OFFICE OF THE COUNTY EXECUTIVE

Milwaukee County

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ICYMI: Public Policy Forum Reviews County Executive Abele's 2017 Budget

Nonpartisan Researchers Concur That "Sizable Injection" of New Revenue is Needed to Maintain Service Levels and Catch Up on Deferred Maintenance

MILWAUKEE – The Public Policy Forum (PPF), a nonpartisan research organization, has released its review of Milwaukee County Executive Chris Abele's proposed 2017 budget, finding that while the County has "impressively reduced" its long-time structural deficit under Abele's leadership, a "sizable injection" of new revenue is required to maintain existing County service levels and continue to catch up on deferred maintenance.

In January 2010, PPF examined the "immediate and substantial fiscal and programmatic challenges" facing Milwaukee County government and even posed the question of County government, "Should it stay or should it go?" At the time, the County's structural deficit was forecast to increase to a staggering $106 million by 2014.

While Abele has been able to reduce local revenue-supported debt service and capital-related debt (by approximately $23 million and $100 million, respectively) over the past five years, one of the County's "foremost fiscal accomplishments according to PPF, the County faces what PPF refers to simply as "an enormous infrastructure problem."

Addressing this infrastructure problem requires a significant cut in spending, an increase in revenue, or both.

A fiscal conservative, County Executive Abele has focused the past five years on reducing expenditures through disciplined decision-making and finding efficiencies, such as negotiating better healthcare plans. But now, after not proposing a property tax increase for five years, the county executive knows that the County needs new revenue just to maintain existing service levels, which is why the county executive has proposed a new Vehicle Registration Fee (VRF) that will generate $27 million in new revenue.

The VRF, which averages out to $5 per month, is, as PPF notes, "the only comprehensive new revenue option available to the County under State law," and is "the only option the County can legally pursue if it wishes to look to the revenue side of the budget equation to finally tackle its capital, transit, and overall structural challenges in a meaningful way in 2017."

The VRF as budgeted will allow the County to fully fund its transportation-related capital infrastructure needs, such as bus replacements and County highway, parkway, and bridge repairs, as well as help to offset a significant hole in the transit operating budget caused by decreased ridership, dwindling state and federal funding, and an unsustainable free ride program. Last year in its analysis of the county executive's budget, PPF warned that "at some point, a new local funding source will be needed to maintain transit services if policymakers wish to do so without sacrificing other important County services."

In closing, PPF finds that the county executive's proposed new revenues, "would generate permanent structural deficit relief and significantly improve the County's wherewithal to address its infrastructure needs."

They also acknowledge that more modest and gradual revenue increases dating back to 2008, prior to the current administration, may have been "more palatable" and could potentially have prevented pressing concerns from worsening, concluding however that: "[s]uch action did not occur, and infrastructure needs have continued to amass since that time, while new operational challenges have emerged and State revenues have declined. Consequently, little question exists that a sizable injection of new revenue is required if existing service levels are to be maintained, and if the needs of the County's most critical and expensive capital assets are to be addressed."

Read the Public Policy Forum analysis in its entirety here.

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