

Barbara Singerhouse

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February 18, 1999

Public Service Commission of Wisconsin
610 North Whitney Way
P.O. Box 7854
Madison, Wisconsin 53707-7854
Re: Chisago Electric Transmission Line Project (CETLP)

Dear Commissioners Bie, Mettner, and Farrow,

I am writing to you as a private citizen representing my family.

I would like to thank PSCW staff, Mayor Terry Lundgren, Lawyers for St. Croix Falls and Taylors Falls, Members of CRVC, Larry Wolfe of the Rural Utilities Service (RUS), Mr. John Hynes and staff at the MEQB, Rep. Ron Kind, Sen. Alice Clausing and Administrative Law Judge Richard Luis for all their assistance in helping me understand the Chisago Electric Transmission Line Project (CETLP), answering questions and/or getting me information. All of your assistance was greatly appreciated.

I would like to begin by having you read the letter I wrote to the PSCW in November 1998. I was assured my letter would be a part of the final Environmental Impact Statement (EIS). All that appeared was my name at the end of the document. Please find my letter enclosed and read it at this time. Thank you.

Since I wrote the letter you just finished reading I have recieved additional information on the CETLP. I recieved from the RUS a copy of the Final Alternative Evaluation and Macro Corridor Study on the CETLP prepared by Dairyland Power Cooperative (DPC), Northern States Power (NSP), and Greystone prepared for the RUS in Washington, D.C.. Within that document I learned that there are three areas for routing a power line; opportunity areas, avoidance areas, and exclusion areas. Avoidance areas include sand and gravel pits and other buried mineral resources. A mining operation, Dresser Trap Rock Co., is located on segment KK2 of the proposed CETLP. The quarry has been in operation since 1900. The current owner has been operating the quarry since 1979. The mining of the geological resource trap rock entails the use of explosives. The explosives are used once a week nine months out of the year. Depending on the seasons it is usually March through November. The vibrations from the explosions can be felt for miles around and the closer you are to the quarry, obviously, the stronger the vibration.

The proposed power line would be routed right next to the quarry which should have been an avoidance area. The powerline would be susceptible to the vibrations, the large equipment utilized in moving, distributing, and stockpiling the mined and crushed trap rock. Also, a 230kV line could interfere with vital communications used to execute the detonation of the explosives. Although rare that may occur at the most inopportune time.

I did not find adequate documentation of these facts regarding the quarry

in the EIS or the application submitted by NSP and DPC. There are two sentences in the EIS on page 79 regarding the quarry. That's all I could find. The application submitted in September 1996 to the PSCW misrepresents the quarry on figure 5-17. The quarry is a huge operation. The area south of Ravine Drive is a stockpile area only. The area north of Ravine Drive is the trap rock crushing and mining operation and the area where the explosions occur. In the application in chapter 5 descriptions of route alternatives that include Segment KK do each contain one sentence in regard to the quarry after "Mining" although the wording seems to change they all in effect are referring to the trap rock quarry. The tables found in chapter 5 which are route summaries do not list Dresser Trap Rock Co. under segment KK in Commercial/Industrial Zones (feet), nor is there a spot reserved for Existing Sand, Gravel and Other Mineral Resources listed on the tables.

I questioned Mr. Chuck Thompson of DPC about the quarry at the Administrative hearings in Minnesota for the MEQB presided over by the honorable Richard Luis and have a copy of the transcript enclosed. The date of the testimony was November 9, 1998 in the evening session of that day's hearing. The testimony can be found in the transcripts volume 9-B/11-9-98 pages 36-52. On page 50 Mr. Thompson states "Why the mine was omitted, I can't explain it, but now that we know about it we can include it in those draft environmental impact statements." I searched the final EIS for the correction to no avail. There was plenty of time between the Nov. 9th hearing date and the publishing of the final EIS for DPC to get the information to the PSCW.

I would also like to say that I feel the letter that Governor Tommy Thompson wrote on November 4, 1998 to Mr. John Hynes of the MEQB encouraging the approval of NSP and DPC's application for a permit for the CETLP before due process of law could be completed has impeded upon my rights for my opinions to be objectively considered during the PSCW hearings on the CETLP.

I feel there is significant evidence within the PSCW's hearing record that reflect that reasonable alternatives to the CETLP exist and the project is not needed.

As stated in WI statute 196.491 section (3), subsection (d) paragraph 4. "The proposed facility will not have undue adverse impact on other environmental values such as, but not limited to, ecological balance, public health and welfare, historic sites, geological formations, the aesthetics of land and water and recreational use." Clearly the Chisago Electric Transmission Line Project includes all of the aforementioned adverse impacts and Northern States Power and Dairyland Power Cooperative's application for a Certificate of Public Convenience and Necessity should be denied.

I can only hope that the three of you will be impartial instruments of the due process of law and follow the Wisconsin Statutes to the letter in your decision.

I appreciate the opportunity to express my opinions.

Sincerely,

Barbara Singerhouse

Enc: 2

Barbara Singerhouse
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November 6, 1998

Mr. Udaivir S. Sirohi
Public Service Commission
P.O. Box 7854
Madison, WI 53707-7854

Dear Mr. Sirohi and Commission Staff:

I have read both documents prepared on the Chisago Electric Transmission Line Project (CETLP) prepared by the Public Service Commission of Wisconsin (PSCW) and the Minnesota Environmental Quality Board (MEQB) along with the prefiled testimonies presented to MEQB by John P. Hynes, EQB Staff, Robert D. Cupit, EQB staff, and Gregory L. Booth, PE, who was retained by MEQB and the Department of Public Service to assess the need for the CETLP.

Both the Draft Environmental Impact Statement (EIS) by PSCW and the Draft Environmental Impact Assessment (EIA) by MEQB were well done documents. They were filled with a wealth of information to help me understand the proposed CETLP, our transmission system, environmental issues affected by the project, agencies involved in the project, tables, figures, maps of proposed project, and the alternatives.

Staff of PSCW, Barbara Pickhardt, Kathleen Zuelsdorff and Udaivir Sirohi, were helpful and patient with me as I asked many questions over the phone regarding the EIS and various other technical questions that I needed answered to more fully understand what I was reading. Mr. John Hynes of the MEQB also was helpful in returning calls and answering questions I had and in getting me the EIA in a timely manner.

It is my opinion that the 230 kV transmission line proposed by the applicants, Northern States Power (NSP) and Dairyland Power Cooperative (DPC), is not needed to alleviate the forecasted demand for electricity in the area that the CETLP is being proposed. What our area needs to meet present and future needs is to update or replace the existing transmission lines with new ones and reconductoring of the existing transmission lines as needed.

As stated in the PSCW EIS, page 125, "Infrastructure improvements will be necessary to restore and maintain acceptable reliability of the interconnected network." If the applicants would reductor/rebuild existing lines of transmission and use the existing 20 hydroelectric power plants more efficiently as stated on page 14 of the EIS, "by: upgrading existing facilities to obtain greater capacity and efficiency," along with the already approved and under construction Stone Lake-Bay Front 161/69 kV, Rock Creek-Grantsburg 69 kV line, and the

Baldwin-Marathon City 161 kV line, this will sufficiently improve reliability and meet local customer needs.

Mr. Gregory Booth noted in his prefiled testimony on page 11 of 22, lines 10-14:

"The recent approval by Wisconsin of the Stone Lake to Bay Front line significantly reduces the urgency for the St. Croix National Scenic Riverway transmission line crossing. I believe the applicants NSP (DPC) should re-evaluate the transmission planning between Minnesota and Wisconsin considering the numerous deficiencies I have enumerated throughout my report."

I think Mr. Booth's prefiled testimony should be given careful consideration by all those at the PSCW that will play a role in deciding whether or not to approve the proposed Chisago Electric Transmission Line Project. Mr. Booth's prefiled testimony can be found under MEQB OAH Docket No. 7-2901-11843-2. I encourage all involved to read and/or re-read this document.

Also, if PSCW approves the CETLP, it will not serve future needs according to Mr. Booth as stated on page 11 of 22 lines, 1-3, "... the CETLP does not appear to sufficiently strengthen the transmission systems over a long range time horizon."

I also suggest that the PSCW use Booth and Associates as consultants in solving our long-term deficiencies, such as Total Transfer Capability (TTC) and Available Transfer Capability (ATC) needs between Minnesota and Wisconsin. He has been an expert witness in areas much more heavily populated than Minnesota and Wisconsin and could be a valuable tool in solving our long range needs for reliable electrical service.

The lack of Demand-Side Management (DSM) by DPC should also be a factor in denying their application. NSPW has successfully met goals set for DSM and, as stated on page 13 of DEIS, NSPW reduced system demand by energy conservation programs and load management programs by 135.2 MW. "DPC, however, has not met goals it set for itself in past Advance Plans." If they haven't met goals in the past, what indication is there that they will meet goals in the future. I believe that if DPC is required to reduce present loads on the transmission system through DSM, it would help to relieve some of the forecasted problems with our transmission system.

Environmentally, the CETLP would be a complete disaster. If the committee were basing their decision solely on the environmental effects of the proposed project, the answer would be an easy no, but as all the documents that I have read indicate, it is much more complicated than just the environment.

I feel the PSCW should deny the applicants' proposal for the CETLP because it has not been found to solve long range problems. The project would require additional upgrades to serve the transfer capabilities they are trying to acquire, and it does not include ancillary projects that will be needed to complete the project successfully. Also, as the MEQB expert, Mr. Gregory Booth, pointed out on page 8 of 11, lines 9 and 10, "The applicants failed to apply the basic principals and methods for development of a Power Requirement Study." The CETLP would also proliferate areas that have never seen transmission lines before when other options of going along current right of ways (ROW) are available. PSCW should not approve now, nor in the future, the north and south crossings. The north crossing is untouched wetland and the south crossing is a wide enough ROW for the Viking Pipeline. Improvement at the dam should never be allowed to go above the height of the existing structures already present at the dam crossing so as to maintain as little disruption of our beautiful St. Croix River Valley as possible.

Health concerns are also on my mind as I decipher all the information on the CETLP. The impacts of 140' transmission towers would be devastating to our pristine area. I am concerned about the value of my property. As homeowners, my husband and I have invested a great deal in our property for our future and the future of our two daughters. I plan to be a grandma one day in my home and shudder to think the area I've grown to love and respect will be proliferated by 140' towers to allow electric utilities more transfer capabilities and to increase their portfolio.

Electric utilities have the power of eminent domain that surpasses any I have been privy to. CETLP will require the utility companies to invoke the law of eminent domain if this project is approved. All measures should be taken to see that before our pristine area is destroyed out of Economic Convenience, the applicants be diligently scrutinized.

Please make the appropriate decision and deny the applicants, NSP and DPC, their request for the Chisago Electric Transmission Line Project. I would urge you to require the applicants to upgrade and replace the current system to today's available technology to meet our area's needs for reliable service.

Thank you for your time, hard work, and consideration of my opinion.

Sincerely,


Barbara Singerhouse

P.S.

My family and I live on Ravine Drive which was incorrectly stated in the DEIS as Trap Rock Road on pages 31, 66, and 72. There is a Dresser Trap Rock quarry on Ravine Drive and a Trap Rock Drive north of here, but no Trap Rock Road. Please correct this error in your final EIS.

1 Q If we look at the history of similar projects,
 2 they've taken quite a long time to get
 3 implemented?
 4 A I can't think of too many projects that are close
 5 parallel to this one. So I don't have too much to
 6 compare it against.
 7 Q I would say that -- if you've been following the
 8 Stillwater Bridge controversy and the -- the route
 9 of the Department of the Interior in delaying that
 10 project, it's been pretty significant. I don't
 11 know, maybe eight years, something like that. My
 12 point is, Mr. Gonzalez, if you were having a heart
 13 attack, would you send for a circus wagon?
 14 A I would send for some immediate assistance rather
 15 than further studies. That's what I would send
 16 for.
 17 Q I agree with you. You and Mr. Gartner and
 18 Mr. Jones have just spent the better part of a
 19 week telling us that the electrical situation in
 20 northwestern Wisconsin is dire, critical. Those
 21 are some of the words we've heard. In fact, we
 22 even heard that people could possibly freeze to
 23 death if there was a blackout. And yet, you have
 24 proposed a solution to this purported emergency
 25 situation, a project that anyone who reads a

1 going to be started immediately, does it? As I
 2 understand it, this is when the agencies really
 3 kick in, the Department of the Interior, Fish and
 4 Wildlife, DNR.
 5 A Again, our permitting expert, Mr. Alders, can
 6 address how the logistics of that work. But my
 7 understanding is, yes, the states go first here in
 8 this process. But they have been working -- the
 9 other agencies have been working on the issue.
 10 JUDGE LUIS: Just a moment. That's
 11 Alders with an A. Ask him a question.
 12 MS. LUHRS: Pardon me?
 13 JUDGE LUIS: Have you got a question for
 14 him?
 15 MS. LUHRS: Yes.
 16 JUDGE LUIS: Proceed.
 17 MS. LUHRS: I'm finished.
 18 JUDGE LUIS: Anyone else with questions
 19 for Mr. Gonzalez?
 20 (Applause.)
 21 JUDGE LUIS: Thank you for your
 22 cooperation, Mr. Gonzalez. You may step down.
 23 All right, there's been presented to me a set of
 24 written questions for the record. One of them was
 25 presented on -- last Thursday night, the 4th, and

1 newspaper could have predicted would be extremely
 2 controversial, cumbersome, and likely to be
 3 dragged out. Does this demonstrate a general
 4 concern for the pressing needs of the people, the
 5 electric needs of the people in northwestern
 6 Wisconsin?
 7 A Different persons could have different opinions on
 8 the matter given the information that's
 9 available. We believe we're proposing a logical,
 10 prudent project to address these needs in eastern
 11 Minnesota and Wisconsin.
 12 Q Mr. Gonzalez, do NSP and Dairyland have a
 13 contingency plan for the northwestern Wisconsin
 14 area in the event that the Chisago project is
 15 protracted at the least and rejected at the worst?
 16 A I do not know of any detailed contingency plan.
 17 We are progressing with the procedural matters
 18 here, and we believe we're making progress. You
 19 know, we'll be anticipating a decision sometime in
 20 the next number of months. So we're biding our
 21 time, waiting -- waiting the results.
 22 Q You don't know if they have a contingency plan?
 23 A I don't know of any.
 24 Q And even if the permit -- even if the permit is
 25 granted, that doesn't mean that the project is

1 I'll read that right now, and the person to whom
 2 it was directed was not here.
 3 MS. SINGERHOUSE: Can I approach? Is it
 4 for me?
 5 JUDGE LUIS: The question came from
 6 Barbara Singerhouse, S-I-N-G-E-R-H-O-U-S-E, and
 7 it's for Chuck Thompson from Dairyland. So,
 8 Mr. Thompson, come on up. Mr. Thompson, have you
 9 been sworn in yet in this proceeding?
 10 MR. THOMPSON: Yeah.
 11 JUDGE LUIS: Yes, all right. You're
 12 still under oath. Do you want your written
 13 question back?
 14 MS. SINGERHOUSE: Yeah. Hi.
 15 JUDGE LUIS: Good evening. I note that
 16 you've just unloaded about 12 documents here.
 17 MS. SINGERHOUSE: I know. I can't
 18 believe --
 19 JUDGE LUIS: Whereas you only had one
 20 nice little question here on Thursday night.
 21 MS. SINGERHOUSE: I know. Sorry. I
 22 actually -- I came up with some of the things
 23 that's in that --
 24 JUDGE LUIS: Is this related to this?
 25 MS. SINGERHOUSE: But I don't have to

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1 ask it now or do this now if you don't want. I
 2 can just ask this and sit down if you would like.
 3 JUDGE LUIS: Ask him the question that
 4 you have for him. Now, is all of this other stuff
 5 for Mr. Thompson too?
 6 MS. SINGERHOUSE: Well, this -- yeah,
 7 actually it's for him and --
 8 MR. THOMPSON: We have plenty of NSP
 9 witnesses here, so --
 10 MS. SINGERHOUSE: Well, someone from
 11 NSP, I'll need them up here too for part of this
 12 because it has to do with the --
 13 JUDGE LUIS: Ask him this single
 14 question now because there's a lot of people here
 15 that are waiting that I think will be shorter than
 16 you, and I'd like to get through a lot of them
 17 before I come back. So just go to the question
 18 that's still pending from Thursday night.
 19 CROSS-EXAMINATION
 20 BY MS. SINGERHOUSE:
 21 Q Yeah, hi. I was wondering -- you're buying power
 22 from NSP to supply your customers with power; is
 23 that correct? Or you buy some?
 24 A We may exchange power from time to time, but --
 25 well, we have our own capacity.

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1 Q Okay. I was speaking with Mr. Larry Wolfe from
 2 the Rural Utility Service, and that's the
 3 organization that Dairyland Power Cooperative
 4 would go to in case they needed some financing
 5 done?
 6 A That's correct.
 7 Q And the project that is proposed, the Chisago
 8 electric transmission line project, is one that
 9 may require some funding through the Rural Utility
 10 Service. If more than -- or I believe 50
 11 percent. There's a 50-percent margin in there.
 12 If more than 50 percent of the money comes from
 13 somewhere else or something or you can't go
 14 anything over, something to that effect. Is that
 15 correct? I'm not sure on those percentages at
 16 all, but --
 17 A Yeah, the rules are changing right now, but it has
 18 to go a lot less than that. Their approval goes
 19 down to -- I believe it's 10 -- 10 or 15 percent.
 20 If we have even that low amount of money involved,
 21 that they -- we need their approval.
 22 JUDGE LUIS: Is his mike on? Is that
 23 all right? Is that coming up here?
 24 MR. HYNES: You have to get right up
 25 close to it.

1 MR. THOMPSON: Right close to it?
 2 MR. HYNES: Yes.
 3 JUDGE LUIS: Are you sure it's not a
 4 switch?
 5 MR. HYNES: It is on.
 6 JUDGE LUIS: The switch is on?
 7 MR. HYNES: It's on.
 8 BY MS. SINGERHOUSE:
 9 Q Now, in the information that I got was that --
 10 from Mr. Larry Wolfe was that you purchased from
 11 NSP power, and in those purchases it was found by
 12 calculations that were done at the Public Service
 13 Commission of Wisconsin that you were overcharged
 14 for that power in the tune of millions of
 15 dollars. And if that was the case, then it's a
 16 possibility that in this project the -- that
 17 Dairyland Power may not have to put any money into
 18 it at all, just let NSP kind of use your area; is
 19 that correct?
 20 A Well, I like how you think, but that's not quite
 21 true. The money that Mr. Wolfe was talking about
 22 has nothing to do with an exchange of power
 23 between the companies. It has to do with a cost
 24 sharing agreement that we have with NSP as far as
 25 which facilities we build and which facilities

1 they build.
 2 Q Uh-huh.
 3 A And right now we are in front of FERC trying to
 4 determine a rate as far as what is the fair
 5 compensation for the use of those facilities. So
 6 that's what Mr. Wolfe was referring to, not the
 7 exchange of power.
 8 Q Well, not exchange of power, but you're owed a lot
 9 of money by NSP; is that correct?
 10 A We're owed some, I believe. Yes.
 11 Q Some millions or some --
 12 A I don't know. I don't get involved in that end of
 13 the business.
 14 Q Well, who would know that? I mean, someone would
 15 know if it's like a few thousand or a few
 16 million.
 17 A Well, that's what's being negotiated right now.
 18 Because we entered into a networking agreement
 19 with NSP.
 20 Q Right.
 21 A And that's what they're negotiating right now, is
 22 what is the fair exchange of our facility -- or
 23 use of our facilities by NSP.
 24 Q Their exchange for being repaid that money?
 25 A Right.

1 Q Right.

2 A And in determining just how much needs to be --

3 who owes what.

4 Q Okay.

5 A One of the things you need to consider here --

6 what Mr. Wolfe probably wasn't thinking about is

7 that there's two projects involved here. One is

8 the Stone Lake-Hayward line, which is being built

9 solely by NSP. So at some point we need to take

10 into account the amount of money they're spending

11 there and the amount of money that we're proposing

12 to spend on this project to determine where that

13 balance is right now.

14 Q The Stone Lake-Bay Front has already been approved

15 and it's being built as we speak now and that

16 project is -- you were saying is being solely done

17 by NSP?

18 A That's correct.

19 Q But that -- you're going to be benefiting -- your

20 cooperative will be benefiting from that venture?

21 A That's correct too.

22 Q Right. And then that benefiting could help in

23 getting your money back that you're owed?

24 A I'm not exactly sure who owes what money.

25 Q Well, he was pretty sure that NSP owes you a lot

1 trying to determine the rate is really not

2 relevant to what's going on here.

3 Q Would that -- would that -- would that be a

4 benefit though to take care of this project in an

5 area that it's -- it's just between NSP and

6 Dairyland Power Cooperative and doesn't involve

7 any other utilities so that any monies that are

8 owed to you doesn't get complicated or taken by

9 other utility companies? Does that sound like

10 something that is feasible to you with what's

11 going on with the project? I know it's just boom,

12 right in this area, it seems to be targeted here,

13 and it seems to be just NSP and just Dairyland

14 Power. You know, if they owe you a lot of money,

15 this is a nice way to get that back.

16 A Well, any money we can get from NSP is a benefit

17 to our customers, but really it's just a rate

18 determining case for the fees that we'll be

19 charging each other and that -- as far as this

20 case goes, we're just talking about joint

21 ownership of this so that Dairyland actually owns

22 some facilities and controls those facilities, and

23 we feel that's important.

24 Q But NSP, are they going to be building it and

25 everything else, and you're just going to let them

1 of money.

2 A What he's talking about is our old agreement

3 before we signed into the networking agreement

4 with NSP. Under that contract -- or under that

5 agreement NSP had a few -- we had built more

6 facilities than they had. And things have changed

7 since then. And I'm really not involved in that

8 area. But that's really what's happening right

9 now is that --

10 Q Well, I was on the phone with the Federal Energy

11 Regulatory Commission today, and I spoke to quite

12 a few people there. And I was trying to get

13 docket numbers. Because nobody can seem to do

14 anything without a docket number. I talked to

15 Udaivir Sirohi at the Public Service Commission of

16 Wisconsin, and they don't know anything about it.

17 What's the docket number, you know. So I was

18 talking to a lady there, and I have their name and

19 number, and they're going to have someone call

20 me. And they were supposed -- well, hopefully I

21 was going to get the information today. Because I

22 wanted something firm to have when I came here. I

23 was hoping that -- I was hoping that you would say

24 something different.

25 A Yeah, really with the rate case going on there and

1 use your --

2 A No, actually we'll probably own approximately 20

3 miles in Wisconsin. That's what we're planning

4 right now.

5 Q Okay. Thank you, Mr. Thompson.

6 A You're welcome.

7 (Applause.)

8 JUDGE LUIS: All right, thank you. Can

9 you give us an outline then of -- so that

10 Mr. Thompson can maybe plan a little bit -- what

11 else is it that you're going to bring up now with

12 all this material with Mr. Thompson or whoever

13 else? Briefly.

14 MS. SINGERHOUSE: Yes, it is brief. I

15 got from -- I got from Mr. Larry Wolfe -- he sent

16 me a scoping process, and he happened to come

17 across the final alternative evaluation and macro

18 corridor study that was presented to the Rural

19 Utility Service in Washington, D.C. And this

20 macro corridor study -- I read through the

21 portions that had to do with the Chisago

22 transmission line project, and they had in here

23 avoidance areas. And avoidance areas are

24 avoidance areas, where they shouldn't --

25 objectionable areas for them to route transmission

1 lines through. Are you familiar with what I'm
 2 talking about? And one of those was the sand and
 3 gravel pits and other buried mineral resources.
 4 And I'm looking through these maps. And I live on
 5 Ravine Drive, which is all three -- all three
 6 segments that would come across the river would
 7 come down our road. So we're kind of in a check
 8 situation, check, and every map and every page
 9 that I try to find the Dresser traprock quarry,
 10 it's not listed. It's not listed on the map.
 11 It's not listed -- it's not listed on the -- you
 12 know, the tables that they show you land use and
 13 they have the little mining deal. They show one
 14 north, and they show one south, which are
 15 different areas. And there's not one map in here
 16 that includes the Dresser traprock quarry. Now,
 17 that quarry is a mining operation, and I spoke to
 18 its owner, Ivan Bowen.

19 JUDGE LUIS: Okay, that's one area.
 20 What other areas do you have to cover with all
 21 this material?

22 MS. SINGERHOUSE: That's it. See, this
 23 tells me that --

24 JUDGE LUIS: Well, this is all about
 25 this then?

1 MS. SINGERHOUSE: Just this one thing.
 2 And this is all the stuff I've just accumulated on
 3 this. That's (pointing) my dictionary.

4 JUDGE LUIS: On the issue of the
 5 quarry?

6 MS. SINGERHOUSE: No, this is the MEQB
 7 and the Public Service Commission --

8 JUDGE LUIS: But is this issue on the
 9 quarry the only other topic that you --

10 MS. SINGERHOUSE: That's it. That's all
 11 I have.

12 JUDGE LUIS: Go ahead.

13 MS. SINGERHOUSE: They have failed to
 14 put that in all of their maps. Even in the
 15 MEQB's. I looked for it in here. I said, well,
 16 it's got to be in here. And I looked in all these
 17 maps. It's not listed. They blast there once a
 18 week to mine this traprock. Once a week,
 19 approximately ten months out of the year, and
 20 that's not listed as an avoidance area at all.

21 Nor is it listed -- or nor did you tell the Rural
 22 Utility Service that there was a quarry operation
 23 going on there that dealt with explosions that
 24 happened once a week right next to where this
 25 power line would run. So I said, well, this has

1 got to be wrong. You know, this somehow -- but
 2 it's not, it's not wrong. I looked at all the
 3 maps. I looked at all the geological resources.
 4 This has been conveniently left out of
 5 everything. Left out of the -- even the one that
 6 NSP and Dairyland Power gave the environmental
 7 impact assessment, it's left out, and it's -- but
 8 it's in here (pointing). I mean, and I -- in the
 9 DeLorme mapping, this atlas deal, it's in here,
 10 and this was part of what is used. Like in the
 11 appendix where they tell you what they use and
 12 stuff. It's in here, but it's not in here. And
 13 Mr. Wolfe found that very interesting too. I did
 14 too. I just couldn't believe that they forgot to
 15 mention that they were going to put 230 kilovolt
 16 power lines with 140-foot poles right next to a
 17 blasting area.

18 JUDGE LUIS: Do you know whether or not
 19 it's been left out of discussion in the Wisconsin
 20 environmental impact statement, which is in this
 21 record is Exhibit 74, the one introduced by the
 22 state of Wisconsin?

23 MS. SINGERHOUSE: The draft
 24 environmental impact statement?

25 JUDGE LUIS: Yes.

1 MS. SINGERHOUSE: It's not listed as a
 2 geological resource or an avoidance area. There's
 3 no avoidance areas that --

4 JUDGE LUIS: It's not 74. It's 25,
 5 Exhibit 25. Go ahead.

6 MS. SINGERHOUSE: I don't know. I
 7 looked in here too. But they don't have the maps
 8 that the MEQB has in their book, but your -- the
 9 MEQB's map should have it on there too because,
 10 you know, this is the line that it's going down.
 11 And I just found this to be completely
 12 unbelievable, that something of this much of a
 13 magnitude would be left out. Because what if
 14 there's a mistake and one of your poles falls
 15 over, and what if they're -- I feel the vibrations
 16 at my house. I'm a mile away from the quarry.
 17 And Mr. Bowen says to me that the closer you are
 18 the more vibrations you feel. So this has been
 19 conveniently left out of all the documents that
 20 have been presented. Although Mr. Wolfe tells me
 21 that there is one line listed in the application,
 22 the TR -- oh, what is it? It's the NSP-TR-4, the
 23 docket number. There was one line on page 5 of
 24 82, section existing land use, where they mention
 25 the quarry, but nowhere in there does it say that

1 once a week for ten months out of the year they
 2 blast there, and that's the corridor segment KK2
 3 that is in the Wisconsin Public Service
 4 Commission's document, the EIS. And I don't know
 5 who prepared the maps for the MEQB. I guess NSP
 6 and Dairyland Power Cooperative and Graystone, all
 7 those folks, and you can't miss this place. If
 8 you fly over it, there it is. If you drive by it,
 9 there it is. And if you live around here, you
 10 know, or near it, you know what they -- they do
 11 blasting there. So can you explain how that might
 12 have happened?

13 MR. THOMPSON: I'll try. One, it's --
 14 that's why we have public meetings is for that --
 15 citizens like you can come in and tell us where
 16 we've left something out. And I think that's why
 17 they have draft environmental impact statements is
 18 so now that the Public Service Commission can
 19 include that in their document. We do have a
 20 power line that goes through that mine.

21 MS. SINGERHOUSE: A 69 kilovolt. It's
 22 not through the mine. It's next to it where this
 23 existing -- where the 230 69 double circuit
 24 140-foot pole would go.

25 MR. THOMPSON: Well, the height varies,

1 and macro corridor study that you sent to
 2 Washington.

3 MR. THOMPSON: Sure.

4 MS. SINGERHOUSE: And there in
 5 Washington they don't know what's here. They have
 6 to go and rely on your accurate -- you know, your
 7 accuracy.

8 MR. THOMPSON: Actually, they do know
 9 what's going on here. They've been here and held
 10 several public meetings. And I think there's some
 11 misunderstanding what that document is and what it
 12 does, what the Rural Utility Service --

13 MS. SINGERHOUSE: This (indicating)?

14 MR. THOMPSON: That's -- that's
 15 following their process, and what that's -- that's
 16 their first document that they're required to have
 17 finished. Once we're done with both states and
 18 them completing their EIS's, the federal
 19 government will prepare a joint EIS to complete
 20 their process, which will include that document.

21 MS. SINGERHOUSE: Okay. Well --

22 JUDGE LUIS: Ms. Singerhouse, may I look
 23 at the Wisconsin atlas?

24 MS. SINGERHOUSE: Yes, you may. It's --
 25 Your Honor, it's on page 70. And this (pointing)

1 but -- so we are aware of the blasting. It hasn't
 2 been a problem. That line has been in place
 3 for -- I think 1950. So as far as the blasting
 4 goes on the structures, it has not been a concern
 5 or a problem with our facilities there. Why the
 6 mine was omitted, I can't explain it, but now that
 7 we know about it we can include it in those draft
 8 environmental impact statements.

9 MS. SINGERHOUSE: Now that you know
 10 about it. I find it very hard to believe that you
 11 would miss a quarry that size. I think the people
 12 who are involved in making these maps -- there is
 13 nobody here that could tell me that it's not
 14 listed on the maps. Is he finding where it is
 15 listed on there, the quarry?

16 MR. THOMPSON: Yes, it's shown on one of
 17 our maps. It's Figure 5-17.

18 MS. SINGERHOUSE: In the --

19 MR. THOMPSON: In the applicants' -- in
 20 our --

21 JUDGE LUIS: The application? The
 22 application is Exhibit 1A.

23 MS. SINGERHOUSE: No, I don't have an
 24 application. But I have all these other maps, and
 25 it -- and it's not in your alternative evaluation

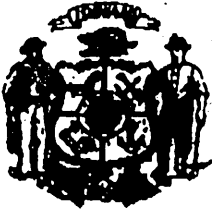
1 is St. Croix Falls. This (pointing) is Dresser.
 2 This (pointing) is Ravine Drive. And if you
 3 notice here (pointing), you have the access going
 4 up, across. That means that it's a -- it denotes
 5 one thing, and the access down denote a second
 6 thing. So it is on the atlas.

7 JUDGE LUIS: I've got it. All right,
 8 the publication called the Wisconsin Atlas and
 9 Gazetteer from the DeLorme, D-E capital L-O-R-M-E,
 10 a mapping company, which I recognize as something
 11 you can buy at book stores. There is indicated a
 12 quarry, and it's called that. And there's two
 13 crossed picks indicating such on -- okay, on
 14 what's called Ravine Drive, at the intersection of
 15 Ravine Drive and East Avenue. I see East Avenue
 16 right there as the closet, more south. It is
 17 shown -- it is shown there on that map as a --
 18 that there's a quarry located there. Was there
 19 anything else then?

20 MS. SINGERHOUSE: No, sir, that's all I
 21 have.

22 JUDGE LUIS: All right, thank you very
 23 much, Ms. Singerhouse. Mr. Thompson, thank you.
 24 (Applause.)

25 JUDGE LUIS: I have agreed to keep this

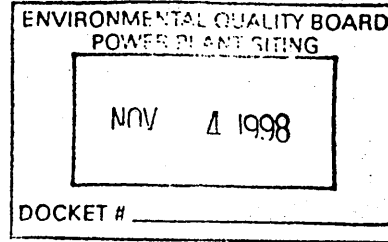


TOMMY G. THOMPSON

**Governor
State of Wisconsin**

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November 4, 1998



John Hynes
Minnesota Environmental Quality Board
300 Centennial Office Building
658 Cedar Street
St. Paul, Minnesota 55155

Dear Mr. Hynes,

I am writing to you today regarding the joint application of Northern States Power Company and Dairyland Electric Cooperative to construct facilities to assure electrical reliability for eastern Minnesota and northwestern and northern Wisconsin.

→ I encourage the Minnesota Environmental Quality Board (MEQB) to support NSP and Dairyland's application. Electric reliability is critical for both the health and economic security of the State of Wisconsin. More than 600,000 Wisconsin-Minnesota residents live within the boundaries of the project, including many rural customers and farmers which rely on electric heat to keep their families warm.

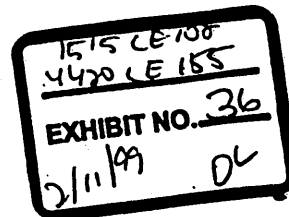
In addition, the need for continued reliable electrical service is also critically important for jobs and economic growth. Without prompt regulatory action in both Wisconsin and Minnesota, this basic level of security cannot be guaranteed.

I ask you to support immediate action to assure electrical reliability for the region and ask that you please include my comments in the public testimony on this matter.

Sincerely,

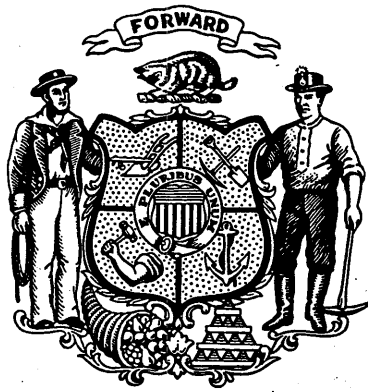
TOMMY G. THOMPSON
Governor

TGT/cl



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END



END

Governor's 1999-2001 Budget Request

RECOMMENDATIONS

1. The Governor's Work-Based Learning Board

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
GPR	0	(0.00)	275,000	(0.00)	1,400,000	(0.00)	2,500,000	(0.00)
PR-F	0	(0.00)	0	(0.00)	0	(-4.45)	0	(-4.45)
PR-O	0	(0.00)	0	(0.00)	300,000	(0.00)	300,000	(0.00)
PR-S	0	(0.00)	0	(0.00)	5,131,800	(8.45)	8,234,500	(8.45)
TOTAL	0	(0.00)	275,000	(0.00)	6,831,800	(4.00)	11,034,500	(4.00)

The Governor recommends creating a new board to administer the state's work-based learning programs. The new board will contain the following organizational units and the programs they administer:

1. The present Division of Connecting Education and Work in the Department of Workforce Development.
2. A nine member board composed of: (a) the Governor, who will serve as chairperson; (b) the state superintendent of the Department of Public Instruction; (c) the president of the Technical College System Board; (d) the director of the Technical College System Board; (e) the secretary of the Department of Workforce Development (DWD); (f) the administrator of the Division of Workforce Excellence in DWD; (g) a representative of organized labor; (h) a representative of business and industry; and (i) a public representative.

The Governor recommends approving the following funding modifications:

1. Transfer \$1,150,000 GPR from youth apprenticeship training grants for employers to local youth apprenticeship grants. In addition, carry over to FY00 any unspent amount in FY99 in the youth apprenticeship training grants appropriation.
2. Provide \$2,150,000 PR-S in expenditure authority and 3.0 FTE PR-S positions in each year for the administration of Title III of the Carl D. Perkins Vocational and Applied Technology Education Act.
3. Provide \$2,750,800 PR-S and 1.0 FTE PR-S position in FY00 and \$5,453,300 PR-S and 1.0 FTE PR-S position in FY01 from Temporary Assistance for Needy Families (TANF) funds for a self-paced youth apprenticeship program for TANF eligible youth. This item is part of the Governor's proposed allocation of federal block grant funds; see details of the entire initiative under the Department of Workforce Development, Item #14.
4. Provide \$323,300 PR-S in FY01 from TANF funds to fund a pilot youth employment program in southeast Wisconsin. This item is part of the Governor's proposed allocation of federal block grant funds; see details of the entire initiative under the Department of Workforce Development, Item #14.
5. Provide \$231,000 PR-S and 4.45 FTE PR-S positions in FY00 and \$307,900 PR-S and 4.45 FTE PR-S positions in FY01 from TANF funds to administer school-to-work activities for eligible youth. The new PR-S positions would replace FED positions that are part of the School-to-Work Opportunities Act grant that ends on September 30, 1999. This item is part of the Governor's proposed allocation of federal block grant funds; see details of the entire initiative under the Department of Workforce Development, Item #14.
6. Transfer the school-to-work programs for at-risk youth appropriation from the Department of Public Instruction (see Department of Public Instruction, Item #23) and increase funding by \$150,000 GPR in each year.
7. Provide \$1,100,000 GPR in FY00 and \$2,200,000 GPR in FY01 to establish tuition rebate grants for high school students with a designated grade point average, to be determined by the board, who attend a college in the Wisconsin Technical College System within one year of graduating high school.
8. Extend the sunset date on using unemployment insurance interest and penalty money for career counseling centers to June 30, 2001, and provide \$300,000 PR-O for this purpose in each year.
9. The Technical College System Board will expend \$125,000 FED in each year from the Carl D. Perkins Vocational and Applied Technology Education Act grant to develop curricula for youth apprenticeship programs (see Wisconsin Technical College System, Item #2).

2. Fatherhood Initiative

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
PR-S	0	(0.00)	0	(0.00)	150,000	(0.00)	0	(0.00)
TOTAL	0	(0.00)	0	(0.00)	150,000	(0.00)	0	(0.00)

The Governor recommends increased funding to implement the Fatherhood Initiative. The Fatherhood Initiative will provide grants to community organizations for the promotion of responsible fatherhood.

3. Vocational Rehabilitation Funds for Native Americans

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
PR-S	0	(0.00)	0	(0.00)	350,000	(0.00)	350,000	(0.00)
TOTAL	0	(0.00)	0	(0.00)	350,000	(0.00)	350,000	(0.00)

The Governor recommends providing the Division of Vocational Rehabilitation \$350,000 PR-S in each year from the Native American Gaming Initiative funds for programs and services for Native American clients. This item is part of the Governor's Native American Gaming Initiative; see details of the entire initiative under the Department of Administration, Item #1.

4. PR-S Base Adjustment

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
PR-S	13,030,100	(0.00)	13,030,100	(0.00)	13,030,100	(0.00)	13,030,100	(0.00)
TOTAL	13,030,100	(0.00)	13,030,100	(0.00)	13,030,100	(0.00)	13,030,100	(0.00)

The Governor recommends increasing the agency's PR-S authority for administrative services charge-backs. The Administrative Services Division provides support to the program divisions and is funded entirely by fees charged to the program divisions.

5. IT Career Development Program

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
PR-S	337,000	(10.00)	446,100	(10.00)	337,000	(0.00)	446,100	(0.00)
TOTAL	337,000	(10.00)	446,100	(10.00)	337,000	(0.00)	446,100	(0.00)

The Governor recommends approving increased expenditure authority for the Administrative Services Division to implement an information technology (IT) career development program. An IT career development program would reduce the difficulty the department has in finding and recruiting skilled programmer analysts.

6. Network Support to CARES Contractor

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
PR-O	243,000	(0.00)	243,000	(0.00)	243,000	(0.00)	243,000	(0.00)
TOTAL	243,000	(0.00)	243,000	(0.00)	243,000	(0.00)	243,000	(0.00)

The Governor recommends approving increased expenditure authority so that the department can charge IT contractors for support services that the department provides.

7. Data Base Administration for KIDS

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
PR-S	107,200	(2.00)	142,700	(2.00)	107,200	(2.00)	142,700	(2.00)
TOTAL	107,200	(2.00)	142,700	(2.00)	107,200	(2.00)	142,700	(2.00)

The Governor recommends approving increased expenditure authority and 2.0 FTE PR-S positions for the administration of the Kids Information Data System (KIDS) data base. The Legislative Audit Bureau recommended that the department should assume responsibility for the maintenance of the KIDS data base.

8. Adult Apprentice Coordinators

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
GPR	0	(0.00)	99,300	(2.00)	0	(0.00)	0	(0.00)
PR-F	0	(0.00)	0	(0.00)	99,300	(2.00)	99,300	(2.00)
TOTAL	0	(0.00)	99,300	(2.00)	99,300	(2.00)	99,300	(2.00)

The Governor recommends approving the use of Reed Act money and providing 2.0 FTE FED positions in each year for adult apprenticeship coordinators in the Division of Workforce Excellence.

9. State and Federal Data Sharing

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
PR-F	-128,900	(-1.25)	-128,900	(-1.25)	-128,900	(-1.25)	-128,900	(-1.25)
PR-S	128,900	(1.25)	128,900	(1.25)	128,900	(1.25)	128,900	(1.25)
TOTAL	0	(0.00)	0	(0.00)	0	(0.00)	0	(0.00)

The Governor recommends approving the transfer of expenditure authority and 1.25 FTE positions in each year that are used to provide unemployment information to state and federal agencies from unemployment administration to interagency and intraagency agreements. All costs involved in providing the data requested are billed to the state and federal agencies.

10. Administrative Law Judge LTE Position

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
PR-O	80,100	(0.00)	80,100	(0.00)	80,100	(0.00)	80,100	(0.00)
TOTAL	80,100	(0.00)	80,100	(0.00)	80,100	(0.00)	80,100	(0.00)

The Governor recommends funding for the Division of Worker's Compensation to hire retired administrative law judges to aid in the processing of worker's compensation claims.

11. Litigated Case File Conversion

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
PR-O	119,600	(4.00)	158,800	(4.00)	119,600	(4.00)	158,800	(4.00)
TOTAL	119,600	(4.00)	158,800	(4.00)	119,600	(4.00)	158,800	(4.00)

The Governor recommends increased expenditure authority and 4.0 FTE PR-O project positions for the Division of Worker's Compensation to convert litigated case files from paper to an electronic format. Electronic case files will make the litigation process faster as well as reduce space pressures at the state records center.

12. Automated Levy System

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
PR-O	34,600	(0.00)	3,400	(0.00)	34,600	(0.00)	3,400	(0.00)
PR-S	34,600	(0.00)	3,400	(0.00)	34,600	(0.00)	3,400	(0.00)
TOTAL	69,200	(0.00)	6,800	(0.00)	69,200	(0.00)	6,800	(0.00)

The Governor recommends increasing the expenditure authority for the Division of Worker's Compensation to develop and maintain an automated levy system for the Uninsured Employers' Program (UEP). The UEP investigates instances where employes are injured on the job and assesses penalties to employers that are not covered by worker's compensation insurance. The department estimates that an automated levy system can increase collections by 15.0 percent to 25.0 percent.

13. Turnover Exemption

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
PR-O	127,600	(0.00)	127,600	(0.00)	65,900	(0.00)	65,900	(0.00)
TOTAL	127,600	(0.00)	127,600	(0.00)	65,900	(0.00)	65,900	(0.00)

The Governor recommends reducing the amount removed from the Division of Worker's Compensation as part of the turnover reduction standard budget adjustment.

14. W-2/TANF Plan

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
GPR	0	(0.00)	0	(0.00)	-19,508,300	(0.00)	-19,508,300	(0.00)
PR-F	88,333,500	(1.00)	57,046,300	(1.00)	63,924,300	(1.00)	77,567,100	(1.00)
PR-O	-3,581,600	(0.00)	-1,744,600	(0.00)	-8,666,200	(0.00)	-6,829,400	(0.00)
TOTAL	84,751,900	(1.00)	55,301,700	(1.00)	35,749,800	(1.00)	51,229,400	(1.00)

Wisconsin Works (W-2)/Temporary Assistance for Needy Families (TANF) Plan

The Governor recommends funding changes to reflect ongoing funding for the W-2 program and to invest in other programs that serve TANF-eligible families.




The Governor's W-2/TANF budget includes \$149.3 million GPR in FY00 and \$149.1 million GPR in FY01. In addition, primarily federal funding and unspent revenue from the previous biennium also available for the program totals \$540.1 million in FY00 and \$476.2 million in FY01. Under the budget, projected expenditures total \$620.3 million in FY00 and \$623.5 million in FY01, leaving a projected \$1.8 million TANF balance at the end of the biennium.

The table below outlines the Governor's recommended funding levels (all funds):

	FY00	FY01
1. <u>Next W-2 Contract</u> - Funding to support the second round of W-2 contracts, which begin January 1, 2000. Included are funds to support W-2 subsidized employment, administration, program services, performance bonuses and start-up costs.	\$121,684,400	\$229,000,000
2. <u>W-2 Contingency Fund</u> - Funding reserved for payments to W-2 agencies in the event of a significant economic downturn.	\$90,000,000	\$0
3. <u>Current W-2 Contract</u> - Funding to support the remainder of the current W-2 contract. These expenditures will be partially offset by an estimated \$90 million of the state's share of W-2 profits.	\$122,844,700	\$0
4. <u>Ongoing Expenditures</u> - This includes funding for state administration, emergency assistance, funeral and burial reimbursements, Children First, job access loans, the Employment Skills Advancement Program, hospital-based paternity incentives, food stamps for qualified aliens, the Passports for Youth program and the Milwaukee Private Industry Council.	\$42,834,100	\$42,009,100
5. <u>Direct Child Care Services</u> - Funding to support the W-2 child care program, including changes in eligibility levels and co-payment requirements. In addition, funding is provided to replace the GPR in the state's supplement to the Head Start program and to double the overall level of funding for the program. See Department of Public Instruction, Item #7	\$164,450,900	\$171,225,000
6. <u>Indirect Child Care Services</u> - Funding to support the W-2 child care program and W-2 child care providers, including additional funding for resource and referral services, additional funding for start-up, expansion, quality improvement, training and technical assistance, and funding for an initiative to develop alternative slots for sick children. For more information on child care licensing, see Department of Health and Family Services, Program 3 - Children and Family Services, Item #9.	\$18,978,700	\$16,834,000
7. <u>Child Support</u> - Funding to pay the federal government its share of assigned child support collections and to pay incentives to county child support agencies based on the amount of child support collected.	\$30,254,800	\$31,961,800

Workforce Development

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	<u>FY00</u>	<u>FY01</u>
8. <u>Kinship Care</u> - Funding to support the Kinship Care program under which a child who is at risk of abuse or neglect may live with a relative. See Department of Health and Family Services, Program 3 - Children and Family Services, Item #5.	\$26,322,200	\$26,618,500
9. <u>Children of SSI Parents</u> - Funding to increase the SSI supplement to SSI parents who have a child that previously qualified for AFDC benefits from \$100 to \$150 per child. A portion of this program's funding comes from the state SSI program. See Department of Health and Family Services, Program 3 - Children and Family Services, Items #2 and #3.	\$9,173,200	\$11,066,900
10. <u>Employment Transportation</u> - Funding to provide transportation assistance to TANF-eligible families. FY00 expenditures will be partially offset by an estimated \$1.8 million in unspent transportation funds from the previous biennium.	\$2,000,000	\$2,000,000
11. <u>Transfer to the Social Services Block Grant (SSBG)</u> - Funding transferred from the TANF block grant to the SSBG program to support low-income persons. Federal law reduces the amount that may be transferred from 10.0 percent to 4.25 percent of the TANF block grant beginning in FFY01. This federal reduction is offset with increased GPR in the Department of Health and Family Services. See Department of Health and Family Services, Program 3 - Children and Family Services, Item #1.	\$31,800,000	\$18,092,300
 12. <u>Youth Work-Based Learning Programs</u> - Funding transferred to the Governor's Work-Based Learning Board to support the School-to-Work program, a new Self-Paced Youth Apprenticeship program and the Southeast Youth Employment program. See Department of Workforce Development, Item #1.	\$2,981,800	\$6,084,500
  13. <u>Workforce Attachment Fund</u> - Funding for post-employment services that promote job retention and advancement for former W-2 participants and for TANF-eligible families who have never participated in the W-2 program. The department shall allocate half of the funding to W-2 agencies and half of the funding to workforce development areas.	\$10,000,000	\$20,000,000
14. <u>Community Youth Grants</u> - Funding for programs that improve the social, academic and employment skills of TANF-eligible youth. Of the overall amount, \$1.0 million in FY00 and \$1.5 million in FY01 and up to \$250,000 in each fiscal year is earmarked for the Safe and Sound Initiative in Milwaukee and the Wisconsin Good Samaritan Project, Inc., respectively.	\$5,000,000	\$15,000,000
15. <u>Literacy Initiative</u> - Funding for literacy programs targeted to TANF-eligible families. The Governor's literacy director will coordinate and oversee this initiative with assistance from the department.	\$2,150,000	\$2,150,000
16. <u>Early Childhood Excellence Initiative</u> - Funding for the creation of five centers in communities throughout the state that use the latest research on brain development of infant and toddlers to design model programs. The centers will be a resource for parents and child care providers in the community, providing information and training on how to stimulate optimum development of children ages 0-4 years old. In addition, child care centers whose staff receive training at the centers may be eligible to receive a grant from the state to be used to replicate the model practices.	\$10,000,000	\$10,000,000
17. <u>Nutritional Services for Women/Infants</u> - Funding for per capita nutritional services and administrative funding for the same local agencies that run the Women, Infants and Children (WIC) program. However, this funding will be used in conjunction with, but not transferred to, the WIC program.	\$500,000	\$500,000

Workforce Development

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	<u>FY00</u>	<u>FY01</u>
18. <u>Adolescent Services and Pregnancy Prevention</u> - Funding for pregnancy prevention grants and programs for adolescents currently administered by the Department of Health and Family Services and the Adolescent Pregnancy Prevention and Pregnancy Services Board that are funded with GPR. See Department of Health and Family Services, Program 3 - Children and Family Services, Item #8 and Adolescent Pregnancy Prevention and Pregnancy Services Board, Item #1.	\$1,806,400	\$1,806,400
19. <u>Individual Development Accounts</u> - Funding for a program under which people who are eligible for either the federal Earned Income Tax Credit or TANF may establish savings accounts that are not counted in determining their eligibility for the W-2 program. In addition, funds deposited into these accounts will then be matched by community action agencies and possibly by the federal government.	\$650,000	\$650,000
20. <u>Workforce Mentors</u> - Funding for a program under which retirees are matched up with TANF-eligible youth to share their work experiences.	\$55,000	\$55,000
21. <u>Fatherhood Initiative</u> - Funding to support a program aimed at promoting fathers' involvement in their children's lives. Additional matching funds are included in the Department of Workforce Development, Item #2.	\$75,000	\$0
22. <u>AODA Initiative</u> - Funding to support additional community-based alcohol and other drug abuse treatment programs (AODA) for TANF-eligible families.	\$1,000,000	\$1,000,000
23. <u>Aid to Milwaukee Public Schools</u> - Funding to support several early childhood education programs at or administered by Milwaukee Public Schools that are currently funded with GPR. See Department of Public Instruction, Item #2.	\$7,570,000	\$7,570,000
24. <u>TANF for Brownfields</u> - Funding to support a new Brownfields grant program for businesses that fill at least 80.0 percent of the jobs filled or retained with TANF-eligible individuals. See Department of Commerce, Item #2.	\$5,000,000	\$5,000,000
25. <u>Income Maintenance for BadgerCare</u> - Use of Maintenance of Effort GPR funding to support the increased income maintenance costs due to the implementation of the BadgerCare program.	\$4,500,000	\$4,500,000
26. <u>Badger Challenge</u> - Funding to support programs for high school disadvantaged youth to help them remain in and finish their high school education that are currently funded with GPR. See Department of Military Affairs, Item #3.	\$332,700	\$332,700
27. <u>Early Identification of Pregnancy</u> - Funding to supplement the Department of Health and Family Services' program with outreach and case management services.	\$100,000	\$100,000

The Governor also recommends a series of statutory language changes related to child care and the W-2 program. The most significant changes include:

- Expansion of Child Care Eligibility - The following modifications are included:
 - Increasing the initial income limit for a child care subsidy from 165.0 percent of the federal poverty level to 185.0 percent.
 - Expanding the subsidy to cover child care for disabled children ages 13- to 18-years-old.
 - Eliminating the asset test and modifying the income test to use net, instead of gross, income.
 - Removing child support payments from the income test.
- Wage-Paying Community Service Job (CSJ) - As of January 1, 2001, this provision expands wage-paying CSJs statewide, with an overall cap of 2,500 slots. The wage-paying CSJ is for those individuals that the W-2 agency determines are capable of working in unsubsidized employment but who have not been able to find work. A participant in a wage-paying CSJ could be required to work for not more than 30 hours per week and to

participate in job search for not more than 10 hours per week. Work in the wage-paying CSJ would qualify for the federal, but not the state, Earned Income Tax Credit.

Finally, the Governor is directing the department to modify the child care co-payment structure to:

- Reduce the child care co-payment cap from 16.0 percent to 12.0 percent of a families' income.
- Freeze the co-payment amount for the first month of employment of a W-2 participant who moves from subsidized to unsubsidized employment.
- Allow an adjustment to the co-payment amount when a family is using less than 20 hours of child care.

15. Public Assistance Overpayment Collections

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
PR-F	28,000	(1.50)	45,000	(1.50)	14,800	(1.00)	19,800	(1.00)
PR-O	28,000	(1.50)	45,000	(1.50)	14,900	(1.00)	19,800	(1.00)
TOTAL	56,000	(3.00)	90,000	(3.00)	29,700	(2.00)	39,600	(2.00)

The Governor recommends converting 2.0 LTEs to permanent positions in the Public Assistance Collection Unit in the Division of Unemployment Insurance (UI) in order to increase collections of public assistance overpayments. The Governor also recommends a statutory language change to extend the current UI collection methods to collection of public assistance debt.

16. Income Maintenance Funding

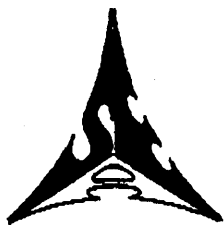
Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
GPR	2,368,900	(0.00)	2,457,700	(0.00)	114,500	(0.00)	199,100	(0.00)
PR-F	2,368,900	(0.00)	2,457,700	(0.00)	114,500	(0.00)	199,100	(0.00)
TOTAL	4,737,800	(0.00)	4,915,400	(0.00)	229,000	(0.00)	398,200	(0.00)

The Governor recommends providing funding to increase county income maintenance contracts as a result of planned implementation of Family Care. Funding for income maintenance costs related to implementation of the BadgerCare program is part of the Governor's proposed allocation of federal block grant funds; see details of the entire initiative under Item #14.

17. Child Support Positions

Source of Funds	Agency Request				Governor's Recommendation			
	FY00		FY01		FY00		FY01	
	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)	Dollars	(Positions)
GPR	0	(2.04)	0	(4.08)	-160,100	(2.04)	-163,700	(4.08)
PR-F	0	(3.96)	0	(7.92)	-310,900	(3.96)	-317,800	(7.92)
TOTAL	0	(6.00)	0	(12.00)	-471,000	(6.00)	-481,500	(12.00)

The Governor recommends providing 6.0 FTE positions in FY00 and 12.0 FTE positions in FY01 to reduce the use of contract staff and to meet workload increases in the Bureau of Child Support that resulted from the numerous changes in child support enforcement mandated by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

**STATE ENGINEERING ASSOCIATION**

4510 REGENT STREET

MADISON, WISCONSIN 53705

(608) 233-4696

April 6, 1999

**TO: Co-chairs Senator Brian Burke &
Representative John Gard
Joint Finance Committee**

RE: State of Wisconsin Investment Board Budget

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1. **Recruit and retain experienced staff (LFB Summary Item #2)**
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3. **We continue to support the IT project and the second phase to provide user support & training (LFB Summary Item #6).**
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We agree with flexibility; however, we don't agree with increasing the outside management to 25% of the total retirement fund.

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Co-chairs Senator Brian Burke &
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Joint Finance Committee
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April 6, 1999

We trust that your committee would make the necessary changes to the SWIB budget to provide them more flexibility for outside management only when they have a critical shortage of qualified internal staff.

We want to thank your committee for this opportunity to communicate our concerns about our retirement system and appreciate your consideration.

Sincerely,



Mark Klipstein, President
Southeast Section
STATE ENGINEERING ASSOCIATION

cc: Pat Lipton, Executive Director, SWIB



STATE ENGINEERING ASSOCIATION

4510 REGENT STREET

MADISON, WISCONSIN 53705

(608) 233-4896

April 6, 1999

TO: Co-chairs Senator Brian Burke &
Representative John Gard
Joint Finance Committee

RE: Dept. of Employee Trust Funds Budget

The State Engineering Association wants to communicate our support for the following areas of the Dept. of Employee Trust Funds Budget to your committee:

. We support the ETF New Call Center. However to maintain the future continuity of call service, the one permanent position cut by the Governor should be reinstated, unless it is the intent of the Legislature to provide poor service to annuitants and employees who now total 349,375 individuals.

. We also support the 1.0 permanent position and 1.0 project positions to support the increased work load for duty disability in both budget years.

. We disagree with the funding cuts by the Governor in the area of replacement and training of any new Trust Fund counsellor. Without proper training, the existing wealth of knowledge will be lost and the level of service will diminish. We feel some provision should be replaced in the ETF Budget because it is program revenue, not GPR funds.

We appreciate this opportunity to communicate our concerns about the Wisconsin Retirement System to your committee and want to thank you for your consideration.

Sincerely,

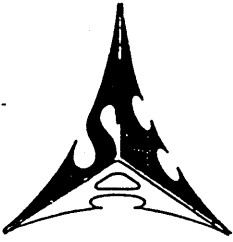
Mark Klipstein, President
Southeast Section
STATE ENGINEERING ASSOCIATION

cc: Eric Stanchfield, Secretary
Dept. of Employee Trust Funds

FULL ISSUES OUTLINE, 3rd PARTY CLASS D

- I. The Problem: Road test backlog is at record highs statewide. Twelve week wait in some locations.
 - A. Demographic "mini baby boom" is currently adding more new drivers. DOT failed to hire more staff to address this very real increase in work.
 - B. BFS is sabotaging its own operations.
 1. Examiner reductions.
 - a. Eau Claire Team reduced from six down to three over the last five years.
 - b. Madison West Team down from five to two over the last three years.
 2. Examiner Assignments
 - a. Milw. Northwest Team has nine road test examiners. Typically six of them are assigned indoors.
 - b. Milw. Southeast Team has five examiners. Three of them are usually assigned indoors.
 3. Milwaukee area Swat Team
 - a. Provided four examiners who did no indoor work and were supposed to help reduce road test backlog. Toured the area adding their numbers to the number of examiners already assigned to road duty. In the Spring of '98, Director Kussow ordered teams to cut their number of examiners down to one on days the Swat Team was on site.
 - c. Swat Team was later dissolved. Reason cited was that they had failed to reduce road test backlog!
 4. Degrading road test procedures
 - a. Test duration shortened.
 - i. Less time to complete maneuvers
 - ii. No time to discuss results.
 - b. Difficult elements removed from test because too many failed.
 - C. Budget considerations
 1. BFS claims that directives from Dept. of Administration prohibit requesting new positions even if that's what the Bureau thinks they need.
 2. BFS and DMV claim that the Legislature will not hear their repeated requests for new positions.
- II The Solution
 - A. BFS's solution
 1. Sabotage own operations, making it look as though the agency is failing.
 2. Blame DOA and the Legislature for funding problems.
 3. Dump work on outside agencies
 - a. CDL 3rd Party road testing
 - b. Electronic vehicle registration filing for dealers, banks and lenders
 - c. Mandatory Display outsourcing to county clerks and municipalities
 - d. Automobile registration renewals allowed by MIData via the internet and by Vehicle Inspection stations (Lockheed, Inc.)
 - e. Repeated attempts to allow privatization of Class D road testing. Part of current DOT budget proposal.
 - B. Problems with 3rd party Class D road testing proposal
 1. It results in a revenue loss due to sacrificed road test fees
 - a. If BFS lost all Class D Road Tests, loss would be \$1.4 Million annually
 - b. If BFS lost 68 % of Class. D road tests, loss would be \$775,000 annually
 - c. If \$15.00 R.T. fee were allowed, the loss would be \$1.16 Million annually, at 68% loss
 2. Increased costs to the public
 - a. BFS does three road tests for \$10.00
 - b. 3rd parties would be allowed to charge up to \$70.00 for each test
 - c. About 30% of first-time applicants require more than one road test
 3. Conflict of interest
 - a. 3rd party examiner could be the same individual who trains the applicant. Financial and/or professional self interest involved
 - b. Public school driver education instructors want nothing to do with examining their own students
 - c. State examiners have no self interest in the outcome of the exam
 4. Detracts from inside service
 - a. Proposal could eventually remove 24 positions. These workers would not be present to help at the indoor counter.
 - b. BFS comment cards indicate that the public wants more employees indoors. The 3rd party Class D proposal amounts to a very cumbersome method of denying that wish.
 5. ARTS III automated road test booking system
 - a. Due to be implemented in Spring of '99
 - b. Will allow 24 hour telephone booking of appointments
 - c. Will eliminate double bookings and should reduce no-show rate

- d. Savings realized by this system are not reflected in DOT's budget analysis of Class D 3rd party testing
 - e. This system should reduce the FTE needed to complete road tests
- C. Local 1195's solution: Adequate funding and good management
- 1. Increase road test fee to \$15.00/3 tests. This would generate approximately \$118,000 in additional revenue per year
 - 2. Use additional funding to partially offset new entry level positions to permit BFS to fill all work counters while maintaining a road test waiting time of 4 weeks or less
 - 3. Require BFS to assign enough examiners to road test duty to keep backlog at four weeks or less at all locations



STATE ENGINEERING ASSOCIATION

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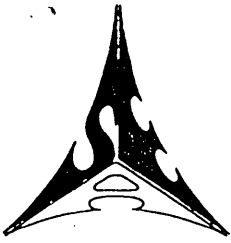
Sincerely,

Linda Richardson

Linda Richardson, President
Wisconsin Rapids Section
STATE ENGINEERING ASSOCIATION

cc: Eric Stanchfield, Secretary
Dept. of Employee Trust Funds

... FOR WISCONSIN STATE EMPLOYEES ENGAGED IN THE PROFESSION OF ENGINEERING



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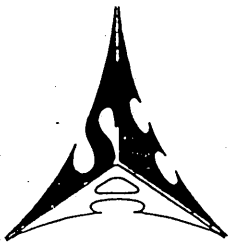
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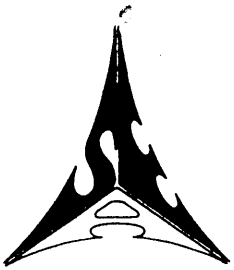
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Robert Anderson, President
Eau Claire Section
STATE ENGINEERING ASSOCIATION

cc: Eric Stanchfield, Secretary
Dept. of Employee Trust Funds



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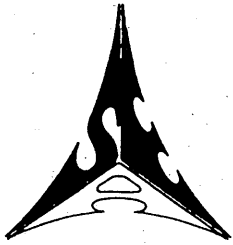
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Robert Anderson, President
Eau Claire Section
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cc: Pat Lipton, Executive Director, SWIB



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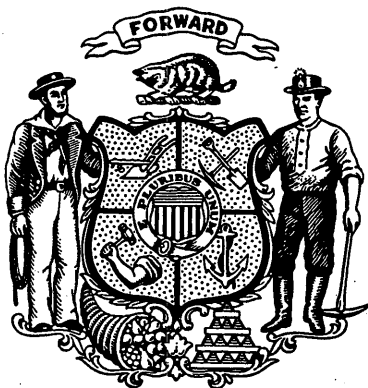
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END



END

"SUPERB DINING IN THE OLD WORLD ATMOSPHERE"

Open from 4 p.m.
Seven days a week
Banquet Facilities from
25 to 500 people

European and
American Specialties

701 Second Street North • Stevens Point, Wisconsin 54481 • (715) 344-3365

My name is Bernard Kurzawa; I am the Chef and owner of Bernard's Country Inn in Stevens Point. I learned my trade by going through an Apprenticeship Program in Berlin Germany. I have trained apprentices since the early 80's. I serve on the Apprenticeship Advisory Counsel at DWD since 1990. I chair a sub-committee that has developed a program of continuing education for journey workers, which leads to a Trade Masters' Certification. This would make apprenticeship a more desirable career path and be a great alternative to a college education for young people that have difficulties with abstract academic learning.

Despite a long period of lobbying for funding for promotion and development of such a program, no funding has been appropriated in the Governors Budget. The Governor, in his Initiative on Building Tomorrow's Workforce, wants an increase in apprenticeship by 10% by the year 2001. I do not believe that is going to happen unless additional funding of \$300,000.00 is made available for promotional material and program development, which were available until '87 when it was taken out of the budget for the Apprenticeship Bureau.

Now, I am not asking for spending more of the taxpayers' money. A study by the Federal Bureau of Apprenticeship and Training states that every dollar spent on apprenticeship pays back \$20.60, because apprentices earn wages and pay taxes.

(2)

Furthermore, I would like this committee to consider a tax credit for those Employers that train apprentices. There is a considerable cost involved for Businesses to train apprentices. Businesses that don't have to train have considerable savings, which enables them to pay higher wages. It is the smaller shops that do the training and lose their workers to the bigger ones. To level the playing field and give incentives to train, there must be a tax credit, which the State of Connecticut has already implemented. The Apprenticeship Advisory Council has passed a resolution for such a credit for all apprenticable occupations unanimously.

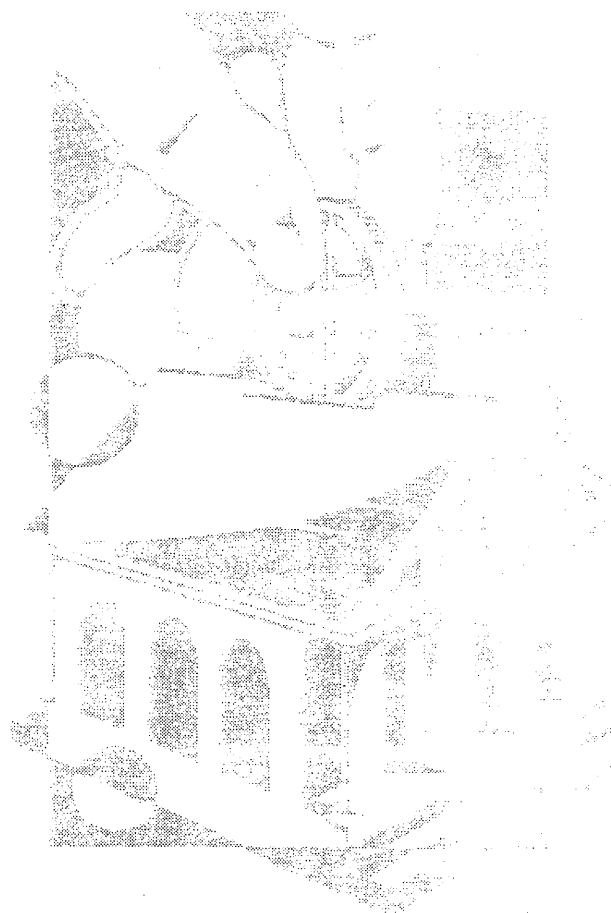
Wisconsin has been a leader in the Nations Apprenticeship training since 1911. If we don't bring our program up to speed for the next millenium, we will loose that leadership. The State of Iowa already has a Trade Masters Certification. Folks! We have some work to do.

Enclosed:

1. BAT Study on Economic impact of Apprenticeship
2. Tax credit State of Connecticut
3. Master Skilled Worker, State of Iowa
4. NTMA proposal on tax credit for training apprentices
5. Funding proposal for BAS

ECONOMIC IMPACT of REGISTERED APPRENTICESHIP

Costs and Benefits



Prepared by BAT/SAC Liaison Committee

ECONOMIC IMPACT OF APPRENTICESHIP

COST BENEFIT SURVEY

A survey of the economic impact of apprenticeship and government investment is being conducted by the BAT/SAC Liaison Committee. To date, 20 states and the Commonwealth of Puerto Rico have responded. The first phase of the survey looks at the expenditure of tax dollars for registration agencies, public-funded related instruction and the taxes apprentices pay while in the program. The survey covered approximately 170,000 apprentices in service, manufacturing and construction occupations.

The information collected included:

- Average wage of apprentices in each state based on research on the top 32 apprenticeships occupations.
- Average State and Federal taxes paid by apprentices.
- Total apprentices by state as of December 31, 1994.
- Employer investment as expressed in wages to apprentices.

RESULTS

Of the 21 states surveyed (including Puerto Rico), apprentices averaged \$ 12.25 per hour for an average annual income of \$ 24,509 and paid an average of \$ 3,755 in State and Federal taxes per year.

For the apprentices surveyed, it is estimated that employers paid over \$ 4.2 Billion in wages. Apprentices paid over \$ 640 Million in State and Federal income taxes. Total investment by the Federal government and States was approximately \$ 31 million.

Expressed as ratios:

For every \$1 invested in apprenticeship by Government, apprentices pay an average of \$ 20.60 in State/Federal income taxes.

For that same \$1 invested by Government, employers invest over \$ 134 in wages paid to apprentices.

NEXT STEPS

The BAT/SAC Liaison Committee will research the economic benefits for employers and apprentices in Phase II of the project.

The BAT/SAC Liaison Committee is composed of 12 representatives from State Apprenticeship Agencies and the Bureau of Apprenticeship and Training working to enhance the operation of registered apprenticeship.

March 10, 1995 Economic Impact Workgroup

Present: Nick, Terry, Skip, Ron, Walt, Reuben, and Sandy

I. Formula 1- was changed as follows:

- a. State Resources Contributed (Total apprenticeship state budget includes costs for staff FTE's; Related instruction funds budgeted if known; and specific programs cost such as state council operations).
- b. Total number of apprentices (includes active, completed and cancelled apprentices for the period of January 1, 1990 - December 31, 1994)
- c. Most Populous Occupations (include the top 32 occupations populated with registered apprentices which may in fact be a state's full workload). Arrange in industry groups so they may be sub-divided by Service, Manufacturing and Building/Construction.
- d. Average Hourly Wage (the wage without fringe benefits at the beginning of the third year for all four and five year programs or the last wage progression [not the journey wage] for one and two year programs. Total the average hourly wage per occupation and divide by 32).
- e. Average Gross Annual Wage (the average hourly wage, without fringe benefits, multiplied by 2000 hours).
- f. Gross Hourly Wages Paid By Employer (the average annual multiplied by the number of apprentices).
- g. Average Tax Contribution (Contact the state tax service or economic development office to find the average state and federal tax rate for a single, no dependents, renter, standard deduction tax payer with the income of (e) above or another way to compute this is to use the easy (EZ) forms provided by the IRS and state tax departments. Examples are attached).

B. Formula Methodology:

State Name expended \$ (a) to support apprentice training. There were (b) registered apprentices as of December 31, 1994. Of this number, (c) are in the 32 most populous occupational titles, accounting for _____% of our registered apprentices. These apprentices earn an average hourly wage of \$ (d) and an average gross annual wage of \$ (e). Employers contribute \$ (f) in average gross wages to apprentices while the average apprentices contributes \$ (g) in income taxes to the state's and federal economy.

SURVEY HIGHLIGHTS

FOR THE 21 STATES SURVEYED

- * State and Federal Investment
was: **\$31 Million**
- * Employers Paid Wages to
Apprentices of: **\$4.2 Billion**
- * Survey Covered: **171,384 Apprentices**
- * 3rd Year Apprentice Gross
Average Hourly Wage: **\$ 12.25**
- * An Apprentice Paid State &
Federal 1994 Taxes Of: **\$3,755.00**
- * Total State/Federal Taxes
Paid by Apprentices: **\$ 643 Million**

IMPACT OF YOUR APPRENTICESHIP PROGRAM

- * Calculate Total Expenses of Training Program
- * Total Apprentices in Program
- * Divide Costs by Number of Apprentices
=
Cost per Apprentice

**FOR \$1.00 TAX DOLLAR INVESTED
IN APPRENTICESHIP**

THE EMPLOYER INVESTS

\$134.42

IN WAGES

IMPACT ON COMMUNITY

* Estimate Average Apprentice Wage

Example:

Average apprentice is at 60% of skilled work

Apprentices average 1800 work hours per year

Total Apprentices X 1800 X Average Apprentice Wage = total wages earned by apprentices

* Add Total Training Costs

+

Total Apprentice Wages

=

Money generated by Apprenticeship in Community

APPRENTICESHIP COST BENEFIT

ANALYSIS SURVEY

PARTICIPATING STATES

California

Hawaii

Illinois

Indiana

Kansas

Maine

Maryland

Massachusetts

Michigan

Minnesota

Missouri

Montana

Nebraska

New Mexico

New York

Ohio

Puerto Rico

Texas

Vermont

Virginia

Washington

Wisconsin

1994 APPRENTICESHIP COST BENEFIT ANALYSIS

DRAFT ESTIMATES 9/24/95	1994 State & Fed Tax Dollars Expended	1994 State Dollar Expended	1994 BAT Dollars Expended	Registered Apprentices Served thru 12/31/94	Number of Apprentices Top 32
California	\$5,709,120	\$5,400,000	\$309,120	38,779	33,662
Hawaii	\$902,560	\$748,000	\$154,560	3,744	3,330
Illinois	\$772,800	\$0	\$772,800	9,350	9,350
Indiana	\$540,960	\$0	\$540,960	6,466	6,466
Kansas	\$312,085	\$80,245	\$231,840	960	940
Maine	\$188,400	\$111,120	\$77,280	1,012	1,000
Maryland	\$731,840	\$500,000	\$231,840	6,280	5,979
Massachusetts	\$472,840	\$241,000	\$231,840	5,862	4,452
Michigan	\$772,800	\$0	\$772,800	9,162	9,162
Minnesota	\$496,840	\$265,000	\$231,840	3,500	3,110
Missouri	\$576,680	\$113,000	\$463,680	9,365	8,428
Montana	\$417,280	\$340,000	\$77,280	685	685
Nebraska	\$154,560	\$0	\$154,560	1,043	1,043
New Mexico	\$754,560	\$600,000	\$154,560	1,672	1,672
New York	\$4,862,300	\$4,475,900	\$386,400	22,300	13,720
Ohio	\$967,360	\$40,000	\$927,360	12,057	9,651
Puerto Rico	\$526,788	\$526,788	\$0	1,618	1,432
Texas	\$4,081,920	\$3,540,960	\$540,960	7,503	6,694
Vermont	\$392,280	\$315,000	\$77,280	675	600
Virginia	\$1,909,120	\$1,600,000	\$309,120	11,411	9,070
Washington	\$774,560	\$620,000	\$154,560	11,149	9,142
Wisconsin	\$5,231,840	\$5,000,000	\$231,840	7,803	7,203
TOTAL	\$31,549,493	\$24,517,013	\$7,032,480	172,396	146,791

1994 APPRENTICESHIP COST BENEFIT ANALYSIS

DRAFT ESTIMATES 9/24/95	% of all Apprentic	Average Hourly Wage	Gross Annual Wage	Employer Paid Gross Annual Wages	Average Apprentice State/Fed Taxes
California	87%	\$13.89	\$27,780	\$1,077,280,620	\$4,138
Hawaii	89%	\$17.28	\$34,560	\$129,392,640	\$7,974
Illinois	100%	\$14.50	\$29,000	\$271,150,000	\$4,099
Indiana	100%	\$10.30	\$20,600	\$133,199,600	\$2,896
Kansas	98%	\$11.81	\$23,620	\$22,675,200	\$3,371
Maine	99%	\$11.03	\$22,060	\$22,324,720	\$3,311
Maryland	95%	\$9.02	\$18,040	\$113,291,200	\$2,120
Massachusetts	76%	\$9.36	\$18,720	\$109,736,640	\$3,922
Michigan	100%	\$15.98	\$31,960	\$292,817,520	\$5,408
Minnesota	89%	\$14.00	\$28,000	\$98,000,000	\$4,676
Missouri	90%	\$12.70	\$25,400	\$237,871,000	\$5,350
Montana	100%	\$13.14	\$26,280	\$18,001,800	\$5,958
Nebraska	100%	\$11.00	\$22,000	\$22,946,000	\$2,948
New Mexico	100%	\$9.59	\$19,180	\$32,068,960	\$2,309
New York	62%	\$12.52	\$25,040	\$558,392,000	\$3,935
Ohio	80%	\$10.99	\$21,980	\$265,012,860	\$3,057
Puerto Rico	89%	\$4.59	\$10,538	\$17,050,484	\$903
Texas	89%	\$11.29	\$22,580	\$169,417,740	\$2,449
Vermont	89%	\$10.50	\$21,000	\$14,175,000	\$2,500
Virginia	79%	\$9.12	\$18,240	\$208,136,640	\$2,265
Washington	82%	\$11.53	\$23,060	\$257,095,940	\$2,524
Wisconsin	92%	\$9.79	\$19,580	\$152,782,740	\$3,787
TOTAL	85%	\$12.25	\$24,495	\$4,222,819,304	\$3,753

1994 APPRENTICESHIP COST BENEFIT ANALYSIS

DRAFT

ESTIMATES 9/24/95 All States STATE	For \$1 tax Dollar, Employers Invest	For \$1 tax Dollar, Apprentices Contribute	Total Tax Paid by Apprentices	SAC/ BAT Staff	Reg. Agency
California	\$188.69	\$28.11	\$160,467,502	4	SAC
Hawaii	\$143.36	\$33.08	\$29,854,656	2	SAC
Illinois	\$350.87	\$49.59	\$38,325,650	10	BAT
Indiana	\$246.23	\$34.62	\$18,725,536	7	BAT
Kansas	\$72.66	\$10.37	\$3,236,160	3	SAC
Maine	\$118.50	\$17.79	\$3,350,732	1	SAC
Maryland	\$154.80	\$18.19	\$13,313,600	3	SAC
Massachusetts	\$232.08	\$48.62	\$22,990,764	3	SAC
Michigan	\$378.90	\$64.12	\$49,548,096	10	BAT
Minnesota	\$197.25	\$32.94	\$16,366,000	3	SAC
Missouri	\$412.48	\$86.88	\$50,102,750	6	BAT
Montana	\$43.14	\$9.78	\$4,081,230	1	SAC
Nebraska	\$148.46	\$19.89	\$3,074,764	2	BAT
New Mexico	\$42.50	\$5.12	\$3,860,648	2	SAC
New York	\$114.84	\$18.05	\$87,750,500	5	SAC
Ohio	\$273.95	\$38.10	\$36,858,249	12	SAC
Puerto Rico	\$32.37	\$2.77	\$1,461,054	0	SAC
Texas	\$41.50	\$4.50	\$18,374,847	7	BAT
Vermont	\$36.13	\$4.30	\$1,687,500	1	SAC
Virginia	\$109.02	\$13.54	\$25,845,915	4	SAC
Washington	\$331.93	\$36.33	\$28,140,076	2	SAC
Wisconsin	\$29.20	\$5.65	\$29,549,961	3	SAC
TOTAL	\$133.85	\$20.51	\$646,966,190	91	

Manufacturing Apprenticeship Tax Credit

INFORMATION SHEET

Corporate Tax Credit in Manufacturing Apprenticeship

Pursuant to Sections 12-217g-1 to 12-217g-8 of the Regulations of Connecticut State Agencies

The following is information concerning the Tax Credit for Manufacturing Apprenticeships against the Connecticut Corporate Business Tax imposed under Chapter 208 of the Connecticut General Statutes.

This tax credit is designed to encourage the development of skilled workers through apprentice training programs in order to counter the current and projected shortage of skilled craftworkers in the Manufacturing Trades which exists in Connecticut.

Some examples of crafts that are eligible for the Manufacturing Trades tax credit are: Machinist, Tool and Diemaker, Tool and Machine Setter, Plastic Technician, Injection Molding Technician, Moldmaker and in similar occupations which involve multiple work processes including the shaping of metals by machine tool equipment designed to perform cutting, grinding, milling, turning, drilling, boring, planing, hobbing, and abrading operations, and the set-up, operation, troubleshooting, repair, and maintenance of machinery used by the Manufacturing Industry.

Note: A taxpayer may submit a tax credit for an apprentice up to three (3) years from the due date of the taxpayer's last tax return.

Sec. 12-217g-3. Eligibility.

Any taxpayer who employs an apprentice duly enrolled and registered under the terms of a qualified Manufacturing Program is entitled to a tax credit for each eligible apprentice of up to \$4,800.00 maximum or 50% of actual wages, whichever is less, provided such apprenticeships meet the following requirements:

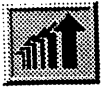
- a) The tax credit is limited to qualified Manufacturing Programs with apprenticeship periods of duration which are not less than 4,000 hours (2 years) and not more than 8,000 hours (4 years).
- b) The apprentice must be employed on a full time basis which is defined as working a minimum of 120 hours per month at the trade. Up to 80 hours may be applied during the tax year against the 120 hour limitation.
- c) Pre-apprentices are not counted as apprenticeships begun and wages earned by pre-apprentices are not eligible for tax credits under this regulation.

Note: The credit is applied only to the first half of the apprentice's period (or first three-fourths of the period for those in a four-year program).

For additional information in developing an apprenticeship or about the tax credit, please contact the Connecticut Department of Labor, Apprenticeship Division at (860) 566-2450 or the Business Services Unit of your local Job Center/*Connecticut Works* Center toll free at 1-888-CT WORKS.

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National Tooling &
Machining Association



MILWAUKEE CHAPTER

June 30, 1998

To: Department of Workforce Development
Bureau of Apprenticeship Standards
State Machine Tool Apprenticeship Advisory Committee Members and Consultants

From: Milwaukee Chapter of the National Tooling and Machining Association

Subject: Wisconsin Income Tax Credit for Apprenticeship Training

Problem

Small high tech manufacturing firms for years have been fighting an increasing problem that is affecting the manufacturing base in Wisconsin. The problem is the shortage of an available skilled labor pool to fill our job openings. This is not a problem because of the recent low unemployment rate- it is a problem because of a lack of a trained workforce in high tech manufacturing. For the last 15 years, tool & die shops and precision machining companies have faced a chronic shortage of trained personnel. The shortage is getting worse as many of these trained craftsmen are now entering retirement and others are constantly being hired by large manufacturers.

In May of 1997 Wisconsin employers received a package from Governor Thompson that stated he wanted to ensure that state manufacturers have access to the resources they need in order to grow and prosper. This is a proposal that will help to keep Wisconsin's manufacturing base on the leading edge instead of falling prey to other states that are providing incentives for private training in high tech manufacturing areas.

Background

The shortage of adequately trained personnel is largely attributable to the demise of the large manufacturers' apprenticeship programs. Many large manufacturers that once had large apprenticeship programs are no longer in existence. Others have simply abandoned them. The result is today small machine shops and tool and die manufacturers are doing most of the apprenticeship training in high tech manufacturing.

At a recent career expo held at Waukesha County Technical College, a representative from Harley Davidson told the students in attendance that when they finish their high school and technical college education and get 8 years of work experience, only then should they apply at Harley because Harley only hires experienced applicants (although it was later confirmed that they do have 6 apprentices in tool & die and machine tool programs). A representative from Allen Bradley Rockwell told the audience that they have 1700 employees but only 9 apprentices in tool

& die and machining related trades. Briggs and Stratton, once a large source of apprentice training now only has two apprentices in tool & die.

The Milwaukee Chapter of the National Tooling and Machining Association has been working hard the last 5 years to advertise the opportunities available in precision machining and tool & die so parents and students consider a career in high tech manufacturing. Our members spend tens of thousands of dollars training each apprentice. When the apprentice attains journeyman status, he often goes to big industry. To continue the apprenticeship programs, we need to even the playing field.

The big corporations can afford to hire our skilled apprentice graduates because they haven't spent the money it takes to train them. Unlike other apprenticeships such as carpentry, masonry, plumbing, etc. whereby the apprentice is hired initially as a low paid laborer to carry supplies and materials; apprentices in the machining and tool & die industries are running equipment, cutting expensive steel, and performing other tasks that require training, supervision, and expensive materials and equipment at each stage of the apprenticeship.

While millions of dollars are spent on the public school system, high school graduates aren't adequately prepared to enter the work force. Although millions are spent on the Wisconsin university system, only 1 in three students find meaningful employment in their field of study. We are spending hundreds of millions of dollars getting young people through the school system, yet leaving them unemployable when they need to enter into the workforce.

The Wisconsin Works program is promoting welfare recipients to get into the work force. They are finding jobs, but mostly at the bottom of the wage and skill scale. How many of these jobs are only available to the "W-2" applicants because of the current record unemployment rate? How many are permanent jobs and how many will be cut in the next economic downturn?

Proposal

At the core of manufacturing is the high tech cutting edge manufacturing of the tool & die and precision machining shops. These shops manufacture the tools, dies, molds, jigs, and fixtures that supply manufacturers in Wisconsin, nationally, and internationally. Precision machine shops supply the parts that manufacturers need to assemble automobiles, farm equipment, mining equipment, and high tech tools and machines. To keep Wisconsin's manufacturing base strong, more skilled precision machinists, tool and die makers, CAD/CAM operators, EDM specialists, and CNC operators are needed. These are just a few of the examples of the employment opportunities in the machine tool trades that offer great rewards and yet have positions that go unfilled.

These are positions that are trained using apprenticeships. Our proposal is to reimburse those businesses that hire and train apprentices in high tech manufacturing through the use of a tax credit. Since the intention of the credit is to reimburse the sponsoring company for the training expenses, the credit should be calculated on a per apprentice basis, using the number of indentured enrolled apprentices during the year as the multiplier. To simplify the calculation, and for the state's budgeting ease, the credit would be set at an arbitrary figure of \$5,000 per year per state indentured apprentice.

To speed the implementation of this solution, we propose that the Department of Workforce Development include it as part of their budget proposal.

Advantages

- Increase employer training through the use of apprenticeships.
- Equitably reward the employers doing the training.
- Increase the amount of skilled high tech manufacturing employees in Wisconsin.
- Provide more W-2 jobs by moving semi-skilled personnel into apprenticeships thereby creating a vacuum to be filled by the unskilled W-2 entry workers.
- Expand the amount of high tech manufacturing in the state. This includes filling the shortages expected to increase in tool and die and precision machining plus continuing to provide trained personnel to the Wisconsin employers such as Harley Davidson, Allen Bradley, and the others who currently do little or no apprenticeship training.

Cost & Payback Period

The tax credit should cost the State of Wisconsin very little in the first few years and in the long term it will continue to generate great returns on the investment of \$20,000 per apprentice.

The quick payback will be from a number of increased revenue sources for the state:

Increased Wisconsin Personal Income Tax Collections: Upon completion of a 10,400 hour machine tool apprenticeship (typically four years due to overtime and credit for technical college coursework completed), the average apprentice graduate (i.e. journeyman) is currently making \$45,000 to \$50,000 immediately. This is from scale that averages \$22,000 the first year, \$26,000 the second year, \$30,000 the third year and \$35,000 the fourth year. Incrementally, this apprenticeship graduate is making \$25,000 more than an unskilled worker. Thus, at an incremental Wisconsin tax rate of 6.83%, in the year of graduation the state collects an additional \$1,700 of personal income taxes.

Increased Wisconsin Corporate and S Corp Tax Collections: In the net results, a company makes money on its employees and capital assets. On a high tech employee they make even more. Assuming the average high tech manufacturer makes \$12,000 per employee before tax, at an incremental S-Corp tax rate of 6.83%, the state collects an additional \$820 in corporate taxes for each employee finishing an apprenticeship, regardless of whether the employee remains at the training employer or moves to another employer.

Increased Sales Tax Collections: On the incremental \$25,000 increase in income, most will be spent on taxable sales in Wisconsin since most of the base wages would be spent on the non-saleable transactions of food and housing. Thus, if \$10,000 of the incremental wage gains were spent on taxable purchases such as dining out, entertainment, transportation, and household items, the state tax collections would increase by \$500 per year.

Multiplier Effect: Various studies have listed the multiplier effect on manufacturing based jobs at anywhere from 1.8 times to 2.5 times. For this illustration of payback we will use a multiplier of 2.0.

Summary Calculation of Payback per apprentice at total of \$20,000 tax credits:

Year:	Addit'nal Wages	Additional Inc. Taxes	Additional Corp. Tax	Additional Sales Tax	Multiplier Taxes	Total Add. Taxes	Cumul. Total
1	0	0	0	0	0	0	0
2	\$ 1,000	\$ 68	\$ 0	\$ 20	\$ 88	\$ 176	\$ 176

3	\$ 5,000	\$ 324	\$ 0	\$ 100	\$ 424	\$ 848	\$ 1,024
4	\$10,000	\$ 683	\$ 0	\$ 200	\$ 883	\$1,766	\$ 2,790
5	\$25,000	\$1,707	\$ 820	\$ 500	\$3,040	\$6,067	\$ 8,857
6	\$25,000	\$1,707	\$ 820	\$ 500	\$3,040	\$6,067	\$14,924
7	\$25,000	\$1,707	\$ 820	\$ 500	\$3,040	\$6,067	\$20,991

Thus, the first tax credit of \$5,000 would have a payback period of 4.33 years, the second tax credit of \$5,000 would have a payback period of 4 years, the third year tax credit of \$5,000 would have a payback period of 3 years and the final fourth year tax credit of \$5,000 would be paid back within 3 years. The payback would continue and multiply as the trained worker continued to increase his wages and other jobs and spending are created.

Summary:

Based on the continuing payback, the apprenticeship tax credit for tool and die and precision machining related trades (including EDM, CNC, Tool & Die Design, machining, and machine programming would have a quick payback to the state. It would provide a larger trained workforce further enhancing Wisconsin's reputation in industry. To speed up the passage of this proposal we believe it should be included in the budget for Department of Workforce Development.

We believe there are less than 1,000 apprentices in the tool and die and metal working related apprenticeships. We need to triple this number. If our goal of 3,000 metal working apprentices is achieved, it would create an initial state outlay of \$15,000,000 per year before the effect of the return on this investment is taken into account. It would truly be a worthwhile investment in workforce development and Wisconsin's future.