



OFFICE OF THE COUNTY EXECUTIVE

**DAVID CROWLEY**

MILWAUKEE COUNTY EXECUTIVE

## Milwaukee County 2022 Recommended Budget

### KEY POINTS

- County Executive David Crowley's 2022 Recommended Budget was developed with a racial equity lens in order to advance the County's vision: By achieving racial equity, Milwaukee will be the healthiest county in Wisconsin.
- Milwaukee County is facing two pandemics: racism and COVID-19. The Recommended Budget addresses both, with an emphasis on moving dollars upstream to address the root causes of inequities that have been exacerbated by the pandemic.
- The budget includes targeted investments in our vision and strategic focus areas, prioritizing funds to expand housing and mental health resources, advance public health and safety, and address race and gender inequities in employee compensation.
- The 2022 Recommended Budget closes an estimated budget gap of \$20 million with no major cuts to the services our community depends on. The gap was closed by prioritizing fiscally responsible decisions, leveraging one-time pandemic relief funding, and asking departments to absorb the growing costs to continue delivering essential services.
- Despite cost-saving measures and federal pandemic relief for the short term, Milwaukee County needs a sustainable funding solution to support critical services for the long term.

### FREQUENTLY ASKED QUESTIONS

#### ACHIEVING OUR VISION

**Milwaukee County's vision is that, by achieving racial equity, we will become the healthiest County in Wisconsin. How do we know if we're making progress toward that vision?**

Milwaukee County's vision is ambitious. It will require making drastic changes over long periods of time to overcome the systemic, historical, and ongoing implicit and explicit biases built into current policies, procedures, and power structures. We are committed, though, to tracking the data that make up the indicators of our health as a County in real-time (or as near to real-time as is possible). To that end, County Executive Crowley and County leadership, with significant partnership from the County Board and Department heads, has begun implementation of a data dashboard that tracks some of the most relevant health indicators in our County. Things like early deaths, housing statistics, and employment data will all be represented in this dashboard for full transparency in how Milwaukee County is progressing towards its vision. Of course, these indicators do not necessarily directly correspond to whether racial inequity is decreasing. They do, though, paint a clear picture of whether or not Milwaukee County residents are receiving the services and support they need to be as healthy as possible.

### **How did Milwaukee County use a racial equity lens in developing its budget?**

In 2020, Milwaukee County pledged to use a racial equity lens when making all budget decisions. The 2022 budget carries on that important tradition: this marks the second year that Milwaukee departments were asked to complete a Racial Equity Budget Tool to explicitly state how their budgetary decisions affect racial equity within Milwaukee County. The results are available on the Milwaukee County website [here](#).

### **How has Milwaukee County engaged its constituents in creating this budget?**

Public engagement, like many other aspects of life, has been made much more difficult by the COVID-19 pandemic. Nevertheless, Milwaukee County used innovative technologies to hear from its constituents on the County Executive's 2022 proposed budget – three separate listening sessions and town halls were held in August, with robust public engagement and participation. We also held the first employee town hall in recent memory, designed specifically to ensure that employees – both as employees and service users – had their voices heard. One notable change was not using Balancing Act, the online tool that allows members of the community to balance Milwaukee County's budget gap. In efforts to track usage by demographics, the County discovered that responses in past years were overwhelmingly submitted by a non-diverse group of highly educated, White participants. As we seek to build intentional inclusion and ensure that all voices are heard, we are exploring ways to enhance the accessibility and promotion of Balancing Act and other engagement tools. These efforts will allow the County to maximize the diversity of respondents in future budget years and in future community engagement efforts with the American Rescue Plan Act (ARPA) Task Force.

### **Why is the Office on African American Affairs transitioning to become the Office of Equity?**

The redesign of the Office on African American Affairs to the Office of Equity is part of a wide-ranging, multifaceted approach in this budget to reimagine the structure of County government to better serve its constituents, all while maximizing efficiency and fiscal sustainability. The transition provides a broader lens for Milwaukee County to build the capacity of County leaders, departments, and stakeholders to transform policies, procedures, and power structures to make sure Milwaukee County is a place where all residents are healthy and thriving.

The transition will also expand the scope of the office to include many communities impacted by health and racial inequities, including other communities of color, LGBTQ+ individuals and people with varying abilities. On a practical level, the new Office of Equity will continue doing the important work currently done by OAAA, and will continue to work to provide all levels of County government with the support needed to realize our goal of becoming the healthiest County in Wisconsin by achieving racial equity.

### **What is an Office of Strategy, Budget and Performance? How is it different from the current Office of Performance, Strategy and Budget?**

The new Office of Strategy, Budget and Performance will advance the County's commitment to strategy driving budget, and not the other way around. The new office will consolidate the County's strategy and budget functions into one office, ensuring that the cross-cutting functions of strategy and budget physically and metaphorically exist in the same place. The new office will work to align County practices and strategically position needed resources that advance our mission while improving Milwaukee County's fiscal health. The office will lead the strategic plan, utilize an equitable lens for budgeting and

apply effective practices for continuous improvement, project management, and grant development. These activities will assure the highest quality of services for the residents of Milwaukee County.

## PROMOTING FISCAL SUSTAINABILITY

**Milwaukee County often talks about its long-term financial difficulties, but there does not appear to be any cuts in service in this budget. On the contrary, there are investments being made in County staff, with a 2% across-the-board salary increase and an annualized \$5 million for equity increases included in the budget. Is the County really in such dire financial straits if there are no service cuts and there are salary increases?**

Yes, the County remains in a long-term financial sustainability struggle. The County had to close a \$20 million gap to balance the 2022 budget. Nevertheless, several factors making it possible to avoid major service cuts this year:

- Federal pandemic relief funding has been crucial in supplementing our 2022 budget, particularly in backstopping services such as transit that lost revenue during pandemic closures. However, these are one-time funds that have time limits by which they must be spent. While these funds were necessary to help avoid cuts in this budget, they do not change the trajectory of Milwaukee County's widening budget gap.
- All departments were asked to submit a budget that adhered to what's called a "flat levy target." In other words, they were asked to ensure that their expenses that are funded by property tax remain the same as the prior year. What this means, practically, is that departments are unable to make any new investments into their services and are sometimes locked into service cuts that happened in previous years. In 2022, a flat tax levy target resulted in approximately \$10 million of savings from departments.
- Actual revenue from sales tax came in significantly higher than initial projections, which were conservative due to the uncertainty of the COVID-19 pandemic. This should not be expected in future years.

These factors combined have allowed us to have a budget that has no major service cuts in 2022 – but without each of these factors being possible in future years, or a sustainable funding solution from the State of Wisconsin, service cuts are a definite possibility in future years. Year after year, County departments and budget staff make a Herculean effort to identify efficiencies and cost-savings necessary to continue offering the discretionary services that often do not have direct funding sources, like Parks and Transit, upon which so many of our residents rely.

### **What is the status of the proposed local option sales tax? What's the backup plan without a sales tax?**

Milwaukee County is in dire need of a sustainable, long-term funding solution, one of which is a local option sales tax increase to ensure critical, but non-mandatory services remain funded for years to come. That option requires a change to state law, though, and the County Executive and County leaders have been in constant communication with state legislators to reach a solution.

Without a local option sales tax, Milwaukee County's options to raise revenue are extremely limited. The amount of property tax collected by the County is set by state law, and Milwaukee County already has one of the highest proportions of property tax in the country, making this an unattractive option. A similarly unattractive option, though one that Milwaukee County could pursue without a change to state

law, is an increase in vehicle registration fees. Beside the fact that vehicle registration fees are already disproportionately high for Milwaukee County compared to the rest of the state, any revenue raised would be constrained to use for transportation-related expenses. A local option sales tax is the best, and most likely, solution to Milwaukee County's long-term fiscal challenges.

### **How much would this budget change my property taxes?**

It depends. The change in individual property tax bills is subject to a number of factors, including changes across the County in equalized values, and tax levy changes made by local governments, the State of Wisconsin, and other taxing districts. Based on 2020 Department of Revenue data, the cost to operate County government makes up approximately 16.5% of the total (approximately \$1.84 billion in 2020) property taxes levied in Milwaukee County, so other units of government and taxing districts (school districts, technical colleges, municipal, special tax districts etc.) combined have a significant impact on your individual property tax bill. The 2022 County Budget property tax levy increases by about 1.8% or \$5.6 million over the 2021 level of \$303.9 million. The \$5.6 million increase includes a net new construction and allowable increases of Debt Service, EMS, and other provisions allowed by state statute. This means that individual taxpayers may see a change in the County's share of taxes on their bills due to a combination of changes in equalized value across the County and in the total amount of tax levied. The countywide increase in equalized property value (including Tax Incremental Districts (TIDs)) was 9%. Of that, 1.0% was the result of new construction. Overall, Milwaukee County's 2022 tax rate is projected to decrease by 6.6% from 2021.

### **Is the Vehicle Registration Fee going to go up?**

No. The 2022 budget does not include an increase in the Vehicle Registration Fee. However, the VRF remains one of the very few options we have in increasing County revenue. Even within that option, though, we don't have much discretion—the funds are capped by the state, and the County is prohibited by state law from implementing a progressive VRF. These limitations are a good example of why it's so important we explore local funding options like the sales tax to invest in our community.

### **How is the funding the County received from the American Rescue Plan Act (ARPA) being used?**

As part of the American Rescue Plan Act of 2021, Milwaukee County is receiving roughly \$183 million. County Executive Crowley and County Board Chairwoman Marcelia Nicholson created the Milwaukee County ARPA Task Force to build a spending plan for these funds, and their work is ongoing. The Task Force has proposed spending the majority of these funds to offset revenue loss experienced by the County as the result of the COVID-19 pandemic. Revenue loss is projected to be more than \$400 million – more than double the total amount of funds the County has received from ARPA. While the Task Force continues its deliberations, including robust community engagement, several emergency allocations have already been made from ARPA funding, most notably including housing funding to continue providing emergency rental assistance to those at risk of eviction due to the pandemic.

## **ENHANCING COMMUNITY SERVICES**

### **Are bus fares changing?**

No. It was important to hold bus fares flat given the financial challenges we know many of our riders are facing due to the pandemic. Bus fares will remain at \$2.25 cash and \$2 per ride with M-Card or the MCTS mobile app.

**Why does the Parks budget seem to be so challenged each year?**

Counties are an arm of the state. Milwaukee County is required by Wisconsin state statute to provide many services, from mental health to courts to highways. Parks are not a service that is mandated by the state. That said, the Parks Department has had to rely on generating its own revenue for the past several years. When the pandemic hit, revenue-generating departments were hit hard as well. However, the 2022 budget includes an increase of approximately \$3 million over last year due to improved revenue forecast across parks amenities including golf, as well as an increase of approximately \$500k in tax levy.

Nevertheless, it will be imperative to find a long-term solution to maintain our parks system and ensure our community has equity able access to safe, beautiful green space.

**What is the County’s plan for the future of the Mitchell Park Horticultural Conservatory (the Domes)?**

County leaders are continuing to evaluate options for the future of the Domes. The Office on Grants and Special Projects is actively engaged in attempting to find a funding source for rehabilitation of the Domes – though, according to a recent report from that office to the County Board’s Parks, Energy, and Environment Committee, the cost may well be upwards of \$50 million. Given the County’s extensive backlog of delayed capital projects, creative solutions may be necessary to develop a plan for the Domes.

**How will Milwaukee County approach pools in the coming year? What about lifeguards?**

Funding for pools run by the Milwaukee County Parks Department remains unchanged from 2021 levels – 10 pools will again be budgeted to be open in 2022. The Parks department is closely analyzing which pools should be open in 2022, and which should remain closed. In the meantime, the Parks department is also undertaking significantly expanded training, recruitment and compensation plans to ensure that the nationwide shortage of lifeguards affects Milwaukee County as little as possible. Parks has also allocated \$40,000 to support partnerships that address community swim ability and build a pipeline of qualified lifeguards.

**What is Milwaukee County doing about reckless driving and the increase in violence plaguing our communities?**

Milwaukee County recognizes that reckless driving and violence are significantly and negatively impacting our communities. The County is committed to moving resources upstream to deal with the root causes of these issues, rather than addressing the symptoms after the fact. We’ve started several programs to promote positive youth development, like the Credible Messenger program in the Department of Health and Human Services, that seek to connect youth engaged in high-risk behavior with respected community members. We’ve also implemented programs to prevent eviction and help residents stay in their homes, enhanced transit connections to job centers, and reimagined our mental health and substance abuse programming to have a greater presence in communities hit the hardest by

these issues. In 2022 and going forward, Milwaukee County will continue moving resources upstream to stop reckless driving and community violence before they start.

### **What's in the County Executive's budget for seniors?**

The budget includes several investments in older adults, including in transportation, housing stability, and access to services. The Department of Health and Human Services Aging Division will continue to enhance transportation services to seniors by providing rides to new locations such as farmers markets, pharmacies, or educational opportunities, in addition to grocery stores, senior centers, meal sites, evidence-based health programs, health and dental appointments. Transportation services for older adults and people with disabilities will be supported through the new Transportation Coordinator position.

Collaboration with the Housing Division will also be enhanced to increase access for lower income older adults to accessible, affordable, and sustainable housing, and to stabilize neighborhoods and sustain homeownership for older adults of color who have suffered the effects of systemic racial inequities in housing policy. In April of 2021, the Dine Out pilot program created partnerships with four local minority-owned restaurants to serve as curbside pick-up locations for seniors. The goal of this pilot is to reach seniors seeking cultural food items, meet a broader range of dietary preferences and attract older adults of color in underserved neighborhoods. In 2022, an additional 7,000 meals will be served between these four restaurant locations.

### **Will senior centers remain open in 2022?**

The five County-owned senior centers recently re-opened and will remain open five days per week in 2022. Face-to-face and virtual programming activities will be offered. Each center's advisory council will help direct and evaluate social programming activities. The Commission on Aging's Senior Center Workgroup will continue to meet and discuss the future of the five centers, focusing on new partnership opportunities that could expand programming options for Milwaukee County's older adults.

## **COMBATTING COVID-19**

### **How is Milwaukee County continuing to combat the COVID-19 crisis?**

Although Milwaukee County is the only county in Wisconsin without a health department, we have still been on the frontlines in battling the COVID-19 crisis. As soon as vaccine doses were widely available, Milwaukee County stood up community vaccination clinics to ensure that as many residents as possible were able to get the vaccine. What's more, Milwaukee County was a state and national leader in using maps and data to identify communities who were likely to be hardest hit by the virus, and rerouting resources to those communities. We have also, and will continue to, work to mitigate the harmful second-order effects of COVID by providing rental and mortgage assistance to keep residents in their homes, energy assistance to keep lights and heat on, and the essential County services our residents rely on every day.

Within the organization of Milwaukee County, we have taken significant steps to ensure that residents are still able to access critical services while remaining safe. We've allocated additional funding to public facing services, like the Milwaukee County Circuit Court system, to ensure that cases that have been backlogged throughout the pandemic can be addressed efficiently and safely. We've also implemented a

vaccine mandate and several vaccination incentives for Milwaukee County employees, ensuring that those who interact with the public are doing so safely and that critical services are not waylaid by COVID-related staffing issues. More information on the County's pandemic response can be found [here](#).

**How has the COVID-19 pandemic and resulting telework policy affected Milwaukee County's infrastructure? Is the County considering downsizing its physical footprint as a result of fewer employees working in person?**

Milwaukee County is constantly evaluating and making changes to its capital infrastructure planning. Even before the COVID-19 pandemic, we were looking at all options to ensure the efficient use of space and resources within our County, while ensuring that County services are still accessible to all of our residents. The increase in teleworking certainly will be a factor in this continuous evaluation, as we continue making sure that Milwaukee County's physical footprint is the right size for both our residents and our budget.

## SUPPORTING EMPLOYEES

**The County Executive held a budget town hall with employees this year. What changes were made as a result?**

In the spirit of creating intentional inclusion, the County Executive held a virtual budget town hall on August 25, 2021, for Milwaukee County's workforce. The town hall was viewed by more than 440 employees, many of whom submitted questions, comments and feedback. The overwhelming theme from employees was the need to address compensation disparities across the organization, particularly for employees working in high-risk settings. That's why the County Executive has included the largest pay raise for all employees in more than five years in the recommended budget, along with an annualized \$5 million to address pay equity along race and gender lines. Additionally, specific increases have been included for correction officers and human service workers serving on the frontlines of the pandemic.

**Will employees be getting a raise next year?**

Yes. We understand compensation is major issue at Milwaukee County. Making sure our employees are paid equitably and at market rate is a top priority. Despite the County's structural deficit, we are doing everything we can to offer salary increases to employees. The 2022 budget includes the largest investment in employee compensation in over five years, with a proposed 2% across-the-board pay increase for employees in April 2022.

**Is there any money budgeted for employee equity increases?**

Yes. An annualized investment of \$5 million is included to address disparities in pay by race and gender. The greatest disparities within departments will be identified as the Department of Human Resources finalizes its countywide compensation study, with recommendations expected in July 2022.

**Will employee healthcare premiums go up?**

No, employee healthcare premiums will not go up in 2022. Milwaukee County is committed to keeping healthcare affordable for employees and their families. Milwaukee County's premiums are below market rate for both government and private sector, and the County has not raised healthcare premiums for the past three years.

**Will there be any changes to benefits?**

The County offers a competitive benefits package, with a small change to the employee dental plan in 2022. The dental plan package includes an increased deductible to \$50 from \$25 per person, decreased basic co-insurance from 100% to 80%, and decreased major co-insurance from 80% to 60%. The increase in compensation for employees will be larger than any rise in dental costs.

**Will pension contributions go up?**

Pension contributions for general employees will go down, from 6.2% in 2021 to 6.1% in 2022. Contributions for public safety employees will increase slightly, from 9.7% in 2021 to 9.9% in 2022. Pension contributions are determined based on a formula set by the state.

**What is the rationale behind the decision to provide premium pay to correction officers?**

Milwaukee County has recently been faced with significant staffing challenges at our correctional facilities. These staffing challenges stem from several factors, most notably including increasing pay in other, nearby counties, that have been a strain on the talent pool in the greater Milwaukee area. When our staffing levels at our facilities drop, so too do the positive outcomes for the persons in our care. With an increasing resident-to-staff ratio, we also see worrisome outcomes like resident safety, a decrease in programming, and a general lack of adequate supervision. Our staffing levels have a direct effect on the safety on those in our care, who are some of our county's most vulnerable residents.

In response to these challenges, the 2022 budget calls for a \$3 per hour increase to correction officers working at the House of Correction, Milwaukee County Jail, and Vel R. Phillips Youth & Family Justice Center. The funding for this proposal will come from the American Rescue Plan Act funding received by Milwaukee County from the federal government, resulting in no tax levy affect for this budget. Options for sustainably funding this increase are in the works. The bottom line: the COVID-19 pandemic has hurt our ability to care for the most vulnerable in our system, and this increase recognizes that and seeks to attract and reward the dedicated public servants who do the tireless work of keeping those in our care safe.