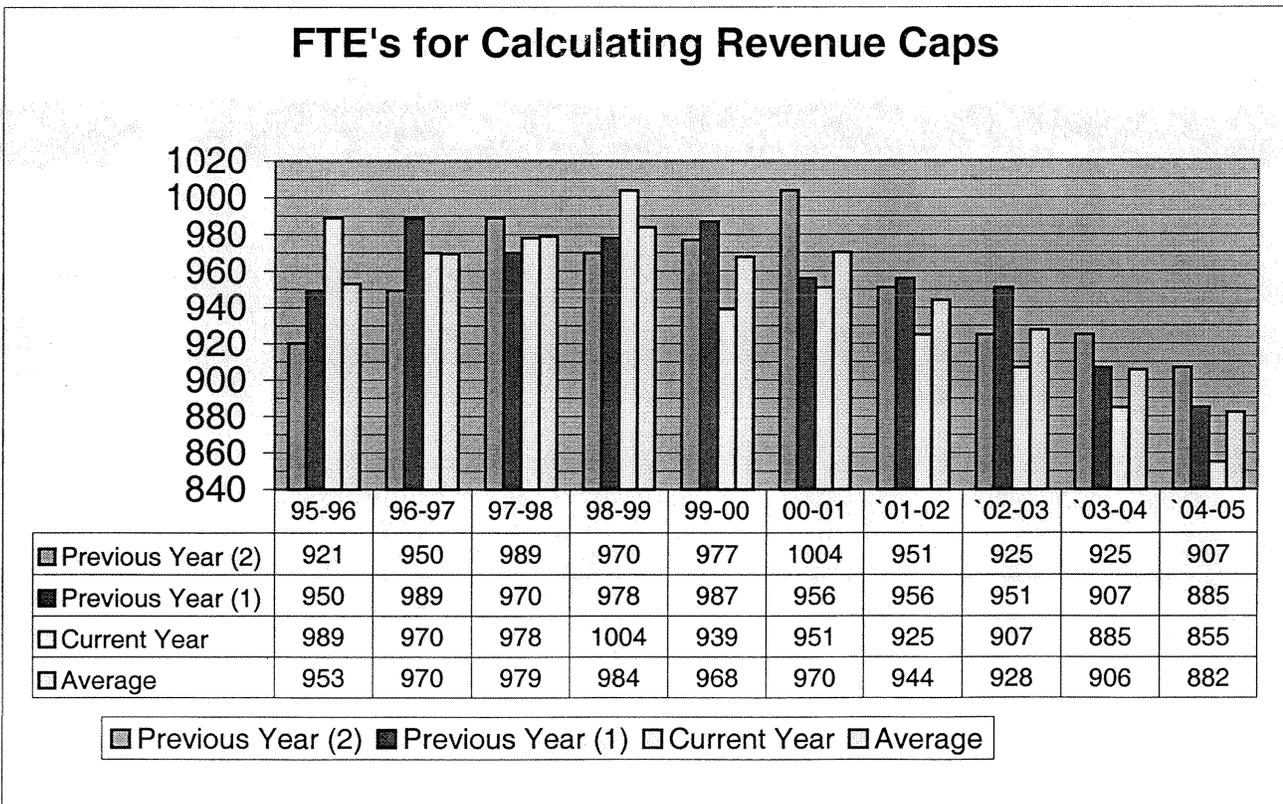


Wisconsin Senate Budget Hearing
 Cumberland Middle School Commons
 Monday, June 11, 2001

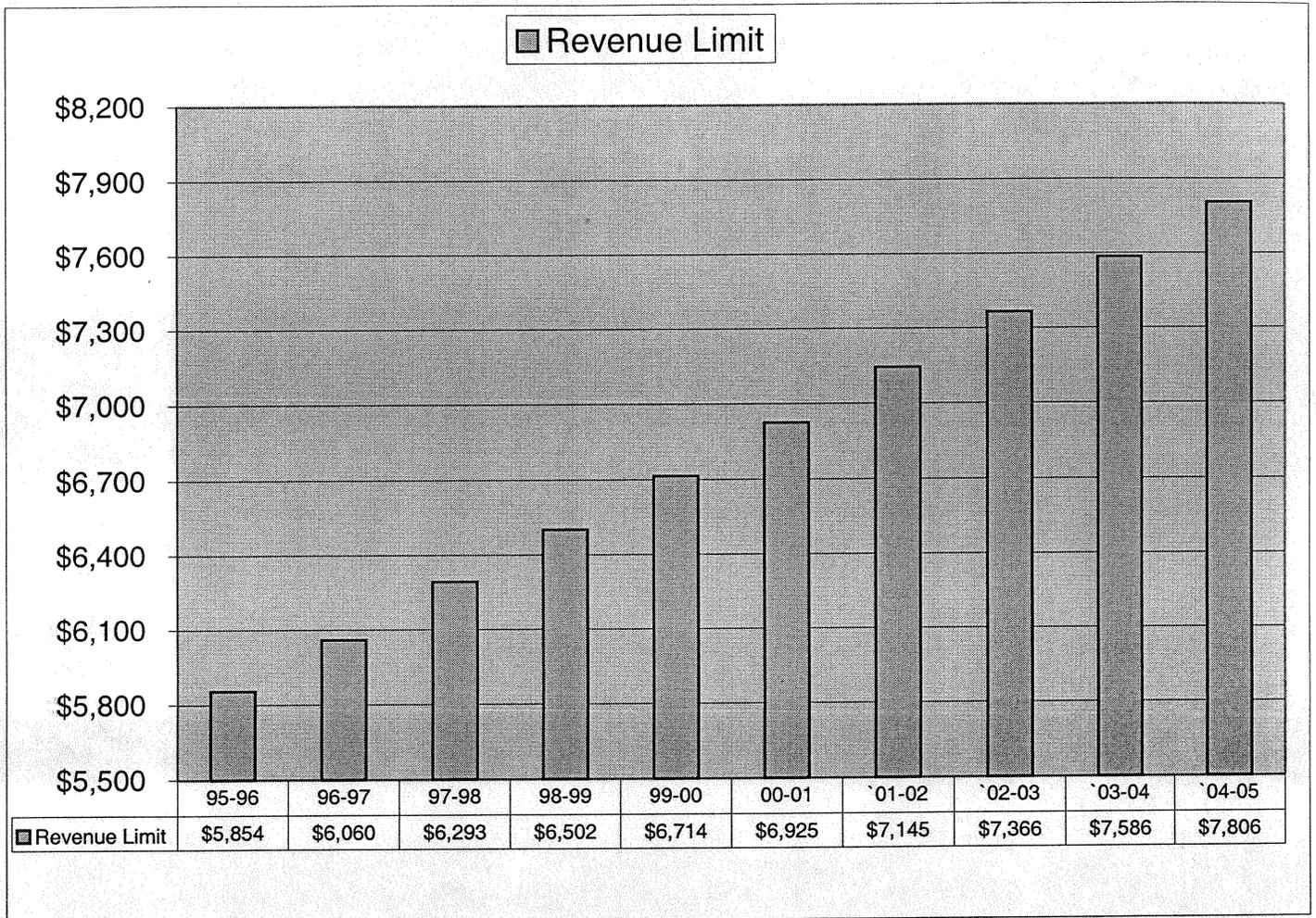
What does a quality education look like?

The answer is in the eye of the observer. Each person brings to the discussion their own views and background. The Boyceville Community School District (BCSD) has worked very hard to provide a variety of options for students and their respective families. The Revenue Cap formula sets 89% of our General Fund (FUND 10) budget each year. Under the current funding procedure this practice is feasible and often successful when the number of students in the school district is increasing each year. To provide the best possible education experience within the limitations of declining enrollment is a major challenge.

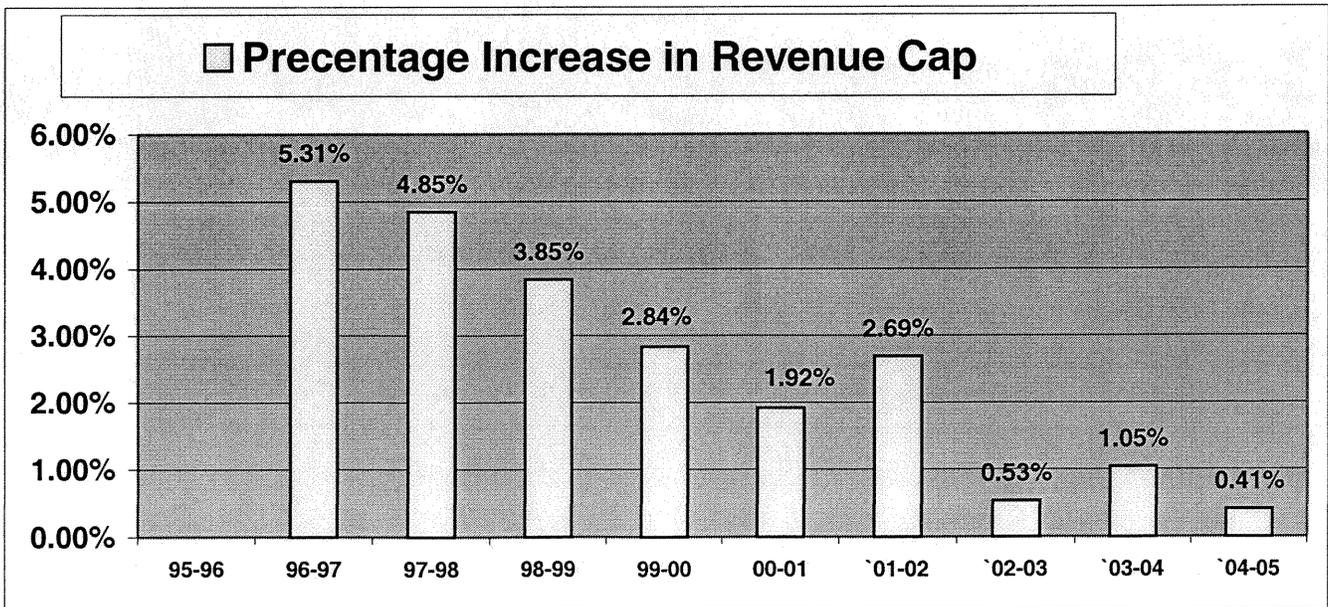
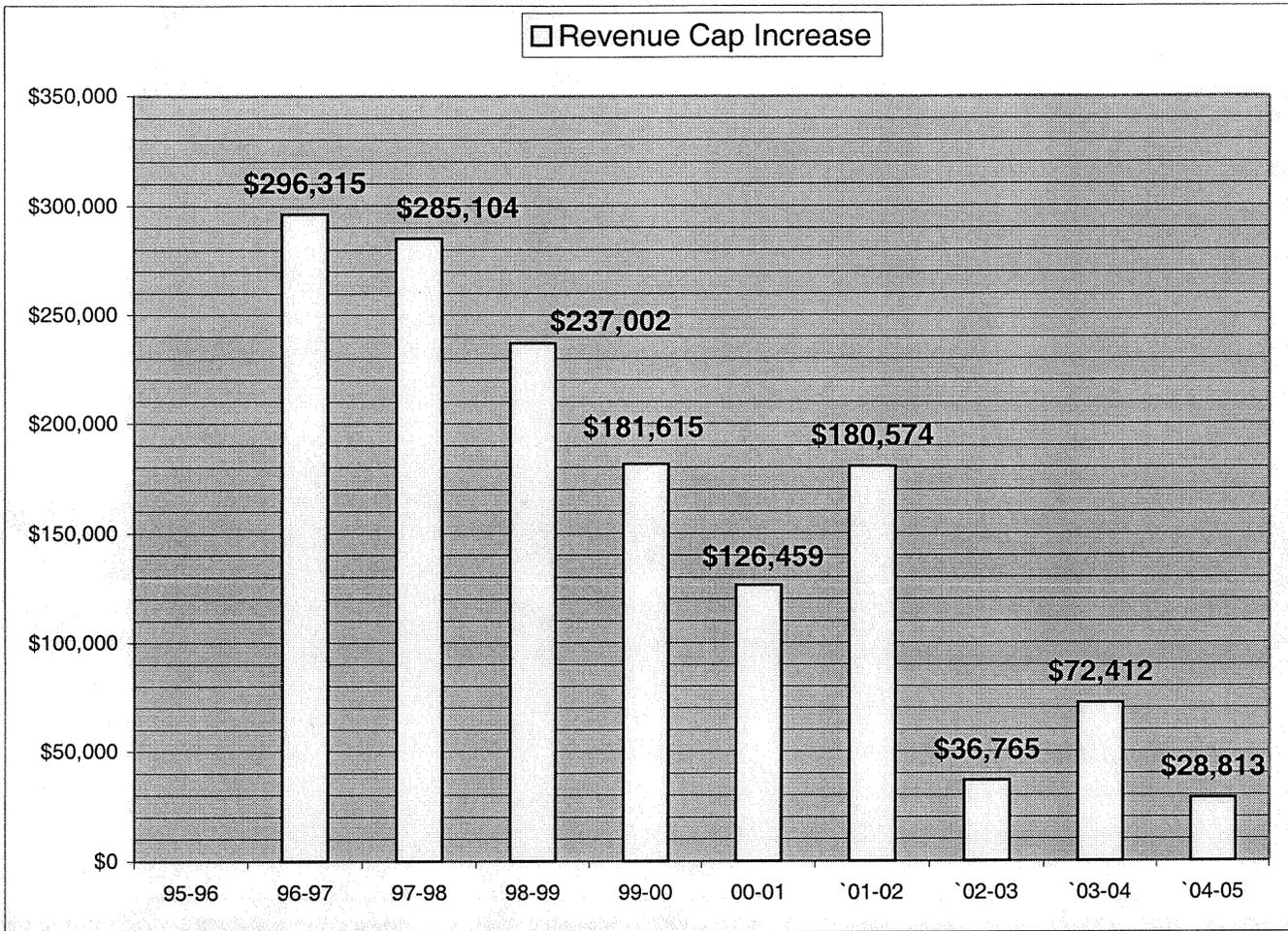
This chart shows the Full Time Equivalent (FTE) student count for a 10 year period, history and projections. In the first four years our Average Student FTEs values were increasing. Boyceville Community School District is currently entering the third year of a six year drop in the Average Student FTEs values.



The Revenue Limit increases each year. The following chart shows the value of Revenue Limit per student FTE. This chart assumes that the rate of increase in the coming years will be \$220.30.



The following two charts show the increase in the Revenue Cap for the Boyceville Community School District in this same ten year period. The dollar values are seen in “Revenue Cap Increase” chart. It is easy to see the contrast between the years when the FTEs increase and the years when the FTEs are decreasing. The second chart shows the “Percentage Increase in Revenue Cap” for the same time period. It is important to remember that the Revenue Cap provides 89% of our General Fund (FUND 10) revenue.



What steps has Boyceville Community School District taken to address these decreases in funding.

The Boyceville Community School District is entering into its third year of declining enrollments. The District has held two referendums to exceed the revenue cap; May of 1998 and September of 1998, both of which failed.

It was decided that the District needed to focus on our facility needs after the second loss. In May of 1999 the patrons of the District supported an \$8,450,000 building referendum. The project was basically completed for the fall of 2000. The tax impact for the building was spread over two tax years to decrease the impact on the local taxpayer. Some taxpayers did have a sizable increase because of other municipalities decisions. The Board of Education considered a third referendum to exceed the Revenue Cap for this past April, but after talking to the people in their circle of influence a majority of the Board felt that it would not pass until the District demonstrated it had done all it could to reduce costs and yet maintain the quality of education.

The current FUND 10 Revenue projection for the 2001-2002 school year is about a \$20,000 increase over the 2000-2001 school year. The District has

- Required the principals and supervisors to reduce their budgets by \$140,000 but this was off-set with an increase in our fuel budgets by \$60,000 based upon the cost increases this past year.
- Eliminated a part-time assistant elementary principal position (1 ½ hours/day).
- Reduced an Early Learning Center (4-year old Kindergarten) teacher from full time to half time based upon spring registration
- Reduced the Middle School guidance counselor by about 14% (27 days).
- Reduced 8 teachers who have extended contracts (primarily summer work) by 20% each.
- Reduced the number of District Newsletters to 5 from 9 in the coming year.
- Dropped student accident insurance coverage
- Given each teacher notice that they will be laid off for three days this coming year.
 - This action can be summarized in a statement provided by one of our teachers **“The goal is higher quality of instruction for 177 days vs. less quality of instruction for 180 days.”**
 - State Superintendent John Benson has denied our request for three days of forgiveness from the required number of face the pupil days.
 - The Union has filed a grievance on this District action.
 - All other staff (teaching aides, cooks, custodians, bus drivers, secretaries and administrators) will be directly effected by a layoff to their position.
 - The reduction in face the pupil days is not good for education but better than the alternative of less quality for the entire year.

- Is looking to reduce two bus routes (morning and evening) and two noon bus routes (4-year old kindergarten).
- Is looking to eliminate two custodial positions effective August 1, 2001.
- Is considering a \$0.20 increase in lunch prices and a \$0.10 increase in breakfast prices.

If all of these actions are implemented, the Boyceville Community School District will need to find an additional \$18,000 of revenue or reductions to balance the FUND 10 budget.

In the past couple years the Boyceville Community School District has made the needed adjustments with little or no fanfare. The District

- Did not hire a replacement special education teacher in the Summer of 2000 to balance the budget.
- Eliminated 4 bus routes (3 late bus and 1 noon bus routes) in the Summer of 2000.
- Did not hire a certified mechanic to maintain our bus fleet in the Spring of 2000.
- Has been leasing all new school buses since the Summer of 1997 because we did not have the money to pay for them in the given year.
- Operated one of our vocational programs with only a half-time teacher in the 1999-2000 and 2000-2001 school years until the student interest required going back to a full-time position.

Tiffany Creek Elementary, our only elementary is a SAGE school. We are grateful for this program and we believe the children who have taken part will benefit greatly from your investment at this time in their lives. It is our belief that this program will have lasting benefits as these students advance to the increased challenges of education provided in our upper level grades. Regrettably we also are finding with the data being collected that students who are transient, their families movement between school districts are not as successful as those who we have from the beginning of their education experience.

It is understood that the State Budget is tight and I like many others are asking you to help us do our job. What Wisconsin will be in the future is built on the foundation a quality education. Currently School Districts are under restrictions not placed on other governmental units, i.e. to levy for construction or major repair to our facilities we must hold a referendum.

What Can the State of Wisconsin Do for Public Education?

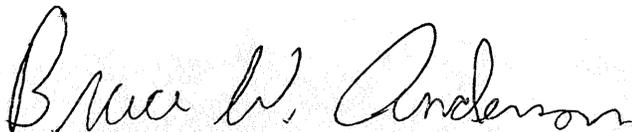
- It was brought to my attention that when heating and employee insurance costs exceed their budgets, money was found to help the prison systems to handle these costs. The Boyceville Community School District **would appreciate an opportunity to cover these increases outside of the Revenue Caps.**

- The cost of providing for students-with-special-needs is increasing at a rate faster than the rest of the cost of public education. **Provide additional funding for students who cost more than twice the average student to educate.** It would be a shame if non-special-needs-students lose services because the school district can not meet the needs of both groups of students.
- **Allow school districts to provide part-time open enrollment to any age student and count those students on our count dates.** School districts would be more encouraged to assist families who choose to educate their children outside of public education by providing limited learning opportunities as these families desired them and funding to off-set the cost.
- **Assist School Districts in attracting and keeping quality, certified individuals to teach our students.** A fellow administrator in northwest Wisconsin has two sons who graduated from college with math degrees and many similar classes this year.
 - One entered education as a teacher in Wisconsin with a starting salary of \$28,000.
 - One entered a business in Wisconsin with a starting salary just over \$50,000 plus moving expenses and a signing bonus of \$5,000 (additional dollars).

Two questions:

- How can public schools in your legislative area compete with a business career for people good in math?
- Which career education or business would you advise a student with good math skills to pursue?

Respectfully,



Bruce W. Anderson, District Administrator
Boyceville Community School District
161 East Street
Boyceville, WI 54725
(715) 643-4311
brucea@boyceville.k12.wi.us

Cc Board of Education
Tribune Press Reporter
Dunn County News

Testimony, Senate Budget Committee

Regent Fred Mohs

Tuesday, June 12

Verona High School Performing Arts Center

Senator Jauch and Committee members. My name is Fred Mohs and I am a member of the UW System Board of Regents. Thank you for this opportunity to comment on the Joint Finance action relative to the UW System budget. The three areas I will discuss today where improvements can be made are: (1) further funding of the economic stimulus package, (2) Board of Regent program revenue position creation authority and (3) restoration of several Building Commission recommendations.

Before I speak about improvements, I want to share positive actions by the Joint Finance Committee. Actions we hope the Senate will retain. These include a 53 million dollar GPR increase to the UW System. This is a 1.3 percent increase over last biennium and 2 million dollars shy of the Governor's original recommendations. All but 8.7 million dollars of the GPR increase goes to cost to continue items. Also approved were 233 positions that corresponded to budget initiatives recommended by the Governor and requested by the UW System.

Another plus, (with the strong support of Senator Jauch which is greatly appreciated), is that Joint Finance voted to apportion funds from the dissolution of the Wisconsin Advanced Technology Fund, in the way the Governor recommended. This supports several vital UW System technology projects. These include: Internet 2, Learning Innovations; the Academic Co-Lab (a partnership with the Technical Colleges and UW-Extension to develop on-line learning modules using common standards); and Techstar (which will assist UW-Milwaukee in bringing research to market in southeastern Wisconsin).

In addition, several flexibility items were approved that related to creating positions and hiring university leadership at competitive salaries. The Finance Committee action would allow the Board of Regents to create new GPR positions within UW System base resources (if it absorbs any additional health insurance costs associated with an increase). We need this same ability to create program revenue positions. Currently, the Regents have the authority to spend program revenue resources as they are collected, but cannot spend them on the very professors that provide students the education they are paying for.

Let me turn to several other needed improvements. First is the need for further investment in the Economic Stimulus Package. I, like my Regent colleagues, am very concerned about Wisconsin's future economic outlook. We are facing a serious labor shortage in many "new economy" professions targeted by our Economic stimulus package -- engineering, business, biotechnology and computer and information sciences.

State funding is very tight. You will be making painful decisions in the coming days. Each decision you make is a choice to seize or forego opportunities that will determine Wisconsin's future. Please consider the economic consequences of NOT investing in Wisconsin's workforce on the state's future revenue collections.

Also, as you consider the Economic Stimulus package, please be respectful of the private donors supporting economic development efforts. For example, Abbot Labs is donating funds to enable UW-Parkside to graduate more bioscience students; Kimberly Clark is committing resources for more engineers in the Fox Valley. Many contributors to the UW Foundation and the Wisconsin Alumni Research Foundation are contributing to biotechnology research as part of the Madison Initiative...just to name a few. You have all received a letter signed by about 60 state business leaders in support of the Economic Stimulus package.

Finally, the state building program. Unfortunately, the Joint Finance Committee reduced the 164 million dollars recommend by the Building Commission for maintenance projects for all state agencies by 79 million dollars. If the cut is distributed proportionately among state agencies, the UW System could expect to receive about a 42 million dollar reduction from the Governor's request. In some cases, this is the only funding in the capital budget a campus may be receiving. It makes sense to maintain and extend the life of existing buildings so that we don't have to build more. Restoring these funds would go a long way to help us whittle away at a very large deferred maintenance problem on our campuses.

The Committee approved only the first four years of the requested ten-year BIOSTAR program for UW-Madison and eliminated funding for the new Veterinary Diagnostic laboratory needed for accreditation purposes. These actions can only weaken the position of the university in appealing to private donors who will be asked to contribute over half (more than \$130 million dollars) of the initiative.

Thank you for your attention to suggested improvements to the Joint Finance Committee budget to address the need for more enrollments in high demand fields (increase support for the Economic Stimulus package), extend position creation authority to hire needed instructors, and restore the Governor's Building Commission recommendations.

I'd be happy to answer any questions.



Testimony before the Senate Budget Committee

June 12, 2001

Kevin P. Reilly
Chancellor, University of Wisconsin-Extension

Thank you, Senator Jauch and members of the committee, for the opportunity to discuss the University of Wisconsin System's budget proposal for the 2001-03 biennium.

My name is Kevin Reilly. As Chancellor of the University of Wisconsin-Extension, I am pleased to have this opportunity to speak on behalf of the University of Wisconsin System and the millions of people we serve.

If you look at the Economic Stimulus package adopted by the UW System Board of Regents in March, you will see an array of programs geared toward building a strong future for Wisconsin. If you attended the Wisconsin Economic Summit last fall, as I did, you will recall that speakers and panelists from every sector echoed one consistent theme—that higher education is the main ingredient in any recipe for economic growth in the future.

I agree that the University must play a central role in our efforts to position Wisconsin for success in a new global economy. University research, education and service are the cornerstones for a stable economic development strategy.

Despite all the recent talk about the number of college graduates planning to leave our state, statistics show that 82 percent of resident students in the UW System will remain here after graduation, and about 18 percent of the non-residents will choose to stay in Wisconsin. Historically, we rank among the top 10 states in the nation for retaining college graduates.

Our challenge is to develop a balanced plan that addresses the "supply" of homegrown educated workers, and the "demand" for those individuals created by high-growth business and industry. On the "demand" side, we must do a better job of attracting educated workers from other states and growing businesses here that will hire them.

This is the reasoning behind the UW System's proposed plan, which would address both our ability to produce a well-educated workforce, and our efforts to stimulate a healthy business climate where high-paying jobs are plentiful. The plan calls for sensible investments in higher education—the kind of engaged higher education that improves communities, stimulates commerce, and provides pathways to better jobs.

Under the Economic Stimulus proposal, the university will continue to increase access to college education for traditional students and returning adults. That translates into higher incomes for Wisconsin residents, since a person with a bachelor's degree earns about \$18,000 more per year

than someone with only a high school diploma. Of course, higher average incomes also mean increased tax revenues for the state.

I would like to offer a few examples of how the university's plan will contribute to Wisconsin's economic development:

- It would provide more high-technology graduates for the workforce as a result of investments in the Chippewa Valley Initiative, the Fox Valley Engineering collaborative, Bioinformatics at UW-Parkside, and Information Sciences programs delivered at several other campuses.
(continued)
- It would help complete the Madison Initiative and launch the Milwaukee Idea, leveraging about \$20 million in private matching funds for UW-Madison and providing room for enrollment growth and further community engagement at UW-Milwaukee.
- It would establish the "2+2" programs that will facilitate transfer of students between the UW and the Wisconsin Technical College System.
- It would expand the services provided at UW-Extension's 13 Small Business Development Centers to promote the growth and development of science and technology firms in Wisconsin. Additional state funding would create three regional Technology Business Development Centers to support high-tech start-up companies and target high-growth companies for further expansion.

These are only a few examples of how the UW System can help stimulate economic growth and improve the quality of life for Wisconsin residents.

As our economy evolves, education will continue to be the key that unlocks new opportunities for a wide range of Wisconsin workers. Robust continuing education programs provide the flexibility for Wisconsinites to pursue new careers in emerging business sectors, and state-of-the-art technology enables the delivery of these programs anytime, anywhere. In a changing economy, this flexibility will be especially helpful to adult students working to support families, while using distance education to acquire additional skills and launch new careers.

Through the University of Wisconsin-Extension and our many educational partners, individuals and communities put university knowledge to work using hands-on education and research that hits home. We are helping to create jobs, improve schools, protect natural resources, strengthen families and develop sound community development plans. This translates into a higher quality of life and one giant step toward attracting and retaining a strong workforce.

On this point, I would like to discuss one budget item that will have a very negative impact on dozens of communities statewide. UW-Extension's Solid and Hazardous Waste Education Center—or SHWEC—offers important support for community decision-making regarding recycling, landfill management, pollution prevention and other subjects. This same program provides unique education on subjects like waste reduction and environmentally-friendly manufacturing processes that help Wisconsin businesses become more globally competitive.

The 2001-03 state budget eliminates funding for this critically important educational program. I sincerely hope that you will support restoration of the 4.5 FTE positions and \$1,080,700 in

segregated funds to UW-Extension and UW System for this cost-effective program that both the environmental community and business tell us they want and need.

SHWEC is a fine example of how the university helps preserve the things that have always made this a great place to live and work. We can do more. By helping core industries remain competitive and stimulating the growth of new knowledge-based businesses, we can boost Wisconsin's per-capita income, which currently lags the national average by five percentage points. Closing that gap and raising our average income to the national average would add a remarkable \$7.6 billion dollars in taxable income to our state, making future state budget deliberations much less painful.

To reach that future goal, we need investments today in educational systems that will create an attractive, thriving environment for all Wisconsin people. The link between educational attainment and economic health has been made clear in countless studies over the years. We know that investments made now in the University of Wisconsin—on campus and, through Extension, in every community—will reap valuable dividends in the future.

That is why I urge you to support the UW System's Economic Stimulus proposal, as a sound investment in a prosperous future. On behalf of my UW System colleagues, I thank you again for the opportunity to speak here today.

###

The Cumberland School District requests your support for

- ✓ Expanded SAGE funding
- ✓ Revenue cap flexibility - we totally support the WASB “2 percent for kids”
- ✓ Maintain summer school at 40% rather than 25% to allow students additional opportunities to meet state standards
- ✓ Maintain special education reimbursement at 35%

90% Reading Goal

From The 90% Reading Goal

By Fielding, Kerr, Rosier

Skilled readers do well in our society. This is true from the time they start their first job as a student until they retire from jobs in business and industry six decades later. Unskilled readers struggle in our society. They struggle every time they come in contact with print.

Reading is a Skill

- ✓ It is a process skill by which children get information from all sources to learn math, science, literature, and social studies
- ✓ It is a skill related to 85% of all adult economic activity
- ✓ It is the skill upon which we in the schools use to transmit 85% of our curriculum

From kindergarten to third
grade, students learn to read.

From third grade on, students
read to learn.

Consequences of Not Learning to Read by Third Grade

- ✓ Continued academic failure
- ✓ Diminished self esteem
- ✓ Lowered self expectations
- ✓ Creation of a core of unmotivated, inattentive, and unruly students who are 4-5 times more likely to be a regular discipline problem by sixth grade than those students able to read at grade level

Consequences of not Learning to Read by Third Grade (continued)

- ✓ Creation of a pool from which most of our dropouts emerge
- ✓ Creation of adults that are
 - Chronically unemployed, underemployed, or unemployable
 - The single largest identifiable group that we incarcerate, provide public assistance and other social services

Children must start learning to read as early as possible because they seldom catch up

✓ 80% of students with serious reading problems at the end of first grade performed below average by third grade

✓ 88% of children who were deficient in word recognition skills in first grade were poor readers in the fourth grade

✓ 74% of children who are poor readers in third grade remain poor readers in ninth grade

If we can improve our students
reading skills we can also:

✓ Reduce discipline problems

- 7% of sixth grade students in a test school, all reading below grade level, accounted for 54% of all disciplinary referrals

If we can improve our students
reading skills we can also:

- ✓ Improve high school graduation rates
- ✓ Improve post graduation success potential

If we can improve our students
reading skills we can also:

✓ Reduce crime

- One out of every 193 Americans is incarcerated
- 49% of them read at or below a ninth-grade level

The annual cost of arresting, trying, and imprisoning those whom we did not teach to read in the first, second, and third grades is approximately the same amount we annually spend nationwide educating our 36.7 million K-8 public school students



2

301 North Broom Street Madison, WI 53703 ■ (608) 257-3665 ■ fax (808) 257-8989 ■ wvma@wvma.org

Vic L. Eggleston, DVM
President

Randy J. Schuett, DVM
President Elect

Don W. Dykhouse, DVM
Past President

Leslie G. Grendahl
Executive Director

DATE: June 11, 2001
TO: Members of the Senate Budget Committee
FROM: Donald Peterson, DVM
SUBJECT: Restoration of funding enumerated for construction of the Wisconsin Veterinary Diagnostic Laboratory

On behalf of the Wisconsin Veterinary Medical Association, I am requesting your support for reinstating in the budget the enumerated funding of \$23.6 million for construction of the Wisconsin Veterinary Diagnostic Laboratory (WVDL) and space for the Large Animal Hospital in 2003-05. \$20 million of the amount is GPR for the construction of the lab. \$3.6 million is program/gift revenue for the Large Animal Hospital.

Wisconsin veterinarians are gravely concerned that the deletion of the enumerated funding for construction sends an ill-fated message to the national accrediting board, once again putting our certification in jeopardy. The continued certification of Wisconsin's animal health laboratories is dependent on the Legislature following through on the commitment made last session to make structural, staffing, and oversight improvements of its animal health diagnostic capabilities. The construction of the new WVDL is an important and integral part of that commitment.

The loss of Wisconsin animal health laboratories certification has the potential to devastate the state's animal agricultural economy as other countries do not allow for importation of livestock, dairy, and poultry products without certified tests by an accredited state lab.

Forty percent of the work done by the lab is to enable Wisconsin products to enter other countries.

In total industrial output, dairy ranks as the state's second largest industry with \$8.5 billion in shipments. Processed meat ranks as the state's fifth largest industry, with \$4.5 billion in shipments.

From an economic perspective, farm sales from Wisconsin livestock, dairy, and poultry in 1998 totaled \$4.5 billion, and accounted for 73 percent of the state's total farm income.

Again, we strongly urge your support for reinstatement of the enumerated funding to construct the WVDL. If you have any questions, please feel free to call me at 257-3665 or e-mail me at grendahl@wvma.org.

Thank you.

EXECUTIVE BOARD

District 1 - Richard A. Weaver, DVM ■ District 2 - David A. Rhode, DVM ■ District 3 - Philip C. Johnson, DVM
District 4 - Phillip L. Pearson, DVM ■ District 5 - Robert J. Klostermann, DVM ■ District 6 - Heather Durig, DVM
District 7 - Laura G. Johnson, DVM ■ District 8 - Donald J. Peterson, DVM ■ District 9 - Michael R. Raskin, DVM
Treasurer - Thomas H. Howard, DVM ■ WVMA representative to the WVDL Board - Berwyn J. Grintan, DVM
AVMA Delegate - Rene A. Carlson, DVM ■ State Veterinarian - Clarence J. Sroky, DVM
Dean, UW School of Veterinary Medicine - Caryl D. Buss, DVM, PhD ■ Student Representatives - Heidi Benkers and Kimo Gray



The New Wisconsin Economy

University of Wisconsin System Biennial Budget Request for 2001-03 Spring 2001

<http://www.wisconsin.edu/budget/>

Budget Summary

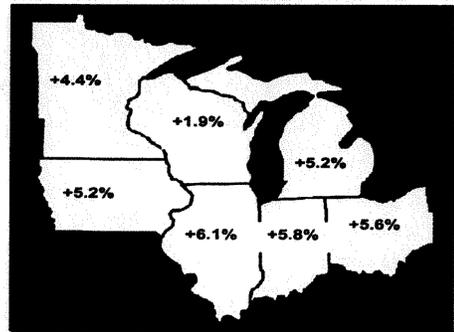
The University of Wisconsin System budget for 2001-03 addresses the economic development and workforce needs of Wisconsin.

The Governor's budget would provide \$8.7 million for new initiatives over the coming biennium but require a \$12.7 million GPR base cut. The Board of Regents has requested an additional state investment of \$20 million annually to fund an Economic Stimulus Package. Funds would be spent in the areas listed below.

In total, the Governor and the Regents are asking the legislature to invest a total of \$88 million in GPR/fees over the biennium to support new programs (2.9% increase). For this investment, the state will get very specific returns:

- 2,660 increase in enrollment
- Up to 3,000 new graduates
- New business start-ups from UW discoveries

This is a budget that reinvigorates the Wisconsin Idea, asking not what the state can do for the university but what the university can do for the state. It would roll back a decade in which investment in higher education in neighboring states outstripped Wisconsin's growth in support of its universities.



Five-year growth in Higher Education in Midwest (1995-2000)

Business and Workforce Development

This investment of \$24 million (GPR/fees) involves every campus in an effort to improve Wisconsin's economy through workforce development, research and outreach. Among the outcomes planned are the development of three new UW Extension High Tech Start-Up Centers; the creation of more slots for students majoring in high-demand fields such as MIS, biotechnology and engineering; the provision of more space for business incubators; and access for returning adult students.

This includes funding for the Chippewa Valley Initiative, Green Bay Idea, UW Platteville/Fox Valley Engineering Program, UW Whitewater Internet MBA, UW LaCrosse Allied Health Consortium, UW Parkside molecular biology program with Abbott Lab, UW Stevens Point's Central Wisconsin Idea, UW Superior's transportation logistics program and UW Oshkosh's MIS and adult access programs.

Investing in the Education Pipeline

This \$2.3 million initiative will increase precollege opportunities for K-12 students and will offer new degree partnerships with the Wisconsin Technical College System.

Maintaining Quality Higher Education

This all-campus initiative is designed to provide students with the tools they will need to succeed in a "knowledge economy." This investment of \$9.4 million (GPR/fees) will provide funding for libraries, student advising, collaborative languages and study abroad programs.

Milwaukee Idea (Phase I)

UW-Milwaukee will expand the workforce for the New Wisconsin Economy during the first phase of this six-year plan. With an investment of \$24 million (GPR/fees), the campus will focus on the three "E's" -- education, environment and health, and economic prosperity. The campus will enroll 1,500 more FTE students, increase the number of faculty in key disciplines, double the number of students studying abroad, and strengthen partnerships with WTCS and the UW Colleges.

Madison Initiative (Phase II)

This is a continuation of a four-year plan to keep UW-Madison nationally and internationally competitive. The state's and students' investment of \$28 million (GPR/fees) will be directed to four key areas of the UW's flagship campus: student learning, economic development, strategic faculty hiring and maintaining affordability. The state's contribution will be matched by \$20 million from the Wisconsin Alumni Research Foundation and the UW Foundation.

Costs-to-Continue & Capital Budget

The Governor has recommended a package of \$59.5 million during the coming biennium to cover the University's costs-to-continue. These items include funding for debt service and utilities. The Governor also has recommended \$261.2 million in new capital money (GPR bonding authority) for the University, primarily to fund facility improvements and remodeling.

The Outlook for Wisconsin

A decade of prosperity and high growth has produced a tight labor market for Wisconsin. Facing a flat birthrate and growing retirements in our workforce, the state is projected to reach a skilled labor shortage of 200,000 workers by 2010. More than 60 percent of the new economy jobs forecasted require a college degree. This is problematic as the state ranks last in recruiting college-educated professionals from elsewhere to take jobs here, even though the university system ranks above the national average in retaining its own graduates. The labor shortage has put a

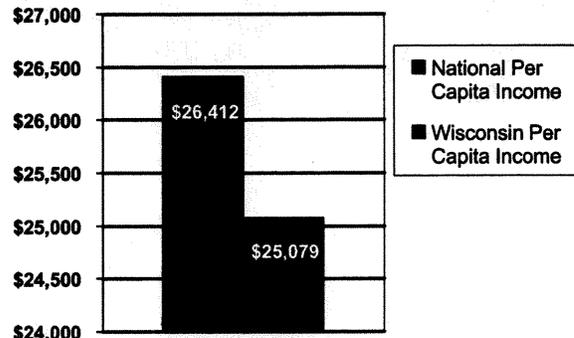
brake on Wisconsin's per capita income, which is \$1,300 below the national average. If the state can bring that income up to the national average, Wisconsin citizens would be bringing home **\$7 billion a year more in their paychecks.**

The University of Wisconsin System biennial budget proposal addresses these workforce needs. Under the "New Wisconsin Economy" budget, the university will contribute to a "brain-gain" strategy by increasing access to a university education, not only for traditional students but also for adults who want to earn a college degree or who need specialized training for their "new economy" jobs. Expanded access to college will lift Wisconsin incomes. Statistics show that a person with a bachelor's degree earns a million dollars more over their working life than someone with a high school diploma.

UW Contributions to State Economy

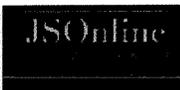
Since its founding, the University of Wisconsin has been an economic engine for the state. In 1900, Professor Stephen Babcock's milk testing device was saving Wisconsin farmers about \$800,000 annually, twice the budget of the entire university. The university has been contributing graduates, spawning business spin-offs and pulling in federal money to strengthen Wisconsin's economy ever since.

Today, the UW System contributes about \$10 billion annually to the state's economy, and generates about 150,000 jobs throughout the state. Its most important impact is producing about 26,000 graduates each year, most of whom stay and work in Wisconsin. The university also attracts millions of dollars in private gifts and research dollars to the state annually. In addition, each university campus plays a role as an economic development engine in its community.



Wisconsin Per Capita Income Below National Average

Support for UW Role in Economic Development



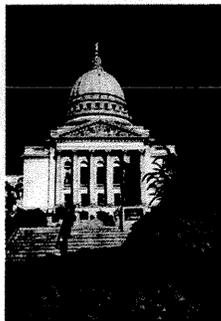
"It is critical, then, that the city, region and state nurture innovation, encourage venture capital investment, continue to build a skilled, educated work force and promote a quality of life attractive to job-producing companies considering expansion or relocation. Work force development, public-private partnerships, technology spinoffs from academic institutions: All these things and more are required if the city and state are to lure new economy business."

--April 21, 2001

WISCONSIN STATE JOURNAL
ARE YOU READY FOR TODAY?

UW Budget Shows Faith in Mission
"...This budget revives the 'Wisconsin Idea,' the notion that the University exists to help serve the state and its citizens."

--August 24, 2000



"As the old saying goes, 'you snooze, you lose.' We need to make the necessary investments in the technology economy now, or good companies will leave Wisconsin and take their high paying jobs with them."

--Senator Bob Welch, April 3, 2001

"Our investment in Wisconsin's intellectual capital directly affects our future. We have the opportunity to make sure Wisconsin is an integral segment of the new economy."

--Senator Alberta Darling, April 3, 2001

"...We face the challenge in the next budget of keeping our world class UW System on the cutting edge while maintaining affordability and accessibility. The state must be willing to do its fair share so that increased investments in the UW do not come at the expense of accessibility to students..."

--Chuck Chvala, Senate Majority Leader



Businesses in LaCrosse and elsewhere in Wisconsin have a real need for computer network specialists. Encouraging more training of employees in that

field will help keep people here -- and help the businesses meet their needs. This is an example of the kind of long-range legislative thinking we need to encourage.

--April 18, 2001



Office of the Chancellor • 116 North Hall • (715) 425-3201 • Fax (715) 425-3304

**Testimony at the Senate Budget Hearing
Cumberland Middle School
June 11, 2001**

Thank you for the opportunity to testify before you today.

My name is Ann Lydecker. I have just completed my first year as Chancellor of the University of Wisconsin – River Falls.

This morning I speak on behalf of the University of Wisconsin -River Falls and our region, as well as on behalf of the University of Wisconsin System. I ask you to assist us by getting the Economic Stimulus package proposed by the Board of Regents into the budget so that we can collaborate with other higher education institutions and our communities on the development and support of New Economy initiatives in Wisconsin. These monies are crucial to the continued economic growth and financial health of our state.

As Chancellor at the University serving this region of the state, I know that the Economic Stimulus package is essential to the economic well-being of our St. Croix River Valley and the greater Western Wisconsin region. President Lyall, the Board of Regents, and my colleague chancellors from across the state similarly recognize the importance of this funding if our universities are to stimulate New Economy business and industry and educate workforces that are prepared for New Economy employment. An investment in the Economic Stimulus package proposed by the Board of Regents permits each university to develop targeted programming that will produce additional graduates (albeit four years from now) in high technology areas and have long-term benefits for the state. These graduates will be available to New Economy businesses and industries within our local regions, and they will also help our existing businesses adopt new technologies to advance and enhance their current productivity and service. Because the University of Wisconsin System operates as a system, we have a unique and powerful opportunity to impact the entire state if the Economic Stimulus package is funded. Prior to coming to Wisconsin, I worked in two other state university systems. Neither of them had the potential for statewide impact that the University of Wisconsin System has. This System, with its extensive collaboration between and among our universities as well as between and among each university and its local communities, can permeate the state.

In the five-county region that comprises the primary service area for UW-River Falls, I tell you that we have taken New Economy issues seriously. This past year our Economic

Development Task Force hosted four major economic forums that were open to the public. We explored the New Economy, pursued Workforce Development Issues, explored new ways to grow existing businesses and to recruit new high technology industries and jobs, and examined the impact of the Twin Cities on our region. Several hundred people cumulatively attended these forums with strong representation from business, industry, government and education. They are eager to continue to work with us on these issues and problems in the months and years ahead.

This is a time of real opportunity for us. Our campus is home to an exceptional program in biotechnology that is a true resource to our region, and we have excellent, steadily growing programs in computer science and information systems. We are developing cooperative relationships with our sister institutions, with business and industry, and with the Chippewa Valley Technical College to pursue biotechnology job creation, work force training, and new business development.

The University of Wisconsin-River Falls has unique opportunities in biotechnology and high technology development for three important reasons:

- Wisconsin is nationally prominent in biotechnology initiatives and Western Wisconsin has long been identified with high technology initiatives. By our expanding the number of graduates in these areas, we will help provide the critical workforce needed to grow more and better jobs.
- We are in close proximity to the Twin Cities of Minneapolis-St. Paul, which represents an area ripe for future business recruitment.
- There is exceptional population growth in the St. Croix Valley, with many highly paid white collar and managerial staff who are not only eager to live here but who also tell us that they would prefer to work locally rather than to continue to commute across the river.

The time is ripe to take advantage of these opportunities.

This spring representatives from Forward Wisconsin visited our campus to meet with some of our biotechnology and business faculty and to inventory our biotechnology program and resources. As we expand our biotechnology program, we are prepared to assist them in their efforts to attract new business to Wisconsin during recruiting trips to Minnesota.

The Regents' New Economy initiatives will help UW-River Falls by providing the resources to initially educate high technology and biotechnology workers, to retrain existing work forces in the area, and to more fully explore research and training collaboration opportunities with new and existing businesses. The funding will help us maintain our momentum in developing articulation and program agreements with the Technical Colleges, the UW Colleges and the other higher education institutions in the Chippewa Valley. The Economic Stimulus package will permit us to re-build our library

resources, provide scholarship monies to offset tuition increases for underrepresented students who have financial need, and provide more opportunities for students to pursue global studies – initiatives that are essential if we are to educate students to be productive employees and community citizens in the future.

As you know, the budget that is advancing calls for base budget cuts in the UW System. For us at UW-River Falls, the cut amounts to about \$200,000. While that may not seem like much to you, on a small campus like ours it has a major impact! We will be unable to replace computers as frequently as we had planned, and our faculty will not have the up-to-date tools needed to meet the needs of our students, yet they are expected to graduate students who can use the technologies to contribute immediately in the work place. If we are to effectively educate a workforce for the future, assist in attracting new businesses and retaining existing businesses in our regions, and re-tool employees who need skill development or career advancement, we must have resources for faculty, for equipment and facilities, and for supplies and support.

In closing, let me acknowledge that I know the importance of a balanced budget, and I know that you intend to make that happen this year. I commend you for your commitment to act in a fiscally responsible manner. As the budget process progresses, however, I trust that you will make your decisions based on long-term benefits for the state, as well as the immediate need to balance the checkbook. I trust that you will identify the resources necessary to support the Economic Stimulus package proposed by our Board of Regents, as well as our on-going campus needs, while also balancing the budget. We at the University of Wisconsin-River Falls are prepared to assist in building Wisconsin's New Economy if we are provided an opportunity.

I would be happy to answer any questions that you may have.

Thank you.

Frank Koehn

**EDUCATIONAL ISSUES FOR
THE 2001-2003 BIENNIAL
BUDGET AND BEYOND**

**ELEMENTARY AND SECONDARY SCHOOL AID
PROGRAM**

Submitted by:

Frank K. Koehn
P.O. Box 3
Herbster, WI 54844-0003
715.774.3333
fkoehn@cheqnet.net

Special thanks to Morris Andrews for his insights and
efforts in the preparation of this proposal.

EDUCATIONAL ISSUES FOR THE 2001-2003 BIENNIAL BUDGET
AND BEYOND

ELEMENTARY AND SECONDARY SCHOOL AID PROGRAM

Eliminate the current program

Replace it with:

A Foundation school aid program that:

1. Sets the base for 2001-2002 at _____ per pupil (suggest an amount that spends joint finance budgeted amount for the 2001-2002 year)
2. Require that all school districts charge _____ income tax and subtract that per pupil amount from the state base to determine the amount of equalized state foundation aid per pupil to the local school district.
 - a. Allow Elementary and Secondary schools to levy up to _____ income tax to allow a spending level above the foundation
3. Weight each child from a family below the federal poverty level at _____ (Suggest 1.10)
4. Weight each child for bilingual-bicultural education at _____ (Suggest 1.10)
5. Weight each child eligible for special education at _____ (Suggest 1.20)
6. Require that all school districts in the SAGE Program continue to meet the terms and conditions of the program in effect for 2000-2001 (Budget for 2001-2002)
7. The compensation program for the teacher bargaining unit shall be a performance-based system. **The plan shall be determined through collective bargaining between the school district and the teachers bargaining unit.**

8. Allow school districts who in 2000-2001 are below the 2001-2002 foundation by \$500 or less per pupil to move to the foundation in 2001-2002. For districts over \$500 below they can move to the foundation over five years. (This can be adjusted to reflect money available 2001-2002.)

9. Allow Elementary and Secondary school districts currently spending over the base amount to levy up to _____ income tax to supplement the state foundation.

10. Fold the following categorical aid programs into the foundation program:

- a. Special Education (315,681,400)
- b. SAGE (58,754,600)
- c. SAGE Debt Service (\$200,000)
- d. School Library Aids (21,700,000)
- e. Pupil Transportation (17,742,500)
- f. Bilingual-Bicultural (8,291,400)
- g. Driver Education (4,493,700)
- h. Nutritional Programs (5,973,800)

11. The following general and categorical aid programs shall be kept:

- a. Integration (Chapter 220) Aid
- b. Special Adjustment Aid
- c. Milwaukee Parental Choice Program (fund out of State GPR)
- d. Milwaukee Charter School Program (fund out of State GPR)
- e. County Children with Disabilities Education Boards
- f. Teach Technology Block Grants
- g. Telecommunication Access Program
- h. Teach Training and Technical Assistance Grants
- i. Technology Infrastructure Financial Assistance
- j. Head Start Supplement
- k. Alcohol and Other Drug Abuse Grants
- l. Alternative Education Grants
- m. Children-at-Risk Programs

- n. Aid to Milwaukee Public Schools (Desegregation Settlement Aid)
- o. Peer Review and Mentoring
- p. Full-time Open Enrollment Aid for Transportation
- q. Environmental Education
- r. CESA Administration
- s. Alternative Schools for American Indians
- t. Supplemental Aid
- u. Youth Options and Part-time Open Enrollment Aid for Transportation

All school districts of less than 1,500 membership shall be required to combine with other approximate geographical school district(s) until the new combined district has at least 1,500 members. The combination is for all administrative functions, i.e., food service, busing, building maintenance, finances, and purchasing. The individual school district shall continue to exist and shall be the exclusive local authority over all educational policy.

The professional employees of each building shall be employed, evaluated, mentored, disciplined, and terminated by the employees of the building. In each building the professional employees shall establish a building site council to establish policy and make decisions regarding all building personnel. The principal shall be a member of the council.

The state shall create a school income tax credit program on the state income tax. Included shall be the 469.3 million of the current school levy credit program, 348 million of the current school property tax/rent credit and _____ dollars from the current shared revenue, expenditure restraint and small municipalities shared revenue programs (total 1.0192 billion).

1.11% shall be changed to eliminate the QEO and shall go back to _____ (last best offer/strike/other?).

CITIES, VILLAGES, TOWNSHIPS, COUNTIES AND SPECIAL DISTRICTS

These governmental units shall be given the exclusive use and authority to levy property taxes

The Shared Revenue Program shall be:

1. Eliminated effective 2001-2002
2. The Program costs 951.2 million in 2001

The targeted Municipal Aid Programs

1. Expenditure Restraint Program (57,000,000 in 2001-2002)
2. Small Municipalities Shared Revenue Distribution Program (11,000,000 in 2001-2002)
3. These shall be eliminated effective 2001-2002

These units of government may raise new revenue to replace up to 60 percent of the 2000-2001 shared revenue and targeted municipal aids. Raises above 60 percent must be submitted on a one-time basis to a vote of the eligible voters.

WISCONSIN EDUCATION ASSOCIATION COUNCIL

Affiliated with the National Education Association

*Every kid
deserves a
Great School!*

**Testimony for the Senate 2001-03 Biennial Budget Committee
June 12, 2001
WEAC President-Elect Stan Johnson
Stoughton**

Thank you, Chairperson Jauch and members of the Senate 2001-03 Biennial Budget Committee for this opportunity to speak today. My name is Stan Johnson. I am the President-Elect of the Wisconsin Education Association Council (WEAC). In Wisconsin, we've achieved great success in building great schools. By virtually every measure, Wisconsin schools rank among the finest in the nation. Students learn here. They graduate here. They go on to get jobs here, keeping our state's employment rate among the highest in the nation and attracting new employers to our communities. Building great schools requires consistent effort and hard work, and we face greater challenges today than ever before. That is why educators across the state are dedicated to working with our elected officials, parents, administrators and communities to create the kind of education that is best for all of Wisconsin's children.

Governor McCallum's Budget

We are on record opposing many provisions in Governor McCallum's version of the budget because they put our great public schools at risk. Governor McCallum's budget did little to place students in classrooms that work, showed no commitment to develop quality staff through collectively bargained approaches, and promoted education schemes that would not benefit everyone in the community.

Governor McCallum's budget ratcheted down even harder on revenue caps, made dramatic cuts in the SAGE K-3 class size reduction program, grabbed authority away from the DPI, expanded the scope of the voucher and charter school laws, froze assistance to our WTCS system and included several direct assaults on the bargaining rights of education employees.

Terry Craney, President
Michael A. Butera, Executive Director



Joint Finance Committee Action

However, the Joint Committee on Finance made some courageous decisions that will contribute to great schools in Wisconsin, and left some questions unresolved. **Those significant improvements to the budget include:**

- The Committee's unanimous vote to fully restore state funding to the SAGE class-size reduction program and to make it permanent. This was a huge victory for the children of Wisconsin. SAGE helps teachers teach and children learn. It not only helps schools become great schools; it benefits everyone in the community. We recognize, however, that this is an initial victory, and we urge the Legislature to keep its contract with SAGE children, teachers, parents and citizens in keeping this commitment intact as the budget is finalized.
- The Committee's unanimous vote to reject the governor's proposed Board on Education Evaluation and Accountability. This was a positive move to respect the state constitution's vesting of sole authority over public instruction with the Office of State Superintendent.
- The removal of many anti-public education items, including provisions that allowed people with no college degrees to teach; allowed entities other than school districts to operate charter schools; and made issues including choice of health care providers, the school calendar, and the layoff or re-assignment of staff prohibited subjects of bargaining.

The Joint Committee on Finance heard the education community's testimony at public hearings throughout the state. Educators, administrators, parents and school board members made the case for removing these harmful ideas from the budget, and we urge the entire Legislature to ensure that these items stay out of the budget.

Work remaining to be done on this budget includes:

- Providing additional flexibility under revenue controls

The budget was improved by restoration of inflationary adjustments and summer school funding, but revenue cap flexibility is still desperately needed.

- Providing a fair level of reimbursement for special education costs
- Allowing full funding of 4-year-old kindergarten programs
- Providing adequate support to our great Wisconsin Technical College System through general aid and capacity grants

The Wisconsin Education Association Council believes that every kid deserves a great school and that every citizen deserves a great technical college system. We look forward to working with the Senate Budget Committee and other members of the Legislature to achieve those goals. Thank you again for this opportunity to speak today.



Testimony before the Senate Budget Committee

June 12, 2001

Kevin P. Reilly
Chancellor, University of Wisconsin-Extension

Thank you, Senator Jauch and members of the committee, for the opportunity to discuss the University of Wisconsin System's budget proposal for the 2001-03 biennium.

My name is Kevin Reilly. As Chancellor of the University of Wisconsin-Extension, I am pleased to have this opportunity to speak on behalf of the University of Wisconsin System and the millions of people we serve.

If you look at the Economic Stimulus package adopted by the UW System Board of Regents in March, you will see an array of programs geared toward building a strong future for Wisconsin. If you attended the Wisconsin Economic Summit last fall, as I did, you will recall that speakers and panelists from every sector echoed one consistent theme—that higher education is the main ingredient in any recipe for economic growth in the future.

I agree that the University must play a central role in our efforts to position Wisconsin for success in a new global economy. University research, education and service are the cornerstones for a stable economic development strategy.

Despite all the recent talk about the number of college graduates planning to leave our state, statistics show that 82 percent of resident students in the UW System will remain here after graduation, and about 18 percent of the non-residents will choose to stay in Wisconsin. Historically, we rank among the top 10 states in the nation for retaining college graduates.

Our challenge is to develop a balanced plan that addresses the "supply" of homegrown educated workers, and the "demand" for those individuals created by high-growth business and industry. On the "demand" side, we must do a better job of attracting educated workers from other states and growing businesses here that will hire them.

This is the reasoning behind the UW System's proposed plan, which would address both our ability to produce a well-educated workforce, and our efforts to stimulate a healthy business climate where high-paying jobs are plentiful. The plan calls for sensible investments in higher education—the kind of engaged higher education that improves communities, stimulates commerce, and provides pathways to better jobs.

Under the Economic Stimulus proposal, the university will continue to increase access to college education for traditional students and returning adults. That translates into higher incomes for Wisconsin residents, since a person with a bachelor's degree earns about \$18,000 more per year

than someone with only a high school diploma. Of course, higher average incomes also mean increased tax revenues for the state.

I would like to offer a few examples of how the university's plan will contribute to Wisconsin's economic development:

- It would provide more high-technology graduates for the workforce as a result of investments in the Chippewa Valley Initiative, the Fox Valley Engineering collaborative, Bioinformatics at UW-Parkside, and Information Sciences programs delivered at several other campuses.
(continued)
- It would help complete the Madison Initiative and launch the Milwaukee Idea, leveraging about \$20 million in private matching funds for UW-Madison and providing room for enrollment growth and further community engagement at UW-Milwaukee.
- It would establish the "2+2" programs that will facilitate transfer of students between the UW and the Wisconsin Technical College System.
- It would expand the services provided at UW-Extension's 13 Small Business Development Centers to promote the growth and development of science and technology firms in Wisconsin. Additional state funding would create three regional Technology Business Development Centers to support high-tech start-up companies and target high-growth companies for further expansion.

These are only a few examples of how the UW System can help stimulate economic growth and improve the quality of life for Wisconsin residents.

As our economy evolves, education will continue to be the key that unlocks new opportunities for a wide range of Wisconsin workers. Robust continuing education programs provide the flexibility for Wisconsinites to pursue new careers in emerging business sectors, and state-of-the-art technology enables the delivery of these programs anytime, anywhere. In a changing economy, this flexibility will be especially helpful to adult students working to support families, while using distance education to acquire additional skills and launch new careers.

Through the University of Wisconsin-Extension and our many educational partners, individuals and communities put university knowledge to work using hands-on education and research that hits home. We are helping to create jobs, improve schools, protect natural resources, strengthen families and develop sound community development plans. This translates into a higher quality of life and one giant step toward attracting and retaining a strong workforce.

On this point, I would like to discuss one budget item that will have a very negative impact on dozens of communities statewide. UW-Extension's Solid and Hazardous Waste Education Center—or SHWEC—offers important support for community decision-making regarding recycling, landfill management, pollution prevention and other subjects. This same program provides unique education on subjects like waste reduction and environmentally-friendly manufacturing processes that help Wisconsin businesses become more globally competitive.

The 2001-03 state budget eliminates funding for this critically important educational program. I sincerely hope that you will support restoration of the 4.5 FTE positions and \$1,080,700 in

segregated funds to UW-Extension and UW System for this cost-effective program that both the environmental community and business tell us they want and need.

SHWEC is a fine example of how the university helps preserve the things that have always made this a great place to live and work. We can do more. By helping core industries remain competitive and stimulating the growth of new knowledge-based businesses, we can boost Wisconsin's per-capita income, which currently lags the national average by five percentage points. Closing that gap and raising our average income to the national average would add a remarkable \$7.6 billion dollars in taxable income to our state, making future state budget deliberations much less painful.

To reach that future goal, we need investments today in educational systems that will create an attractive, thriving environment for all Wisconsin people. The link between educational attainment and economic health has been made clear in countless studies over the years. We know that investments made now in the University of Wisconsin—on campus and, through Extension, in every community—will reap valuable dividends in the future.

That is why I urge you to support the UW System's Economic Stimulus proposal, as a sound investment in a prosperous future. On behalf of my UW System colleagues, I thank you again for the opportunity to speak here today.

###