

**BUDGET BRIEF:**  
MILWAUKEE COUNTY  
2009 EXECUTIVE BUDGET

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## TABLE OF CONTENTS

INTRODUCTION.....	2
MILWAUKEE COUNTY'S STRUCTURAL DEFICIT .....	3
ADDRESSING THE STRUCTURAL DEFICIT AND OTHER CHALLENGES IN 2009 .....	5
A REFORM BUDGET?.....	7
Privatization .....	7
Pension Obligation Bonds.....	8
Mass Transit.....	9
Public Safety.....	10
Family Care Expansion .....	11
CONCLUSION.....	13

## INTRODUCTION

Milwaukee County has faced excruciatingly difficult budgets for each of the past several years, and the 2009 budget is no different. What is different, however, is the very clear emphasis on privatization by County Executive Scott Walker as the primary strategy for addressing the county's structural budget shortfall in 2009, and going forward.

While piecemeal privatization proposals, primarily in human services, have been a staple of the county executive's previous budgets and a perennial source of conflict with the county board, his 2009 Recommended Budget is dominated by such proposals in several different areas of the budget and on a much larger scale. Those proposals help the county executive maintain his pledge not to raise property taxes and allow him to avoid proposing elimination of several programs the board has successfully preserved in previous years, such as the UW-Extension, Interim Disability Assistance Program, Youth Sports Authority and 211 human services line. The recommended budget also avoids other funding cuts that have generated controversy in the past, such as cuts to mass transit, arts and cultural institutions and community-based mental health treatment.

Can deep cuts or outright elimination of popular services and programs be avoided in the long run, notwithstanding the county's huge structural deficit, if the county pursues significant labor savings via large-scale privatization? The answer hinges on several key questions, including:

- What is the effect of privatization proposals on the level and quality of key services?
- How realistic are the implementation dates and the budgetary savings?
- What are the impacts of one-time revenues, a major new entitlement program and uncertain programmatic assumptions in other areas of the budget both in 2009 and beyond?

The county executive deserves credit for acknowledging the depth of the county's fiscal challenges and proposing an approach that – if it works as advertised – arguably could edge the county toward structural balance. A majority of the board is likely to oppose that approach, but it is the manner in which they do so that will be important to the county's future fiscal health.

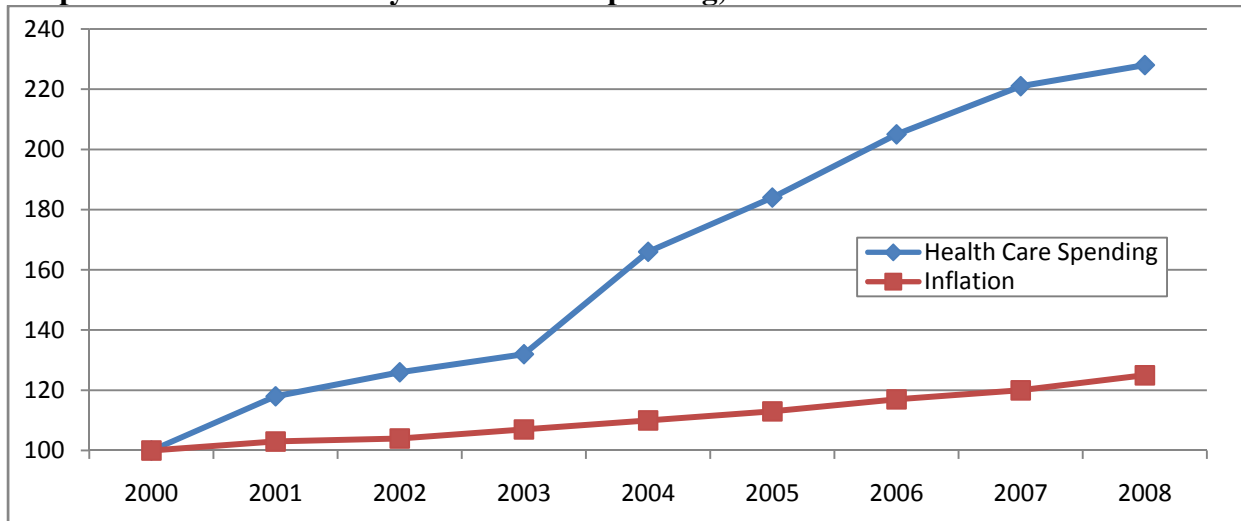
In her opening statement to committee members at this year's budget hearings, Supervisor Elizabeth Coggs, the new chairperson of the Finance and Audit Committee, reminded her colleagues that **it is not enough simply to bash the county executive year after year for his budget proposals; instead, they must offer viable alternatives.** In keeping with that reminder, responsible opposition from the county board this year would entail development of alternative budget cuts or an alternative budget vision that confronts the county's structural challenges. Far less responsible, however, would be an approach that denies a structural imbalance exists, or that ignores long-term implications.

## MILWAUKEE COUNTY'S STRUCTURAL DEFICIT

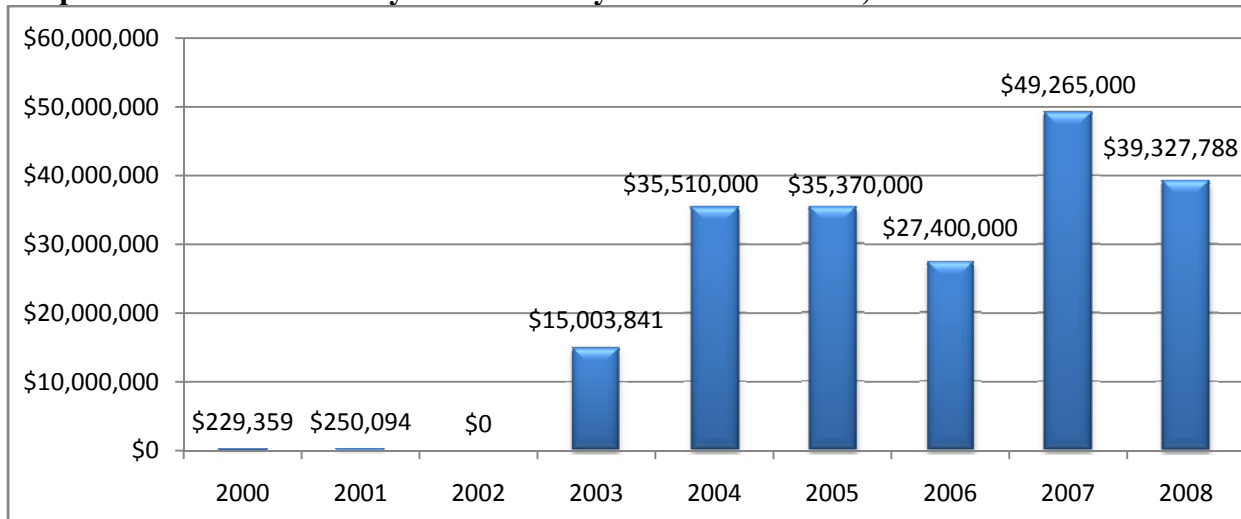
Often lost in the debates between the county board and county executive over whether and how much to increase property taxes is the fundamental truth that the county's fixed costs have been growing at such a rapid rate this decade – and its major non-property tax revenue streams have been so flat – that even a substantial annual increase in the property tax to the state-imposed limit would not have kept pace. That, of course, is the basic definition of a structural deficit.

**Graphs 1 and 2** demonstrate the growth in two key fixed costs this decade: employee/retiree health care and the county's annual pension fund contribution.

**Graph 1: Milwaukee County Health Care Spending, Indexed to 100 in 2000**

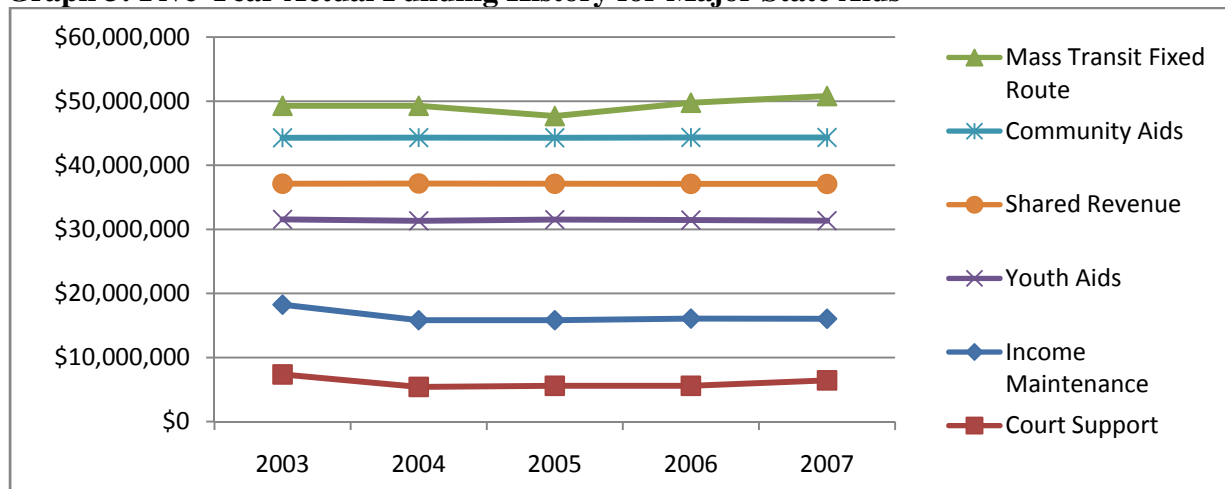


**Graph 2: Milwaukee County Retirement System Contribution, in Real Dollars**

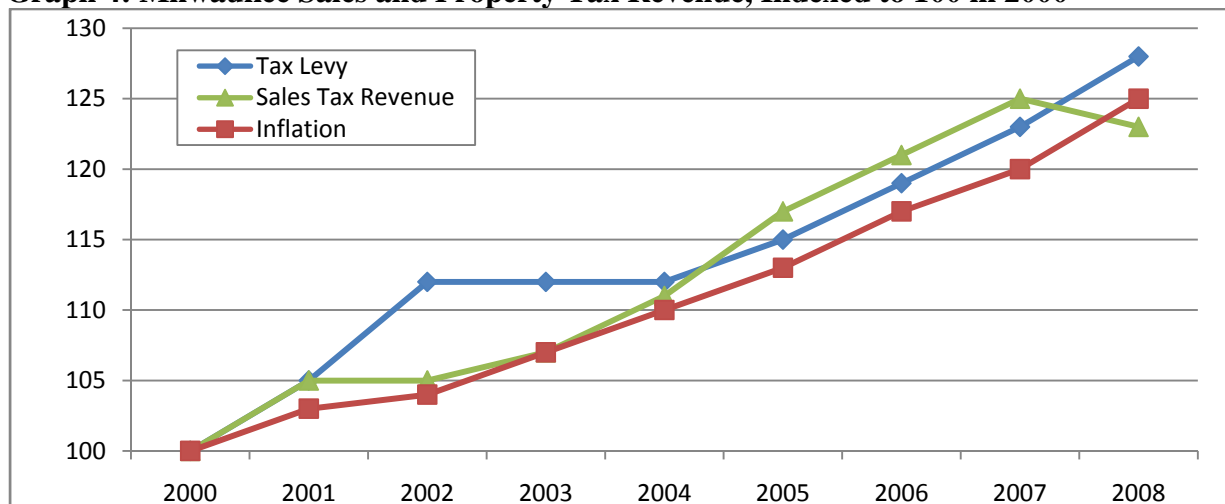


**Graphs 3 and 4**, meanwhile, contrast that growth by showing the remarkably flat nature of major state revenue streams (in real dollars), and the modest growth of sales and property tax revenues when indexed and compared to inflation.

**Graph 3: Five-Year Actual Funding History for Major State Aids**



**Graph 4: Milwaukee Sales and Property Tax Revenue, Indexed to 100 in 2000**



Other significant increases in fixed costs that must be accommodated on an annual basis include increases in salaries and wages that are driven by negotiated and/or arbitrated contractual agreements with the county's labor unions, and increases in debt service. Debt service costs actually diminished in the middle of the decade because of a 2003 decision to refinance the bulk of the county's general obligation debt, but they are now on the rise again.

**The result is an annual budget hole in the \$30-\$40 million range that shows no signs of abating in the future.** The specific elements of that hole have changed slightly from year to year, but the size has remained roughly the same since the initial surge in pension fund obligations in the middle of the decade. Looking ahead, possible stability in pension fund contributions from the issuance of pension obligation bonds (POBs) may eliminate that component, but gradually increasing retiree health care obligations may take its place.

The annual budget gap typically is filled with many small cuts in existing programs and services, deferral of infrastructure repairs/maintenance, and optimistic revenue projections. The impacts of these minor cuts rarely are discussed and often go unnoticed, as the budget process focuses on

high profile issues. Discussion about optimistic revenue projections, meanwhile, often is postponed until mid-year, when the projections fail to materialize and re-emerge as part of a projected county-wide deficit, requiring hiring and spending freezes that further impact departmental operations.

## ADDRESSING STRUCTURAL AND OTHER CHALLENGES IN 2009

As the county executive and his budget staff prepared for the 2009 budget, they faced several familiar structural issues, as well as several additional challenges caused by economic conditions. **Table 1** catalogues the major structural and economy-imposed challenges facing the county in 2009. It is critical to note that one of the biggest perennial budget burdens – employee/retiree health care – actually produced \$8.6 million in budgetary savings in 2009 because of the county’s commendable efforts to secure a new contract for a third party administrator for its self-insured health care plan.

**Table 1: Significant 2009 Budget Challenges**

<i>Budget Challenge</i>	<i>Needed Expenditure Increase/Revenue Decrease</i>
Pension Fund Contribution <sup>1</sup>	\$9.0 million expenditure increase
Employee Wages <sup>2</sup>	\$7.9 million expenditure increase
Fuel <sup>3</sup>	\$6.5 million expenditure increase
Debt Service	\$6.4 million expenditure increase
State Revenue Holes Left Over from 2008 <sup>4</sup>	\$4.0 million revenue decrease
Utilities	\$2.2 million expenditure increase
Earnings on Investments	\$2.1 million revenue decrease
Real Estate Transfer/General Recording Fees	\$1.0 million revenue decrease
<b>TOTAL</b>	<b>\$39.1 million budget hole</b>

While dozens of strategies were utilized in individual budgets to attempt to offset these challenges, **Table 2** catalogues and quantifies the most comprehensive of those offsets.

<sup>1</sup> This increase was determined in part by the actuarially determined increase but also by assumptions made by the county executive regarding the issuance of the POBs. One of those assumptions regarding the structure of the debt issuance allows for a reduction in the pension contribution in 2009 but would necessitate an increase of approximately \$8.5 million in 2010. There is additional discussion of this topic later in this report.

<sup>2</sup> This is the increase needed to accommodate 2008 pay raises and step increases for 2009.

<sup>3</sup> This increase encompasses only three major areas of fuel usage in the county budget: transit, highway maintenance and parks.

<sup>4</sup> The 2008 Adopted Budget assumed several increases to major state revenue streams that did not materialize in the 2007-09 State Budget. The 2009 budget must accommodate this “loss” of revenue.

**Table 2: Significant 2009 Budget Savings**

<i>Budget Reduction</i>	<i>Expenditure Decrease/Revenue Increase</i>
Employee/Retiree Health Care	\$8.6 million expenditure decrease
Privatization Initiatives	\$8.3 million expenditure decrease
Health & Human Services One-Time Savings <sup>5</sup>	\$6.0 million revenue increase
Prior Year Surplus <sup>6</sup>	\$3.0 million revenue increase
Parks/Zoo Fee & Admission Increases	\$2.7 million revenue increase
OPEB Savings from Restructuring <sup>7</sup>	\$2.3 million expenditure decrease
Transit Fare Increases	\$1.9 million revenue increase
<b>TOTAL</b>	<b>\$32.8 million budget savings</b>

**It is important to note that some of the strategies cited in Table 2 will produce ongoing savings in the county budget and therefore will be helpful in reducing the size of the structural gap in the future, while some are one-time in nature and therefore add to the challenges of the following year's budget.** The human services and OPEB items are examples of the latter, while the privatization initiatives ostensibly will produce ongoing savings, assuming that future annual cost increases in private sector service contracts are lower than annual increases in labor costs for the county employees who otherwise would have been providing the service.

With regard to health care, the county enjoys a significant one-time reduction in 2009 because of its new administrator contract, and that reduction will be built into the base budget, producing savings for many years to come. Still, county health care costs are likely to increase in future years due to the growing cost of health care services, so the county again will need to build significant additional funding into the budget annually to meet that need beginning in 2010.

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<sup>5</sup> Accounting changes and under-accrued revenue from previous years are utilized in 2009 to maintain existing levels of service in several key health and human services programs. The \$6 million cited above is an approximate compilation of those items.

<sup>6</sup> Per established fiscal policies, the county's 2007 year-end surplus of \$7.9 million (attributed mainly to greater than budgeted health care savings) becomes revenue in the 2009 budget. This amount exceeds the 2006 year-end surplus that appeared in the 2008 budget by \$3 million.

<sup>7</sup> Restructuring of Facilities Maintenance and Fleet Management functions allows those functions to become part of the General Fund, as opposed to separate Enterprise Funds. Consequently, per government accounting rules, an actuarially determined payment for Other Post-Employment Benefit (OPEB) liabilities associated with those functions does not have to be budgeted. Those liabilities still exist, however, and will need to be paid in future years.

## A REFORM BUDGET?

In his 2009 budget address, the county executive labeled his recommended budget “a reform budget that truly transforms government...that does more with less and presents a way to sustain vital services for years to come.” The following discusses some of the major “reform” initiatives proposed by the county executive as well as their potential impact on the county’s long-term fiscal situation.

### Privatization

The county executive argues that his proposal to contract out more than \$8 million in programs and services is necessary to “lead to long-term sustainability for the county.” As noted above, whether that argument is correct depends upon the extent to which each individual privatization proposal can generate forecasted savings, and the impact on the quality of services. The most significant privatization would occur in the following areas:

- **Facility maintenance.** The recommended budget eliminates 30 skilled trades positions previously utilized to maintain county buildings and instead utilizes contractors on an as-needed basis to perform preventive maintenance and otherwise address facility needs. This initiative results in net savings of approximately \$1.2 million. The key question is whether the amount budgeted for time and materials contracts will be sufficient to address the maintenance needs of aging county infrastructure. In addition, there is potential for lax preventive maintenance resulting in greater facilities costs in the long run. It is acknowledged by county budget officials that some reduction in maintenance service levels will occur, though they argue that budget constraints would have necessitated a much greater reduction without the privatization initiative.
- **Fleet management.** The recommended budget shifts maintenance work for the county’s diverse fleet of vehicles and equipment to an outside contractor for an estimated savings of \$3.7 million. The Fleet Management Division will administer the contract and pay for preventive maintenance, but variable costs related to maintenance and repair of vehicles are now budgeted in the individual departments that own or lease the vehicles. One question raised by this proposal is whether departments have the capacity and expertise to properly maintain their vehicles. Another is whether they will spend their designated allotments for that purpose, as opposed to attempting to bank the dollars to offset gaps in other areas, which could increase vehicle replacement needs in the capital budget. The budget office argues this initiative will incentivize departments to take better care of their vehicles and equipment because they now will have to pay for repairs directly.
- **Mental Health Complex Housekeeping and Dietary Services.** In addition to outsourcing its building and grounds maintenance as part of the facility maintenance initiative cited above, the Behavioral Health Division (BHD) proposes outsourcing housekeeping and dietary functions for its 262-bed Mental Health Complex. These additional initiatives would save an estimated \$2.4 million and eliminate approximately 128 positions. A question raised by this proposal is whether the cleanliness of patient care areas and quality of food services will be affected by use of contract staff. County administrators argue that many other successful health care facilities utilize contract staff, and that scarce human services dollars

are better utilized for direct patient care than overhead services. Smaller privatization initiatives also are proposed for certain fiscal and case management functions at BHD.

The county executive's privatization proposals should be evaluated on an individual basis with an eye not only toward whether estimated costs savings are real, but also with strong consideration as to whether projected savings outweigh the impact of potential negative programmatic impacts and risks. **When all is said and done, however, it would be best for those who oppose the county executive's proposals to accompany their opposition with alternative proposals to reduce the county's long-term structural imbalance.** Simply increasing the property tax levy in 2009 to avoid privatizing county jobs will do little to address that imbalance.

### **Pension Obligation Bonds**

The recommended budget assumes county board approval of a plan to issue almost \$400 million in POBs before the end of 2008. The county has some discretion in the way it will structure the debt service obligations, and the budget assumes an approach that will defer payment of any principal until 2010. This approach allows the county to budget \$48.4 million for its pension fund contribution in 2009, which is about \$8 million less than otherwise would be required (though \$9 million more than budgeted in 2008). The decision to make only an interest payment on the bonds in 2009 also creates a need for an \$8.4 million expenditure increase in 2010, when both interest and principal would need to be paid on the bonds.

POBs offer the hope of significantly decreasing the county's pension fund obligation should the fund's investment return on the bond proceeds exceed the interest paid on the bonds. The recommended budget estimates a \$319 million savings over the 30-year life of the bonds, assuming the invested bond proceeds return an average of 8% annually. Of course, lower than anticipated investment returns could turn the anticipated fiscal benefit into a cost. Meanwhile, when viewed from the lens of the structural deficit, POBs clearly have appeal in light of a level debt service schedule that would enhance fiscal stability by allowing the county to better incorporate its pension fund obligations into its budget planning.

It is somewhat unfortunate, however, that 2009 budgetary consequences may overshadow long-term considerations as the county decides whether to issue POBs. Failure to move forward as outlined in the recommended budget would require policymakers to identify an additional \$8 million in property tax levy to fulfill the actuarially required pension fund contribution. Another nuance associated with this decision is the impact on the state-imposed property tax levy cap – because of the manner in which debt service is treated under the cap, a decision to issue POBs would provide almost \$23 million of additional “cap space” above the \$9.6 million otherwise available. **Consequently, this critical long-term fiscal decision for the county could be heavily influenced by short-term needs.**

Finally, in light of the existing turmoil in the nation's financial markets, it is highly questionable whether POBs could and should be issued in this calendar year, and whether the existing plan would have the desired impact in light of an almost certain dramatic increase in the unfunded liability due to investment losses. Consequently, the budgetary consequences associated with an almost certain delay in POB issuance should be considered.

## Mass Transit

The Forum's May 2008 report, *Milwaukee's Transit Crisis: How Did We Get Here and What Do We Do Now?* details the circumstances that soon will create a hole of approximately \$20 million annually in the Milwaukee County Transit System's operating budget. Those circumstances largely center on the increased use of federal capital dollars to fill gaps in the operating budget during the past seven years, accompanied by deferral of new bus purchases. The impending need to begin utilizing those federal dollars to replace at least 150 buses beginning in 2010, combined with depletion of a reserve originally intended to invest in transit capital, creates the crisis.

The 2009 recommended budget fails to address this issue. Bus purchases again are deferred, an additional \$3 million is withdrawn from the reserve (leaving only \$1 million from the \$44 million originally amassed by 2001), and \$20.5 million of federal capital funds are plugged into the fixed route and paratransit operating budgets. It is also worth noting that failure to purchase new buses in recent years per the typical replacement schedule necessitates an appropriation of approximately \$542,000 in additional property tax levy for bus maintenance.

The recommended budget does avoid proposed service cuts for the first time in several years despite a projected \$6 million increase in fuel costs. This is achieved in part through modest fare increases, and in part due to higher than anticipated savings from employee/retiree health care modifications made in 2007. However, the 2009 budget sets the stage for dramatic service cuts in 2010, barring identification of new or enhanced revenue sources or transfer of property tax levy from other county functions.

The county executive's proposed solution is to utilize revenue from a potential sale or lease of General Mitchell International Airport (GMIA) to address this issue, and his recommended budget includes \$500,000 to pursue this idea. He has cited Mayor Richard Daley's efforts to lease Midway Airport as an example of the viability of this approach, which he estimates could generate more than \$25 million annually over the term of a long-term lease. Several members of the county board have questioned the viability of the proposal on at least two counts: practicality, in light of the need for approval from several of the airlines serving GMIA and the federal government, as well as the need to identify a buyer; and the public interest, in light of the well-run and successful nature of GMIA as a county facility and the likelihood that a private sector owner would increase parking, concessions, and related fees.

While this issue ultimately could involve a protracted struggle between the two branches, at this point the county executive only is seeking an appropriation to study the matter and develop a potential proposal. Also, by inserting the funding in the airport budget, he eliminates the need for property tax levy support for this analysis, though the airlines would have to support the appropriation, which would be charged to them as an inclusion in the calculation of airline gate rental rates and fees.

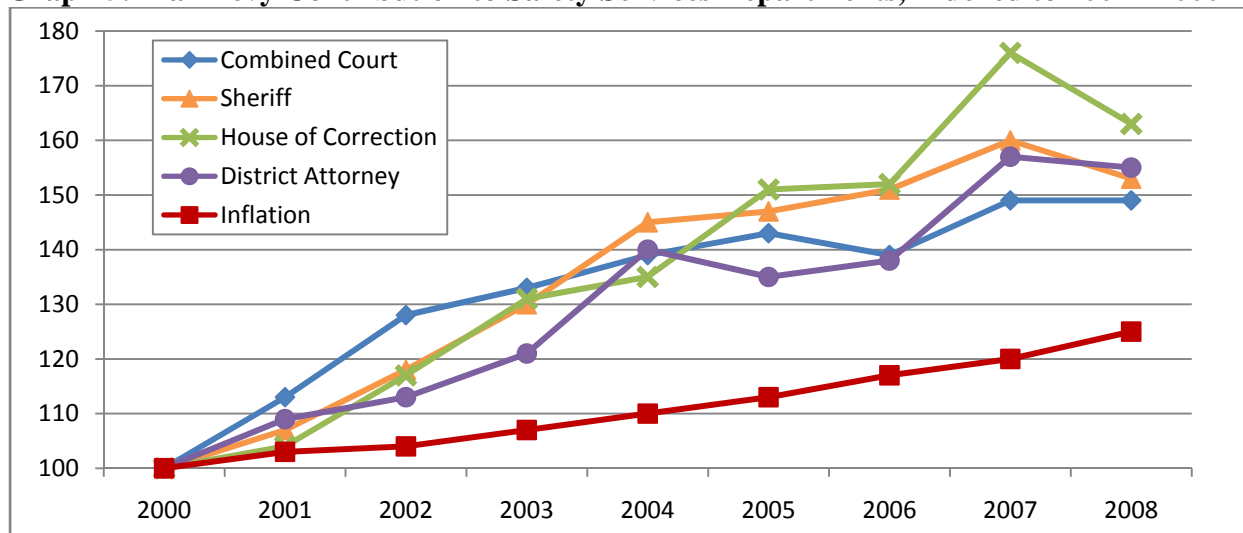
Meanwhile, the county board, whose Finance Committee already has rejected the study, is hedging its bets on a successful outcome to the November referendum on a 1% sales tax increase for transit and other county functions. **It is disconcerting that both approaches depend on successful and timely resolution of several factors outside of the county's control:** the county executive's plan, as noted above, cannot come to fruition without identification of an interested

buyer and approval from two-thirds of the airlines at Mitchell and the federal government; and the county board's approach counts on voter approval in November that is significant enough to convince the governor and legislature to provide them authority to levy an additional sales tax.

## Public Safety

As **Graph 5** below demonstrates, county property tax levy expenditures on courts and public safety have increased well above the rate of inflation this decade. The 2009 recommended budget continues this trend with a tax levy increase of \$5.2 million for the four safety services departments cited in the graph.

**Graph 5: Tax Levy Contribution to Safety Services Departments, Indexed to 100 in 2000**



These numbers indicate that despite a disturbing lack of formal strategic planning and priority setting this decade, Milwaukee County's budget decision-making has established public safety as its top priority on a de facto basis. Perhaps the biggest beneficiary has been the Office of the Sheriff, which has seen growth in several areas, including a new Tactical Enforcement Unit consisting of 25 deputy sheriffs and two sergeants. To his credit, Sheriff David Clarke has eliminated the perennial deficits that occurred under his predecessor and often has generated significant budget surpluses, which are returned to the county's general fund.

In the recommended budget, the sheriff's span of control grows larger with the transfer of all corrections facilities and programming from the House of Correction (HOC) to his department. This proposal is consistent with a recommendation from the National Institute of Corrections (NIC), which produced a critical audit of HOC management and operations last winter, as well as with standard practice in other metro areas. Both the county executive and sheriff deserve credit for attempting to address the HOC's management issues in a comprehensive and creative manner that also produces a budgetary savings of \$600,000. It is also possible that further efficiencies realized through the merger may assist in correcting issues noted in the NIC report.

Nonetheless, fiscal questions arise regarding one of the centerpieces of the proposal: the closure of the Community Corrections Center (CCC). The CCC currently houses about 360 individuals nightly who have received daytime work release privileges. Staff at the CCC also use electronic

voice recognition devices to monitor approximately 140 inmates on home detention. The budget calls for closure of the CCC at the beginning of 2009, which would be accomplished by reducing the number of work release inmates to 150 and housing those inmates at the jail, while significantly increasing the number who would be monitored electronically utilizing a variety of technologies, including Global Positioning Satellite (GPS). To accommodate the extra 150 inmates at the jail, additional pre-trial inmates would be transferred from the jail to the HOC, necessitating the opening of additional dorms there in 2009.

On paper, this proposal makes good sense. The CCC building is in poor condition and requires millions of dollars of repairs, and GPS monitoring may represent both a more cost-effective and safer means of monitoring inmates with work release privileges than the existing approach, which entails no monitoring for the hours away from the CCC. There are question marks, however, regarding potential cost savings associated with increased use of GPS monitoring. Other communities that have made greater use of GPS have found that the resources required to actively monitor inmates 24 hours per day (if that is indeed the plan) and respond to violations have been higher than anticipated. Also, closer monitoring can produce greater detection of violations, which may involve a return to the jail or HOC, where the costs are even higher.

Finally, as the Forum has learned from its research for the Community Justice Council (CJC), a key to successful use of GPS is buy-in from the courts. If judges are not convinced that this form of monitoring enhances public safety, then they may feel compelled to sentence fewer individuals to work release and more to costlier 24-hour detention. Conversely, if pleased with the public safety performance of GPS monitoring, they may wish to utilize that option for greater numbers of individuals who otherwise would have been released with no supervision. Also, the 2009 budget eliminates several programs related to job assessment, training and other rehabilitative services for those sentenced to community access, which may also impact judicial decision-making and should be carefully reviewed in the context of the CCC proposal.

**If this new approach does move forward, then additional discussion and coordination with the courts would appear to be a necessity in order to ensure that it does not end up costing the county more money in the long run.** Increased use of GPS technology already has received considerable discussion at the CJC, and utilizing the council to promote coordination of the CCC initiative seems appropriate and necessary.

### **Family Care Expansion**

A major new initiative in the 2009 budget is expansion of Family Care to individuals with disabilities under age 60. This initiative would eliminate the decades-old, 2,500-person waiting list for disabilities services by creating a new entitlement for services for those who meet functional and income eligibility guidelines.

The county's expansion of Family Care would involve two main components: a significant enlargement of its existing Disability Resource Center (DRC), which is the front door for people seeking access to services; and a significant expansion of its existing Care Management Organization (CMO), which currently manages services for eligible individuals over age 60.

The statewide Family Care model assumes a publicly administered DRC to provide guidance to those seeking services. The budget proposes 29 new positions in the county's DRC to

accommodate the increase in individuals with disabilities who would be entitled to care management services.

The budget also assumes a greatly expanded CMO under the belief that the state will approve the county's plan to be the sole CMO for its combined aging and disabilities population. The state has issued an RFP and it is possible other entities will apply. A decision is expected later this year. Managed care principles that exist for the elderly population would be used to serve the new population under a per-member-per-month reimbursement rate negotiated with the state. It is anticipated that the number of clients served by the CMO ultimately will grow from the existing 7,000 to about 12,000, with 3,000 new enrollees by the end of 2009.

Elimination of the waiting list for persons with disabilities is long overdue. In light of the county's significant fiscal challenges and liabilities, however, it is logical to ask whether the county is the appropriate entity to take on the significant fiscal risk that accompanies being the sole CMO for a new entitlement program, as opposed to possibly sharing the risk with private sector entities, or examining a different public model, such as a family care district.

The following are key questions that must be asked and deliberated by county policymakers, but which thus far have received little consideration.

1. The recommended budget counts on \$3.4 million in additional revenue from the state to pay for DRC expansion, but notes that DHS has not yet agreed to this additional funding. What is the county's plan if this additional revenue does not materialize?
2. During the first-year transition from Medicaid Waiver-funded services to Family Care, the Disabilities Services Division does not suffer an overall loss of revenue to fund services for ineligible individuals because it is able to retain significant waiver dollars. During the second year and thereafter, however, a sizable budget gap in the \$3 million to \$5 million range is projected. Would this necessitate the elimination of programming for individuals with disabilities who are currently receiving services but will not be eligible for the new entitlement? Is there a plan to identify property tax levy resources to fill the gap?
3. An actuarial analysis prepared for the county earlier this year identified a significant potential funding gap for the CMO between the cost of providing services to the eligible population and the amount able to be recovered by the estimated per-member-per-month payment from the state. While this estimate was preliminary and was developed with data limitations and prior to negotiation with the state, has this risk been properly analyzed and is the county's fiscal health sufficient to assume it?

**For years, county policymakers have complained bitterly about state human services mandates that are not accompanied by sufficient funding, forcing it to choose between safety net and quality of life services. Yet in this case, the county is requesting state approval to undertake sole responsibility for a non-mandated human services program that carries significant financial risk.** There are several strong programmatic reasons why the county is best equipped to take on this program expansion, not the least of which is the impressive recent track record of its existing CMO. Whether moving forward in this fashion is consistent with the county's existing fiscal condition, however, particularly in light of the key funding issues that have yet to be resolved, is a legitimate question that must be publicly debated.

## CONCLUSION

The county executive's budget speech asserts that this budget will embark the county on a path toward long-term sustainability. That claim is supported – at least conceptually – by several of his budget proposals, such as privatization initiatives, issuance of POBs, increased use of seasonal workers in the parks, and numerous administrative restructuring initiatives. Several other elements of the budget, however, such as continued deferral of the transit crisis, necessary but advantageous use of one-time revenues, deferral of a POB principal payment in 2009, and initiation of a major new entitlement program without a clear funding commitment from the state, suggest the journey has barely begun.

Unfortunately, because the county has failed to analyze and quantify the depth of its long-term fiscal problems in recent years, it is difficult to determine just where it stands. This failure by both branches of government to utilize a realistic and mutually agreed upon assessment of their long-term fiscal challenges is indicative of a county culture that has existed for many years – one that focuses on each budget one year at a time, deferring tough problems and basic infrastructure needs while long-term liabilities grow, with continued hope but no assurances of increased state aids.

The county's annual budget struggles cry out for coordinated and deliberate long-term strategic planning and priority-setting, a venture the county has not attempted since the pension scandal erupted in 2002. Some justify this inaction by arguing that it is futile to try to reach consensus on priorities among a set of elected leaders who are so divided. Even if that is a legitimate excuse, however, there is no excuse for failing to at least achieve a common and public understanding of the county's fiscal health and long-term outlook.

In previous budget testimony and reports, the Forum has noted the need for resumed strategic planning. While that need still exists, **this year we suggest the county reconsider an idea that was widely discussed in the wake of the pension scandal: establishment of an independent entity to provide objective long-term fiscal analysis and to review annual revenue estimates recommended by both the county executive and county board for accuracy and realism.** In light of the recent dueling cost estimates between administration and county board staff regarding a new or renovated mental health complex, this entity also could be called upon to perform fiscal analysis of major legislative proposals. Establishment of an independent comptroller similar to that at the City of Milwaukee would be one option, and establishment of an independent fiscal bureau similar to the Legislative Fiscal Bureau at the state would be another.

In the end, “accuracy” and “realism” must be the two critical themes of the county's 2009 budget deliberations. As we wrote in our first election brief for the April 2008 spring elections, candidates for county offices have an obligation “to provide answers to critical questions facing local government. Among those questions, none is more important – and more rarely addressed – than this one: How do you plan to ensure the long-term financial stability of the government with which you will be entrusted?”