



22 EAST MIFFLIN STREET, SUITE 900
MADISON, WI 53703
TOLL FREE: 1.866.404.2700
PHONE: 608.663.7188
FAX: 608.663.7189
www.wicounties.org

MEMORANDUM

TO: Honorable Members of Assembly and Senate Leadership

FROM: John Reinemann, Legislative Director
Sarah Diedrick-Kasdorf, Senior Legislative Associate
David Callender, Legislative Associate

DATE: June 19, 2009

SUBJECT: 2009-2011 State Biennial Budget

The 2009-2011 state biennial budget has been the most difficult budget county government has ever seen. On February 18, when Governor Doyle introduced his budget proposal, counties were told they would face large cuts in vital human services programs, including youth aids, community aids, nursing homes, mental health and income maintenance. During Joint Finance deliberations, counties saw funding for critical 911 services come and go. In the eyes of county government, the budget has improved significantly over the past four months as lawmakers restored funding for many programs serving our most vulnerable residents. However, the conference committee has the ability to improve the budget further for Wisconsin's counties and the communities we serve. Following please find our requests in regard to the changes adopted to the Joint Finance version of the budget by the Assembly and Senate.

County Nursing Homes – Supplemental Payments – Support Senate Position

The Senate increases, from \$37,100,000 to \$40,100,000, the annual amount of funding budgeted for DHS to provide as supplemental MA payments to municipally-owned nursing homes. All of the revenue generated from the certified public expenditure program is based on county nursing home losses; therefore, a significant portion of the revenue should be returned to county homes to ensure high-quality services to vulnerable populations, as well as to provide property tax relief.

County Share of Costs of Care for Children and Elderly Patients at the Mental Health Institutes – Support Senate Position

The Senate provides \$1,301,300 in FY 10 and \$1,296,300 in FY 11 to permit counties to benefit from the enhanced federal medical assistance percentages (FMAPS) that apply under the American Recovery and Reinvestment Act of 2009 (ARRA) as it relates to DHS charges for the care of children and elderly patients at the state mental health institutes. This language is consistent with federal law that states:

In the case of a State that requires political subdivisions within the State to contribute toward the non-Federal share of expenditures under the State Medicaid plan...the State is not eligible for an increase in its FMAP...if it requires that such political subdivisions pay for quarters during the recession adjustment period, a greater percentage of the non-Federal share of such expenditures, or a greater percentage of the non-Federal share of payments under Section 1923, than the respective percentage that would have been required by the State under such plan on September 30, 2008, prior to application of this section.

The Senate also makes modifications to state statute related to emergency detention. The Senate changes to the Governor's proposed language are supported by counties and the Department of Health Services.

Police and Fire Protection Fee Sunset and 911 Grant Program and Surcharge – Support Senate Position

The Senate sunsets the police and fire protection fee on June 30, 2011 and implements the 911 grant program on July 1, 2011, as originally adopted by the Joint Committee on Finance. The Senate language supports the year-long effort by counties and the telecommunications industry to identify a funding mechanism for this critical public safety service.

Public Works Contracts and Bids – Oppose Senate Position

The Senate provides that all public works projects above a \$25,000 threshold, including work done by public employees on public facilities with local revenue, be subject to competitive bidding. The Senate modifies the definition of "public contract" by significantly expanding the types of projects that are required to be let for public bid. The provision also specifically prohibits municipalities from contracting with counties for projects in which there is no responsible bid.

These provisions significantly increase project costs for counties and other local governments and greatly threaten the jobs of county employees whose departments rely on contracts with municipalities to fund their positions.

WCA strongly opposes these provisions, which undermine a longstanding county function in Wisconsin. This strong objection is shared by the Wisconsin County Highway Association (WCHA) others.

Maintenance of Effort (MOE) for Police and Fire Protection Services – Support Senate Position

The Senate adds capital expenditures to one-time expenses as items that may be excluded from the maintenance of effort requirement. In addition, the Senate specifies that the definition of emergency services under this provision includes only those emergency services expenditures that are funded with payments under the county and municipal aid program. While the Wisconsin Counties Association vehemently opposes this provision and respectfully requests that the MOE be removed from the budget bill – it ties the hands of local government trying to balance budgets with significantly decreasing revenue sources, including shared revenue – the Senate provision is slightly less burdensome.

Additional Milwaukee County Sales and Use Tax – Support Senate Position

The Senate provides Milwaukee County the authority to impose sales and use taxes at a rate of 1.0% and requires the county to use 85% of the revenues it receives from the new taxes for transit, parks, culture, and emergency medical services. The Senate position is largely consistent with the advisory referendum adopted by Milwaukee County voters in November 2008.

Maximum Fee for Expedited Issuance of a Marriage License -- Support Senate Position

The Senate increases the maximum allowable fee for expedited issuance of a marriage license from the current \$10 to \$25 and allows counties to retain the funds for this extra service. WCA supports these additional revenues.

Modifications to Prevailing Wage Provisions – Support Senate Position

The Senate defines “minor service and maintenance work” and excludes this routine work from the prevailing wage provisions. This is a significant distinction and should be included in the final bill.

Municipal and County Recycling Grant Program – Support Senate Position

The Senate transfers \$2,500,000 from the general fund to the recycling and renewable energy fund, in each year, on a one-time basis during the 2009-11 biennium and provides \$2,500,000 recycling and renewable energy fund SEG annually for the county and municipal recycling grant program. This provision provides funding at a level similar to fiscal year 2008-09.

Additional Arbitration Weight Factor – Oppose Senate Position

The Senate provides that any funding limitation, funding authority, or funding source be considered as merely an “other factor” when raised by the parties in an arbitration hearing involving municipal employers and employees. This could reduce the weight an arbitrator would give to such factors as levy limits or other state-imposed cost controls for local governments, which would increase financial pressures on counties and other local governments.

Increased Court Fees – Support Senate Position

The Senate increases the \$5 fee collected by clerks of circuit court for judgments, writs, executions, liens, warrants, awards and certificates to \$10. This fee increase will assist counties in maintaining quality services provided on behalf of the state in a time of decreasing state aid.