



## Fiscal Estimate Narratives

DOR 4/2/2013

LRB Number	<b>13-1340/4</b>	Introduction Number	<b>AB-0085</b>	Estimate Type	<b>Original</b>
<b>Description</b> Changing the compensation structure by which a Milwaukee County supervisor may be paid, changing the term length of a Milwaukee County supervisor, affecting the right of an annuitant under the Milwaukee County Employee's Retirement System to be rehired by Milwaukee County, limiting the authority of Milwaukee County to enter into certain intergovernmental agreements, removing and clarifying some authority of the Milwaukee County board, increasing and clarifying the authority of the Milwaukee County executive, deleting obsolete statutory references, and requiring a referendum					

### Assumptions Used in Arriving at Fiscal Estimate

This bill makes several changes to how the Milwaukee County government may operate. This fiscal note discusses only those parts of the bill that are of direct relevance to the Department of Revenue (DOR).

Under current law, county board supervisors in Milwaukee County are elected to 4-year terms. Under the bill, beginning with elections in 2016, county board supervisors in Milwaukee County would be elected to 2-year terms.

Under current law, county board supervisors in Milwaukee County are paid an annual salary that is set by the board. County board supervisors and are eligible for benefits such as life insurance and health insurance.

Under the bill, beginning with terms that begin in April 2016, the total value of the annual salary and benefits that can be paid to a Milwaukee county board supervisor could not exceed the average annual per capita income of Milwaukee County, based on the most recent data from the U. S. Bureau of the Census. (The most recent figure sets that amount at \$24,051.) This amount could be increased at the rate of inflation, as measured by the consumer price index, or by a higher percentage if approved by voters at a referendum. The board chairperson could receive an annual salary that is no more than 150% of the salary paid to regular board members, and the chairperson of the board's finance committee could receive an annual salary that is no more than 125% of the salary paid to regular board members.

The bill limits budgeted expenditures related to compensation of county board supervisors, and other costs directly related to the operation of the board, including staff, to no more than 0.4% of the property tax levy for that year. Costs related to pension and health care benefits for retired board members or their families, costs for county clerk services provided to the board, and salaries for board members whose term began before April 2016 would not be subject to this limit.

The salary cap and budget limit would be subject to voter approval at a referendum to be held in Milwaukee County in April 2014.

Every county in Wisconsin is required to file an annual financial report with the Department of Revenue (DOR). Based on the report filed by Milwaukee County for 2011, total spending for the county board was \$5,885,036. The property tax levy for Milwaukee County for 2011 (the tax levied in December 2010 due for payment in 2011) was \$276,230,993. Thus, if the bill had been in effect for 2011, spending for the county board would have been limited to \$1,104,924 ( $\$276,230,993 \times 0.004$ ), or \$4,780,112 ( $\$5,885,036 - \$1,104,924$ ) less than under current law. This \$4,780,112 would have been available to meet other county expenditure needs, to reduce county taxes or fees, or some combination thereof. It should be noted that the financial report filed with the DOR does not provide sufficient detail on county board expenditures to permit determination of what part of the expenditures noted above might not be subject to the bill's 0.4% limit. Consequently, the degree to which the bill reduces county board expenditures may be less than calculated above.

### Long-Range Fiscal Implications