

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE : 9/27/19

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

FROM : Joe Lamers, Director, Office of Performance, Strategy, and Budget

SUBJECT : 2020 Balancing Act – Budget Engagement Results

BACKGROUND

Balancing Act is an interactive online budgeting tool created in 2015 by a public policy strategy firm called Engaged Public. Balancing Act is designed to be an easy to use and easy to understand online tool for public sector organizations to generate public feedback related to budget decisions. The simulation breaks down public budgets into categories of revenues and expenditures. Within each category, users can manipulate revenue streams and expenditures in order to submit a balanced budget based on their priorities. Organizations can use the data collected as a tool to see the breakdown of where the public holds preferences related to the budget.

Approximately 60 local governments across the nation have used Balancing Act, including Milwaukee County. Of these local governments, Milwaukee County has generated the highest number of participation and responses.

OVERVIEW

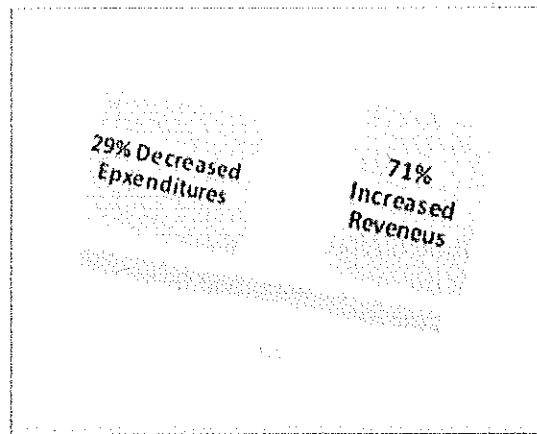
Milwaukee County has been using Balancing Act as a tool to engage the public in the budget process for the past three years. In 2019, for the 2020 budget process, the tool was open to the public from mid-July until early September. The 2020 Milwaukee County Balancing Act page received 5,737 views and 1,153 total budget submissions. This is an increase of 500 submissions compared to the 2019 Balancing Act Simulation, which received 653 submissions. The average person spent 23 minutes on the website. The website provides information including links to the County's budget and governing statutes.

CHANGES FOR 2020 BALANCING ACT

In previous years, revenue options made available in the Milwaukee County Balancing Act simulation were limited to those which are allowed under current statutes. State law currently limits the ways local municipalities can raise revenue, including caps on property and sales tax. For the 2020 budget simulation, participants were allowed to balance the budget with revenues that would require a change in state law. Options for 2020 included increases in state aids, property taxes, and sales taxes.

RESULTS

For the 2020 budget process, participants selected revenue and expenditure options to close a \$28 million projected budget gap. In order to submit a budget in Balancing Act, participants were required to close the gap. On average, participants chose to fill 71% of the gap by increasing revenues and 29% by reducing revenues.



Revenues

The average participant closed the budget gap primarily through increasing revenues by 71%. Amongst revenue categories, sales tax was the most commonly selected option. 75% of participants chose to increase sales tax by an average of \$11.0 million. The next most commonly selected option was an increase in state aids. 71% of participants selected an option to increase state aids by an average of \$3.6 million. 54% chose to increase the Vehicle Registration Fee, compared to 71% in last years simulation when revenue options were more limited.

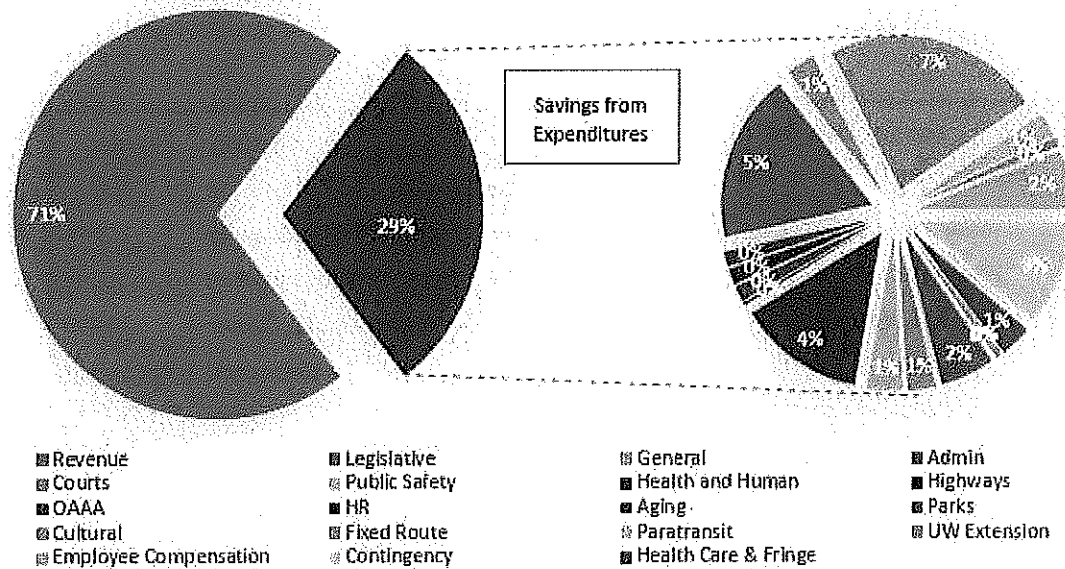
Table 1: Revenues

	Average Increase/ Decrease	% Submissions Increased	% Submissions Decreased	% Submissions Changed	% Submissions Unchanged
<i>Increase State Aids</i>	\$ 3,634,350.00	71%	0%	71%	29%
<i>Increase Property Tax</i>	\$ 2,713,582.00	57%	0%	57%	43%
<i>Borrow from Reserves</i>	\$ 646,653.00	20%	0%	20%	80%
<i>Increase the Vehicle Registration Fee</i>	\$ 4,470,669.00	54%	2%	55%	45%
<i>Increase Sales Tax</i>	\$ 11,000,000.00	75%	0%	75%	25%

Expenditures

On average, users closed 29% of the budget gap by reducing expenditures. As seen in the below chart, decreases came from across all departments. The highest reductions came from transit, parks, health and human services, administration, and the contingency fund.

Closing the 2020 Gap



Within functional and departmental areas, expenditures were broken into categories: mandated, non-mandated, and county-wide operations. This was to differentiate between categories that are required by federal or state law that have limited room for reductions versus categories that the user could have the opportunity to limit, eliminate, or invest. The table below shows the average and most frequent increase/decrease along with corresponding percent change from the current revenue amount.

	Average Increase/Decrease	% Submissions Increased	% Submissions Decreased	% Submissions Changed	% Submissions Unchanged
<i>Administrative</i>	(\$588,689)	9%	69%	77%	23%
<i>General Government</i>	(\$204,147)	2%	46%	47%	53%
<i>UW Extension</i>	(\$87,436)	5%	45%	49%	51%
<i>Public Safety</i>	(\$354,094)	24%	43%	67%	33%
<i>Health & Human Services</i>	(\$1,395,594)	22%	50%	72%	28%
<i>Debt Service & Other Non-Departmental</i>	(\$1,926,342)	7%	68%	75%	25%
<i>Courts * Judiciary</i>	(\$274,717)	3%	42%	45%	55%
<i>Transportation</i>	(\$2,391,122)	17%	63%	80%	20%
<i>Recreation & Culture</i>	(\$1,926,344)	21%	59%	80%	20%
<i>Legislative & Executive</i>	(\$11,934)	2%	50%	49%	51%

Demographics

After submitting a balanced budget in Balancing Act, users were asked to self-identify demographic information such as municipality, age, ethnicity, and education level.

<i>Top 10 Municipalities</i>	<i>Percent</i>
<i>Milwaukee</i>	<i>54.89%</i>
<i>Wauwatosa</i>	<i>8.71%</i>
<i>West Allis</i>	<i>6.32%</i>
<i>Franklin</i>	<i>5.97%</i>
<i>Oak Creek</i>	<i>3.58%</i>
<i>Greenfield</i>	<i>2.63%</i>
<i>South Milwaukee</i>	<i>2.39%</i>
<i>Glendale</i>	<i>2.27%</i>
<i>Hales Corners</i>	<i>2.03%</i>
<i>Shorewood</i>	<i>1.79%</i>

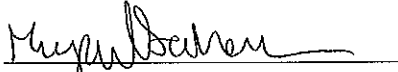
<i>Ethnicity</i>	<i>Percent</i>
<i>American Indian/First Nation</i>	<i>0.98%</i>
<i>Asian/Pacific Islander</i>	<i>1.28%</i>
<i>Black/African American</i>	<i>5.31%</i>
<i>Hispanic/Latinx</i>	<i>3.64%</i>
<i>Multiracial</i>	<i>3.25%</i>
<i>Other</i>	<i>3.15%</i>
<i>Prefer not to answer</i>	<i>14.67%</i>
<i>White/Caucasian</i>	<i>67.72%</i>

<i>Age Range</i>	<i>Percent</i>
<i>18-24</i>	<i>4.53%</i>
<i>25-34</i>	<i>25.59%</i>
<i>35-44</i>	<i>25.79%</i>
<i>45-54</i>	<i>19.29%</i>
<i>55-64</i>	<i>15.26%</i>
<i>65+</i>	<i>9.35%</i>

<i>Education</i>	<i>Percent</i>
<i>Some high school</i>	<i>0.20%</i>
<i>High school grad</i>	<i>3.44%</i>
<i>some college</i>	<i>14.76%</i>
<i>associates</i>	<i>9.15%</i>
<i>bachelors</i>	<i>33.46%</i>
<i>some postgrad</i>	<i>5.22%</i>
<i>masters</i>	<i>20.37%</i>
<i>PhD, law, or medical</i>	<i>6.89%</i>

RECOMMENDATION

This report is provided for informational purposes only. No action is needed.



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