



**Tom Barrett**  
Mayor, City of Milwaukee

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March 20, 2007

Senator Russ Decker, Co-Chair  
Representative Kitty Rhoades, Co-Chair  
Joint Committee on Finance

Dear Members,

Thank you Senator Decker, Representative Rhoades and members of the Joint Committee on Finance for bringing this hearing to Milwaukee today.

I wish to acknowledge Governor Doyle for recognizing Milwaukee's importance to the state, and his commitment to investing critical resources here. Because of its strong role in the state's economy, transportation infrastructure and growing number of cultural attractions, Milwaukee plays a critical role in Wisconsin's vitality. As the most culturally and economically diverse city in Wisconsin, Milwaukee is nationally recognized as an exciting place to live, work and visit.

Consequently, investing in Milwaukee is good not just for Milwaukee, but also for the entire State of Wisconsin. Governor Doyle's budget plan recognizes this reality and offers a step in the right direction. By sustaining shared revenue and focusing on key issues like transportation, public safety, education and workforce development, this budget helps keep Milwaukee growing strong.

Milwaukee is the hub of Wisconsin's transportation infrastructure as well as the largest employment center in the state. It is critical to make sure people can safely get to work and goods can be efficiently transported to their destinations. I am encouraged to see increases in General Transportation Aids and other local transportation and transit programs by 2%.

Barrett/add one  
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Transportation funding in Wisconsin has historically focused predominately on highway travel and this budget continues that trend. While important, I believe it is time for a more balanced, multimodal transportation system in Southeast Wisconsin and would like to see more of the proposed increases in transportation funding support the goal of improving mass transit for our residents.

This budget provides a start, by providing funding for projects such as KRM Commuter Rail and expanding the Amtrak Hiawatha routes. These components are critical to the Comprehensive Transit Strategy for Milwaukee I introduced that links the key economic and cultural arteries of the city with express buses and a downtown circulator. Expanding alternative means of transportation will help Milwaukee create jobs, enable our residents to get there and better unite the City with its suburbs.

On the topic of education, I believe it is critical to maintain 2/3 funding so that Milwaukee Public Schools can still benefit from increased general equalization and categorical aids in the face of declining enrollment. And I am pleased that this budget provides \$6.5 million for special education, \$6.4 million for SAGE, and additional money for driver's education, multilingual, multicultural aid. Hungry children can't learn, therefore I am also supportive of the initiative to expand the school breakfast program.

There are still school finance issues to acknowledge and discuss further, particularly the School Choice funding flaw, which places an unfair burden on property taxpayers in Milwaukee. The Governor's plan begins to address the problem, but there is still work to be done on this issue.

The Governor has proposed investments to prepare the Milwaukee workforce for future employment and I intend to capitalize on these investments to strengthen the efforts undertaken by my newly created Office of Workforce Development. Critical areas of funding include \$500,000 for the Milwaukee Seven initiative to attract new jobs and businesses to our area. The budget also doubles support for the Youth Apprenticeship Program, increases support for job training at Wisconsin's technical colleges and creates an Outreach Specialist to support the Entrepreneurial Network's efforts to help minority entrepreneurs and small businesses grow.

I am also pleased the budget continues support for my Summer Youth Jobs Program at \$500,000 per year. This program gives students valuable skills, helps keep them off the streets and out of trouble, and puts a few bucks in their pocket. Last year, with your help, we put 1,000 kids to work in city government, business and faith-based and community organizations through this program. This year, I want to increase participation in the program to 1,500. With your support, we can make that happen.

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Funding for public health initiatives is a critical need in Milwaukee. Our health department is faced daily with enormous racial disparities in the rates of infant mortality, lead poisoning and immunizations. While they are doing a fantastic job with the resources available, I believe we have an amazing opportunity to do a better job by linking our efforts to the educational programs at UW-Milwaukee. This budget supports my vision for a School of Public Health and further supports our health department's programming through school nursing, home visitation programs and better healthcare access.

Many other elements of the Milwaukee Initiative are important to our City. Support for the Milwaukee Housing Trust Fund Initiative, the transitional jobs program at Project New Hope and environmental revitalization projects like the Kinnickinnic River and Estabrook Park cleanup efforts are all worthy investments for your consideration.

Public safety is the biggest challenge facing the City of Milwaukee. Last summer, Governor Doyle and this committee came together to put \$750,000 toward police overtime costs, in the wake of a crime spike over Memorial Day weekend. While I appreciate the Governor's proposal to continue this annual appropriation over the next biennium, our city will continue to struggle to find ways to pay for adequate police presence in our city.

Making Milwaukee safer and stronger is my top priority. Since taking office, I have directed as many resources as possible to fighting crime on Milwaukee streets. Still, in 2008 I want to add 50 more officers to the Milwaukee Police Department to allow for more directed patrols, improve response time and provide greater visibility in the community. Over the biennium my goal is 100 new officers, increasing our total sworn strength to 2,075 officers. At a projected cost of \$9.6 million for a full year, I am not confident that I can make this happen. Especially when the other concern I hear most from our residents is the need for property tax relief.

As you are aware, our other primary source of revenue for city services is shared revenue. In 2007, shared revenue accounts for 18.7% of total city revenues. In comparison, it accounted for 25% in 1996. Since 2003 alone, Milwaukee has taken an inflation adjusted decrease of \$36.9 million or -13% in state aid payments.

Governor Doyle's commitment to increase the shared revenue appropriation by 1.75% next year will provide Milwaukee with a welcome relief of \$4 million in 2008. Let me tell you why this is so important – the proposed increase won't even cover the \$7 million cost to continue existing staffing levels in the Milwaukee Police Department next year. As shown in the attached chart, the cost to operate our Police Department continues to rise relative to the rest of our budget.

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I would like to see this committee go one step further with shared revenue by committing to increase the program's appropriation in 2009 and beyond. Wisconsin's local governments contribute heavily to the economy of the state. We deserve to share in the returns as it grows.

One other significant problem I would like to address is the proposed increase in tipping fees. I understand the need to discourage other states from filling Wisconsin's landfills. However, this program was designed to provide a public benefit by directing the tipping fee revenues back into recycling grants for Wisconsin's local governments. I am disappointed that this proposal abandons that design by proposing a \$4.10 increase per ton that will not be returned to the recycling grant program. For Milwaukee alone, this amounts to \$1.3 million in additional cost.

I realize that I have thrown a lot of numbers at you today, so let me break down the math:

Costs:

Projected Cost to continue existing MPD strength	+\$7 million
Add 50 new police officers	+\$4.8 million
Projected Healthcare Increase	+\$10 million
Increased Tipping Fees	<u>+\$1.3 million</u>
Total Increased Cost	+\$23.1 million

Revenues:

Increased Shared Revenue Payment	+\$4 million
Increase tax levy by 3%	<u>+\$6.6 million</u>
Total Increased Revenue	+\$10.6 million

This chart illustrates how even with \$4 million in additional shared revenues, we will have a \$12.5 million funding gap right off the bat next year – primarily due to public safety concerns and healthcare costs. I refuse to let our health department, public libraries, garbage collection and other vital city services be decimated due to critical public safety spending. This comparison doesn't even take the cost to continue the rest of our budget into account. Milwaukee is one of few large cities in the United States, without a significant revenue alternative to the property tax.

At our request, Governor Doyle proposed designating a four square-mile area of the city as a Premier Resort Area to help pay for infrastructure costs. We appreciate that he heard our need for new local revenue options and started the discussion by bringing this concept forward. However, our concerns about its limitations outweigh the projected revenue estimates for the proposal. This is not to say that we want to end the discussion about alternative local revenue options.

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The reality is that our city is facing ever-increasing pressure to maintain or improve city services like public safety, and can no longer juggle our limited resources to meet the needs of our residents. Our hands are tied by limited local funding options and a less than adequate commitment to shared revenue – both of which fall under the purview of state government.

This is why I ask the members of the Joint Committee on Finance, the Fiscal Bureau and the Department of Administration to work with me and other local government leaders to finally address the need for real property tax relief for Wisconsin homeowners, with no tax shifting.

I am here today urging you to support the Milwaukee initiatives and to make a few improvements to Governor Doyle's budget. Here are a few suggestions to get us started:

- Change the state law requiring the City to pay police officers while they appeal discharges related to criminal charges. Milwaukee is the only city in the state forced to follow this onerous law. At a time when I want to put more police officers on the street and resources are tight, it makes no sense to use precious dollars to pay the salaries of fired officers charged with crimes.
- Direct the Wisconsin State Patrol to cover Milwaukee County freeways this summer so that the Milwaukee County sheriffs can supplement the Milwaukee Police Department's efforts on city streets. Provide a grant for sheriff overtime to help make this happen.
- Direct enough of the increase in tipping fees back into the recycling fund to offset the increased payments borne by local governments. Stop shifting these revenues into the general fund.
- Guarantee a commitment to future shared revenue increases by linking the size of this appropriation to the growth in state income or sales taxes or another measure like the Consumer Price Index.
- Curb the shift in property taxes to residential homeowners by including language in the budget to clarify the waste treatment exemption recently expanded in the Newark Case.
- Require new DNA analyst positions to be housed in the City of Milwaukee. Since the vast majority of these cases occur in Milwaukee, I would like to see any new positions come here. In fact, Milwaukee would be a welcome home to any new state employees.

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I need your help to strengthen this city and make it safer for residents, businesses and visitors. Again, thank you for your time today and I look forward to working closely with you as your deliberations unfold.

Sincerely,

A handwritten signature in black ink that reads "Tom Barrett". The signature is written in a cursive style with a large, sweeping initial "T".

Tom Barrett  
Mayor

TB:jg:mo

Cc: Joint Committee on Finance Members