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Big changes to Milwaukee County government will require state leadership and “function-by-function” approach

Forum report cites complexities but says streamlining should be considered

MILWAUKEE, Wisconsin – The Public Policy Forum’s comprehensive report on Milwaukee County government restructuring – “*Should it Stay or Should it Go?*” – argues that significant restructuring and even elimination should be on the table, but any structural reform will be extremely complicated and must be led by state officials.

“Undertaking a government reform that is so complex and contentious requires resolute leadership from state government and a willingness by the state to devote considerable human resources and an up-front financial investment to the endeavor,” says the report. “State elected officials not only would have to be *in* on the discussion, but they would have to *lead* it.”

The 160-page report includes in-depth analyses of the major functions of county government, arguing a function-by-function review is the appropriate approach for considering the county’s future.

“Examining each function of county government individually allows us to explore why the county is performing the services in the first place and whether there are better alternatives,” says Forum President Rob Henken. “The big question, of course, is whether transferring major service areas to other governments would improve their quality and cost effectiveness. If the answer turns out to be ‘yes’ for enough services, then the idea of eliminating the government altogether starts to make sense. But if Milwaukee County *is* the right place to house most of its

existing services, then we might consider streamlining the government, reforming its governance structure, or simply focusing on its huge financial problems.”

After the functional analyses, the report models three potential restructuring options. It suggests that because Milwaukee County faces particular fiscal difficulties in its major discretionary services (e.g. parks, transit and cultural institutions), specific consideration should be given to a re-shaped government structure that focuses on the county’s state-mandated responsibilities.

“The debate over how to *pay* for discretionary functions also must ask whether *removing* those functions and streamlining the governance structure would produce the focused and professional approach to governance that is required to right the county’s financial ship,” says the report.

Another section of the report analyzes Milwaukee County’s pension and health care obligations to its retirees (also known as “legacy costs”). The county’s pension and health care expenditures nearly tripled during the first eight years of this decade, from \$67 million in 2000 to \$179 million in 2008, with about 46% of those costs attributed to retirees. The report notes that retiree fringe benefit liabilities are a legal obligation and would be a complicating factor in any reorganization.

“If consensus was achieved to remove certain functions from Milwaukee County government, the magnitude of the retiree legacy liabilities attached to such functions makes it unlikely that any other government would readily accept them,” says the report. “Moving those functions to another government while leaving their associated legacy liabilities with the county, however, could result in a much smaller county government even less capable of affording its legacy-related costs. “

The report concludes with discussion of “certain key decisions that require immediate consideration regardless of whether and what types of governance changes are pursued.” Those decision areas are as follows:

1. Immediately determine the future of parks, culture and transit services – both how to fund them and whether to continue to house them in county government. Within the context of that decision, revisit the appropriate purpose of Milwaukee County government and consider creating an executive and legislative structure that befits that purpose.
2. Isolate the county’s pension and retiree health care liabilities in order to more effectively manage them and to allow for better decision-making regarding the cost and priority of individual county services.
3. Determine the appropriate physical size of Milwaukee County government and its assets.
4. Explore consolidation of municipal services at the county or other levels of government.

The executive summary and full report can be downloaded from the Forum’s Web site at www.publicpolicyforum.org.

Milwaukee-based Public Policy Forum, established in 1913 as a local government watchdog, is a nonpartisan, nonprofit organization dedicated to enhancing the effectiveness of government and the development of southeastern Wisconsin through objective research of public policy issues.

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