



ROBERT BROOKS

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

**Assembly Committee on Local Government
Wednesday, October 16, 2019**

Thank you for holding a hearing on Assembly Bill 490 and allowing me to testify in favor of this legislation.

Local governments should be encouraged to eliminate duplication of services and share services among themselves. For example, Nebraska and New York have started to incentivize shared services with state grants. Currently, Wisconsin law penalizes local governments with levy reduction for those that wish to share services (ss. 66.0602 (3) (a)). This policy ensures that governments consider an increase in taxes or borrow funds, instead of reducing the size of government.

Assembly Bill 490 repeals ss. 66.0602 (3) (a), which will increase the number of shared services throughout the state and help governments begin to transfer or merge services without penalty. A reduction in the size of government will lower the cost to continue for local governments and maintain strict levy limits for longer periods of time. The repeal of this statute will provide an incentive for service consolidation and collaboration, which will result in lower property tax levels.

Examples could include PSAPs, police resources, road jurisdictional transfers, shared administration departments (HR, finance, IT), shared health departments, and merged service agencies like ADRCs.

I worked closely with Washington County during the drafting of this proposal. You will hear more about the real-life implications of repealing this statute from their delegation.

Thank you for your time and attention and I ask that you support this legislation. I would be happy to answer any questions.

Flemming, Darla

From: DeGarmo, Ann M - DOR
Sent: Monday, October 14, 2019 5:39 PM
To: Flemming, Darla
Subject: RE: Levy Limits

Hi Darla,
Please let me know that this is the information you need:

Below are transfers of service in/out – if a local government take services on or transfers them out to another local government:

66.0602(3)(a) Transfers Out are reported in Sec. D, Line J of the municipal levy limit worksheet and Sec. D, Line I of the county levy limit worksheet

- 2016 – 3 municipalities; 0 counties
- 2017 – 0 municipalities; 1 county
- 2018 – 2 municipalities; 1 county

66.0602(3)(b) Transfers In are reported in Sec. D, Line K of the municipal levy limit worksheet and Sec. D, Line J of the county levy limit worksheet

- 2016 – 10 municipalities; 1 county
- 2017 – 6 municipalities; 1 county
- 2018 – 4 municipalities; 1 county

Below are the counts of municipalities or counties who went to resolution or referendum to increase their levy limit in the years requested:

Higher Levy by resolution for > 3,000 population towns:

| <u>Year</u> | <u>Count</u> |
|-------------|--------------|
| 2018 | - 65 |
| 2017 | - 60 |
| 2016 | - 88 |

For approved Referendums (larger towns, villages, cities, counties):

2018 - 12 TVC and 2 counties (total 14)
2017 – 3 TVC
2016 – 2 TVC

Follow up with me if you have further questions!
Best,
Ann

Ann DeGarmo

Desk | 608.266.7179
Cell | 608.982.7148
ann.degarmo@wisconsin.gov

From: DeGarmo, Ann M - DOR
Sent: Monday, October 14, 2019 12:03 PM
To: Flemming, Darla - LEGIS <Darla.Flemming@legis.wisconsin.gov>
Subject: RE: Levy Limits

Hi Darla,
I have some information for you. I need to circle back with our staff one more time. You'll have it before Wednesday, hopefully this evening. Thank you for your patience!



Office of the County Administrator

Herbert J. Tennes Government Center
432 E. Washington Street
P.O. Box 1986
West Bend, WI 53095-7986
(262) 306-2200

Testimony on Assembly Bill 490

County Board Supervisor Tim Michalak and County Administrator Joshua Schoemann

Thank you Chairman Novak for hearing this bill today.

Wisconsin has too much government. A recent Wisconsin Policy Forum report titled "An Abundance of Government" noted Wisconsin has 3,096 units of government, enough for 11th-most in the country. Wisconsin's abundance of government causes in-efficiency through the inability to utilize economies of scale. Furthermore, with strict levy limits local governments tend to look for new revenue options rather than find ways to consolidate, share, transfer or otherwise mitigate duplicate services.

Washington County has not been scared to swim upstream in this regard. Washington County has merged health departments with neighboring Ozaukee County and just this week continued talks to merge transit systems. We have worked with local municipalities to establish an on-site health clinic, provide human resources support, contract GIS and other IT services, road jurisdictional transfers and other good government joint services.

For as many shared services agreements Washington County has signed, there are plenty of instances we could not find a willing partner. There are several reasons for this: (1) the work is hard, (2) it costs money to merge, (3) savings are not realized immediately, (4) the state levy limit law punishes innovation.

Many believe government should be run like a business. Businesses look for mergers, acquisitions and other economies of scale. In Wisconsin, governments who are innovative and look to shed costs through transfer of service must cut the levy. This disincentive ensures governments look to grow government through more debt, more revenue and other means.

Simply put this bill creates opportunity to shrink government in Wisconsin. This bill removes a disincentive to make government more efficient.

This scenario could play out across the state. Assume "City A" provides its own 911 public safety answering point (PSAP). If "City A" is looking to buy new squads, hire new police officers, or make a body camera purchase, under current law, the choices are cut elsewhere, use net new construction, or borrow. This is why some local leaders support a levy limit exception for public safety.

Under this bill, "City A" could transfer the PSAP to the county and utilize the savings. Sadly, most often local governments borrow, which raises taxes significantly or ask for more levy limit authority.

Another scenario are two counties looking to provide more services to the elderly through the Aging and Disability Resource Center. A third scenario is ensuring better service to our Veterans through the County Veteran Services Offices. Perhaps counties look to merge human resources, IT, finance, assessing, or other functions.

There is plenty of money in the local government system. Wisconsin needs to end the penalty for merging services and begin to encourage local government consolidation.

1 **WASHINGTON COUNTY, WISCONSIN**

2
3 Date of enactment: _____

4 Date of publication: _____

5
6 **2019 RESOLUTION 40**

7
8 **Advisory Resolution in Support of 2019 LRB 1470**

9
10 **WHEREAS**, the Washington County Board of Supervisors supports the intent of strict
11 property tax levy limits to shrink the size of government and force efficiencies; and

12
13 **WHEREAS**, one way to shrink the size of government is to share, merge, or transfer
14 services to another local government, which eliminates the unnecessary duplication of services;
15 and

16
17 **WHEREAS**, Washington County has been a leader in establishing shared service
18 agreements and has shown a willingness to pursue additional changes in state law; and

19
20 **WHEREAS**, examples in Washington County where this philosophy was employed
21 include multi-jurisdictional road transfers, the Washington Ozaukee Public Health Department,
22 information technology and human resources partnerships, and a shared transit superintendent; and

23
24 **WHEREAS**, under the levy limit law, when a local government transfers responsibility
25 for providing a service, Wis. Stat. §66.0602(3)(a) requires a reduction in the levy to reflect the cost
26 the County would have incurred to provide that service; and

27
28 **WHEREAS**, the health department merger with Ozaukee County and a jurisdictional
29 transfer with the city of Hartford, resulted in a reduction to the County levy; and

30
31 **WHEREAS**, because local governments do not realize the savings of the efficiency created
32 by transferring services, Wis. Stat. §66.0602(3)(a) acts as a deterrent to this practice;

33
34 **NOW, THEREFORE, BE IT RESOLVED** by the Washington County Board of
35 Supervisors that the board supports LRB 1470, authored by Representative Robert Brooks,
36 Representative Dianne Hesselbein, Representative Terry Katsma, Representative Rick Gundrum,
37 and Senator Dale Kooyenga which repeals Wis. Stat. §66.0602(3)(a).

38
39 **BE IT FURTHER RESOLVED** that the Washington County Board of Supervisors
40 reiterates our support for property tax levy limit caps.

41
42 **BE IT FURTHER RESOLVED** a copy of this resolution be sent to the Office of the
43 Governor, Wisconsin Counties Association, the clerk of each municipality and town, and each
44 legislator representing Washington County.

1 VOTE REQUIREMENT FOR PASSAGE: Majority

2
3 RESOLUTION SUMMARY: Advisory resolution in support of 2019 LRB 1470.

4
5 APPROVED: Introduced by members of the EXECUTIVE
6 _____ COMMITTEE as filed with the County Clerk.

7 Bradley S. Stern, County Attorney

8 Dated _____
9 _____
10 Donald A. Kriefall, Chairperson

11 Considered _____

12 Adopted _____

13 Ayes _____ Noes _____ Absent _____

14 Voice Vote _____

15 (Any fiscal impact is indeterminate at this time. The most recent levy cut as a result of a transfer
16 of services was \$9,200 for the jurisdictional transfer with the City of Hartford.)



Credit: Wisconsin Department of Natural Resources

An Abundance of Government

Like the rest of the upper Midwest, Wisconsin has an unusually high number of local governments, according to new figures confirming a longstanding trend. Should there be more shared delivery of services across local boundaries or even government consolidation, or are Wisconsin's governments baked into the identity of the state?

The U.S. Census Bureau recently released its 2017 Census of Governments, a survey taken every five years to document local governments around the nation. According to the census, Wisconsin has 3,096 governments, the 11th-most in the country.

Nearly two-thirds of the state's local governments are "general purpose": counties (72), cities and villages (601), and towns (1,251). The remaining governments consist of 438 school and technical college districts as well as 734 "special district governments," which vary from the taxing district used to finance the construction of Miller Park to city electric utilities and lake districts. Wisconsin has gained almost 700 local governments since the mid-1970s.

The Census uses three criteria to determine if an entity counts as a government. First, the entity must possess

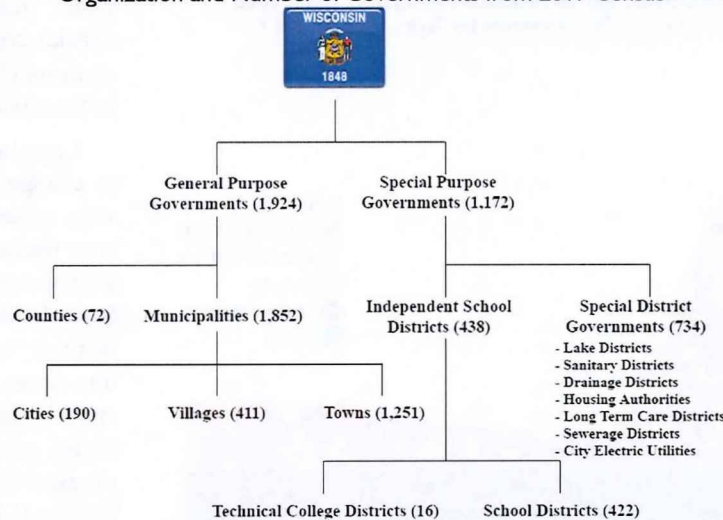
Many factors, such as a large population, can explain why a state might have a high number of govern-

ments. That said, even when accounting for population, Wisconsin is among the states with the most governments. The state ranks 15th in the nation at about 53 governments per 100,000 people. To gain insight into why that is the case, it is important to understand the history of the state back to its founding.

HOW WE GOT HERE

For most of the United States, the structure of local government can be traced all the way back to the settlement of each state. Many Wisconsin settlers came from New England as well as a mix of northern European and Scandinavian backgrounds, with some

Fig. 1: Wisconsin's Many Local Governments
Organization and Number of Governments from 2017 Census



some organization and corporate powers. A government must also provide public services and have both fiscal and administrative independence.

state. Many Wisconsin settlers came from New England as well as a mix of northern European and Scandinavian backgrounds, with some

arguing it produced a culture that emphasized communal morals and strong government over individual freedom. This contrasts with regions like the deep south and the Appalachian Mountains, in which government was viewed more skeptically. Many of the larger states across the upper Midwest and northeast rank highly today in terms of number of governments, including Illinois (first), Pennsylvania (third), Ohio (fifth), Minnesota (eighth), New York (ninth), Wisconsin (11th), and Michigan (12th).

The state's settlement pattern also contributed to its numerous governments. Wisconsin, like most of the rest of the upper Midwest, was established under the guidelines of the Northwest Ordinance of 1787, which implemented a "township" form of government outlined by the Land Ordinance written two years before. The state was broken up into six-square-mile boxes, which laid the groundwork for the nearly 2,000 town and municipal governments the state has today.

A critical component of each township upon its establishment was education. Each six-square-mile box was split into 36 equal parcels; revenue from "lot 16" was to be designated to support public schools within that township. With a dedicated parcel of land set aside

in towns across the state to help with funding, schools popped up in every corner of Wisconsin. In the 1942 Census of Governments—the first for which we have data—the state had more than 6,500 school districts. At the time, that far outnumbered all other types of governments in the state combined, and represented more than double the amount of total local governments in Wisconsin today.

Since 1942, little has changed in terms of the number of general purpose governments: Wisconsin has 20 fewer towns than it did in 1942, but 86 more municipalities. Also, one county (Menominee) became an official local government in the same time span. However, two types of governments have changed significantly.

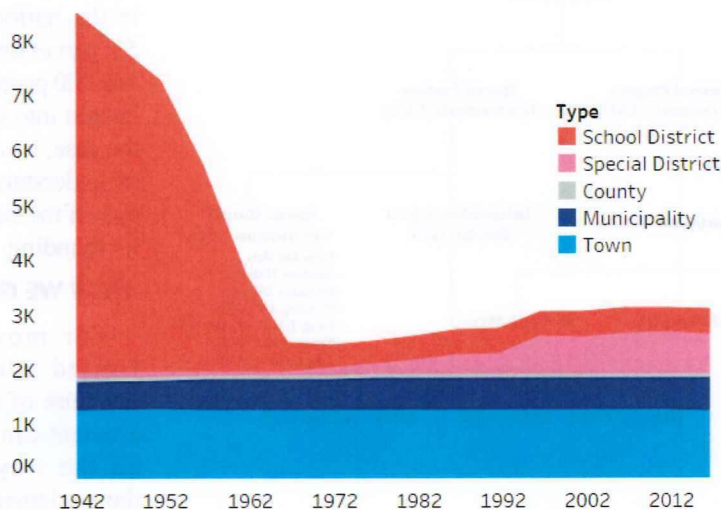
First, the number of school districts in the state decreased sharply—from 6,569 in 1942 to 417 in 1972. When Wisconsin was established, most of its citizens lived in rural areas and schools had to be widespread to allow children living in those areas to get to class by foot. However, according to the 1979-80 Wisconsin Blue Book, "The public school system was drastically changed after World War II." Rural schools—many of which were limited to one room and one teacher—began to fall behind in their capacity to educate students.

In the mid-1940s, nearly 6,000 school districts had no high school, and were either "non-operating" (meaning the district collected revenue to send all students elsewhere) or had just a one-room school.

Legislation was quickly adopted to change this structure. In 1959, the state passed a law mandating that all state territory had to be located within a district with an operating high school by mid-1962. By 1972, no districts were deemed "non-operating" or limited to one room. According to the 1979-80 Blue Book, the effect was striking in highly rural counties: "Grant County dropped from more than 200 districts in 1937 to 11 in 1976, Forest from 17 to 3."

The other significant change in Wisconsin has been the gradual increase in the amount of "special district" governments over time. The state had fewer than 100 special district governments

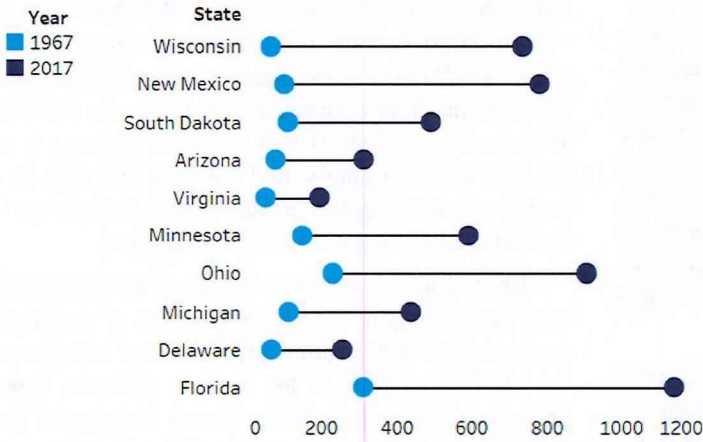
Fig. 2: Wisconsin Governments Plummet, then Rise
Number of Local Governments by Type, 1942 to 2017



Source: U.S. Census Bureau

Fig. 3: Wisconsin Leads in Creating Special Districts
Top 10 States for % Growth in Special Districts, 1967-2017

From 1967 to 2017, Wisconsin's special district governments grew more than tenfold - the most dramatic increase of any state - from 62 in 1967 to 734 in 2017.



Source: U.S. Census Bureau. Note: Does not include Alaska.

until the mid-1970s; in 2017, it had 734. This shift was largely driven by the increasing number of lake, sanitary, and sewerage districts throughout the state.

According to a 1989 article in the academic journal "Lake and Reservoir Management," in the late 1960s and early 1970s, the Wisconsin Department of Natural Resources (DNR) and the University of Wisconsin-Extension embarked on the Inland Lake Demonstration Project to focus public attention and resources on the state's lakes. The project concluded that existing state and local governments were unlikely to devote critical attention to Wisconsin lakes, which led to the adoption of legislation in 1974 to allow the establishment of lake districts. Since that time, lake districts have been given the power to impose a relatively small property tax, as well as assessments for dedicated projects and charges for services.

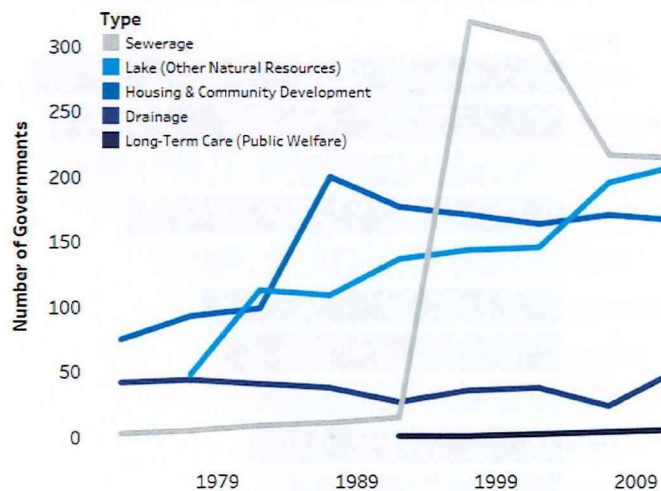
The impact of these decisions built over time. Driven in part by the creation of lake and sewerage districts, between 1992 and 1997 the number of special district governments in Wisconsin increased from 377 to 696.

The growing number of local governments elicited concern from citizens and government officials. A 2002 report from the Wisconsin Department of Administration (DOA) cites 12 distinct commissions spanning the second half of the 20th century that studied enhanced intergovernmental cooperation (ranging from basic service sharing to full-scale consolidation) as a potential mechanism for reducing the number of governments or better managing the fiscal consequences.

In line with this concern, the "Wisconsin Blue-Ribbon Commission on State-Local Partnerships for the 21st Century"—more commonly known as the Kettl Commission after its chairman, then UW-Madison professor Donald Kettl—published a report urging a series of reforms in 2001. Yet instead of supporting the outright elimination

of local governments, the report argued for greater use of performance metrics to ensure government efficiency and accountability, as well as efforts to define the specific roles and responsibilities of the various levels of government. The Commission essentially argued that greater intergovernmental cooperation, equalization, and service

Fig. 4: Wisconsin's Explosion in Special Districts
Number of Special District Governments by Type, 1972-2012



Source: Willamette University, U.S. Census Bureau

sharing—and not abolition—was the best solution to the state’s perceived surplus of governments.

LOCAL GOVERNMENTS & SCHOOLS

Wisconsin has 1,924 “general purpose” governments, which include 72 counties, 601 cities and villages, and 1,251 towns. In addition, the state has 438 public independent school districts: 422 public school districts and 16 technical college districts. All Wisconsin residents live within the boundaries of at least six governments with the power to tax them: the federal and state governments, a town or municipality, a county, a school district, and a technical college district.

As mentioned previously, history and regional trends played a large part in how states structured their local governments. Each of seven upper Midwestern states—Ohio, Indiana, Michigan, Wisconsin, Minnesota, Illinois, and Iowa—ranks similarly in both their total and per capita number of governments for each type.

Though Wisconsin’s 438 public school districts are relatively high—11th most, the same as their overall ranking—they remain in line with other upper Midwest states, such as Illinois (886), Ohio (666), Michigan (571), Iowa (348), and Minnesota (333).

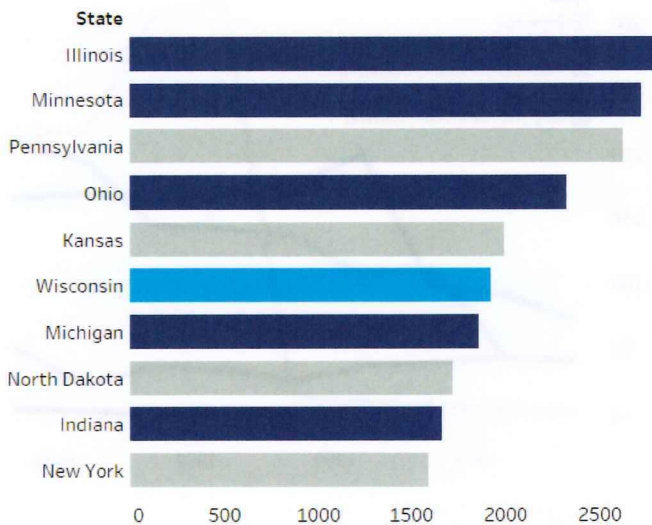
The vast majority of Wisconsin’s public school districts include all grades from kindergarten to 12th. That said, according to data from the Department of Public Instruction, there were 43 K-8 districts and 10 “Union High School” districts (which only contain grades 9-12) in the 2018-19 school year. Unfortunately, we do not have data sources to determine whether Wisconsin’s number of K-8 and 9-12 districts is on the high side nationally, and whether that may be a partial cause of the state’s relatively high rankings in the number of total public school districts.

Where both this state and the rest of the upper Midwest stand out is in their large numbers of municipal governments. Wisconsin’s 601 cities and villages are the 9th-highest total in the country (Illinois, Iowa, Ohio, and Minnesota all have more). Even more distinct are the state’s 1,251 towns. Only 20 states—all in the Northeast, Midwest, or Great Plains—recognize towns or townships as governments; of those, Wisconsin ranks seventh for most towns.

The different types of general purpose governments in Wisconsin are distinguished both by how they collect revenue and their main responsibilities. Primary responsibilities of counties include certain public safety and legal matters (i.e. circuit courts and jails) and health and social services. They are often referred to as “an arm of the state” given their role in providing these state-mandated services at the local level on the state’s behalf.

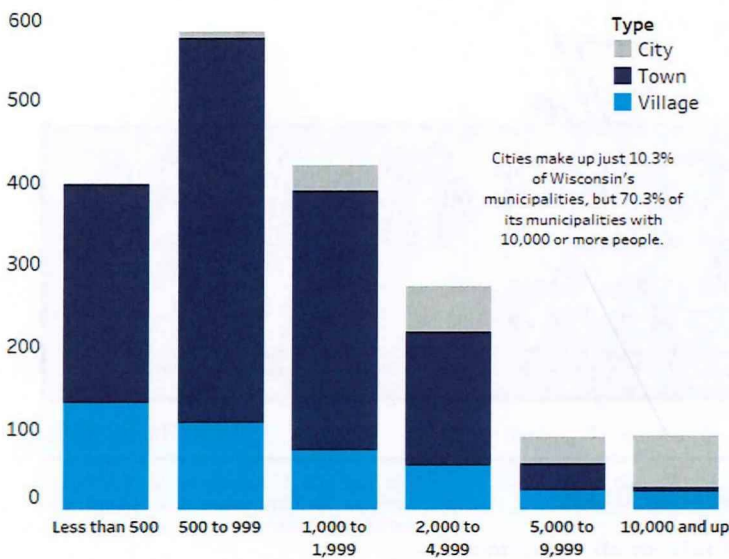
Wisconsin’s cities and villages differ from counties in that they are granted “home rule” under the state constitution, meaning they have the “broad authority...to govern themselves locally.” Home rule gives cities and villages greater ability to govern themselves in areas that are not specifically addressed by state law. Most cities and villages provide a broad range of public services not handled by state government or specifically assigned to counties, such as police, fire and emergency medical services, water, sewers, libraries, parks, and more. The great majority of Wisconsin’s citizens, hospitals, UW System campuses, and commercial property are located within cities and villages.

Fig. 5: Wisconsin’s Abundance of Local Governments
Top 10 States by Number of Counties plus Municipalities, 2017



Upper Midwestern states in dark blue, Wisconsin in light blue.
Data from U.S. Census Bureau

Fig. 6: Small Towns, Big Cities
Wisconsin's Municipalities by Population, 2012



Sources: Willamette University, U.S. Census Bureau

Towns do not possess home rule authority and they are only empowered to perform functions specifically authorized by state law. Road and highway maintenance are at the forefront of responsibilities for most towns, which means that state and federal transportation aids make up a large portion of town revenue.

Census data show just four of the 86 municipalities with a population above 10,000 in Wisconsin are towns; the average populations of cities (16,342) and villages (2,054) are significantly larger than those of towns (1,340).

The other major difference separating towns from cities and villages is recognition from the state: cities and villages are considered to be “incorporated,” whereas towns are not. Towns can become a city or village either through the process of incorporation—which includes a petition process, a circuit court review, a potential referendum, and more—or by annexation into a neighboring city or village. For example, the town of Madison is set to be annexed into the city of Madison in 2022 using the latter of these methods.

SPECIAL DISTRICTS

The remaining 734 entities that are included in the Census are special district governments. These

tend to serve a specific purpose: the majority are sewerage, lake, sanitary, or drainage districts, implemented in the wake of the aforementioned 1974 law. Governments with names like “Liberty Grove Sanitary District,” “Silver Lake Protection and Rehabilitation District,” and “Lower Baraboo River Drainage District” now dot the state. These governments differ slightly in technical terms, but all serve to protect Wisconsin’s lakes and rivers through a dedicated governmental body.

Housing authorities account for another substantial portion of Wisconsin’s special district governments. According to data from Willamette University, there were 167 housing authorities throughout the state in 2012, down from a peak of 200 in

1987. These governmental entities, according to the Wisconsin Association of Housing Authorities, “foster and promote low-rent public housing and other housing programs for low and moderate income families, including elderly and handicapped.”

Outside of housing authorities and districts created to manage Wisconsin’s waters, special district governments are few and far between. A recent addition to the state’s roster of special districts are community-based long-term care districts. These districts provide services to the elderly and disabled at a regional level under the premise that the management of these services over broad geographical areas can produce economies of scale and better services for consumers. Though these districts first showed up in the 2012 Census of Governments, the six that existed at that time managed to both take in and spend more money than all other types of special districts that year—a reflection of the cost of long-term care.

TOO MANY GOVERNMENTS?

As the Kettl Commission noted in its report, large numbers of governments and boundary lines can complicate service delivery and produce ad-

Fig. 7: A History of Consolidation
 Wisconsin Taxpayers Alliance Looks at School District Consolidation, March 1937

Entered as second-class matter September 1, 1934, at the post office at Madison, Wisconsin under the Act of March 3, 1879.

The



Vol. 5---No. 6

Madison, Wisconsin

MARCH 15, 1937

Small School Consolidation

Assembly proposal would consolidate small valuation districts and close small enrollment schools. The estimated minimum savings, \$200,000 per year.

The small school consolidation bill now before the legislature would mean a minimum \$200,000 annual saving in school expenditures to state, county, and local governments, according to estimates made by the Wisconsin Taxpayers Alliance.

to Bill 369-A introduced by the Committee on Education now before the state assembly.

Q What is the purpose of the bill?

The bill attempts to rid Wisconsin of exceedingly small valuation school districts and schools with excessively small enrollments. Therefore, the bill is composed of two sections; one to consolidate districts of less than \$50,000 taxable valuation, and second, to close schools with less than ten pupils en-

ministrative inefficiency. In addition, the high cost of technology and equipment required to deliver certain services—as well as the need for highly-trained staff—can become cost prohibitive for smaller municipalities and can produce additional inefficiency given that the same equipment and staff often can serve broader geographical areas.

These observations—as well as growing financial pressures—have spurred some municipalities to consider consolidating certain services with neighboring municipalities or their county government. In the last eight years alone, at the request of local government leaders, the Wisconsin Policy Forum has studied fire and emergency medical service sharing among three municipalities in Kenosha County (2019), service sharing opportunities between the Milwaukee Public Schools and Milwaukee's city and county governments (2017), public health service sharing in Oak Creek and South Milwaukee (2017), fire department consolidation in the southern portions of Milwaukee County (2012 and 2013), and consolidated dispatch in Milwaukee

County's South Shore (2012) and the county as a whole (2016). The Forum also quantified the fiscal and program benefits realized by Milwaukee County's North Shore Fire Department (2015), a consolidated department that serves seven municipalities and has been held up as a national model.

One of the Forum's predecessors, the Wisconsin Taxpayers Alliance, focused on municipal consolidation in at least three separate issues of *The Wisconsin Taxpayer* (September 1964, November 1970, and July 1979), and has written and consulted on school consolidation at least a dozen times since the 1930s. In 1937, analysts argued that "the excessively small school is an inefficient educational unit...the small school is financially as well as educationally inefficient."

Concerns also have been raised about the growth of special districts throughout the country. Some argue that the duties of these districts may unnecessarily overlap with those of general purpose governments and that they often do not draw the public oversight associated with more traditional governmental units.

LOOKING TO THE FUTURE

Many factors have contributed to Wisconsin's high number of local governments and their overlapping responsibilities. They range from a history of citizens who have been interested and involved in government to the North-west Ordinance and the numerous lakes that dot the state.

For nearly a century, concerns have been raised about this system, and they continue today as financial challenges grow for local governments. Citizens are seeking to maintain and improve services as well as hold down property taxes, which remain under some form of state constraint across most local governments. On top of this, state aid is lagging: the Forum's Municipal DataTool shows that from 2013 to 2017, state shared revenues in cities and villages decreased from \$165 to \$162 per capita.

These factors raise the question of whether there are too many local government units in the state, or at least too many governments providing the same services. Past decades have seen major changes, such as the sharp drop in the number of school districts. More recently, the 2017 Census shows a small decrease in the number of governments within the state—a reduction of 32 governments since 2012. But as local government and school district fiscal pressures intensify—and as elected leaders and the public seem unwilling to grapple with the prospect of increased revenues or reduced services—further consolidation of local government functions or entire units of local government surfaces as one of the few remaining options.

Examples of service sharing and consolidation range from the North Shore Fire Department to the recent consolidation of public safety dispatch and public health functions at the county level in several jurisdictions across the state. In the case of dispatch, consolidation efforts have been initiated by local officials, while in the case of public health, it was required by a change in state law. This begs the question of whether state government needs to take the lead in encouraging local service sharing or consolidation. Other states have done or proposed doing so by providing carrots, such as a source of funds for consolidation studies; or sticks, such as a reduction in state aids for those

local governments or school districts that do not submit or implement plans for sharing or consolidating services (or merging outright) with their neighbors.

Special districts also deserve attention. Though they are less well-known to Wisconsin citizens than school districts or municipal governments, they represent a sizable—and growing—source of spending in the state. Many important public services, such as the management of natural resources like lakes, long-term care, and municipal energy, run largely through these districts that now outnumber all other forms of local government besides towns. Collaboration between special districts and other governments at the local and even state level also might yield savings or improvements in services.

Since the early 20th century, policy-minded officials and citizens alike have expressed strong opinions on the question of the state's numerous local governments. If nothing else, the publication of the Census of Governments every five years represents a time to reflect on the question, and to consider how state and local leaders might craft legislation or work collaboratively to improve the framework of Wisconsin government.

THE WISCONSIN TAXPAYER

2019 Vol. 87 Number 8

Receiving This Publication:

The Wisconsin Taxpayer is a regular publication of the Wisconsin Policy Forum. WPF members receive an e-mail when each *Taxpayer* is released. For membership information, go to wispolicyforum.org/join.

For Other Information:

Phone: 414.276.8240
Email: info@wispolicyforum.org
Website: wispolicyforum.org

WPF Executive Committee:

Grady Crosby, Mark Czarniecki, John Kita, Henry Newell, Steve Radke, Thomas Rettler, Leigh Riley, Cynthia Rooks, Andy Schiesl, Tom Spero, and Brad Viegut.

The Wisconsin Taxpayer is published by the Wisconsin Policy Forum. The Wisconsin Policy Forum was created on January 1, 2018 by the merger of the Madison-based Wisconsin Taxpayers Alliance and the Milwaukee-based Public Policy Forum. Throughout their lengthy histories, both organizations engaged in nonpartisan, independent research and civic education on fiscal and policy issues affecting state and local governments and school districts in Wisconsin. WPF is committed to those same activities and that spirit of nonpartisanship.



JEFFERSON COUNTY
OFFICE OF THE
COUNTY ADMINISTRATOR

311 S. Center Ave - Room 111
Jefferson, WI 53549
Telephone (920) 674-7101

BENJAMIN P. WEHMEIER
County Administrator

TAMMIE J. JAEGER
Administrative Assistant
Confidential

"Jefferson County: Responsible government advancing quality of life"

Testimony on Assembly Bill 490

County Administrator Ben Wehmeier

Jefferson County has made it a goal through the development of our strategic plan to work with various partners to find new creative ways to provide services that reduce cost to government while maintaining services for the taxpayers we all serve.

Examples of the execution of this vision includes: 1) Development of a health insurance consortium involving municipalities and Dodge County; 2) Contracted health department operations with the City of Watertown for required inspections to limit duplication of services, 3) Joint purchasing of election equipment and supplies and providing programming service through the County Clerk's office in cooperation with the municipal and town clerks; 4) Economic Development functions partnering with our municipalities, Dodge County and the private sector; and 5) Development of the Bridges Library System with Waukesha County .

But our efforts have not stopped. We are continuing to have conversation within the County and outside to find opportunities to collaborate and look at better ways to provide services that are cost effective. The County and our largest municipalities are currently engaged with the Wisconsin Policy Forum, looking at a broad set of opportunities to share services whether it relates to public works/highway, EMS, Fire and parks to back of house operations for GIS, human resources, assessing and IT to name a few.

We look forward to the outcomes of these efforts and the development a plan of action to move forward with greater opportunities to collaborate.

AB 490 would be a tool to further encourage innovation, collaboration and develop a business approach to look at the future of local government in the state. The current statute creates a disincentive and barriers for those willing to look at new ways to provide service and develop partnerships that make program delivery and fiscal sense. The repeal of this statute will end this penalty for shared service and will serve as an opportunity for those local government willing to be proactive in finding new solutions to providing services in a cost-effective manner.



WAUKESHA COUNTY

COUNTY BOARD OF SUPERVISORS

To: Assembly Committee on Local Government
From: Sarah Spaeth, Legislative Policy Advisor
Date: October 16, 2019
Re: Support Assembly Bill 490

Thank you Chairman Novak and members of the Assembly Committee on Local Government for having a hearing today on Assembly Bill 490. This bill repeals the requirement in levy limit law that a political subdivision transferring responsibility to provide a governmental service to another governmental unit must reduce its allowable levy by the amount saved by the transfer. For example, if a county agrees to provide service on behalf of a municipality, the county is allowed an increase in levy while the municipality is required to make a reduction in its levy.

The Legislature has made great efforts in recent years to make collaborating amongst local governments easier. The 2017-19 budget authorized local governments to create joint agencies to administer various programs. AB 490 is another step in the right direction to incentivize consolidation and collaboration.

Local governments are expected to fulfill a wide range of commitments to their citizens all while seeing relatively flat revenue from the state and while being subject to levy limits. Counties face ever-increasing budget pressures, an aging workforce and an ongoing expectation that they do more with less. As the county works to deal with those challenges, it has become increasingly clear that we need to be creative with our resources and use economies of scale to find savings.

The proposal provides flexibility and removes barriers for municipal cooperation. In Waukesha County we have primarily acted to reduce costs through transfer by becoming the provider or partner in a consolidated service. An example would be the provision of central dispatch services for public safety. Waukesha County established a joint dispatch center in 2002, at the time municipalities joined to increase efficiency, reduce direct municipal costs and improve overall capacity and quality. It has been very successful and has saved County taxpayers over its years of operation.

Currently there are three Waukesha County municipalities that have not taken advantage of the center and continue to locally provide dispatch services. Although there would likely be significant capital and ongoing efficiency savings for these municipalities, it is often times difficult to transfer services. This is especially true when levy limits act as disincentive for making a change. For example if a municipality has to reduce budgeted expenditures on one for one basis, a municipality may struggle to fund transitional and residual services needed to make the transfer successful.

The County has a track record of providing consolidated services on a countywide basis and providing this proposed flexibility will help eliminate a hurdle in that process. Waukesha County urges your support. Thank you for your time and consideration. Please do not hesitate to reach out to me if you have any questions.