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## Our Shared Constituency

Over the last few weeks, the Legislature's budget-writing Joint Committee on Finance held hearings in Oak Creek, Janesville, River Falls and Green Bay. At each location local leaders welcomed the committee and offered comments about the challenges municipalities face in dealing with the triple-whammy of sub-inflationary levy limits, declining shared revenue and increasing costs for infrastructure and essential services. Or, as Oak Creek City Administrator Andrew Vickers put it, the parent state demanding that its local children do more chores with less allowance.

The hearings were recorded by WisconsinEye, a nonprofit public-service digital television channel. For a "Local Perspective" on the state budget, follow the link embedded in each local leader's name below.

One week into his job as the new Mayor of Green Bay, former state legislator Eric Genrich (comments begin at 5:40) told his former colleagues, "I can't tell you I have everything figured out, but I know this much: our community is incredibly strong, but our city's fiscal foundation could be stronger. We have significant infrastructural needs, and the tools we have at our disposal are not adequate to meet the challenges we face." Genrich urged the committee to support Governor Evers proposals to increase shared revenue and transportation aids and to restore an inflationary "floor" for levy limits. Genrich also told them it's time to look at diversifying local government revenue sources.

"Wisconsin's municipalities are overly reliant on property taxes and we've seen a dramatic reduction in state aids over the last twenty to thirty years. Adjusting for inflation, the city of Green Bay receives about \$20 million on an annual basis less than we did in the year 2000. That's nearly 1/5th of our city budget. We are doing less with less, and the most glaring example of that is the condition of our streets."

At the Oak Creek hearing, City Administrator Andrew Vickers (comments begin at 6:18) spoke up for diversifying the resource base for cities, but also for keeping property taxes fair. Oak Creek has a robust retail economy, including a greater than average number of medium- and big-box retailers. Like many communities, Oak Creek is beginning to be challenged by "dark store" loophole arguments from some of those retailers and Vickers urged the committee to close those loopholes via the budget bill. He said, "If we are asked to rely on property taxes, loopholes allowing [certain] segments to avoid paying their fair share should not stand. The burden should not be shifted to residential property owners."

Also in Oak Creek, the President of the Milwaukee Common Council, Ashanti Hamilton, (comments begin at 19:55) reported that the decline of shared revenue and imposition of levy limits that do not keep up with inflation has put his city in a situation where the police department's budget alone exceeds the total amount of property taxes the city will receive.



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South Milwaukee lies between Oak Creek and Milwaukee. South Milwaukee Mayor Erik Brooks (no video link available) said his small city of 21,000 is long past the point of “cutting the fat. He walked through some sobering numbers for the committee. “For 11 straight years, our “net new construction” figure – used to calculate how much we can increase our base levy, our largest source of revenue – has measured less than 1%. For 2019, it was 0.3%, meaning we were only able to increase our levy by approximately \$22,000, on a \$19 million budget. And it was worse in previous years. This is not sustainable. Costs go up, and we’re not allowed to reflect that in our budgets because the state has hamstrung us on revenue. And what if we want to give our people a raise, or if we want to add services? What do we do then? I’ll tell you one thing we can’t do: Cut fat. We did that long ago. Cuts now are cuts to people, and services. The days of Cadillac benefits are long gone too. We certainly seek ways to do things better through efficiencies and partnerships, but those only go so far.”

South Milwaukee went to referendum in 2017, to ensure it could adequately fund paramedic services and add two new police officers. The referendum passed 2-to-1. Brooks said, that was a success, but “One-off” solutions like this don’t solve the problem.

In River Falls, City Administrator Scot Simpson (comments begin at 12:27) said the current revenue system is simply “unsustainable.” Simpson pointed out that the state needs to partner with local emergency services providers to meet a growing need for emergency detention beds for persons experiencing mental health crises. Under current rules and funding, police and sheriff’s departments have no choice but to transport such a person all the way across the state to a facility in Oshkosh. The Administrator said a facility in the western part of the state is needed to reduce skyrocketing transportation costs; costs that cannot be paid under the existing levy limits.

Janesville City Administrator Mark Freitag (comments begin at 7:48) offered thanks to the committee. The last state budget created a five-year added Expenditure Restraint payment for Janesville, to partially address an anomaly that put Janesville on the low end of both levy capacity and shared revenue payments. With the payment, Janesville was able to hire badly-needed first responders, double its street repair budget and reduce bus fares, in addition to implementing a number of internal operating efficiency programs.

This month the Joint Finance Committee will start the long process of working through the state budget agency by agency and program by program. It will vote on everything from base funding for prisons to local shared revenue and levy limits. The state budget document is typically around 1,000 pages long and lays out how the state will raise and spend roughly \$83 billion in state income, sales and corporate taxes and federal funds. The budget also dictates to local governments how much they may raise in local resources. The city and village leaders who spoke up asked the committee to remember; they serve the same public. In Andrew Vicker’s words:

“We have a shared constituency. There is not a single state resident that is not also a resident of a local government entity. What’s good for the state is good for local government, and what’s good for local government should be considered good for the state.”

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The League of Wisconsin Municipalities advocates for Wisconsin’s cities and villages, large and small, urban and rural, speaking up for local democracy and common-sense citizen led government. Learn more at <http://www.lwm-info.org/>

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