



Milwaukee County Fair Deal Workgroup

January 3, 2019

Presentation Summary



- Local government structure
- Mandated/Non-Mandated services
- Milwaukee County vs. 71 Other Counties
- Expressway Patrol case study
- Courts case study
- Juvenile Justice case study
- Additional statutory changes
- Recap

Wisconsin Local Government Structure



- All of Wisconsin's 72 Counties are subordinate government units of the State
- Counties administer state programs in a variety of ways, however in performing these functions for the state, counties have a limited role in determining policy...the state sets specific standards that counties must abide by.
- Within those counties are 190 cities and 411 villages
- Cities and villages have “home rule” – typically understood to allow action on local matters without specific authorization from the state.

Mandated vs. Non-mandated Services



- Milwaukee County required to administer state programs but also permitted to execute additional programs like Parks and Transit
- Balancing Act budget tool via www.abetter414.com organized expenditures by categories of:
 - Mandated Services \$665.4M (62.5%)
 - Non-mandated Services \$272.7M (25%)
 - Countywide Operations \$134.4M (12.5%)
- Revenues are often dedicated to specific programming if allocated by a superior governmental entity (State or Federal)

Milwaukee County vs. 71 other WI Counties



Milwaukee County has many unique features compared to other peer counties in Wisconsin

- Most populous
- Highest poverty
- Fully incorporated
- Largest city

Referenced in statutes as being “a county in which a first class city is located” or a “populous county”

Expressway Patrol Case Study

Wisconsin State Statute 59.84(10)(b) Expressways and mass transit facilities in populous counties



“Expressways shall be policed by the sheriff who may, when necessary, request and shall receive cooperation and assistance from the police departments of each municipality in which expressways are located, but nothing in this paragraph shall be construed to deprive such police departments of the power of exercising law enforcement on such expressways within their respective jurisdictions.”

Milwaukee County is the only county in Wisconsin that is responsible for patrolling its expressways. The State Highway Patrol has responsibility for expressways in all other Counties.

Expressway Patrol Case Study

Milwaukee County Sheriff – Strategic Area 4 Expressway Patrol

	<u>2019 Budget</u>	<u>2017 Actuals</u>
Expenditures (Direct)	\$ 8,074,248	\$ 7,300,125
County Revenue	\$ 1,920,000	\$ 1,656,815
State Revenue	\$ 3,553,003	\$ 3,323,158
Total Revenue	\$ 5,473,003	\$ 4,979,973
Local Tax Levy	\$ 2,601,245	\$ 2,320,152



Expressway Patrol Case Study



Milwaukee County Sheriff – Strategic Area 4 Expressway Patrol		
	<u>2019 Budget</u>	<u>2017 Actuals</u>
Expenditures (Direct)	\$ 8,074,248	\$ 7,300,125
Expenditures (InDirect)		\$ 1,683,861
County Revenue	\$ 1,920,000	\$ 1,656,815
State Revenue	\$ 3,553,003	\$ 3,323,158
Total Revenue	\$ 5,473,003	\$ 4,979,973
Local Tax Levy	\$ 2,601,245	\$ 4,004,013

Indirect actual costs of IT, Fleet, HR and Facilities added

Courts Case Study

State of Wisconsin Circuit Courts funded through a combination of state and county money

- State responsible for funding salaries of judges, official court reporters & reserve judges. Also responsible for funding travel and training for judges
- By law, the counties are responsible for all other operating costs except those enumerated by statute. For those exceptions, which include among other things the costs of providing guardians ad litem (court-appointed attorneys), court-appointed witnesses, interpreters, and jurors, the state provides assistance in the form of statutory formula grants.



Courts Case Study



2000 Combined Court Related Operations		
	<u>2019 Budget</u>	<u>2017 Actuals</u>
Expenditures (Direct)	\$27,803,228	\$30,745,484
County Revenue	\$ 3,502,757	\$ 3,349,227
State & Fed Revenue	\$ 7,626,614	\$ 7,802,046
Total Revenue	\$11,129,371	\$11,151,273
Local Tax Levy	\$16,673,857	\$19,594,211

Courts Case Study

2000 Combined Court Related Operations		
	<u>2019 Budget</u>	<u>2017 Actuals</u>
Expenditures (Direct)	\$27,803,228	\$30,745,484
Expenditures (Indirect)		\$ 5,461,595
County Revenue	\$ 3,502,757	\$ 3,349,227
State & Fed Revenue	\$ 7,626,614	\$ 7,802,046
Total Revenue	\$11,129,371	\$11,151,273
Local Tax Levy	\$16,673,857	\$25,055,806

Indirect actual costs of ONLY CH Complex space rental and Children's Court Maint. added



Courts Case Study



Total court fees collected and the distribution between Milwaukee County & State of WI				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Court Fees Collected	\$14,613,627	\$ 13,861,295	\$ 15,610,681	\$ 16,655,136
Milwaukee County Revenue	\$ 2,874,217	\$ 2,712,569	\$ 3,156,693	\$ 3,349,227
State of Wisconsin Revenue	\$11,739,410	\$11,148,726	\$ 12,453,988	\$ 13,305,909
County Share as % of Total Court Fees	20%	20%	20%	20%

Juvenile Justice Case Study

- Youth Aids Formula created in 1979
- Over time formula has been adjusted to an allocation that is heavily weighted toward correctional placements
- From 2015-17 Milwaukee County placements declined by 46% resulting in a Youth Aids allocation reduction of \$200,000
- Tax levy supports about 30% of the Division of Youth & Family Services budget



Juvenile Justice Case Study

- Wisconsin Act 185 directs the closure of Lincoln Hills & Copper Lake for use as youth correctional facilities by January 1, 2021 and authorizes counties to operate Secure Residential Care Centers for Children and Youth (SRCCCYs)
- Act 185 will reimburse counties up to 95% of approved planning and construction costs for new facilities (Capital), no additional funding has been committed by state to support operation costs
- Milwaukee County funding currently allocated to Wis. Dept of Corrections for placements in Lincoln Hills & Copper Lake will be diverted to new facility however a significant funding gap is expected
- Act 185 authorizes a Youth Aids “bonus” funding for counties that operate joint centers up to 15% of a county’s Youth Aid allocation however it is capped at \$750,000.



Additional Statutory Changes

Both the Wisconsin Counties Association and the League of Wisconsin Municipalities have released their legislative agendas for the next biennial budget and include similar changes to statutes as our case studies that would benefit local governments around the state including...

- Allowing levy limit increases for new construction and not just “net new construction”
- Boost funding for mass transit operating aids program
- Change the local revenue fiscal model so reliance on property taxes and state aids is reduced & revenue diversified
- Increase funding in the income maintenance administration allocation
- Increase funding for general transportation aid payments to counties



Additional Statutory Changes

Two additional changes that would have a positive impact to Milwaukee County include

- Accepting Federal Medicaid Expansion which would increase reimbursement rates from mid 50's up to 90%
- Indexing state aids by inflation



Recap

- Stagnant or declining revenue from superior governmental units has required local tax revenue to continue providing state mandated services.
- There are specific legislative changes that may only benefit Milwaukee County due to the uniqueness of Milwaukee compared to the other 71 counties
- Many other counties are facing the same fiscal pressures related to mandated services and such changes do not apply only to Milwaukee County
- Snapshot of a few specific programs, recent changes to programs like the Secure Residential Care Centers for Children and Youth (SRCCCY) are in flux and the impact of revisions to funding formulas are still being evaluated





Questions?