

TO: The Hon. Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors
The Hon. Sequanna Taylor, Chairwoman, Intergovernmental Relations Committee
The Hon. Members, Intergovernmental Relations Committee

FROM: Nicole Stickler, Government Affairs Liaison

DATE: April 5, 2019

RE: Legislative Update & Request for Authorization

I. 2019-2020 Legislative Session

a. Session Overview

On Monday, January 7, 2019 the 2019-2020 legislative session convened with the inauguration of Governor Tony Evers as Wisconsin's 46th Governor. At this time, 17 State Senators and 98 State Representatives were sworn into office. During this legislative session, the State Senate will be comprised of 19 Republicans and 14 Democrats, with Republicans and Democrats retaining all previously held seats. The State Assembly's make up consists of 63 Republicans and 36 Democrats, with Democrats picking up one additional seat last fall. Legislative leadership remains unchanged in both chambers across both caucuses. A special election has been called for April 30, 2019 to fill the vacancy in the 64th Assembly District – one created by the resignation of Democrat Peter Barca to become the new Secretary of Revenue.

b. Senate and Assembly in Session

Although legislative Committees have been holding public hearings on numerous bills, Assembly and Senate leadership scheduled limited floor periods before the introduction and consideration of the Executive's budget request. From the onset of the legislative session, the majority leadership in the Assembly and Senate held a brief floor period in February to adopt a tax-cut package for middle-class taxpayers that utilized the realized surplus from the previous biennium. It was taken up before the introduction of the Governor's budget and was subsequently vetoed by Governor Evers on February 21, 2019.

The next legislative floor period is scheduled for next week, April 9-11, 2019.

c. Majority Leadership Priorities

The Senate and Assembly majority leadership has signaled that it has several priorities that it wishes to advance this Session.

Majority leadership suggests legislation will be enacted to place more resources into the criminal justice system through the offices of district attorneys and public defenders – specifically salaries for addition personnel statewide as well as increasing the contracted price for private attorneys serving as public defender roles.

Additionally, the majority has expressed a desire to enact legislation to modify Act 185 as it relates to the closure of Lincoln Hills and Copper Lake Juvenile Detention Centers and replace

them with two new Level One state facilities and several county-constructed and operated Level Two juvenile detention centers. The legislation is anticipated to be introduced soon and will address the issue of Act 185's implementation timeline – reportedly moving all statutory deadlines back six months to ensure that there is adequate time for the new administration and lawmakers to work with counties on their proposed facilities. Act 185 made \$40 million available through a competitive grant program for the partial cost of construction of county-run facilities but did not make funds available for the operation of the facilities or the programs employed within them. Milwaukee County has submitted a proposal for construction funding to the State of Wisconsin in accordance with existing statute.

II. 2020-2021 Biennium Budget Process

On Thursday, February 28, 2019, Governor Evers presented his 2019-2021 budget request for \$83.5 billion to a joint session of the Legislature. Shortly thereafter the Legislature's Joint Finance Committee (JFC) introduced companion legislation – Senate Bill 59 and Assembly Bill 56.

Democratic lawmaker reactions to Governor Evers' budget was widely supportive with the plan receiving praise for its call to expand Medicaid coverage to 133% of the poverty level and trigger the receipt of \$320 million in federal funding, while also increasing spending for public education, transportation, health-related services including expanded access to dental services. Among other revenue items, the Governor's budget calls for an \$0.08 per gallon gas tax, a repeal of the minimum markup on gas, and property tax levies to be raised by the greater of the percentage change in equalized value due to net new construction or 2%. Majority Republicans expressed disappointment with the Governor's budget, citing a sharp increase in spending and JFC is anticipated to begin building the State's 2019-21 biennial budget off the Adjusted FY2017-19 Base Budget.

There are components of the Governor's Proposed budget, however, that are of interest to county government and to Milwaukee County that may find a path forward this session. Specifically the following budget proposals that have been of importance to the Board of Supervisors:

Budget Impact on County Government

There are several provisions in the budget proposal that impact county government and key policy issues that will also be of financial and operational interest to Milwaukee County. [Included](#) with this update is a copy of a summary prepared by the Wisconsin Counties Association (WCA) that highlights each of the impacts to county government. I am happy to provide research and additional detail on any items included in this WCA summary upon request.

Budget Impact on Milwaukee County Government

There are components of the Governor's budget that are of specific and timely interest to Milwaukee County and, if enacted, will have an impact on our County's operations. The impacts of each of these proposals contained in the Governor's budget can be further detailed after

analysis and cooperation with the Administration and stakeholders. Among notable impacts are the following:

Juvenile Justice Recommendation: SUPPORT ADDITIONAL FUNDING & JUVENILE CLASSIFICATION OF JUSTICE-INVOLVED 17-YEAR OLDS

The Governor's budget includes proposals that will impact the County's implementation of Act 185, which required the closure of Lincoln Hills & Copper Lake and the county construction and operation of Secured Residential Care Centers for Children & Youth (SRCCCY). Current law calls for the closure of both state facilities by January 1, 2021 and the youth incarcerated therein at the time of closure transferred to either a new Type 1 juvenile facility (State corrections environment) or to the appropriate SRCCCY. Current law also requires a state Department of Corrections grant program that to provide funding for design and construction of SRCCCYs. A county may apply to a juvenile corrections grant program to cover 95% of the costs of designing and constructing an SRCCCY, 95% of the costs of designing and constructing facility housing both an SRCCCY and a juvenile detention facility, or 100% of the costs of designing and constructing an SRCCCY or a portion of one that is only for female juveniles. The construction costs eligible for grant funding include costs of renovating an existing structure. Current law does not provide funding for start-up or ongoing operation costs of SRCCCY facilities. Current law requires counties submit grant applications under the DOC program by March 31, 2019.

Governor Ever's budget proposal includes four key areas that impact Milwaukee County's implementation of Act 185. The budget proposal

1. Plans a statutory change that will begin to treat 17-year old criminal and civil offenders as juveniles and no longer as adults;
2. Includes an appropriation for start-up costs of operating SRCCCYs and increases the existing appropriation for construction & design costs and proposes to extend the deadline for applications for grant funds;
3. Deletes the January 1, 2021 deadline for closure of the two existing state facilities.
4. Increases in step-fashion the daily rates for placements at Lincoln Hills/Copper Lake from in FY20 to \$501 to \$588 January 1, 2021 – June 30, 2021

Milwaukee County has been hard at work preparing for the closure of Lincoln Hills and Copper Lake and is, as you know, narrowing in on a site for its location within our County. The Administration also submitted its full proposal requesting grant funding for design and construction costs on time under the current law.

There is question, however, of how the design and construction costs of the facility, as well as ongoing operating expenses, may be impacted by a future State action to treat 17-year-olds as juveniles. Wisconsin is presently one of five U.S. States to treat 17-year-olds as adults.

This will continue to be a fluid situation as the County works to implement the existing law while the Legislature and Governor take up the issue of the age of adulthood as it relates to criminal and civil proceedings. However, it is important to note that the outcome of those debates will also impact our Circuit Court, jail, health and other operations.

Volkswagen Settlement: Staff Recommendation: SUPPORT

The Governor's budget allocates 60 percent of the remaining \$25 million in Volkswagen emissions settlement funds to be dedicated to the replacement of public transit vehicles and 40 percent towards electric vehicle charging stations. These proposed grant funds are in addition to the Volkswagen Settlement funds that were made available by the State in the last budget cycle.

The Governor's proposed budget also seeks to modify current law by reducing the percentage of the total previous grant award returned to the state through a shared revenue reduction by the Milwaukee County and city of Madison public transit systems from 75 to 20 percent.

Transit: Staff Recommendation: SUPPORT

Governor Ever's budget proposal addresses transit in several ways. It proposes to increase transportation spending overall and calls for an increase in General Transit Aids by 10 percent in 2021. This represents \$11,073,800 statewide. The Governor's budget also proposes to increase funding for Paratransit Aids by 10 percent or by \$275,000 in FY 2020 and again in FY 2021. This is a total funding increase of \$550,000 over the biennium.

Further, Governor Ever's budget proposal creates a levy limit exemption for cross-municipality transit routes that demonstrate county and municipal collaborators meet several criteria (must be adjacent, must have executed an intergovernmental cooperation agreement to provide new or enhanced transit services across county boundaries, and that each county must pass a referendum approving the agreement).

The Milwaukee County Transit System (MCTS) currently strives to provide reliable, convenient and safe public transportation services that efficiently and effectively meet the varied travel needs of the community and contribute to its quality of life. MCTS is operating within the current budget much as it did the year before – because the cost to operate the system continues to grow while county revenue options are capped, and state contributions have remained flat. Year over year revenue shows a decline in both direct and intergovernmental revenue. Without State investment or intervention on the levy, service adjustments and eliminations, as well as increases to special fares, may again need to be considered as the County crafts a budget to reflect available resources.

You will recall, in December 2018 funding for routes were depleted and thus, eliminated for 2019. The County appropriated funding to continue operating service into Waukesha County to help connect people to jobs as a designated JobsLines route. The current temporary funding is sufficient through August 2019. Without state intervention or an incentive for local governments to partner on transit projects such as this example, further route reductions may be unavoidable.

III. Legislation Impacting Milwaukee County

The following currently active legislative proposals impact Milwaukee County and I respectfully request your permission to address them with lawmakers:

1. Biennial Budgeting: Proposed by Representative Gundrum ([LRB 19-1135/P8](#)) on behalf of our colleagues in Washington County, Wisconsin, the proposed legislation seeks to

provide counties and cities with the authority to enact a biennial budget. A copy of the draft being circulated for co-sponsorship is included here for your consideration.

- a. Relevant Provisions:
 - i. The proposal addresses only the topic of biennial budgeting;
 - ii. Proposal includes Milwaukee County;
 - iii. Adoption of a biennial budget is a decision of the Board of Supervisors;
 - iv. Adoption of the biennial budget is something that can be adopted in one; biennium and can be reversed to a single year budget in the future; and
 - v. The levy limit will continue to be calculated annually.
 - b. Staff Recommendation:
 - i. The staff respectfully recommends a position of support.
2. Professional Baseball Park District Distribution of Excess Tax Revenue ([LRB 19-2513/P1](#)) is proposed by Senator Carpenter and seeks to distribute the excess tax revenue generated by the Local Professional Baseball Park District, due to expire in March, 2020. The legislation is being circulated for co-sponsorship and proposes to distribute the excess collected tax revenue to the local governments within the geographic boundary of the taxing district. The methodology employed to distribute the excess tax revenue proposed by the legislation is identical to that utilized by the State in 2015 with excess tax revenue collected by the Green Bay/Brown County Professional Football Stadium District.
- a. Relevant Provisions:
 - i. Current law requires the excess revenue collections to be applied to the Professional Baseball Park District's maintenance and capital improvement fund;
 - ii. The proposal calls for the excess revenue collections (anticipated to be approximately \$16 million) to be distributed to the county governments and municipalities within the taxing district;
 1. 75% to municipalities and 25 to county governments
 - iii. The proposal limits the county to use the appropriation only for property tax relief, tax levy supported debt relief, economic development, public safety, local roads, or public parks; and
 - iv. The proposal prohibits the county from utilizing the appropriation without a resolution of the board of supervisors.
 - b. Staff Recommendation:
 - i. The staff respectfully recommends a position of support the proposed legislation.