



Wisconsin State Public Interest Research Group
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2001 Legislative Priorities

About WISPIRG

The Wisconsin Public Interest Research Group (WISPIRG) is an advocate for the public interest. Using the time-tested tools of investigative research, media exposes, grassroots organizing, advocacy, and litigation, we uncover threats to the public interest and fight to end them. WISPIRG's mission is to deliver persistent, result-oriented activism that protects the environment, encourages a fair, sustainable economy, and fosters responsive, democratic government.

Protecting Wisconsin Waters

Almost 30 years ago, the federal Clean Water Act set a goal of making all of our waterways safe for fishing and swimming. Today, over 35% of our waters have still not met that goal. Runoff pollution from agriculture and urban areas is Wisconsin's largest source of water quality problems. In fact, in Wisconsin, runoff pollution affects 40% of our streams, 90% of our inland lakes, many Great Lakes coastal waters, and much of our groundwater.

The Wisconsin Department of Natural Resources has written water quality rules to begin to curb runoff. These rules are perhaps the most significant set of water standards ever considered in Wisconsin.

- WISPIRG urges the Natural Resources Board and the State Legislature to adopt the rules as most recently drafted by the DNR.
- WISPIRG urges the State Legislature to ensure adequate funding in order to implement these rules immediately.

Enforcing Consumer Protection Laws

In order to protect consumers from illegal practices ranging from pyramid scams to illegal product sales, the state needs to have the ability to properly enforce existing laws. In the Governor's proposed 2001-2003 budget, enforcement of consumer protection laws is severely eroded by taking away the Department of Justice's ability to take action when consumer laws are violated.

- WISPIRG urges the State Legislature to support the continuation of the Department of Justice's

responsibility to enforce existing consumer protection laws.

- WISPIRG urges the State Legislature to support continued funding for consumer protection staff positions within DOJ.

Continuing Wisconsin's Strong Democratic Traditions

Wisconsin has excellent voting laws, creating an environment that fosters civic participation and democracy through the electoral process. For example, Wisconsin is one of a handful of states where citizens can register to vote at the polls on election day. However, in the wake of the 2000 elections, our democratic system has come under attack. Legislators and the Governor have proposed a range of policies that create blockades to voting for many Wisconsinites and deter individuals from giving their time to work at polling locations.

- WISPIRG opposes all attempts to rollback voting laws, including eliminating voter registration on election day and requiring photo identification to vote.
- WISPIRG supports additional recruitment and training of pollworkers and opposes Governor McCallum's proposal to fine pollworkers up to \$1,000 for errors made at polling locations.

Protecting Consumers from Unfair Lending Practices

In recent years, so-called "payday lenders" have flooded Wisconsin. These predatory lenders charge interest rates of 500% and higher for short term loans. At the same time, if a customer cannot pay back their loan, the lenders continue the loan. Many consumers end up paying thousands of dollars in interest for a loan of only \$200 or less.

- WISPIRG supports a 36% interest rate cap on payday loans in Wisconsin.

Supporting Family Farms and a Clean Environment

The increasing trend toward large-scale agriculture in Wisconsin is squeezing out family farmers while

threatening our environment and public health. Agriculture pollution in drinking water can cause miscarriages, sickness, and even death. Agriculture pollution in rivers and lakes can kill fish and other aquatic life. At the same time, the influx of factory farms in Wisconsin and government policies that favor industrial agriculture are pushing Wisconsin's family farmers out of business at a rate of 3-4 every day.

- WISPIRG supports the Family Farm Protection Act which would eliminate special treatment of large-scale operations, ensure adequate environmental and public health protections from agriculture pollution, and make small farms more economically viable.

- WISPIRG supports Senator Brian Burke's Family Farm Protection Act Amendment to the state budget.

Preventing a Solid Waste Crisis

Wisconsin landfills will reach their capacity in just six years, forcing us to build new landfills. Since Wisconsin's recycling law was implemented in 1990, Wisconsin residents have recycled 40% of their trash. Industry, whose waste makes up over 73% of Wisconsin's garbage, only recycled 24% of their waste. At the same time that we face this solid waste crisis, the Governor's budget proposes cutting the state's existing recycling program dramatically.

- In the 2001-2003 budget, WISPIRG supports the continuation of the Wisconsin recycling program at funding and staffing levels requested by the DNR.

- WISPIRG supports proposals to hold manufacturers and industry more accountable for solid waste, including requiring recycled content standards in products and improving waste reduction strategies.

Ensuring Industry Compliance with Environmental Laws

Clean water and clean air are at stake under a proposed "pollution secrecy" program in the state budget. Pollution secrecy (self-audit privilege) grants industries the privilege to do their own reporting and inspections without government review or penalties for violating clean air and water standards. This lack of monitoring and enforcement undermines Wisconsin's laws that protect our health and environment from pollutants.

- WISPIRG opposes pollution secrecy.

Watchdogging Wasteful Spending

Every year, the Wisconsin Legislature spends millions of dollars on programs that waste taxpayer dollars, harm the environment, and give special breaks to corporate interests.

- WISPIRG opposes the \$9.1 million subsidy to renovate Lambeau Field.

- WISPIRG opposes property and sales tax breaks to the timber industry and opposes using state tax dollars to market forest products.

- WISPIRG opposes a \$2.5 million a year tax break for Midwest Express and Air Wisconsin.

Getting Big Money Out of Politics

Wisconsin has seen record campaign spending in recent years, with campaigns hijacked by special interest money.

- WISPIRG supports "Voters First," AB155/SB 62, which would lower contribution limits for candidates, require full disclosure for issue ads, and provide some public funding for candidates who agree to limit campaign spending.

Making a Commitment to Higher Education

As the price of attending college increases, students are finding themselves in deeper and deeper debt with student loans. Over a three year period, the numbers of students graduating with debt over \$20,000 nearly doubled. Many would-be students are being priced out of an education.

- WISPIRG opposes cuts in state funding for the UW System that result in tuition increases for students.



**TESTIMONY ON
2001-2003 STATE OF WISCONSIN BUDGET
(SB 55/AB 144)**

Presented to the Joint Finance Committee
April 11, 2001

Victor M. Boyer
Vice President - Government Relations
Forward Janesville, Inc.

Mr. Chairman and Committee Members:

Good afternoon. My name is Vic Boyer. I'm Vice President for Government Relations with Forward Janesville, Inc. and I'm representing that organization this afternoon. Forward Janesville is a private-sector economic development organization representing more than 700 businesses in the Janesville area. We thank you for this opportunity to provide a few brief comments about Governor McCallum's proposed budget.

There are four specific items in the Governor's budget that we would like to address today. First, we fully support the Governor's proposal to replace the current three-factor corporate apportionment formula (sales, payroll, and property) with a single-factor formula based only on sales. As you are aware, surrounding states such as Illinois, Iowa, Minnesota, and Michigan have changed to a single-sales factor formula placing Wisconsin at a competitive disadvantage for future attraction, retention, and expansion of corporate headquarters. We believe this issue is extremely critical to the future economic success of our state and region. We therefore urge you to again support these proposed changes as many of you did two years ago.

Second, we support the Governor's recommendation to create up to twenty technology zones to promote development and expansion of high-technology businesses in Wisconsin. If structured properly, these types of zones could be a critical component

Experience the Power of Community

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in a comprehensive program to assist new and emerging enterprises, as well as existing employers who may want to upgrade to the latest technology. As the details of this proposal are worked out, we encourage you to adopt a very broad and flexible definition of "high technology" that includes high technology applications in existing enterprises, not just research and development facilities.

Our third issue concerns a provision that would apply the sales and use tax to sales of custom computer software. This proposal would treat custom computer software the same as off-the-shelf software. We believe this is a very ill conceived idea, and would encourage you to delete the provision. Not only would this create a new direct tax on businesses (\$36 million by 2003), many of our investors believe that passage of this provision would open the door to taxation of other professional services. We are also concerned that this tax would provide an additional disincentive for creation of high technology jobs in Wisconsin. Most states provide an exemption from sales/use taxes for custom software. We believe that this policy should be continued in Wisconsin.

Finally, we continue to support efforts to remove Wisconsin from the list of top ten states in terms of total per capital tax burden and personal income taxation. During the last two legislative sessions, significant progress has been made in this direction and we appear to have moved well down the list, perhaps somewhere between 5th and 8th place according to the information we have seen. Nevertheless, we still remain in the top ten in these two somewhat negative categories, and we encourage you to continue efforts to remove Wisconsin from these two lists as soon as possible.

Thank you very much for this opportunity to share our views with you on the budget bill.

**2001-2003 Budget Bill
Testimony
Small Business Development Center
Kenosha/Racine
4-10-01**

We will be brief.

My name is David Schachtner. I am the manager of the Small Business Development Center (SBDC) located at 8600 Sheridan Road, Kenosha, WI. 53143. Joan Larson who is the manager of the SBDC located at 4701 Washington Avenue, Racine, WI. 53406 accompanies me. We serve aspiring entrepreneurs and existing businesses in Kenosha and Racine Counties respectively.

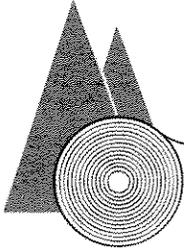
I would like to begin by thanking you for your past support of the SBDC program statewide. That support enables the twelve SBDC locations across the state to annually serve over 12,000 clients by providing business management education and one-on-one counseling. We are a cost neutral program to taxpayers. Historically, we have generated \$3.00 in new state revenue for every \$1.00 of state funding.

In addition, the Kenosha/Racine SBDC has leveraged state support with that of nine other local community and economic development based partners to foster the startup, stabilization and competitive growth of small businesses in our respective counties.

The tight fiscal position of the state has resulted in the elimination of funding for a proposed SBDC technology initiative. This initiative would have enabled the SBDC to add a technology specialty to our small business assistance infrastructure. The technology specialty would have been especially important to southeastern Wisconsin and the Kenosha/Racine SBDC as it would have enabled us to add a staff specialist to facilitate the transfer and application of University research and technology to local businesses and entrepreneurs.

We are here to ask only that if revenues exceed current projections, that you consider restoring the SBDC technology initiative funding so that this business assistance network can begin to foster the development of the high growth, high paying, technology-based businesses that this area and the state so vitally need.

Thank you for your consideration.



Paper Industry International Hall of Fame, Inc.

P.O. Box 9050

Appleton, WI 54911-9050 U.S.A.

Phone 920-749-3040, Ext. 103

April 11, 2001

Senator Brian Burke, Co-Chair Joint Finance Committee
Representative John Gard, Co-Chair Joint Finance Committee
Representative Dean Kaufert, Vice Chair Joint Finance Committee

Dear Joint Finance Committee Members:

Please accept this letter and enclosure as our formal request for financial support of the Paper Industry International Hall of Fame's renovation of the historic Atlas Mill located in Appleton, Wisconsin.

In 1992, the Paper Industry International Hall of Fame (PIIHF) was established in Neenah, Wisconsin as a not-for-profit corporation with a mission to identify and honor distinctive individuals worldwide who have contributed to the development of the paper industry and its technology. Over the past nine years, public awareness of the outstanding record of achievement of the worldwide paper industry has been increased through the induction of 35 individuals into the Hall of Fame based on their contributions to the industry.

In late 1999, Kimberly-Clark Corporation donated the Atlas Mill to the Paper Industry International Hall of Fame, offering the opportunity to enhance the scope of the mission of the PIIHF through the renovation of the mill as a museum and educational resource center.

During the past year, PIIHF volunteers have worked to create a new vision and mission for the Atlas Mill, which will be called the World Paper Center. Our goal is to organize and communicate the record of achievement of papermakers, and allied businesses, to individuals and communities throughout the world. This will be implemented through the creation of a papermaking heritage museum and a sustainable industry education center, which will operate together with the existing program of recognition that the Paper Industry International Hall of Fame initiated in 1992.

The World Paper Center is a major component of the emerging Fox River Heritage Parkway and will significantly contribute its long-term success through the preservation of the Atlas Mill, industrial and environmental education and development of visitor amenities. The World Paper Center will make the State of Wisconsin more attractive and contribute to its economic success.

The programs and exhibits of the World Paper Center will include the following:

- A world-class visitor experience including the papermaking heritage museum, the sustainable forestry outdoor exhibit, the adjoining "Vulcan Heritage Park" and a meeting facility for visitors, businesses and community organizations.
- A local program of arts education and exhibition related to papermaking, the graphic arts and the natural history of the Fox River.

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- A collection and exhibit of papermaking history, paper related arts and contemporary paper and forestry technology and production processes.
- A statewide paper, printing and forestry educational program for both students and teachers.
- A statewide paper, printing and forestry career center for students, guidance counselors and academic advisors.
- A worldwide program about the environmental sustainability of the paper and forest products industry.
- An exhibit recognizing national and international inductees to the Paper Industry International Hall of Fame.

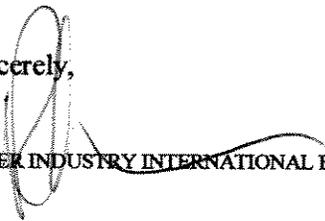
The World Paper Center project is being executed in two phases. Phase I was initiated in early 2000 and included the final transfer of the Atlas Mill property to the PIIHF, the design and budgeting for the renovation of the building and the demolition of unnecessary mill outbuildings. During this period the capital fundraising campaign was launched and as of March 31, 2001 gifts and pledges totaled just over \$1,500,000.

Our success in implementing Phase I has enabled us to initiate Phase II, which includes the complete renovation of Building #1 and Building #2, the development of the educational programs and museum exhibits and the installation of site improvements including the outdoor educational area. The total cost of Phase II is estimated to be \$3,000,000.

We respectfully request that the State of Wisconsin join our funding partners from the paper industry, the City of Appleton, the Fox Cities Convention and Visitors Bureau and the individuals, families and businesses of the greater Fox Valley community and contribute \$250,000 toward our campaign goal of \$4.5 million dollars. All donated funds will be used for the reconstruction of the Atlas Mill buildings and related museum and educational program development costs.

Thank you for your consideration of our request.

Sincerely,



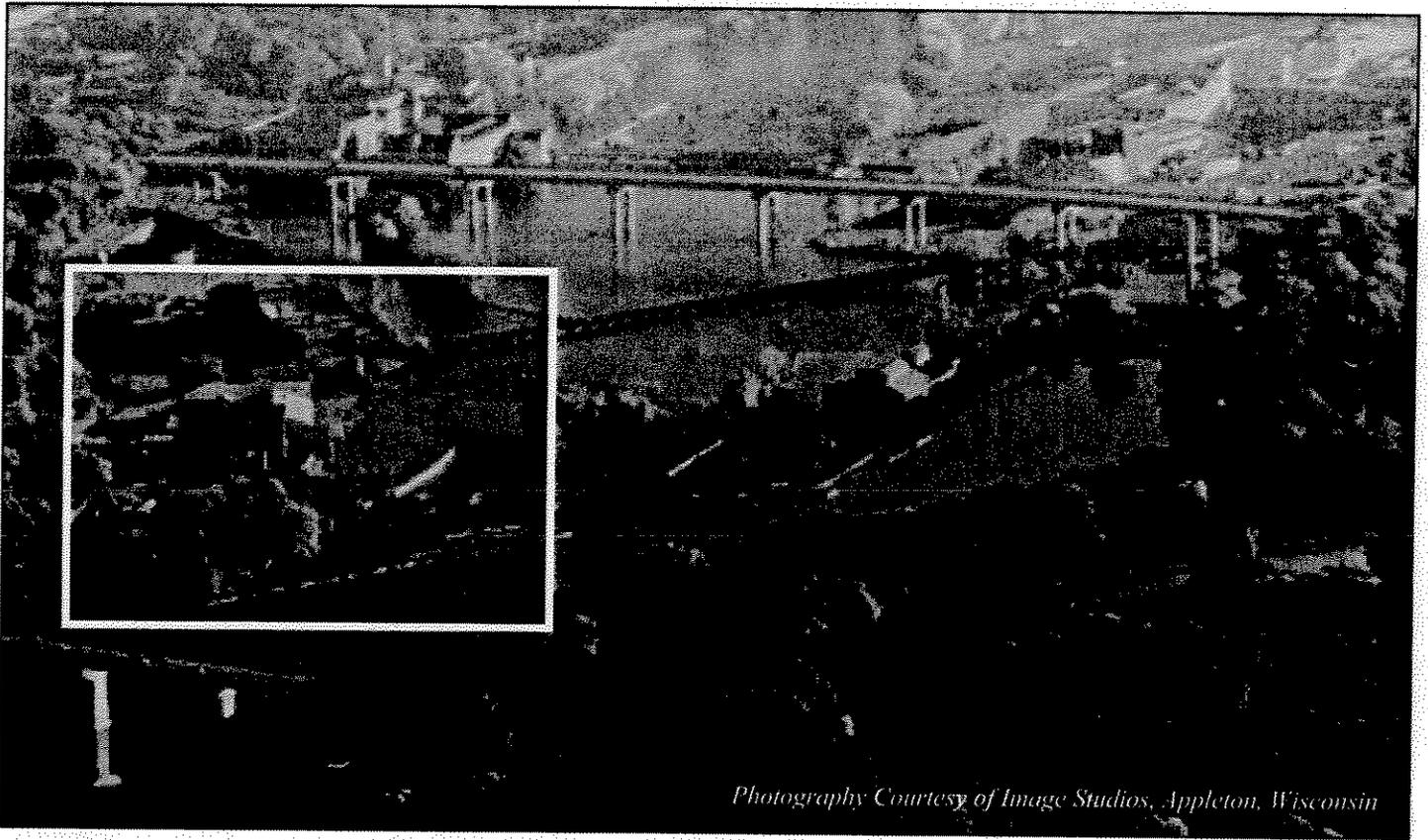
PAPER INDUSTRY INTERNATIONAL HALL OF FAME

Randall Stadtmueller
Chair, Fundraising Committee

Enclosure

The World Paper Center

The Paper Industry International Hall of Fame
The Sustainable Industry Education Center
The Papermaking Heritage Museum



Photography Courtesy of Image Studios, Appleton, Wisconsin

State of Wisconsin
Joint Finance Committee
April 2001

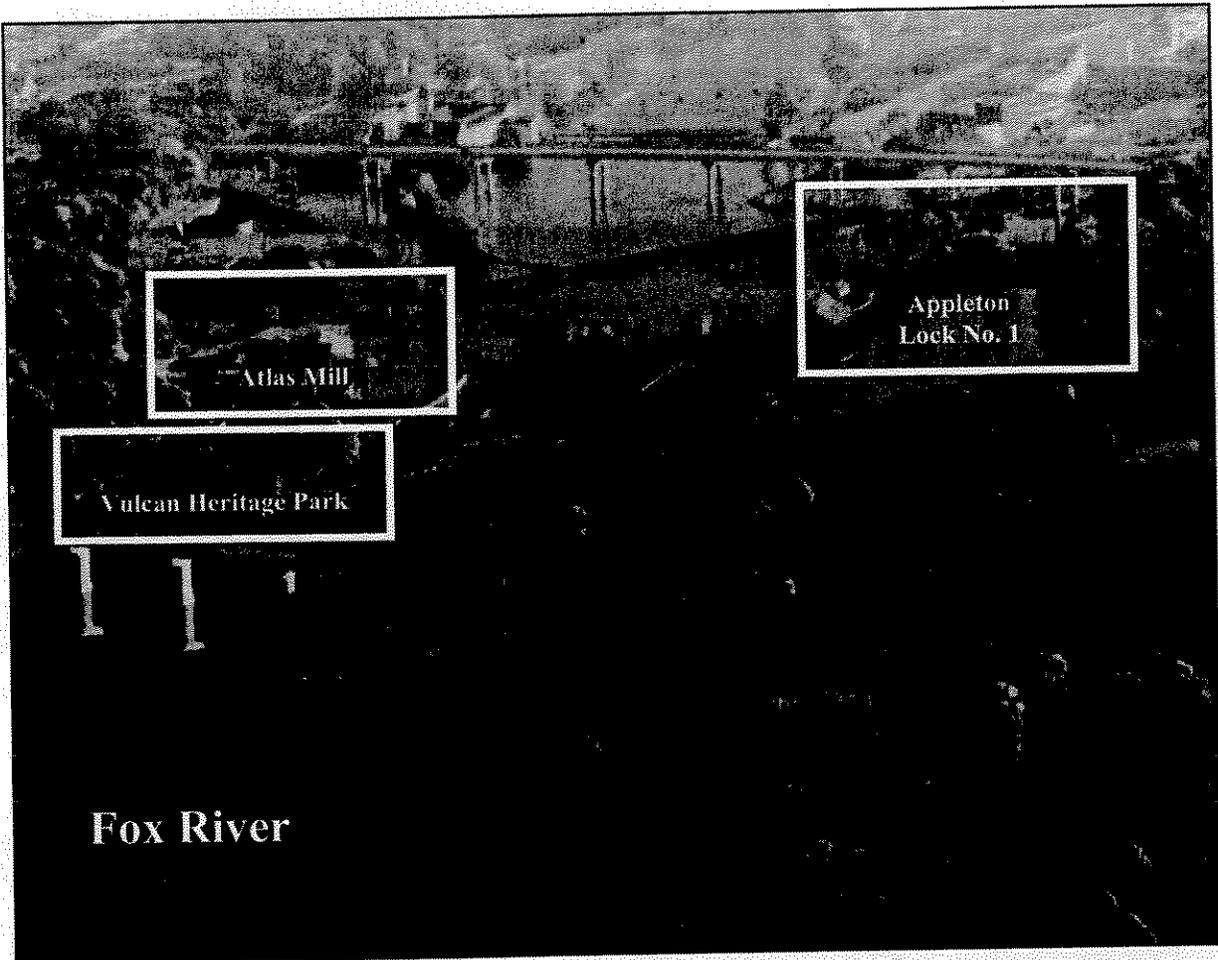
The World Paper Center



The Paper Industry International Hall of Fame

The Sustainable Industry Education Center

The Papermaking Heritage Museum



In 1999 Kimberly-Clark Corporation generously donated their historic Atlas Mill to the Paper Industry International Hall of Fame. Work immediately began to enhance the scope of the the PIIHF's mission through the renovation of the mill as a museum and educational resource center. This effort has resulted in the creation of the World Paper Center which will include the Papermaking Heritage Museum, Sustainable Industry Education Center and the Paper Industry International Hall of Fame.

The World Paper Center will be located on the Fox River opposite Appleton Lock No. 1. The size of the building, its sound physical condition and ample site offer an outstanding opportunity for preservation and recreation. The educational and heritage programs and exhibits offered by the World Paper Center will make a significant contribution to the success of the Fox River Heritage Parkway.

The World Paper Center



The Paper Industry International Hall of Fame

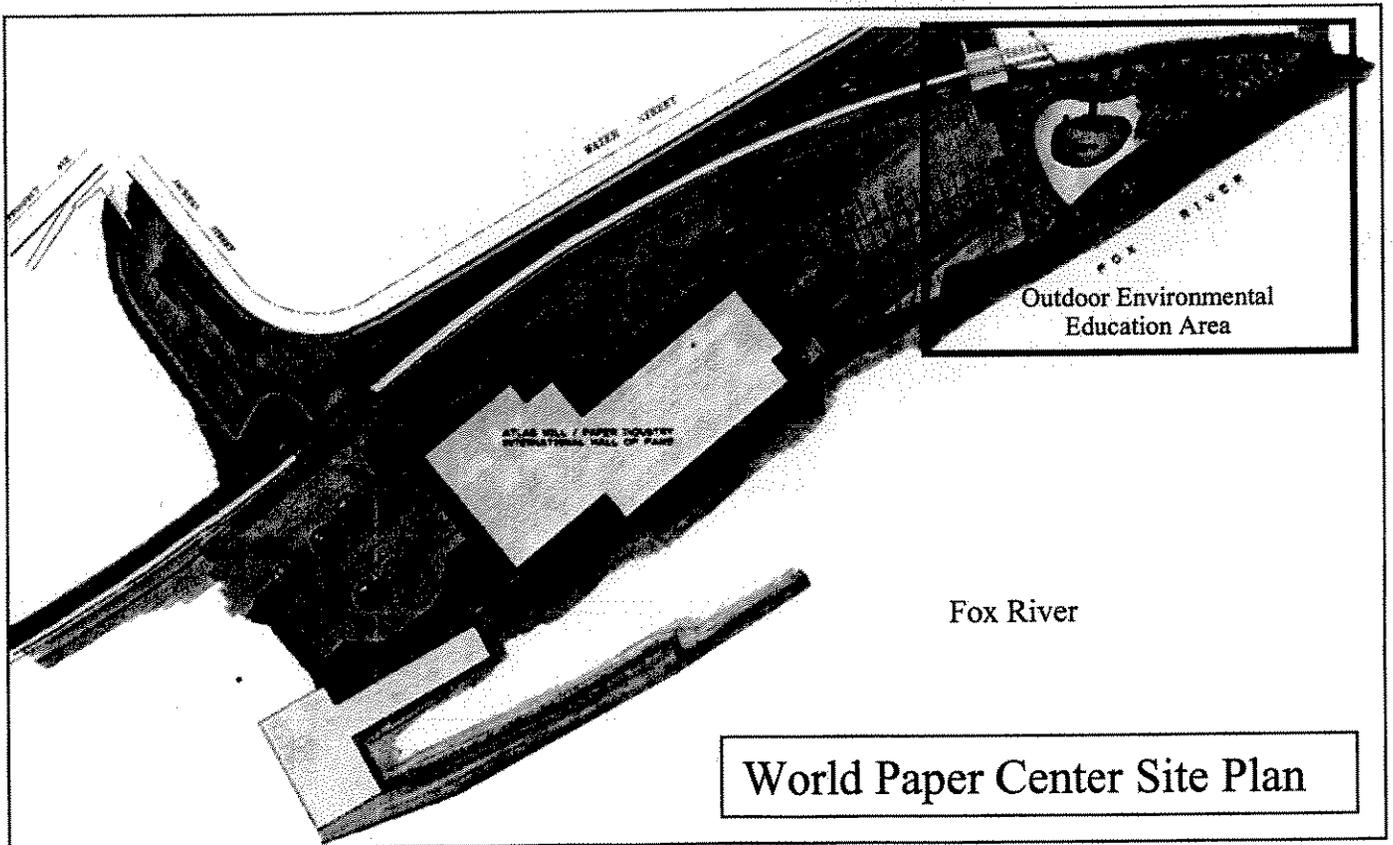
The Sustainable Industry Education Center

The Papermaking Heritage Museum



The Atlas Mill is located on a 3 acre site overlooking the Fox River just below the dam and across the Fox River from the Appleton Lock No. 1. The Site includes over 90 parking spaces and features a river front walkway and outdoor environmental education area.

The outdoor education area is comprised of 18,000 square feet of space on the shore of the Fox River. This area will include instructional exhibits of the natural history of the Fox River and examples the current methods of environmental protection practiced by the paper and forestry industries as developed by the American Forest and Paper Association known as the Sustainable Forestry Initiative (SFI).



The World Paper Center

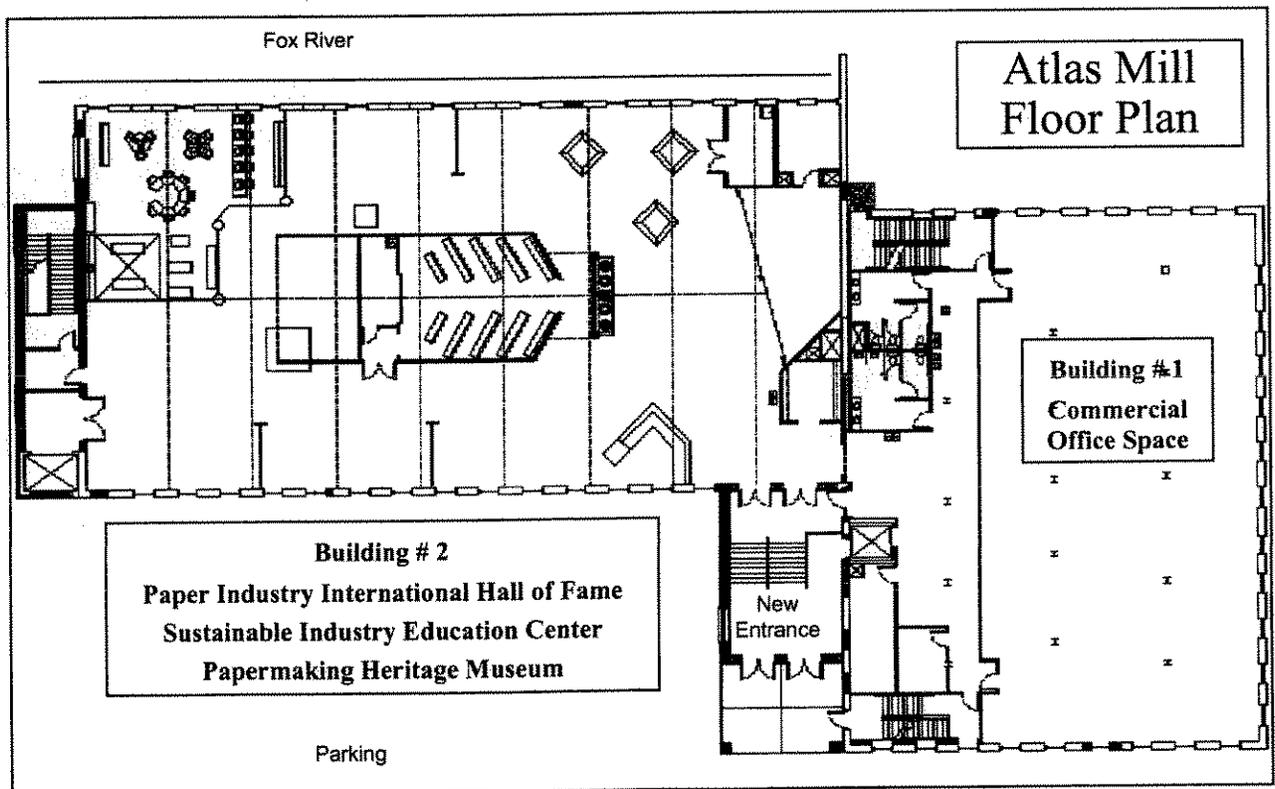
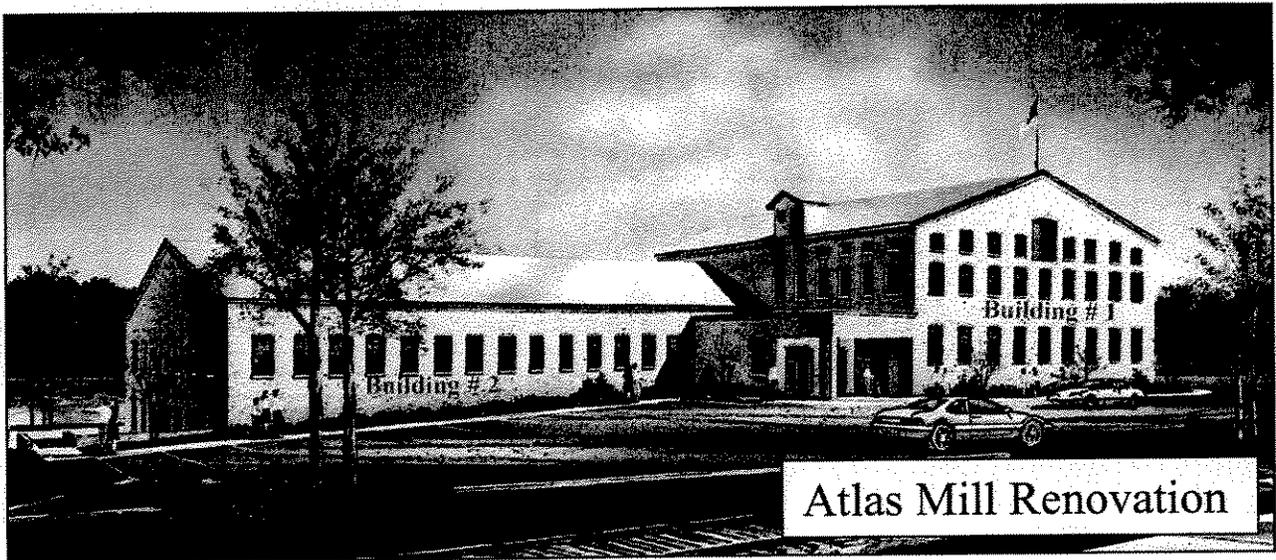


The Paper Industry International Hall of Fame

The Sustainable Industry Education Center

The Papermaking Heritage Museum

The Atlas Mill is comprised of two buildings. Building #2, containing 20,600 square feet of space, will be renovated to house the Paper Industry International Hall of Fame, the Sustainable Industry Education Center and the Papermaking Heritage Museum. Building #1, containing 24,000 square feet of space, will be developed as a commercial office facility. The net income from the office building will be used to offset the operating expenses of the World Paper Center.



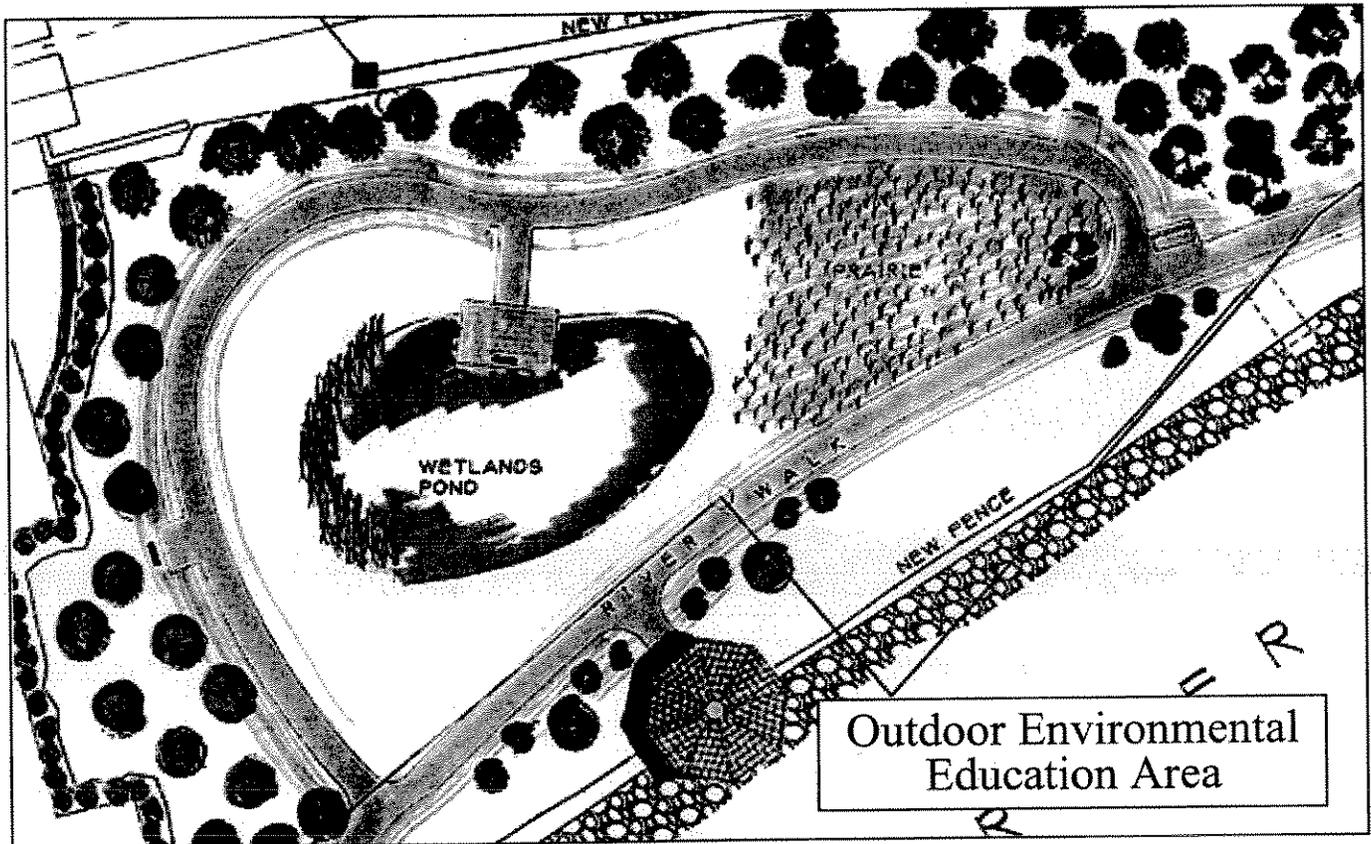
The World Paper Center



The Paper Industry International Hall of Fame

The Sustainable Industry Education Center

The Papermaking Heritage Museum



The Fox River and Sustainable Forestry Initiative exhibits will be designed to incorporate examples of many different natural environments including specific “teaching stations” that describe how the sustainable forestry practices specified in the AF&PA Sustainable Forestry Initiative make a positive impact on the environment including:

- Forest harvesting methods
- Reforestation of harvested areas
- Enhancement of natural habitats of animals and fish
- Protection of unique areas of forest habitat
- Protection of water and soil resources

Indoor environmental exhibits will be designed to relate directly to the “teaching stations” in the outdoor learning area and will be supported by other educational resources and programming including:

- Paper Makes Wisconsin Great - The Wisconsin Paper Council
- Wisconsin Forest Resources Education Alliance
- Project Learning Tree - AF&PA
- Paper Express - TAPPI

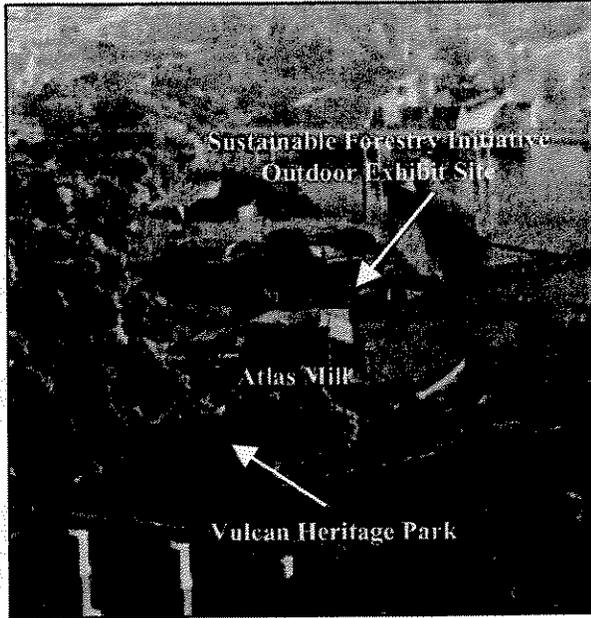
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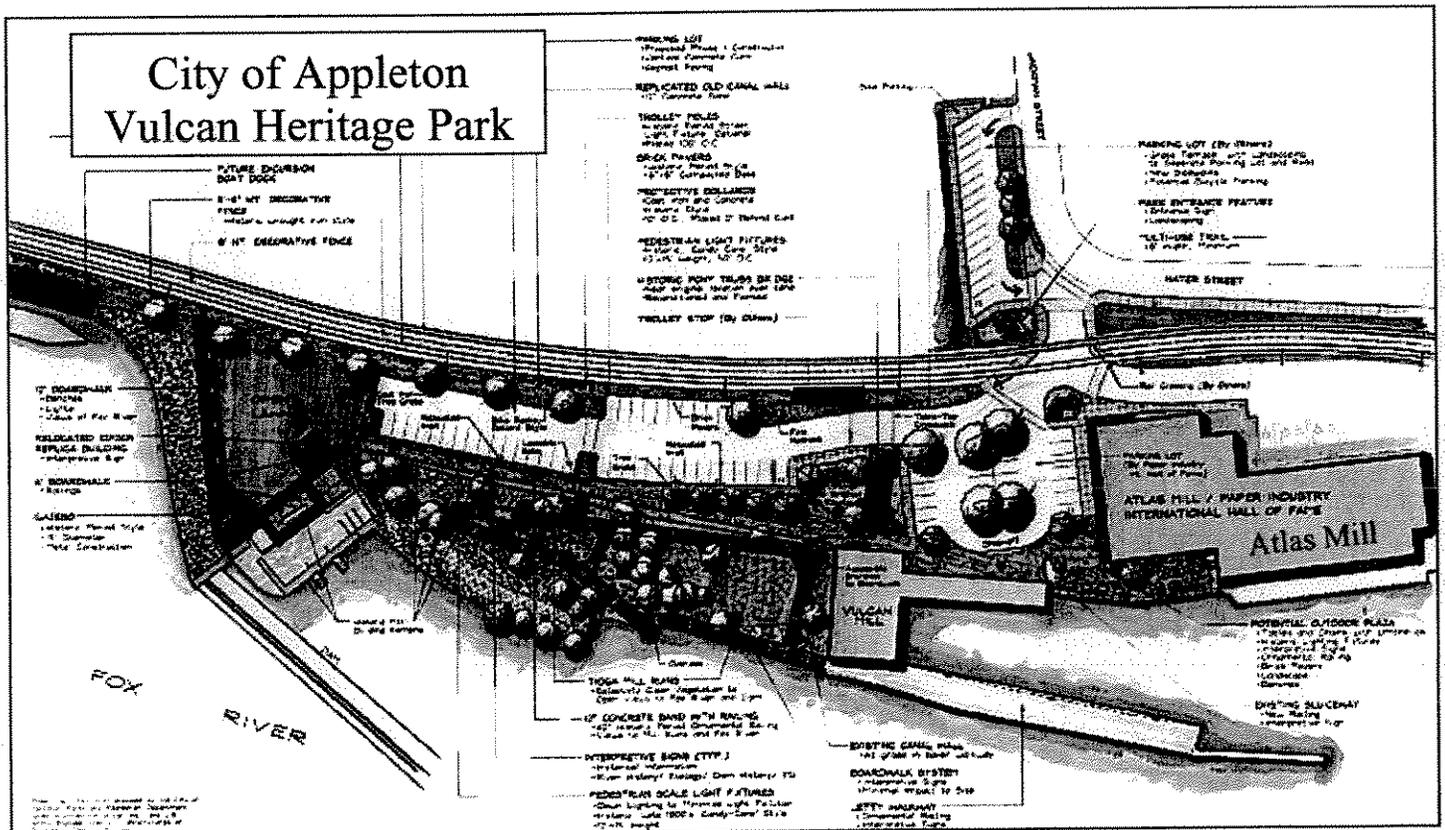
The Papermaking Heritage Museum



The Atlas Mill site is immediately adjacent to a new waterfront park being developed by the City of Appleton. The Vulcan Heritage Park encompasses over 7 acres land and features multiple historic and environmental elements including:

- The Vulcan Mill
- The Tioga Mill Ruins
- A historic sluice site
- A historic power canal replica
- A Fox River natural history board walk

Construction will begin in mid-2001. This park is highly compatible with the Atlas Mill project and is an element of the State of Wisconsin's Fox River Heritage Corridor plan.



The World Paper Center



The Paper Industry International Hall of Fame

The Sustainable Industry Education Center

The Papermaking Heritage Museum

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The World Paper Center



The Paper Industry International Hall of Fame

The Sustainable Industry Education Center

The Papermaking Heritage Museum

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Memo

To: Members of the Joint Committee on Finance
From: Joan Hansen, Director of Tax & Corporate Policy
Date: April 11, 2001
Re: Senate Bill 55: Biennial Budget

WMC is supporting the single sales factor corporate income tax proposal and the limits on state government spending contained in the budget. WMC is in strong opposition to the sales tax on custom computer software.

Cap on State Government Spending: WMC Supports

WMC strongly supports Governor McCallum's proposed cap on state government spending, limiting it to the growth in personal income.

Wisconsin continues to be a high taxing, high government spending state, yet personal income in Wisconsin is only average among states, ranking about 24th among the 50 states. In 2000 Wisconsin had the fifth highest federal, state and local tax burden in the nation based on the ability to pay and fourth highest tax burden if we look only at state and local taxes.

Our neighboring states rank much lower than Wisconsin in total tax burden. Because of permanent income tax cuts, Minnesota dropped from fifth highest to ninth. Iowa is ranked 15th; Michigan is ranked 30th and Illinois is ranked 33rd.

Wisconsin's high taxes are a result of high state and local government spending without built-in measures of accountability, such as spending caps linked to economic indicators (like income or inflation), uniform accounting practices, and/or performance standards. This lack of accountability has resulted in a huge gap between ability to pay taxes and earning capacity. With the exception of a couple years, it has been a major problem for the last three decades. Because of this on-going phenomenon and in the absence of state/local government funding reform, WMC would urge the committee to seriously consider and approve the caps the Governor has proposed.

Single Sales Factor Corporate Income Apportionment: WMC Supports

This proposal is significant because it will allow Wisconsin's multi-state corporations to be more competitive.

Current law gives companies a tax cut when they move jobs out of Wisconsin and a tax increase when they create jobs in the state. Wisconsin's current formula allocates income to the state by comparing the corporation's sales in Wisconsin with its total sales, its payroll in Wisconsin with its total payroll and its property in Wisconsin to its total property.

The budget ends this perverse incentive by making the formula based on the sales factor only, which is commonly referred to as the single-sales factor apportionment method of taxation. This means multi-state corporations will be taxed based only on sales instead of the current combination of sales, property and payroll, so every time a business adds a person or facility, they wouldn't

receive a corresponding tax increase as they do under the current formula. Rather, it provides a strong incentive to add employees and plants in Wisconsin.

Governor McCallum's budget phases out the property and payroll components by January 1, 2005. In 2003, the sales factor would be weighted at 60%; payroll and property would be at 20% each. In 2004, sales would be weighted at 80% and the other factors would be at 10% each and finally, in 2005 sales would be at 100%.

Moving to a single sales factor gives Wisconsin firms a "Home Field Advantage" and encourages job creation and retention in Wisconsin. The plan passed the Assembly twice last session with strong bipartisan votes and the Joint Committee on Finance on a 13-3 vote, but unfortunately died in the Senate.

Many states have already passed the single sales factor method of taxation. In fact, all the states surrounding Wisconsin either have it in place already or will completely phase it in by next year. Other major industrial states, such as New York and Pennsylvania (and possibly California) are also aggressively pursuing passage of the single sales factor this year. A substantial number of states will have sales factor only within the next 5 years. If Wisconsin has not already adopted single sales factor, we have lost a great potential to create jobs. Wisconsin should move to single sales factor immediately to capture the business development impact before it is diluted by other states.

If adopted in Wisconsin, the single sales factor is estimated to create 67,000 new jobs and generate \$51 million in additional tax revenue, according to a study conducted by UWM/UC. Furthermore, non-Wisconsin corporations with little or no capital or labor here but selling products in state would receive a tax increase. This effect will likely act as a catalyst for out-of-state corporations to move plants and jobs here. In the long run, tax revenue from non-Wisconsin corporations and from newly created jobs will undoubtedly make-up the difference in the initial loss of revenue to the state.

The plan is about protecting Wisconsin's economic future - keeping jobs here, creating jobs here, and remaining competitive in an increasingly global economy. Wisconsin must not be the last state to adopt this important policy change or else our businesses will remain at a competitive disadvantage and subjected to an overall higher tax burden.

Sales Tax on Custom Computer Software: WMC Opposes

WMC is adamantly opposed to a \$52 million tax increase on businesses. The proposal is extremely far reaching and will begin to tax services that are now exempt from sales taxation in Wisconsin and most other states.

Most states provide an exemption from sales/use taxes for some level of custom software because they consider the purchase of custom software to be the purchase of a service or intangible and therefore outside the imposition of the sales/use tax in those states that do not tax services.

The personal property tax exemption on computers and software was signed into law in 1999 in order to attract new businesses. Unfortunately, SB 55 would

erode those gains and would drastically disadvantage Wisconsin now and in the future.

The language in Senate Bill 55 has the extremely broad effect of taxing customized software and related services such as maintenance, training, installation, consulting services, and temporary help services.

It's bad public policy for many reasons:

- In terms of competition, the tax on custom computer software is a huge barrier to attracting high-tech businesses to Wisconsin.
- It taxes all businesses. The custom computer software tax will be imposed on every type and size of business that uses customized software. For start-up companies such as Internet and biotechnology, and small companies, this will be particularly burdensome, because of the greater need for cash assets and venture capital. An overly burdensome tax base will make it even more difficult to attract venture capital.
- For larger corporations, such as manufacturers, insurance, banking, health care and other service industries, this will be a major tax increase and will continue to grow as we progress into the technological era – it will discourage investment in every sector of Wisconsin's economy.
- The Department of Revenue has contended that subjecting all software to sales tax has merit by reducing litigation. While it may reduce disputes over whether software is canned or custom, it will increase disputes over the types of services that are taxable. "Simplification," which is how the department describes this change, is not a justifiable reason for a major business tax increase, particularly in light of a slowing economy.
- Finally, none of the surrounding states (and the majority of other states) imposes a sales tax on custom computer software. In an increasingly more competitive global environment, Wisconsin must be able to attract businesses in the future. Increasing taxes, especially in a slowing economy, will be a detriment to Wisconsin's economy and its citizens.

There are a variety of other issues contained in the budget that WMC has taken a position on. These include the following:

Hub exemption for Airlines: WMC Supports

Wisconsin Manufacturers & Commerce strongly supports the property tax exemption from the ad valorem tax for hub facilities operated by an air carrier that meet certain benchmarks. Senate Bill 55 provides a more competitive tax scheme that is similar to tax structures used in many other states. Currently, Wisconsin's system is based on origination and destination miles, which is a disincentive to air carriers wanting to expand their flight services in Wisconsin. Having these hub facilities in Wisconsin is important for future economic development and transportation infrastructure for the state of Wisconsin.

LLC Tax Increase: WMC Opposes

Currently, the Wisconsin tax treatment of corporate partners and LLC members depends on whether or not the partnership or LLC is an extension of the corporation's business. If the partnership or LLC is an extension of the corporation's business, the corporation is considered to be doing business in Wisconsin as a result of that ownership interest. On the other hand, if the partnership or LLC is not an extension of the corporation's business, the corporation is not subject to Wisconsin taxation if its only connection to Wisconsin is that ownership interest. The budget proposes to tax all corporate partners and LLC members on income derived from Wisconsin sources, regardless of whether the partnership or liability company is an extension of a corporation's business. **This tax increase to business will be \$7.5 million in 2001 and \$5 million in 2003.**

Green Tier: WMC Supports

WMC believes incorporating the provisions of Tier I into Green Tier may be most significant pro-environment policy impacting business the State of Wisconsin could enact. Green Tier provides the incentives to manufacturers to review their environmental processes and make needed changes are sorely needed. Companies who fear retribution will not complete reviews, and problems will go unnoticed. Green Tier as a whole encourages companies to move their environmental performance beyond compliance putting real environmental performance above paperwork.

Charter, Choice and Open Enrollment: WMC Supports

There are technical and policy improvements included in the budget for charter, choice and open enrollment plans. Most of these provisions allow for greater flexibility for these programs to operate more efficiently. WMC also strongly supports the expanded chartering authority for technical college districts and CESAs under the budget. These proposals allow for more competition among schools and more choices for parents.



Classifieds

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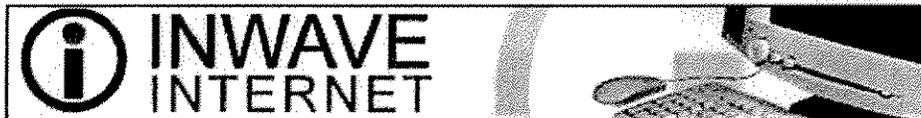
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GAZETTE CLOSE-UP SERIES

Facts, figures about those who are waiting

(Published March 2001)

Who's waiting in Rock County and for what

- Number of people waiting for a place to live: 64. Average wait: Almost five years.
- Number of people waiting for a place to work: 112. Average wait: Two to five years.
- Number of people waiting for respite care: 50 to 75.
- Total number of people waiting for some type of service, excluding respite care: 189.
- Cost to get everyone off the waiting lists: \$1.8 million in new funding. Without an increase in state or federal aid, that \$1.8 million would translate into a tax levy increase of \$700,000.

Housing costs

- Group home placement: Between \$7,548 and \$150,000 a year. Average cost: \$52,000.
- Supervised apartments: From \$14,000 to \$30,000 a year.
- Adult family home: From \$8,000 to \$96,000 a year. Only one person in Rock County needs \$96,000 a year. Average cost: \$25,500.
- Placement in an institution similar to the health care center: \$105,000 a year.
- Cost to keep an adult in Central Wisconsin Center: \$121,631 a year.

Rock County Developmental Disabilities Board budget of \$17 million

--Number of people who live outside a relative's



The people who are waiting

Adult with cerebral palsy wants to feel important, useful at home

It's a question of care: Parents wrestle with tough choices

Only two counties have separate disabilities boards

► Facts, figures about those who are waiting

Definitions of terms associated with developmental disabilities

The people whose lives are changing

Man with brain injury ready to embark on new journey

Woman excited, confident about moving out on her own

Planning for change becomes vital for many families

KANDU employees love the way job makes them feel

Class prepares developmentally disabled for jobs

Other agencies in state provide developmentally disabled people with job skills



*Dorothy Knutson
5955 N. Newville Rd
Mt Htn, WI
608-752-1245*

home: 338. Cost: \$10.8 million or 63.2 percent of the board's budget.

--Number of people involved in some type of work experience: 275. Cost: \$2.6 million or 15.2 percent of the budget.

--Number of people in day programs that aren't necessarily work related: 75. Cost: \$1.2 million, or 6.8 percent of the budget.

--Cost of case management, respite care, other support services: \$1.7 million, or about 10 percent of the budget.

--Cost of Birth to Three program: \$600,000, or 3.5 percent of the budget.

Other funding sources

--Revenues from the state: \$1.9 million.

--Community options program fund: \$850,000.

--Medicaid wavier programs: \$7.9 million.

--Social Security revenues used to offset room and board costs: \$2.1 million.

--Medical assistance personal care funding: \$1.4 million.

The people who have been contributing to the community for a long time

To residents, house is more important than living space

Developmentally disabled held up to higher standards

Providers help put folks on path to independence

Facility is institution only in name

Center can be temporary or permanent home

Man enjoys challenge of being out on his own

Woman finds success living life on her own

Rally to raise awareness about developmentally disabled

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April 11, 2001

To: Members of the Joint Committee on Finance

From: Ken Opin, Lobbyist
Wisconsin Federation of Teachers

RE: State employee issues in the budget bill

In the interest of time, I will confine my testimony to issues affecting the professional state employees represented by the Wisconsin Federation of Teachers. Others will communicate our views on K-12, Wisconsin Technical College, and UW issues.

- WFT opposes cutting 5% from the budget of the Public Defender. While the budget eliminates \$3.2 million and 50 positions from the Public Defenders' budget, it cannot eliminate the state's requirement to provide counsel to indigent defendants. If this cut remains, the Public Defenders office will contract with private attorneys to provide this representation at a cost of \$5.8 million; \$2.6 million more than using state public defenders to provide this representation. Some of this additional cost will fall on the county property tax.
- WFT opposes contracting for information technology when it costs more money than using state employees. The recent Legislative Audit Bureau report on the use of computer consultants indicated that state agencies find it more difficult to gain position authority than to use outside contractors even when contracting is more costly.
- WFT supports Employee Trust Funds' budget proposal that would convert two more positions from project to permanent and its request for an ombudsman position. These positions are SEG funded; they're paid for from the earnings and contributions in the Wisconsin Retirement System. Our members are finding it difficult to receive the services they need to plan their retirements. The demographics of the WRS participants indicates we will need far more services in a short period of time as the baby boomers retire.
- WFT opposes contracting with private sector doctors and dentists to provide medical and dental services in the state's institutions as long as it costs 2 1/2 times the cost of using state employed doctors and dentists.

- Finally, the budget ignores the need to provide market rate pay provisions and adequate salaries to attract and retain competent professionals in public service occupations. The budget does not contain adequate funds for pay raises to even come close to the rate of inflation and, with an aging work force, the competition for new employees is becoming more intense.

Thank you for allowing me this time for testimony,

April 11, 2001

Joe Greco.... Village President of Menomonee Falls.....President, Wisconsin League of Municipalities...Co Founder of the Southeastern Municipal Executives

I would like to follow up on a few of the statements made in our analysis of the Budget Bill 2001-2003.

- I would like to place emphasis on changes to 111.70 benefiting the Milwaukee police union. This is again a matter of local control. Passage of this legislation will only increase taxes for the residents of the City of Milwaukee in bringing about more overtime and reducing the flexibility the arbitrator has in conducting interrogations of members of the police department.
- Another issue is the whim of the beer and liquor wholesalers in having municipalities act as a collection agency. Again, a state mandate. In reality, this has no place in this budget as it has no fiscal impact on the state and a negative impact on local government.
- We hope that some compromise can be reached on the TELCO revenue as local government provides services and receives no taxes.
- We hope that Joint Finance will recommend the repeal of the infamous \$10,000 liquor license fee. By doing this it will save local governments from going through the gyrations of issuing grants to reimburse applicants... as ruled legal by the courts.
- We ask that you recommend the modification of the agricultural use value assessment, as it has become a "tax break" for non-farmers. In the attached packet you will find a recent article as published by the Madison Capital Times and examples of misuse in Brookfield, Muskego, Mequon and we in Menomonee Falls. In you packet is the modification as recommended in the last budget. Governor Thompson vetoed it. We now have a new Governor.

On a personal note as an elected official and not as the President of the Wisconsin League of Municipalities I would like to further state:

- Many elected officials support many of the provisions of the Kettl Commission. A post Kettl group has been formed by several members of the Commission and we have reached consensus on the following:
 - 1) We support the .25% with economic regions of regional cooperation. However, that provision needs more work because with the regions that were used, there are too many losers. We offer the aid of the Wisconsin League of Municipalities, and allow us to have a "kick at the cat", to see if we cannot make the recommendation more equitable.
 - 2) We recommend that the implementation be delayed because of the complexity of the many recommendations and the lack of detail until the next biennial budget. As a short-range solution, increase Shared Revenue payments, using the current formula, by two percent. However, if the Recycling Grants are cut, as proposed, it will make it more difficult for us to sell the program.
 - 3) Sponsor work groups. Such groups, comprised of local officials and legislators, must develop specific recommendations and legislative language that is easily understood and

easy to implement. The results of their work should then be placed in the next biennial budget for adoption.

4) Approve the recommended language giving local governments authority to adopt fees. Permit municipalities to finance operations, where appropriate from fee revenue rather than from property taxes

- Lastly, I read in the Milwaukee Journal, that after your visit to Peshigo that it was suggested that school-spending caps be lifted for soaring health insurance costs. Such a move would be disastrous for the taxpayers of this state. In 2001, health insurance costs increased 37% in the Village of Menomonee Falls. We were successful in having two of our major unions agree to pay for 7 ½% of those costs. We still will place 29 ½% of that increase on the backs of our taxpayers. It is only because of the Arbitration Statute that we must do this. This is not the case in the private sector. My own company has recently increased my health insurance premium 47 ½%. No one raised any caps for me.....I have to pay it. The whole philosophy of who pays for the increase in health benefits must change. Employees of schools, municipalities, counties and state must start doing what the private sector is doing..... pay their fair share as the taxpayers are doing.



The Capital Times News

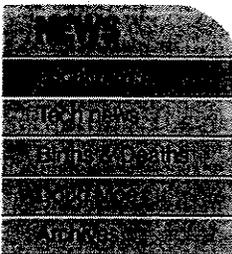
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Use value delivers \$48M tax break

It's a bonanza for many nonfarmers

By Mike Ivey
January 31, 2001

Real estate investors in Dane County and statewide grabbed thousands of dollars in property tax reductions in 2000 under a \$48 million tax shift designed to slow urban sprawl and help struggling farmers.

A computer-assisted analysis of property tax records by The Capital Times found those directly involved in land development or other nonfarming ventures gained significant tax savings under farmland "use value assessment," which went into effect statewide last year.

While homeowners in the city of Madison watched their property tax bills rise nearly 8 percent last year, owners of undeveloped land on the city fringe saw taxes on their parcels drop 90 percent or more in some cases.

Among those sharing in the tax relief bonanza were a New Jersey-based pharmaceutical company, a Milwaukee-based defense contractor and an Illinois doctor recently fined \$507,000 for wetland degradation in the town of Mazomanie.

Others benefiting from lower farmland assessments in 2000 include Sam Jacobsen, developer of the upscale Bishops Bay; the Bruce Co., which has been seeking to develop in the town of Verona; Jerome Mullins, whose company is developing high-end condos on the Capitol Square; and Lincoln Properties, headed by Dan Fleming, which is attempting to develop a golf course and residential project in the village of Oregon.

In the city of Madison, more than 90 parcels had assessments reduced under use value last year. Of those parcels, The Capital Times found only one

links

- [Developers reap real savings](#)
- [Farmers skeptical of plan to preserve land, boost ag](#)
- [Farmland tax break timeline](#)
- [Madison use value assessments chart](#)
- [Dane County use value assessments chart](#)

owner actively engaged in farming his own property, Laverne Theis. The Theis family also has been selling property for development on the city's fast-growing west side. It recently sold a 54-acre parcel of farmland to Attic Angel Association for \$4 million, or \$74,000 an acre. Attic Angel is developing senior housing at the corner of Old Sauk and Pleasant View roads.

Use value assessment was enacted by the Legislature in 1996 to tax farmland based on its value for agricultural purposes rather than its development potential for homes, apartments or shopping centers. The idea was to bring tax relief to farmers on the urban fringe who want to stay on the land but are caught in the bind of rising property taxes.

But while use value has lowered taxes for many farmers, scores of nonfarmers also are benefiting. And for every dollar of tax relief delivered to one group of property owners, another group must absorb the difference.

"Agricultural use assessment is a subsidy because everyone is paying to preserve farmland," said Sen. Russ Decker, D-Schofield. "But the subsidy should not increase the profit margin of developers and speculators."

Supporters of use value, including the Wisconsin Farm Bureau Federation, have argued that any tax relief going to nonfarmers is minor.

"There may be a few isolated cases ... but the vast majority of the tax relief is going to farmers," said Roger Cliff, lobbyist for the Farm Bureau.

But no one really knows for sure.

The Department of Revenue estimates that use value resulted in a \$48 million reduction in property taxes on agricultural parcels in Wisconsin last year. To pay for the lower taxes on ag parcels, other property owners paid more - about \$20 on a \$100,000 home, although the figures vary widely statewide depending on the value of property within a taxing district.

In Dane County, farmland assessments have dropped 46 percent- from \$428.1 million in 1999 to \$231.3 million this year. Total taxes collected on farmland in Dane County fell from \$8.5 million to

\$4.6 million, based on an average tax rate, leaving other taxpayers to pick up the difference.

The problem is that no one knows how much of that tax relief is going to working farmers and how much to those who've purchased farmland as an investment or for development.

"You've got people putting two or three horses on a piece of recreation land and calling that farming," said Decker. "That isn't what anybody intended."

One Milwaukee area legislator already is calling for an audit of farmland use value. Rep. Sue Jeskewitz, R-Menomonee Falls, has asked for a Legislative Audit Bureau study because of concerns from elected officials in her district who say problems are particularly acute in fast-growing southeastern Wisconsin.

"I'm not trying to go after developers," said Jeskewitz. "I just think there needs to be some fairness. If we are going to give tax benefits to farmers we need to make sure they are farmers."

That's where the issue gets cloudy.

To qualify for the use value tax relief, the land in question must be in current ag production, either for crop land or pasture land.

Moreover, owners of vacant land are often involved in a variety of ventures from growing crops to raising cattle. Families combine their land holdings, sometimes renting to their neighbors or younger farmers just getting into the business.

"If a farmer decides to sell off a piece of his land so his son can build a home, does that suddenly make him a developer?" said David Blaska, spokesman for the Department of Revenue.

Even if the state attempted to cut developers out of the use value assessment law, Cliff said the action would not pass constitutional muster. Wisconsin's "uniformity clause" does not allow similar property to be taxed differently based on who owns it.

"If we tried to do that, the cities would all be back suing us again," he said.

But those on the front lines of the property tax battle

are convinced nonfarmers are gaining a windfall from a law pitched to the public and the Legislature as a way to deliver tax relief to farmers.

"There's no doubt in my mind that developers are coming out the big winners in this," said Bob Lorier, past president of the Wisconsin Association of Assessing Officers.

One of the most egregious examples, said Lorier, is in the city of Brookfield, where a 30-acre parcel of undeveloped land owned by the Milwaukee Journal Co. had its assessment lowered last year from \$2.3 million to \$13,400 because of use value. That dropped taxes on the Journal Co. parcel from over \$50,000 in 1999 to \$312 last year.

"That's potentially one of the most valuable pieces of land in the state," said Lorier, who also serves as assessor for the city of Brookfield. "They've got some corn planted on it but it was never even harvested."

Lorier said 23 parcels in Brookfield were re-assessed in 2000 under use value. All of the largest parcels are owned by developers, he said.

In Menomonee Falls, village President Joe Greco recently complained the village was forced to reclassify land valued at more than \$5 million from residential to agricultural. He estimated that more than half of that land is not owned by farmers.

Bruce Jones, an agricultural economist with the UW-Madison who serves on the state Farmland Advisory Council, acknowledged there are loopholes in the use value law.

"That was one of the things we struggled with when trying to put this together," he said.

Still, Jones said use value remains the surest way to deliver badly needed property tax relief to Wisconsin farmers, who have experienced significant drops in farm prices. Milk prices alone are near record lows, falling to 1977 levels in November.

The use value law does include a penalty for those who convert agricultural property to non-ag uses. Under the current law, owners who convert agricultural land to nonfarming uses must pay two

Joe Greco

From: <Bloomberg@CI.BROOKFIELD.WI.US>
To: <presvmf@execpc.com>
Sent: Friday, April 06, 2001 12:25 PM
Attach: pic09397.pcx
Subject: Re: 2001-2003 Budget

----- Forwarded by Kathryn Bloomberg/Brookfield on 04/06/01 12:32 PM -----

Bob Lorier

To: Kathryn Bloomberg/Brookfield@Brookfield
04/05/01 04:24 PM cc:
PM bcc:
Subject: Re: 2001-2003 Budget

Last year the WTMJ site on Bluemound Road had an agricultural use value assessment of \$15,800 total for 25 acres. The market value of the parcel is in excess of \$5,000,000. Under ag use they paid \$320. in taxes versus \$100,000. for a market value taxation.

We assessed 23 parcels/244 acres under ag use last year at a total value of \$130,900. The market value of the land actually would be about \$15,000,000. All of the large parcels totaling approximately 200 of the 240 acres are owned by developers. There are no owner occupied working farms in the City of Brookfield.

Kathryn
Bloomberg To: Bob Lorier/Brookfield@Brookfield
cc:
04/05/01 Subject: 2001-2003 Budget
12:54 PM

Could you give me some information...Thanks. ----- Forwarded by Kathryn Bloomberg/Brookfield on 04/05/01 01:01 PM -----

"Joe Greco"

CITY OF MUSKEGO ASSESSOR'S OFFICE
W182 S8200 RACINE AVENUE - P.O. BOX 749
MUSKEGO, WISCONSIN 53150-0749
TELEPHONE (262) 679-4143 FAX NUMBER (262) 679-5670

MEMORANDUM

DATE: April 6, 2001
TO: Mayor David DeAngelis
FROM: Laura Mecha, Assessor
RE: Agricultural Use Law

Diekfuss Farm, MSKC 2167.995, S69 W15402 Janesville Road

The Diekfuss farm is a prime piece of commercial property containing approximately 37 acres on the corner of Janesville and Moorland Road. While I would have in the old years treated this property as transitional land with an appropriate assessment, this property has been frozen since 1996 and a full implementation of the ag law was done in 1999. A local farmer owned it and it was a fully functioning farm. It contains 20.75 acres of tilled, 5.40 acres of home site, and 11 acres of woods (or pasture from the old days). There were only four classifications of property back then also, residential, commercial, manufacturing, and agricultural. So what I termed pasture or unproductive is now classified as woods.

The real estate changed hands in November, 1998 for \$960,000. The farmer sold it to a catalyst developer. This developer buys land ripe for development, works with the municipality to obtain services and zoning, then goes out to attract the commercial operation. The sale occurred well after the revaluation and while I looked at the land assessment, I left it alone at \$62,200. The property was still being tilled but I do not believe that house and outbuildings were being utilized. The property changed hands again in October, 2000 for \$3,500,000. The catalyst developer now a deal made with Jewel-Osco. Conditions did not change. Land is still being tilled, farm buildings are still standing but not utilized. I am deciding on changing the assessment on the home site and woods to more properly reflect the market conditions, leaving the 20.75 acres of tilled at the level determined by the state. But the lobbyists feel woodlands should be treated as pasture, which in this community would be at \$152 per acre assessed. So instead of the property being assessed at \$1,365,300, which includes the 20.75 acres being carried as tilled land, I will have to include the 11 acre wooded area as pasture and reduce the assessment to \$377,000. With this ag law in place, this is the comparison between highest and best use and ag use:

Taxes Could Have Been	Taxes Are
1999 \$18,805	1999 \$1,397
2000 \$18,778	2000 \$1,395
2001 estimated to be \$61,218	2001 estimated to be \$1,792

Yes, the land is still being tilled to prevent weed growth, plus the farmer does pay a rent to lease the land. The land with the reduced assessment is NOT being preserved for ag use. It will house a new department and food store sometime in 2002. So how is this new law, and the potential aftershocks of woodland and wasteland preservation, saving farmland from development? The penalty does not begin to recoup the losses for the municipality as the developer sits on the land that the farmer gave up two and a half years ago.

Menomonee Falls

1-1-99

AGRICULTURAL VALUE

14,693,900.

USE VALUE REDUCTIONS

4,834,100
 x 26⁰⁰

1-1-00

AGRICULTURAL VALUE

9,859,800

Total Loss ^{\$} 125,684

Non Farmers ^{\$} 2,059,200
 x 26⁰⁰

53,305 Tax Ben.
granted nonfarmers

AGRI. REDUCTIONS

MADER
MADER

Developer

FOR 2000

BURBACH Developer

RECEIVED

99 NOV 12 P 2: 17

VILLAGE OF
MENDOTA FALLS, WI.

213,500• +
214,100• +
18,500• +
63,100• +
245,300• +
45,800• +
45,400• +

007.....

845,700• ◊
19,500• +
77,300• +
16,600• +
22,200• +
16,800• +
54,700• +
30,800• +
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018.....

1,164,300• ◊
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44,500• +
18,400• +
12,100• +
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24,800• +
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24,600• +
4,200• +
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035.....

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25,200• +
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28,300• +
83,800• +
13,900• +
16,100• +

044.....

1,902,400• ◊

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25,500• +
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10,600• +
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258,500• +
97,500• +

ISAIA SCHOOL
GROSS Developer

054•••••

2,640,100• ◊
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156,300• +
18,200• +
19,700• +
48,300• +
28,100• +
252,200• +
11,800• +
10,000• +
25,600• +

ZIMMER Retusol
BARKDOLL Developer

GROSS Developer

064•••••

3,395,300• ◊
10,200• +
1,900• +
700• +
43,900• +
4,900• +
108,900• +
25,800• +
19,200• +
7,500• +
17,100• +
13,400• +

JOHNSON'S Garden Center

075•••••

3,648,800• ◊
2,000• +
25,900• +
7,100• +
10,000• +
19,200• +
6,200• +
9,500• +

082•••••

3,728,700• ◊

	14,500•	+
	19,800•	+
	47,500•	+
	181,100•	+
	78,200•	+
	3,500•	+
	37,000•	+
	25,300•	+
	29,400•	+
	13,700•	+
092•••••		
	4,178,700•	◊
	15,500•	+
	12,600•	+
	26,400•	+
	24,400•	+
	27,100•	+
	12,800•	+
	6,400•	+
	7,000•	+
	22,700•	+
	52,000•	+
	48,500•	+
	19,900•	+
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	4,454,000•	◊
	33,400•	+
	235,300•	+
	17,400•	+
	44,600•	+
	18,400•	+
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	4,803,100•	◊
	31,000•	+
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	4,834,100•	◊
110•••••		
	4,834,100•	G+

LIED'S *Garden Center*

PILGRIM PARK *Develop*

TOTAL REDUCTIONS

119,200• +
 2,000• +
 228,100• +
 3,300• +
 634,700• +
 8,800• +
 90,800• +
 80,900• +
 126,600• +
 5,300• +
 6,600• +
 4,800• +
 13,400• +
 173,000• +
 100,400• +
 4,600• +
 145,600• +
 17,800• +
 95,900• +
 164,800• +
 101,600• +
 14,100• +
 700• +
 109,100• +
 18,900• +
 153,300• +
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 150,500• +
 93,400• +
 220,800• +
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 105,800• +
 99,300• +
 196,100• +
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 221,400• +
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 5,500• +
 116,600• +
 213,700• +
 138,900• +
 183,400• +
 11,600• +
 121,800• +

109.....

9,751,300• G+

108 500

110

9859800

EST AGRI VALUE

1-1-2000

Developers may face tax penalty

AWRENCE SUSSMAN
AMY RINARD
a Journal Sentinel staff

Assessment rule designed to protect farmland

A little-known provision of a state statute that governs agricultural land assessment could be giving headaches in growing suburban areas, local assessors said Thursday.

Mike Grota, whose firm Grota Appraisals works for 25 communities in Waukesha, Washington and Ozaukee counties, said he believed very few developers were aware of the provision and predicted that lawsuits will result.

"The towns themselves are barely aware of this, and there has been zero publicity about the penalties," Grota said.

In Mequon, agricultural land was assessed at \$500 an acre over the last two years, while the full market value of the vacant land was \$8,000 an acre in 1999 and \$9,000 an acre last year.

Siebers said at least a half-dozen property owners in Mequon will have to pay the penalty.

Corum Real Estate Group, which is building a 77-acre subdivision in northern Mequon, is expected to receive a tax bill by the end of February for nearly \$19,000.

A letter Siebers plans to send out to Corum shows that the various governing bodies would reap benefits from the developer's penalty. For example, the Mequon-Thiensville School District would get slightly more than \$11,000 in taxes, and the City of Mequon would receive \$3,750.

Dennis Bush, a senior vice president with Corum, said Thursday that his company closed on the 77 acres in September. He declined to say whether his company was aware of the penalty.

"I'm reviewing the intent of the law right now and trying to determine whether the tax penalty is my responsibility or the seller's," Bush said. "The law says

the seller has the obligation to disclose the effects of the law prior to closing."

Siebers said the state has tried to use the little-known rule to keep agricultural land from being developed.

"This is simply the taxes that would have been paid if the land had been assessed at its full market value," he said.

Grota, whose firm represents 39 communities, predicts use-value penalties in every one of those communities. Included in the 39 communities his firm serves are six in Ozaukee, seven in Waukesha and 12 in Washington County.

The penalties, depending on the size of the development, could range from less than \$100 to \$10,000 or more.

Grota said it is not only developers who may be in the dark. He believes that many real estate sellers don't know about the penalty.

Grota said he planned to notify the communities he serves of the use-value violators this spring.

"Then it's up to them to decide what to do," he said.

Grota said many communities probably will not bother to pursue the violators and attempt to collect the tax penalties, which average \$500 per violation because it will cost them more than they collect.

"It's costing them money to pay me, for the clerk's work to notify and then the treasurer has to collect," he said. "Some communities have decided to do nothing."

Grota said he and his staff become aware of violations by watching property sales and divisions and by noticing new construction as they drive around the communities they serve.

And they have noticed a lot of violations, he said.

"I'm aware of plenty of them," Grota said. "There are a lot of acres transitioning."

a greater number of years than the district would have been in existence had the land not been located within the district.

[Act 9 Section: 9158(7x)]

20. TAX INCREMENTAL FINANCING -- LEAD CONTAMINATION COSTS

Joint Finance/Legislature: Allow the removal of lead contamination from buildings and infrastructure within a tax incremental financing district to be included as an eligible cost that could be repaid from the allocation of tax increments if the city or village declares that the lead contamination is a public health concern.

[Act 9 Section: 1630e]

21. ASSESSMENT OF LOW-INCOME RENTAL HOUSING

Joint Finance/Legislature: Modify provisions in state law related to procedures for valuing real estate to require local assessors to exclude federal income tax credits extended under Section 42 of the Internal Revenue Code to owners of low-income, rental housing from calculations related to the value of that housing, effective with property assessed as of January 1, 2000.

[Act 9 Section: 1655m]

22. DEFINITION OF AGRICULTURAL LAND

Senate: Modify the definition of agricultural land for purposes of use value assessment relating to property taxation to exclude land that meets any of the following criteria: (a) it is less than 20 acres in size and is not contiguous to agricultural land owned by the same person; (b) it is platted or subdivided; (c) it generates less than \$2,000 in gross farm profits resulting from agricultural use, as defined under current law; and (d) it is not zoned for agricultural use. Specify that this provision would first apply to property assessments as of January 1, 2000.

Conference Committee/Legislature: Modify the definition of agricultural land for purposes of use value assessment relating to property taxation to exclude land that generated less than \$2,000 in gross farm profits resulting from an agricultural use, as defined under current law, in the preceding year. Specify that this provision would first apply to property that is assessed as of January 1, 2000.

Veto by Governor [F-33]: Delete provision.

[Act 9 Vetoed Sections: 1655L and 9343(23am) (as it relates to s. 70.32(2)(c)1.)]



Gayle M. Sparapani
Vice President, Benefits

March 23, 2001

RE: June 1, 2001 Change in Retiree Health Coverage Contributions

Dear Smurfit-Stone Retiree:

In recent years we have all become aware of the continually escalating costs of health care. As you would expect, your Smurfit-Stone group plan has not escaped the effects of this trend. For the past two years, Smurfit-Stone has absorbed these increasing costs without passing on higher contributions to plan members. Unfortunately, Smurfit-Stone can no longer shoulder these ever-increasing expenses. To continue providing you with health care coverage, an increased share in your contribution determined in accordance with the retiree contribution formula in place when you retired, is being implemented.

Therefore, effective June 1, 2001 you will be charged contributions as described in the attached table. Your third quarter bill, sent to you in June, will be based on the new contributions, including an adjustment for the month of June. If you have SSCC's retiree life insurance coverage, the premium is increasing to \$2.40 per \$1,000 of coverage, also effective June 1, 2001.

There are **no changes** in the benefit plan design as a result of these new contributions.

We are notifying you of this change now so that you may plan for the increase in the contribution. If you have any questions about your contributions once the bill has been received, please call the billing office at 1-877-848-5837. If you wish any other discussion, do not hesitate to call me at 314-746-1075.

Sincerely,


Gayle M. Sparapani
Vice President, Benefits

Attachment: Table CC and Table DD

"The company reserves the right, in its sole discretion, to terminate, suspend, withdraw, amend or modify the plans in whole or in part at any time, including, without limitation, the right to amend the plans to require participant contribution or to increase the amount of contribution that participants must make to plans. Should there be a discrepancy between this information and the Plan Document, the Plan Document will prevail."

Effective JUNE 1, 200
RETIREE CONTRIBUTION - YOUR MONTHLY COST
 For Salary individuals who retired under the Stone Container Corporation model Retiree Medical plan before January 1, 1993; OR
 For Active Salary individuals who could have qualified for a Stone retirement on January 1, 1993.

TABLE DD

For Stone Retirees who began retiree medical coverage before 1/1/93, or who were Active and 55 yrs. old w/10 yrs. of service on 1/1/93

	No Spousal coverage	Non-Medicare Spouse, Medical Coverage	Medicare Spouse, Medical Coverage	Spouse, Dental Coverage (add to Medical cost)
Non-Medicare Retiree, Medical Coverage	Full monthly cost: \$721 Retiree pays: 360	\$1,442 721	\$935 467	
Medicare Retiree, Medical Coverage	Full monthly cost: \$214 Retiree pays: 107	<i>Present</i> \$935 467	\$428 214	\$47 23
Medicare or Non-Medicare Retiree, Dental Coverage (Add on to Medical cost)	Full monthly cost: \$12 Retiree pays: 6			
Retiree Deceased			Spouse may exercise Cobra.	

4770 member

How to use the matrix:

Use Table DD only if the retiree:

- a) began retiree medical coverage prior to 1/1/93, or
- b) on 1/1/93, the retiree was an Active employee age 55 years with 10 years of service.

In the left-hand column, find the square that is applicable to your situation. Follow the row across to the right until you reach the square that corresponds to the column for your dependent coverage situation. The numbers in the square are the full cost of coverage each month for your situation as well as your monthly cost.

EXAMPLE:

If you are a Retiree on Medicare and you are covering a spouse who is also on Medicare and you elect the medical coverage, the full monthly cost for the retiree medical coverage is \$428/month. Your monthly cost for the medical coverage is \$214/month. If you also elect dental coverage, you must add on the cost of the dental coverage.

**Alpha Kappa Alpha Sorority
Wisconsin Connections Committee
926 Menomonic Lane
Madison, WI 53704**

Date: April 11, 2001

To: Joint Finance Committee

From: Theresa Sanders, Coordinator
Wisconsin Connections

Re: **Oppose Voter I.D. Bill**

The Wisconsin women of Alpha Kappa Alpha Sorority (AKA) strongly oppose the governor's voter's i.d. bill. This bill will have a negative affect on African-American's abilities to register at the polls to vote. By requiring a photo identification card or a birth certificate to show proof of identity prior to voting, this bill excludes a significant proportion of African-Americans who don't have a drivers license or birth certificate at their disposal. As public servants for all Wisconsin citizens, the Joint Finance Committee and other state legislators should be encouraging people to vote rather than limiting their voting rights.

The Wisconsin AKA's have a long standing tradition of participating in voter registration drives and taking people to the polls to vote. And AKA's work tirelessly to educate African-American about the good things that happen as a result of their vote. The governor's voter identification bill, however, unfairly disenfranchise thousands of African-American from participating in the voting process.

The Wisconsin Alpha Kappa Alpha women strongly oppose this bill and we hope the Joint Finance Committee members share our views and strongly vote against it.

April 10, 2001

Brad Borman
Regulatory Attorney
Alliant Energy
222 W Washington Ave.
Madison, WI 53703

Our in-house materials (including both our hard copy materials and our Westlaw subscription) are very good for certain, well-defined areas of research. If I want to research statutory or case law in Wisconsin, Iowa, or Minnesota, I'm all set here. But that constitutes only a portion of the research I need to do.

First, if I ever need to research an area of law with which I'm not all that familiar, the State Law Library's Am Jur and Corpus Juris collections are the places I usually start. They serve to give me a good overview of the topic, and help guide me to further resources (both within our service territory and without) that address that topic.

Second, if I ever want to research the law outside our service territory- and I do, from time to time- our in house materials are simply not set up to do that. If I need to find out how the rest of the country is addressing a certain issue that is now before a Wisconsin tribunal, I can only do that at the State Law Library.

Finally, the State Law Library has in-depth resources that we don't have for a number of different practice areas, including some in areas in which we practice regularly. For instance, if I want to review the Public Utilities Reports, which documents nationwide activities of utility regulatory bodies, I need to go to the State Law Library to do it. Similarly, in areas we don't regularly practice, the State Law Library has materials that we do not carry.

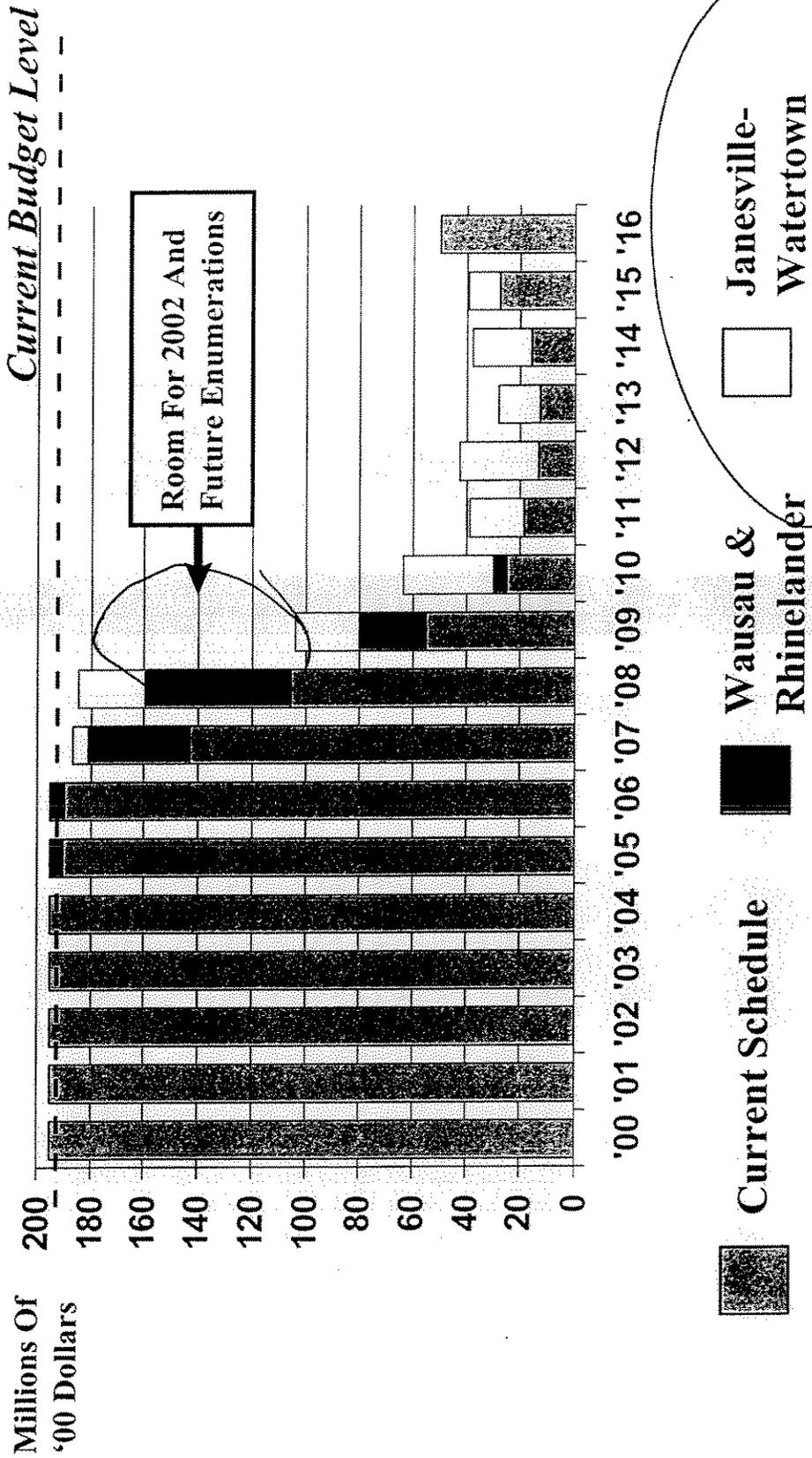
In short, the State Law Library is an invaluable resource for anyone practicing law who doesn't have access to a large library of their own, and can be useful even to those who do have such a library disposal.

Lori Matthews
Paralegal
Alliant Energy
222 W Washington Ave.
Madison, WI 53703

Working as a corporate paralegal I am constantly referring to state's statutes via the Internet. Some states are fairly user friendly and some are very difficult to use. When I'm under a time constraint I have relied on the State Law Library to fax me a statute. Their services are very cost effective and the turn around time is excellent. We can subscribe to services such as Westlaw, but it is not cost effective to buy extensive subscriptions when we can rely on the State Law Library for a wide variety of reference materials.

district	name	CESA	County	enrollment	app. Sq. miles
3484	Mercer	K12	12 IRON	232	186
0840	Butternut	K12	12 ASHLAND	233	161
2212	Goodman-Armstrong	K12	8 MARINETTE	235	159
4522	South Shore	K12	12 BAYFIELD	246	279
6410	Weyerhaeuser Area	K12	10 RUSK	250	144
2205	Glidden	K12	12 ASHLAND	275	146
6440	White Lake	K12	8 LANGLADE	282	318
2940	Laona	K12	8 FOREST	318	288
4263	Beecher-Dunbar-Pembine	K12	8 MARINETTE	330	226
0441	Birchwood	K12	11 WASHBURN	331	189
3427	Mellen	K12	12 ASHLAND	340	204
5397	Solon Springs	K12	12 DOUGLAS	400	161
0084	Alma	K12	11 BUFFALO	409	149
3654	Northwood	K12	12 WASHBURN	412	420
1582	Elcho	K12	9 LANGLADE	417	312
5960	Kickapoo Area	K12	3 VERNON	437	156
6615	Winter	K12	12 SAWYER	441	693

Funding Impact Of Potential Enumerations



Original Settlement

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA
CIVIL DIVISION

CITY OF PITTSBURGH,

Appellant,

No. G.D. 88-2349
No. G.D. 88-2704
No. G.D. 88-3323

vs.

Consolidated At:
No. G.D. 88-2704

BOARD OF PROPERTY ASSESSMENT,
APPEALS AND REVIEW OF
ALLEGHENY COUNTY,

Appellee.

ORDER OF COURT
APPROVING SETTLEMENT

COUNTY OF ALLEGHENY,

Appellant,

Counsel for the Parties:

Mary K. Conturo, Esquire
313 City-County Building
Pittsburgh, PA 15219
City of Pittsburgh

vs.

Ira Weiss, Esquire
Allegheny County Law Department
300 Fort Pitt Commons Building
445 Fort Pitt Boulevard
Pittsburgh, PA 15219
Allegheny County

BOARD OF PROPERTY ASSESSMENT,
APPEALS AND REVIEW OF
ALLEGHENY COUNTY,

Appellee.

Robert J. Stefanko, Esquire
341 South Bellefield Avenue
Pittsburgh, PA 15213
School District of Pittsburgh

ALLEGHENY COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY (Y.M.C.A. OF
PITTSBURGH) and Y.M.C.A. OF PITTSBURGH,

Appellants,

Patrick J. Loughney, Esquire
344 County Office Building
Pittsburgh, PA 15219
Board of Property Assessment,
Appeals and Review

vs.

BOARD OF PROPERTY ASSESSMENT,
APPEALS AND REVIEW OF
ALLEGHENY COUNTY,

Appellee.

Edward W. Seifert, Esquire
435 Sixth Avenue
P.O. Box 2009
Pittsburgh, PA 15230
Property Owner (Y.M.C.A.)

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA
CIVIL DIVISION

COUNTY OF ALLEGHENY,

No. G.D. 88-2349

No. G.D. 88-2704

No. G.D. 88-3323

Appellant,

Consolidated At:

No. G.D. 88-2704

vs.

BOARD OF PROPERTY ASSESSMENT,
APPEALS AND REVIEW OF
ALLEGHENY COUNTY,

Appellee.

ORDER OF COURT APPROVING SETTLEMENT

AND NOW, this 18th day of May, 1990, it is hereby ORDERED, ADJUDGED and DECREED that, in accordance with the terms and conditions of the Agreement of Settlement attached hereto and incorporated herein, marked as Exhibit "A", the property owned by the Y.M.C.A. of Pittsburgh through the Allegheny County Industrial Development Authority, designated as Block and Lot Number 1-M-107 in the Deed Registry Office of Allegheny County, located at 330 Boulevard of the Allies, First Ward, City of Pittsburgh, Allegheny County, shall be classified as follows for the years 1986 through 1995:

It is further ORDERED, ADJUDGED and DECREED that the above captioned cases be and the same are hereby settled and discontinued with prejudice, each party to bear its own attorneys' fees, expenses and other costs incurred in said cases.

~~BY THE COURT~~

By the Court

S/RYSB jr , J.

CONSENTED TO:

Mary K. Conturo

MARY K. CONTURO, Solicitor
City of Pittsburgh

Ira Weiss

IRA WEISS, Deputy Solicitor
Allegheny County

Robert J. Stefanko

ROBERT J. STEFANKO, Solicitor
School District of Pittsburgh

Patrick J. Loughney

PATRICK J. LOUGHNEY, Solicitor
Board of Property Assessment,
Appeals and Review

Edward W. Seifert

EDWARD W. SEIFERT, Esquire
Attorney for Y.M.C.A.

C. Each of the YMCA, the City and the County appealed the determination of the Board to the Court of Common Pleas of Allegheny County at GD No. 88-3323, GD No. 88-2349 and GD No. 88-02704 respectively (collectively, the "Tax Cases"). The School District was not and is not a party to the Tax Cases.

D. The Tax Cases were consolidated for trial. The Court of Common Pleas of Allegheny County determined that the Downtown YMCA should be classified as 100% taxable.

E. The YMCA appealed the decision of the Court of Common Pleas in the Tax Cases to the Commonwealth Court at No. 3067 C.D. 1988. The Commonwealth Court by Order dated September 29, 1989 vacated the decision of the Common Pleas Court in the Tax Cases, remanded the Tax Cases to the Court of Common Pleas for proceedings in accordance with the opinion filed with the Commonwealth Court's aforementioned Order and relinquished jurisdiction.

F. The City and the County filed a Petition for Allowance of Appeal ("Petition") in the Supreme Court of Pennsylvania at Allocatur Docket No. 169 of 1989. The Petition was denied by the Supreme Court on March 28, 1990.

G. As a result of the matters recited in paragraphs E and F above, jurisdiction of the Tax Cases is in the Court of Common Pleas.

<u>Year</u>	<u>Percentage Taxable</u>	<u>Percentage Exempt</u>
1986	15	85
1987	15	85
1988	20	80
1989	23	77
1990	23	77
1991	40	60
1992	40	60
1993	40	60
1994	40	60
1995	40	60

2. Dismissal of Litigation. The City, the County, the Board and the YMCA will promptly cause the dockets in the Tax Cases to be marked as having been settled and discontinued with prejudice, each party to bear its own attorneys' fees, expenses and other costs incurred in the Tax Cases.

3. Covenants Concerning Assessments. The City, the School District and the County hereby covenant and agree not to assess, levy or sue the YMCA for any real estate taxes or other taxes associated with the Downtown YMCA except as set forth above and will recognize and therefore not challenge or seek to alter the tax exempt status of the YMCA as reflected by the percentages set forth in paragraph 1 hereof or the assessment of the Downtown YMCA during the term of this Agreement. The Board covenants and agrees to place the Downtown YMCA in the classifications set forth in paragraph 1 for the years 1986 through 1990 inclusive and shall permit said classification to be as set forth in paragraph 1 through the year 1995 unless this Agreement is terminated prior thereto as set forth herein. The parties hereto agree that the

7. Counterparts. This agreement may be executed simultaneously in two or more counterparts and by the different parties hereto on separate counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument. It shall not be necessary in making proof of this agreement to produce or account for more than one such counterpart. This agreement shall become effective upon the execution of counterparts hereof by all parties hereto, whether or not all such parties have executed the same counterpart.

New Settlement

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY,
PENNSYLVANIA

YOUNG MEN'S CHRISTIAN
ASSOCIATION OF PITTSBURGH, as
equitable owner of property of which the
ALLEGHENY COUNTY INDUSTRIAL
REDEVELOPMENT AUTHORITY is the
legal owner,

CIVIL DIVISION

G.D. No. 00-2680

Code: 120 (Tax Appeal (Realty))

Appellant,

v.

CONSENT ORDER

COUNTY OF ALLEGHENY BOARD OF
PROPERTY ASSESSMENT APPEALS AND
REVIEW, PITTSBURGH PUBLIC
SCHOOLS, CITY OF PITTSBURGH and
COUNTY OF ALLEGHENY,

Appellees.



IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY,
PENNSYLVANIA

YOUNG MEN'S CHRISTIAN
ASSOCIATION OF PITTSBURGH, as
equitable owner of property of which the
ALLEGHENY COUNTY INDUSTRIAL
REDEVELOPMENT AUTHORITY is the
legal owner,

CIVIL DIVISION

G.D. No. 00-2680

Code: 120 (Tax Appeal (Realty))

Appellant,

v.

COUNTY OF ALLEGHENY BOARD OF
PROPERTY ASSESSMENT APPEALS AND
REVIEW, PITTSBURGH PUBLIC
SCHOOLS, CITY OF PITTSBURGH and
COUNTY OF ALLEGHENY,

Appellees.

CONSENT ORDER

WHEREAS the Appellee Young Men's Christian Association of Pittsburgh (the "YMCA") is the equitable owner of property located at 330 Boulevard of the Allies in the City of Pittsburgh, Lot and Block No. 1-M-107;

WHEREAS the YMCA believes that this property is entitled to exemption from real property taxes levied by the Appellees the School District of Pittsburgh, the City of Pittsburgh and Allegheny County pursuant to Section 204 of the General County Assessment Law, 72 Pa. Stat. § 5020-204, because the YMCA believes that it is an institution of purely public charity, this property is necessary to the YMCA's charitable purposes, and the YMCA actually and regularly uses this property in furtherance of those purposes;

WHEREAS the YMCA timely applied for an exemption for this property beginning in Tax Year 1999;

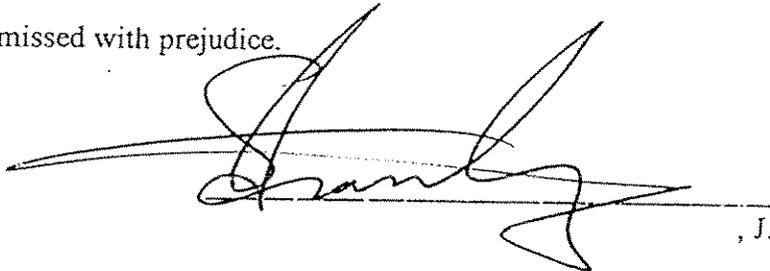
WHEREAS the School District of Pittsburgh, the City of Pittsburgh and Allegheny County dispute that this property is exempt from real property taxes;

WHEREAS this dispute is the subject of this action; and

WHEREAS the parties are desirous of resolving this dispute without trial;

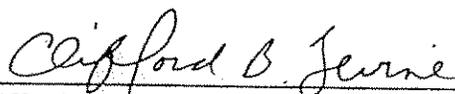
NOW, this 1st day of December, 2000, and with the consent of the parties, IT IS HEREBY ORDERED:

1. The property located at 330 Boulevard of the Allies in the City of Pittsburgh, Lot and Block No. 1-M-107, shall be placed 87.5 percent in the Exempt category for Tax Years 1999 through 2008, inclusive;
2. The School District of Pittsburgh, the City of Pittsburgh and Allegheny County may levy taxes upon 12.5 percent of the assessed value of that property for Tax Years 1999 through 2008, inclusive; and
3. This action is dismissed with prejudice.



, J.

CONSENTED TO:

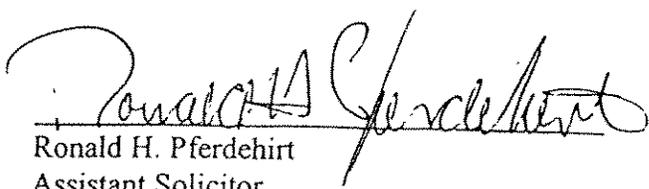


Clifford B. Levine
Stuart C. Gaul, Jr.
Counsel for the YMCA of Pittsburgh

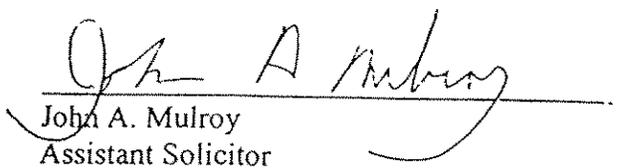


Ira Weiss
James A. Baxley
Counsel for the Pittsburgh Public Schools

7777 28



Ronald H. Pferdehirt
Assistant Solicitor
City of Pittsburgh



John A. Mulroy
Assistant Solicitor
Allegheny County

Date: April 11, 2001

To: Co-Chairs Senator Brian Burke & Representative John Gard
Joint Finance Committee

From: Nile Ostenso *NAD*
2023 Park Lawn Place
Middleton, WI 53562
H (608) 831-8436

Subject: Compensation Reserve in the Proposed 2001-2003 Biennial Budget.

The compensation reserve portion in the 2001-2003 biennial budget proposal appears to be grossly under funded. This amount of funds targeted for state employee wages must be increased many fold.

Based on a recent Standard and Poors' evaluation of wages in the slowing economy, **overall expect wages to remain strong over the next year.** Following a 4.2% gain last year, Standard and Poors says the wages and salaries component of the **Employment Cost Index will increase** another 4.2% this year (2001) and 4% in 2002. See attached executive summary.

The economy may be slowing and there may be a fiscal impact on the biennial budget. This should not be a factor in the state budget regarding state employee wages.

When times were good, state employees were asked to sacrifice while others prospered. And in earlier bad times, state employees were asked to sacrifice reasonable wage increases for the State. Now that there is a growing perception of the good times being over, will the State once again ask those who have already sacrificed to do so again?

Legislators and the Administration must be realistic when it comes to wages. The Standard and Poors type evaluations of market forces must be realized if the State expects to meaningfully hire and retain employees. The State has not been doing this and this is evident in failed wage initiatives such as broadbanding. Wage allocations have been insufficient and unrealistic.

Seasoned state employees are not going to take kindly to wage increases that prevent us from closing the gap on where we should be. This means making up for the shortfalls from past biennial budgets. This means that the Standard and Poors' estimates of 4.2% and 4% are not adequate because these only maintain the statusquo of the current wage situation.

To move forward, the final biennial budget must have a compensation reserve many times larger than currently proposed.

Thank you in advance for your careful consideration. Please do not hesitate to contact me if you have any questions about this concern.

cc: Jon Erpenbach, State Senator
David Travis, State Representative

Sector Overview

Executive Summary

Overview

The labor market is no longer drum-tight. The unemployment rate remained at 4.2% in February, the highest it has been since September 1999. Other data confirm the softening of the labor market. Initial claims for unemployment insurance—which always spike at the turn of the year—recorded their highest spike since 1996. Help-wanted advertising has slumped to its lowest level in seven years, and increases in compensation costs slowed in the fourth quarter.

But the market is still tight. Any softening has been concentrated in the manufacturing sector, where the jobless rate rose to 4.5% in February, up from 3.6% in December and 3.3% in January 2000. Manufacturers lost additional 94,000 workers last month, for a total of 426,000 jobs lost since August 2000. Hours worked also dropped 0.3 hours to its lowest level since the spring of 1991. Workers in durable goods manufacturing have suffered the most, with their unemployment rate rising to 4.2% this February, up from 3.4% in December and 2.9% a year earlier. Indeed, the increase in unemployment insurance claims has been concentrated in the same states as durable goods manufacturing, particularly of light vehicles and parts.

Jobs are still generally plentiful in other sectors of the economy, as was evidenced by the 135,000 increase in payroll jobs last month and a 224,000 gain in January. Then again, jobs are not as plentiful as they were a year ago. The growth of payroll employment slowed to 1.3% in February (year over year), down from 2.5% annual average gains from 1997 to 99. This is not all bad, though, since labor-force growth has slowed from 1.3% to less than 1.0%. Questions of why the gap exists aside, the slower labor-force growth effectively forces slower job growth.

Through most of the 1990s, payroll employment grew consistently faster than either the labor force or employment (as measured by the household survey). The gap between labor force and payroll employment growth is consistent with the gradual decline in the unemployment rate, but the gap between household and payroll employment is more difficult to explain. The improving economy probably thinned the ranks of the self-employed, but the early census data provide a more likely explanation—underestimation of the size of the labor force.

Thus far, the manufacturing has been the one of the only sectors to experience a drop-off in wage growth. Average hourly earnings for manufacturing workers dropped to a 3.2% year-over-year increase in February, compared to a wage gain of 4.2% for all private workers and 4.7% for service workers. Given the lagged reaction of wages to a slowing economy, we expect wages overall to remain relatively strong over the next year. Following a 4.2% gain last year, the wages and salaries component of the employment cost index will increase another 4.2% this year and 4% in 2002. After recording the lowest wages gain (3.9%) among the **White Collar** occupational categories last year, wages for professional and technical workers will lead the pack this year, with a 4.4% increase.

Highlights

As a sign of weakening labor markets, initial unemployment claims rose to 370,000 claims in the week ended March 3 from a low of 263,100 in March 2000. Meanwhile, the four-week moving average, which smoothes out statistical fluctuations, rose 2,250 to 355,250.

Following a robust 224,000 gain in January, employers added 135,000 workers to their payrolls last month. This larger-than-expected gain was led by an increase of 95,000 workers in the service industry. Meanwhile, manufacturing continues to shed employees - we expect 552,000 manufacturing workers will lose their jobs over the next year.

Given the lagged reaction of wages to a slowing economy, we expect wages overall to remain relatively strong over the next year. Following a 4.2% gain last year, the wages and salaries component of the employment cost index will increase another 4.2% this year and 4% in 2002.



STATE ENGINEERING ASSOCIATION

4510 REGENT STREET

MADISON, WISCONSIN 53705

(608) 233-4696

April 11, 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 11, 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,



Frederick J. Wisner, President
Central Office Section
STATE ENGINEERING ASSOCIATION

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

thewheelerreport.com

Online supplement to The Wheeler Report

Published by: Wheeler Reports, Inc. - 111 W. Wilson St. #401 - Madison, WI 53703

E-Mail: wheeler@thewheelerreport.com

Joint Finance Committee Schedule of Public Hearings on the biennial state budget.

Tuesday, March 27: Superior High School Performing Arts Center. (10:30 am - 5 pm)

Wednesday, March 28: Chippewa Valley Technical College, Clairemont Campus, Phillips Building Room 110-113, Eau Claire. (9:30 am - 4 pm)

Tuesday, April 3: UW-LaCrosse, Cleary Alumni and Friends Center, Great Hall, LaCrosse. (10 am - 5 pm)

Wednesday, April 4: St. Joseph's Hospital, The Mother Frances Streitel Conference Center, Marshfield. (10 am - 5 pm)

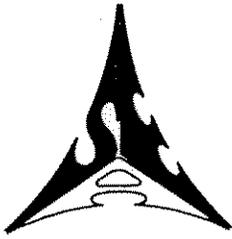
Thursday, April 5: Peshtigo Middle/High School Gymnasium, Peshtigo. (10 am - 5 pm)

Tuesday, April 10: UW-Parkside, Parkside Union, Union Cinema, Kenosha. (10 am - 5 pm)

Wednesday, April 11: State Capitol, Room 411-S, Madison. (10 am - 5 pm)

Friday, April 20: Washington High School, Milwaukee. (10 am - 5 pm)

(END)



STATE ENGINEERING ASSOCIATION

4510 REGENT STREET

MADISON, WISCONSIN 53705

(608) 233-4696

April 11, 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 11, 2001

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

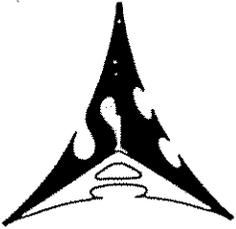
We appreciate this opportunity to communicate our concerns about the Wisconsin
Retirement System to your committee and want to thank you for your considera-
tion.

Sincerely,



Robert W. Schaefer, President
Madison-DNR Section
STATE ENGINEERING ASSOCIATION

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



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William Niemi, President
Madison-DOT Section

STATE ENGINEERING ASSOCIATION

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

George Mickelson
6632 Offshore Drive
Madison, WI 53705
H (608) 829-3745

March 29, 2001

The Honorable Scott McCallum
Governor
Office of the Governor
115 East State Capitol
Madison, WI 53702

Subject: Proposed Modification to Civil Service Hiring Procedures

Dear Governor McCallum:

I am gravely concerned about a proposed change in the Wisconsin civil service system. The existing system was carefully designed to limit the potential for favoritism and discrimination from the hiring process. I am specifically referring to the following paragraph (bold and underlines added for emphasis) and associated statutory clauses in the budget bill:

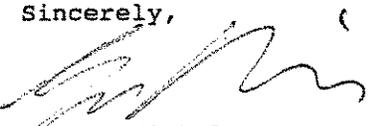
Under current law, appointments and promotions to positions in the state classified civil service must be made according to merit and fitness. When vacancies occur in such positions, the administrator of the division of merit recruitment and selection in DER must certify names that may be considered for appointment to the position. This bill authorizes the administrator, with the approval of the secretary of employment relations, to establish pilot programs for the recruitment of individuals to fill vacant positions in the classified service. Under the bill, the pilot programs, which may not be in effect for more than one year, are exempt from all recruitment and certification requirements under current law, except that appointments and promotions to positions must be made according to the applicant's merit and fitness for the position.

The proposed pilot project to remove all existing protections provided by State Statutes has the potential to introduce favoritism, discrimination and possibly other undesirable consequences. I recognize that the proposal is intended to be a temporary pilot project, but the fact remains that pilot projects have a tendency to become permanent.

I ask that you request that the legislature delete the proposal from the bill, and if they do not, I encourage you to exercise your authority to use a line item veto to remove this clause.

Thank you in advance for your careful consideration. Please do not hesitate to contact me if you have any questions about this letter.

Sincerely,



George Mickelson

cc: Frederick Risser, State Senator
Spencer Black, State Representative
Peter Fox, Secretary, DER
Timothy Hanley, President, SEA

ASSEMBLY BILL 144

of the revenue collected under the penalty assessment is appropriated to the office of justice assistance (OJA) to fund an assortment of criminal justice and law enforcement programs.

This bill decreases the penalty assessment to 13% of the amount of a fine or forfeiture. The revenue collected under the penalty assessment is appropriated to OJA to fund the programs that OJA currently funds with the twenty-eight fifty-fifths portion of the 23% penalty assessment.

The bill creates a law enforcement training fund assessment that is separate from the penalty assessment. The law enforcement training fund assessment is an 11% surcharge on fines and forfeitures ordered for a violation of most state laws or local ordinances. The bill appropriates the revenue collected under the law enforcement training fund assessment to DOJ to fund the law enforcement, jail, and secure detention officer training, and the purchase of equipment for the crime laboratories that is currently funded by the twenty-seven fifty-fifths portion of the penalty assessment revenue appropriated to DOJ.

Under current law, DOJ administers a grant program to fund cooperative county-tribal law enforcement programs in counties that have Indian reservations within their boundaries. OJA administers a similar grant program to fund county law enforcement programs that are not supported by the DOJ grant program in counties that border Indian reservations. Each program is funded from Indian gaming receipts.

This bill moves administration of the DOJ cooperative county-tribal law enforcement grant program to DOA and consolidates it with the OJA grant program for counties bordering Indian reservations. The consolidated grant program provides funding for law enforcement services to counties that have an Indian reservation within their boundaries or that border an Indian reservation.

STATE EMPLOYMENT

Under current law, appointments and promotions to positions in the state classified civil service must be made according to merit and fitness. When vacancies occur in such positions, the administrator of the division of merit recruitment and selection in DER must certify names that may be considered for appointment to the position. This bill authorizes the administrator, with the approval of the secretary of employment relations, to establish pilot programs for the recruitment of individuals to fill vacant positions in the classified service. Under the bill, the pilot programs, which may not be in effect for more than one year, are exempt from all recruitment and certification requirements under current law, except that appointments and promotions to positions must be made according to the applicant's merit and fitness for the position.

Currently, any legislator who establishes a temporary residence in Madison for the period of any regular or special legislative session may receive an allowance for expenses incurred for food and lodging for each day that he or she is in Madison on legislative business. The amount of the allowance is recommended by the secretary

Date: April 11, 2001

To: Co-Chairs Senator Brian Burke & Representative John Gard
Joint Finance Committee

From: Nile Ostenso *NAD*
2023 Park Lawn Place
Middleton, WI 53562
H (608) 831-8436

Subject: Modification to Civil Service Hiring Procedures in the Proposed
2001-2003 Biennial Budget.

The Wisconsin civil service system would be compromised by the 2001-2003 biennial budget proposal and by a related Assembly bill (AB 144) to temporarily (pilot study) suspend hiring practices of state employees. These measures if passed may also be unconstitutional.

I am specifically referring to the following paragraph (underlined for emphasis) and associated statutory clauses in the proposed budget bill:

Under current law, appointments and promotions to positions in the state classified civil service must be made according to merit and fitness. When vacancies occur in such positions, the administrator of the division of merit recruitment and selection in DER must certify names that may be considered for appointment to the position. This bill authorizes the administrator, with the approval of the secretary of employment relations, to establish pilot programs for the recruitment of individuals to fill vacant positions in the classified service. Under the bill, the pilot programs, which may not be in effect for more than one year, are exempt from all recruitment and certification requirements under current law, except that appointments and promotions to positions must be made according to the applicant's merit and fitness for the position.

The existing hiring system was carefully designed to limit the potential for favoritism, cronyism and discrimination from the hiring process.

I oppose a pilot project to remove existing provisions provided by State Statutes to protect government services from favoritism, cronyism, discrimination and possibly other undesirable government practices.

Suggesting a temporary pilot project is a mechanism to slip in a permanent change without basis or proper due process. The state does not comply in good faith with some statute requirements for hiring, as it is, consider the current LTE situation. This proposal would become another form of abuse. Therefore, delete the proposal from the budget bill.

Using a fiscal crisis as justification is the same as building a bridge based on poor design and/or with inferior materials.

I encourage you to include resources in the biennial budget so the state can follow current law on appointments and promotions based on merit and fitness and do so in a timely manner.

Thank you in advance for your careful consideration. Please do not hesitate to contact me if you have any questions about this concern.

cc: Jon Erpenbach, State Senator
David Travis, State Representative