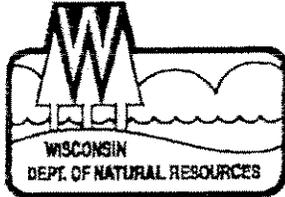


DEPARTMENT OF NATURAL RESOURCES



Bureau of Law Enforcement
101 S. Webster Street, PO Box 7921
Madison, WI 53707-7921
(608) 266-2141
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www.dnr.state.wi.us

TELEFAX TRANSMITTAL FORM

DATE: 4-2-01

TO: Dave Botton

FROM: Tom Solin

NO. OF PAGES: (Including this page)

Dave here is the information that we used in the Task Force. See especially Table Two and it shows the cost for first 6 mo. for a New Warden Position and then a continuing cost.

Our budget person says we are still using the same basic numbers but the base salary for a warden on for > 3 years would be a couple of dollars per hour more.

If there are any problems with this transmission, please call:

Determining The Department's Cost in Enforcement, Management & Legal Services of the Commercial Fishing Activity

Department of Natural Resources Bureau of Law Enforcement Costs

Law Enforcement Workload Analysis:

In 1995 the Department conducted an extensive Law Enforcement Work Load Analysis¹. In the analysis the Bureau of Law Enforcement determined optimum and minimum workload hours for each enforcement activity Conservation Wardens are involved in. The optimum and minimum workload hours required to provide adequate protection of the commercial fishery resources are found in Columns 3 and 4 of Table 1.

Initially it should be noted Law Enforcement has not met the minimum workload hours required to provide adequate protection of the commercial fishery resources in any of the years 1995 through 1998.

The minimum workload hours established to provide adequate protection of the commercial fishery resources for commercial fishing enforcement is 13,677 hours of effort. For FY98 law enforcement effort in commercial fishing enforcement equaled 4,235 hours of effort. To reach the minimum number of hours to provide adequate protection for the commercial fishery resource, Law Enforcement should increase enforcement effort by 9,442 hours or 5.1 full time employees ($\div 1,830$ hours per FTE)².

Law Enforcement Cost:

The Law Enforcement cost for commercial fishing and wholesale fish dealer enforcement fluctuates from year to year depending on the number of complaints received and the number of investigations the department initiates. For the past five years the number of hours worked varied from 8,285 hours in 1995 to 5591 hours in 1998.

Law Enforcement costs are determined by dividing the number of hours worked by 1,830² and then multiplying that factor by \$80,285.09³. The wholesale fish dealer cost for Bureau hours are figured with a different formula (1,920 and \$40,098.88) because the work is accomplished by program support staff and not conservation wardens.

1998 Commercial Fish Enforcement	$4,235 \div 1830 = 2.3$	$\times 80,285.09$	= \$184,655.70
1998 Wholesale Fish Dealer Enforcement	$501 \div 1830 = 0.3$	$\times 80,285.09$	= \$ 24,085.52
1998 Wholesale Fish Dealer Enforcement (Bureau)	$855 \div 1920 = 0.4$	$\times 40,098.88$	= \$ 16,039.55
1998 Actual Cost of Enforcement			\$224,780.77

Additional cost necessary to meet the minimum:

Commercial Fishing Enforcement Goal	$5.1 \times 80,285.09$	=	\$409,453.95
Wholesale Fish Dealer Enforcement Goal	$0.7 \times 40,098.88$	=	\$ 28,069.21
Estimated cost to reach the minimum enforcement goals			\$662,303.93

¹ Law Enforcement Workload Analysis: Recommendations, Methods and Results 1995

² 1,830 hours equals number of hours available per full time employee(FTE) for enforcement after taking into consideration vacation, holidays and mandatory law enforcement training required to hold credentials.

³ \$80,285.09 per warden, includes salary, fringe, overtime, travel, maintenance, phones, office space, and supplies. Table 2

Summary of Commercial Fishing and Wholesale Fish Dealer Enforcement Effort

Table 1: Table compares minimum and optimum workload hours to actual work hours. Fiscal year hours worked are compiled from DNR time analysis reports

Region / Bureau	Activity	Optimum Workload Hours	Minimum Workload Hours	FY95 Hours Worked	FY96 Hours Worked	FY97 Hours Worked	FY98 Hours Worked
NER	Commercial Fishing Enforcement	12,294	7,769	2,782	1,648	2109	2,501
SER	Commercial Fishing Enforcement	3,340	2,096	570	519	461	310
NOR	Commercial Fishing Enforcement	6,705	3,812	380	545	549	234
Bureau	Commercial Fishing Enforcement	--	--	175	85	176	280
Special Operations	Commercial Fishing Enforcement	--	--	2,730	1,820	1,365	910
Sub Total	Commercial Fishing Enforcement	22,339	13,677	6,637	4,617	4,660	4,235
NER	Wholesale Fish Dealer Enforcement	875	485	493	606	560	428
SER	Wholesale Fish Dealer Enforcement	657	366	38	36	13	36
NOR	Wholesale Fish Dealer Enforcement	142	96	20	8	46	37
Bureau	Wholesale Fish Dealer Enforcement	1852	1,852	1,097	1,214	1,081	855
Sub Total	Wholesale Fish Dealer Enforcement	3,526	2,799	1,648	1,864	1,700	1,356
Total	CF and WFD	25,865	16,476	8,285	6,481	6,360	5591

Department of Natural Resources Bureau of Fisheries Management Costs

There are two categories of Fisheries Management costs associated with the Great Lakes commercial fishery. Permanent salaries and project costs.

Permanent Salaries:

To estimate the share of expenditures for permanent salaries that should be attributed to commercial fishing, field supervisors estimate the number of hours devoted to this work by all permanent field staff, including field supervisors. This was completed in 1997, and the estimates were for the last full fiscal year that had been completed at that time, FY 1996

- | | |
|-----------------------------------|---|
| 1. Lake Michigan, approximately | 8,700 hours had been devoted to this work during FY 1996. |
| 2. Lake Superior, approximately | 1,000 hours had been devoted to this work during FY 1996. |
| 3. Bureau position, approximately | 700 hours had been devoted to this work during FY 1996. |
| Total Hours | 10,400 hours |

Assume an average hourly wage is \$14.00, plus fringe of 39% (\$19.46)
 $10,400 \times 19.46 = \mathbf{\$202,384.00}$

This does not include the time of other central office staff (Bureau of Fisheries Management, Bureau of Finance, Bureau of Management and Budget) or regional administrators and office staff who become involved from time to time in commercial fishing issues.

Project Costs:

The costs of commercial fishing projects, excluding the salaries of permanent staff, cover the wages of LTE's and the costs of supplies and services. Data provided by the Bureau of Management and Budget for FY 1996 show that **\$41,000.00** were expended for Great Lakes commercial fishing projects.

Combining those two numbers we arrive at an estimate of **\$243,384.00** for the cost of managing the commercial fishery in FY 1996, excluding all central office administrative costs other than the Great Lakes Fisheries Specialist time and excluding all regional office administrative costs.

Department of Natural Resources Bureau of Legal Services Costs

The Bureau of Legal Services also has expenses for work accomplished specifically for the commercial fishing program and the Commercial Fishing Board. This expense amounts to **\$23,180.00** annually.

Combined Costs

1998 Actual Cost of Law Enforcement	\$224,780.77
Estimate of Fisheries Management	\$243,384.00
Legal Services Expense	\$ 23,180.00
TOTAL	\$491,344.77

Table 2: Cost for one Position

NEW POSITION COSTS
FY99 rates of fringe included

		Startup Costs Of one Position for 6 months	Ongoing Annual Costs 1 position
<u>Field Conservation Warden (05-14)</u>			
Salary @	18.33	\$ 19,083.20	\$ 38,126.40
Fringe		\$ 10,368.62	\$ 20,753.37
Overtime Budget		\$ 3,666.00	\$ 7,405.32
TOTAL SALARY/FRINGE		\$ 33,097.82	\$ 66,285.09
First Year Costs			
	Squad	\$ 23,000.00	
	Radio	\$ 3,600.00	
	Uniforms & LE Equipment	\$ 3,000.00	
	Computer Equipment	\$ 6,000.00	
Continuing Costs inc.		\$ 10,000.00	\$14,000.00
	Travel		
	Maintenance		
	Telephone		
	Office Space		
	Supplies		
TOTAL COSTS		\$ 78,697.82	\$ 80,285.09

New Position for Program Assistant

Salary @	12.74	\$ 13,249.60	\$ 26,499.20
Fringe		\$ 5,299.84	\$ 10,599.68
TOTAL SALARY/FRINGE		\$ 18,549.44	\$ 37,098.88
First Year Costs			
	Computer	\$ 4,000.00	
Continuing Costs inc.		\$ 1,500.00	\$3,000.00
	Travel		
	Maintenance		
	Telephone		
	Office Space		
	Supplies		
TOTAL COSTS		\$ 24,049.44	\$ 40,098.88

Wayne Staidl
N1146 Cty W
Peshtigo, WI 54157

Manitowish Co. Farm Bureau
1-715-582-3671

Where as the agriculture sector is experiencing hard economic times, we would like to see the following items in the state budget.

1. We would like to make sure that the Land Use Value stays in the budget. We would like land use value extended to include non-productive and wooded Ag land. If farmers have to sell their land to pay taxes, we are not maintaining our farmland and greenspace.
2. We would like to see a sale tax exemption, which would include all agriculture purchases. The tax exemption should be the same as other businesses have.
3. We would like to have ample funding for applied research at the UW systems for animal health concerns and better ways to handle pollution from sources such as manure runoff.
4. We would like to have research expanded on stray voltage, which is ~~an~~ often a hidden problem on many farms.

*Factory over farm now men in one family for 1 or 2 generations
Protect the environment
The W/PDES permitting procedure is flawed*

WISCONSIN CITIZEN ACTION



Wisconsin's Largest Public Interest Organization ♦ Representing 53,000 individual members and 250 affiliate organizations
1202 Williamson Street, Suite B, Madison, WI 53703 ♦ 608-256-1250 ♦ (fax) 608-256-1177 ♦ info@wi-citizenaction.org
152 W. Wisconsin Ave., Suite 308, Milwaukee, WI 53203 ♦ 414-272-2562 ♦ (fax) 414-274-3494 ♦ www.wi-citizenaction.org

Support Senator Burke's Family Farm Protection Act Budget Amendment

Rethink how your farm budget is spent. Midwest Environmental Adv. Fund. Factory farm cow concentration camps received over 75% of state funding

The proposed Family Farm Protection Act is designed to:

- 10,000,000
- Level the playing field so small to moderate sized family farms – the majority of Wisconsin farms – can be economically viable
 - Ensure adequate environmental protection and healthy rural communities
 - Invest in a future for Wisconsin family-farms including low interest loans, low-cost strategies for modernization and expansion and the development of new agricultural enterprises, new products and an aggressive marketing effort for Wisconsin grown products.

Key Budgetary Components: (see reverse for dollar amounts)

- a) Fund UW-PATS to study the degree of concentration in the dairy, livestock and grain industry and its impact social and economic impact on family farm agriculture and rural communities.
- b) Create a position in the Department of Justice to investigate and enforce anti-competitive practices in agriculture and ensure compliance with and enforcement of discriminatory pricing prohibitions.
- c) Increase DATCP Agriculture Development and Diversification grant program that promotes new markets and new uses.
- d) Establish DATCP "Buy Wisconsin" Market Development Program.
- e) Establish DATCP cost-share program for transition to managed intensive grazing and organic systems of livestock production.
- f) Increase funding for the Small Business Health Insurance Pool, enabling farmers and other small business owners to join in a pool and gain the purchasing powers of larger corporations.
- g) Establish a low-interest revolving loan program for farmers who are implementing new farm enterprises and/or developing businesses that add value and build markets.
- h) Provide cost share funding for state and federal required nutrient management plans, certification and crop insurance programs.

For more information, please contact:
Sam Gieryn, Citizen Action Family Farm Stewardship Campaign Coordinator
(608) 256-1250 ext. 13 • sgieryn@wi-citizenaction.org
1202 Williamson Street, Suite B • Madison, WI 53703

Good afternoon,

I am Tom Nejedlo a dairy farmer and grazier from Wausaukee, WI. I am speaking on behalf of the Northern Graziers Assoc. My fellow grazers with me today are

Dave Linstad dairy farmer Porterfield
Tom De Jarlos beef farmer “
Jon Stockers dairy farmer Lena
Greg Williams dairy farmer Crivitz
Charles O Harrow beef farmer Oconto falls
Russel O Harrow “

We are here to testify for the proposal introduced by Senator Russ Decker and Republican Greg Haber to fully fund the Wis Grazing Initiative. This Initiative's mission is to improve and expand the use of grazing based systems of livestock production.

Management Intensive Grazing has many important aspects.

1. It has proven to be profitable; because of its low inputs and reduction of costs of production.
2. It reduces soil erosion from both wind and water by not annually exposing our precious topsoil to these elements.
3. Pesticide application is reduced or eliminated: what is a weed in row crop farming is rarely a weeding in a grazing system.
4. Barnyard runoff and manure storage needs are reduced because livestock are not confined in a small area which enables our soils natural filtration processes to work, which in turn protects our groundwater.

5. By allowing livestock to harvest their own feed and spread their own manure , use of fossil fuels and their emissions is reduced.

6. This is a system that coexists with nature, forming a habitat that thrives with life, earthworms, song birds, and large wildlife all have a place.

But the greatest benefit is to us the grazier and this benefit is time. We have time to take a son fishing, time to go to a daughters softball game, time to be with our families.

Managed intensive grazing is also a solution to the exodus of our young people from agriculture. Beginning farmers are discouraged by the large amount of money needed to establish and run a farm. They instead should be encouraged to develop a sustainable form of agriculture and this encouragement needs to be in the form of further assistance on research, education, and technical assistance about M.I.G.

Many of us have participated in federal programs which are funded by the Natural Resources Conservation Service.

They have assisted us with cost sharing on fencing , water systems, and reseeding practices.

The state of Wisconsin has a responsibility to develop sustainable agriculture state wide. We believe this is the only viable answer to the economic crisis on Wisconsin farms.

We thank Senator Decker and Rep. Huber for introducing the initiative and we thank committee for listening to our testimony and we look forward to your support.

RESOLUTION: GRANT FOR FUNDING THE WISCONSIN GRAZING INITIATIVE

WHEREAS, The Wisconsin Grazing Lands Conservation Initiative's (GLCI) mission is to improve and expand the use of , grazing-based systems of livestock production on private land, that are practical and profitable for farmers, and foster environmental stewardship.

WHEREAS, The Wisconsin Department of Agriculture, Trade and Consumer Protection mission is to insure the efficient use of agricultural resources in a quality environment and also the vitality of Wisconsin Agriculture.

Whereas, The Wisconsin Department of Natural Resources mission includes the protection of our land and water, wildlife, fish and the ecosystems that sustain life and providing a healthy sustainable environment for current and future generations.

Whereas, The use of Management Intensive Grazing (M.I.G.) has been proven to be profitable, provides for a quality lifestyle and has proven to be the most cost effective Best Management Practice available to farmers in Wisconsin to reduce soil erosion, barnyard runoff, pesticide application , energy use, manure storage needs, while increasing wildlife habitat.

Whereas, The United States Natural Resources Conservation service (NRCS) has recognized the benefits of M.I.G. and currently provides up to \$385,000 annually for Grazing land technical assistance and educational projects in Wisconsin.

Whereas, There is a demonstrated need to provide further assistance on research, education and technical assistance about M.I.G. to Wisconsin's livestock farmers, especially to the 50% of the new farmers who are projected to implement M.I.G. as a management option.

NOW, THEREFORE BE IT RESOLVED, that the Wisconsin Grazing Land Conservation Initiative respectfully requests that the Wisconsin Department of Agriculture , Trade, and Consumer protection to include at least \$400,000 annually in it's budget for at least the next five years to provide research, education and technical assistance grant money for M.I.G. in Wisconsin. The grant money is requested to be administered through the Multi Agency Land and Water Education Grant Program or a similar grant program/

BE IT FURTHER RESOLVED THAT, the Wisconsin Department of Agriculture , Trade and Consumer Protection and the Department of Natural Resources encourage counties to include M.I.G. as high priority practice in their Land and Water Resource Management Plans and to provide cost sharing to local farmers to implement the practice, since the plans are at least partially funded with Department Funds.

Unanimously Approved by the Wisconsin Grazing Land Conservation Initiative on July 18, 2000

Contact
Tom Nesselro
77826 Nesselro Rd
Wausau WI
54177

**TESTIMONY ON THE WISCONSIN STATE
2001-2003 BIENNIAL BUDGET**

**CHUCK KAMP, MANAGER
VALLEY TRANSIT
FOX CITIES**

Good morning, and thank you for the opportunity to address the Joint Finance Committee regarding the biennial budget. Before I get into my specific comments on the budget, I would like to take a moment to express my appreciation to the legislature for the passage of AB-37 and SB-31 last month, which restores equity to the state transit funding distribution formula. The bill is now awaiting the Governor's signature. We will be able to plan and budget for public transportation services in over 60 communities, including the Fox Cities, in a more orderly manner, thanks to the passage of this bill.

I also want to express my appreciation for the progress the state has made in providing stable transit funding for Valley Transit in the past several decades. The state is a major partner in transit funding, and without that partnership, there would be less service provided and the success we have had in getting W2 clients and people with disabilities to work, to school, and to other destinations, would not have been achieved. Its important that you know how much we appreciate this important partnership.

Allow me to provide a brief background on how transit systems use taxpayer dollars to provide services in the Fox Cities and in other communities across the state. Valley Transit is owned and operated by the City of Appleton and provides fixed route bus service and specialized van services in the Fox Cities urban area and parts of the surrounding rural areas. We carry about 1million rides per year on our fixed route system, and about 195,000 rides per year on our contracted specialized transit services. We are in the middle of a 5 year plan in which we evaluate every aspect of our operations, maintenance, and administrative programs. In some areas, Valley Transit performs very well compared to similar transit systems across the country. For

example, our average cost per mile is 70 cents less than our peers, and operating about 1,000,000 miles per year saves the twelve municipalities and counties that fund Valley Transit a significant amount. On the flip side, our ridership per hour is about 6 rides less per bus than our peers, so we will be looking at ways to improve that. We know that the Fox Cities has the lowest population density of any mid-sized urban area in the state, so there are challenges in addressing this issue.

Valley Transit has also increased its specialized van and taxi services over the past decade. These services are provided under private contract to several different companies and are generally designed to meet the needs in the more rural areas and the more specialized needs of people with severe disabilities. Ridership on these services has increased from 13,000 a decade ago to 195,000 rides in 2000. Services to people with disabilities eligible, under the Americans with Disabilities Act for curb-to-curb service, has grown 430% since 1991, and the cost of this service per trip jumped approximately 10% between 2000 and 2001. Across the state of Wisconsin, the cost per trip of this specialized service has gone up 17% in the last year from \$9.87 per trip to \$11.55 per trip. Fuel costs and labor shortages are the two biggest reasons for the large increase.

Looking next at the biennial budget, I am concerned about the percentage increases in the Governor's budget of 2.5% for FY02 and zero percent for FY03, with a supplemental operating assistance program in the latter year for those systems which maintain cost per passenger increases within inflation in FY03. There are several concerns, so I will try to address each concern separately.

First, a 2.5% increase and 0% increase in the two years does not adequately address the 430% growth over the last decade in paratransit services for the disabled that I described earlier. It also does not deal with the reality that fuel and natural gas costs over the recent past continue to increase significantly. The cost of gasoline, according to the Bureau of Labor Statistics, jumped 29.6% from an average of \$1.17 in 1999 to \$1.51 last year. Valley Transit spent 84% of its 2001 budget for natural gas in the first two months of this year. The President's energy adviser says our country is facing an energy crisis, and the Governor's budget initiative for inflationary cost incentives does not address this reality.

Second, the 17% cost per trip increase for specialized transportation for the disabled across the state of Wisconsin, paid largely to private contractors to provide these services, strongly points to the fact that an inflationary cost per passenger incentive to get supplemental assistance in FY03 is unrealistic. More state assistance is needed to maintain the states percentage of funding which averaged 44.4 percent in 1999 and 43.2% in 2000. The inflationary clause is designed, I think, as a performance incentive, but it should be noted that Valley Transit and other transit systems consistently out- perform their peers across the country in effectiveness and efficiency criteria. Transit systems now have a performance review system at the state level that provides checks and balances to ensure that systems are operating efficiently and effectively. This system includes a penalty clause if certain steps are not taken to improve performance in those systems that are not meeting the standards established. Another part of this system involves the Wisconsin Department of Transportation's Management Performance Audits which are conducted every 5 years at each transit system.

For these reasons, I believe that increases of 6% each year are needed to continue to meet the needs of the customers we serve. The goal of the Americans with Disabilities Act is to help people lead more productive and satisfied lives. For Valley Transit to meet its mission statement of providing efficient and effective mobility in the Fox Cities, a greater state commitment is necessary than what is contained in the Governor's budget.

Thank you again for the opportunity to address the Joint Finance Committee on the budget.



TITLETOWN USA

Green Bay Metro

The Wisconsin Urban Transit Association (WUTA) appreciates the opportunity to testify before the Committee regarding the upcoming biennial state budget.

My name is Tim Collins, I am the Transit Director for the City of Green Bay. I previously served as General Manager and Executive Director of the Greater Peoria Mass Transit District in Peoria Illinois. I also served as General Manager for systems in Iowa, Indiana and South Carolina and as transportation Manager for Duke University in Durham, North Carolina. My transit career began with Madison Metro in 1978.

About WUTA

WUTA represents member organizations that serve the state of Wisconsin by providing safe, efficient, and economical public transportation service and by working to ensure that transit services and products support environmental, community, and economic goals. WUTA member organizations include transit systems, finance firms as well as product and service providers.

Since its inception public transportation has connected millions of Americans with life-sustaining medical care. But too many senior citizens still go without the vital health care they need due simply to a lack of mobility alternatives.

For Wisconsin's senior citizens, what has always been a primary quality of life indicator is increasingly becoming a matter of life and death. How often has the tale been told: A healthy, independent older adult slips and breaks a bone, or contracts a non-life threatening virus. With no family or friends nearby to assume the role best played by public transportation, the otherwise hale senior ends up warehoused in a nursing home. Tragically, this is how many elders spend their final days.

Recently, the General Accounting Office published a report that documents that nearly 90 percent of current rural Medicare ambulance trips are actually of a non-emergency nature, even though the program forbids such trips. The issue persists in urban areas as well, where emergency medical technicians confirm that far too many of their calls are responding to seniors with non-emergency needs. It seems both rural and urban older adults, too often, have no other way to go, except ambulances

A wise investment, community transportation is a highly effective aspect of preventive health care that helps citizens, communities and government programs alike to avoid more expensive emergency medical services, to get to a routine doctor's appointment or to access pharmacies. In this role, community transportation saves money and improves lives.

Non-emergency medical transportation can be thought of as preventative or treatment transportation. These trips are typically non-urgent in nature, but many are of the utmost importance for individuals with chronic illnesses, surgical follow-ups or ongoing therapy.

For many of our member transportation systems, medical trips represent the single-most popular trip destination. And more often than not, these medical trips are for senior citizens. There is no more important trip than connecting someone with medical care — whether that's just a check-up or life-saving dialysis. The importance of this transit connection simply cannot be overstated.

Seniors are the fastest growing segment of the U.S. population today. And the fastest growing segment of the older adult population are those over the age of 85. With no alternatives, these often-frail seniors are forced to drive long after many feel comfortable behind the wheel. In fact, the number of drivers over the age of 85 in the year 2030, according to government statistics, will be four to five times greater than the number today. And where are most of these elders headed? You guessed it, the doctor (or the pharmacy).

As the nation's population ages and as more health care is delivered on an outpatient basis, community transportation's key role in the quality of life of our nation's elderly population grows ever more important.

Developing cost-effective, practical solutions for senior mobility challenges ought to be the top priority for public transportation organizations. Yet the costs of providing complimentary para-transit service as required by the ADA threatens to overwhelm our state's small and medium sized transit systems.

When the para-transit program began ten (10) years ago in the Green Bay area the total budget for this service was *under* \$100,000.00 and comprised approximately 3% of the transit systems budget.

In 2001 the cost of providing *mandatory* ADA para-transit service will exceed one million dollars, over 20% of the systems overall budget. Since the Americans with Disabilities Act prohibits trip denials based on lack of capacity

(and deems such a denial as a violation of a civil rights law) systems are almost helpless when trying to control ADA related costs.

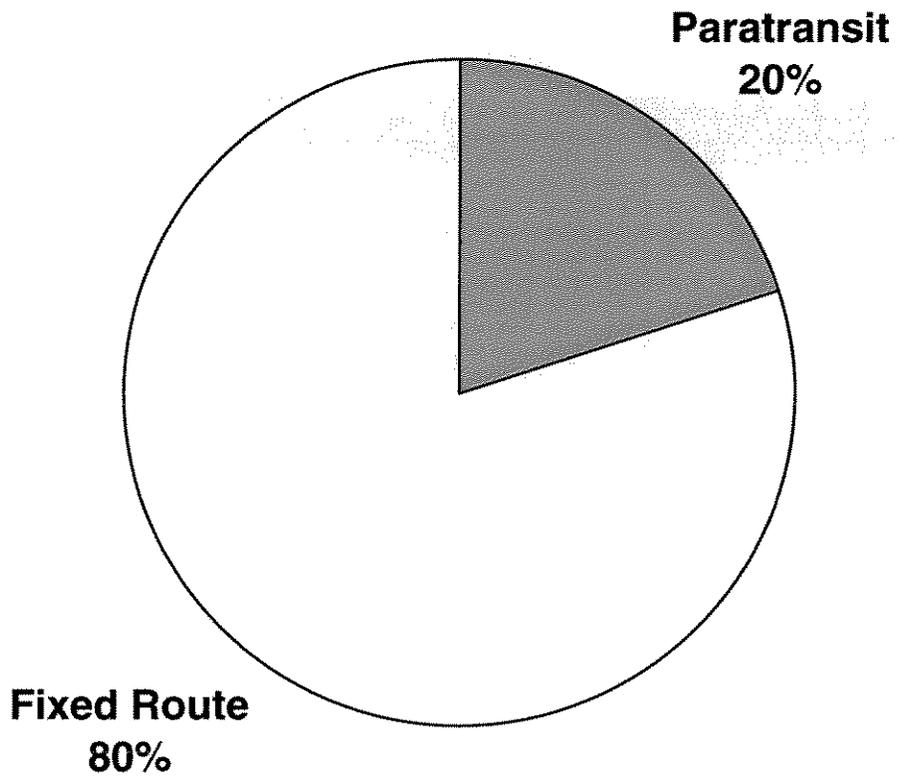
Green Bay Metro like many other systems in the state, attempts to achieve the greatest cost effectiveness possible by contracting this service out to the private sector based on competitive bidding process. However this is virtually the only tool available to us in our efforts to contain the costs associated with this mandated service.

We are opposed to any additional efficiency standards *other than those which have already been enacted and are being applied by WisDOT*. However should the legislature feel for some reason that still more standards need be applied to transit funding; for the reasons outlined above, it is our firm belief that ADA para-transit related costs should be excluded from any "effectiveness" or "efficiency" standards.

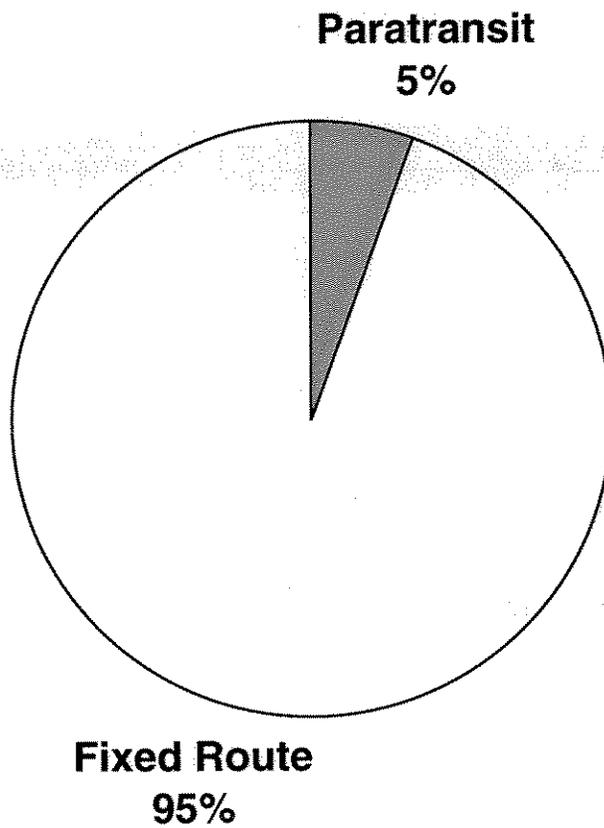
Wisconsin's elderly population will experience phenomenal growth over the coming decade. W.U.T.A. believes that developing cost-effective, practical solutions for the accompanying mobility challenges ought to be a top priority for state government as well as public transportation organizations.

Mr. Chairman, we thank you for this opportunity to testify before the committee and we would be happy to respond to any additional questions the committee may have. Please note that this testimony includes several graphs reflecting the growth of para-transit costs for the Green Bay system.

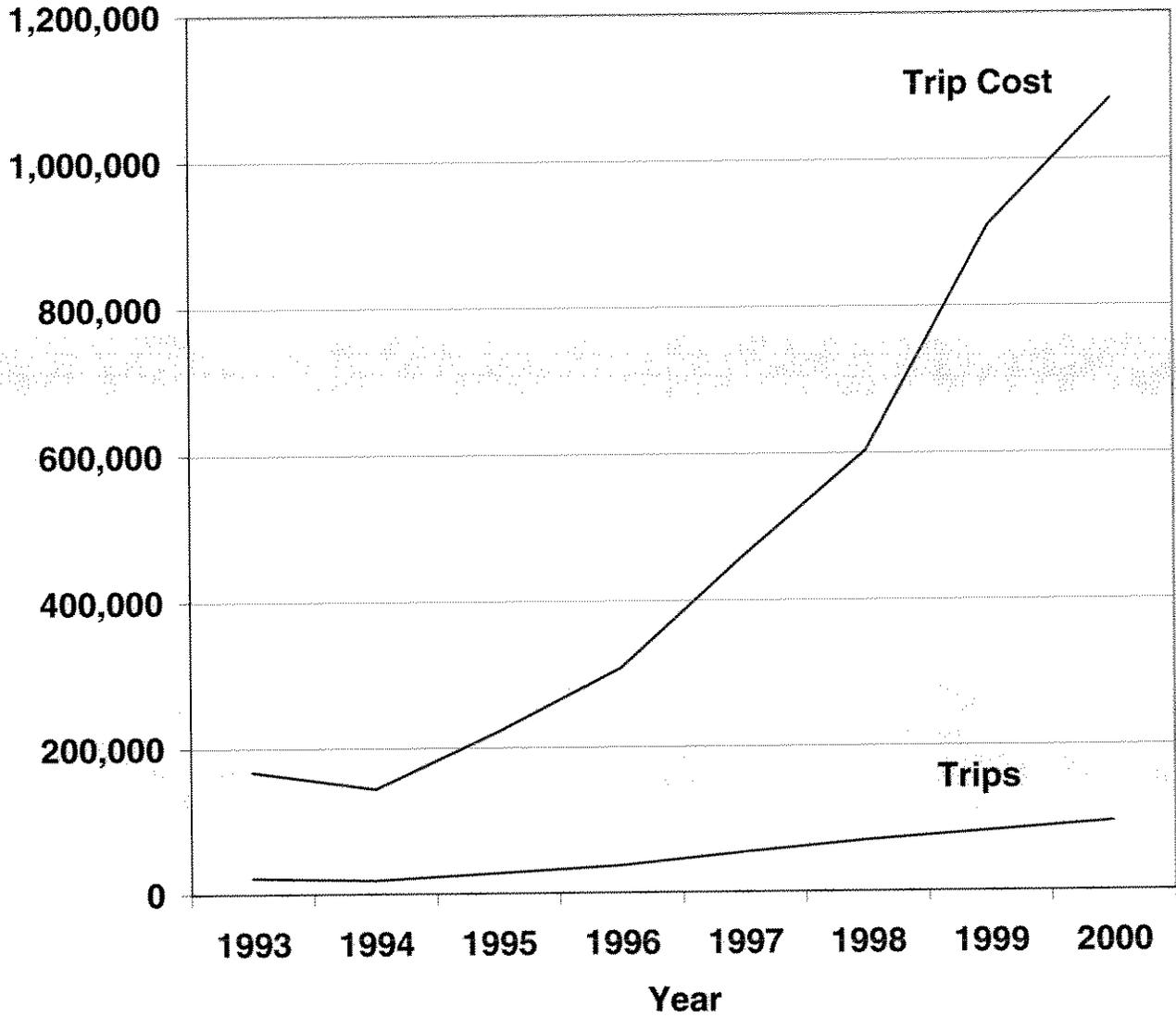
Green Bay METRO Paratransit vs. Fixed Route Budget 2000



Green Bay METRO Paratransit vs. Fixed Route Trips 2000



Green Bay METRO Paratransit Trip Cost and Trips 1993-2000



**RATIONALE FOR SPECIAL TAX-EXEMPT STATUS FOR THE
WISCONSIN YMCA DOES NOT JUSTIFY SPECIAL LEGISLATION OR AN
AMENDMENT TO THE BUDGET BILL.**

Good morning. My name is Mike Moran, and I am co-owner of the *Titletown Fitness Center* located in Green Bay since 1984.

I am here today to respond to Representative John Gard's rationale he gave for sponsoring legislation to give special tax-exempt status for the YMCAs of Wisconsin. Specifically, I will respond to the following four points he recently stated in a news conference:

- The Y gives back *enough* to the community;
- The positive things the Y does for youth should be encouraged;
- Commercial fitness centers went into business knowing the Y was tax-exempt;
- Y's benefit the entire community and are not direct competition with small business.

First, concerning Representative Gard's belief that the Y gives back *enough* to the community, let me tell you of two instances of Y give-backs: one from Portland, Oregon and the other from the greater Green Bay area.

- In Portland, Oregon, only 8% of Y memberships received scholarships. As a result, two Y's were subsequently placed on the tax rolls. Later, the Oregon Supreme Court ruled in favor of taxing these Y's because where "there is no gift, there is no charity".
- In Green Bay, the YMCA, in its 1999 Form 990 submitted to the IRS, reported that of its 21,000 memberships, less than 5% received partial or full financial aid.

Second, concerning Representative Gard's statement that the positive things the Y promotes for youth should be encouraged, I agree that the Y's historical and charitable programs that serve the young, the aged, the handicapped, and especially, the underprivileged should be encouraged.

However, I have serious concerns about any *tax-exempt* organization that spends less than 10% of its revenues on such programs and 90% or more of its revenues on organizational marketing and development to provide services to *paying* members. Moreover, I am very concerned when these services are from childcare centers and fitness centers that duplicate services already available in the private sector. Private sector businesses contribute to the community by paying taxes; tax-exempt businesses decrease tax contributions to the community when they compete with similar private sector businesses.

(Incidentally, the federal *Unrelated Business Income Tax Reform (UBIT)* law of 1950 states, in effect, that if a tax-exempt organization duplicates services already provided for by the private sector, the tax-exempt should be required to pay unrelated business income tax on the income generated from that business.)

Third, Representative Gard argues that private sector fitness centers went into business knowing that the YMCA is tax-exempt.

The tax-exempt status given to the YMCA in the middle of the last century has little relevance today. For example, prior to 1985 the Green Bay YMCA was housed at only one location. It primarily concentrated on providing low cost residence accommodations for single persons with few resources, and a gym and pool for young people. The "fitness center" was located in a very small room in the basement and contained only one bench press and a universal machine.

Now, the Greater Green Bay YMCA has ceased providing residence accommodations and has opened three multi-million dollar fitness centers and is planning to open a fourth fitness center soon. Y memberships have grown to over 21,000. These Y members have cost the community hundreds of thousands of dollars in taxes because they are not members of private sectors health clubs.

Thus, it appears the Y went into the upscale fitness center business because it had the advantage of being tax-exempt and could easily compete and gain a great market share of the fast growing fitness industry. Unfortunately, little of the Y market share has become benevolence.

Finally, Representative Gard says the Y's are a benefit to the entire community and are not in direct competition with small business.

Only a few people who wish to join the Y, and qualify for a "scholarship", benefit. The rest of the joiners pay full price for the Y's services.

Furthermore, the entire community receives no benefit because it receives no contributions in the form taxes from the Y, and, over time, receives fewer taxes from private sector businesses that compete for market share with the Y.

If Mr. Gard is right, then the United States General Accounting Office is wrong when it found in a recent study that 87% of taxpaying fitness clubs in the United States face unfair competition from direct competitors that don't pay taxes.

In conclusion, I would urge the committee to be fair to all tax-exempt organizations by not supporting legislation that provides a special exemption for YMCAs of Wisconsin.

April 4, 2001

Dear Wisconsin Legislators,

Please keep the YMCA's tax exempt status in place. The YMCA is so much more than a "health club" in our community. It serves the entire population covering the wide expanse of both age and income. No one is turned away. Not many "clubs" can make that claim!

The YMCA has been a part of my family's life since we moved here 6 years ago from another state. My children have participated in a wide variety of YMCA programming. We have benefited greatly from the preschool program of excellence that the Greater M&M YMCA offers. When we first moved here, we evaluated every program in the area. The YMCA stands alone in excellence and a warm, safe, family atmosphere.

My entire family enjoys the recreational and sports facilities that the YMCA has to offer, but our YMCA is so much more than just a place to work out! **Keep our YMCA tax exempt** so that the administrators can continue to offer their high quality, low cost programming to our community.

Thank you,

Jane, Mike, David & Andrew Swanson

Drees **ELECTRIC, INC.**

WHOLESALE AND RETAIL

WIRING MATERIAL AND LIGHTING FIXTURES

Phone 735-7125

1625 Marinette Avenue
on Highway 41

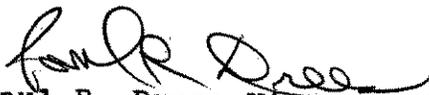
MARINETTE, WISCONSIN

To the State of Wisconsin

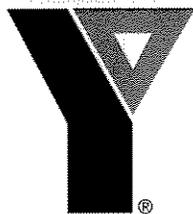
I support the YMCA's tax exempt status and sincerely hope that this will continue. Without it, many of the contributions to the community and programs for its citizenry would be lessened considerably.

I have seen countless kids and grown-ups benefit from the many services that our YMCA offers. To maintain many of these free services for the disadvantaged, I encourage you to maintain the YMCA's tax exempt status.

Respectfully submitted,



Paul R. Drees, Vice-President
Drees Electric, Inc.



We build strong kids,
strong families,
strong communities.

Greater Marinette-Menominee YMCA

West Drive YMCA Center
1600 West Drive
Menominee, MI 49858
Phone: (906) 863-9983
Fax: (906) 863-5152

University YMCA Center
1125 University Drive
Marinette, WI 54143
Phone: (715) 735-9417
Fax: (715) 735-9777

Mark Spiegelhoff
Executive Director / CEO

April 5, 2001

Dear Joint Finance Committee members:

My name is Mark Spiegelhoff and I am the Executive Director of Greater Marinette-Menominee YMCA and also a resident of Marinette, Wisconsin.

I speak to you today on behalf of the 4,000+ members and thousands of program participants I serve at our local YMCA.

Our YMCA is at risk. The risk of losing its tax exempt status. As the Executive Director and a YMCA member that concerns me greatly.

It concerns me because it could jeopardize the participation of over 450 people who receive financial assistance so they can participate as full-privilege members of our local YMCA. The YMCA does not currently turn anyone away because of their inability to pay but may have to if the YMCA is forced to pay property taxes.

It concerns me because it could jeopardize the worthwhile community programs our YMCA provides for kids like the preschool education program, youth sports, day camp, swimming and gymnastics programs. The YMCA makes these youth programs available to all at a reasonable cost. But this may also end if the YMCA is forced to pay property taxes.

It concerns me because it could jeopardize the free programs the YMCA provides for the community. The water safety program that serves over 750 fourth graders each spring, the free annual membership program available to all third graders in the greater Marinette-Menominee area and the senior swim program each week on Thursday that sees over 1200 uses by seniors each year. But these programs are sure to end if the YMCA is forced to pay property taxes.

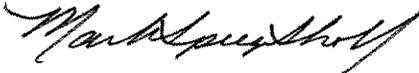
The YMCA is a community-based, volunteer led organization that serves all ages, races, gender, religious and ethnic backgrounds in the communities they serve. It programs and services build character in the individual by teaching values such as honesty, respect, and responsibility and caring.

Greater Marinette-Menominee YMCA Mission: To build a strong community through programs and services for Kids, Families and Adults that put Christian Principles into practice.

Our YMCA members are your constituents. They live in your neighborhood, attend your church, and use the same grocery store as you do. They want their children to have the same opportunity to learn these character values at their local YMCA. Don't disappoint them by allowing the YMCA's tax-exempt status to end. Support Assembly Bill #250 and Senate Bill #98.

Our YMCA is at risk. Your YMCA is at risk. Exercise your legitimate power as a legislator and vote to specifically name the YMCA as a tax-exempt organization in the state of Wisconsin.

Respectfully submitted,



Mark Spiegelhoff
Executive Director/CEO
Greater Marinette-Menominee YMCA

April 5, 2001

**STATEMENT BEFORE WISCONSIN LEGISLATURE
JOINT FINANCE COMMITTEE MEETING
APRIL 5, 2001
PESHTIGO, WISCONSIN**

Good Morning:

My name is Ralph C Kinzel and I am a resident of Peshtigo. I am here to express my concern about two companion bills currently being considered in the Assembly and Senate. They are Assembly Bill No. 250 and Senate Bill No. 98. As a matter of clarification these two bill concern the tax exempt status of the YMCA.

Today you will probably hear many numbers concerning the items that are under consideration. I would like to take a few minutes of your time to cover what I believe are the most significant statistics concerning our YMCA and it's impact on the general community of Marinette, Menominee, and Peshtigo area.

Recent census information has indicated that the potential impacted population of the Marinette and Menominee area would be in the range of 45,000 to 50,000 residents. The annual summary of operation for the YMCA for the year 2000 has indicated that individuals have participated in various YMCA programs 26,376 separate times during the year. The YMCA has touched the lives of these individuals - some maybe only once - but many members have participated in several actives through out the year. As you may or may not know a large number of our programs involve the youth of our communities. I don't believe anyone could object to having our youth participate in positive activities rather than having excess free time. The senior citizens pograms for many are the only time that they can interact with others and establish some type of exercise activity for their well being

The YMCA finished the year with a membership of 3,999 members with an annual budget of \$ 957,837.00. We have reinvested in our facilities 10.2% of our total . budget in improvements at both the University and West Drive centers.

As in any organization reinvestment in facilities to provide new and continued services to our members and program participants is an investment in the future.

Greater Marinette and Menominee YMCA has served this area since incorporation in 1967. For over 30 years it has given back to the communities all of its income in services and operations of our facilities. To now make it necessary to raise additional monies to pay tax just to operate is an undue burden which would greatly impact its ability to function and offer programs at a minimal expense to all of the participants. The YMCA has a policy that NO ONE is ever turned away because of their inability to pay the fees to participate. I rather doubt that the facilities who now want to impose this operating expense on the YMCA's of the State would also offer assistance to those needing help. As I indicated many of the YMCA's programs involve the youth in our area and go beyond **just working out.**

Because the YMCA has a wide range of programs for everyone in the family from our very young in the preschool programs to the senior citizen exercise classes it is imperative that we use every dollar wisely. I again encourage you to support Assembly Bill No. 250 and Senate Bill No. 98 to guarantee that the YMCA maintains its tax free status.

Thank you for your time and attention.

Ralph C Kinzel

WEDA Concerns with TEA Program

WEDA would like to take this opportunity to communicate our support of the State's Transportation Facilities Economic Assistance and Development (TEA) Program and to provide recommendations for improving the program. This program provides 50% state grants for governing bodies, private businesses, and consortiums for road, rail, harbor and airport projects that help attract employers to Wisconsin, or encourage business and industry to remain and expand in the state. *

The TEA Program has been an overwhelming success for industry and manufacturing. The purpose of this program is to attract and retain business firms in Wisconsin and thus create or retain jobs. The businesses cannot be speculative and local communities must assure that the number of jobs anticipated from the proposed project will be realized within three years from the date of the project agreement and remain after another four years. Since the Program was started in 1987, it has provided investments totaling \$45 million for 184 projects statewide, including providing funding for the state's railways, airports, harbors and roadways. The investments have: *

- ✓ Created 43,900 direct and indirect jobs,
- ✓ Leveraged \$2.416 billion in capital investments,
- ✓ Increased wages an average of \$1.055 billion yearly, and
- ✓ Gained \$664 million in taxes over ten years.

Obviously, the program is a success, but there could be an even greater impetus for growth! The funding for the program has been fixed at \$3.5 million per year since 1993. In addition, the current cost per job award of \$5,000 and the eligible cost cap of \$1 million have remained the same since 1987. Based on these facts and what we perceive to be a need to grow the program, WEDA proposed the following changes to the TEA Program: *

- ✓ We believe that the TEA Program funding should be increased to \$10 million per year.
- ✓ We encourage increasing the eligible cost cap to \$1.5 million per project and implementing a cost cap increase of 3% per year thereafter.
- ✓ We propose changing the eligible cost per job to \$10,000 and including an eligible investment cost of \$10,000 per \$100,000 of investment.
- ✓ We recommend that the TEA process be streamlined so that, at a minimum, the project agreement is less onerous and costly.

WEDA still supports the 50% local match.

WEDA is in favor of the Gov.'s Budget
 in regard to the T-Grant program,

to collaborate with the Department of Workforce Development in providing job access and transportation assistance. Provide DOT with the authority to award grants under the state appropriation for job access and employment transportation assistance and to distribute federal funds for that purpose.

[Bill Sections: 633 thru 635, 667, 669, 670 and 2331 thru 2337]

Local Transportation Projects

1,750
 3,500

* 5.2M →

12.2M (* 5.2M
 * 7M)

* 12M

5M

7M

* 10M over
 2 years

1. TRANSPORTATION ECONOMIC ASSISTANCE PROGRAM – FUNDING LEVEL

SEG	\$5,250,000
SEG-L	5,250,000
Total	\$10,500,000

Governor: Provide \$1,750,000 SEG and \$1,750,000 SEG-L in 2001-02 and \$3,500,000 SEG and \$3,500,000 SEG-L in 2002-03 for the transportation economic assistance (TEA) program. Total SEG funding for the program would be \$5,250,000 in 2001-02 and \$7,000,000 in 2002-03. The program provides grants to local units of government to pay up to 50% of the cost to make transportation improvements for the purpose of attracting businesses to the state or allowing existing businesses to expand. The SEG-L amounts reflect the local match required under the program.

2. TRANSPORTATION ECONOMIC ASSISTANCE PROGRAM – RENAME PROGRAM

Governor: Change the formal name of the program from the transportation facilities economic assistance and development program to the Tommy G. Thompson transportation economic assistance program.

[Bill Sections: 652 thru 654 and 2308]

3. LOCAL ROADS IMPROVEMENT PROGRAM – TOWN ROAD AND MUNICIPAL STREET DISCRETIONARY ALLOCATION

SEG	\$2,483,200
SEG-L	2,483,200
Total	\$4,966,400

Governor: Provide \$529,000 SEG and \$529,000 SEG-L in 2001-02 and \$1,954,200 SEG and \$1,954,200 SEG-L in 2002-03 for the local roads improvement program and require DOT to allocate these amounts in those fiscal years, respectively, for town road improvements with eligible costs totaling \$100,000 or more and for municipal street improvements having total estimated costs of \$250,000 or more. Specify that these allocations would be in addition to allocations for town road improvement discretionary projects (\$500,000 annually, under current law) and for municipal street improvement discretionary projects (\$750,000 annually, under current law). The allocations under the bill for the combination of

6. Transportation Economic Assistance Program

Source of Funds	Agency Request				Governor's Recommendation			
	FY02		FY03		+ FY02		+ FY03	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	1,750,000	0.00	3,500,000	0.00
SEG-L	0	0.00	0	0.00	1,750,000	0.00	3,500,000	0.00
TOTAL	0	0.00	0	0.00	3,500,000	0.00	7,000,000	0.00

The Governor recommends additional funding for the Transportation Economic Assistance and Development grant program to target economic development in rural areas of the state. This item is part of the Governor's Rural Economic Development Initiative. (See details of the entire initiative under the Office of the Governor, Item #1.) In addition, change the name of the program to the Tommy G. Thompson Transportation Economic Assistance Program.

7. Rail Assistance Initiative

Source of Funds	Agency Request				Governor's Recommendation			
	FY02		FY03		FY02		FY03	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-F	-201,500	0.00	-494,800	0.00	-201,500	0.00	-494,800	0.00
SEG-O	-391,600	0.00	648,400	0.00	608,400	0.00	1,648,400	0.00
SEG-L	500,000	0.00	1,000,000	0.00	500,000	0.00	1,000,000	0.00
TOTAL	-93,100	0.00	1,153,600	0.00	906,900	0.00	2,153,600	0.00

The Governor recommends the following as part of a statewide rail assistance initiative:

1. Provide \$500,000 SEG-O in FY02 and \$1,000,000 SEG-O in FY03 for the improvement and installation of railroad crossing protection devices. The additional funding will assist the department and the Office of the Commissioner of Railroads in meeting identified railroad crossing needs.
2. Reduce funding for passenger rail service between Milwaukee and Chicago by \$201,500 SEG-F and \$22,400 SEG-O in FY02 to reflect cost-savings negotiated in a new three-year contract with Amtrak for passenger rail service. Provide \$386,800 SEG-O in FY03 and reduce funding by \$494,800 SEG-F in FY03 to reflect the change in the percentage of federal congestion mitigation and air quality funds the department may apply toward passenger rail service along this route.
3. Increase spending authority for the Freight Rail Infrastructure Improvement program by \$500,000 SEG-L in FY02 and \$1,000,000 SEG-L in FY03 to reflect loan repayments. This program offers low or no interest loans to railroads, shippers and local governments for a variety of capital improvement projects.
4. Increase bonding authority for the Freight Rail Preservation program by \$4.5 million. This program assists in the preservation of abandoned railroad corridors when service is not immediately continued.
5. Add use of a rail-with-trail to the list of specified recreation activities that exempt a property owner or active railroad operator from liability for damages occurring on the property while a person is engaged in a recreational activity on the property.

Transportation Issues in the State of Wisconsin

There are significant needs in Southeastern Wisconsin and statewide:

Recently adopted state highway plan: conservatively estimates \$250 million/year shortfall

Recently adopted state airport plan: estimates shortfall for Wisconsin's airports at \$15 million/year

Southeastern Wisconsin Freeways: Reconstruction of the Marquette Interchange needs to begin by 2004 at a cost of \$550 to \$950 million depending upon final design. The remainder of the SE Wisconsin freeway system will need to be replaced and upgraded over the next 20 years at a cost of \$200 to \$300 million/yr.

Wisconsin's passenger rail plans call for improved service between Chicago and Milwaukee, Milwaukee and Madison, as well as connections to Green Bay, La Crosse and other communities. The state's share of the capital costs for the Midwest Regional Rail System is approximately \$600 million.

Additional dollars will be needed to help cover operating costs. The state is about to embark on a state transit plan. Clearly, that effort will reveal significant needs in our urban communities as well as specialized transportation needs throughout the state as we work to expand our workforce and connect even those without access to an auto to jobs and needed medical services.

The importance of rail service to many of Wisconsin's major industries including our timber and forest products industries is growing and its value as a means of reducing heavy truck traffic on our state and local roads will grow if we can work with railroads. However, as the volume of product shipped by rail continues to grow, and as traffic volumes on our highways increase, the need to address rail-highway crossings is going to increase greatly.

In response to a legislative requirement, by December 15 of 2001 all local governments in the state will have submitted to WisDOT information on the roadway system including some sort of condition assessment. The needs that will become readily apparent from that information will be of a magnitude close to that of the state trunk highway system needs.

2. Current transportation revenues will, in no way, begin to address the above noted needs. Clearly, additional revenues will be needed simply to maintain our current transportation system. If we hope to address our safety and congestion needs as well as those of our growing population and our economy, the state must be a team player in this effort.

Although we have made significant gains in federal funding over the past few years, continued increases of that magnitude simply are not realistic. At best, Wisconsin can hope for a stable federal transportation program in the near future.

4. Over the years, Wisconsin's legislature has provided the type of leadership needed to maintain a quality transportation system and one that has allowed us to remain competitive in national and global markets despite our geographical disadvantage. We have been able to address safety needs,

connect people with jobs, provide good connections to our recreational areas, support a vibrant tourism industry as well as a strong economy.

However much of that is in jeopardy unless we as a state can find the way to address our growing mobility needs.

*

Testimony to the Joint Finance Committee
April 5, 2001
By Allin Walker, Director
HELP of Door County, Inc.

Good Morning. My name is Allin Walker and I am the Director of HELP of Door County located in Sturgeon Bay. Thank you for the opportunity to speak with you about the critical importance of State funding for domestic abuse programs. Currently the state funds 53 county-based domestic abuse programs to provide services in all 72 counties, 10 tribal domestic abuse programs, 3 Hmong programs and the Wisconsin Coalition Against Domestic Abuse.

I am here today to tell you something about what that funding provides in our small, mostly rural county and to ask for your consideration of a 10% increase in funds. ~~It is~~ what I understand is a tight funding year,

Last year our program served 170 families devastated by domestic violence. We provided them intervention and legal advocacy services, support groups for women and children, emergency safe house shelter, a transitional living residence, and household goods for establishing their independence when reconciliation was not possible or safe. We served 32 male victims including 3 male victims of elder abuse.

Our estimates are that this is less than half (50%) of the families that could have used our services. This means that there were women continuing to be abused, children left in hurtful circumstances, older adults being taken advantage of, migrant families remaining isolated by fear because HELP of Door County and the other programs across the state do not have the resources to tell them that help is available.

Each day our crisis/ HELpline rings with the story of women like "Ethel" who has lived with an alcoholic, violent and abusive husband for 55 years. She still loves him but she is tired of being hit and demeaned. Her neighbors, her friends and her family have urged her for years to get help but she doesn't know anyone like her who has found a way to make the abuse stop. Her priest has told her on several times that God has a plan for her if she will just endure.

What increased funding will mean is more community outreach to senior groups and more opportunities such as HELP program last October for domestic violence month when we brought together hair stylists from all over the county to hear a presentation about how they are sometimes the first to know about abuse because they see the bruises covered with make-up and the missing hunks of hair.

Most of the women who come to our program have experienced 5 to 7 incidences of abuse before they turn to us for services. As we often say, there are 100 good reasons not to seek our services- it will mean economic hardship, enduring the legal process, often being humiliated by ex-friends and relatives. Seeking services will

mean disrupting your children's lives, becoming dependent on others for your survival and often not knowing if it is safe for you to be out in public.

How tragic it is then when you finally have had enough and you find a program like ours to be told "I'm sorry, our Transitional Living Program is full and our community has no other housing alternatives to keep you safe." Or, to be told "We're sorry, there is no advocate available to help you through the shame and fear of having to give testimony about the physical degradation you have experienced with your abuser sitting there in front of you mocking you." Or, to have to be put on a waiting list for services for your son who has begun wetting his bed again at age 8 because he is afraid of the fights he hears between his parents."

Programs like ours save lives. We make reconciliation possible. We help families get the help they need to remain independent. Programs like ours are a good investment and need your help to be able to reach out to women and families in extreme crisis. I thank you for your time.

CITY OF MARINETTE, WISCONSIN

RESOLUTION NO. 11-2001

OPPOSING THE CHANGES TO STATE AID TO LOCAL GOVERNMENT IN THE GOVERNOR'S PROPOSED BUDGET

WHEREAS, the Common Council of the City of Marinette has worked diligently to reduce spending by 6.3% between Fiscal Years 1999-2001;

WHEREAS, the Common Council has reduced its general tax levy by over 20% between Fiscal Years 1999 and 2001;

WHEREAS, the City of Marinette has experienced lower growth in the Equalized Valuation relative to many other Cities in the State;

WHEREAS, the current equalization formula has directed state aids to the City of Marinette which have served to reduce the tax burden on its residents and business community;

WHEREAS, the new formula in the Governor's proposed budget would result in a loss to the City of Marinette of an estimated 7% in its state aid receipts which will result in increased property taxes to its residents and business community;

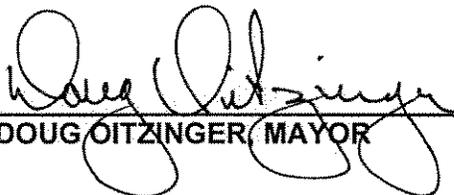
THEREFORE, the Common Council of the City of Marinette opposes the changes included in the Governor's proposed budget.

Dated this 4th day of April, 2001

Resolution introduced and adoption moved by Alderperson Mark Nygren

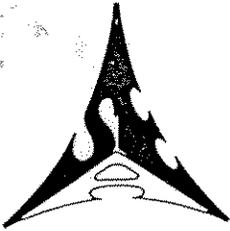
Motion for adoption seconded by Alderperson Tim Langer

On roll call, adopted unanimously


DOUG OITZINGER, MAYOR

ATTEST:


James M. Anderson, City Clerk



STATE ENGINEERING ASSOCIATION

4510 REGENT STREET

MADISON, WISCONSIN 53705

(608) 233-4696

April 3, 2001

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

RE: Dept. of Employee Trust Funds Budget

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

I. Direct Service Staffing Areas

A. Critical Customer Service Improvement

The current 12 week delays in service are unacceptable.

The 13 FTE requested are needed to reach the average of other retirement systems as confirmed by the CEM Study.

The Governor's reduction to 8 FTE positions only **REDUCES SERVICE** and saves no GPR funds because ETF funding is segregated. The number of participants has increased to 475,000.

B. Customer Service Call Center

This year the call center has improved the answering of phone calls from 30-40% to 80-85%. However, the goal is 90% within one minute and this cannot be reached with temporary project position staff. This past year there has been a 100% turn-over of the project staff requiring complete retraining. The permanent position staff are needed now, not two years from now!

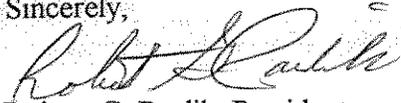
SEA supports the ETF budget and recommends reinstatement of the permanent positions cut by the Governor's proposed budget.

Co-chairs Senator Brian Burke &
Representative John Gard
Joint Finance Committee
Page 2
April 3, 2001

These cuts save NO GPR FUNDS; they only reduce service
to employees and annuitants.

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

Sincerely,



Robert G. Pavlik, President
Green Bay Section
STATE ENGINEERING ASSOCIATION

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

My name is Larry Schmitz and I am here to testify against the proposed taxation of computer services.

MY BACKGROUND

- Retired Executive Officer of Schenck & Associates Information Technology Consulting Group. Schenck is a Wisconsin-based CPA/Consulting firm started in 1930 with about 600 employees in 10 Wisconsin cities.
- I am the Past President of the Association of Information Technology Professionals that has approximately 11,000 members throughout the U.S.
- I am also a Certified Computer Professional and a Certified Management Consultant.
- I have served both as an expert witness and as an arbitrator at the federal level on computer related cases. Those credentials, along with 36 years in the profession, and being more than 50 miles from home, make me somewhat of an expert on the issue at hand.

THE PROBLEM

What DOR is trying to do with the help of the Legislature is to tax a service as if it were a product. They have attempted, several times in the past, to do this under existing law going back almost 30 years with the Janesville

Data Center and IBM cases, and the courts have ruled against them. This time they are just plain trying to change the law verses bending it. This is a little more honest approach, but not without its problems.

Just so everyone understands, neither Schenck & Associates SC nor I will be subject to paying this sales tax – we don't buy custom programming – we sell these services to our small business clients – who in the end will be footing the bill. So our role will be to collect the taxes for DOR.

My concern in regard to this ill thought out proposal is the additional burden this sales tax will place on Wisconsin small business and the loss of Wisconsin-based jobs that can occur.

First, you should be aware that most of the custom programming we do is for small businesses who can't afford to hire their own internal programming staff. Right now, the shortage of people in the US with these skills and experience is estimated at 400,000 – so when you go to hire one, they are very expensive.

Secondly, much of the custom programming development is done in our office verses the client's office.

If I were in a small business in need of custom programming and could save 5% of the total cost by using the services of an out-of-state firm, why would I use a Wisconsin-based business?

And if I were a small computer consulting firm here in Peshtigo or down the road in Marinette, why wouldn't I simply move my operation over to Menominee, Michigan and enjoy a 5% pricing advantage over Wisconsin-based business?

I'm not sure you all realize that the typical profit margin on computer related services work is only 10%-20%. So, if I am a computer services provider based in Wisconsin and can provide many of these services remotely to my customers from anywhere in the world, AND the State of Wisconsin now wants to add a sales tax on top of the fact that I am already paying one of the highest income taxes in the country, and remembering that if my profit margin on programming work was 10% to start with, and if I can't pass on the sales tax to my customer due to competitive pressures from out-of-state firms, I have effectively seen the State reduce my potential profit in half. How long will I stay in Wisconsin?

Or if I was in the computer services business in another state, why in the world would I ever consider moving my business, or a part of it, to Wisconsin.

Ladies and Gentlemen of the Legislature, I believe you have been snookered by whomever proposed this ill thought-out provision.

Whenever you raise taxes, someone's ox has to be gored – and in this case it is the little guys who can't put up much of a fight because they can't afford to shut down or be absent from their business to lobby against this provision.

Is that fair and is that your intent? If it is such a good idea to apply the sales tax to services provided by the computer-related professions, lets start taxing services provided by other professions such as doctors, dentists and attorneys and see what kind of reaction you get.

Businesses in Wisconsin are already at enough of a competitive disadvantage when trying to attract good people to come and work here because of our bad reputation for high taxes; lets not put another nail in the coffin.

Thank you!

Oneida Tribe of Indians of Wisconsin

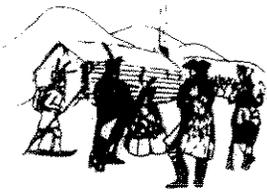
Post Office Box 365

Phone: (414) 869-2214

Oneida, WI 54155



UGWA DEMOLUM YATEHE
Because of the help of
this Oneida Chief in
cementing a friendship
between the six nations
and the colony of
Pennsylvania, a new
nation, the United States
was made possible.



Oneidas bringing several hundred bags of corn to Washington's starving army at Valley Forge, after the colonists had consistently refused to aid them.

Joint Committee on Finance
April 5, 2001
Testimony on SB 55 & AB 144

Legislative Affairs, Director Kevin Cornelius
Oneida Tribe of Indians of Wisconsin

Thank you for providing us with the opportunity to testify on the 2001 – 03 Biennial State Budget Bill.

As Committee members are aware, the Oneida Tribe pays \$4.85 million dollars annually to the State of Wisconsin. We appreciate all the time and support Committee members have taken out of their busy schedules to discuss our concerns with the State.

We are committed to pursuing language in the state budget that brings a large portion of our Indian gaming revenues back to Northeastern Wisconsin. The Tribe is currently working closely with our local officials to identify where gaming revenues can be beneficial to the region.

The basis of our efforts center on the MOU signed by the Governor and the Tribe which identified four areas of expenditure:

1. Economic development initiatives to benefit Tribes and/or American Indians within Wisconsin
2. Economic development initiatives in regions around casinos.
3. Promotion of tourism within the State of Wisconsin, and
4. Support of programs and services of the County in which the Tribe is located.

We look forward to presenting our annual allocation plan of our \$4.85 million dollars to the members of the Joint Committee on Finance during the next three weeks.

Thank you

A handwritten signature in cursive script, which appears to read "Kevin Cornelius".

Chairmen Gard and Burke; Members of the Committee:

My name is Patricia Finder-Stone. Thank you for the opportunity to present to you today. As a member of the Wisconsin Tobacco Control Board, I feel privileged and obligated to try to promote awareness of the tobacco burden in Wisconsin.

All of us here today are concerned about health, and likewise, everyone here is concerned about health care costs. Yet much of the Wisconsin budget is spent on issues directly or indirectly related to health. I believe there is no better way to cut the budget than to prevent the illnesses that escalate health care costs and human misery.

Over and over, we have heard the message that tobacco use is the single most preventable cause of death and disease in our society. It's not just lung cancer. It's heart disease and asthma...and just about every organ in our bodies. Just think, without tobacco, our prescription drug costs could be cut exponentially!!!

I have a handout for you with some current figures about the toll of tobacco in Wisconsin, and a page which identifies where our settlement dollars are going, and it compares our expenditures with a couple other states.

You probably saw our anti-tobacco media messages this past week emphasizing that 2nd hand smoke kills, but ads alone won't end the tobacco burden...especially when the tobacco companies spend \$100 m on ads in WI alone each year, and more of that is spent on telling the public how charitable they are rather than what is actually given to the charities! Our program is comprehensive!

The focus of all our activities are community based, and school-based, too. Between 1996-1998, Florida reduced its h.s. tobacco use by 24%. At the same time, WI youth rates went up 6%!.

And pregnant women...Wisconsin...32% higher than the national average...one out of every 6 smoke. So we've also started a pilot program for pregnant women.

We know that we have a lot of work to do. You saw the headlines this week...tobacco killing twice as many women as in 1965.

We need your help...We are concerned about the unfunded mandate of the Thomas T. Melvin program, which is being transitioned from state general funds to TCB funds...500K in the 1st year, and the whole million in the 2nd year...so that is a 1.5 m. decrease in our funding over the biennium. That means that our funds would have to come from our current funded programs, and that will threaten the effectiveness of our existing programs.

Also, as you compare the programs in the other states (handout), please compare staff levels... we have 2 ... We requested 7 in our agency request, and we are allocated 4. The numbers speak for themselves!

As I stated, **we need your help**...each of you on this committee directly addressing budgetary issues AND people's lives. We need long term and adequate funding for tobacco prevention and control! We will succeed **if** our effort is maintained and strengthened over time.

Thank you for the opportunity to share my concerns.

Patricia Finder-Stone, MS, RN, Wisconsin Tobacco Control Board
985 N. Broadway, De Pere, WI 54115 (920)336-4187 stone@netnet.net

Wisconsin Tobacco Control Board

Allocation Comparison:
Massachusetts, Minnesota, and Wisconsin

Plan Component <i>Focus of Activity</i>	MA	MN <i>(Youth Only)</i>	WI
1. Media and Countermarketing	\$14,515,000	\$7,700,000	\$6,500,000
2. Community Coalitions			
Community Coalition Grants	\$9,775,000	\$4,800,000	\$5,750,000
3. Youth Prevention			
Youth-Led Movement	\$3,488,000	\$1,100,000	\$800,000
School Grants	NA	NA	\$1,250,000
Thomas T. Melvin	NA	NA	\$1,000,000
4. Cessation Support	\$8,079,000	NA	\$800,000
5. Statewide Programs	NA	\$3,100,000	\$900,000
Ethnic Network and Local Grants to Communities of Color	\$2,565,000	\$1,200,000	\$600,000
6. Resource Clearinghouse	\$230,000	NA	\$200,000
7. Monitoring and Evaluation	\$3,404,000	NA	\$1,500,000
Center for Tobacco Research and Intervention		\$10,200,000	\$1,000,000
Medical College of Wisconsin		<i>Minnesota Partnership for Action Against Tobacco (MPAAT) (Adult Focus)</i>	\$500,000
8. Program Support	\$2,056,000 33 staff	\$1,400,000 36 staff	\$400,000 2 staff
Total	\$44,314,000	\$29,500,000	\$21,200,000

The Toll of Tobacco in Wisconsin*

Tobacco use in Wisconsin

High school students who smoke - **36%**

High school males who use smokeless tobacco - **19%**

Kids under 18 who become new daily smokers each year - **26,000**

Kids exposed to 2nd hand smoke at home - **428,000**

Packs of cigarettes illegally sold to WI kids each year - **5.3 million**

Adults in Wisconsin who smoke - **23%**

Pregnant women in Wisconsin who smoke - **32%**

Deaths in Wisconsin From Smoking

of people who die each year in Wisconsin from smoking - **7,800**

of Wisconsin kids under 18 who will die from smoking if current trends continue -
117,000

Second-Hand Smoke Statistics

Lower respiratory tract infections age under 18 months ea.yr. **150,000 to 300,000**

" " " " hospitalizations " " " " **7,500 to 15,000**

#of deaths from 2nd hand smoke in U.S. - **53,000**

Tobacco-Related Monetary Costs in Wisconsin

Annual health-care expenditures directly related to tobacco use - **\$1.3 billion**

Residents' state and federal tax burden caused by tobacco-related health costs -
\$620 million

Wisconsin government Medicaid payments directly related to tobacco use -
\$190 million

Additional annual expenditures in WI for baby health problems caused by mother
smoking or being exposed to second hand smoke during pregnancy -
\$ 38 to \$109 million

Tobacco Industry Influence

Yearly tobacco industry advertising & marketing expenditures nationally **\$5.2 billion**

Estimated portion spent for Wisconsin advertising each year - **\$100 million**

*Information from Campaign for Tobacco Free Kids, 24 March 2001

Sources listed at <www.tobaccofreekids.org>

Excellent recommended site for current tobacco information:

Tobacco Control Resource Center for Wisconsin <www.tobwis.org>

April 5, 2001

Dear Senator Burke and Joint Finance Committee Members,

I am the new Tobacco Control Specialist for 52 of our 72 Wisconsin counties in the northern half of our state.

Many of my counties are rural and have a high rate of tobacco/cigarette use. After moving to Mishicot from suburban Chicago six years ago, I've realized that smoking (and drinking) are simply part of rural Wisconsin's cultural norms. My job is a daunting one: to change society's attitude toward tobacco use.

The only way I can do this is via the Wisconsin TCB's Comprehensive Plan to reduce tobacco use. The Tobacco Control Board must be funded at the minimum level suggested by the Centers for Disease Control over the long-term. Education about tobacco's negative health effects will eventually cause Wisconsinites to decrease their use of tobacco; but it will take TIME.

I urge you to use Tobacco Dollars for Tobacco Prevention!!!

Thank you very much.

Sincerely,
Annette Paul

TESTIMONY BEFORE JOINT FINANCE COMMITTEE
ON 2001-03 STATE BUDGET

April 5, 2001

Peshtigo, Wisconsin

By

Mary M Goulding, 1503 Carroll Avenue, Green Bay WI 54304

(920) 497-7312

Thank you for this opportunity to comment on the 2001-2003 state budget proposal. My name is Mary Goulding, Vice President of Council 40 of the American Federation of State, County and Municipal Employees. My Council represents approximately 32,000 workers in Wisconsin – ranging from school support staff like myself...to health care workers...to county highway crews.

So, as you might guess, we also have a range of concerns about this proposed budget. I will attempt in this short time to list just a few of the major issues.

First, please support the proposed changes that would increase the Medicaid reimbursement formula through the Intergovernmental Transfer Program. County nursing homes, which serve as the last safety net for our most vulnerable citizens, would benefit from these increased federal dollars.

As last year's Audit Bureau report pointed out, costs are higher at county homes because the residents are generally sicker and pose more behavioral problems, such as Alzheimer's or mental illness. The funding deficits that result force counties to either make up the difference by increasing property taxes, downsizing or getting out of the nursing home business altogether.

As I understand it, the Intergovernmental Transfer Program uses county nursing home losses to capture additional federal Medicaid matching funds. This mechanism, which is used by about two dozen other states, could increase Medicaid nursing home funds by \$115 million in the first year of the budget and \$157 million in the second year, provided the federal government approves these changes. About \$40 million of these funds would be allocated to county nursing homes. This funding is desperately needed - especially when you consider that county homes ran deficits totalling \$66 million in fiscal year 1998-99.

Second, please do something to bring some sense to the shared revenue program. We support some of the key concepts that emerged from the Kettl Commission – namely that the state ought to reward governments for cooperating with each other ... as well as the regional approach to share in their own economic development.

But the figures I've seen on the governor's proposed changes in distributing shared revenues has suddenly turned the tables. Communities that use to be winners under the formula are now losers... and those that previously fared poorly are at the top of the list. Where I live in Green Bay we lose more than \$800,000 as do our neighbors in Appleton. In addition to more funding – which would be for the first time in about 6 years, I might add – the shared revenue program needs some sort of rationale distribution formula that doesn't turn the world on its head and forces either hefty property tax increases or deep cuts in services.

Third, I believe that recycling has a statewide benefit that warrants continued state support. I think it's a bad idea that the governor rejected the use of "tipping fees" as a way to support recycling at the local level and prevent Wisconsin from becoming a dumping ground for out-of-state garbage. I don't want garbage haulers from Illinois and Michigan bringing their trash into northeastern Wisconsin. Let's increase their fees and use the additional revenue to keep recycling a statewide priority.

Finally, I urge you to take a look at our state transportation priorities. No, this is not another anti-highway lecture. I realize that cutting the ribbon on a new highway project grabs a lot more headlines than making sure the highway maintenance program is adequately funded to keep them clear year round.

Let me bounce a couple of numbers at you. They are all in constant dollars – adjusted for inflation – for the years 1986 through 2001. The source is an August 2000 Budget Trends document from Wisconsin's Department of Transportation's Office of Policy and Budget.

Major Highway Development: 64% funding increase between 1986 and 2001;
State Highway Rehabilitation: A 49% funding increase; and
State Highway Maintenance: An 8% funding DECREASE.

Most of the Maintenance program funds county crews that plow and perform routine preventive maintenance on state highways. When there's six inches of snow, every citizen wants their road clear – whether it's Highway 41 near Oconto or I-94 in Oconomowoc.

And if they don't like what they get, do they call WisDOT or you legislators who decide the Maintenance Program's funding level? Maybe sometimes, but usually the angry citizens are calling their county highway commissioner or criticizing the county snow plow crews, who are merely providing the level of service that the state is willing to pay for.

Let me suggest that sometimes it appears that you folks at the state level want all the credit when it comes to building roads, but you want to use counties as the scapegoats because you're not willing to budget the dollars to adequately maintain them.

In summary, I urge you to support efforts to increase nursing home funding, fix shared revenues, preserve recycling statewide and allocate additional dollars for state highway maintenance.

Thank you.

April 3, 2001

Honorable John Gard
Joint Finance Committee
Room 315 North
State Capitol
P. O. Box 8952
Madison, WI 53708-8952

Dear Mr. Gard:

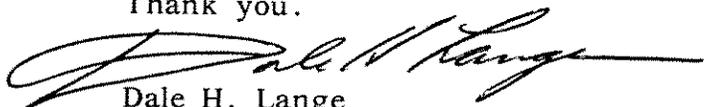
First, we would like to thank you for the opportunity to express our concerns and, for your hard work on getting the construction of the Highway 41 4-lane highway to the Peshtigo area and encourage your continuous support.

One area of concern is the rising cost of health insurance, primarily for small businesses. Small businesses are very important to the economic well being of Northeast Wisconsin. The escalating cost of health insurance and an increased number of uninsured or underinsured people can be a great financial burden. We encourage the legislators to explore ways that small businesses (groups of under 30 people) would be able to group together re-insurance pools for all major health insurance claims. This would spread the risk over a large group of insured to help reduce rate increases, yet still be able to allow all insurance companies a fair and equitable chance to deliver their services. Rising insurance costs have hindered the growth of some small businesses in Northeast Wisconsin.

Another area of concern is the funding of the Wisconsin Technical Colleges. As business people we understand budgetary concerns and a slow down in the economy, but an increase in funding for the Wisconsin Technical Colleges is critical for the continuing economic stability and growth in Northeast Wisconsin. In the recent election, the people of Northeast Wisconsin supported the Referendum for NWTC showing their strong support of our technical colleges and the need for them in the communities. Educational institutes like NWTC have played a key roll in the development of a strong, skilled workforce, whether it's from full time programs or short courses which upgrade the workforce for new technologies. Our local companies need a strong technical college system to continue to prosper and compete in the global economy. We strongly encourage the Joint Finance Committee to recommend to the Governor, for his approval, an increase in funding for the Wisconsin Technical College System. The WTCS has been a driving force in transforming unemployed and underemployed citizens of Wisconsin to be gainfully employed and become a vital part of our economy.

We know you will continue to try your hardest to support your people here in Northeast Wisconsin.

Thank you.



Dale H. Lange
President
Peshtigo Area Economic
Development Corporation