

For more information:

Rob Henken
President, Public Policy Forum
414-276-8240 or 414-708-4392 (c)
rhenken@publicpolicyforum.org

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2011 Milwaukee County budget marked by uncertainty

Analysis cites necessity of benefit restructuring but points out budget risks

In its annual analysis of the Milwaukee County Executive's budget, the Public Policy Forum cites the straightforward nature of this year's proposal but expresses concern about how its major initiative will play out.

"The centerpiece of the 2011 recommended budget clearly is the reliance on \$24.5 million in property tax levy savings from wage and benefit changes in order to avert substantial cuts in programs and services," says the report. "A key concern, however, is that approximately \$17 million of the savings may not survive collective bargaining or may not be achievable in 2011."

The analysis praises the innovative nature and potential fiscal effectiveness of a redesigned health care plan for non-represented workers and retirees, and suggests that "as a long-term strategic direction, stringent controls on wages and deep cuts in benefits are necessary and appropriate." It cautions, however, that "to make these cuts the main focus of savings in the annual budget... carries great risk."

While crediting the recommended budget for citing a fallback plan should the budgeted wage and benefit savings not come to fruition, the report notes that details are lacking on the consequences associated with the plan.

"Because the areas of county government in which 165 union layoffs may occur are not delineated, and because the impacts of 26 furlough days for more than 1,700 union workers are

not acknowledged, it is exceedingly difficult for policymakers and citizens to reasonably judge whether alternative expenditure reductions and/or revenue enhancements may be more or less palatable.”

In addition to analyzing the proposed wage and benefit savings, the report examines other major revenue and expenditure proposals, models three distinct approaches for filling a potential mid-year budget gap, discusses a set of promising fiscal practices included in this year’s budget, and repeats calls from previous Forum reports for an enhanced role for the county controller and a renewed commitment to performance-based budgeting and strategic planning.

“The long-term challenge for county leaders is to put the mechanisms in place that can lead to more data-driven fiscal decision-making,” the report concludes.

The county budget brief can be downloaded from the Forum’s Web site at www.publicpolicyforum.org. An analysis of the 2011 City of Milwaukee budget was released earlier this week.

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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