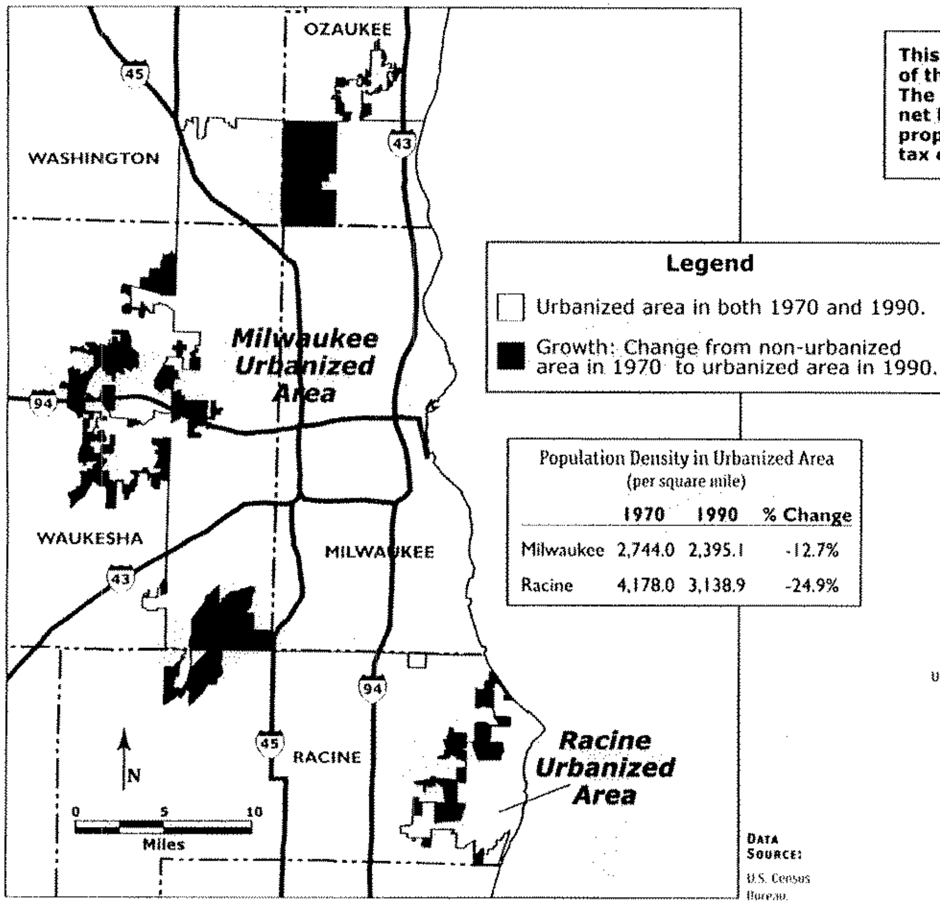


DATA SOURCE: Wisconsin Department of Revenue, U.S. Census Bureau.

THESE PATTERNS of inequality in the Milwaukee region appear to be hardening over time, with below-average increases in tax capacity most evident in the older communities in and near the core. The inner-ring suburbs of West Milwaukee and Wind Point suffered actual decreases. The largest increases were in suburban communities on the metropolitan edge, including the villages of Sturtevant, Jackson, Big Bend and Pewaukee.

Urbanized Area

MAP 5: CHANGE IN URBANIZED AREA, 1970–1990



Population Density in Urbanized Area (per square mile)

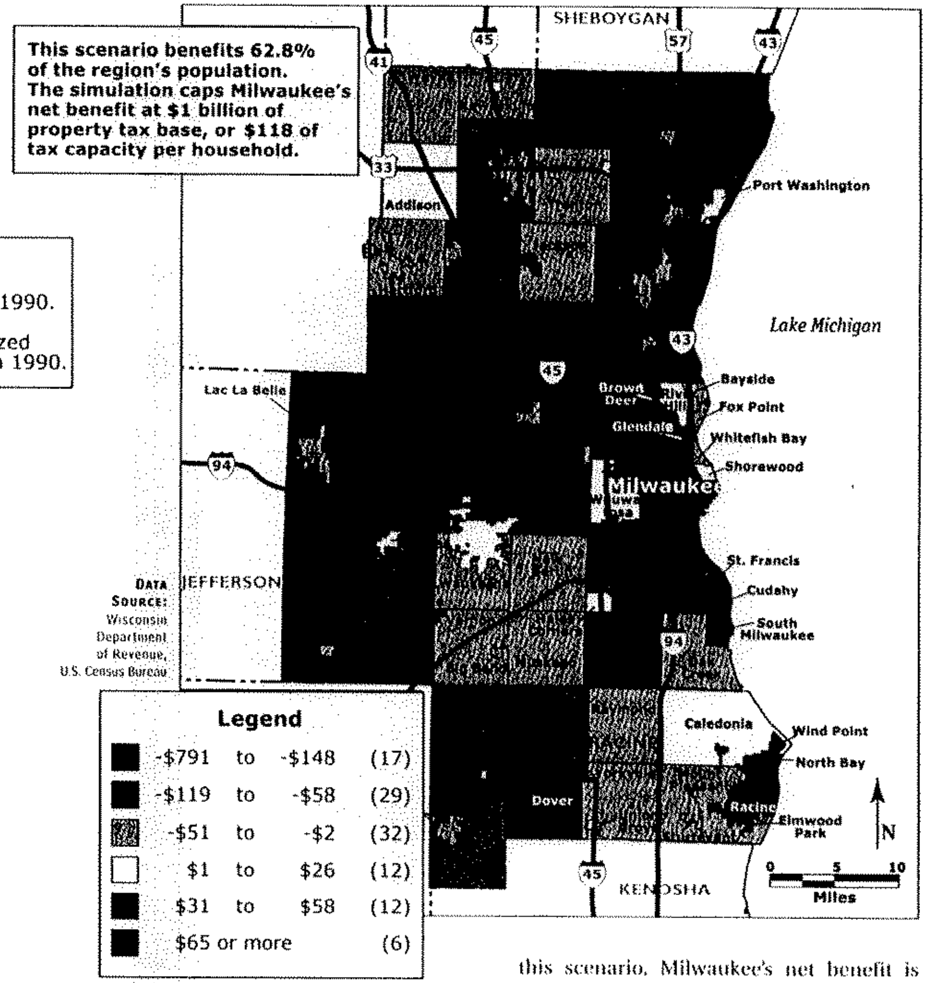
	1970	1990	% Change
Milwaukee	2,744.0	2,395.1	-12.7%
Racine	4,178.0	3,138.9	-24.9%

DATA SOURCE: U.S. Census Bureau.

THE MILWAUKEE REGION is consuming more and more land — and taxing itself to pay for it — even though the region's population is growing very slowly. Between 1970 and 1990, total urbanized land area grew by 14 percent while the population in that portion of the region actually declined by 2 percent. Nationally, urbanized land area in the nation's 25 largest metropolitan areas expanded at an average rate of 46 percent, while population in those areas grew an average of 20 percent.[8] This pattern of outward expansion continued in the Milwaukee area through the 1990s, when population increases were concentrated in the outer, less densely settled parts of the region.

Tax Base Sharing

MAP 6: SIMULATED CHANGE IN TAX CAPACITY PER HOUSEHOLD AS A RESULT OF REDISTRIBUTION OF 40% OF TAX BASE GROWTH ACCORDING TO INCOME PER CAPITA, 1993–1999

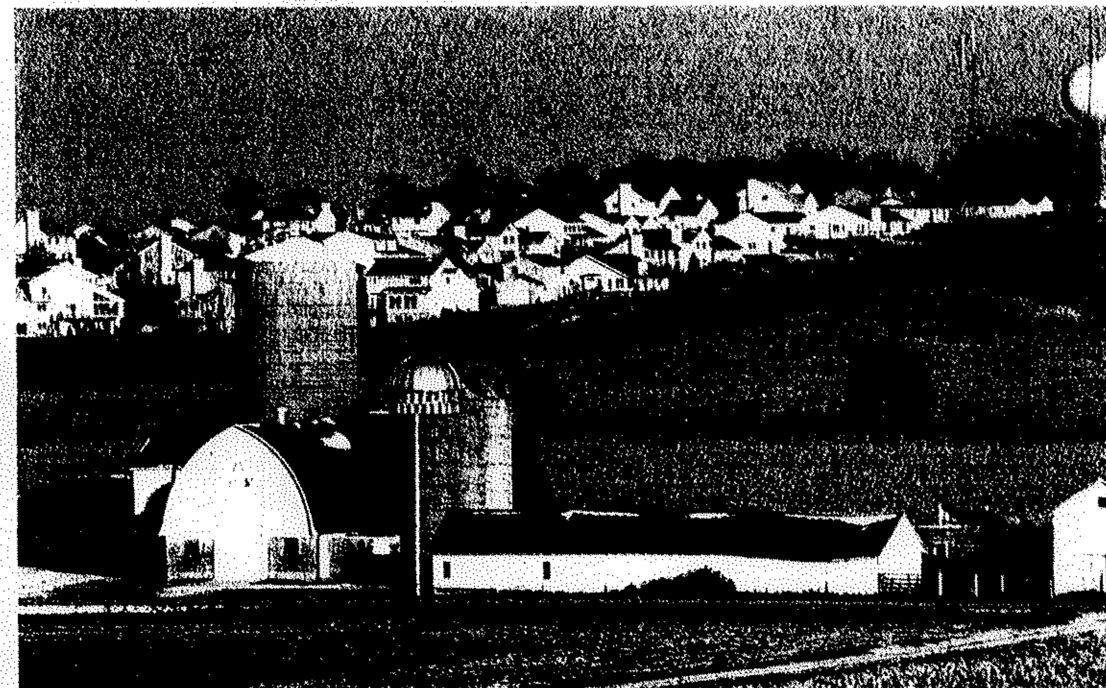


DATA SOURCE: Wisconsin Department of Revenue, U.S. Census Bureau

A TAX-BASE SHARING PROGRAM would lessen the competition for tax base in the region and distribute tax revenues more fairly. The map shows the results of a tax-base sharing program that collects 40 percent of property tax growth in a regional pool, then redistributes the funds to communities based on their total property tax base per capita. In this scenario, Milwaukee's net benefit is capped at $1 billion.

If such a program had been in place during the mid-1990s, almost two-thirds of all Milwaukee metropolitan residents would have benefited, and the biggest recipients would be those communities shouldering the region's most serious social needs: central cities and their inner-ring suburbs.

Madison



THE MADISON METROPOLITAN AREA, consisting of Dane County, is home to Wisconsin's capital, Madison, and 61 smaller cities, towns and villages. In 2000, 426,000 people lived in the Madison metro area.

Population growth in Madison has been accelerating for the past 20 years: 14 percent in the 1980s and 16 percent in the 1990s. Both of these rates far exceed the state and national averages over those periods.

Nearly two-thirds of the population growth in the 1990s occurred in the cities and towns around the city of Madison, especially to the south along U.S. Highway 14 toward Janesville, in the northeast along U.S. 151 and to the east along U.S. Highway 12. While the region grew by 16 percent in the 1990s, the population of the city of Madison increased just 9 percent.

Along with population increases have come decreases in population density (Map 11). Between 1970 and 1990, the amount of urbanized land in the Madison area expanded by 42 percent while population increased by only 19 percent — a ratio of over 2-to-1.

THE ECONOMY

As the home of the state government and the flagship campus of the University of Wisconsin, Madison has particularly strong service (especially educational service) and government sectors. Beneficiaries of these industries include a fast-growing construction industry, which leapt from 9,800 to 12,770 jobs between 1993 and 1998, and retail trade industry, which jumped from 42,000 to 47,800 jobs over that period. In 1998 service-producing industries accounted for 85 percent of area jobs, with goods-producing industries accounting for the balance. Because of research at the University of Wisconsin, Madison serves as an incubator for new, high-tech manufacturers. Indeed, most of the firms in Madison's small manufacturing sector are in the high-tech area.

Also because of the university, the workforce in Madison is highly educated. Over 18 percent of the population is college-educated, compared with 10 percent statewide. The labor force grew 11 percent between 1993 and 2000, and unemployment in 2000 was an exceptionally low 2 percent.

Madison is a job magnet, featuring 3 percent more jobs than employed residents. As a result, commuting into the area is on the rise with almost 17,000 people making the commute from homes outside the metropolitan area each day. At the same time, commuting from the Madison area to other places is also increasing, with over 9,000 residents leaving the area every day to work. Most of them work in the Milwaukee and Janesville-Beloit areas.

Photo credit: Andy Manis

Social Separation

Despite its impressive economy, the Madison area is a good example of the concentrated poverty and social separation that often come with rapid growth. Poverty in schools in the Madison region is heavily concentrated in the Madison Metropolitan School District, which includes the city of Madison and adjacent communities (Map 7). The district has an elementary pupil poverty rate of 22 percent, almost double the regional average of 12 percent.

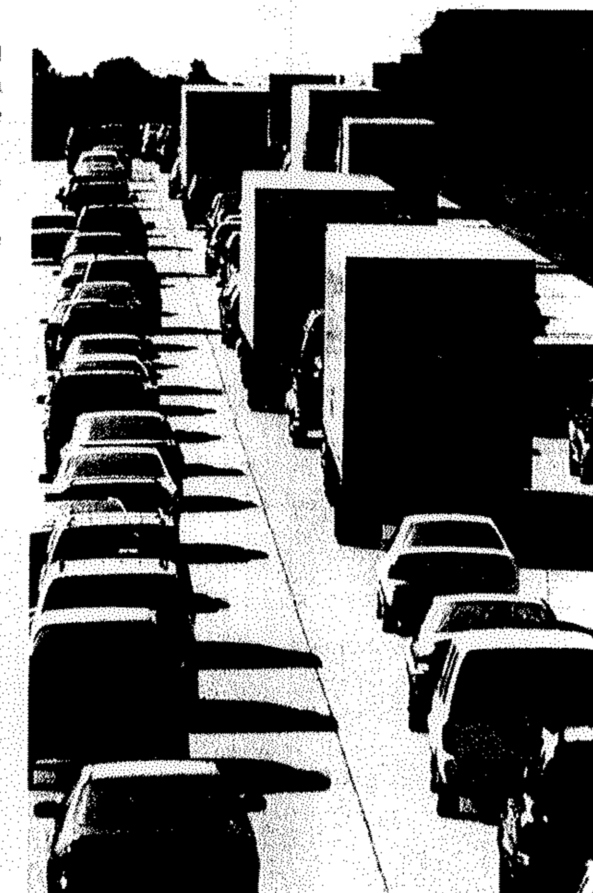
The suburban districts of Waunakee and McFarland, on the northwest and southeast sides of the city, have the lowest poverty rates of in the region (around 2 percent). Marshall is the only district besides Madison to have an above-average poverty rate, 13 percent.

Overall, the rate of free-lunch eligibility remained virtually unchanged in the Madison area from 1993 to 1998 (Map 8). The Verona district, located just southeast of Madison, experienced the greatest increase, 5 percentage points, to just over 8 percent. The Cambridge district, located on the eastern edge of the metro, saw the greatest decrease, 6 percentage points, to just under 4 percent.

The story is much the same when it comes to racial segregation. Schools in Madison and southwest and northeastern suburbs tend to have relatively high percentages of minority pupils, while enrollment in other districts are overwhelmingly white. In 1998, the Madison area had the second highest segregation rate in the state after Milwaukee—more than one-half of the region's minority pupils would have to change schools to achieve complete integration. That figure was up one point from 1993.

As in many other regions, there is a correlation between the locations of concentrated poverty and concentrated minority populations. In the Madison area, 76 percent of the region's minority pupils attend its one high-poverty school district — Madison — while only 27 percent of the region's white pupils attend that high-poverty district.

Localities have become more unequal in their ability to raise revenue.



Fiscal capacity

As certain outer suburbs have boomed, communities in the Madison area have become more and more unequal in their ability to raise revenue to provide needed services (Map 9).

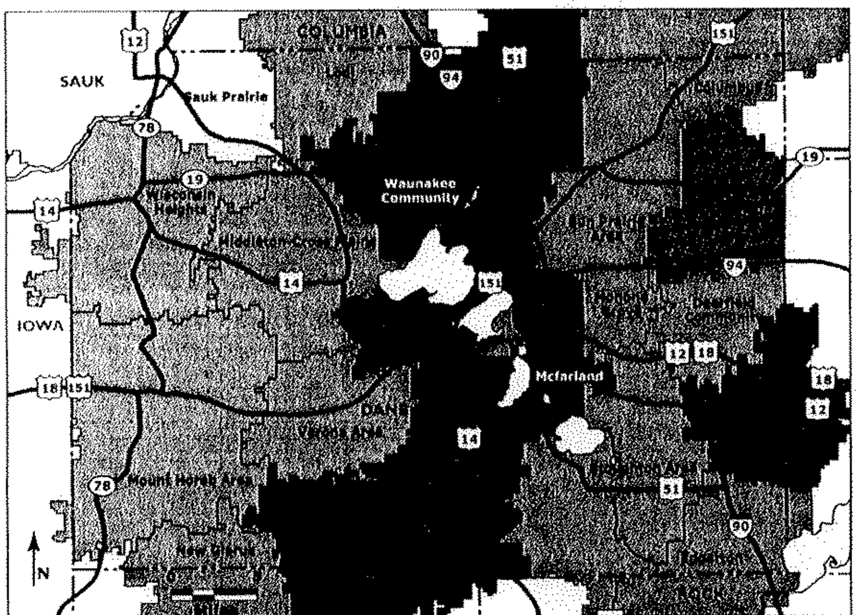
Many of the inner suburbs have relatively low tax capacities. The town of Madison, for instance, has a tax capacity more than 50 percent below the regional average — the lowest in the region. The next lowest tax capacities are found in the southwestern and northeastern inner-ring suburbs. Many of the fast-growing suburbs ringing Madison have below-average capacities as well. So both the central places and high-growth suburban areas are feeling fiscal stress. The highest capacities are in the northern and western suburbs, the region's "favored quarter."

These patterns reflect tax base changes in the region during the 1990s (Map 10). The lowest growth rates were in the core of the region and in scattered areas in the northern, eastern and southern fringes. Tax base grew most quickly in the western suburbs and in scattered fringe communities elsewhere.

One way to reduce fiscal inequality is with regional tax-base sharing, discussed in more detail in the final section of this report. Map 12 shows the outcomes of implementing one variation of this type of policy in the Madison area in the 1990s. Nearly 70 percent of the region's population resided in municipalities that would have benefited from such a plan.

Photo credit: Paul McMahon

Map 7: Percentage of Elementary Students Eligible for Free Lunch by School District, 1998



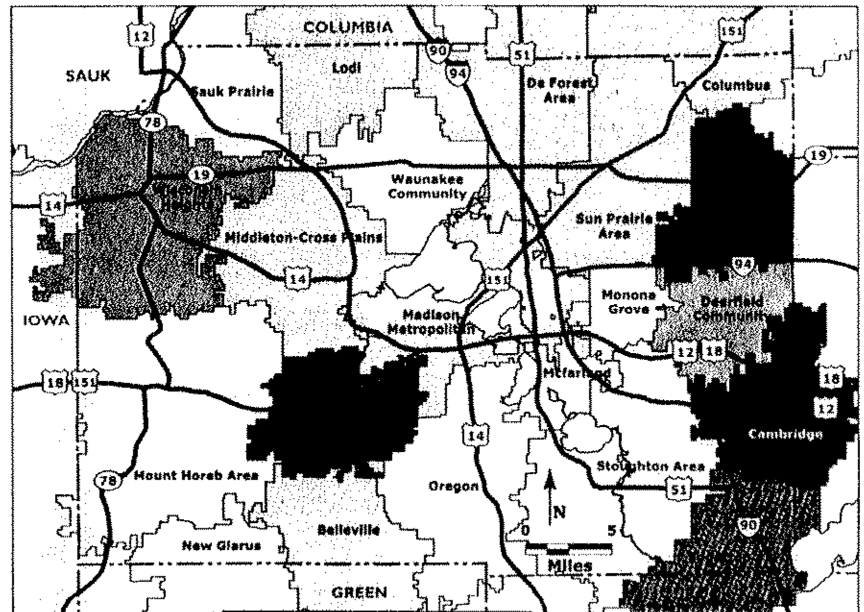
Legend

Regional Value: 11.5%

1.7 to 2.3%		(2)
3.6 to 4.1%		(4)
5.0 to 8.9%		(12)
10.5%		(1)
12.5%		(1)
21.8%		(1)

Data Source: National Center for Education Statistics.

Map 8: Change in Percentage Points of Elementary Students Eligible for Free Lunch by School District, 1993-1998



Legend

Regional Value: 0.2

-6.4		(1)
-3.1 to -2.8		(2)
-1.5 to -0.1		(8)
0.2 to 1.7		(7)
2.6		(1)
4.8		(1)
No data		(1)

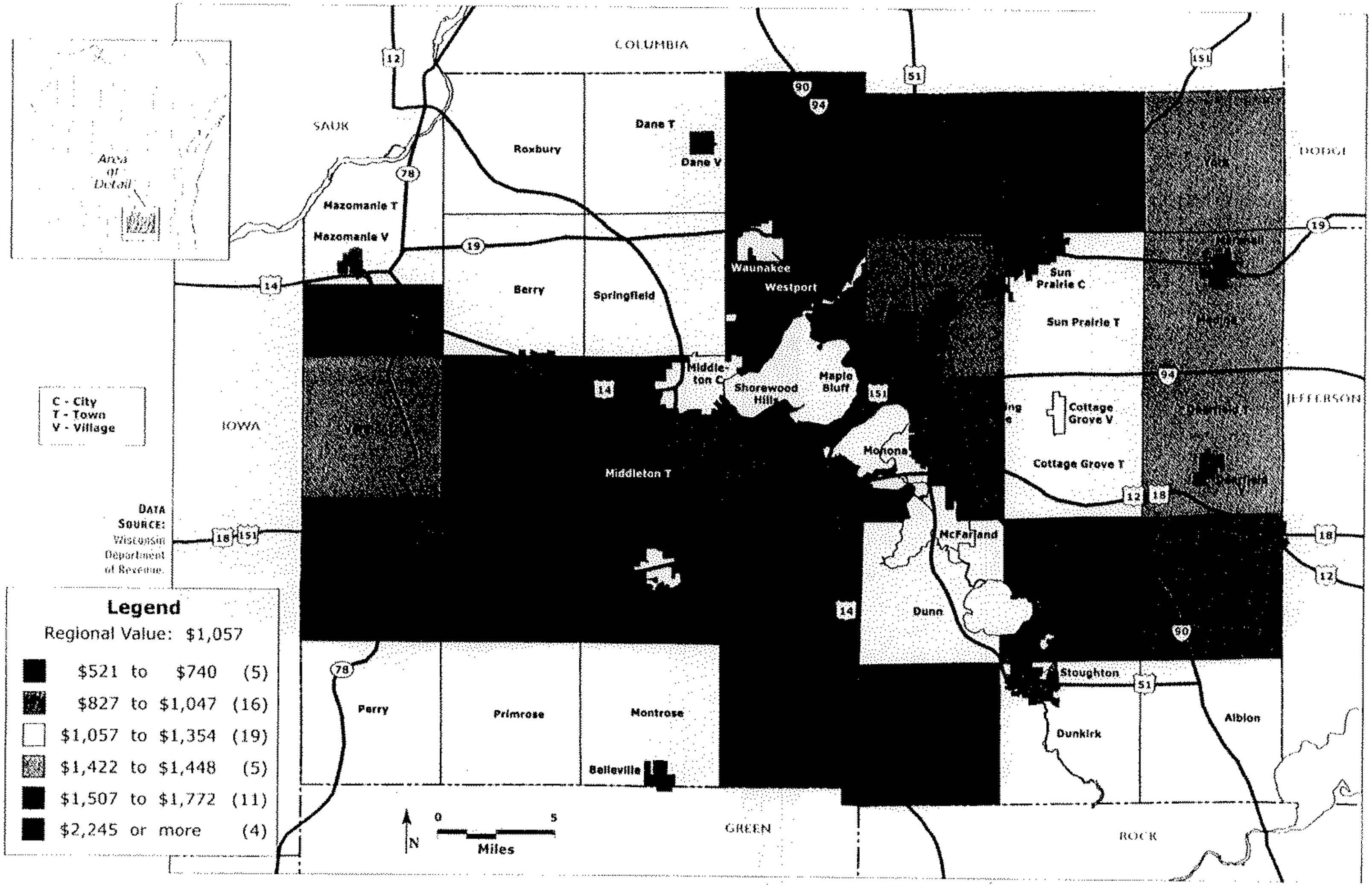
Note: Districts with "No data" did not report data in either 1993 or 1998.

Data Source: National Center for Education Statistics.

Pupil poverty is very clearly concentrated in the central city of Madison. In fact, the Madison Metropolitan School District has a free-lunch eligible rate twice as high as any other district in the metropolitan area — 22 percent. The areas with the next highest poverty rates are the outlying districts of Marshall (13 percent) and Sauk Prairie (11 percent). The districts with the lowest poverty rates, around 2 percent, are Waunakee Community, located just northwest of the city, and McFarland, located just southeast of it.

Overall poverty rates in the region remained fairly stable between 1993 and 1998, while poverty in Madison and many inner suburban districts increased at slightly above-average rates. The Verona district experienced the largest increase, almost five points. The biggest decrease in poverty rates, six points, was in Cambridge.

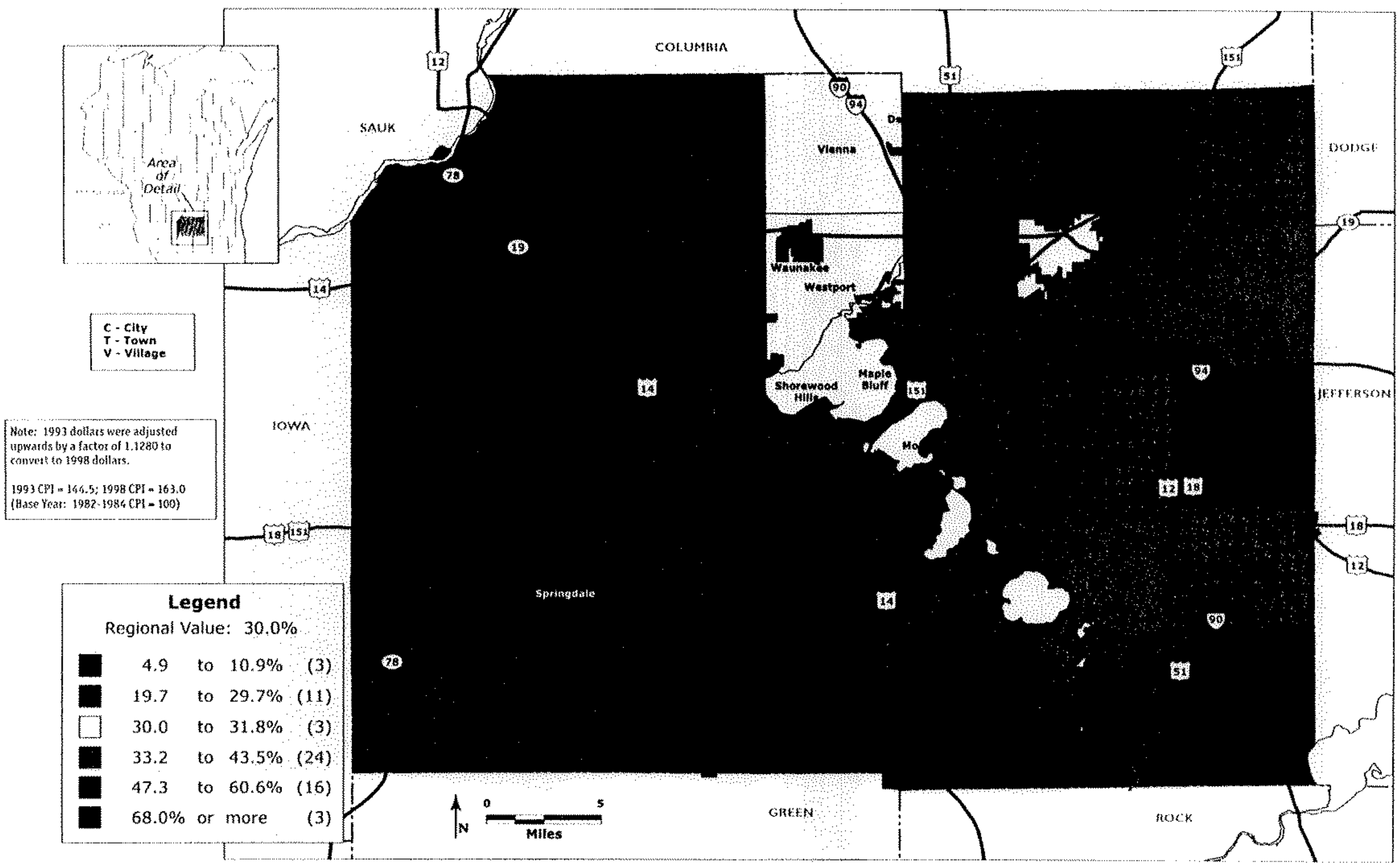
MAP 9: TAX CAPACITY PER HOUSEHOLD BY MUNICIPALITY, 1999



COMMUNITIES in the Madison area are far from equal when it comes to their ability to raise revenue to provide services, with struggling communities clustered in the core and on the region's outer fringes. The town of Madison has the lowest tax capacity, followed closely by the outlying communities of Rockdale, Marshall, Brooklyn and Blue Mounds. The city of Madison and nearby communities of Fitchburg, Sun Prairie and Blooming Grove, all have capacities slightly below the regional average.

The highest-capacity areas are the northeastern suburbs—the town of Middleton, Westport, Shorewood Hills and Maple Bluff.

Map 10: Percentage Change in Tax Capacity per Household by Municipality, 1993–1999



Data Source: Wisconsin Department of Revenue.

Outlying Villages and towns in the Madison area saw big gains in tax base between 1993 and 1998. The biggest increases were in the villages of Blue Mounds and Mazomanie and the town of Springdale. The slowest increases in tax capacity were mostly in the region's core — including the village of Maple Bluff, the towns of Blooming Grove, Madison and Dunn. The city of Madison also saw slower-than-average increases in this period.