

TO: Supervisor Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors

FROM: Liz Stephens, Legislative Liaison, Milwaukee County Board of Supervisors

DATE: September 19, 2017

RE: Overview of 2017-19 Biennial State Budget

MEMORANDUM

On February 8, 2017, Governor Scott Walker introduced his 2017-19 biennial state budget proposal ("Senate Bill 30 / Assembly Bill 64"). The Joint Finance Committee ("Committee") subsequently received briefings from major agency heads and held six public hearings around the state, including one in Milwaukee County at State Fair Park on April 5, 2017. Chairman Lipscomb was the first invited elected official to testify before the Committee during the Milwaukee County hearing. During the hearing, Chairman Lipscomb welcomed the Committee to Milwaukee County and requested that the Committee dedicate its attention and support to Milwaukee County's transportation infrastructure and human service programs, address the growing crisis in our juvenile correctional system, and revisit Milwaukee County's governance structure.

From May 1, 2017 to September 5, 2017, the Committee deliberated on these and many other topics. Many of the issues Chairman Lipscomb raised at the public hearing were addressed by the Committee and are reflected in Assembly Bill 64 as adopted by the Legislature.¹

Many Supervisors, including the Chairman and Members of the Transportation, Public Works and Transit Committee, requested information regarding an Assembly Republican proposal to require Milwaukee County to hold a binding referendum on its vehicle registration fee and, unless the referendum resulted in a positive vote, discontinue its application. Ultimately, that provision was not included in the final version of the budget and cannot be included through gubernatorial action on the bill.

As of this writing, the Governor has not yet signed the budget bill, but a number of vetoes are already expected, including:

- Modifications to Public Finance Authority
- Initial Applicability of the Repeal of Prevailing Wage Law
- Transportation Projects Commission Changes
- Transfer of Segregated Funds (WisDOT Fed Swap)
- Tolling Implementation Study
- Energy Efficiency Revenue Limit Adjustment
- School District Referenda Scheduling
- State Capitol Basement Renovations
- Local Regulation of Quarries

Once the Governor signs Assembly Bill 64, which is expected to occur on Wednesday or Thursday, deliberations on the 2017-19 officially come to a close. An overview of the Governor's actions will be provided once it becomes available.

¹ A list of selected provisions are attached to this memorandum.

2017-19 Biennial State Budget Select Provisions

Budget Provision	Governor's Budget (as introduced)	County Board Adopted Position	County Executive Position	Legislative Action
Transportation				
Volkswagen Settlement Funds and Milwaukee County Shared Revenue Decrease	Distribute \$26,000,000 in Volkswagen settlement funds appropriation to Milwaukee County to fund the replacement of vehicles owned by the county. In addition, reduce Milwaukee County shared revenue by \$1,900,000 annually for ten years.	Oppose.	Support.	Support the County Board's position. In addition, distribute no more than \$32,000,000 in 2018-19 from the Volkswagen settlement funds appropriation for the purpose of awarding funding to local transit systems under a newly-created competitive statewide transit capital assistance grant program under DOA. This would be a \$6,000,000 increase for transit capital compared to the Governor's recommendations. Milwaukee County would not be subject to the 10-year shared revenue reduction. Preference is given to any community or route that is considered a critical route for purposes of connecting employees with employers.
General Transportation Aids	Increase funding for General Transportation Aids ("GTA") for counties by \$15,865,000 over the biennium.	Support.	Support.	Governor's provision adopted.
Routine Maintenance Agreements	Increase funding for county Routine Maintenance Agreements funding for by \$33,733,000.	Support.	Support.	Governor's provision adopted.
Mass Transit Operating Aids	Maintain current level funding.	Increase funding for mass transit operating aids.	Support.	Governor's provision adopted.
Megaprojects Funding-Zoo Interchange (North Leg)	Provide \$90,943,200 to fund the continued construction of the Zoo Interchange project (North segment).	Support.	Support.	Prohibit Southeast Wisconsin Freeway Megaproject funding for north leg of the Zoo Interchange project in the biennium.
Megaprojects Funding-I-94 (East-West)	Eliminate \$31,000,000 for work on the segment.	Oppose.	Oppose.	Governor's provision adopted.
Elderly and Disabled Transportation Aids	Maintain current level funding.	Support increased funding for the program.	Unknown.	Governor's provision adopted.
General Government Operations				

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Milwaukee County Governance	None.	Repeal of the provisions included as part of 2015 Wisconsin Act 55 (Act 55) related to the scope of the County Board's and the County Executive's governance and operational authority.	Unknown.	Support the County Board's position with an effective date of September 1, 2018.
Funding and Upgrades for Public Safety Answering Points ("PSAP")	No provision.	Support discontinuation of the diversion of the 911 landline fee into the shared revenue program and away from critical, life-saving investments in equipment and training at public safety answering points (PSAP). Support establishment of a funding mechanism that adequately supports the equipment and training costs associated with operating and upgrading county public safety answering points (PSAP).	Unknown.	Create a 911 Subcommittee at the Department of Military Affairs ("DMA") that engages in the following activities: (a) advise DMA on Next Generation 911 emergency services IP network contracts, discussed below; (b) advise DMA on the statewide efforts, leveraging of existing infrastructure, and industry standards that are necessary to transition to Next Generation 911; (c) make recommendations to DMA regarding federal sources of funding and the sustainable funding streams that are required to enable public safety answering points to purchase and maintain equipment necessary for Next Generation 911; (d) if funding is made available for DMA or another state agency to make grants to public safety answering points for training or upgrading facilities or services for implementing Next Generation 911, advise DMA or other state agencies on making the grants, including advising on eligibility criteria for the grants which must include basic training and service standards that applicants must satisfy; (e) conduct a statewide 911 telecommunications system assessment; (f) develop recommendations for service standards for public safety answering points; (g) promote, facilitate, and coordinate interoperability across all public safety answering points with respect to telecommunications services and data systems, including geographic information systems; (h) promote, facilitate, and coordinate consolidation of public safety answering point functions where consolidation would provide improved service, increased efficiency, or cost savings; and (i) undertake all of its duties in a manner that is competitively and technologically neutral.

2017-19 Biennial State Budget Select Provisions

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County Shared Revenue	Reduce Milwaukee County's shared revenue payments by \$1,900,000 annually for 10 years to repay a loan made by the state using Volkswagen settlement funds.	Support an increase in county Shared Revenue as well as full funding of Shared Revenue with general purpose revenue (GPR) to support inflationary increases associated with the cost of providing existing, state mandated services. Oppose additional cuts to Shared Revenue, which, over the last ten years have been imposed at a rate nearly 40% greater on counties than on municipalities.	Support.	Governor's provision was removed.
Levy Limit Adjustment for Debt Service Issued Before 2005	Delete the current law provision that allows counties and municipalities to refrain from decreasing their allowable levies by the amount that their debt service on debt issued before July 1, 2005 decreases between the prior year and the current year.	Oppose.	Unknown.	Governor's provision adopted.

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Intergovernmental Cooperation Contracts Among State and Local Governments	Clarify that for any county or local unit of government that enters into an intergovernmental cooperation contract with the state, a county, or another local unit of government to jointly perform a responsibility or carry out a certain function, as permitted under current law, any jointly established agency, department, commission, office, or position would be required to fulfill that responsibility or carry out that function until the contract expires or is terminated. Further, specify that if two or more counties or local units of government enter into an intergovernmental cooperation contract and create a commission to jointly or regionally administer a function or project, the commission would be a single entity that represents, and may act on behalf of, the joint interests of the participating units of government.	No position.	Unknown.	Delete provisions which would allow the Department of Children and Families to contract with county departments to perform its duties as to child protective services in Milwaukee County.
Duties of Milwaukee County Comptroller	No provision.	No adopted position.	Unknown.	Specify that the duties and responsibilities of the Milwaukee County Comptroller include administering accounts payable, payroll, accounting, and financial information systems, in addition to those duties and responsibilities specified under current law.

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City of Milwaukee Streetcar	No provision.	Authorize the Director, Department of Transportation, in conjunction with the Milwaukee County Transit System, to submit a proposal to operate the Milwaukee Streetcar and confirm that Milwaukee County will not incur or commit to any financial liability to develop or operate the Milwaukee Streetcar as part of any response to the City of Milwaukee's Request for Proposals.	Supports County Board position.	Extend the current law prohibition that Milwaukee County cannot expend funds for operation of the fixed guideway system to include the expenditure of funds for construction. Provide that an eligible applicant for state urban mass transit operating assistance may not use aids provided for any purpose related to the operation of a streetcar system in the City of Milwaukee.

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Juvenile Corrections				
Juvenile Corrections	No provision.	Request the State Department of Administration (DOA) to conduct a comprehensive the long-range master plan of Department of Corrections (DOC) facilities including, but not limited to, the fiscal and programmatic viability of licensing one or more additional regional Type I secure juvenile facilities in the State and establishing one or more regional community-based residential facilities operated by the State DOC or State Department of Children and Families (DCF), or both, or by a contractor under the supervision of DOC or DCF, or both.	Unknown.	Create a corrections facilities planning committee consisting of 3 members appointed by the governor, one of whom the governor shall designate as chair of the committee, and 6 members of the legislature, jointly appointed by the speaker of the assembly and the senate majority leader. The corrections facilities planning committee shall develop a comprehensive, long-range master plan concerning department of corrections facilities and, no later than September 15, 2018, shall submit the plan to the governor and the appropriate standing committees of the legislature. The building commission shall allocate \$600,000 for the corrections facilities planning committee to develop the plan and the department of administration shall assist the committee in the performance of its functions.

2017-19 Biennial State Budget Select Provisions

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Juvenile Corrections-Funding	Increase the average daily rate for serious juvenile offenders housed in Type 1 secure facilities (Lincoln Hills and Copper Lake) to \$390 in FY17 and \$397 in FY18.	Oppose. Instead, support a dedicated funding source for the placement of Milwaukee County's juvenile offenders locally rather than at the troubled Lincoln Hills and Copper Lake juvenile facilities.	Oppose.	Governor's provision adopted.
Juvenile Corrections-Staffing Levels	Provide \$653,400 in 2017-18, and \$656,000 in 2018-19 with 8.25 PR positions annually to improve total staff ratio at Lincoln Hills School (LHS) as directed by the Federal Prison Rape Elimination Act (PREA). Provide \$256,100 PR in 2017-18 and \$300,500 PR in 2018-19 with 3.25 PR positions annually to support the provision and enhancement of mental health services for girls at the Copper Lake School (CLS). Provide \$93,500 PR in 2017-18, and \$65,900 PR in 2018-19 with 9.0 PR positions annually to provide for the safe and effective administration of controlled medications to Division of Juvenile Corrections youths by trained medical personnel. Staffing includes 4.0 registered nurses and 5.0 licensed practical nurses.	Monitor funding for position increases.	Unknown.	Governor's provisions adopted.

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Public Health & Public Assistance Programs				
Changes to Financial Eligibility for Public Benefit Programs	Provide \$1,798,600 to support continued Wisconsin Shares eligibility to participating families whose incomes have increased above the current 200% FPL exit threshold. The family's copayment would increase by \$1.00 for every \$3.00 by which the family's gross income exceeds 200% FPL.	Support changes to financial eligibility determinations for public benefit programs that eliminates The 'fiscal cliff'. Instead, establish a sliding scale that eases participants out of such programs as income increases and that does not abruptly shut benefits off once participants reach a certain income threshold.	Unknown.	Governor's provision adopted.
Dementia Care Specialists	No provision.	Support the expansion of programs and services for persons with dementia and their caregivers.	Unknown.	Provide \$3,149,000 over the biennium to support 19 dementia care specialists at ADRCs in this biennium and 24 dementia care specialists beginning July 1, 2018.
Lead Pipe Abatement	Increase funding by \$183,000 over the biennium for lead investigations for children covered by MA. In addition, add 2.0 FTE positions within the Safe Drinking Water Loan Program to address lead pipe issues and to provide resources to communities related to such issues.	Support the reallocation of resources available through the Safe Drinking Water Loan Program ("SDWLP") and other state and federal programs for lead drinking water pipe replacement. Make funding available to eligible municipal entities proportionate to each municipality's statewide share of lead pipes in need of replacement.	Unknown.	Governor's provision adopted.

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Children's Long Term Support Program	Increase funding by \$39,551,900 to eliminate the Children's Long-Term Support Program waiting list.	Support elimination of Children's Long-Term Support Program waiting list.	Unknown.	Governor's provision adopted.
Foster Care Rate Increase/Child Welfare Prevention Services	Increased funding for child welfare expenditures in Milwaukee County by \$321,800 over the biennium. Provide \$3,900,000 annually for statewide child welfare prevention services.	Support increases to Youth Aids to adequately fund county-led rehabilitation efforts for troubled youth, including out-of-home placements and non-residential, community based services.	Unknown.	Governor's provision adopted.
Justice & Corrections				
District Attorneys Pay Progression Plan	Provide \$1,066,100 in 2017-18 and \$2,645,300 in 2018-19 to support salary increases for assistant district attorneys (ADAs) and deputy district attorneys (DDAs) under the pay progression plan.	Support pay progression for District Attorneys.	Unknown.	Governor's provision adopted.
Offender Reentry Demonstration Project	Provide \$187,500 in 2017-18 and \$250,000 in 2018-19 from the TANF block grant to fund a five-year offender reentry demonstration program to aid the successful community transition out of incarceration by noncustodial fathers in the City of Milwaukee.	Support offender reentry demonstration project.	Unknown.	Governor's provision adopted.

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Veterans				
Peer-Run Respite Center for Veterans	Provide \$450,000 in 2018-19 in a program revenue appropriation in the Division of Care and Treatment Services for interagency and intra-agency programs and authorize DHS to make payments from the appropriation to an organization that establishes peer-run respite centers that provide services to veterans who are experiencing mental health conditions or substance abuse.	Support the creation of peer-run respite center for veterans.	Unknown.	Provide \$450,000 in 2018-19 in the institutional operations appropriation for the state mental health institutes to provide the Department with the budget authority to make a transfer for the peer-run respite center. Repeal the PR appropriation for peer-run respite center for veterans, as well as the authority for the Department to make transfers to that appropriation, on July 1, 2019. Require DHS to include in its 2019-21 biennial budget request a proposal for providing ongoing general purpose revenue funding for a peer-run respite center that provides services to veterans.