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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Job Creation, Economic Development and Consumer Affairs (SC-JCEDCA)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Mike Barman (LRB) (August/2012)

Senate

Record of Committee Proceedings

Committee on Job Creation, Economic Development and Consumer Affairs

Senate Bill 183

Relating to: increasing the maximum amount of grants to certain organizations that provide support to a manufacturing extension center and making an appropriation.

By Senators Stepp, Kanavas, Harsdorf, Lassa, Zien and Roessler; cosponsored by Representatives Davis, Vos, Kerkman, Petrowski, Krawczyk, McCormick, Gunderson, Hines and Kreibich.

April 22, 2005 Referred to Committee on Job Creation, Economic Development and Consumer Affairs.

June 22, 2005 **PUBLIC HEARING HELD**

Present: (5) Senators Kanavas, Zien, Reynolds, Lassa and Decker.

Absent: (0) None.

Appearances For

- Mr. Jay Risch — Office of Senator Cathy Stepp
- Sheila Harsdorf — Senator
- Mr. Mike Klonsinski — Wisconsin Manufacturers Extension Partnership
- Mr. Michael Koester, Dousman — Husco International
- Mr. Phil Neuenfeldt — Wisconsin State AFL-CIO

Appearances Against

- None.

Appearances for Information Only

- None.

Registrations For

- Brett Davis, Madison — Representative
- Terri McCormick — Representative
- Mr. Jeff Schoepke — Wisconsin Manufacturers and Commerce
- Mr. Mark Reihl, Madison — Wisconsin State Council of Carpenters
- Mr. Joe Benkowski — Northwest WI Manufacturer Outreach Center
- Mr. Frank Borg — Northwest WI Manufacturer Outreach Center
- Ms. Amy Boyer, Madison — Wisconsin Economic Development Association
- Mr. Aaron Olver, Madison — Wisconsin Department of Commerce

Registrations Against

- None.

August 25, 2005

EXECUTIVE SESSION HELD

Present: (5) Senators Kanavas, Zien, Reynolds, Lassa and Decker.
Absent: (0) None.

Moved by Senator Kanavas that **Senate Bill 183** be recommended for passage.

Ayes: (3) Senators Kanavas, Zien and Lassa.
Noes: (2) Senators Reynolds and Decker.

PASSAGE RECOMMENDED, Ayes 3, Noes 2

Jeremey Shepherd
Committee Clerk

Record of Committee Proceedings

~~Joint committee on Finance~~

~~Senate Bill 183~~

SENATE BILL 183 (LRB -2649)

An Act to amend 560.25 (4) of the statutes; relating to: increasing the maximum amount of grants to certain organizations that provide support to a manufacturing extension center and making an appropriation.

2005

04-22.	S.	Introduced by Senators Stepp, Kanavas, Harsdorf, Lassa, Zien and Roessler ; cosponsored by Representatives Davis, Vos, Kerkman, Petrowski, Krawczyk, McCormick, Gunderson, Hines and Kreibich .	
04-22.	S.	Read first time and referred to committee on Job Creation, Economic Development and Consumer Affairs	183
05-03.	S.	Fiscal estimate received.	
06-22.	S.	Public hearing held.	
08-25.	S.	Executive action taken.	
08-26.	S.	Report passage recommended by committee on Job Creation, Economic Development and Consumer Affairs, Ayes 3, Noes 2	333
08-26.	S.	Available for scheduling.	
09-19.	S.	Referred to joint committee on Finance by committee on Senate Organization pursuant to Senate Rule 41 (1)(e), Ayes 5, Noes 0	353

2006

02-14.	S.	Executive action taken.	
02-15.	S.	Report introduction and adoption of Senate Substitute Amendment 1 recommended by joint committee on Finance, Ayes 16, Noes 0 (LRB s0532)	597
02-15.	S.	Report passage as amended recommended by joint committee on Finance, Ayes 16, Noes 0	597
02-15.	S.	Available for scheduling.	
03-01.	S.	Placed on calendar 3-2-2006 by committee on Senate Organization.	
03-02.	S.	Read a second time	656
03-02.	S.	Senate substitute amendment 1 adopted	656
03-02.	S.	Ordered to a third reading	656
03-02.	S.	Rules suspended	656
03-02.	S.	Read a third time and passed , Ayes 33, Noes 0	656
03-02.	S.	Ordered immediately messaged	670
03-07.	A.	Received from Senate	910
03-07.	A.	Read first time and referred to committee on Rules	911
03-07.	A.	Placed on calendar 3-9-2006 by committee on Rules.	
03-07.	A.	Made a special order of business at 10:27 A.M. on 3-9-2006 pursuant to Assembly Resolution 51	933
03-09.	A.	Read a second time	945
03-09.	A.	Ordered to a third reading	945
03-09.	A.	Rules suspended	945
03-09.	A.	Read a third time and concurred in	945
03-09.	A.	Ordered immediately messaged	945
03-10.	S.	Received from Assembly concurred in	743
03-17.	S.	Report correctly enrolled on 3-17-2006	748
03-20.	S.	Presented to the Governor on 3-20-2006	749
03-23.	S.	Report approved by the Governor on 3-22-2006. 2005 Wisconsin Act 180	753
03-30.	S.	Published 4-5-2006	757



Testimony for SB 183
Senate Committee on Job Creation, Economic Development and
Consumer Affairs
June 22, 2005

Michael Klonsinski
Executive Director
Wisconsin Manufacturing Extension Partnership

Wisconsin Manufacturing Extension Partnership and Northwest Manufacturing Outreach Center provide technical and business assistance to small and medium sized manufacturers.

Manufacturing in Wisconsin

- 10,582 manufacturing firms
- \$42.7 billion of output per year – 22 percent of GSP
- Manufacturing exports grew by 30 percent in last 5 years
- 516,000 manufacturing workers – 18 percent of labor force
- Manufacturing is high tech – 62 percent of U.S. R&D

FY 2004 WMEP/NWMOC Client Results

- 727 companies served
- \$89 million in sales
- \$22 million in cost savings
- \$28 million invested in modernization
- 1,583 jobs

Other WMEP Results

- \$2 million federal DOD for defense supplier development
- \$250,000 federal EDA for manufacturers
- Comprehensive State Manufacturing Study
- Manufacturing Matters! Conference – largest in state
- WMEP recognized as one of top MEP Centers

Federal Funding

- Currently funded at \$109 million nationally
- Wisconsin share in FY05: \$2.4 million
- House has approved \$106 million for FY06
- Senate subcommittee has approved \$106 million for FY06

Heale Manufacturing Company, Incorporated

1231 The Strand • PO Box 1444 • Waukesha WI 53187-1444 • Phone 262-542-4496 • Fax 262-542-6928 • Email elliott@Healemfg.com

JUNE 10, 2005
FOR IMMEDIATE RELEASE

HEALE WINS PRESTIGIOUS DOD QUALITY AWARD

Heale Manufacturing Co., Inc. was honored by the U. S. Department of Defense as one of the government's best suppliers at an Automated Best Value System award ceremony last week.

Heale earned the Gold ABVS award by maintaining 100% quality and 100% on time delivery on over 600 contracts during the last 24 months. Less than 3% of all DOD suppliers earned gold awards.

Elliott Erickson, President of Heale Manufacturing, accepted the gold award from the commander of the Defense Supply Center, Navy Rear Admiral Mike Lyden in Richmond VA.

"We are extremely proud of this award because it means we have provided products that our troops can use with confidence anytime, anywhere in the world," said Erickson. "And to realize that we are one of only 5 companies to have won an ABVS award in at least 14 of the 15 years they have been given is truly quite remarkable! Less than one-tenth of 1% of all DOD suppliers have matched that performance."

Firms that qualify as Automated Best Value Supplier (ABVS) award winners must meet stringent Defense Department quality and delivery requirements established by the DLA. The computerized ABVS evaluation system awards a GOLD medal for a perfect 12 month score of 100. A score of 99.0 to 99.9 earns a SILVER medal and 98.0 to 98.9 earns a BRONZE medal.

Erickson went on to comment "our continued pursuit of perfection, as measured by the ABVS system, has given us a leg up on our competition because past performance is used in the government's contract award processes. We have also been assisted in our pursuit of perfection by the Wisconsin Manufacturing Extension Partnership (WMEP) and the Wisconsin Procurement Institute (WPI). They have helped us improve our quality, grow our business and add employees while still maintaining a reasonable bottom line. This demonstrates how productivity improvements and lean manufacturing principles don't eliminate jobs, they save jobs."

Editor's Note:

Heale Manufacturing Co., Inc. employs 45 people and manufactures electrical wire harnesses and cable assemblies. It has been serving commercial and military customers since 1953. Heale is located at 1231 The Strand, Waukesha WI 53186.

Contact: Elliott Erickson – 262.542.4496 ext. 114

Defense Supply Center Richmond serves all branches of military.

Contact Public Affairs Office – Debra Bingham 804-279-3626, debra.bingham@dla.mil

Or Eddie C. Riley 804-279-3673, eddie.riley@dla.mil

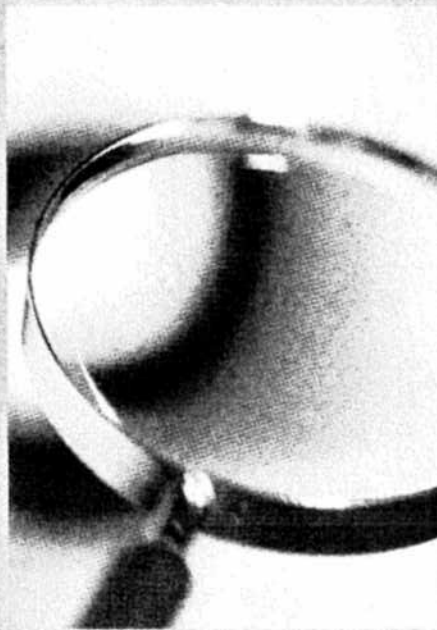
WMEP is a non profit consulting organization, partially supported by state and federal funding, that provides technical expertise and business assistance to help small and mid-sized manufacturer's implement lean principles and become more competitive.

Contact: Mike Klonsinski – 608.240.1740 ext 114

WPI is a non profit organization supported in part, by the Department of Defense, to help Wisconsin businesses market and sell their products and services to the federal government.

Contact: Aina Vilumsons – 414.270.3600

WMEP ANNUAL REPORT 2004



Wisconsin Manufacturing Extension Partnership

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American Laser on Road to Success

As the industry's leading manufacturer of high-speed laser cutting equipment, American Laser has achieved a significant milestone in the production of high-quality laser cutting equipment. The product is now being marketed in the United States and other international markets.

The MS&LZ-10 is a high-speed laser cutting machine that is designed to cut a wide variety of materials. It is a highly efficient and accurate cutting machine that is ideal for a wide range of applications.

Designed for the metal cutting industry, the MS&LZ-10 is a high-speed laser cutting machine that is designed to cut a wide variety of materials. It is a highly efficient and accurate cutting machine that is ideal for a wide range of applications.

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WINNER

The Road

BUILDING A STRONGER ECONOMY

WMEP REVITALIZES WISCONSIN MANUFACTURING

The need to strengthen and revitalize Wisconsin's manufacturing industry is more important than ever. Globalization, technology and a fast-changing world pose significant challenges and opportunities for the state's 10,000 small manufacturers. To succeed in the 21st century, Wisconsin's manufacturers must embrace change and innovation.

The Wisconsin Manufacturing Extension Partnership exists to help these companies on their journey. In fact, WMEP is the only state-supported organization chartered to advance manufacturing in Wisconsin. One way we accomplish this is to provide technical expertise and business assistance to small and mid-size manufacturers. Our mission is to improve the performance of Wisconsin manufacturers so they can compete and win in the global economy. In this endeavor, we've achieved remarkable success.

In the past three years, WMEP-driven improvements generated a **\$500 million economic benefit for Wisconsin manufacturers**. Our efforts have helped to create and retain thousands of high-wage manufacturing jobs, generate millions of dollars of higher state tax revenues and secure federal funds for manufacturing revitalization.

But our efforts to strengthen and improve manufacturing don't stop there. We collaborate with some of the largest manufacturers in the state to improve the performance of Wisconsin suppliers

and keep jobs and billions of dollars of business in Wisconsin. We partner with the state's technical colleges and universities to couple the technical assistance of our staff with the training and research resources of these institutions. We are the nation's leading MEP in working with union firms and involving the workforce in changes that result in more competitive companies. And we are in our 7th year of running Manufacturing Matters!, the state's largest manufacturing conference.

Our most recent manufacturing initiatives include conducting a comprehensive manufacturing study for the state and launching a project to accelerate the production capabilities of defense supply chains in the Midwest.

Our goal is to elevate Wisconsin manufacturing to be the best in the world and deliver results for manufacturers in every action we take. We're well on our way, but there still is much work to be done.

“Our mission is to improve the performance of Wisconsin manufacturers so they can compete and win in the global economy.”

Michael Klonsinski, CEO, Wisconsin Manufacturing Extension Partnership

PUBLIC INVESTMENT DELIVERS STRONG RETURNS

Bottom-line Results for Manufacturers

- \$118 million economic benefit
- \$78 million in higher sales
- \$15 million in lower costs
- \$25 million in investment in new plant and equipment.
- 1,468 new/retained jobs

and Wisconsin Taxpayers

- \$11 million in additional state tax revenue from job creation and sales growth
- \$17 million in federal funds leveraged since 1996
- \$2 federal dollars received for every dollar invested by the State of Wisconsin

Source: NIST/MEP manufacturer surveys

WMEP delivers on its promise to generate an exceptional return on investment for manufacturers and state taxpayers. We understand that resources are scarce and that our customers and public investors deserve the maximum return for their dollar. Our laser-beam focus on delivering measurable results sets us apart.

The impact of our work with customers is measured and tallied every quarter, every year. Last year alone, WMEP-assisted manufacturers reported an economic benefit of \$118 million. This sparked an additional \$11 million in state tax revenue (see box).

Public funds invested in WMEP:

- Improve the competitiveness of Wisconsin manufacturers
- Fuel economic growth
- Leverage federal dollars
- Generate higher state tax revenues
- Protect high wage manufacturing jobs

WMEP provided services to 522 manufacturers during the past fiscal year.

Wisconsin's investment in WMEP also captures federal matching funds through the national Manufacturing Extension Partnership (MEP) program. Since 1996, WMEP has brought back \$17 million from Washington to improve Wisconsin manufacturers.

"WMEP is a cost-effective, results-driven organization that delivers a substantial return on investment for manufacturers and the State of Wisconsin."

—Lance S. Hanes, President, Wisconsin Manufacturers & Commerce



WMEP CHAMPIONS A BRIGHT FUTURE FOR WISCONSIN MANUFACTURING

WMEP believes manufacturing has a bright future in Wisconsin. That puts us at odds with the myth that manufacturing is dying because of low-wage global competition. No one would deny that today's manufacturers face significant challenges. But those challenges are not insurmountable and a transformed manufacturing base can add wealth and jobs in Wisconsin.

Manufacturing can and will remain the cornerstone of Wisconsin's economy if we're willing to fight for its survival and invest in its future. WMEP is a vocal advocate of manufacturing and carries this message to the media, state leaders and the general public.

Today, manufacturing is the engine that drives Wisconsin's economy, contributing 23 percent of the state's gross product and employing 516,000 in jobs that pay good wages and benefits.

Wisconsin has competitive advantages that other states lack – a highly-skilled work force, a diversified manufacturing base and reputation for making some of the best-known products in the world.

Export growth and rising global demand bode well for manufacturing's future. Wisconsin exports surged 7.7 percent to a record \$11.5 billion in 2003, compared to a 4.4 percent increase nationally. Industrial machinery, including computer equipment, continues to be Wisconsin's top export commodity, followed by medical instruments and transportation equipment.

The state's growing technology and biotech industries are a powerful catalyst for manufacturing growth opportunities. It's important that we understand that the true economic potential of new technology breakthroughs can be maximized if **we manufacture those products here**. Our ability to turn research into production can mean the difference between retaining a dozen research jobs or creating hundreds of high-wage manufacturing jobs.

"The Wisconsin Manufacturing Extension Partnership has a dramatic impact on accelerating manufacturing transformation across the state. It is helping Wisconsin build on its traditional strengths to be a leader in the next generation of manufacturing."

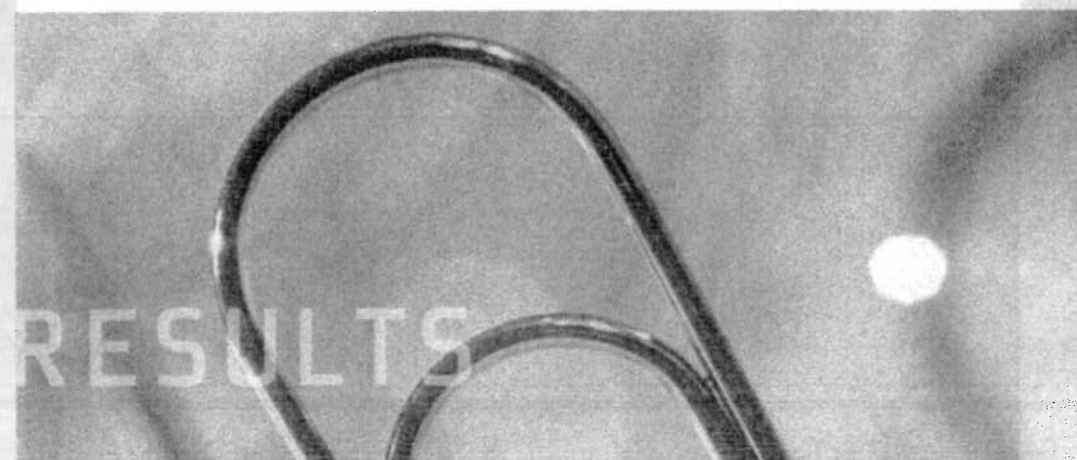
-Wisconsin Gov. Jim Doyle

Manufacturing Drives Economic Growth

Manufacturing has a greater impact on the economy than any other economic sector. Economists call it the multiplier effect.

- Every \$1 in manufactured goods generates an additional \$1.43 worth of additional economic activity.
- Manufacturers are responsible for two-thirds of all private sector research and development.
- Every job in manufacturing generates eight more jobs in other sectors like construction, wholesaling and finance.

Source: National Association of Manufacturers



WISCONSIN'S SUPPLY CHAIN ADVANTAGE

HIGH PERFORMANCE SUPPLIERS KEEP JOBS AND BUSINESS IN WISCONSIN

Suppliers drive state's economy

A recent analysis of in-state supplier spending by Harley-Davidson Motor Co.; Deere & Co.; and Oshkosh Truck Corp. revealed:

- More than \$1.7 billion is spent with 1,900 Wisconsin-based suppliers
- Suppliers are located in 58 of 72 Wisconsin counties.
- Two-thirds of the \$1.7 billion was spent with manufacturing firms; one-third was spent with service suppliers.
- In Southeast Wisconsin alone, these three OEMs spent \$963 million with 962 suppliers.

Source: WMEP OEM Supplier Development Consortium Report

Today the finished goods that roll off the assembly lines of Wisconsin's leading manufacturers are not the result of one company's efforts but of dozens. Suppliers – typically small firms that provide parts and components to large manufacturers – are the foundation of Wisconsin's industrial sector.

Every year, billions of dollars of economic activity is triggered when Wisconsin's large manufacturers buy goods and services from small firms. Keeping these suppliers competitive is essential to keeping jobs and business in Wisconsin

A recent analysis by WMEP revealed that the in-state spending of just three original equipment manufacturers (OEMs) totaled more than \$1.7 billion last year (see box.).

WMEP is recognized as a national leader in supply chain improvement support. Some of our initiatives include:

- A partnership launched in 2004 with Harley-Davidson Motor Company, Deere & Co., and Oshkosh Truck Corp. to implement lean manufacturing projects with select suppliers.
- Support of a new Department of Defense initiative to help Midwest defense contractors ramp up production to meet critical military needs.
- Creation and support of the Wisconsin Manufacturers Development Consortium, a group of seven large Wisconsin-based OEMs that work with WMEP to support supplier improvement. There were 217 suppliers targeted in FY04.
- Development of customized supplier development programs for prime and first-tier manufacturing firms.

"We've had an excellent working relationship with the Wisconsin Manufacturing Extension Partnership over the years and are impressed with its ability to help many of our suppliers improve their performance. We have, and will continue to be, strong advocates for MEP support at the federal and state level."

– Robert G. Bohn, chairman, president and CEO,
Oshkosh Truck Corp.

CONSULTING SERVICES

WMEP's manufacturing specialists bring years of private industry experience to the table. Every day, these individuals can be found on the production floors and in the executive offices of 200 companies across Wisconsin, helping them implement world-class strategies to enhance productivity, efficiency and profitability. WMEP's consulting services include:

Lean Manufacturing

An essential strategy to eliminate waste and reduce costs, lean manufacturing is the top operational improvement strategy in manufacturing today. WMEP has delivered more lean assistance than any other organization in the state.

Strategic Repositioning

Strategic repositioning is a catalyst for breakthrough innovation and profitable growth.

Quality Management Systems

Quality management systems promote high performance and a continuous improvement environment.

Value Chain Management

Securing optimal performance by applying lean principles throughout a company's supply chain.

ADVOCACY and RESOURCES

Manufacturing Matters! Conference

WMEP's Manufacturing Matters! Conference gives Wisconsin manufacturers the tools and strategies they need to grow and succeed in a global economy. More than 500 participants attend the annual day long event, which features national speakers and performance-building workshops on lean manufacturing, strategic innovation and value chain management. The 2005 Manufacturing Matters! Conference will focus on driving growth through innovation and will be held May 17 at the Midwest Airlines Center in Milwaukee.

Assistance for City of Milwaukee, Racine County manufacturers

More than 30 manufacturers in Racine County and the City of Milwaukee have implemented improvement projects under a grant from the Economic Development Administration (EDA) secured by WMEP. The federal grant targets manufacturers in areas with high unemployment.

Comprehensive Study of Wisconsin Manufacturing

WMEP secured federal and private funding to initiate a comprehensive study of Wisconsin manufacturing. The study will identify industrial sectors that offer the most promise for future economic growth. The study will be completed in June 2005.

Medalist LaserFab Earns Award

The service Medalist LaserFab, Inc. wraps around its product is how they gain customer loyalty at a time of intense global competition. So when Oshkosh Truck Corp. nominated Medalist for WMEP's supplier development program, the company seized the opportunity to improve plant efficiency, organization and productivity.

The hard work paid off. Oshkosh Truck named Medalist "Most Improved Supplier of the Year" for increasing on-time deliveries to an average of more than 99%. Sales are rising and the company just expanded its facility. Medalist is currently working with WMEP to become ISO-certified.

Compo Lands New Business, Turns to WMEP

Not long after Milwaukee based Compo Steel Products, Inc. announced \$25 million in new contracts, the company contacted WMEP for lean manufacturing assistance.

"WMEP is playing a critical role in helping us implement the power of lean in our business," said Compo president David Guerrero.

Nearly 100 jobs have been created as a result of the new contracts, which call for Compo to produce electrical lockers for GM locomotives and weldments for the Panama Canal. The canal renovation represents the company's first export business, a milestone it hopes to build on.

PARTNERS

WMEP works closely with many public and private organizations to bring world-class resources to Wisconsin manufacturers, including:

Northwest Wisconsin Manufacturing Outreach Center (NWMOC)
WMEP works with NWMOC, its sister center at UW-Stout, on product development, collaborative service delivery and supplier development.

Private Manufacturing Service Providers

WMEP works with private providers to supplement our services in areas such as information technology, environmental compliance, plant layout and marketing.

University of Wisconsin

WMEP helps match university resources with the needs of manufacturers. WMEP recently partnered with UW E-Business Consortium to help suppliers develop e-commerce strategies.

Wisconsin Technical College System

Training from Wisconsin's technical colleges combined with WMEP's hands-on assistance delivers strong results to manufacturers. In 2004, WMEP and the technical colleges launched a certificate program that allows individuals to earn college credits while learning the principles of lean manufacturing.

Wisconsin Department of Commerce

WMEP works with the Department's area and program managers to help manufacturers access state business assistance programs.

Wisconsin State AFL-CIO

WMEP works with the state AFL-CIO and industrial labor leaders to help the union workforce make changes that will improve company success and retain high-wage jobs. In FY04, WMEP worked with 88 unionized firms.



WORKING TO BUILD STRONGER, MORE PROFITABLE COMPANIES

WMEP HAS WORKED WITH MORE THAN 1,600 COMPANIES SINCE 1996.

SOME OF OUR CUSTOMERS INCLUDE:

Allen Kitchen & Bath	Madison	Molded Dimensions	Port Washington
Ariens Company	Brillion	Nicolet Plastics, Inc.	Mountain
Berntsen International, Inc.	Madison	Oshkosh Floor Designs	Winneconne
Cannonball:HNP	Beloit	PDQ Manufacturing, Inc.	De Pere
Convenience Electronics, Inc.	Madison	Penda Corporation	Portage
Converse Industries	Kenosha	Pereles Bros, Inc.	Milwaukee
Cornerstone Design Ltd.	Franksville	Perlick Corporation	Milwaukee
Cotta Transmission Co., LLC	Beloit	Playscapes Children's Environments	Madison
Custom Fiberglass Molding	Weyauwega	Plymouth Foam Products	Plymouth
Digi-Star, LLC	Fort Atkinson	Pointe Precision, LLC	Stevens Point
Donaldson Company, Inc.	Stevens Point	Quarra Stone Company	Madison
DOWCO, Inc.	Manitowoc	Raabe Corporation	Menomonee Falls
Drewco Corporation	Franksville	RB Royal Industries, Inc.	Fond du Lac
Fristam Pumps, Inc.	Middleton	Reed Switch Developments Co., Inc.	Racine
Gerber Products Company	Reedsburg	Richland Center Foundry Co.	Richland Center
Glenroy, Inc.	Menomonee Falls	Romo, Inc.	De Pere
Great Lakes Packaging Corp.	Germantown	Seiders Manufacturing, Inc.	Verona
Hampel Corporation	Germantown	Sentry Equipment Corp.	Oconomowoc
Heale Manufacturing Co., Inc.	Waukesha	Spacesaver Corporation	Fort Atkinson
Heartland EPS, Inc.	Fond du Lac	Spee-Dee® Packaging Machinery	Sturtevant
Hellenbrand Water Conditioners	Waunakee	Spuncast, Inc.	Watertown
Humane Manufacturing, LLC	Baraboo	Strattec Security Corp.	Milwaukee
InPro Corporation	Muskego	Stroh Die Casting Co., Inc.	Milwaukee
J.W. Speaker Corporation	Germantown	Titan Inc.	Sturtevant
Jorgensen Conveyors, Inc.	Mequon	Tobin Machining, Inc.	Fond du Lac
Lindquist Machine Corporation	Green Bay	Trent Tube	East Troy
LYCO Manufacturing, Inc.	Columbus	TRI-STAR Tool & Machine, Inc.	Sussex
Marlow & Sons Machining, Inc.	Germantown	Ultra Tool & Manufacturing	Menomonee Falls
McIver Engineering & Controls, Inc.	Butler	Universal Electronics, Inc.	Whitewater
MCL Industries, Inc.	Pulaski	Unlimited Services of Wisconsin	Oconto
Medalist Laserfab	Oshkosh	Wick Building Systems	Mazomanie
Metal-Era, Inc.	Waukesha	Wiscraft, Inc.	Milwaukee
Midland Plastics, Inc.	New Berlin	Wisconsin Metal Tech Inc.	Richfield
Milwaukee Valve Company, Inc.	Prairie du Sac	Wisconsin Steel & Tube Corp.	Milwaukee
Miniature Precision Components	Walworth	Yaskawa Electric America, Inc.	New Berlin

"I don't know where we would be without WMEP. Our whole culture is based on the lean principles that WMEP has taught our employees. We use their problem solving and brainstorming techniques every day."

— Jim Hager, president, Digital Diversified Industries Inc.

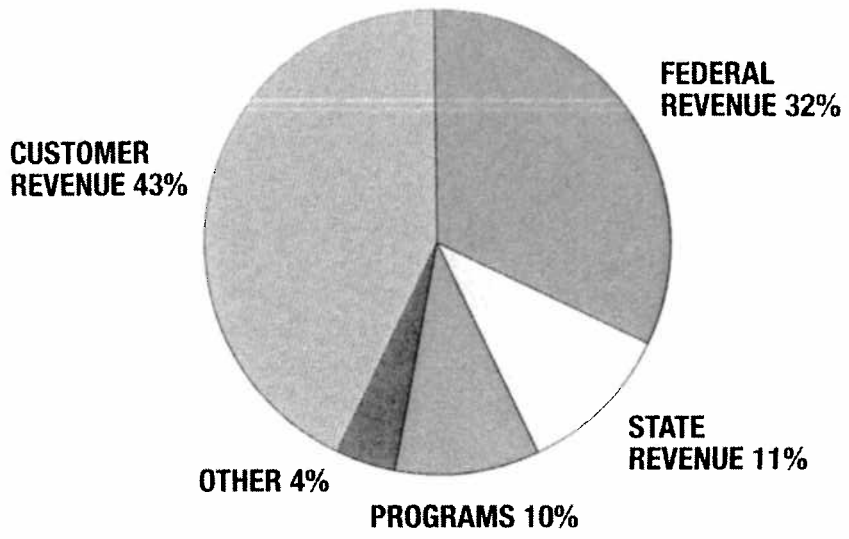
WMEP IMPACT AND FINANCIAL DATA

In fiscal year 2000, customer revenue made up 11% of WMEP's funding support with state (24%) and federal (41%) providing the balance. Since that year, WMEP customer fees have grown 22% annually and now represent 43% of WMEP revenues with state (11%) and federal (32%) providing the remainder.

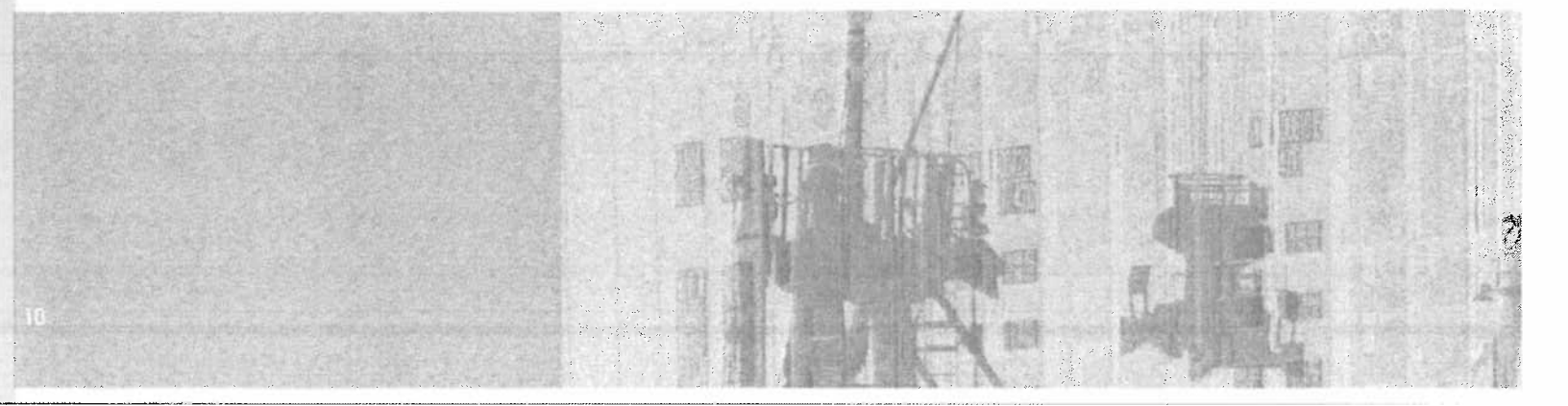
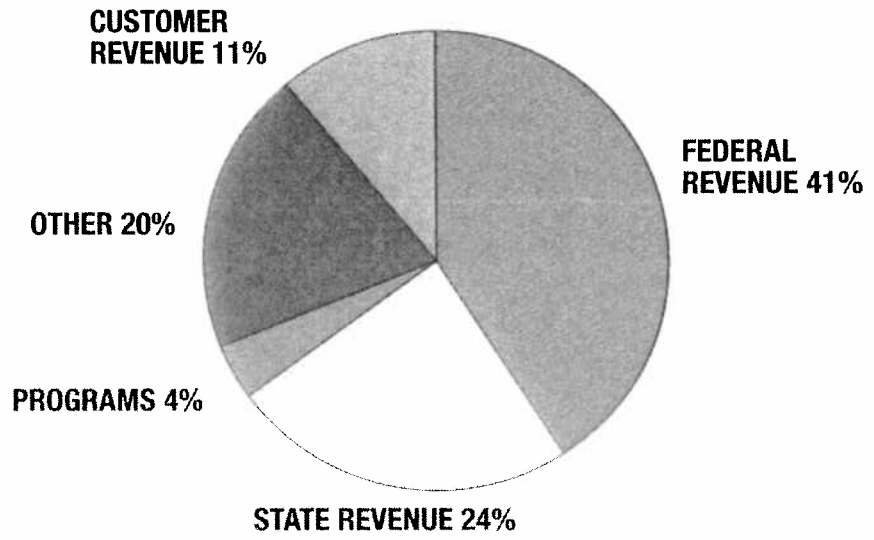
These productivity gains have allowed WMEP to provide more services and more returns for every dollar of state investment.

At the same time, customers reporting impact have doubled. On any given day, WMEP has over 200 manufacturers under contract.

2004 REVENUE SOURCES

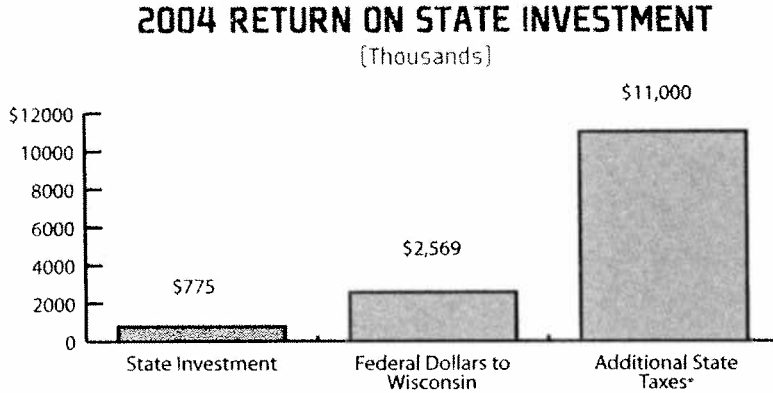


2000 REVENUE SOURCES



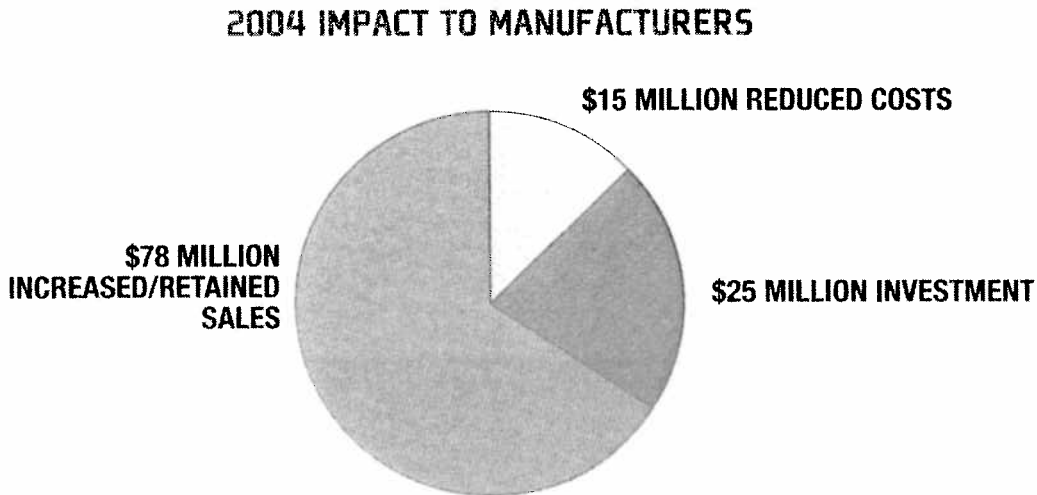
RETURN ON STATE INVESTMENT

Wisconsin's investment in WMEP leverages nearly \$2.6 million in Federal funding, and \$11 million in additional state tax revenue from job creation and sales growth.



MEASURABLE RESULTS FOR MANUFACTURERS

Since 1998 WMEP has assisted nearly 1600 small and midsize manufacturers to improve their productivity and profitability. In Fiscal year 2004, manufacturers reported the following improvements as a result of their work with WMEP:



WMEP ANNUAL REPORT 2004



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The Results People

June 23, 2005

Senator Ted Kanavas
Chairman
Committee on Job Creation, Economic Development and Consumer Affairs
P.O. Box 7882
State Capitol, Room 10 S
Madison, WI 53707-7882

Dear Chairman Kanavas:

Thank you for the opportunity to appear before your committee yesterday in support of SB 183. Manufacturing is the driving force of Wisconsin's economy, and manufacturers across the state appreciate your leadership on policy issues affecting their ability to compete successfully.

During committee discussion of SB 183, a Congressional Budget Office report critical of MEP was cited. That same report concedes that there are also arguments that MEP promotes U.S. productivity and international competitiveness and should be supported.

MEP has been favorably reviewed dozens of times by our nation's premier policy institutions, such as the National Academy of Public Administration, the U.S. General Accounting Office, the U.S. Census Bureau and the Progressive Policy Institute. Recently, MEP was honored as a finalist for Harvard University's prestigious Innovations in American Government Award.

In a two-volume review of MEP, the Congressionally-chartered National Academy of Public Administration concluded that "the MEP Program performs capably and effectively, and that the core premise of the Program remains viable as it is fulfilling its mission by leveraging both public and private resources to assist the nation's small manufacturers." Time after time, reviews of MEP conclude that it is an effective and warranted service. Excerpts from a sampling of those reviews are included in the attached document.

In FY 2004, Wisconsin manufacturers reported the following outcomes as direct results of their MEP projects. These results are collected by an independent survey firm.

- \$89 million in sales
- \$22 million in cost savings
- \$28 million invested in modernization
- 1,583 jobs

MEP is a cost-effective investment of state resources providing a needed service to our small and medium-sized manufacturers. I thank you again for the opportunity to testify before the committee and look forward to the committee's favorable action on SB 183.

Sincerely,



Michael Klonsinski
Executive Director

cc: Sen. David Zien
Sen. Tom Reynolds
Sen. Julie Lassa
Sen. Russell Decker

How Can Congress Help U.S. Manufacturers?

Experts Agree: Fund MEP

National Academy of Public Administration

"The MEP Program . . . is the only federal program designed specifically to help small manufacturers, and positioned to help create an infrastructure for providing support to these firms as the U.S. economy moves through enormous economic transition."

Re-examining the Core Premise of the MEP Program

September 2003

BizBest's 100 Best Resources for Small Business

"MEP is a potential gold mine for small manufacturers. . . BizBest has tracked this program for nearly 10 years and has found it to be well-run and highly beneficial for biz owners who've used it. You can tap MEP's army of experts for help in many areas, from improving plant layout to getting your shop floor in shape to restructuring your finances, designing a Web site or entering e-commerce."

BizBest 2004 Guide

November 2003

Reviews



Upjohn Institute for Employment Research

"The federal government should enhance . . . state and local efforts to increase the productivity of advanced manufacturing. . . Among current efforts, the federal Manufacturing Extension Partnership program . . . should be expanded...."

Thoughts on American Manufacturing Decline and Revitalization

September 2003

Analysis



Federal Reserve Bank of Minneapolis

"At a time of intense international competition, you wouldn't be alone if you thought [sewing products and pet toys] had little place in U.S. manufacturing anymore. But two firms [Jacquart Fabric Products in Michigan and West Paw Design in Montana] . . . demonstrate that U.S. firms can compete very successfully in value-added niche markets." Note: both companies completed projects with local MEP Centers in 2000 and 1998 respectively.

fedgazette

November 2003

Progressive Policy Institute

"The best way for the United States to compete is through innovation, both by developing the next generation of innovative manufactured products and by using technology to dramatically boost productivity. . . [G]overnment should boost innovation by . . . doubling the funding of the Manufacturing Extension Partnership."

The Bush Manufacturing Crisis

October 23, 2003

National Association of Manufacturers

"Innovation and technological advances spillover into many parts of the economy, often far beyond the original field of application. Programs such as the Advanced Technology Program (ATP) and Manufacturing Extension Partnership (MEP) encourage public-private partnerships to stimulate business innovation and spread its benefits. The ATP and MEP should be continued and improved."

Jerry Jasinowski, President
June 26, 2003

Associations

National Coalition for Advanced Manufacturing

"MEP services help our small manufacturers add good jobs and advanced production capacity. Without MEP assistance, many of these small manufacturers may not thrive and this has a direct impact on national security and the war on terrorism."

Rusty Patterson, Vice President, Raytheon and Chairman, NACFAM
Leo Reddy, CEO & Founder, NACFAM
September 12, 2003



National Tooling and Machining Association

"I have seen firsthand the destruction of jobs and companies in the small and medium sized manufacturing segment. The MEP program puts resources on the ground to help these largely family businesses be effective competitors."

Matthew B. Coffey, President
September 19, 2003

Wall Street Journal

"The [Manufacturing Extension Partnership] is highly visible and politically popular, operating 65 centers nationwide, with 400 offices, many in states considered crucial to next year's presidential election. Moreover, the greatest potential for immediate job creation rests in small to midsize companies. Although the program is relatively small in terms of funding, many manufacturers feel it represents a litmus test of the administration's resolve to help bolster the sector."

Popular Program for Manufacturers May Get Reprieve
October 8, 2003

In the News



Metal Forming Magazine

"Hopefully, when the FY 04 budget comes to be, MEP will remain strong. The country's backbone of small manufacturers needs the type of local market-specific expertise being provided."

Bush Budget Good for Small Business? Not so fast
March 2003

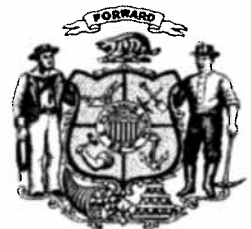
Fortune Small Business Magazine

"I suggest that you contact . . . your state Manufacturing Extension Partnership office (www.mep.nist.gov). MEP, a not-for-profit organization set up by the U.S. Department of Commerce, has more than 2,000 advisors around the country who specialize in helping small- and mid-sized manufacturers."

Put the Brakes on Consulting Costs
July-August 2003



WISCONSIN STATE LEGISLATURE





State Senator

Cathy Stepp

Date?

WISCONSIN'S 21ST DISTRICT

TO: Members of the Senate Committee on Job Creation, Economic Development and Consumer Affairs

FROM: Senator Cathy Stepp

RE: SB 183 (Increasing the maximum amount of grants for manufacturing extension centers)

Thank you Chairman Kanavas and members of the Committee on Job Creation, Economic Development and Consumer Affairs for allowing me to submit written testimony in support of SB 183. I regret that I am unable to deliver these remarks in person.

The Wisconsin Manufacturing Extension Partnership (WMEP) enjoys widespread bipartisan support and I know members of the committee are well-versed in the services WMEP offers Wisconsin's small and mid-sized manufacturers. Furthermore, representatives from WMEP testifying today will delve deeper into the details.

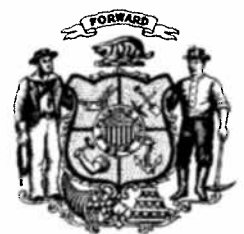
Rather than duplicate the testimony you will be hearing from WMEP, I would like to share some facts that illustrate the need to pass SB 183.

1. Only the state of Indiana is more heavily-dependent on manufacturing than Wisconsin. For the sake of Wisconsin's economy as a whole, it is important that we do what we can to help the manufacturing sector as it continues to pick up steam.
2. This bill does spend money and I am mindful of the \$1.6 billion deficit the legislature is working to erase. However, past history has proven investments in WMEP have had a huge and virtually-guaranteed returns in the form of increased sales for companies and more high-wage manufacturing jobs for employees. This, in turn, means more money for the state in increased tax revenue. Also, state dollars invested in WMEP leverage federal dollars. It is particularly important that Wisconsin, one of the top "donor states" in the country not leave federal dollars on the table.
3. Finally, Wisconsin does not operate in a vacuum. We are competing with other states for jobs. Technology is making it easier every day for a company to either move away or just not locate here in the first place. We need to pass bills like SB 183 just to stay competitive.

Thank you again to members of the committee for considering this legislation. I urge the committee to vote in favor of SB 183.



WISCONSIN STATE LEGISLATURE



SB 183
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WMEP Impact Report

Impact is reported by WMEP clients as a direct outcome of services provided. Customer Impact Surveys are conducted quarterly by an independent survey company, Synovate. Results of the survey are included in the NIST MEP performance measurement system.

Senator: Kanavas, Theodore

District: 33

<u>Increased or Retained Sales</u>	<u>Cost Savings</u>	<u>Investment Impact</u>	<u>Total Impact Reported</u>	<u>Jobs Added or Retained</u>
\$61,950,000	\$1,775,000	\$5,735,325	\$69,460,325	465

WMEP Assistance Report

Manufacturers Assisted:

Companies with a completed Project or a Brief Value-Added Activity.

Senator: Kanavas, Theodore

District:

33

<u>Company Name</u>	<u>Location</u>	
1 Absolute Automation Systems	Sussex	WI
2 Accurate Specialties Inc.	Waukesha	WI
3 Acme Machell Company, Inc.	Waukesha	WI
4 Advance Bag Company	Hartford	WI
5 American Friction Welding Inc.	Brookfield	WI
6 Aries Industries	Sussex	WI
7 Atlas Metal Parts Co., Inc.	Waukesha	WI
8 Balax, Inc.	North Lake	WI
9 Berco of America	Waukesha	WI
10 Broan Mfg. Co., Inc.	Hartford	WI
11 Century Fence Company	Pewaukee	WI
12 Chippewa Manufacturing, LLC	Waukesha	WI
13 CIM Products Inc.	Brookfield	WI
14 Circle Manufacturing	Waukesha	WI
15 Component Engineering Inc.	Hartford	WI
16 Components Company, Inc.	Brookfield	WI
17 Cooper Power Systems - Pewaukee	Pewaukee	WI
18 Cooper Power Systems - Waukesha	Waukesha	WI
19 Creative Screen Inc.	Waukesha	WI
20 Criticare Systems, Inc.	Waukesha	WI

Thursday, June 16, 2005

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WMEP Assistance Report

Manufacturers Assisted:

Companies with a completed Project or a Brief Value-Added Activity.

21 Custom Marble Products	Brookfield	WI
22 D & J Machine	Waukesha	WI
23 Dedicated Computing	Waukesha	WI
24 DeMach Engineering Company, Inc.	Waukesha	WI
25 Dricker Development, Inc.	Brookfield	WI
26 DUECO, INC.	Waukesha	WI
27 E-G Gasket & Supply Inc.	Waukesha	WI
28 Engineering Specialists Inc.	Brookfield	WI
29 Eriks Midwest / True Circle	Waukesha	WI
30 Force America	Waukesha	WI
31 Friction Stir Link, Inc	Waukesha	WI
32 G & M Assembly, Inc.	Waukesha	WI
33 G E Medical Systems	Waukesha	WI
34 G F G Corporation	Sussex	WI
35 GACO Western, Inc.	Waukesha	WI
36 Genco Industries	Waukesha	WI
37 Geo-Synthetics, Inc.	Waukesha	WI
38 Glenn Hepfner, Inc.	Pewaukee	WI
39 Grayline Inc.	Waukesha	WI
40 Guhring, Inc.	Brookfield	WI
41 H E D	Hartford	WI
42 H. O. Bostrom Company Inc.	Waukesha	WI

WMEP Assistance Report

Manufacturers Assisted:

Companies with a completed Project or a Brief Value-Added Activity.

43 Halquist Stone Co., Inc.	Sussex	WI
44 Harken, Inc.	Pewaukee	WI
45 Heale Manufacturing Company, Inc.	Waukesha	WI
46 Heim Manufacturing	Sussex	WI
47 Helgesen Industries, Inc.	Hartford	WI
48 Howard Company Inc.	Brookfield	WI
49 Huffy Sports Company	Sussex	WI
50 Husco International, Inc.	Waukesha	WI
51 Hydro Electronic Devices Corp.	Hartford	WI
52 Indexable Tool Repair, Inc.	Waukesha	WI
53 International Truck and Engine Corpor	Waukesha	WI
54 Kald Tool & Die Corp.	Richfield	WI
55 Kendall Hartcraft	Hartford	WI
56 Mathison Metalfab, Inc.	Waukesha	WI
57 Metal-Era Inc.	Waukesha	WI
58 MetalTek International	Waukesha	WI
59 Midwest Finishing Systems	Waukesha	WI
60 MINCO Ricehull	Hartland	WI
61 Mold-ex Rubber Company	Brookfield	WI
62 Necco Candy Company	Pewaukee	WI
63 Oberlin Filter Company	Waukesha	WI
64 Parker Seals	Waukesha	WI

WMEP Assistance Report

Manufacturers Assisted

Companies with a completed Project or a Brief Value-Added Activity.

65 Pentair Water Treatment - Brookfield	Brookfield	WI
66 Pentair Water Treatment - Waukesha	Waukesha	WI
67 Phoenix International, Ltd. V	Brookfield	WI
68 Port Shell Molding Inc.	Pewaukee	WI
69 Precision Cable Assemblies	Brookfield	WI
70 Pro Fab Plastics	Waukesha	WI
71 Quad/Graphics, Inc. - Hartford	Hartford	WI
72 Quad/Graphics, Inc. - Pewaukee	Pewaukee	WI
73 Quad/Graphics, Inc. - Sussex	Sussex	WI
74 Quad/Tech International	Sussex	WI
75 Remington Manufacturing Inc.	Sussex	WI
76 Schaefer Brush Mfg. Co., Inc.	Waukesha	WI
77 Screen Specialists, Ltd.	Waukesha	WI
78 Sharp Packaging Systems, Inc.	Sussex	WI
79 Signicast Corporation - Hartford	Hartford	WI
80 Spancrete Industries, Inc.	Waukesha	WI
81 Spancrete Industries, Inc.	Waukesha	WI
82 Standard Register Company	Brookfield	WI
83 The Lauterbach Group	Waukesha	WI
84 Therm-Tech of Waukesha, Inc.	Waukesha	WI
85 TLX Technologies	Waukesha	WI
86 Trace-A-Matic Corp.	Brookfield	WI

WMEP Assistance Report

Manufacturers Assisted:

Companies with a completed Project or a Brief Value-Added Activity.

87 Trico Mfg. Corp.	Pewaukee	WI
88 Tri-Star Tool and Machine	Sussex	WI
89 Triumph Components Wisconsin	Brookfield	WI
90 Trompler Company, Inc.	Waukesha	WI
91 V & L Tool, Inc.	Waukesha	WI
92 V&A Products, LLC	Waukesha	WI
93 Waukesha County Technical College	Pewaukee	WI
94 Waukesha Cutting Tools, Inc.	Waukesha	WI
95 Waukesha Electric Systems	Waukesha	WI
96 Waukesha Engine Division	Waukesha	WI
97 Waukesha Foundry Inc.	Waukesha	WI
98 Waukesha Kramer, Inc.	Waukesha	WI
99 Weather-Tek Design Center, Inc.	Brookfield	WI
100 Weldall Mfg., Inc.	Waukesha	WI
101 Wisconsin Metal Tech, Inc	Richfield	WI
102 Xpedx	Pewaukee	WI

WMEP Assistance Report

Manufacturers Assisted:

Companies with a completed Project or a Brief Value-Added Activity.
