



Office of the Comptroller

Milwaukee County

Scott B. Manske • Comptroller

DATE: September 1, 2020

TO: Supervisor Marcelia Nicholson, Chairwoman, County Board of Supervisors

FROM: Joseph Lamers, Director, DAS - Performance Strategy and Budget
Cynthia (CJ) Pahl, Financial Services Manager, Office of the Comptroller

SUBJECT: File 20-523 Requesting a Report on the ongoing Fiscal Impact of the Expenditure Limit on County Board Operations as Promulgated in 2013 Wisconsin Act 14

Per File 20-523, staff from the Office of the Comptroller and the Department of Administrative Services – Office of Performance Strategy and Budget are providing the following information concerning 2013 Wisconsin Act 14 and the implications of the expenditure limit promulgated thereunder.

Milwaukee County Board of Supervisors Departmental Budget Limitations

2013 Wisconsin Act 14 limits the total appropriations for County Board operations, including salaries of employees and salaries of County Board Supervisors, to 0.4 percent of the total County tax levy budget.

Assuming a countywide tax levy growth of 1.5 percent annually, the projected County Board departmental tax levy would be as follows:

	County Tax Levy	Count Board Tax Levy
2020	301,109,336	1,204,437
2021	305,625,976	1,222,504
2022	310,210,366	1,240,841
2023	314,863,521	1,259,454
2024	319,586,474	1,278,346
2025	324,380,271	1,297,521
2026	329,245,975	1,316,984
2027	334,184,665	1,336,739
2028	339,197,435	1,356,790
2029	344,285,396	1,377,142
2030	349,449,677	1,397,799
2031	354,691,422	1,418,766

Based on the assumption that the countywide tax levy grows at 1.5 percent annually, on average \$19,500 in additional expenditure authority would be available for the County Board departmental budget each year.

County Board Departmental Expenditure Appropriations

2013 Wisconsin Act 14 limits only the County Board departmental tax levy and the maximum amount of salary that a County Board Supervisor in Milwaukee County can earn. It also provides exemptions for certain expenditures which are no longer part of the County Board departmental budget due to prior budgetary changes (facilities costs).

Also, prior year County Board departmental budgets included appropriations for fringe benefits and interdepartmental crosscharges. Expenditure growth in fringe benefits and interdepartmental crosscharges was generally absorbed within departmental budgets, but due to budgetary changes, these types of charges are now budgeted centrally for most tax levy supported departments and no longer impact the County Board's departmental budget.

The remaining expenditures in the County Board departmental budget fall within the three categories below (amounts based on the 2021 requested budget):

- County Board Supervisor salaries (2021 requested budget: \$527,700)
- Staff salaries (2021 requested budget: \$558,972)
- Commodities, services and other accounts including supervisor expenditure accounts (2021 requested budget: \$117,765)

The following scenarios display different possibilities for the County Board departmental budget in future years. They all assume the current level of staffing (no new positions) and no increases to services and commodities costs in the future. Other assumption changes are noted below.

Scenario 1 – Baseline Scenario

- Countywide tax levy increases 1.5 percent annually
- Supervisor Salaries increase 3.76 percent every other year
- Staff Salaries increase 1.5 percent every year
- Other Expenditures represent the tax levy remaining under Act 14 once supervisor and staff salaries are paid for commodities, services and other accounts including supervisor expenditure accounts

	County Board Tax Levy	Supervisor Salaries	Staff Salaries	Other Expenditures
2020	\$ 1,204,437	\$ 527,700	\$ 558,972	\$ 117,765
2021	\$ 1,222,504	\$ 527,700	\$ 567,356	\$ 127,447
2022	\$ 1,240,841	\$ 547,545	\$ 575,866	\$ 117,430
2023	\$ 1,259,454	\$ 547,545	\$ 584,504	\$ 127,404
2024	\$ 1,278,346	\$ 568,136	\$ 593,272	\$ 116,937
2025	\$ 1,297,521	\$ 568,136	\$ 602,171	\$ 127,214
2026	\$ 1,316,984	\$ 589,502	\$ 611,204	\$ 116,278
2027	\$ 1,336,739	\$ 589,502	\$ 620,372	\$ 126,865
2028	\$ 1,356,790	\$ 611,671	\$ 629,677	\$ 115,441
2029	\$ 1,377,142	\$ 611,671	\$ 639,122	\$ 126,348
2030	\$ 1,397,799	\$ 634,674	\$ 648,709	\$ 114,415
2031	\$ 1,418,766	\$ 634,674	\$ 658,440	\$ 125,652

Scenario 2 – Higher Staff Salary Increases

- Countywide tax levy increases 1.5 percent annually
- Supervisor salaries increase 3.76 percent every other year
- Staff salaries increase 2.5 percent every year
- Other Expenditures represent the tax levy remaining under Act 14 once supervisor and staff salaries are paid for commodities, services and other accounts including supervisor expenditure accounts

	County Board Tax Levy	Supervisor Salaries	Staff Salaries	Other Expenditures
2020	\$ 1,204,437	\$ 527,700	\$ 558,972	\$ 117,765
2021	\$ 1,222,504	\$ 527,700	\$ 572,946	\$ 121,858
2022	\$ 1,240,841	\$ 547,545	\$ 587,269	\$ 106,027
2023	\$ 1,259,454	\$ 547,545	\$ 601,951	\$ 109,958
2024	\$ 1,278,346	\$ 568,136	\$ 617,000	\$ 93,209
2025	\$ 1,297,521	\$ 568,136	\$ 632,425	\$ 96,960
2026	\$ 1,316,984	\$ 589,502	\$ 648,236	\$ 79,246
2027	\$ 1,336,739	\$ 589,502	\$ 664,442	\$ 82,795
2028	\$ 1,356,790	\$ 611,671	\$ 681,053	\$ 64,066
2029	\$ 1,377,142	\$ 611,671	\$ 698,079	\$ 67,392
2030	\$ 1,397,799	\$ 634,674	\$ 715,531	\$ 47,594
2031	\$ 1,418,766	\$ 634,674	\$ 733,419	\$ 50,673

Scenario 3 – Potential Impact of Future Levy Reduction

- Countywide tax levy increases 1.5 percent annually, with a 1-year reduction of \$25 million in 2022 for a sales tax offset
- Supervisor salaries increase 3.76 percent every other year
- Staff salaries increase 1.5 percent every year
- Other Expenditures represent the tax levy remaining under Act 14 once supervisor and staff salaries are paid for commodities, services and other accounts including supervisor expenditure accounts

	County Board Tax Levy	Supervisor Salaries	Staff Salaries	Other Expenditures
2020	\$ 1,204,437	\$ 527,700	\$ 558,971.5	\$ 117,765
2021	\$ 1,222,504	\$ 527,700	\$ 567,356.1	\$ 127,447
2022	\$ 1,140,841	\$ 547,545	\$ 575,866.5	\$ 17,430
2023	\$ 1,157,954	\$ 547,545	\$ 584,504.5	\$ 25,904
2024	\$ 1,175,323	\$ 568,136	\$ 593,272.0	\$ 13,915
2025	\$ 1,192,953	\$ 568,136	\$ 602,171.1	\$ 22,646
2026	\$ 1,210,848	\$ 589,502	\$ 611,203.7	\$ 10,142
2027	\$ 1,229,010	\$ 589,502	\$ 620,371.7	\$ 19,136
2028	\$ 1,247,445	\$ 611,671	\$ 629,677.3	\$ 6,097
2029	\$ 1,266,157	\$ 611,671	\$ 639,122.5	\$ 15,363
2030	\$ 1,285,149	\$ 634,674	\$ 648,709.3	\$ 1,766
2031	\$ 1,304,427	\$ 634,674	\$ 658,439.9	\$ 11,313