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Details:

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2009-10

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Labor, Elections, and Urban Affairs (SC-LEUA)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**



WISCONSIN LEGISLATURE

P.O. BOX 8952 · MADISON, WI 53708

April 7th, 2009

Milwaukee County Board Chair Holloway
Milwaukee County Supervisor Peggy West
Milwaukee County Courthouse
Milwaukee, Wisconsin

→ Companion to SB 104

County Board Chair Holloway and County Supervisor West:

In response to your letter of yesterday, I wish to let you know the public hearing of the Assembly Labor Committee will proceed Wednesday April 8th with Assembly Bill 194 on the agenda as planned. There will not be an Executive Session held on the 8th.

The Milwaukee County Board members have stated repeatedly that they want to ensure county workers are protected in the transition to State oversight of IM programs that will happen as a result of the lawsuit filed last summer by Milwaukee Legal Aid for its clients. Assembly Bill 194 establishes the mechanism that will ensure these necessary employee protections. While I appreciate the concerns raised due to the rapid movement of this legislation, they are overshadowed by the urgent nature of the proposed statutory changes. To protect county workers, the Legislature must establish a statutory structure for county workers to retain their benefits. Protecting the jobs and current benefits of county employees is my top priority. For the protections in AB 194 to be available for county workers next month (May '09) during the first phase of the County-to-State transition, this bill must be prepared for enactment by the end of the current month (April 09).

The legislation is intended to be fiscally neutral for Milwaukee County. However, while you mentioned in your recent letter the expense to the County of \$3.59 million, you must be aware that this sum is part of Milwaukee County's existing and traditional financial commitment to the administration of this program. DHS is asking Milwaukee County to contribute approximately 15% of the county's total Income Maintenance costs, an amount akin to the County's traditional contribution rate. (This amount falls below the statewide average of 23% that the other counties in the state currently contribute toward their IM costs). In any event, the Fiscal Estimate on AB 194 is expected to show no increases over current expenditures.

Due to the urgent statutory need for this legislation and our shared commitment to protect our county workforce I will be moving forward with the planned public hearing on

AB 194. I welcome yours and your colleagues' participation in the public hearing on AB 194 and look forward to your testimony.

Respectfully,

Rep. Christine Sinicki
20th Assembly District
Chair, Assembly Labor Committee
608-266-8588

CC: Members of the Assembly Labor Committee
Sen. Coggs, Chair, Senate Labor Committee
Speaker Mike Sheridan
Majority Leader Thomas Nelson
DHS Secretary Karen Timberlake
Rep. Tamara Grigsby
Sen. Lena Taylor
Roy de La Rosa
Kelly Bablitch
Dan Kaaninen





COUNTY BOARD OF SUPERVISORS

Milwaukee County

April 7, 2009

Representative Christine Sinicki
Chair, Assembly Committee on Labor
Electronic Delivery

Dear Representative Sinicki,

We have just learned that you, as Chair of the Assembly Committee on Labor, have scheduled a public hearing on LRB 2235/3, relating to the administration of certain public assistance programs in Milwaukee County, removing county civil service protections from certain employees, required provisions in certain collective bargaining agreements under the Municipal Employment Relations Act, and making an appropriation.

As of this morning, the draft legislation (LRB 2235/3) is being sponsored by Senator Lena Taylor, Representative Tamara Grigsby and you. We respectfully ask that you, as Chair of the Committee and a main sponsor of the bill draft, remove this item from tomorrow's agenda, so Milwaukee County can have sufficient time to review the proposal for its full fiscal and legal ramifications effects to our operations. As Supervisors and fellow elected officials, we ask that you extend us this common courtesy.

Prior to reviewing this draft, the Milwaukee County Fiscal and Budget Administrator had issued a preliminary estimate that the fiscal impact of a State takeover of Income Maintenance (IM) programs could range from \$4 to 6 million. According to the Department of Health Services, LRB 2235/3 includes a provision requiring Milwaukee County to provide \$3.59 million (plus adjustments commensurate with annual increases to wages and benefits) in property tax annually to the State's management of IM programs.

As you can see, a matter of this consequence to the taxpayers of our districts deserves careful review prior to a public hearing and an executive session being held. Along with our colleagues on the County Board, we appreciate your consideration of this request. We understand this legislation is on a fast track, but we would appreciate having additional time to work together on this matter.

Sincerely,

Lee Holloway
Chairman,
Milwaukee County Board of Supervisors

Peggy A. West
2nd Vice-Chair, County Board of Supervisors
Chair, Health and Human Needs Committee

Cc: Milwaukee County Board of Supervisors
Milwaukee County Executive Scott Walker
Assembly Speaker Mike Sheridan
Assembly Committee on Labor
William Domina, Corporation Counsel, Milwaukee County
Greg Gracz, Director of Labor Relations, Milwaukee County
Wisconsin Counties Association

Became
AB 144, which
is the companion
to SB 161



Plotkin, Adam

From: George, Mary Beth
Sent: Wednesday, April 08, 2009 11:30 AM
To: Plotkin, Adam
Subject: FW: AFSCME Council 48's position on AB 194
Attachments: Memo to Milwaukee County Board AB 194.doc

From: Doug Burnett [mailto:DBurnett@afscme.org]
Sent: Wednesday, April 08, 2009 9:10 AM
To: lee.holloway@milwcnty.com; mark.borkowski@milwcnty.com; paul.cesarz@milwcnty.com; toni.clark@milwcnty.com; elizabeth.coggs@milwcnty.com; lynne.debruin@milwcnty.com; marina.dimitrijevic@milwcnty.com; willie.johnson@milwcnty.com; patricia.jursik@milwcnty.com; Chris.Larson@milwcnty.com; Theodore.Lipscomb@milwcnty.com; michael.mayo@milwcnty.com; joseph.rice@milwcnty.com; joe.sanfelippo@milwcnty.com; james.schmitt@milwcnty.com; johnny.thomas@milwcnty.com; john.weishan@milwcnty.com; peggy.west@milwcnty.com
Cc: Rep.Sinicki; George, Mary Beth; kbablitch@milwcnty.com; rdelarosa@milwcnty.com
Subject: AFSCME Council 48's position on AB 194

→ Companion to SB 161

Chairman Holloway and Milwaukee County Board members:

As you know Assembly Bill 194 is before the Assembly Labor Committee today. Rich Abelson has asked me to outline for you the position AFSCME Council 48 will be presenting to the committee this morning on this legislation. I have attached a memo that describes our position, and why we support this bill.

I hope you find this information useful, please contact myself or Rich with any comments or concerns you may have.

Sincerely,

Doug Burnett, Executive Director
AFSCME Council 11



To: Chairman Lee Holloway and the Milwaukee County Board

From: Doug Burnett, Executive Director AFSCME Council 11

Re: AB 194 – Milwaukee County Income Maintenance Administration

Date: April 8, 2009

AFSCME will be presenting testimony to the Assembly Labor Committee this morning in support of Assembly Bill 194. As you know this legislation will allow state personnel from the Departments of Health Services, and Children and Families to administer Income Maintenance operations in Milwaukee County. It is AFSCME's understanding that many members of the Milwaukee County Board have contacted members of the legislature expressing concerns and opposition to this bill. I have briefly summarized AFSCME's position on this legislation in this memo for your consideration.

As you all know, the Governor's budget proposes, and the Departments of Health Services and Children and Families have already begun, a state take over of the administration of the Milwaukee County Income Maintenance operations. In order to protect the rights of hundreds of county employees under this plan, AFSCME believes this piece of legislation must be adopted, and it must be done so quickly in order for the state to meet certain deadlines. Without this legislation, Milwaukee County and our members would face a complete takeover of all IM functions, and the loss of many of their rights as employees, instead of this plan, which is designed to preserve the state's ability to eventually return the management of this program to the county.

Supporting the drastic measures currently being undertaken by the respective Departments and the Governor was not the first choice of AFSCME Council 48, its Executive Board or Director Rich Abelson. The dedicated and hard working public servants represented by Council 48 are proud residents and employees of Milwaukee County. They, like all the people of Milwaukee County, want to see the county thrive and provide quality public services to its residents. Unfortunately, the County Executive and program administrators have failed to provide the adequate funding, resources and leadership necessary to implement a successful Income Maintenance program in Milwaukee County, and the pending federal lawsuit has forced this action.

Much of the plan is either laid out in the state budget, or has already begun where current authority allows. AFSCME views AB 194 as critical pro-worker legislation to make this a successful, and hopefully short term, endeavor. With DHS and DCF retaining county eligibility, clerical, program-integrity and certification staff, this bill is necessary to protect the collectively bargained rights of these workers. AFSCME also views this legislation as the best method to preserve Milwaukee County's ability to someday resume the responsibilities of Income Maintenance Administration.

It is my hope that this memo clarifies AFSCME's position on AB 194, and underscores our support for the eventual return of all Income Maintenance duties to Milwaukee County. If I can be of further assistance to answer any questions or concerns that you may have please contact me at 608-836-6666, or dburnett@afscme.org.



companion to SB 101



**TESTIMONY OF RICHARD ABELSON
AFSCME COUNCIL 48 EXECUTIVE DIRECTOR
MILWAUKEE COUNTY INCOME MAINTENANCE ADMINISTRATION
APRIL 8, 2009**

Chairwoman Sinicki, members of the committee, I would like to thank you for the opportunity to speak to you today about AB 194. I am Rich Abelson, Executive Director of AFSCME Council 48. Council 48 represents approximately 10,000 county, municipal, and private sector workers in Milwaukee County.

As you all know, the Governor's budget proposes, and the Departments of Health Services and Children and Families have already begun, a state take over of the administration of the Milwaukee County Income Maintenance operations. In order to protect the rights of hundreds of county employees under this plan, this piece of legislation must be adopted, and it must be done so quickly in order for the state to meet certain deadlines.

Before I get into the specifics of the bill, I want you all to know that supporting the drastic measures currently being undertaken by the Department and the Governor was not the first choice Council 48's Executive Board or the officers of the local bargaining units that represent these employees. The dedicated and hard working public servants represented by Council 48 are proud residents and employees of Milwaukee County. They, like all the people of Milwaukee, want to see the county thrive and provide quality public services to its residents. Unfortunately, the County Executive and program administrators have failed to provide the adequate funding, resources and leadership necessary to implement a successful Income Maintenance program in a county with the economic challenges and volume of customers as currently exists in Milwaukee County. Further evidence of this came last Monday, when the County Executive asked for additional cuts in this program.

DHS and DCF officials can, and have, provided you with a detailed background of the issues that have led us to where we are today. You are familiar with the federal lawsuit pending over the failure of the county to provide services, a lawsuit which was filed against the Department as the duty to administer these benefits lies with the state. You are familiar with the limitations of the county board and its members to act outside of the authority of the County Executive and to take over and operate the program on their own. For these reasons the responsibility to meet our obligations under federal law falls to the state as represented by the Administration and the respective Departments, and you and your colleagues in the legislature.

Much of the takeover of Milwaukee County Income Maintenance is either laid out in the state budget, or has already begun where current authority allows. However, AB 194 represents a critical component that must be acted upon swiftly if the take over is to be successful and employee rights are to be preserved.

DHS and DCF are retaining county eligibility, clerical, program-integrity and certification staff. This will allow the state to build upon the experience of front-line workers familiar with the challenges facing Milwaukee County. Retaining these workers is also vital to preventing an increase in the delay of awarding and monitoring benefits and providing services to those eligible during the transition. Finally, it is a key component to creating a program that can eventually be transitioned back to Milwaukee County in the future.

There are some unique components then that require the enactment of this bill. Represented county employees, who will now be supervised by state hired administrators, will remain in their collective bargaining units and under the collective bargaining agreements they currently have with the county. To allow for this unique arrangement, protect the collectively bargained rights of these workers, preserve Milwaukee County's ability to someday resume the responsibilities of the program, and to do so in time to allow for the implementation of the Call Center in July, language allowing the following must be adopted;

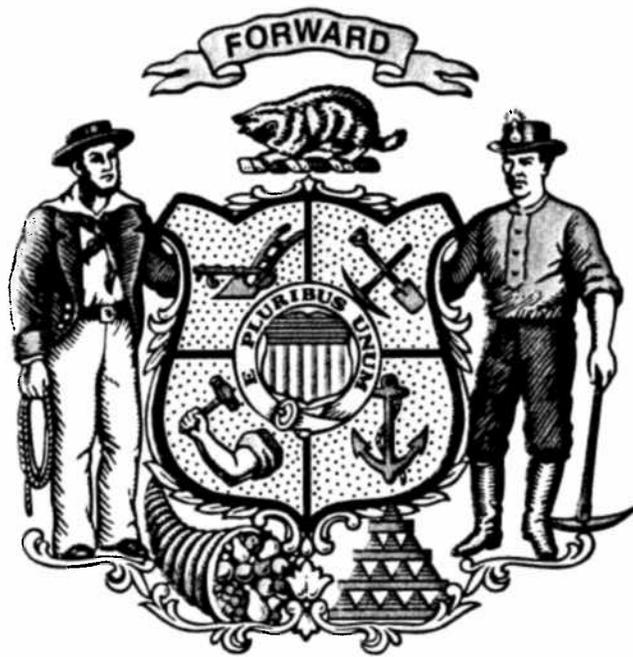
- Grant the state the authority to allow DHS and DCF state employees to supervise county employees;
- Allow any county worker who applies, and is hired, for a state supervisory position to retain his/her county pension and consideration of county years of service for state leave policy;
- Cap the Milwaukee County annual contribution toward the cost of funding IM administration at \$3.6 million (plus adjustments commensurate with annual increases to wages and benefits);
- Provide that the state and Milwaukee County will discuss the parameters and bench marks to be achieved by the county in order for Income Maintenance operations to be returned to the county at a later date.

AFSCME Council 48, its officers and members, believe that the plan laid out by the administration, with these provisions, will allow for the implementation of a program that will meet the state's obligations under federal law. More importantly, this bill and the state take over will provide access and benefits to services for Milwaukee County's most vulnerable children and families.

Before I close my remarks and open up for any questions, I would like to reiterate one point. This bill is not about whether the state should take over Milwaukee County's Income Maintenance operations; that decision was forced by the federal lawsuit which was prompted by the failure over a period of years of the executive branch in Milwaukee County to administer these programs successfully. What is still at issue is the structure of the take over, and the parameters under which these operations may again be returned to the county. AFSCME Council 48 believes that this plan lays the ground work for that to take place.

The county workers represented by AFSCME hope you will take their support for this bill into consideration.

Thank you again for the opportunity to speak before you today, and I will be happy to answer any questions that you may have.





American Federation of State, County and Municipal Employees, AFL-CIO

Doug Burnett
Political and Legislative Director

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E-mail: dburnett@afscme.org

Office: (608) 836-6666
Fax: (608) 836-3333
Cell: (608) 332-3684

Adam - FFF give me a call when you get a minute

Companion to SB 104

**TESTIMONY OF DOUG BURNETT
AFSCME COUNCIL 11 EXECUTIVE DIRECTOR
MILWAUKEE COUNTY INCOME MAINTENANCE ADMINISTRATION
APRIL 8, 2009**

Chairwoman Sinicki, members of the committee, I would like to thank you for the opportunity to speak to you today about AB 194. My testimony today represents the position of AFSCME Council 48, and Council 48's Executive Director Rich Abelson, who was unable to attend today's hearing. Council 48 represents approximately 10,000 county, municipal, and private sector workers in Milwaukee County.

As you all know, the Governor's budget proposes, and the Departments of Health Services and Children and Families have already begun, a state take over of the administration of the Milwaukee County Income Maintenance operations. In order to protect the rights of hundreds of county employees under this plan, this piece of legislation must be adopted, and it must be done so quickly in order for the state to meet certain deadlines.

Before I get into the specifics of the bill, I want you all to know that supporting the drastic measures currently being undertaken by the Department and the Governor was not the first choice of Director Abelson, AFSCME Council 48's Executive Board or the officers of the local bargaining units that represent these employees. The dedicated and hard working public servants represented by Council 48 are proud residents and employees of Milwaukee County. They, like all the people of Milwaukee, want to see the county thrive and provide quality public services to its residents. Unfortunately, the County Executive and program administrators have failed to provide the adequate funding, resources and leadership necessary to implement a successful Income Maintenance program in a county with the economic challenges and volume of customers as currently exists in Milwaukee County. And just Monday the County Executive asked for additional cuts in this program.

DHS and DCF officials can, and have, provided you with a detailed background of the issues that have led us to where we are today. You are familiar with the federal lawsuit pending over the failure of the county to provide services, a lawsuit which was filed against the Department as the duty to administer these benefits lies with the state. You are familiar with the limitations of the county board and its members to act outside of the authority of the County Executive and to take over and operate the program on their own. For these reasons the responsibility to meet our obligations under federal law falls to the state as represented by the Administration and the respective Departments, and you and your colleagues in the legislature.

Much of the takeover of Milwaukee County Income Maintenance is either laid out in the state budget, or has already begun where current authority allows. However, AB 194 represents a critical component that must be acted upon swiftly if the take over is to be successful and employee rights are to be preserved.

DHS and DCF are retaining county eligibility, clerical, program-integrity and certification staff. This will allow the state to build upon the experience of front-line workers familiar with the challenges facing Milwaukee County. Retaining these workers is also vital to preventing an increase in the delay of awarding and monitoring benefits and providing services to those eligible during the transition. Finally, it is a key component to creating a program that can eventually be transitioned back to Milwaukee County in the future.

There are some unique components then that require the enactment of this bill. Represented county employees, who will now be supervised by state hired administrators, will remain in their collective bargaining units and under the collective bargaining agreements they currently have with the county. To allow for this unique arrangement, protect the collectively bargained rights of these workers, preserve Milwaukee County's ability to someday resume the responsibilities of the program, and to do so in time to allow for the implementation of the Call Center in July, language allowing the following must be adopted;

- Grant the state the authority to allow DHS and DCF state employees to supervise county employees;
- Allow any county worker who applies, and is hired, for a state supervisory position to retain his/her county pension and consideration of county years of service for state leave policy;
- Caps the Milwaukee County annual contribution toward the cost of funding IM administration at \$3.6 million (plus adjustments commensurate with annual increases to wages and benefits);
- Provide that the state and Milwaukee County will discuss the parameters and bench marks to be achieved by the county in order for Income Maintenance operations to be returned to the county at a later date.

AFSCME Council 48, its officers and members, believe that the plan laid out by the administration, with these provisions, will allow for the implementation of a program that will meet the state obligations under federal law. More importantly, this bill and the state take over will provide access and benefits to services for Milwaukee County's most vulnerable children and families.

Before I close my remarks and open up for any questions, I would like to reiterate one point. This bill is not about whether the state should take over Milwaukee County's Income Maintenance operations; that decision was forced by the federal lawsuit which was prompted by the failure over a period of years of the executive branch in Milwaukee County to administer these programs successfully. What is still at issue is the structure of the take over, and the parameters under which these operations may again be returned to the county. AFSCME Council 48 believes that this plan lays the ground work for that to take place.

The county workers represented by AFSCME hope you will take their support for this bill into consideration.

Thank you again for the opportunity to speak before you today, and I will be happy to answer any questions that you may have.





COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Department of Administrative Services
Cynthia Archer, Director

DATE: April 10, 2009
TO: Supervisor Peggy West
FROM: Steven R. Kreklow, Fiscal & Budget Administrator
SUBJECT: AB 194/~~SB 166~~ Related to Milwaukee County Income Maintenance Function

SB 166?

At your request, I have reviewed AB 194/SB 166 and would like to offer the following comments from a County financial perspective.

1. The bill would require Milwaukee County to expend at least \$3,559,800 for the operation of income maintenance programs. The bill would also require that contribution to increase by the rate of increase in wages and benefits for County employees in each subsequent year. The County's 2009 budget includes a \$3 million tax levy contribution towards the income maintenance programs the State is taking over. The \$3 million contribution was calculated based on the overall cost of the Income Maintenance program and was not specifically related to employee wage and benefit costs.

AB 194/SB 166 would require a \$559,800 or 18.7% increase in 2009. Based on historical averages for wage and benefit increases the County required tax levy contribution would likely grow at least 5% to 8% annually in 2010 and future years. A significant and growing portion of the County tax levy would be set aside by the State and not available for other County functions such as parks and recreation, public safety and transportation.

2. AB 194/SB 166 does not address the allocation of liability related to County employees included in the takeover. It is not clear who would be liable for injuries to or damages caused by Milwaukee County employees working under the supervision on State managers in a State facility. While the Milwaukee County District Attorney's office does have County employees supervised by State managers, these employees are located in County facilities and are part of a department that is managed by a constitutional officer elected by Milwaukee County residents.
3. AB 194/SB 166 includes language that indicates the State would make the "employer contribution" toward the pension of County employees who move to State positions but

tech amend

elect to remain in the County pension system. However the County Pension system does not currently calculate an employer or employee contribution toward pension liabilities. It appears this language would need to be adjusted to reflect the County's methodology for calculating annual contributions to the Milwaukee County Pension Fund.

4. Finally, I would like to provide additional information on the County's overhead expenses related to the Income Maintenance function. The County currently provides overhead services to the Income Maintenance such as facilities, information technology services, employee benefits administration, payroll and accounting, etc. and is reimbursed by the State for these services. We estimate the potential budgetary impact of losing reimbursement for these services to be between \$4 million to \$6 million and 62% of the Marcia P. Coggs Human Services building will be vacated.

Based on AB 194/SB 166, it appears that the State plans to continue to use County payroll and benefit services for County employees who are included in the take over. However the State has not provided confirmation that they will reimburse the County for cost of these services. In areas where State officials have told the County that they will no longer be utilizing County services, such as facilities and information technology it would be helpful to have a firm and official timeline for implementation so the County can begin the process of terminating leases and reducing staff in order to minimize the negative fiscal impact on the County.

Please let me know if you have any questions or would like any additional information.



Steven R. Kreklow
Fiscal & Budget Administrator
Department of Administrative Services

Cc: Cynthia Archer, Director, Department of Administrative Services
Tom Nardelli, Chief of Staff, County Executive
Lisa Marks, Director, Department of Health & Human Services
Roy De La Rosa, Director, Intergovernmental Relations
Kelly Bablitch, Assistant Director, Intergovernmental Relations
Greg Gracz, Director, Labor Relations
Frank Bau, Labor Relations
Bill Domina, Corporation Counsel
John Jorgensen, Principle Assistant, Corporation Counsel





WISCONSIN LEGISLATIVE COUNCIL

*Terry C. Anderson, Director
Laura D. Rose, Deputy Director*

TO: REPRESENTATIVE BARBARA TOLES
FROM: Jessica L. Karls, Staff Attorney
RE: Milwaukee County Employees Under 2009 Assembly Bill 194
DATE: April 13, 2009

Handwritten note: "companion to SB 161" with an arrow pointing to the RE line.

This memorandum describes the provisions in 2009 Assembly Bill 194 that affect employees of Milwaukee County.

Currently, income maintenance and state supplemental payment programs are administered by the counties through contracts with the Department of Health Services (DHS). The income maintenance programs are the Medical Assistance program, including BadgerCare Plus; the food stamp program; and the funeral, burial, and cemetery expenses program.

Assembly Bill 194 requires that DHS establish a Milwaukee County enrollment services unit (unit) to determine eligibility under and administer, in Milwaukee County, income maintenance programs; state supplemental payment programs; and, if the Department of Children and Families enters into a contract with DHS, the child care subsidy program. In the unit, supervisory personnel must be state employees, and nonsupervisory staff performing services for the unit may be a combination of state employees and Milwaukee County employees. For the performance of services for the unit, Milwaukee County is required to maintain no fewer represented authorized full-time employee positions than the number of represented full-time employee positions that were authorized on February 1, 2009, for performance of the same types of services.

The bill provides two options for Milwaukee County employees in the unit. First, a county employee may continue as a county employee performing services for the unit. Second, a county employee may compete for a state position and, if selected, may be appointed as a state employee in the unit. This memorandum describes the provisions in the bill that affect county employees who continue as county employees and the provisions that affect county employees appointed as state employees.

County Employees Who Continue as County Employees Performing Services for the Unit

Assembly Bill 194 provides that DHS has the authority to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, discipline, and adjust grievances with respect to Milwaukee County employees performing services for the unit. Any DHS employment decision relating to a county

employee performing services for the unit may be appealed to the Employment Relations Commission. In addition, state supervisory employees may supervise county employees performing services for the unit. The bill further provides that DHS must use the same process and procedures that are used for the classified service of the state civil service system, including the use of probationary periods.

Under the bill, DHS may enter into a memorandum of understanding (MOU) with the certified representative of the county employees performing services for the unit. A collective bargaining agreement that covers county employees performing services for the unit must contain a provision that permits the terms of the agreement to be modified with respect to hours and conditions of employment by a MOU. If there is a dispute as to hours or conditions of employment that remains between DHS and the certified representative after a good faith effort to resolve it, DHS may unilaterally resolve the dispute. Milwaukee County must perform all administrative tasks related to payroll and benefits for the county employees performing services for the unit.

Current law requires that Milwaukee County have a civil service system for county employees in the classified service. County employees in the unclassified service are not subject to the civil service procedures. The bill provides that county employees performing services for the unit are in the unclassified service. County employees performing services for the unit are subject to the residency requirements that apply to other county employees under the county civil service system.

County Employees Appointed as State Employees in the Unit

Assembly Bill 194 provides additional benefits to a Milwaukee County employee who is appointed to a state employee position in the unit.

First, the employee's seniority with the state is computed by treating the employee's service with the county as state service. Second, annual leave for the employee is accrued based on both county and state service. Third, the employee's sick leave is computed by treating the employee's unused sick leave accrued with the county as sick leave accrued in state service, but not to exceed the amount of sick leave that the employee would have accrued in state service for the same period. Any sick leave accrued with the county and transferred to state service may not be converted upon death or termination of creditable service for the payment of health insurance benefits on behalf of the employee or the employee's dependents. Under current law, the conversion of sick leave for payment of health insurance benefits is available to other state employees.

Fourth, the employee has the option to continue participation in the Milwaukee County Employees' Retirement System (MCERS) or to join the Wisconsin Retirement System. If the employee continues in the MCERS, the DHS Secretary must pay all required employer contributions under the MCERS on behalf of the employee.

Lastly, the employee is covered for employer contributions toward his or her health insurance premium upon becoming insured and, unlike most other state employees, does not have to wait until the first day of the third month beginning after the date of employment to be covered for employer contributions toward the premium.

If you have any questions, please feel free to contact me directly at the Legislative Council staff offices.

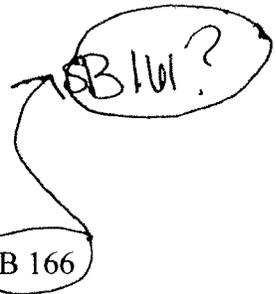
JK:wu



COUNTY OF MILWAUKEE
Division of Labor Relations
INTER-OFFICE COMMUNICATION

DATE: APRIL 13, 2009
TO: Milwaukee County Supervisor Peggy A. West
FROM: Gregory L. Gracz, Director of Labor Relations
Frederick J. Bau, Labor Relations Specialist

SUBJECT: Division of Labor Relations Concerns Regarding AB 194 and SB 166



SB 166?

Roy De La Rosa has asked that we send you the Division of Labor Relations (DLR) concerns regarding AB 194 and SB 166 prior to the noon meeting today.

There are four (4) primary concerns that DLR has with these two (2) bills:

1. Would disciplinary actions taken against County employees still be under the provisions of the labor contract and the jurisdiction of the Personnel Review Board since the employees would still be Milwaukee County employees.
2. What fringe benefits would the employees be entitled to—the contractual provisions of the Milwaukee County/Milwaukee District Council 48 labor agreement or some new set of benefits negotiated with the Union.
3. Would Department Work Rules/Policies still be applicable to employees. The bills state that all employment decisions affecting County employees may be appealed to the Wisconsin Employment Relations Commission (WERC) as are decisions affecting other state employees.
4. Would the Transfer/Layoff/Seniority contractual rights still be applicable to the County employees. There could be scenarios in the future where current Milwaukee County Income Maintenance employees could either be bumped from their position or bump a County employee in a different County Department if the provisions of the labor agreement are still in affect for these employees.

*p. 3 on Summary
modified by MOU*





OFFICE OF CORPORATION COUNSEL

Milwaukee County

WILLIAM J. DOMINA
Corporation Counsel

TIMOTHY R. SCHOEWE
MARY ANN GRIMES
ROBERT E. ANDREWS
Deputy Corporation
Counsel

JOHN F. JORGENSEN
MARK A. GRADY
JOHN E. SCHAPEKAHM
TIMOTHY R. KARASKIEWICZ
JEANEEN J. DEHRING
ROY L. WILLIAMS
COLLEEN A. FOLEY
LEE R. JONES
MOLLY J. ZILLIG
Principal Assistant
Corporation Counsel

DATE : April 13, 2009
TO: Honorable Senate and Assembly Committees on Labor
FROM: Office of the Corporation Counsel
SUBJECT: AB 194 – SB 166 → SB 161?

The above referenced legislation is intended to transfer the administration of major income maintenance programs in Milwaukee County from the Milwaukee County Department of Health and Human Services (MCDHHS) to the Wisconsin Department of Health Services (DHS). Assigning responsibility for the administration of those programs is obviously within the purview of the legislature. For the reasons expressed by the Milwaukee County Department of Administrative Services, Milwaukee County Department of Labor Relations, and the other representatives of Milwaukee County, we have serious reservations about the proposed legislation in its current form. We respectfully offer the following additional observations:

I. Labor and employment issues

For the non-supervisory line staff employed in the proposed enrollment services unit, the bill would create an unprecedented and potentially problematic hybrid employment status that does not appear to have any useful purpose in addressing critical problems such as structural employee cost and client service. The bill would create a separate class of County employees who would be treated differently from all other County employees.

DHS would have the authority to "hire, transfer, suspend, lay-off, recall, promote, discharge, assign, reward, discipline, and adjust grievances" with respect to *Milwaukee County employees* in the proposed enrollment services unit, and such employees would be supervised by state supervisory staff (Page 12, lines 10-13). Those employees would not be County employees in any meaningful sense (except for potential eligibility for retirement benefits unique to Milwaukee County).

a. Civil Service status and protections

Milwaukee County employees in the classified service are hired, managed and disciplined under the County civil service system, *see*, Wis. Stat. ss. 63.01 - 63.17, and the rules adopted by the Milwaukee County Civil Service Commission. Under that system, County employees are entitled to full due process proceedings before the

Personnel Review Board prior to discharge, demotion, or suspension for more than 10 days. Employees in the enrollment services unit would be subject to a different system under Wis. Stat. ch. 230.

b. Labor relations

Currently, the union representing Milwaukee County employees bargains with Milwaukee County. If the union and the County cannot agree, the union has the right to advance a dispute to arbitration under the applicable provisions of the collective bargaining agreement and Wis. Stat. s. 111.70, the municipal employment relations law. However, for County employees in the enrollment services unit, their union would negotiate with the DHS. The result is likely to be two inconsistent collective bargaining agreements for employees formerly in same bargaining unit, one of which Milwaukee County had no part in negotiating but nevertheless would be required to administer. Most significantly, there would be no right to arbitration of disputes in the enrollment services unit because the DHS would reserve to itself the right to resolve issues unilaterally. ("If there is a dispute as to hours or conditions of employment that remains between the department and the certified representative after a good faith effort to resolve it, [DHS] may unilaterally resolve the dispute." Page 12, lines 22-25)

c. No historical precedents

It has been suggested that the provisions of the bill regarding employees in the enrollment services unit is modeled on the legislation that transferred the district attorneys and their assistants from county service to state service. That is true only to a limited extent. As with the district attorneys, employees moving directly from Milwaukee County service to State service could opt to remain in the Milwaukee County retirement system. Also, under the district attorney legislation, clerical and other support staff in the district attorneys' offices remained County employees, so that, in the district attorneys' offices, county employees are subject to the day-to-day supervision and direction of State employees. However, nothing in the legislation that transferred the district attorneys from county to state service is comparable to the provisions in the bill concerning Milwaukee County employees in the enrollment services unit. Clerical and other support staff in the district attorney's office were and remain County employees governed by the same civil service and (for represented staff) collective bargaining regime as other County employees

II. Liability related to County employees

Under the proposed bill, DHS has the power to "hire, transfer, suspend, lay-off, recall, promote, discharge, assign, reward, discipline, and adjust grievances" with respect to the employees in the enrollment services unit. Those employees would be supervised by DHS supervisors and would work in facilities leased and maintained by DHS rather than County facilities. If the bill is enacted with those provisions intact, we believe the bill should be amended to reallocate potential liability for claims arising from alleged injuries to or from acts committed by those employees from Milwaukee County to DHS.

Under the provisions of the bill governing employees in the enrollment services unit, Milwaukee County would have no ability to manage any of the risks associated with those employees or the conditions or their employment. It would be unreasonable to treat Milwaukee County as their employer for purposes of workers compensation or other employment-related claims, such as claims under state or federal employment rights laws, FLSA, FMLA, and the like. Similarly, the County should not be vicariously liable for damages arising from acts committed while carrying out their duties or for defending civil claims against them, as would otherwise be required under Wis. Stat. s 895.46

III. *West et al. v. Timberlake et al.*, Case No. 08CV670 (E.D. Wis.)

As the committee members are aware, the above referenced federal class action is pending in the Eastern District of Wisconsin against DHS and MCDHHS administrators. Assumption of direct responsibility for income maintenance administration in Milwaukee County by DHS could have a positive impact in addressing the problems that gave rise to the lawsuit and thereby facilitating a resolution of the lawsuit, but that outcome is not guaranteed.

We have not been privy to negotiations between counsel for the plaintiff class and counsel for the DHS defendants. Nevertheless, we can safely state that passage of this bill will not automatically result in dismissal of the lawsuit. It is reasonable to assume that the plaintiffs and their counsel will require a demonstration over a significant period of time showing measurable improvements in service to program applicants and beneficiaries (*e.g.* timely processing of applications, reviews and verification, timely and accurate determinations of eligibility and benefit amount, and the like) under DHS administration before they agree to compromise or dismiss their claims.

Respectfully submitted


JOHN JORGENSEN

Principal Assistant Corporation Counsel





SB 161?

Testimony

of

**Supervisor Peggy A. West
2nd Vice-Chair, Milwaukee County Board of Supervisors
Chair, Health & Human Needs Committee**

Submitted for the Hearing Record

**Committee on Labor
Wisconsin State Assembly**

**Committee on Labor, Elections and Urban Affairs
Wisconsin State Senate**

April 14, 2009

I thank the Chairs of both Committees for allowing Milwaukee County some additional time to review the proposed legislation before you today. The full fiscal and legal ramifications of the proposed legislation need to be fully vetted prior to action. Today, I am joined by Steven Kreklow, Milwaukee County's Fiscal and Budget Administrator; Fred Bau, a Labor Relations Specialist with the Milwaukee County Division of Labor Relations; and Milwaukee County's Principal Assistant Corporation Counsel, John Jorgensen. On behalf of Milwaukee County, they will raise some concerns we have relating to the County's liability should this bill become law.

As Chairwoman of the County Board Committee that has jurisdiction over the Income Maintenance (IM) functions, I also appear before you today to share some background information about the services we deliver to the citizens of Milwaukee County.

Proposed 2009-2011 State Budget and Programmatic Recommendations

With this legislation and provisions in the 2009-2011 budget, the State proposes a takeover of Milwaukee County's IM program. This takeover simply does not make fiscal sense. The recommended 2009-2011 budget provides \$14 million (\$7 million General Purpose Revenue) for the State's assumption of these IM responsibilities in Milwaukee County. At the same time, the 2009-2011 budget proposes cutting IM contracts with counties across the State. During these times of economic uncertainty, these scarce resources could better serve the citizens of Milwaukee County if they were spent in the following areas:

1. Fixing the ACCESS and CARES Systems so that they interface with each other.
2. Providing information in the form of a media campaign, on how and where to apply for benefits in Milwaukee County.
3. Addressing the problem with the State-issued letters to IM consumers in Milwaukee County. These letters are wordy and often contradict themselves, causing confusion and creating stress on the Call Center as people seek answers to this confusing correspondence. These letters are generated by the CARES system, which again, does not interface with ACCESS the online system.
4. Segregation of the Call Center phone lines in Milwaukee County, so we can have a designated line for people needing actual customer support and one line for those simply needing information that could be provided by an automated system very similar to the State's child support automated line.
5. Lastly, State approval of the telephonic and electronic signature. Milwaukee County began its "modernization initiative" 18 months ago, but we are unable to efficiently and smoothly perform ACCESS (online) applications or telephone interviews because, without a signature, we are unable to send the case through for approval and ultimately provide rapid service to our consumers. We have been requesting this State approval for 18 months. The State Department of Health Services (DHS) has admitted to having the ability to grant this authorization to us since November 2008, but we still have not received it. Without the electronic and telephonic signature approval, our clients in Milwaukee County must wait for their signature page to come via "snail mail," and they then must sign and return it either by mail or via walk-service at the Marcia P. Cogg's Human Services Center. This has caused "paper chaos" at the Cogg's Center where we have allocated staff to do nothing but copy these signature sheets and authorize cases. However,

the amount of reviews performed on a weekly basis has made this task overwhelming for Department of Health and Human Services staff in Milwaukee County.

Each of the above recommendations would cost the State next to nothing to do and would contribute to the resolution of the lawsuit filed against Milwaukee County and the State of Wisconsin.

Difficulties with the proposed “Hybrid” model

The testimony you will hear later from the Milwaukee County Budget Administrator and Labor Relations Specialist will demonstrate that the State of Wisconsin has not provided the County enough information or allowed us sufficient time to negotiate with them let alone the union. We still have many unanswered questions regarding the use of Milwaukee County employees in the “hybrid model” proposed by the State.

6. We were told that the State would be able to come in and take over the IM program in Milwaukee County for the SAME cost we are paying now. Yet, the legislation in front of you would require us to pay an additional \$500,000 more than Milwaukee County has ever spent on IM. Such a State-imposed requirement would place an undue burden on Milwaukee County property taxpayers.
7. It would be cheaper for the State of Wisconsin to hire current Milwaukee County employees as State employees. By taking that course of action, the State would be able to hire MORE employees because your legacy costs are less than Milwaukee County’s.
8. DHS Secretary Karen Timberlake and others have alluded on many occasions that “customer service” is a main concern. Then why wouldn’t the State consider using a “right of first hire methodology” versus using a “hybrid model,” which proposes keeping those same employees that the State believes have provided POOR customer service.

In conclusion, I implore you to consider the impact this change will have on you and your office staff. Milwaukee County Board Supervisors on average receive 30 calls per week from consumers of the IM program who need assistance to receive resolution on their case. These calls would now come to your offices. In public hearings, Secretary Timberlake has stated that the State receives 250 calls per month regarding IM program troubles in Milwaukee County. If the State takes over this program, whom then do Milwaukee County consumers call if they are not receiving timely services? Where is their safety net?

I ask that you consider this testimony in your deliberations on the proposed IM takeover.

Sincerely,

Peggy A. West
2nd Vice-Chair, Milwaukee County Board of Supervisors
Chair, County Board Health & Human Needs Committee





MILWAUKEE COUNTY EXECUTIVE SCOTT WALKER

Department of Administrative Services
Cynthia Archer, Director
Steven R. Kreklow, Fiscal & Budget Administrator

April 14, 2009

Senator Spencer Coggs
Wisconsin State Legislature
Room 123 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882

2,385,484 -
no escalator

location? LEON

Dear Sen. Coggs:

The following information is in response to a request for information based on comments made at the April 14, 2009 Joint Public Hearing: Assembly and Senate Committees on Labor.

County Contribution for Income Maintenance

SB 166?

AB 194/SB 166 would require Milwaukee County to expend at least \$3,559,800 in 2009 for the operation of income maintenance programs. The Department of Human Services has indicated that this number is based on the County's 2007 overmatch amount as reported in the CARS (Community Aid Reporting System) state reporting database. The County did in fact report to the State an overmatch of \$3,559,824 in 2007 and \$2,385,484 in 2008.

However, the number reported in CARS includes a number of County-supported programs that are not included in the proposed state takeover plans, most notably, Department of Aging Family Care Eligibility Determination. The legislation under consideration does not specifically indicate that services currently provided by Income Maintenance staff to the Department of Aging will continue to be provided when the State begins management of the program. The County contributed \$1,093,000 in 2007 and \$1,028,008 in 2008 for the Department of Aging's Family Care Eligibility program. In addition, other costs unrelated to the program intended for State management should be removed from the County contribution in the legislation. These include depreciation, income maintenance eligibility assistance performed by other departments and County support for the Interim Disability Assistance Program. Based on our analysis the County's actual contribution for core Income Maintenance functions that the State proposes taking over was \$2,031,931 million in 2007 and \$1,456,848 in 2008. The 2009 Milwaukee County budget includes \$3 million in contributions for these functions. The County believes that any contribution required for the Income Maintenance program that

the State will manage should reflect only the costs of the functions being taken over by the State and therefore should be reduced to no more than \$3 million.

Annual County Contribution Escalator

AB 194/SB 166 establishes that the County's annual contribution towards the income maintenance program increase by the rate of growth in wages and benefits for County employees in each subsequent year. Based on historical averages for wages and benefit increases the County required contribution would likely grow by at least 5-8% annually in 2010 and future years resulting in a significant and growing portion of the County tax levy being set aside by State statute for this purpose and unavailable for other County functions such as parks and recreation, public safety and transportation. In addition, it is likely that this 5-8% increase may be higher than the rate of property tax growth permissible under State tax caps. The County suggests that any necessary increases in the County contribution be made bi-annually through action of the State Legislature or a more reasonable inflation factor, such as the consumer price index be used to determine the rate of increase.

If you have any further questions or need any additional information, please contact me at 414.278.4179 or at Steven.Kreklow@milwcnty.com.

Sincerely,



Steven R. Kreklow, Fiscal and Budget Administrator
Milwaukee County Dept. of Administrative Services

cc: Secretary Karen Timberlake, Dept of Health Services
Representative Christine Sinicki
County Executive Scott Walker
County Board Chairman Lee Holloway
Supervisor Peggy West
Thomas Nardelli, Chief of Staff
Cynthia Archer, Director, Milw Co Dept of Admin Services
Roy De La Rosa, Director, Milw Co Intergovernmental Relations
Kelly Bablich, Asst. Director, Milw Co Intergovernmental Relations



Senate Joint Committee on Labor, Elections and Urban Affairs

Testimony of Senator Lena C. Taylor

Senate Bill 161 – State Takeover of Milwaukee County IM program

Tuesday, April 14th, 2009

Honorable Colleagues,

Thank you for hearing testimony today on Senate Bill 161, a bill designed to protect worker's rights during the state takeover of the Milwaukee County Income Maintenance program

Milwaukee has demonstrated a sustained inability to successfully provide services to its customers. A lawsuit has been filed against the Department that seeks remedy of poor Income Maintenance services provided in Milwaukee County. In order to gain dismissal of the litigation, a sustained period of good performance under state management must exist. The goal is to have Milwaukee County resume administration after a sustained period of good performance under state management.

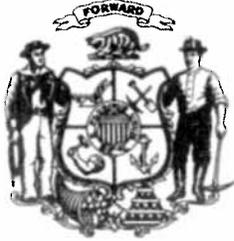
The State is assuming management responsibilities for Milwaukee County Income Maintenance functions. The Department of Health and Family Services (DHS) and the Department of Children and Families (DCF) are retaining county staff who are currently eligibility, clerical, program-integrity and certification workers. State employees will manage county eligibility and clerical workers to ensure DHS is able to provide necessary management and oversight to successfully provide services to persons in Milwaukee. By July 1, 2009 DHS would like to have the call center fully functional with state/county employees, and by January 15, 2010 DHS will fully transition the Milwaukee enrollment services functions. Senate Bill 161 ensures that county worker's rights are protected during this process.

Senate Bill 161 will allow DHS and DCF state employees to supervise county employees. Furthermore, any county worker who applies and is hired for a state position will retain their county pension and consideration of their years of service for state leave policy. This bill also requires Milwaukee County to provide \$3.59 million annually to contribute to the cost of funding Income Maintenance administration just as other counties throughout the state do. Lastly, once the pending litigation is dismissed and the state has sustained a period of good performance the state and county will begin discussions to identify a plan in anticipation of returning administration to the county.

This bill isn't about whether or not the state will take over Milwaukee County Income Maintenance; rather it is a bill to ensure that the inevitable takeover is a fair and effective one. Although it is unfortunate that we have come to this, it would be a worse disservice to the state to fall short now. In that spirit, my fellow Senators, I ask you to support Senate Bill 161.

HERE TO SERVE YOU!





Tamara GRIGSBY

Wisconsin State Representative
18th Assembly District

**Testimony Before the
Assembly Committee on Labor and the
Senate Committee on Labor, Elections and Urban Affairs
April 14, 2009
Assembly Bill 194/Senate Bill 161**

I want to thank Chairwoman Sinicki and Chairman Cogs for scheduling Assembly Bill 194 and Senate Bill 161 for a public hearing today.

It is truly unfortunate that the failure of the Milwaukee County Executive and his program administrators to properly manage the county's Income Maintenance operations prompted Legal Action of Wisconsin to file a lawsuit in federal court against the Department of Health Services (DHS) and Milwaukee County Department of Human Services officials last August. The negotiations between the state and the plaintiffs in this case to reach a settlement has required the state to take the drastic measure of taking control of the management responsibilities of these essential programs and to meet certain performance standards in a specified timeline.

The state takeover and funding of these operations is not what we are debating here today, nor is it the topic of Assembly Bill 194/Senate Bill 161; that issue will be fully discussed at a later date as part of the budget debate. What we are here to talk about today is protecting the rights of hundreds of hard working county employees during the transition period and through the time during which the state will be supervising this program. Additionally, we want to ensure the positions required to provide these services are fully staffed so that the families of Milwaukee County have the ability to access the benefits and services they are entitled to in a timely manner.

Assembly Bill 194/Senate Bill 161 accomplishes the following:

- Allows DHS and Department of Children and Families state employees to supervise county employees;
- Allows any county worker who applies and is hired for a state position to retain their county pension and consideration for their years of service for state leave policy;
- Requires Milwaukee County to continue to provide \$3.59 million (plus adjustments commensurate with annual increases to wages and benefits) annually to contribute to the cost of funding IM administration just as other counties throughout the state are required to do; and
- Sets forth future discussions between the state and Milwaukee County regarding the parameters and bench marks that must be met by the county in order to return the Income Maintenance operations to the county in the future.

I am confident that the processes set forth in this bill will not only protect the workers, but will move us forward in a manner that will quickly begin to provide more timely access to benefits and services to Milwaukee's most vulnerable families. The current lack of support to these families is unacceptable. We can do better and must do better for so many families that are struggling in these challenging economic times.

I thank the committee for your time and consideration of this matter. I am happy to answer any questions Committee members may have.



MEMORANDUM

TO: Honorable Members of the Senate Committee on Labor, Elections and Urban Affairs

FROM: John Reinemann, Legislative Director 

DATE: April 14, 2009

SUBJECT: Opposition to Senate Bill 161

The Wisconsin Counties Association (WCA) registers today with the Senate Committee on Labor, Elections and Urban Affairs to state its opposition to Senate Bill 161 (SB 161). SB 161 relates to the administration of income maintenance programs in Milwaukee County.

Department of Health Services Secretary Karen Timberlake announced in February the state's intent to operate income maintenance programs in Milwaukee County. Committee members are no doubt aware that many members of the County Board have serious concerns about the proposal.

Under state statute, counties are required to carry out human/social services functions on behalf of the state. WCA believes that the best way to provide services designated as the responsibility of county government is to empower county government to provide those services. This includes clear direction on service expectations, as well as sufficient funding to meet such expectations. The state has failed to fully fund income maintenance services in all counties across the state.

Milwaukee County appropriately questions the wisdom of the state requiring a portion of a county's levy be allocated to a state-operated function as required in the bill. WCA shares Milwaukee County's concern on this issue.

SB 161 and the related proposal call into question several aspects of service delivery, as well as appropriate financing - the good-public-policy elements of which have yet to be convincingly brought forward. For these reasons, WCA opposes SB 161.

The Wisconsin Counties Association:

1. Urges the Committee to consider the comments of Milwaukee County in this matter. This includes comments at today's hearing from county officeholders and staff, but also from the Community Advisory Board proposed by the Department of Health Services, as well as the community forums planned by the Department.
2. Urges lawmakers to remember the funding challenges in income maintenance faced by all of Wisconsin's counties.

As the Committee knows, the budget proposed by Governor Doyle for 2009-2011 includes a proposal to reduce county funding for income maintenance contracts by \$5.5 million annually (from \$52 million to \$46.5 million). This revenue partially funds county staff in all of Wisconsin's counties who process applications for FoodShare, Medical Assistance, Child Care and BadgerCare Plus.

With continued challenges to Wisconsin's economy, county offices are seeing increased demand for these programs. This demand leads to increased workloads on county staff, and caseloads on these staff already exceed acceptable levels. The increase has led to longer waiting times for county residents seeking assistance.

We note that the Governor's proposed budget also includes \$14 million in spending to support costs associated with the state takeover of income maintenance functions from Milwaukee County.

Thank you for considering our comments.





State of Wisconsin
Department of Health Services

Jim Doyle, Governor
Karen E. Timberlake, Secretary

**Joint Hearing of the Assembly Labor and Senate Labor, Elections and Urban Affairs
Committees Testimony of Karen Timberlake
Secretary, Department of Health Services
April 14, 2009**

Chairman Coggs, Chairwoman Sinicki, and members of the Assembly Labor and Senate Labor, Elections and Urban Affairs Committees, thank you for the opportunity to speak with you today. I would like to thank the Chairs for holding this joint hearing and providing an opportunity to explain the key provisions of AB 194 and its companion bill, SB 161.

These bills will enable the Department of Health Services' (the Department) management of the eligibility determination for key public assistance programs in Milwaukee County while providing certain protections for county workers who currently perform this work. The public benefits programs in question include Medicaid, BadgerCare Plus, FoodShare, the funeral and burial expense program, and the Wisconsin Shares subsidized childcare program, managed by the state Department of Children and Families (DCF).

Before I discuss the details of this bill, it is important to establish the circumstances that have led us to where we are today.

Performance Problems in Milwaukee County

As you are aware, the Department has decided not to contract with Milwaukee County after December 31, 2009, for administration of the eligibility determination functions, known as "income maintenance," for the programs listed above. Instead, the Department will assume management responsibilities for these functions directly, and will deliver the programs with state supervisors and managers who will work with county front line workers. This decision was made due to the sustained inability of the Milwaukee County Department of Health and Human Services to successfully provide accurate, responsive services to its residents, over a period of many years. This has resulted in thousands of Milwaukee County residents being wrongly deprived of food assistance, eligibility for medical care, and assistance with subsidized childcare.

Last year alone, one in five Milwaukee County FoodShare recipients were wrongly denied or lost their benefits. The Milwaukee County Call Center answered fewer than 5% of calls received per month from residents seeking information about their cases or about the programs the Department has contracted with the County to administer. Far from being an isolated occurrence or the result of the current economic downturn, these performance problems have persisted for many years. Just in the last six years, the Department has provided Milwaukee County with technical assistance, thousands of hours of state staff support, and millions of dollars in system improvement funds. We have also passed along to the county fines and

penalties incurred by the State due to Milwaukee County's poor performance. None of these strategies has resulted in the County's performance reaching consistently acceptable levels.

In July 2008, a federal court lawsuit was filed against the Department and the County seeking to remedy the poor eligibility services provided in Milwaukee County. The Department has reached a settlement in principle with plaintiffs' counsel which will require this Department to assume direct responsibility for the administration of income maintenance functions in Milwaukee County. Although the lawsuit will be settled shortly, it will not be formally dismissed until services to the residents of Milwaukee County reach levels specified in the settlement agreement after a full year of the Department's management of these programs. The lawsuit would not have been settled without the Department's assumption of management responsibility for these programs.

This is not a decision this Department has made lightly. Members of the State Legislature and the Milwaukee County Board have voiced their concern over the poor service provided under Milwaukee County's administration of these programs while expressing the view that income maintenance programs should ideally be delivered by the unit of government closest to the people being served. The Department's assumption of income maintenance functions using state managers and supervisors, with Milwaukee County workers, balances our two primary goals: improve service to the people of Milwaukee County, through a locally delivered program that may one day be returned to the County for management.

Structure of Milwaukee Enrollment Services Unit

The Department must ensure timely and accurate processing of applications and renewals and a high level of customer service. We must also work to rebuild trust in the administration of public benefit programs with program participants, applicants, and the entire Milwaukee County community. The Department plans on achieving these goals by managing, supervising, training and supporting county workers with state supervisors.

By May, 2009, all applications for benefits received through <http://access.wi.gov> will be processed by state staff located in Milwaukee.

By July, 2009 the Department will open an expanded Call/Change Center with state managers and county employees. The Call/Change Center will be responsible for:

- Answering all questions regarding FoodShare, Medicaid, BadgerCare Plus, Wisconsin Shares, and SSI Caretaker Supplement program eligibility, both case specific and general program questions; and
- Processing all changes reported to the Call/Change Center via the telephone, over the internet, through the mail or by fax.

By January 1, 2010, management responsibility of Milwaukee enrollment services functions will be fully transitioned to the Department from the County.

Using state supervisors and managers allows the Department to direct and manage the day to day operations of this important set of functions and make the changes needed to restore good performance. Using Milwaukee County front line staff, including eligibility, clerical, program-integrity and certification workers, will:

- Use the experience and expertise of county workers currently performing job duties.
- Ensure that county workers retain their benefits and eliminate gaps in employment for county workers.
- Decrease further delays in access to benefits for Milwaukee residents.
- Ease the eventual transition of responsibility back to Milwaukee County by maintaining staff at the county level.

Key Provisions of AB 194 and SB 161

The Department's decision to assume management responsibility of Milwaukee County's income maintenance programs is permitted by federal and state law. The Department has advised Milwaukee County that we will no longer contract with the County for administration of these programs after December 31, 2009. The Department does need statutory approval to manage these programs with county workers, particularly to ensure that the Call/Change Center is fully staffed with trained county employees and state supervisors on July 1, 2009. In addition, several statutory changes are needed to remove disincentives faced by current county workers who might wish to apply for state positions, and to ensure adequate support for income maintenance programs in Milwaukee County going forward. Specifically, the changes proposed in AB 194 and SB 161 will:

- Allow the Department and DCF *state* employees to supervise Milwaukee *County* employees.

Similar changes were made when District Attorneys and Assistant District Attorneys became state employees, to permit them to supervise the county-employed staffs in their offices.

- Allow any Milwaukee County worker who is hired into a state Milwaukee Enrollment Services Unit position to have their accumulated Milwaukee County seniority considered when setting their state salary, annual leave, and sick leave; to have employer contributions toward health insurance covered on the first day of state employment; and to choose to remain in the Milwaukee County retirement system or to participate in the Wisconsin Retirement System.

These changes will remove disincentives that experienced Milwaukee County workers would otherwise have to applying for state Milwaukee Enrollment Services positions. Similar changes specific to Milwaukee County were made when the District Attorneys and Assistant District Attorneys became state employees.

- Require Milwaukee County to provide \$3.55 million (plus adjustments commensurate with annual increases to wages and benefits) annually to contribute to the cost of funding income maintenance administration, as counties throughout the state do.

Funding of income maintenance administration has long been a shared responsibility in Wisconsin between federal, state and local governments. All other Wisconsin counties, except for Florence County, currently share in the cost of income maintenance administration.

Milwaukee County will be required to continue to provide approximately \$3.55 million annually (plus adjustments commensurate with annual increases to wages and benefits), the amount the County contributed to these services in 2007. In 2007, the most recent year for which data is available, the total cost of income maintenance administration annually in Milwaukee County was \$24.2 million (AF). The state's share was approximately \$8.6 million (GPR), the county's share was \$3.6 million, and the federal share was \$12.1 million.

On average, other counties in the state contribute 23% of their costs of income maintenance services, while Milwaukee County contributes 15% of its total cost. By maintaining its current level of investment in these important services, Milwaukee County will demonstrate its ongoing commitment to ensuring that its residents receive access to the programs and services to which they are entitled and also demonstrates its ongoing commitment to the eventual resumption of management responsibility for these programs at the County level.

- Set forth future discussions between the Department and Milwaukee County regarding the parameters and benchmarks that must be met by the county in order to return the Income Maintenance operations to the county in the future.

Members of the State Legislature and Milwaukee County Board members have spoken of their firm belief that income maintenance services should be delivered by the unit of government closest to the people receiving services. The Department's plan to deliver this program with County workers under state management accomplishes that goal. To that end, this bill provides that, following dismissal of *West v. Timberlake* litigation, Milwaukee County and the Department will engage in discussions regarding who shall operate Milwaukee County income maintenance functions and the standards for operating these programs. The pending settlement agreement requires a sustained period of good performance under state management before the litigation can be dismissed.

Thank you for the opportunity to testify today in favor of AB 194 and SB 161. These bills will support the important work of ensuring that Milwaukee County residents receive timely, accurate access to food assistance, health care, and subsidized child care during these very difficult economic times. I would be happy to take any questions that you have.



State of Wisconsin
Department of Health Services

Jim Doyle, Governor
Karen E. Timberlake, Secretary

**MILWAUKEE COUNTY INCOME MAINTENANCE ADMINISTRATION
AB 194 AND SB 161**

BACKGROUND:

- Milwaukee County has demonstrated a sustained inability to successfully provide services to its customers. Merely providing more funds and state staff assistance to Milwaukee County has historically not improved services; in fact by many indicators the County's performance has worsened.
- A lawsuit has been filed against the Department that seeks remedy of poor IM services provided in Milwaukee County. Dismissal of the litigation is contingent upon a sustained period of good performance under state management. IM service administration could eventually be resumed by Milwaukee County following a sustained period of good performance under state management.

THE STATE'S PLAN FOR SUCCESS:

- The State is assuming management responsibilities for Milwaukee County IM functions.
 - DHS will assume management for enrollment services functions.
 - DCF will assume management for child care program integrity, child care provider communication, and certification of child care providers.
- DHS and DCF are retaining county staff who are currently eligibility, clerical, program-integrity and certification workers to:
 - utilize the experience of county workers performing job duties,
 - retain benefits and eliminate gaps in employment for county workers,
 - decrease further delays in access to benefits for Milwaukee residents, and
 - ease the eventual transition of responsibility back to Milwaukee County.
- State employees will manage county eligibility or clerical workers to ensure DHS is able to provide necessary management and oversight to successfully provide services to persons in Milwaukee.
- By May, 2009 on-line applications will begin being processed by state staff and those cases managed by the state staff. By July 1, 2009 DHS would like to have the call center up and running with state/county employees, and by January 1, 2010 DHS will fully transition the Milwaukee enrollment services functions.

GOVERNOR'S BUDGET AB 75:

- Provides funding for state costs during the CY 2009 transition period while Milwaukee County is still responsible for administering the program. These funds will be used for the new state positions, transitional funding and for infrastructure start-up costs (rent, office equipment, supplies, etc.)

AB 194 AND SB 161:

- This enabling legislation will facilitate the implementation of a Call/Change Center by July 1, 2009 and the full transition by Jan. 1, 2010 through the following provisions:
 - Allows DHS and DCF state employees to supervise Milwaukee county employees.
 - Allows any Milwaukee county worker who applies and is hired for a state position to retain their county pension and consideration of their years of service for state leave policy.
 - Requires Milwaukee County to provide \$3.59 million (plus adjustments commensurate with annual increases to wages and benefits) annually to contribute to the cost of funding IM administration just as other counties throughout the state do.



Plotkin, Adam

From: DHS Secretary KarenTimberlake [DHSSKT@dhs.wisconsin.gov]
Sent: Wednesday, April 15, 2009 5:39 PM
To: DHS Secretary KarenTimberlake
Subject: AB 194 and SB 161
Attachments: IM Committee Answers ltr 041509-with sign.pdf; Holloway ltr 031709.pdf

Chairman Coggs and Chairwoman Sinicki,

Please find attached further information requested by Committee members from yesterday's joint hearing of the Assembly Labor and Senate Labor, Elections and Urban Affairs Committees.

If you have any questions please feel free to contact me.

Karen E. Timberlake
DHS Secretary

04/16/2009



State of Wisconsin
Department of Health Services

Jim Doyle, Governor
Karen E. Timberlake, Secretary

April 15, 2009

Honorable Spencer Coggs
State Senate
State Capitol, Room 123 South
P.O. Box 7882
Madison, WI 53707-7882

Honorable Christine Sinicki
Wisconsin State Legislature
State Capitol, Room 114 South
P.O. Box 8953
Madison, WI 53708

Dear Chairman Coggs and Chairwoman Sinicki:

Thank you for the opportunity to testify yesterday to a joint hearing of the Assembly Labor Committee and the Senate Labor, Elections and Urban Affairs Committee. As I noted in my testimony, AB 194 and SB 161 will enable the Department of Health Services' (Department) to manage day-to-day operations of key public assistance programs in Milwaukee County while providing protections for county workers who currently perform this work.

At the hearing, a number of questions were presented to members of the Committees by Milwaukee County focusing mainly on labor relations issues. In order to provide the Committees with the most complete information, I have consolidated the questions into four categories and have provided answers below. In addition, the Committees were also presented with correspondences to me from Milwaukee County Chairman Lee Holloway. For your reference, I have attached my response to those communications.

Department and Milwaukee County Transition Meetings

First, I would like to provide background on discussions we have had with both Milwaukee County administration and union representatives regarding the transition of management responsibilities for the County's income maintenance program. The discussions began with a conference call on February 6, 2009, with Milwaukee County Department of Health and Human Services Administrator Corey Hoze, other high level managers from Milwaukee County, various Department of Health Services managers and me.

Beginning on February 16, 2009, Deputy Secretary Mark Thomas and Deputy Division Administrator Jim Jones have had weekly meetings with managers and staff from the Milwaukee County Departments of Health and Human Services and Administrative Services. These meetings are held in order to discuss all aspects of the Department's assumption of management for Milwaukee County's income maintenance functions.

As I noted in my testimony, individuals who represent fiscal services, budget, human resources, information technology, telecommunications, income maintenance operations and other infrastructure components are and have been in attendance since the beginning. The Milwaukee County lead has been Charles Brotz. Milwaukee County chooses who should be in attendance from its staff and remains free to include the necessary staff to discuss all relevant issues.

During this transition period, the Department will also work with Milwaukee County to determine the appropriate course of action of the following matters: reimbursement for the County employees and any other appropriate related expenses; indemnification; workers compensation; and other related topics. These conversations will continue until both parties believe that all issues associated with the transition have been addressed. The Department's goal is a smooth transition that ensures the fastest possible improvement in services for the people of Milwaukee County.

West, et. al. v. Timberlake, et. al.

As noted in my testimony, the Department and plaintiffs have reached agreement as to settlement and eventual dismissal of the federal lawsuit as to the State defendants. The settlement is currently in the process of being signed. We will forward the signed document to Committee members once it is received.

Labor Relations

The Department and AFCSME Council 48, have been working since February 2009 on a series of Memoranda of Understanding that describe how represented staff will be supervised and managed by Department staff. A structural MOU has been completed and signed by both parties. In this MOU, the Department and AFCSME agree to abide by the terms of the Collective Bargaining Agreement between Milwaukee County and AFCSME, by the terms of employment that will be described in future MOUs between the Department and AFCSME and by state civil service rules. The parties are currently working on a second MOU that will lay out the manner that the transition from County to Department supervision will occur, including how work hours will be set, how employees will be selected for specific job duties, etc. The transition MOU is expected to be signed by May 1, 2009. A final MOU laying out the on-going terms and conditions for on-going employment is expected to be developed and signed by September 1, 2009.

Milwaukee County Funding of Income Maintenance

The bills require Milwaukee County to provide \$3.55 million (plus adjustments commensurate with annual increases to wages and benefits) annually for the cost of income maintenance administration, as counties throughout the state do. Milwaukee County has asserted that the \$3.55 million figure is not an accurate reflection of what they spent in 2007, the most recent year for which we have complete data, because it includes \$1,093,000 from the County's

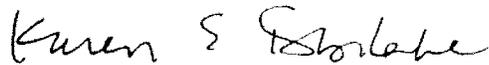
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Department on Aging. After speaking with County officials and reviewing the Department on Aging's budget submitted to our Division of Long Term Care, we have determined that these funds have in fact been used for the income maintenance functions and are appropriately considered as part of the County's maintenance of effort.

Furthermore, \$3.55 million is the amount that the County reported to the Department in 2007 that was expended for the income maintenance function and therefore is the amount the Department reported to the federal government in order to receive the federal match. Accordingly, we believe \$3.55 million is the correct amount for the County to continue to contribute.

Thank you for the opportunity to comment further on these bills. Please do not hesitate to contact me directly if you have further questions.

Sincerely,



Karen E. Timberlake
Secretary

Cc: Assembly Labor Committee
Senate Labor, Elections and Urban Affairs Committee





Milwaukee County
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April 15, 2009

State Assemblyperson Christine Sinicki
Chairperson, Assembly Labor Committee
Room 321 West, State Capitol
Post Office Box 8953
Madison, WI 53708-8953

State Senator Spencer Coggs
Chairperson, Senate Labor, Elections and Urban Affairs Committee
Room 123 South, State Capitol
Post Office Box 7882
Madison, WI 53707-7882

RE: Senate Bill 161 and Assembly Bill 194 Testimony

Dear Chairpersons Sinicki and Coggs:

Although I was not present at your Joint Committee meeting on Tuesday, April 14, 2009, regarding the above-captioned bills, I would like to clarify a statement that was made by Karen Timberlake, Secretary of the Department of Health Services. Secretary Timberlake stated that she and her representatives have met on a regular basis with various Milwaukee County representatives, including either myself or a member of my staff, to discuss the proposed takeover. Contrary to Secretary Timberlake's testimony, neither I, nor any member of my staff have attended any meeting with State representatives to discuss the proposed takeover.

Very truly yours,

A handwritten signature in cursive script that reads "Gregory L. Gracz".

Gregory L. Gracz
Director
Labor Relations Division

cc: Members of Senate and Assembly Committees
County Supervisor Peggy West
Roy De La Rosa
Steve Kreklow
Jon Jorgensen
Kelly Bablitsch





OFFICE OF COUNTY EXECUTIVE
Milwaukee County

SCOTT WALKER • COUNTY EXECUTIVE

April 15, 2009

TO: Assembly Committee on Labor
Senate Committee on Labor, Elections and Urban Affairs

FROM: Scott Walker, Milwaukee County Executive

RE: AB 194/SB 161

I am writing to oppose and raise several issues with AB 194/SB 161 that the Committee may wish to address.

The "hybrid" approach that has been proposed by the Department of Health Services (DHS), where AFSCME employees would remain employees of Milwaukee County while managers and supervisors would become State employees, is a more costly alternative than a straightforward takeover of Income Maintenance functions using State employees. Due to higher pension and benefit costs, Milwaukee County employees cost significantly more than State employees at a similar pay range. The only apparent purpose for this "hybrid" approach seems to be to ensure that current AFSCME employees in Income Maintenance continue to be eligible for pension backdrop benefits. Moving these employees from the County to the State pension system would reduce the overall cost to administer the program and reduce the County's legacy pension liabilities by \$6.7 million, while still providing them with a pension benefit far more generous than most taxpayers receive.

At the public hearing yesterday, County staff identified several unnecessary complications resulting from the "hybrid" approach, including the assignment of liability between the State and the County, labor relations complications, and various administrative support functions which the State may continue to require the County to provide. If the State would take a more straightforward approach, similar to that taken with Milwaukee County District Attorneys and as the Department of Health Services is proposing to do with the non-represented Income Maintenance Employees, and assume AFSCME employees as State employees all of these issues would be eliminated. Furthermore, taking this more cost-effective approach, the program might not need the additional \$14 million included in the Governor's Proposed Budget.

The Committee may also wish to re-consider the proposed legislation's requirement that Milwaukee County expend \$3,559,800 towards the Income Maintenance program. Including this requirement in State Statute sets a dangerous precedent that could be expanded to other programs and other counties. This amount also represents an 18% increase in Milwaukee County's 2009 budget for Income Maintenance that would come directly from property tax levy and make a budget year already full of challenges created by the global recession even more difficult. As written, this amount would increase annually by at least 5% to 8% taking the choice for prioritizing programs and services out of the hands of Milwaukee County voters.

As Milwaukee County Executive, I believe that County employees should be treated fairly and receive market-based pay and benefits. However, the interests of our employees should never come before the interests of the citizens who depend on the services we provide and the County taxpayers. I would urge the members of the Committee to review the details of the Department of Health Services proposal to ensure that it focuses on improving services in Income Maintenance and protecting Milwaukee County and State of Wisconsin taxpayers.