



THE REPORTER



Our 128th year

FOND DU LAC, WISCONSIN • TUESDAY, SEPTEMBER 22, 1998

NEWSSTAND PRICE 50¢

Savings program helps people learn to help themselves

By Peggy Breister
Of The Reporter Staff

Saving money was never a high priority for Irena Dziadkowiec.

For one thing, she never had much money to save.

Or so she thought.

In June, Dziadkowiec joined a savings program administered by Advocap.

In two months she managed to save \$500. Advocap matched that 2 to 1 through the Individual Development Account (IDA) project, giving Dziadkowiec a balance of more than \$1,500.

"Because I was going through domestic abuse formerly, it was hard for me to settle down and

■ National savings programs listed—A2

do better," said Dziadkowiec, who speaks with a distinctive accent from her native Europe.

"Advocap has opened their doors to me and said 'You've been pushed from here to there. We see you are willing to do better for you and your daughter. We'll help you if you help yourself.'"

Helping people help themselves is the goal of the IDA program.

In the past, saving money was not part of any program for low

See Savings Page A2



Reporter photo illustration by Matt Marton

American Bank is one of several banks that helps low income people set up savings accounts in Fond du Lac. In this photo illustration by The Reporter, customer service representative Diana Gust explains how a savings account works.

Co

Savings/

Continued from Page A1

income people. The theory held that a person was not in need of public assistance if he or she had had enough money to save.

But that philosophy has changed and public and private agencies around the country are joining together to develop incentives for persons to put a little money away with each paycheck — like matching savings 2 to 1, or as much as 6 to 1.

Two years ago, Fond du Lac's Advocap became one of 12 sites nationwide to participate in a savings program for poor people sponsored by the Washington-based private corporation for Enterprise Development. The program was funded by the Joyce Foundation, a private foundation in Chicago.

"Everyone would agree America is a better nation because we have more homeowners, more educated people and more businesses. We're doing it for the

The program is worthwhile," said Advocap Director Dick Schlimm, because it helps working people, especially those working for the first time, learn how to manage their money.

"In the past 10 years we've seen how families change when they leave welfare and go to work and get that first paycheck," he said. "This helps people look at savings and investment. I think it has great promise as a strategy for low-income households."

Participants in the program attend weekly meetings in which they learn to control spending, develop and stick with a monthly budget and explore investment options.

Advocap would like to expand the project, Schlimm said. More people are interested in participating than the agency can accommodate with its resources.

Currently, legislation is before Congress that would expand IDA projects, he said.

"It's good because they don't

just give you the money," Dziadkowiec said. "They help you understand how to shop, how to do things I never learned how to do."

Dziadkowiec said she has learned there are "needs" and "wants."

"I've learned to put my needs before my wants," she said.

"Yes, you have to treat yourself, but before I have overdone with the treating part and that got me into a not OK situation."

Now she has a budget and goes grocery shopping only once each month.

"I am disabled," she said. "But I don't feel that way anymore in this group. I not only feel welcome, but I'm learning and improving."

Before the program ends, Dziadkowiec said she hopes to save at least \$1,000. Matched with \$2,000 from the IDA program, she plans to use the money for a down payment on a house or to open her own business.

LANDFILL / ADMINISTRATION
(920) 232-1800
FOX CITIES
(920) 727-2884
FAX
(920) 424-1189

100 W. COUNTY RD. Y
OSHKOSH, WI 54901



Winnebago County

Solid Waste
Management Board

The Wave of the Future

RECYCLING FACILITY
(920) 232-1850
FOX CITIES
(920) 727-2896
FAX
(920) 424-4955

LANDFILL GAS FACILITY
(920) 424-4154
LANDFILL GAS FAX
(920) 424-7761

March 26, 1999

Joint Finance Committee
Public Hearing
Brown County Library
Green Bay, Wisconsin

RE: Future Funding of Recycling

AB91 provided for a temporary surtax on businesses to raise 200 million dollars over a period of eight years, ending in April of 1999. The intent of this funding was to cover the learning curve, so to speak, of recycling.

In the early '90's, everyone thought that markets would develop for the banned-from-landfill-materials and that recycling programs would be self-sufficient by 1999. This did not happen.

With the grants to Responsible Units and a tipping fee of \$29.00 per ton for recyclables, Winnebago County has not reached a break-even point after eight years.

Winnebago County has agreements with 15 of the 21 Responsible Units in the county to process their recyclables which terminate December 31, 2007. These agreements were drafted to cover the 4 million dollar cost of the Recycling Facility. The Recycling Facility has a debt service of 2.6 million dollars with a P & I payment of \$275,000 per year at present.

Grant dollars to the Winnebago County Responsible Units were \$794,870 for the year 1999. Under the Governor's Budget Bill for continuance through 2001, these dollars would drop to \$662,000 for year 2000 and \$496,500 for the year 2001 using the present grant structure.

Without a viable funding program to fund the recycling mandate, the individual taxpayer will be hit hard. **Unfunded mandated programs cannot be tolerated in our society.**

Various solid waste and recycling organizations are working on proposals for **long-term funding** at this time. The theme of most of them is a per ton landfill/transfer station surcharge on all waste and the extending of the sales tax to include solid waste services.

The issue of recycling has the support of the people and there are good ideas out there on how to fund the program in a fair and equitable manner.

Enclosed are some documents for your perusal:

- A. Winnebago County 1999 Responsible Units Grant Dollars
- B. Revenue Per Ton of Recyclables 1994 to Date
- C. Associated Recyclers of Wisconsin (AROW) Proposal for Funding
- D. Tax Fax – 1/25/99 and 2/01/99

Thank you.



Jim Pennau
Recycling Manager

1999 WINNEBAGO COUNTY R.U. GRANT DOLLARS

Responsible Unit	Population	Grant Dollars	DNR Responsible Unit #
Town of Algoma	4,728	\$13,738	70002
Town of Black Wolf	2,189	\$5,045	70004
Town of Clayton	2,617	\$7,814	70006
Town of Menasha	15,468	\$70,055	70008
Town of Neenah	2,911	\$10,892	70010
Town of Nekimi	1,511	\$3,171	70012
Town of Nepeuskun	680	\$923	70014
Town of Omro	1,745	\$3,468	70016
Town of Oshkosh	3,435	\$11,644	70018
Town of Poygan	911	\$2,326	70020
Town of Rushford	1,416	\$3,683	70022
Town of Utica	1,104	\$3,694	70024
Town of Vinland	1,762	\$3,441	70026
Town of Winchester	1,649	\$2,578	70028
Town of Winneconne	1,860	\$8,424	70030
Town of Wolf River	1,121	\$4,004	70032
Village of Winneconne	2,322	\$10,173	70191
City of Menasha	16,104	\$84,000	70251
City of Neenah	24,606	\$250,079	70261
City of Omro	3,158	\$14,079	70265
City of Oshkosh	62,185	\$281,639	70266
TOTALS	153,482	\$794,870	

Winnebago County Recycling Facility

Revenues Per Ton

JANUARY	1994	1995	1996	1997	1998	1999
PAPER	17.48	93.33	40.84	31.53	45.73	32.48
CONTAINERS	78.62	112.13	90.24	94.16	102.82	42.18
TOTAL	41.38	100.43	57.88	50.71	61.90	35.61
FEBRUARY						
PAPER	27.90	105.74	44.89	35.50	42.24	38.73
CONTAINERS	53.41	128.24	74.34	83.30	75.30	49.38
TOTAL	36.60	112.83	56.60	49.19	51.45	42.16
MARCH						
PAPER	19.17	124.55	42.53	36.57	46.80	
CONTAINERS	70.92	116.44	62.10	94.87	79.51	
TOTAL	47.45	122.00	51.14	56.40	55.83	
APRIL						
PAPER	38.02	154.10	34.97	30.69	43.52	
CONTAINERS	67.80	127.04	74.51	77.34	85.36	
TOTAL	44.75	145.52	53.39	44.12	55.95	
MAY						
PAPER	38.34	209.60	35.68	32.83	39.46	
CONTAINERS	47.60	132.13	66.82	103.69	97.50	
TOTAL	40.88	183.84	49.57	54.49	50.10	
JUNE						
PAPER	40.05	195.09	13.04	38.94	37.95	
CONTAINERS	72.23	111.78	81.84	109.78	85.21	
TOTAL	49.06	166.64	28.17	59.54	52.06	
JULY						
PAPER	N/A	157.44	15.34	39.54	38.96	
CONTAINERS	N/A	152.13	78.56	90.91	91.57	
TOTAL	N/A	155.54	25.33	54.86	52.77	
AUGUST						
PAPER	N/A	123.95	18.52	53.94	48.80	
CONTAINERS	N/A	114.99	74.35	104.44	67.10	
TOTAL	N/A	121.32	34.13	68.56	48.82	
SEPTEMBER						
PAPER	N/A	108.76	27.69	50.33	36.32	
CONTAINERS	N/A	120.45	77.18	93.08	73.71	
TOTAL	N/A	112.53	44.53	64.25	46.33	
OCTOBER						
PAPER	77.01	81.88	28.07	47.68	35.94	
CONTAINERS	84.90	95.76	58.46	129.78	71.10	
TOTAL	79.29	86.11	36.51	68.34	44.55	
NOVEMBER						
PAPER	83.55	47.51	29.33	44.17	32.50	
CONTAINERS	110.90	82.49	67.08	82.82	58.63	
TOTAL	89.64	59.27	41.10	55.54	39.77	
DECEMBER						
PAPER	95.53	33.75	30.22	42.62	29.38	
CONTAINERS	95.16	77.91	96.52	104.59	40.97	
TOTAL	95.42	52.21	48.90	59.90	32.61	

Proposal for State Funding of Recycling Adopted by the Board of the Associated Recyclers of Wisconsin January 21, 1999

Proposal

Use the following sources to raise funds for cost sharing grants to RUs and to provide funding for existing state agency programs:

1. Extend the sales tax to solid waste services, maintaining the current exemption for waste reduction and recycling services.
2. Add a per ton landfill/transfer station surcharge on all waste.
3. For the disbursement of funds, provide uniform per capita grants to RUs, rather than the current percentage cost sharing grants.

Disadvantages of this Proposal

1. Like most forms of funding, these sources are expected to be opposed by the solid waste industry and waste generators, which generally favor GPR funding.
2. The Dept of Revenue will oppose segregating sales taxes, although other state sales taxes are segregated.
3. The solid waste industry will feel that sales tax exemption for municipalities will create an unlevel playing field, but they have already privatized almost all the municipal systems that they can. Sales taxes will be charged at municipally-owned landfills, just as at private sites.

Advantages of this Proposal

1. Landfill fees were strongly supported by surveys of AROW and WCSWMA members.
2. Provides a source of funding related to waste produced.
3. Provides an incentive for waste reduction and recycling.
4. The sales tax adds stability to the revenue source.
5. Both sources of revenue will be easy to administer.
6. The sales tax will be easier for the solid waste industry to sell to customers than a large tipping fee increase.
7. Use of the sales tax will reduce need for the tipping fee, making it easier for municipalities to afford.
8. Use of the sales tax will largely exempt the high volume industrial waste, since they often use their own landfills or their own transportation services.
9. These sources of funding are similar to what is in use in Minnesota, which was previously supported by WMC.
10. Illinois and Iowa also have landfill fees; this proposal levels the playing field between states.
11. The per capita payment to RUs provides an easy to administer source of funding to RUs, which can be budgeted for by the RUs, and which promotes cost effectiveness for recycling programs by avoiding extra payments for extra reported costs.
12. Will provide a slight disincentive for the disposal of out-of-state waste in Wisconsin by increasing landfill fees both from the landfill surcharge and the sales tax.

January 25, 1999 • Report #2

TAX FAX

WMC: Committed to removing Wisconsin from the Top 10 taxing states

WISCONSIN RANKS THIRD IN STATE, LOCAL TAX BURDEN

RANKING JUMPS TO #2 WITH FEDERAL TAXES

For 1998, Wisconsin ranked third in state and local taxes as a percent of income, according to the non-partisan Tax Foundation in Washington, D.C. Wisconsin residents pay 13.5 percent of their income in state and local taxes, reports the U.S. Census Bureau. Wisconsin's rankings jump to 2nd in the nation when federal taxes are included with 37.3 percent of income paid in taxes. The following chart is from the Tax Foundation and shows Wisconsin's ranking compared to other states. The U.S. average state and local tax burden, as a percent of income, is 11.4 percent. Wisconsin's state and local tax burden is 16 percent higher than the national average.

	PER CAPITA INCOME	PER CAPITA STATE/LOCAL TAXES	STATE/LOCAL TAXES AS % OF INCOME		PER CAPITA INCOME	PER CAPITA STATE/LOCAL TAXES	STATE/LOCAL TAXES AS % OF INCOME		
1	Hawaii	\$26,941	\$3,823	14.2%	26	Nevada	29,660	3,343	11.3
2	New York	33,564	4,564	13.6	27	Iowa	25,850	2,924	11.3
3	Wisconsin	26,499	3,584	13.5	28	Oregon	26,750	3,008	11.2
4	Maine	23,792	3,174	13.3	29	Maryland	30,954	3,441	11.1
5	Minnesota	29,799	3,913	13.1	30	Delaware	31,819	3,534	11.1
6	Connecticut	38,964	5,007	12.9	31	Michigan	28,565	3,139	11.0
7	Utah	22,496	2,856	12.7	32	Indiana	25,444	2,809	11.0
8	New Mexico	20,885	2,585	12.4	33	Illinois	30,839	3,391	11.0
9	Mississippi	20,047	2,474	12.3	34	Arizona	24,870	2,739	11.0
10	California	29,160	3,497	12.0	35	West Virginia	20,204	2,184	10.8
11	Vermont	25,370	3,023	11.9	36	North Carolina	25,480	2,745	10.8
12	Rhode Island	27,639	3,296	11.9	37	Colorado	29,272	3,164	10.8
13	Kentucky	22,643	2,703	11.9	38	Oklahoma	22,153	2,365	10.7
14	Washington	28,908	3,401	11.8	39	North Dakota	23,933	2,554	10.7
15	Missouri	26,334	3,072	11.7	40	Montana	21,215	2,271	10.7
16	Idaho	21,663	2,535	11.7	41	South Dakota	23,838	2,532	10.6
17	Kansas	26,394	3,058	11.6	42	Florida	27,655	2,944	10.6
18	Arkansas	21,586	2,510	11.6	43	Texas	25,563	2,690	10.5
19	South Carolina	22,624	2,604	11.5	44	Virginia	28,326	2,923	10.3
20	Pennsylvania	26,194	3,013	11.5	45	Louisiana	22,128	2,257	9.8
21	Nebraska	26,688	3,057	11.5	46	Alabama	22,670	2,146	9.5
22	Georgia	26,398	3,036	11.5	47	Tennessee	24,591	2,118	8.6
23	Ohio	26,684	3,033	11.4	48	Wyoming	23,118	1,823	7.9
24	New Jersey	35,559	4,053	11.4	49	New Hampshire	30,034	1,959	6.5
25	Massachusetts	34,469	3,926	11.4	50	Alaska	25,582	1,557	6.1
						U.S. AVERAGE	\$27,876	\$3,191	11.4%

Call 1-800-362-9472 and tell your legislator, "Cut taxes and get Wisconsin out of the top 10!"



For more information, call 608/258-3400 or visit our web site at www.wmc.org. WMC is a statewide association of 4,600 member companies employing more than 500,000 people. Promoting a healthy business climate since 1911, it is a unification of the Wisconsin Manufacturers' Association, the State Chamber of Commerce, and the Wisconsin Council of Safety.



Wisconsin Manufacturers & Commerce • PO Box 352 • Madison, WI 53701-0352 • www.wmc.org

TAX FAX

WMC: Committed to removing Wisconsin from the Top 10 taxing states

MULTI-STATE RANKINGS

The U.S. Census Bureau reports Wisconsin continues to rank high in all areas of state/local taxes per \$1,000 of personal income compared to the rest of the country. The following tables are based on 1994-1995 U.S. Census Bureau data provided by the Wisconsin Taxpayers Alliance. Figures are the most recent available. The tables state Wisconsin's rankings in individual income taxes, property taxes, sales taxes and corporate taxes. Last year, the non-partisan Tax Foundation in Washington, D.C. reported Wisconsin ranks second in total tax burden as a percent of income. Wisconsin's citizens are being taxed well beyond their ability to pay. **Recent surpluses in state tax collections should therefore be sent back to Wisconsin citizens in the form of tax relief.**

INDIVIDUAL INCOME TAXES

RANK	STATE	COLLECTIONS PER \$1000 OF INCOME
1.	New York	\$44.31
2.	Oregon	\$43.94
3.	Maryland	\$40.42
4.	Maine	\$37.28
5.	Wisconsin	\$36.50
6.	Kentucky	\$35.18
7.	Minnesota	\$34.98
8.	Ohio	\$34.43
9.	Delaware	\$33.88
10.	North Carolina	\$33.23

PROPERTY TAXES

RANK	STATE	COLLECTIONS PER \$1000 OF INCOME
1.	New Hampshire	\$60.60
2.	Vermont	\$54.74
3.	New Jersey	\$54.20
4.	Maine	\$53.15
5.	Rhode Island	\$51.02
6.	Montana	\$50.54
7.	Wisconsin	\$49.01
8.	Alaska	\$47.91
9.	Wyoming	\$47.78
10.	New York	\$47.55

CORPORATE INCOME TAXES

RANK	STATE	COLLECTIONS PER \$1000 OF INCOME
1.	Alaska	\$37.38
2.	Delaware	\$11.05
3.	New York	\$10.40
4.	Michigan	\$9.90
5.	California	\$7.96
6.	Massachusetts	\$7.52
7.	Indiana	\$7.31
8.	West Virginia	\$7.06
9.	Connecticut	\$7.01
10.	Pennsylvania	\$6.59
14.	Wisconsin	\$6.23

SALES TAXES

RANK	STATE	COLLECTIONS PER \$1000 OF INCOME
1.	Washington	\$57.94
2.	New Mexico	\$53.07
3.	Hawaii	\$47.89
4.	Nevada	\$44.13
5.	Arizona	\$43.26
6.	Tennessee	\$41.68
7.	Louisiana	\$41.37
8.	Mississippi	\$39.83
9.	Utah	\$39.00
10.	Arkansas	\$36.96
33.	Wisconsin	\$25.19

Call 1-800-362-9472 and tell your legislator, "Cut taxes and get Wisconsin out of the top 10!"



For more information, call 608/258-3400 or visit our web site at www.wmc.org. WMC is a statewide association of 4,600 member companies employing more than 500,000 people. Promoting a healthy business climate since 1911, it is a unification of the Wisconsin Manufacturers' Association, the State Chamber of Commerce, and the Wisconsin Council of Safety.



Very Good But - AT WORSE EXPENSE?

ANSWER (with arrow pointing to Wisconsin in the Individual Income Taxes table)

STATE OF ILLINOIS

DEPARTMENT OF REVENUE

ATTACHED IS MY

TESTIMONY IN REGARD

TO THE FUTURE FUNDING

OF RECYCLING AS IT

WILL IMPACT WINNEBAGO

COUNTY -

HAVE AN APPOINTMENT

IN OSHTKOSH WHICH

I CANNOT MISS -

THANK YOU FOR

YOUR CONSIDERATION -

PLEASE CONTACT ME

WITH ANY QUESTIONS

OR SUGGESTIONS -





Wisconsin Troopers' Association, Inc.

P.O. Box 769

East Troy, Wisconsin 53120

INCREASING THE NUMBER OF TROOPERS SERVING WISCONSIN:

- ➔ THE NEED
- ➔ THE SUPPORT
- ➔ THE SOLUTION

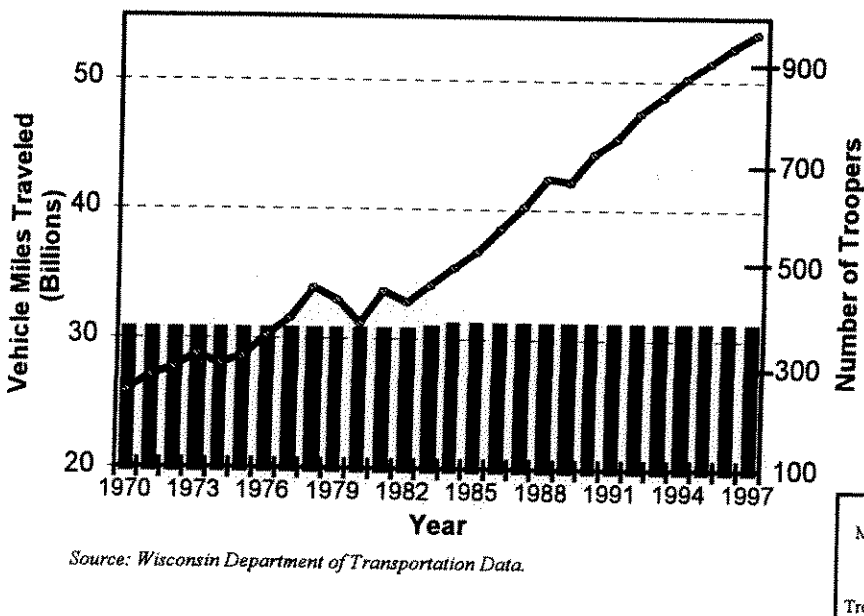
Wisconsin's Troopers currently face the greatest workload in their history. The workload has steadily increased, while State Patrol manpower has remained stagnant. Our Wisconsin Troopers are not able to provide the safety services Wisconsin's citizens expect. Our citizens realize the need for change — Wisconsin must increase the number of state troopers to meet the demands of its roadways.



The Need

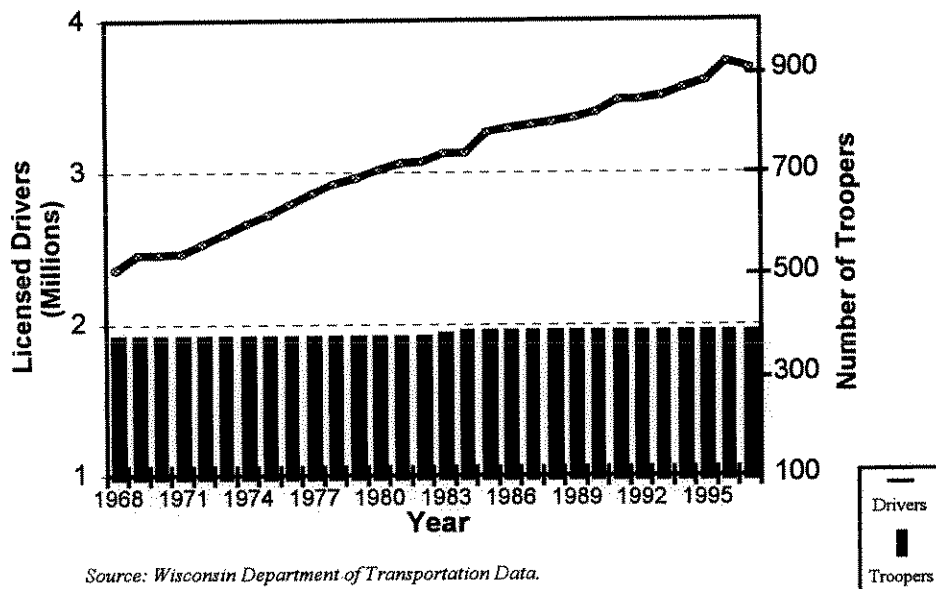
In 1968, the Wisconsin State Patrol employed 375 Troopers. The only increase since then came in 1984, when eleven Troopers were added to the Patrol — a 3% increase in a matter of 30 years. Here's what else happened during that time:

**Vehicle Miles Traveled & Number of Troopers:
A Comparison: 1970-1997**



- ◆ *Since 1970, vehicle miles traveled in Wisconsin have more than doubled, from 26 billion to 54 billion. Meanwhile, the number of Wisconsin Troopers increased less than 3%.*

**Licensed Drivers & Number of Troopers:
A Comparison: 1968-1997**

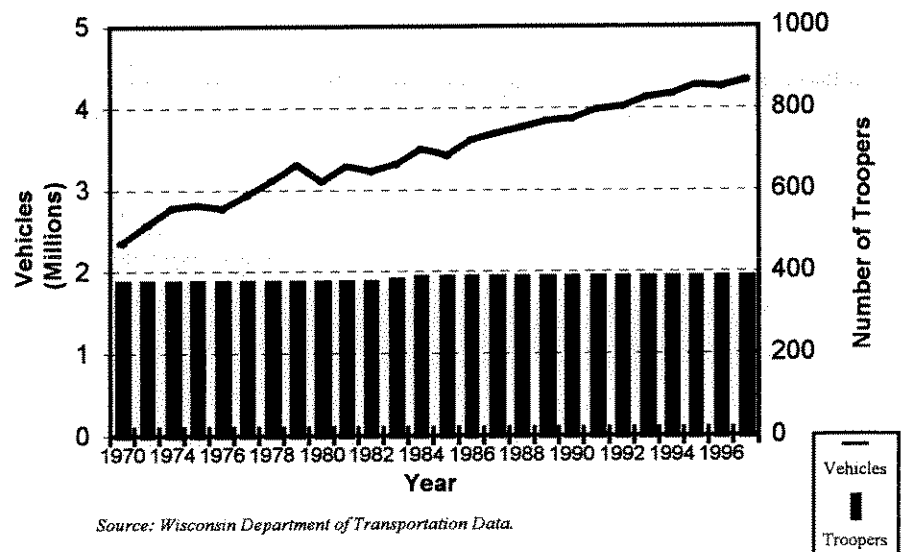


◆ While the number of Troopers increased less than 3% since 1968, the number of licensed drivers in Wisconsin increased 56%, from 2.36 million to 3.68 million.

Source: Wisconsin Department of Transportation Data.

**Registered Vehicles & Number of Troopers:
A Comparison: 1970-1997**

◆ While the number of Troopers increased less than 3% since 1970, Wisconsin's registered vehicles increased 85%, from 2.35 million to 4.34 million.



Source: Wisconsin Department of Transportation Data.

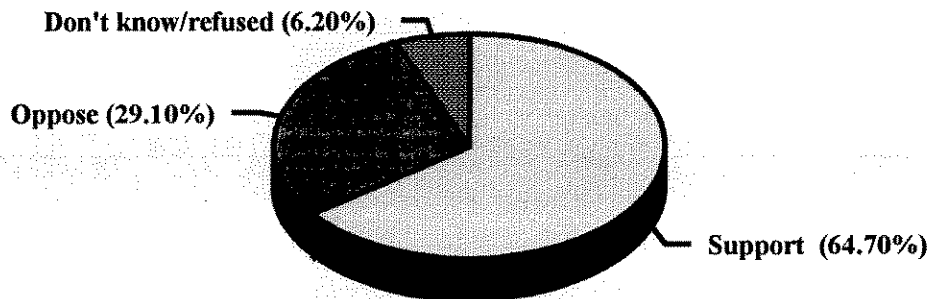
IN ADDITION . . .

- ◆ State Troopers have increased the number of roadway assists by 75% in the last 10 years.
- ◆ Assists to other law enforcement departments have tripled since 1991.
- ◆ Accident investigations by Troopers have increased by 57% in the last 12 years.
- ◆ Controlled substance arrests made by Troopers have more than tripled, from 400 to 1400, since 1991.

In 1955, Northwestern University Traffic Institute recommended that Wisconsin increase the number of Troopers to 609 in order to meet the traffic safety demands of the roadways. Today, nearly 45 years later, Wisconsin has 386 Troopers. Although Wisconsin ranks 16th in the nation in population, we are 49th in the number of Troopers per capita (49th is dead last, as Hawaii does not have a state patrol). Wisconsin has one Trooper per 13,700 residents. The national average is one Trooper per 4,670 residents. We would need to add 725 additional Troopers to merely meet the national average.

➔ **The Support**

**Support for Trooper Increase with a
\$5 Vehicle Registration Fee Increase**



*February 1999 Scientific Poll of 600 Wisconsin State Residents,
Chamberlain Research Consultants.*

Wisconsin citizens clearly recognize the need for additional Troopers on Wisconsin's highways and interstates. Seventy-seven percent of people surveyed said they support an increase of 50 Troopers per year for 4 years. When asked if they support that increase if it meant paying an additional \$5 in vehicle registration fees, the level of support remains high — at 65% (see above). Demographically, every age, income, gender, and geographic region supported the Trooper increase with a fee increase.

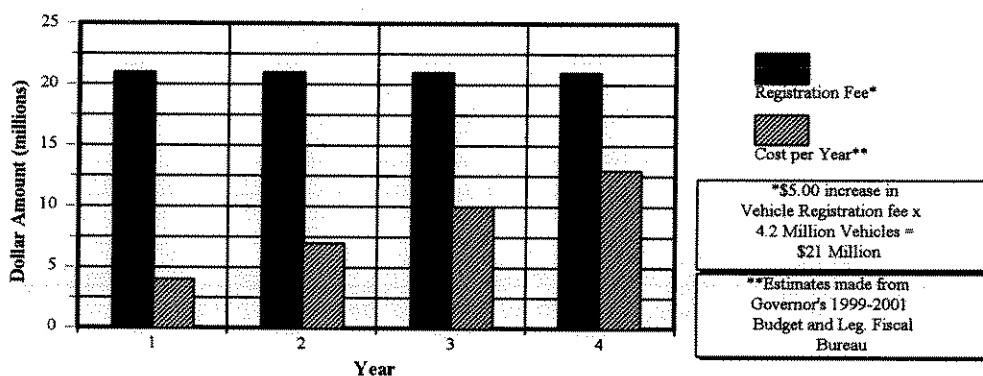
In addition, our data is supported by the 1997 American Automobile Association of Wisconsin member survey showing 60.6% favor increased police patrols, 26% oppose it, and 13.4% had no opinion.

The Solution

The Wisconsin State Patrol Academy can reasonably train 50 more Troopers per year. Based on information from the Legislative Fiscal Bureau, the total cost of a Trooper is \$80,000 in the first year and less than \$60,000 in subsequent years. This means adding 50 Troopers per year will cost approximately \$4 million in year 1, \$7 million in year 2, \$10 million in year 3, and \$13 million in year 4 (subsequent years will cost \$12 million to maintain the total Trooper increase). In the aforementioned poll, Wisconsin citizens state they are willing to support these 200 Troopers with a \$5 increase in their vehicle registration fees. The \$5 increase will bring \$21 million per year, well beyond the necessary funding for the increased Trooper proposal.

Adding 200 Troopers by the year 2004 would be a 51% increase, still lagging behind the steady pace of the workload increase. The total of 586 Troopers would fall far short of the national average. However, we know 200 Troopers will relieve the current shortcomings and help ensure safety on our highways.

**Adding 200 Trooper Over Four Years
-Funding vs. Cost-**



The number of drivers, vehicles, and miles driven have increased steadily in the last 30 years. Each of these increases has brought more revenue into the state transportation fund (registration and licensing fees and gas tax). Those dollars have built new roads and better highways resulting in more travel. Now citizens want the state to give appropriate attention to the safety and enforcement needs of the increased traffic and travel.

Compared to 30 years ago, Troopers have more duties, and there are more miles of interstate, more tourists, higher speeds, radar detectors, and road rage. Our Patrol is overworked and understaffed. Wisconsin citizens recognize that too few Troopers compromises their safety, and they are willing to pay for an increase. **The time to act is now. The Wisconsin Troopers Association urges you to consider a Trooper increase in the state budget — a positive choice for the safety of Wisconsin citizens.**

*For further information contact the Wisconsin Troopers Association at 800-232-1392;
 or Martin Schreiber & Associates, Inc. at 608-259-1212.
 Visit the Wisconsin Troopers Association website at www.wisconsin-troopers.org



**First
Northern
Savings Bank^{SA}**

CORPORATE OFFICES

201 N. Monroe, Box 23100

Green Bay, WI 54305-3100

(920) 437-7101

**Testimony of Michael D. Meeuwsen
President & CEO - First Northern Savings Bank
Before the Joint Finance Committee
Green Bay, Wisconsin
March 26, 1999**

OPPOSITION TO: COMBINED REPORTING TAX

Background:

The 1999-2001 Wisconsin Budget Bill (AB 133, SB45) includes a combined reporting tax that will have a major impact on Wisconsin Businesses with out-of-state operations. According to the Wisconsin Department of Revenue, switching to a combined reporting tax scheme will generate an estimated \$70 million in tax revenue.

Currently, Wisconsin used a separate reporting method of calculating business taxes, meaning that an out-of-state affiliate of a Wisconsin business is not taxed under Wisconsin law. Under combined reporting, financial institutions will no longer be able to shelter investment income from Wisconsin taxes.

Reasons for Opposition:

1. **BAD FOR BUSINESS:** If implemented, combined reporting could very well have a catastrophic impact on the Wisconsin economy. It will destroy Wisconsin's pro-business climate in reality and reputation.
2. **IT'S REGRESSIVE:** The last state to enact combined reporting was Minnesota in 1986. Of the 39 states with combined reporting, only 15 make it mandatory. The other 24 states allow combined reporting at the election of the business taxpayer. The current trend among states is to move away from mandated combined reporting.
3. **FEWER WISCONSIN JOBS:** Combined reporting will cost more than Wisconsin's business-friendly reputation; it will cost jobs. According to the Raabe study, tax policy should attract new investments, not chase them away. Raabe also says: "Taxpayers disadvantaged by a move to combined reporting are likely to move physical, financial and human capital out of state, in managing their tax costs."
4. **PAYING OUR FAIR SHARE:** Wisconsin currently has the 12th highest business taxes in the nation, according to the US Census Bureau. According to Sheshunoff Information Services, Wisconsin banks and thrifts paid nearly a half-a-billion dollars (\$478,069 million) in taxes in 1997. The facts also show that there has been a steady increase in taxes paid by Wisconsin banks and thrifts during the last decade. Wisconsin financial institutions are subject to the second highest tax rate when compared to Illinois, Iowa, Michigan and Minnesota, our neighboring states.
5. **TAX SHIFT AT BEST:** In the 1999-2001 budget bill, combined reporting off sets the cost of switching to a single-sales factor apportionment formula. That makes combined reporting a tax shift at best, not a tax cut as Gov. Thompson had originally announced. With a strong Wisconsin economy and with the Fiscal Bureau projecting a \$481 million revenue surplus, government should be proposing an honest tax cut. Wisconsin business and employees have benefited from the State's pro-business, pro-growth policies. Why would Wisconsin want to jeopardize our strong economy?

Sincerely,

FIRST NORTHERN SAVINGS BANK

Michael D. Meeuwsen
President & Chief Executive Officer

Ashwaubenon
Kiel

Brillion
Marinette

Crivitz
New Holstein

De Pere
New London

Green Bay
Peshtigo

Hortonville
Shawano

Howard
Sturgeon Bay

Finance Hearing 3/26/99

I am Jerry Slavik, an advocate for the taxpayer.

My address is:

830 E. Walnut St.

Green Bay, WI 54301

Phone # 920-432-7496

You will be hearing all day long more money will be needed. As you hear this, please remember Wisconsin is already in the top 5 highest taxed states in the United States.

Please keep Common sense in our government !

It might be a good idea to give \$150.00 to each Wisconsin resident as the current bill supported by John Ryba States. This would send a message to them that you are listening and really do care.

**Statement to the Joint Finance Committee of the Wisconsin State Legislature
on behalf of the Brown County Taxpayers Association.
Entered by Thomas G. Sladek, 2634 Sequoia Lane, Green Bay WI 54313-4933.**

To the members of the committee:

I come before you today to speak about a dangerous public policy change included in the Governor's budget proposal. The Brown County Taxpayers Association stands in strong opposition to this proposal and asks that you remove it from the state budget. I am speaking about the granting of state tax money to politicians for use in their campaigns.

We acknowledge there are some problems with election campaign laws. However, in our view the worst possible step that can be taken in the name of campaign finance reform would be to fund campaigns with taxpayer money. This would be a 'solution' which would be far worse than any problem it is intended to fix.

Despite any current problems with campaign finance, the strength of political campaigns should, and typically does reflect the excitement and support generated by the candidate and the ideas for which the candidate stands. That's the way it is, and that's the way it should be. Tax funding of campaigns moves us down the path of assuring that all campaigns have the same resources, even if a candidate is unpopular, poorly qualified, and advocates ideas unsupported by the citizens.

If elections are to reflect the will of the interested people, then involvement in political campaigns must be an individual and voluntary decision. The only certain outcome of tax funding for election campaigns will be that citizens like me will have our money seized, under threat of incarceration, and given to candidates who stand for things we oppose. Nothing in that scenario can be portrayed as just.

We in the Brown County Taxpayers Association are deeply disappointed that the Governor has forwarded this proposal in his budget. Our disappointment extends to members of the legislature who have jumped on this bandwagon with their own proposals to shovel taxpayer dollars into political campaigns. We ask that the legislature remove taxpayer funding of political campaigns from the budget. It would be a horrible misuse of tax funds.

Thank you for your consideration, and for taking the time to come to our county and hear our views.

TO: MAYOR JAMES SCHRAMM

FROM: RICH GEBHART, FINANCE DIRECTOR

DATE: MARCH 24, 1999

SUBJECT: SALES TAX/INCOME TAX PROPOSALS

The Alliance of Cities requested last fall that the State allow for municipalities to have local option taxes that they could use to supplement the Shared Revenue payments. The Alliance requested this year that appropriations for Shared Revenues be increased by 3% per year. The Governor's proposed budget includes neither.

Recent proposals from Madison legislators have suggested that local governments have the option of collecting sales tax and income tax at the local level. The intent of these alternative revenue sources would be to replace Shared Revenues or to substitute for a portion of the property tax, depending on the proposal.

Collecting the sales tax or income tax on a local basis would create variances based on who has large retail and industrial centers and who has very little. Also, a community's bond rating may be lowered because of the risk of a local economic downturn, such as a prolonged strike at a major employer. This could be financially devastating if the sales tax or income tax is based on a single community. But if it was averaged on a statewide basis, a local economic downturn would have minor impact on the community's revenues.

Maintaining the collection of sales tax and income tax on a statewide basis would allow for a more efficient collection system and would not create various rates in the State that could cause confusion for the Wisconsin citizens.

Allocating a percentage of the sales tax and income tax collections for distribution to municipalities (such as 9% of each tax) would take the risk off of the State in years of declining revenues and would allow the municipalities to share in the risks/rewards of economics.



February 22, 1999

The Honorable Tommy Thompson
State Capitol
P. O. Box 7863
Madison, WI 53707-7863

Dear Governor Thompson:

I had the opportunity to review the components of your proposed state budget and feel compelled to comment on the negative impact I feel this budget will have on Wisconsin cities. Initially, I must state that I view Wisconsin cities as the lifeblood of our state. Cities provide many of the services that Wisconsin taxpayers are dependent upon, but yet, are the frequent recipients of unfunded mandates and are left to compete with each other under the state shared revenue payment formula.

Your proposal to freeze shared revenue and expenditure restraint payments will have a devastating effect upon Wisconsin cities. For example, in the last 3 years, the City of Sheboygan has **increased spending** within its General Fund at an average annual rate of **less than 1%** - far below the Expenditure Restraint formula guidelines which averaged 3.2% for those same years. However, during that same three year period, Sheboygan's **shared revenue payments have decreased at an average annual rate of -1.1% while expenditure restraint payments have decreased even more - at an average annual rate of -3.3%.** These reductions in state aids have resulted in our tax levy replacing state aids as the primary source of revenue for our city!! I fear that a freeze in shared revenue and expenditure restraint payments - especially during a time when cities such as Sheboygan have exhibited control over their spending - will seriously jeopardize the future plans and programs of our communities.

Your proposal to expand computer tax exemptions and reduce recycling grant payments are two additional unfunded mandates which we can add to the long list of unfunded mandates which the Wisconsin Alliance of Cities identified for the Joint Finance Committee in 1995. The cost of these unfunded mandates negatively impacts not only city operations, but also those of Wisconsin counties and schools.

A final concern resides in the establishment of the \$5 million Clean Water Loan fund rather than the \$100 million fund which was requested. I fear that Wisconsin may jeopardize its past successes and impede future clean water programs and projects unless this loan fund is substantially increased from the \$5 million level.

OFFICE OF MAYOR
CITY HALL
28 CENTER AVE.
SHEBOYGAN, WI
3081-4495
20/459-3317
AX 920/459-0256

I realize that it may be difficult for any Governor to fully meet the needs of Wisconsin cities. However, please understand our frustration. We request additional state aid and instead receive more personal property tax exemptions. We seek mandate relief and instead face an unfunded recycling mandate.

I would appreciate the opportunity to speak with you regarding these issues and will be contacting you in the near future to request a meeting. Hopefully, several other Mayors will join me in that meeting. I look forward to your response and to further discussing these issues with you.

Sincerely,

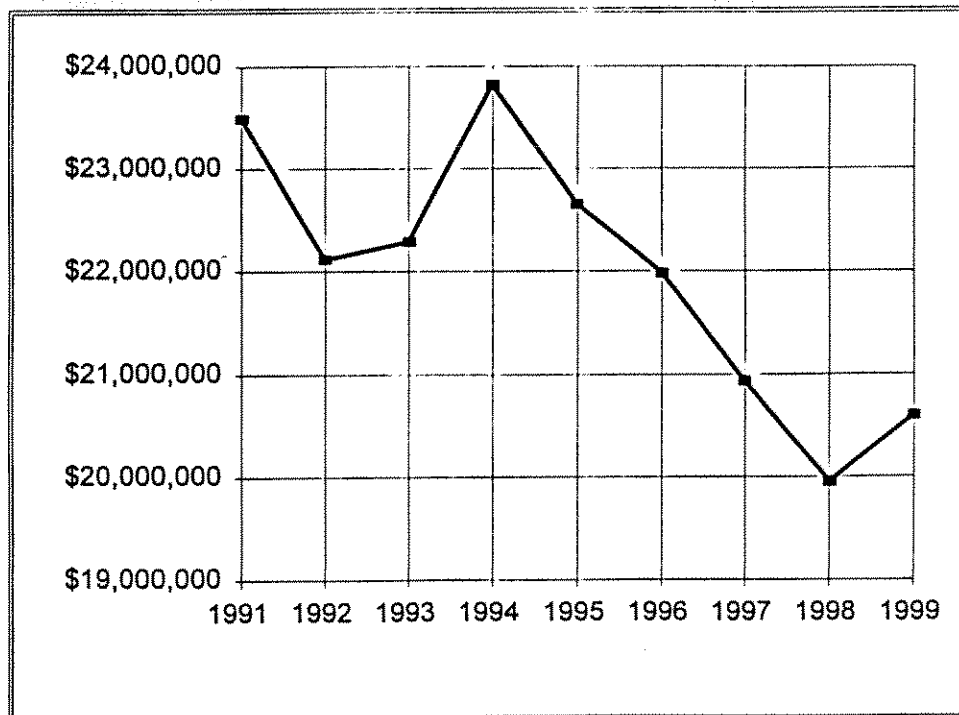
James R. Schramm
Mayor

JRS: jg

cc: State Senator James Baumgart
State Representative Joseph Leibham
State Representative Steven Kestell
Ed Huck, Wisconsin Alliance of Cities

CITY OF GREEN BAY STATE SHARED REVENUES AND EXPENDITURE RESTRAINT PROGRAM REVENUES

YEAR	STATE SHARED REVENUES & ERP	INCREASE/ DECREASE	% CHANGE
1991	\$23,493,668		
1992	\$22,115,334	-\$1,378,334	-6.23%
1993	\$22,290,245	-\$174,911	-0.79%
1994	\$23,824,395	+\$1,534,150	+6.88%
1995	\$22,655,425	-\$1,168,970	-5.16%
1996	\$21,983,728	-\$671,697	-3.06%
1997	\$20,940,009	-\$1,043,719	-4.98%
1998	\$19,958,780	-\$981,229	-4.92%
1999	\$20,606,053	+\$647,273	+3.24%



Special Report

Spending Growth Was 1.8%

Major Cities Hold Line on Spending

Wisconsin's major cities don't have a spending problem, they have a revenue problem, a study by the Wisconsin Alliance of Cities shows.

The state's major cities held their spending increases to less than 2% overall last year, a review of budgets, levies and state aid data for 39 cities across Wisconsin showed.

Using Department of Revenue figures and reports from the finance directors and comptrollers of the 39 cities, the study found that budgeted general fund spending¹ in the cities increased just 1.87% from 1998 to 1999, and just 2.97% between 1997 and 1998.

The Consumer Price Index, the most widely used measure of inflation, rose 1.6% in 1998 and 2.3% in 1997.

State Increases Greater

Comparable state general fund spending increased 4.5% from 1996-97 to 1997-98 and 3.6% from 1997-98 to 1998-99.²

The local spending restraint occurred as cities struggled to meet demands for improved public services — more police on the beat, improved fire protection, etc — in the face of declining state aid.

Shared revenue, the largest municipal aid program, increased

less than two-thirds of 1% overall in the 38 cities this year, and actually fell more than \$3.5 million for major cities in 1997. The state's shared revenue and expenditure restraint appropriations have been frozen for five years.

The Alliance of Cities is a coalition of 38 Wisconsin cities ranging in size from Milwaukee to Ashland, with a combined population of more than 2 million.

Its survey included all 38 Alliance members and Watertown, a potential member.

Bright Spots

Bright spots in the fiscal picture: Beloit and Green Bay both cut their levies 1% this year, Marinette cut its levy 0.6%, while levy increases below the rate of inflation occurred in Appleton, Ashland, Merrill and Racine.

Significantly, Appleton, Ashland and Merrill are receiving shared revenue increases of 1.5% to 2.9% this year.

Despite hiring nine firefighters and eight police officers, Madison held its general fund spending to a 1.8% increase.

Aid Cuts Hit Taxpayers

In 14 of 16 Alliance cities that experienced combined cuts in shared revenue and the expenditure restraint program (ERP), levies rose above the rate of inflation.

In some cities, local officials trimmed their spending to just below the maximum allowed, but in others they restrained spending

even more.

Overall, levy increases were significantly greater than spending increases, underscoring the fact that property taxes are dependent on both spending and state aids.

"When our levy goes up more than twice as fast as our spending, that's a clear indication that we have a revenue problem, not a spending problem," said Ed Huck, executive director of the Alliance.

"Especially when spending is virtually at the rate of inflation," Huck added.

State Aid Loss 'Directly' Adds to Janesville's taxes

The loss of state aid directly adds to property taxes in Janesville, says Herb Stinski, that city's finance director.

After a meeting between city officials and Sen. Judith Robson (D-Beloit), Stinski compared Janesville's budgets, levies and state aid receipts from 1995 to 1999.

The most glaring year was 1996, when state aid fell \$275,788, and the levy rose \$275,180.

That year city spending increased just \$267,829 in Janesville, a 1.1% budget increase.

"Janesville has experienced very moderate increases in operating and total expenditures," Stinski said in a memo to City Manager Steve Sheiffer. "However, the loss of state aid has directly contributed to the increase in the tax levy and rate."

¹ minus debt service in those cities that include debt service in their general fund.

² State general fund spending less debt service, adjusted to eliminate the blip caused by the \$200-plus million pension settlement. Source: Legislative Fiscal Bureau.

Welcome new Alliance members: Baraboo, Beaver

Levy, St

Appleton Ashland Beloit Cudahy DePere Eau Claire Fond du Lac Green Bay Greenfield

City	General Fund Spending			Allowable Incr.			Actual Incr.			Local 1997
	1997	1998	1999	97	98	99	97	98	99	
Appleton	\$ 39,708,221	\$ 41,199,127	\$ 42,354,200	4.0	3.8	2.8	3.84	3.75	2.8	Appleton \$ 25,030,900
Ashland	7,438,860	7,533,414	7,710,347	3.1	3.2	2.4	2.71	1.27	2.35	Ashland 1,924,570
Baraboo	6,950,343	7,218,097	7,480,707	4.0	4.4	3.5	3.82	3.71	3.25	Baraboo 3,389,470
Beaver Dam	8,800,357	9,105,928	9,297,073	3.9	3.7	2.1	0.42	3.47	2.10	Beaver Dam 4,163,850
Beloit	24,275,270	24,772,360	25,585,595	4.8	4.0	3.4	4.30	2.0	3.30	Beloit 7,818,400
Cudahy	10,124,264	10,467,484	10,728,925	4.2	3.4	2.5	4.2	3.39	2.5	Cudahy 5,067,750
De Pere	10,125,313	10,140,020	10,837,036	4.6	4.4	3.1	4.6	3.9	3.0	De Pere 2,438,650
Eau Claire	32,821,800	34,359,700	35,388,200	4.8	4.7	3.4	4.25	4.69	2.99	Eau Claire 10,118,550
Fond du Lac	21,249,500	22,159,300	21,358,013	4.5	4.3	3.6	4.49	4.29	3.59	Fond du Lac 11,855,350
Green Bay	80,706,380	62,684,750	64,239,220	3.9	3.7	2.5	2.18	3.26	2.48	Green Bay 31,942,700
Greenfield	16,316,561	16,854,998	17,308,688	3.85	3.3	2.7	NA	3.29	2.63	Greenfield 15,537,850
Janesville	24,337,601	25,385,498	25,877,967	4.8	4.7	2.9	1.46	4.31	1.94	Janesville* 12,527,100
Kaukauna	8,183,422	8,510,688	8,751,266	3.9	4.0	3.6	3.89	3.99	2.82	Kaukauna 3,510,550
Kenosha	44,863,385	46,655,066	47,957,397	4.4	4.0	2.8	4.39	3.99	2.79	Kenosha 25,660,400
La Crosse	35,030,924	36,466,143	37,396,770	3.2	3.4	2.3	3.2	3.4	2.3	La Crosse 16,053,850
Madison	121,702,878	125,422,059	127,676,120	4.2	4.4	3.1	3.71	3.06	1.8	Madison 89,077,600
Manitowoc	16,526,358	19,002,483	19,301,389	4.4	3.9	3.2	3.55	2.57	3.18	Manitowoc 6,981,400
Marinette	10,651,112	10,742,269	10,923,583	3.8	4.1	2.8	NA	0.86	1.69	Marinette 4,138,850
Marshfield	15,207,980	15,654,483	16,017,810	3.8	3.6	2.4	3.6	2.9	2.3	Marshfield 6,601,700
Menasha	12,242,686	12,682,686	13,010,113	4.6	3.6	2.8	3.31	3.51	2.58	Menasha 6,112,500
Merrill	9,207,756	9,298,110	9,154,539	3.4	3.9	2.3	3.12	0.97	1.54	Merrill 2,029,900
Milwaukee	465,921,013	476,702,988	481,209,966	3.0	3.0	1.8	2.77	2.31	0.95	Milwaukee 149,316,600
Morroe	7,191,165	7,464,355	7,656,145	4.1	3.8	2.6	3.9	3.7	2.5	Morroe 3,862,000
Neenah	15,725,897	16,304,040	16,749,030	4.1	4.1	3.0	3.39	3.68	2.73	Neenah 9,829,600
Oshkosh	26,905,444	27,993,690	28,940,974	4.5	4.2	3.4	4.495	4.04	3.38	Oshkosh 14,170,100
Platteville	5,618,749	5,820,345	5,954,211	4.3	3.8	2.3	2.35	3.59	2.3	Platteville 1,628,600
Racine	62,788,784	64,307,539	65,458,853	3.2	3.0	1.9	2.94	2.42	1.79	Racine 33,020,100
Sheboygan	27,664,919	28,100,329	28,516,429	3.8	3.3	2.5	-0.19	1.57	1.48	Sheboygan 14,675,700
Stevens Pt	15,158,092	15,798,504	16,281,504	4.2	4.7	3.1	3.8	4.19	3.06	Stevens Pt 8,675,200
Superior	19,087,510	19,632,848	20,140,718	3.5	3.4	2.6	3.48	2.86	2.6	Superior 7,869,400
Two Rivers	8,865,464	9,175,739	9,385,871	3.5	3.9	2.5	3.483	3.50	2.29	Two Rivers 2,808,200
Watertown	10,806,023	11,270,681	11,411,918	4.7	4.3	2.6	4.68	4.299	1.3	Watertown 4,919,000
Waukesha	35,538,167	36,751,158	37,965,888	3.9	4.1	3.8	3.74	3.41	3.3	Waukesha 25,009,400
Wausau	21,365,173	21,700,000	23,556,334	3.7	3.7	2.9	3.36	3.68	1.8	Wausau 7,550,400
Wauwatosa	36,262,956	37,692,273	38,297,330	3.3	3.2	1.9	2.75	3.04	1.61	Wauwatosa 24,835,700
West Allis	41,532,615	42,731,406	43,586,647	3.1	3.0	2.0	2.8	2.89	2.0	West Allis 24,422,000
West Bend	15,080,271	15,741,541	16,195,426	4.6	4.4	2.9	4.58	4.38	2.88	West Bend 9,851,000
Whitewater	6,735,949	7,565,073	7,397,823	NA	NA	NA	NA	NA	NA	Whitewater 1,269,000
Wis. Rapids	13,092,335	13,614,501	14,061,542	3.7	4.7	3.4	3.3	4.0	3.3	Wis. Rapids 6,257,000
total	\$ 1,373,831,297	\$ 1,414,881,663	\$ 1,441,102,567							total \$ 641,754,000
median chg.				3.9	3.9	2.8	3.51	3.44	2.49	median chg
overall change		2.97%	1.87%							overall change

Data compiled from members and their cities

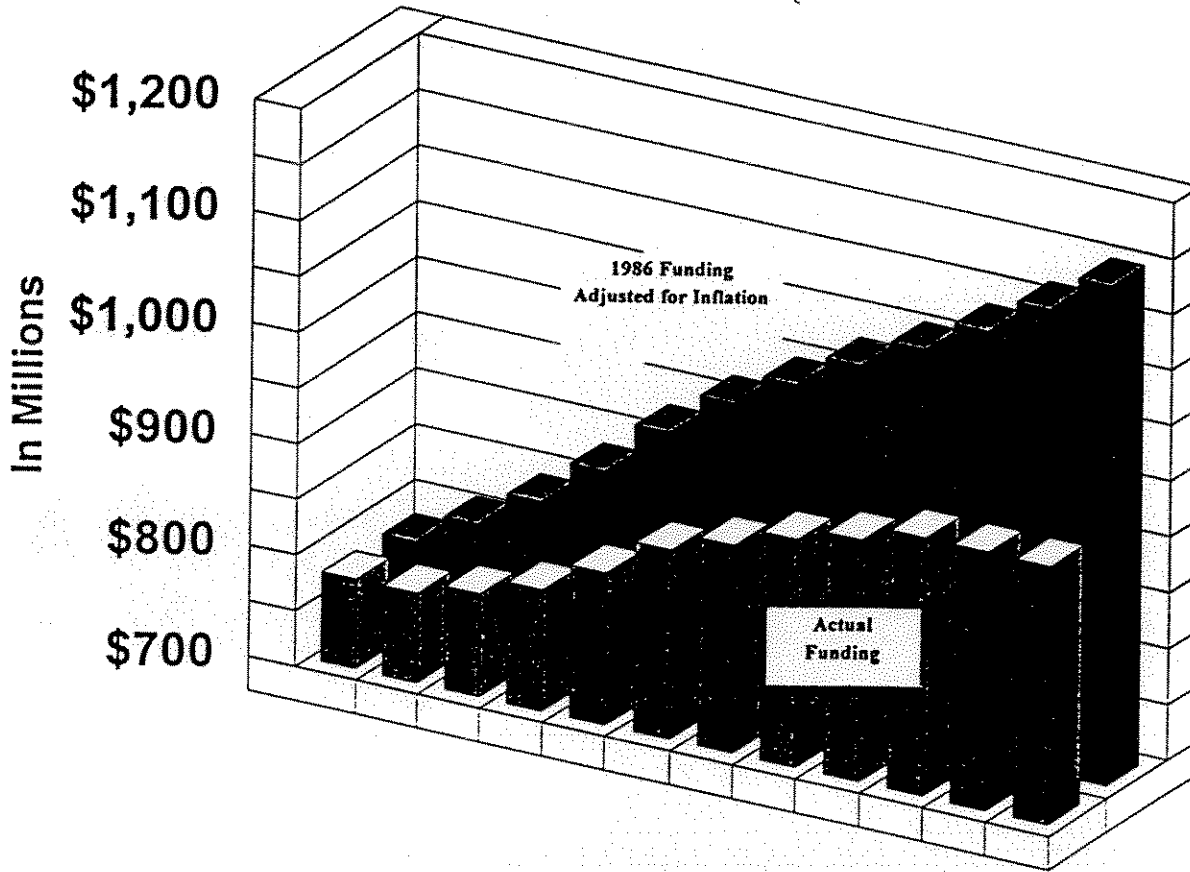
WESTERN ALLIANCE OF CITIES

ed Revenue Survey

Purpose Levy		Shared Rev. Received			Expenditure Restraint \$ Rec'd			
1998	1999	1997	1998	1999	1997	1998	1999	
\$ 24,986,883	\$ 25,158,220	\$ 10,996,207	\$ 11,227,556	\$ 11,549,803	Appleton	1,657,148	1,554,038	1,399,498
1,908,878	1,936,503	3,620,056	3,697,364	3,803,236	Ashland	153,936	116,185	92,214
3,588,510	3,741,117	1,772,690	1,701,376	1,818,569	Baraboo	187,039	213,869	211,590
4,390,019	4,799,870	2,524,434	2,415,622	2,295,150	Beaver Dam	184,208	179,785	176,602
6,567,140	6,479,330	15,196,755	15,529,955	15,827,090	Beloit	424,489	452,231	504,055
5,604,719	5,833,067	3,724,752	3,805,640	3,913,174	Cudahy	238,875	231,447	264,242
2,410,991	2,657,592	2,249,975	2,138,445	2,035,494	De Pere	151,021	92,684	55,808
11,737,000	13,284,000	10,373,355	9,967,800	9,376,300	Eau Claire	400,654	418,000	400,000
12,503,766	13,071,282	6,911,398	6,933,030	6,800,849	Fond du Lac	719,486	616,477	618,345
35,184,840	\$ 34,843,570	19,237,060	18,315,283	18,833,775	Green Bay	1,655,975	1,643,992	1,772,280
16,095,697	16,533,865	1,789,537	1,709,736	1,624,046	Greenfield	931,927	902,009	890,814
13,264,398	14,351,119	6,982,476	6,643,759	6,312,401	Janesville	470,307	364,319	339,919
3,701,753	3,913,392	2,203,504	2,256,687	2,321,822	Kaukauna	162,254	168,634	172,137
27,626,570	28,928,167	14,708,453	14,973,004	14,548,000	Kenosha	1,720,535	1,763,934	1,880,000
17,891,445	19,634,934	9,957,196	10,159,909	10,466,933	La Crosse	955,644	998,759	1,113,023
94,195,456	98,645,938	12,021,874	11,507,278	10,960,753	Madison	5,121,269	5,111,298	5,052,064
7,371,457	7,834,841	7,150,812	6,858,014	6,745,746	Marionetoc	186,373	190,375	185,071
4,181,770	4,136,956	4,245,085	4,328,493	4,450,163	Marinette	none	none	288,762
6,827,583	7,529,344	4,777,008	4,831,384	4,970,936	Marshfield	449,555	406,305	402,243
6,454,078	6,796,387	3,372,249	3,443,827	3,543,213	Menasha	373,511	401,451	412,784
2,434,956	2,464,415	3,306,609	3,236,867	3,284,932	Merrill	none	127,245	123,832
147,089,358	153,585,037	234,479,179	239,419,502	240,600,000	Milwaukee	8,704,615	8,535,415	7,290,000
4,019,045	4,180,390	1,396,822	1,385,278	1,413,000	Monroe	209,877	216,622	215,000
10,453,580	10,860,990	2,486,130	2,361,523	2,268,195	Neenah	554,029	586,845	594,063
15,222,562	15,989,768	10,562,590	10,785,355	11,096,000	Oshkosh	522,343	614,655	640,000
2,037,761	2,154,132	2,559,831	2,534,440	2,569,490	Platteville	none	60,734	94,746
33,858,518	34,246,404	24,237,527	24,751,019	24,450,000	Racine	2,810,649	2,699,722	2,705,000
15,243,358	15,832,558	11,406,495	11,338,935	11,486,666	Sheboygan	904,304	841,365	807,647
9,050,862	9,303,110	3,947,989	4,032,410	4,147,513	Stevens Pt	588,531	550,510	524,718
8,115,777	8,585,858	7,451,500	7,608,359	7,826,923	Superior	535,121	523,681	493,822
2,923,239	3,142,183	3,608,034	3,684,613	3,790,779	Two Rivers	119,429	123,205	118,332
5,051,971	5,493,034	3,652,421	3,469,913	3,569,137	Watertown	206,846	194,687	167,804
27,130,555	28,045,120	3,170,974	3,010,231	2,862,835	Waukesha	1,363,037	1,458,532	1,539,801
7,813,682	8,183,838	5,505,349	5,428,684	5,498,415	Wausau	516,729	652,539	661,510
25,430,457	26,292,387	1,560,915	1,484,201	1,423,828	Wauwatosa	1,328,968	1,322,177	1,252,396
25,096,097	25,963,769	8,315,000	8,477,000	8,720,000	West Allis	1,550,000	1,498,000	1,468,000
10,452,298	11,194,315	2,273,272	2,159,678	2,051,765	West Bend	505,873	491,409	497,463
1,609,063	1,705,224	3,736,739	3,756,336	3,753,097	Whitewater	none	none	none
6,522,212	7,134,954	4,610,958	4,655,594	4,546,937	Wis. Rapids	480,474	429,546	409,716
\$ 667,828,304	\$ 696,426,980	\$ 482,093,229	\$ 478,315,742	\$ 479,530,042	total	\$ 37,045,028	\$ 36,750,661	\$ 35,815,301
4.4%	4.6%		-0.15%	0.90%	total change		-0.79%	-2.55%
4.08%	4.28%		-0.78%	0.25%				

Wisconsin Alliance of Cities
 Wisconsin Department of Revenue
 Rich Eggleston

SHARED REVENUE APPROPRIATIONS ACTUAL COMPARED TO INFLATION-ADJUSTED



lgk/jan97/srhist



WISCONSIN ALLIANCE OF CITIES

14 W. MIFFLIN • P.O. BOX 336 • MADISON, WI 53701-0336

NEENAH JOINT SCHOOL DISTRICT

410 South Commercial Street • Neenah, Wisconsin 54956-2593 • (920) 751-6800

TO: Members of the Joint Finance Committee

FROM: Lawrence H. Krebs, ~~RSBA~~, Director of Business Services, Neenah Joint School District

DATE: March 26, 1999

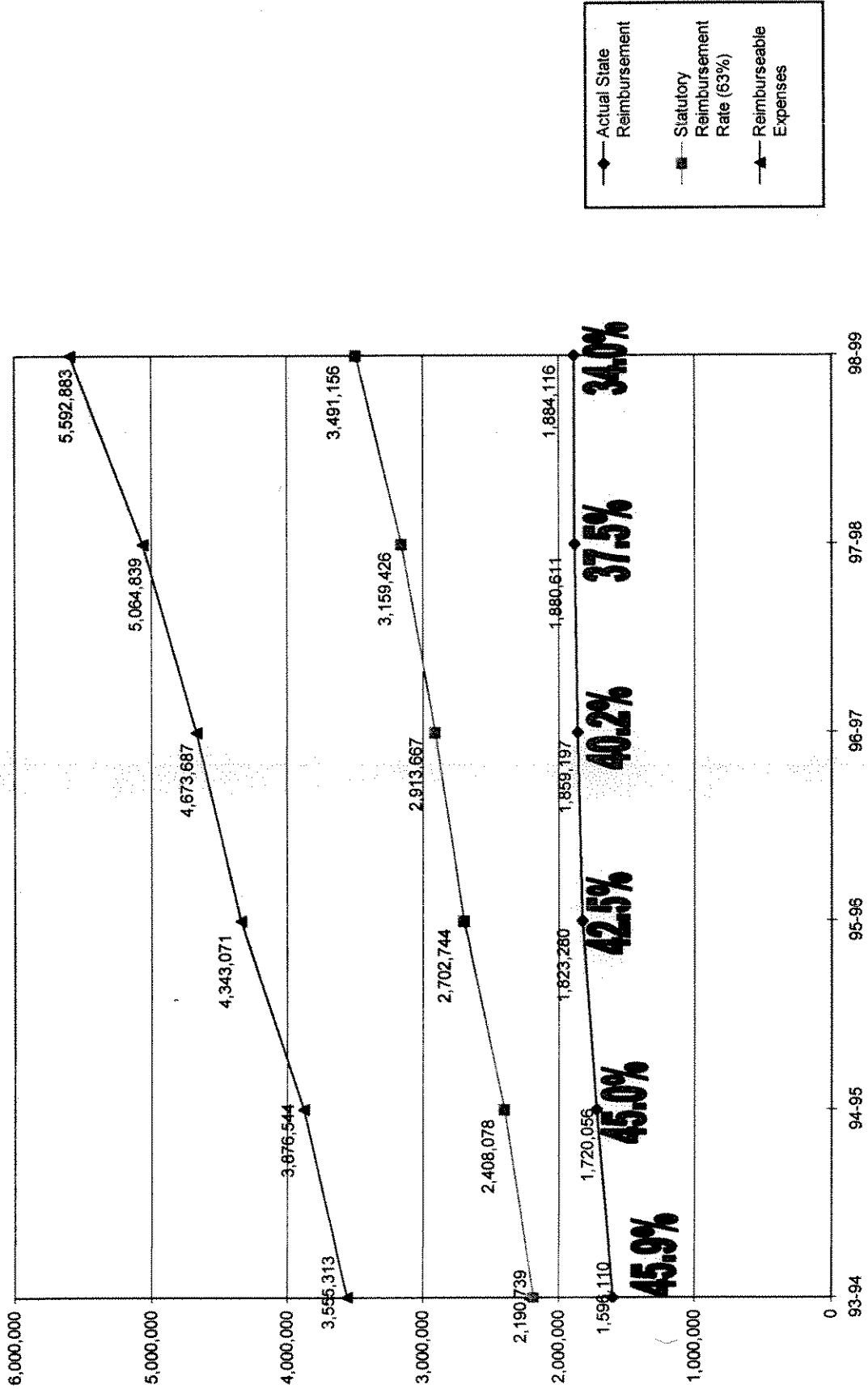
RE: The Impact of Categorical Aids---The 63% Gap

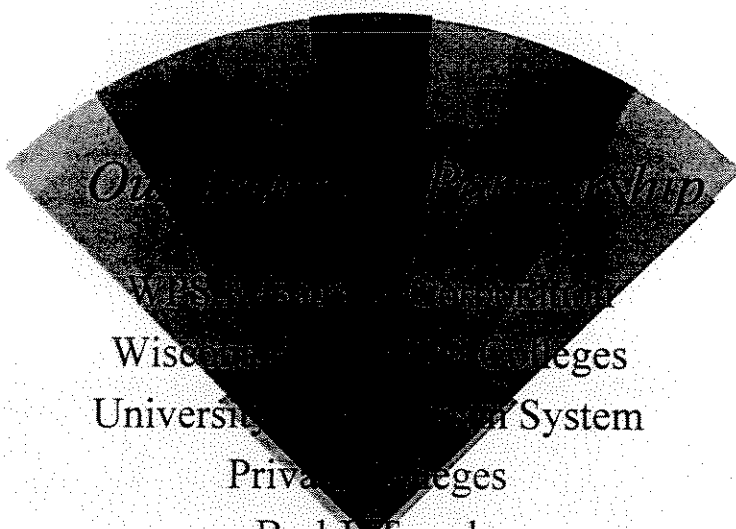
- **EEN costs rising at an average of 8.4 %/yr.**
Salaries/fringes/tuition payments/contracted medical services, transportation continue to grow at a faster rate than other costs, thereby driving up overall EEN costs.
- **Categorical aids appropriation is a fixed dollar sum (see graph)**
At one time EEN categorical aids were at 70% of reimbursable expenses.
In 1993-94 categorical aids were at 45.9% of reimbursable expenses.
Now categorical aids are at 34.0 % of reimbursable expenses.
Gap between expenses and aids in 1993-94 was **\$1.9M.**
Gap between expenses and aids in 1998-99 is **\$ 3.7M.**
- **Equalization aid formula dynamics**
As categorical aids decrease, the amount of local subsidy increases, but the revenue limits restrict ability to raise dollars to meet the amount of decreasing aid. Therefore, budget dollars must be taken from other areas of the curriculum or services to EEN students would have to be reduced or eliminated. Federal IDEA laws, however, mandate level of service to EEN students which cannot be ignored or shifted to any other agencies. Salaries and fringe benefits represent 82.5% of our budget. For every \$1 lost in categorical aids, we must reduce expenses in other areas by \$4.
- **Growing commitment of local funds and increased shared cost/student --- Negative Tertiary Aid**
To increase the EEN general fund subsidy, a transfer of funds must occur between the General Fund (Fund 10) and the Special Projects Fund (Fund 27). This transfer is coded as an expense to the General Fund and increases the district's shared cost per pupil in the equalization aid formula.
- **Long Term effect**
Through no fault of its own, districts will continue to struggle to meet the funding requirements of EEN programs made worse by the declining reimbursement percentage of categorical aids. (I am sure that the legislature did not intend for this to happen, but the realities show that it has.)
- ✓ **Simple Solution**
Add all categorical aid appropriations from the State as a line item in the revenue limit calculation. This would be in addition to Tax Levy and Equalization Aids. This would provide districts with the ability to raise the dollars necessary to make up for the loss each year as the true percentage of expense reimbursement from the State decreases.

As school business officials, we continue to look for sources of additional revenues, manage the districts' financial resources in the most efficient manner possible, and prepare school budgets that meet the needs of our students within the constraints of the revenue limits.


Thank you for the opportunity to express my concerns and your thoughtful consideration of my comments.

State Handicap Aid for Neenah Joint School District





Wisconsin State Colleges
 University of Wisconsin System
 Private Colleges
 Bud J. Freml
 Vice President - Human Resources



WPS Resources Corporation

- ▶ Wisconsin Public Service Corporation is a regulated electric and gas utility which serves an 11,000 square mile area of Northeastern and Central Wisconsin and an adjacent portion of Upper Michigan.
- ▶ WPSC serves 381,192 electric and 224,058 natural gas customers and WPSC has 2,372 employees.
- ▶ WPS Resources Corporation also includes: Upper Peninsula Power Company, a regulated utility covering 10 of the 15 counties of Upper Michigan; and the non-regulated energy companies ; WPS Power Development, Inc. and WPS Energy Services, Inc.



Major Components of the Partnership

- ▶ 25 corporate wide learning center sites
- ▶ Technical College programs that support our employment needs
- ▶ Continuing education opportunities for employees using tuition reimbursement
- ▶ Technical assistance in developing corporate learning systems
- ▶ Upper division and graduate level programs through colleges and universities.



Corporate Wide Learning Centers

- ▶ We work with 6 Colleges to support our learning centers - NWTC, Lakeshore, Nicolet, Midstates, NCTC, Fox Valley.
- ▶ Workplace Instructors provide career development, educational planning, basic skills, and information/referral services to our employees.
- ▶ The quality of services is excellent and support our business strategy of helping employees take responsibility for their own learning.
- ▶ The Technical Colleges deliver a variety of on-site technical training for us - Line Electrician Program, AC/DC Programs, Zenger -Miller. Etc.



Support Our Employment Needs

- ▶ Electric Line
- ▶ Gas Services
- ▶ Information Systems
- ▶ Power Plant Operations
- ▶ Office and Administrative
- ▶ Engineers and Technical Professionals
- ▶ Managers and Leaders
- ▶ Professional Development Opportunities



Continuing Education Opportunities

- ▶ Joint Program Development - Work Place Violence Seminars, Covey Workshops.
- ▶ Principal sites for use of tuition reimbursement
- ▶ Downlink Distance Education Programs - Corporate University Seminar
- ▶ New Associate Degree in Technical Studies provides an opportunity for employees to gain credit for prior learning
- ▶ Upper division and graduate level opportunities through UW system



Technical Assistance to Corporate Learning

- ▶ Lakeshore helped us establish a learning lab for Microsoft Suites Training.
- ▶ NWTC has assisted in developing curriculum in Gas, and Electric Line areas.
- ▶ Consultation on distance learning and learning technology
- ▶ Ongoing help with customized curriculum and program development
- ▶ UW Green Bay is cooperating in developing an action learning based leadership development program in cooperation with other area businesses.



Challenges we face together

- ▶ Providing life long learning opportunities to support career development help employees at a two year, four year and graduate level.
- ▶ Providing learning any time, any place, any where - using learning technology
- ▶ Supporting our developing Corporate University
- ▶ Providing programs that balance technical skills and professional development with core general competencies needed by all employees.



In Summary

- ▶ The Wisconsin Technical Colleges, University System and private colleges are an integral part of our learning community.
- ▶ They provide valuable services to our business and to our customers.
- ▶ The valued added services provided are critical to our business strategy.
- ▶ The cooperation between the systems of higher education is helping us develop the workforce we will need in a deregulated environment.

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 Dollars	FY00 (Positions)	FY01 Dollars	FY01 (Positions)
PR-S	0	(0.00)	0	(0.00)
TOTAL	0	(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 Dollars	FY00 (Positions)	FY01 Dollars	FY01 (Positions)
PR-S	0	(0.00)	0	(0.00)
TOTAL	0	(0.00)	0	(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 Dollars	FY00 (Positions)	FY01 Dollars	FY01 (Positions)
PR-S	13,030,100	(0.00)	13,030,100	(0.00)
TOTAL	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 Dollars	FY00 (Positions)	FY01 Dollars	FY01 (Positions)
PR-S	337,000	(10.00)	446,100	(10.00)
TOTAL	337,000	(10.00)	446,100	(10.00)

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 Dollars (Positions)	FY01 Dollars (Positions)	FY00 Dollars (Positions)	FY01 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 Dollars (Positions)	FY01 Dollars (Positions)	FY00 Dollars (Positions)	FY01 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 Dollars (Positions)	FY01 Dollars (Positions)	FY00 Dollars (Positions)	FY01 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 employees 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 Dollars (Positions)	FY01 Dollars (Positions)	FY00 Dollars (Positions)	FY01 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

534

	FY00	FY01
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

535

	FY00	FY01
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.

Talking Points

Justification for State Funding for Job Centers

Job centers need additional funds to support the increased self/lite service capacity for both job seekers and employers developed in the last few years. Centers have developed additional service capacity with one-time One Stop grants, PFE grants and W-2 Start Up funds at the encouragement of the state. Centers need stable, ongoing state funds to support the continuing delivery of job seeker services and employer relations activities.

The job center system is a critical part of the national and state strategy to meet labor and skills shortages. The job center system in Wisconsin has demonstrated its effectiveness and is nationally acclaimed as the model for all other states to follow. Employers are becoming increasingly dependent on job centers to help meet their work force needs. If job center services deteriorate, employers will suffer the consequences by being unable to meet their workforce needs. The growth of the state economy will slow and reduce tax revenues to the state.

The job center system is statewide in Wisconsin with centers in 67 of the 72 counties and multiple centers in some counties. Strong local support exists for having a job center location in each county and having a county-based center system allows for more input by elected officials and better connections with county-delivered services. Small rural job centers are not viable, however, without additional ongoing funds to sustain the self/lite service capacity. Small centers need funds to support staff and materials for their "resource areas" to provide quality service and meet job center standards. Without state funding, many small centers are at high risk of shutting down their resource areas and ceasing to operate as job centers.

Targeted program funding cannot support all job center activity. Of the major "partner" funding sources, Wagner-Peyser, JTPA, DVR and WTCS funds have declined or at best will remain stable. W-2 program funds will be reduced for most counties in next round of contracts, particularly in small rural counties with low caseloads. While targeted program resources can support part of the job center operations, these programs need to use their resources primarily to provide intensive services to their target populations.

Targeted programs face cost allocation and administrative cost limits on how much of their targeted funds can be used for job center services available to the general public. Many local agencies/offices are already concerned about reduce numbers of participants served and potential audit disallowances relating to their current level of job centers. The targeted programs have reached their limit on the extent of financial support they can provide for general job center operations.

MOE = Maintenance of Effort

Proposal for State Funding for Job Centers

Provide ongoing GPR funds to job centers using the GPR funds that are part of the TANF maintenance of effort (MOE) funding base in the Department of Workforce Development (DWD). No new state funds are needed, just redirect existing MOE funds in the DWD budget to support job centers. These funds are available in the 1999-2001 biennium due to reduced funding need for the W-2 program resulting from lower W-2 caseloads.

Recommend ^{3.0}~~\$2.75~~ million MOE in SFY 2000 and ^{6.0}~~\$5.5~~ million MOE for SFY 2001 for \$5.5 million annual funding level starting in Calendar Year 2000. The total for the biennium would be ~~\$8.25~~ ^{9.0} million of MOE funds. Provide minimum of \$50,000 to each of the 78 existing job centers (\$3.9 million) and distribute the remainder (~~\$1.6~~ million) based on size of the labor market served. All centers would get at least \$50,000 and larger centers would get more funds based on the labor market in their area. The \$50,000 is designed to give each center a minimum amount for basic job center operations. Additional MOE funds could be provided as funds become available.

^{6.21} Funds could be used for general job center operations, including staffing, with emphasis on self/lite services and employer relations. The funds would be distributed to Workforce Development Area (WDA) Boards with the funds passing through to the individual job centers. The Boards would be responsible for working with the job centers to do individual plans for submission to DWD. The planning process could be done using existing local collaborative planning teams (LCPTs) within WDAs. This approach is consistent with the delivery of employment and training services through job centers as envisioned under the 1998 Workforce Investment Act (WIA). To ensure accountability, the state funds could be linked to achievement of state job center standards and job center certification requirements under WIA.

Justification to count job center funds as TANF MOE:

Job center resource areas and employer relations activities provide the basic infrastructure needed to operate "Work First" programs like W-2, FSET, Children First and Welfare to Work (WtW) that all serve the TANF eligible population of low income families. Without job center resource areas and employer relations teams, Work First programs will be less successful, leading to higher TANF and Food Stamp benefit costs.

The W-2 program is designed to divert persons from public assistance and the use of job center resource areas is key component of W-2. W-2 agencies are required to deliver services through the job center system.

Many of the customers who use on-site job center services are low income families and counterpart noncustodial parents. Thus, the TANF-eligible population is already a primary population for on-site services in job centers. Higher income persons are more likely to use job center services via electronic linkages.

DWD has already established the principle of using TANF/MOE funds to support job center activities through the W-2 start up funds and funds for the Milwaukee job center network.

Where to Get MOE Funds in The Governor's 1999-2001 Budget

The Governor's budget bill includes a number of new TANF-funded initiatives, typically programs that will be operated by agencies other than the existing W-2 agencies. Most of the new initiatives will require substantial work to get the new programs up and going. This work cannot begin until the budget bill has been signed into law, which typically does not happen until August of the budget year. Program requirements will have to be developed and contracts executed before the agencies receiving funds can begin incurring expenses against the new funds. As such, it is unlikely that the full amount of the new funds will be used in the SFY 00. The new programs would reach the annualized spending level in the second year of the biennium, SFY 01.

Assuming a January 2000 start date for the program will free up TANF funds in the Governor's budget to use for job centers without requiring a reduction in the annualized funding level for the new initiatives. Providing partial funding in SFY 00 is consistent with the way several other new TANF initiatives, such as the Workforce Attachment and Advancement program, the Community Youth grants, and the Self Paced Youth Apprenticeship program are funded in the Governor's budget.

Examples of new initiatives for which a delayed January 2000 start date could be assumed include Early Childhood Excellence (\$10 million in SFY 00), TANF for Brownfields (\$5 million in SFY 00), Family Literacy (\$2.15 million in SFY 00) and Community AODA Treatment (\$1 million in SFY 00). Assuming a delayed start date and only 6 months of funding in SFY 00 would free up roughly ~~\$8.5~~ million of TANF funds in the 1999-2001 budget bill for other uses, including job centers. This would cover the proposed ~~\$8.25~~ for job center funding.

\$9.0

9.0 mill

The funding for job centers should come from the MOE portion of the overall TANF budget rather than the federal TANF funds. While the MOE funds have to be used on the same low income population as the federal funds, the MOE funds are not subject to the strict federal cost allocation and participant reporting requirements that the federal TANF funds are. Thus, MOE funds can be used in a more flexible manner for general job center operations. It is not necessary to specifically appropriate MOE funds for job centers, but merely to indicate that the job center funds would come from the MOE portion of the overall TANF budget. For example, the new funds for county administration of the BadgerCare program are designated as coming from the MOE portion of the TANF budget and funding for the existing Children First program is also designated as being from the MOE portion of the TANF budget. The specific detail on which programs are funded from federal TANF funds versus MOE funds is described in the state TANF plan.

March 26, 1999

Joint Finance Committee
Budget Review

Senator Brian Burke, Co-chair
Assemblyman John Gard, Co-chair

Thank you for allowing me to testify at the budget hearing today (oral and or written testimony). Your job is not an easy one. Everyone wants a piece of the pie (budget), and frankly you don't have a very big pie to serve. Unfortunately none of us want to put anymore ingredients (tax dollars) into the pie.

I wish to make a few points, and I would like to do so with the understanding that everyone here today represents more than their career or livelihood. They are here as tax payers, US citizens, spouses, children, parents, neighbors, health care consumers, school supporters, business owners, state employees, transportation users etc.

Schools will ask for more money for teachers and ancillary staff salaries and benefits, new schools.

People will ask for safer highways.

State employees will ask for added staff, wages and extended committees to work on solutions to the multiple problems in society.

Citizen advocates will ask for "family care", Home Care, COP's funding, etc. because people have a right to be at home.

Nursing Facilities, Hospitals, CBRF's, RCAC's will ask for more money.

County Social Service programs will ask for more money.

Today many people will stand up for their "rights", as well as the rights of the fraile, elderly and disabled. - This is the approach I wish to take also. All I ask, is that when you debate all the pleas, requests and demands after the hearings, that you look at the request for a 7% wage pass through for health care workers with the same concept that everyone else argues today. You need not make the health care employees wealthier than the teachers, teachers aides, cafeteria workers, the task equivalent state or county workers. I ask that their salaries that range from \$7.70 hour for laundry, dietary staff, \$8.70 hour for Certified Nursing Assistants, to \$15.95 hour for RN's, at our facility, be equivalent to the others asking for increases. That their health care, vacation, sick time, retirement plans be equivalent.

Health Care Workers are the people that hug; care for and often times love the elderly and disabled. They bath, dress, toilet, feed and keep safe your mothers, fathers, sons, daughters, uncles, aunts and friends. They do it for less wages than many of you would work for. Sometimes the people they care for scream at them, bite them, kick them, spit food at them and generally treat them with a lack of respect. They accept this treatment from people with dementia as well as people who are just mean spirited. Because regulations require them to be pleasant and to respect the rights of the residents.

They are required to complete criminal background disclosures, criminal background checks, extensive reference checking, at our facilities we also require pre-employment and random drug screens. Our employees are constantly supervised. They are subject to investigation, everytime someone doesn't like their tone of voice, how fast they answer their call light, how warm their food is, how good it tastes. We want the people we care for and often times love to be safe. So we comply with more regulatory codes than nuclear power plants to keep the people you love and someday possibly yourselves safe and in full control of your rights for a quality of life.

For family care we ask that people caring for the people at home be subject to the same accountability as our health care workers. That the people held accountable be held at the same level as Nursing Facilities, CBRF's, Hospitals, Home Care agencies etc. That you accept the same all-inclusive rate for services as we do. That rate is \$80.85 - \$95.14 per day in our Nursing Home, and \$1250 per month in our RCAC. It includes everything from food, nursing, utilities, wages, and medical supplies. That they accept equality in accountability as well as quality of life and equal reimbursement for all services.

As a Health Care Executive I am responsible to my non-profit organization to be financially and fiduciary responsible to get the most out of our dollars both from the Tax paying and private pay entities. The Joint Finance committee must be equally accountable to all of us today. All I ask is that all things be equal in areas. Get the best deal for your money. Good quality health care can be affordable in multi settings. If costs can be controlled at home as securely as at CBRF's, RCAC's, and Nursing Homes the costs are explainable to tax payers. But be responsive, as individuals we can not have champagne taste on a beer budget. I can only have what I can afford. The same is true for the employees at our nursing home. The same should be true for those requiring tax payer dollars for care.

I do not understand the 1-% increase for nursing homes in 2000. I am sure that all the other pieces of the budget pie will also only experience a one- percent cost of living increase, all things being fair.

The employees I work hard to recruit and maintain are not asking for more than all of us expect for ourselves. They just want a nice house, in a safe neighborhood, with good schools, a car; not a Lincoln Continental, or Chevy Caprice, a 4 or 5 year old Ford Escort that works is OK. Buses don't run 24 hours a day, 7 days a week, but they work 24 hours a day, seven days a week. Most can not afford a house or rent, car, food and

utilities on their wages. They just want what you and I have, what advocacy groups demand for the elderly, and disabled.

We are doing our part. Our Nursing Home lost over \$100,000 in 1998. Medicaid patients were 55% of our clients. Our staff wages are competitive with other nursing facilities, we have vacation and sick accruals, a 403 B retirement plan, Health Care Insurance with a 500 deductible and employee premiums ranging from \$70 - \$180 a month. We pay bonus dollars for added shifts, we have a low lift program to decrease the stress of patient care on our employee's backs. I have multiple openings and no applicants. I fill up some shifts with temporary staff. I have the best staff. I am proud of them. They work hard, they work hours many of you don't want to work. The night shift, the weekends, holidays. They care for your loved ones, some day they may care for you. All I want is for their wages and benefits to be on an appropriate scale for the tasks they perform. I want them to have equivalent rights to the users of services paid for with taxpayer dollars.

PLEASE SUPPORT THE WAGE AND BENEFIT PASS THROUGH FOR NURSING HOME EMPLOYEES. I ASK FOR THESE CAREGIVERS, I AM EXEMPT FROM THE PASS THROUGH.

AND PLEASE CONTINUE TO MONITOR FACILITY USE OF HEALTHCARE DOLLARS TO PREVENT MISUSE, OR ABUSE. LET'S GET THE BEST DEAL FOR OUR DOLLAR. MEDICAIDE CUTS WILL HARM THE SUPERIOR CARE THAT RESIDENTS GET IN OUR WISCONSIN NURSING HOMES.

Good luck with the future budgets and planning.

Sincerely,

Trudey Peterson

I am Executive Director, Odd Fellow Rebekah Home Association, Inc.

I am a Mother

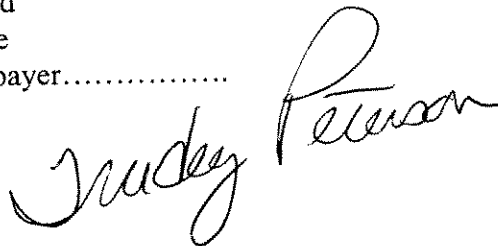
a Daughter

a Neighbor

a Friend

a Nurse

a Tax payer.....



little
Sweden

John Young

(920) 868 - 9950

(920) 868 - 9151 fax

8984 Highway 42, Fish Creek, WI 54212

E-mail - harmony@little-sweden.com

DENNY PHILLIPS
General Manager



the Rushes

On Kangaroo Lake

3014 Rushes Road
Baileys Harbor, WI 54202
www.therushes.com

(920) 839-2730

Fax (920) 839-9183

email: rushes@dcwis.com

JOHN W. YOUNG
Executive Director



the Rushes

On Kangaroo Lake

3014 Rushes Road
Baileys Harbor, WI 54202

(920) 743-7225

Fax (920) 743-8835



DAVID J. EVANS, ESQ.
DIRECTOR OF
STATE LEGISLATIVE AFFAIRS

407-245-7601

FAX 407-872-0771

davejev@aol.com

STATE AFFAIRS OFFICE
201 S. ORANGE AVE. • SUITE 880 • ORLANDO, FL 32801
1220 L STREET, N.W. • SUITE 500 • WASHINGTON, D.C. 20005-4059



STEPHANY A. MADSEN
SENIOR VICE PRESIDENT - STATE AFFAIRS

407-245-7601

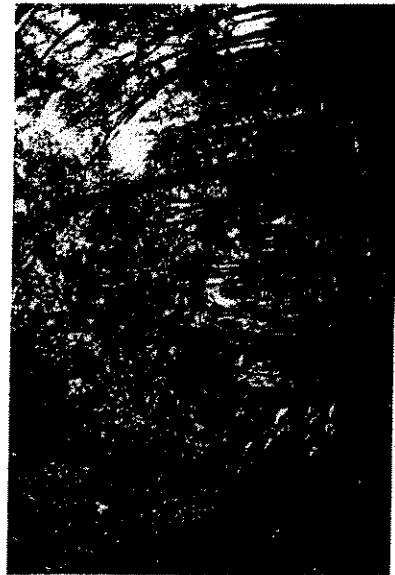
FAX 407-872-0771

STATE AFFAIRS OFFICE
201 S. ORANGE AVENUE • SUITE 880 • ORLANDO, FLORIDA 32801
1220 L STREET, N.W. • SUITE 500 • WASHINGTON, D.C. 20005-4059

The Worldwide Vacation Ownership Industry

*The fastest growing segment of the travel
and tourism industry*

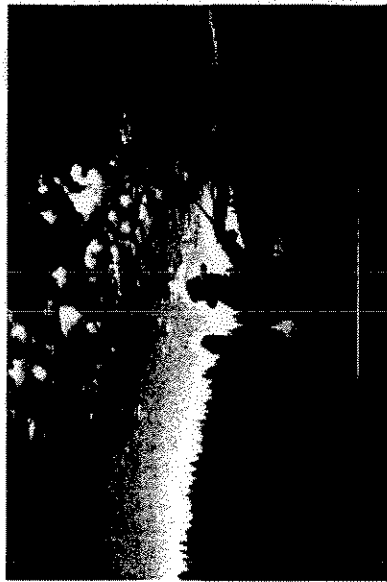
- 900% worldwide growth since 1980
- Estimated continuing annual growth rate: 12% to 15%
- Global sales volume in 1997: \$6 billion
- There are over 1,200 resorts in the U.S. alone — representing 64,300 units — and close to 5,000 resorts worldwide
- The average vacation ownership unit sells for \$10,500 and features two bedrooms
- Timeshare's contribution to the U.S. annual economy: \$18 billion
- 98% of timeshare owners say their purchase is a good value



WISCONSIN

Timeshare . . .

Just the Facts



Timeshare vacationers exchanging into Wisconsin contributed approximately \$13.7 million to the Wisconsin resort communities in 1996. Since then, this figure continues to grow.



ARDA

American Resort Development Association
State Affairs Office

Stephany A. Madsen
Senior Vice President State Affairs
Email: samadsen@aol.com

David J. Evans
State Legislative Affairs Director
Email: davejev@aol.com

201 South Orange Avenue • Suite 880
Orlando, FL 32801
407.245.7601 • 407.872.0771 Fax
www.arda.org

ARDA-Wisconsin Contacts

Marcy Chuckel
Chair
715.479.2455

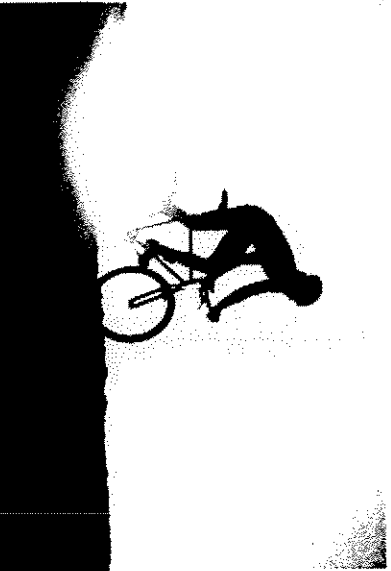
John Young, Sr.
Vice Chair
920.743.7225



- 38,874 timeshare owners reside in Wisconsin.
- Approximately 20,000 individuals own timeshare weeks in Wisconsin.
- In 1996, approximately 12,105 families exchanged into Wisconsin.
- Timeshare owners exchanging into Wisconsin spend approximately \$1,130 per week in the local area at restaurants and bars; and on rental cars and gasoline, groceries, entertainment and sports, shopping, admissions to museums, movies, tours, state parks, etc.
- 72 percent of timeshare owners in the region have annual incomes between \$40,000 and \$100,000.

• When purchasing a timeshare unit under the Condominium Ownership Act, Chapter 703 of the Wisconsin Statutes, each timeshare unit is conveyed by a deeded real estate interest to the timeshare owner, **and each owner pays their proportion of real estate taxes.**

- The timeshare industry is a three billion dollar a year business in the United States. Wisconsin is a factor in contributing to this success.
- Timeshare owners generally are permitted to deduct the interest on their mortgage loans, under federal regulations.



- Timeshare owners provide a stable year-round tourism base. The average year-round occupancy rate for timeshare resorts in the North Central states is 82 percent, which far exceeds average year-round hotel occupancy for the area.



- Buying a timeshare interest allows a consumer — who does not want or cannot otherwise afford a whole vacation home or condo — to own part of one at a reasonable price.

**PHENOMENAL GROWTH IN THE
U.S. TIMESHARE INDUSTRY**

The Baby Boomer Way to Vacation!

Fall 1998

American Resort Development Association

Cynthia Huheey, President (202) 371-6700