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## WISCONSIN LEGISLATIVE COUNCIL

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TO: SENATOR RONALD W. BROWN, CHAIR, SENATE SELECT COMMITTEE ON STATE AND LOCAL GOVERNMENT RELATIONS

FROM: Mary Offerdahl, Staff Attorney

RE: Proposals Identified at the August 31 and September 22, 2004, Meetings of the Senate Select Committee on State and Local Government Relations

DATE: October 8, 2004

This memorandum responds to your staff's request for a list of proposals identified at the August 31 and September 22, 2004, meetings of the Senate Select Committee on State and Local Government Relations. The list groups the proposals into the following categories and subcategories:

1. Cost of health-related insurance benefits:
  - a. Choice of providers
  - b. Collective bargaining
  - c. Insurance pools
  - d. Other
2. Efficiency and equity between local governmental units:
  - a. Sharing tax revenue to encourage cooperation/consolidation
  - b. Facilitating cooperation/consolidation
  - c. Authority and services proposed for cooperation/consolidation
  - d. Double taxation for services
3. Changes in the relationship between state and local government:
  - a. State funding for circuit court system and human services
  - b. Public defender's office
  - c. Planning/communication between state and local governments
  - d. Other
4. Property tax exemptions and alternative fees.
5. Unfunded state mandates and cost-saving measures:
  - a. Newspapers
  - b. Procurement
  - c. Labor Issues
  - d. Schools
  - e. Other

The entity or entities that submitted each proposal are identified in parentheses immediately following the proposal, and the appendix at the end of the memorandum spells out acronyms used. Although several of the proposals could have fit into more than one category or subcategory, each proposal has been listed only once (the writer has attempted to place each proposal in the most appropriate category), so as to limit the length of the memo.

## **1. COST OF HEALTH-RELATED INSURANCE BENEFITS**

### **a. Choice of Providers**

- Have local governments sign up with the state's Pharmacy Benefit Manager. (Secretary Nilsestuen, DATCP)
- Adopt the AFL-CIO health insurance plan for all employees, patterned after the Worker's Compensation plan. (WI Alliance of Cities; AFSCME; MPA; PFW; Eau Claire County)
- Require all local units of government to put employees in the state health insurance or similar plan. (WPPA [Item #1 on 8/31/04 hearing handout])

### **b. Collective Bargaining**

- Allow local governments [League]/school boards [WASB] to choose, without the need to collectively bargain, the state Employee Trust Fund's health insurance program or substantially similar plan for employees [2003 Assembly Bill 304]. (League of WI Municipalities; WASB)
- Make the selection of the health insurance carrier a prohibited subject of bargaining. (SAA)
- Amend s. 111.70, Stats., the binding arbitration statute, to provide control on union settlements, such as the establishment of a QEO or other similar method of capping settlements. (Fond du Lac County)
- Eliminate the requirement for mandatory arbitration of terms and conditions of collective bargaining agreements, especially wages and healthcare benefits. (Racine County)

### **c. Insurance Pools**

- Require insurance companies to provide pool-rated school districts with individual claims experience data with no consequence (would let a school district leave pool if data shows it is healthier, but remain if data shows less healthy). (SAA)
- Do *not* implement the above proposal (i.e., do not allow a school district to leave an insurance pool if data shows it is healthier, but remain if data shows it is less healthy), because such a proposal leads to less sharing/pooling of high risk and higher cost for least healthy districts remaining in pool. (WEA Trust)

### **d. Other**

- Health care cost containment [identified more as an issue, rather than a specific proposal]. (SWSA; WEAC; WTCS; Appleton Education Association; Fond du Lac County)

- Address the state's Medicaid shortfall, and do not use the county property tax levy to fund long term care needs. (Waushara County)
- Statutorily prohibit healthcare providers from charging uninsured patients more than the lowest price charged an insured patient ("most-favored-nation" idea). (WEA Trust)
- Implement "The New Wisconsin Idea," a healthcare reform package proposed by WEA Trust's CEO. (WEA Trust)

## **2. EFFICIENCY AND EQUITY BETWEEN LOCAL GOVERNMENTAL UNITS**

### **a. Sharing Tax Revenue to Encourage Cooperation / Consolidation**

- Facilitate sharing of tax revenue base between local governmental units to reduce competition. [Minnesota model: about 13% of new growth property tax goes into pool (Elsass PowerPoint p. 8).] (WPPA; UW Extension Local Government Center)
- Authorize counties to participate in municipal revenue sharing agreements, to facilitate development of a regional industrial park [2003 Assembly Bill 901/2003 Senate Bill 458]. (Winnebago County; Outagamie County)
- Provide incentives for consolidation of services and collaborative efforts--e.g., a competitive grant program for feasibility studies (SAA), using shared revenue for paying percentage of effort (WPPA), or incentives listed below from Dan Elsass, UW Extension Local Government Center. (Several groups, including WPPA; UW Extension Local Government Center; WTA; SWSA; SAA; and Calumet County)
- Create a regional sales tax that all communities could share in when certain economic indexes increase for the regions. (UW Extension Local Government Center)
- Expand the categories of allowable local revenues that may be exchanged by parties to revenue sharing agreements authorized under s. 66.0305, Stats. (UW Extension Local Government Center)

### **b. Facilitating Cooperation / Consolidation**

- Change annexation statutes to give towns equal rights with cities and villages regarding their boundaries, to enhance town leverage in cooperating and negotiating boundary agreements. (Town of Brookfield)
- Authorize joint boards to carry long-term debt and to maintain cash reserves independent of individual units of government. (UW Extension Local Government Center; Eau Claire County)
- Reinstigate a state consolidation incentive payment pool, which rewards local government for demonstrated efficiencies or savings after three years of successful joint operations. Do not take such rewards from reductions in the local shared revenue pool. (UW Extension Local Government Center)

- Allocate state transportation, housing, planning, and development aids through a “Council of Governments”--a type of loose confederation of governments by county or region. (UW Extension Local Government Center)
- Increase use of cooperatives formed through intergovernmental cooperation. Use more formalized structures to merge financial and human capital. (Secretary Nilsestuen, DATCP; PFW)
- Require all local units of government to create a purchasing cooperative to purchase electricity from the lowest bidder (must be a Wisconsin investor-owned utility cooperative or municipal electric). (WPPA [Item #2 on 8/31/04 hearing handout])
- Increase emphasis on Smart Growth and concept of regional economies. (Secretary Nilsestuen, DATCP)

**c. Authority and Services Proposed for Cooperation / Consolidation**

- Clarify authority of county sheriff to enforce town and village ordinances. (WTA [Item #12 on 8/31/04 hearing handout])
- Clarify that a municipality may disband its police department and contract with county for law enforcement services [2003 Assembly Bill 658]. (League of WI Municipalities; WI Alliance of Cities; Outagamie County)
- Encourage use of s. 59.03 (2), Stats., which provides a broad grant of authority to county boards to provide a variety of local government services to requesting cities, villages, and towns. (WI Alliance of Cities)
- Require all counties and other local units of government to have only one emergency service, 911 service, public transportation service, public park system, airport system, highway department, library system, health department, property tax administration program, and election administration program countywide. (WPPA [Items # 6 to #15 on 8/31/04 hearing handout])
- Allow certain services to be provided on countywide basis only (elections, 911, park systems, public works/highways). (Eau Claire County)
- Since counties are required to have a public health director, clarify that municipalities can dissolve their health department to consolidate with county, while retaining the option to reestablish it if unhappy with the consolidation. (Winnebago County)
- Allow towns to withdraw from county zoning if town zoning is at least as restrictive as the county general comprehensive zoning ordinance. (WTA [Item #10 on 8/31/04 hearing handout])
- Allow a municipality to use volunteers or contract with a private party or another governmental jurisdiction for service delivery without having to bargain that decision or its economic impact with employee unions [2003 Assembly Bill 598]. (League of WI Municipalities)
- Allow municipalities to combine police and fire departments into a single protective services department [2003 Assembly Bill 262]. (League of WI Municipalities)

**d. Double Taxation for Services**

- Eliminate double taxation for services by exempting city and village taxpayers from paying property taxes for sheriff patrol services, county zoning and planning, and other services the county does not provide to city or village residents. (League of WI Municipalities)

**3. CHANGES IN THE RELATIONSHIP BETWEEN STATE AND LOCAL GOVERNMENT**

**a. State Funding for Circuit Court System and Human Services**

- Increase state funding, or have the state take over full funding of, the circuit court system and human services (including juvenile justice). (WI Counties Association [See alternatives for potential solutions in 8/31/04 hearing handout]; Eau Claire County; La Crosse County)
- Transfer responsibility for operating the courts and all related services, as well as human services, juvenile justice programs, child welfare programs, and income maintenance administration to the state, effective January 1, 2006. (Fond du Lac County [Item 3a. and b. on 9/22/04 hearing handout provide a process for the proposed transfer])
- Tie increased costs of Lincoln Hills and other state facilities to increases in youth aids or other state funding sources. (Winnebago County; Outagamie County)
- Require the state or federal governments, instead of counties, to pay more for mentally retarded persons that will enter ICFMRs (intermediate care facilities for the mentally retarded) in the future. (Columbia County)

**b. Public Defender's Office**

- Modify outdated indigency standards so more defendants qualify for a state-subsidized interpreter and a state Public Defender; currently too few defendants qualify so costs have shifted to counties to pay for interpreter and court-appointed attorney fees for nonindigents. (Waushara County; WI Clerks of Circuit Court Association)
- Fully fund the state Public Defender's office and amend statutes to again allow the State Public Defender's office to provide representation in CHIPS (child in need of protective services) cases. (WI Clerks of Circuit Court Association)

**c. Planning / Communication Between State and Local Governments**

- Require the state to use the Enterprise Server BUS as the interface for systems the state deploys to counties, thus facilitating integration of state systems into existing county systems. (Waukesha County)
- Eliminate delay in state aid payments and adjust timing of the state budget adoption to reduce need for short-term borrowing. (SWSA)
- Reform the shared revenue program in a manner that promotes consolidation of services, protects core local services, and distributes aid in a manner that reflects variances in property tax wealth. (WPPA [Item #20 on 8/31/04 hearing handout])

- Integrate into the requirements for the local comprehensive plan the planning requirements for various other programs (e.g., transportation, economic development, housing and natural resources) that influence land use. (State-Local Government-Private Sector Working Group Chair)

**d. Other**

- Increase state share of funding for special education costs, but retain principle of local control. See various handouts for proposals related to special education. (SWSA; SAA; WASB; Racine County)
- Restore state aid for library services to the 13 cents per local dollar level specified in state law. (WI Library Association)
- Increase state funding for resettlement of Hmong refugees. (La Crosse County)
- Increase state funding for technical colleges. (WWTC)
- Support recommendations of the Joint WTCS-UW Committee on Baccalaureate Expansion (COBE) to facilitate student transfers from WTCS to UW. (WTCS)
- Allow counties the option of electing or appointing constitutional officers. (Eau Claire County)
- Create clear statutory authority that enforcement of weight limits on local highways is a primary enforcement activity of the Wisconsin State Patrol. (WTA [Item #11 on 8/31/04 hearing handout])

**4. PROPERTY TAX EXEMPTIONS AND ALTERNATIVE FEES**

- Decrease property tax exemptions. Establish a process for sunseting all existing property tax exemptions. (League of WI Municipalities; Eau Claire County)
- Allow municipalities to charge all property owners, including tax-exempt entities, fees for making certain services such as fire protection available [2001 Assembly Bill 234]. (League of WI Municipalities; WI Alliance of Cities)
- Require that all tax exempt property tax entities, except churches, pay a negotiated fee to the city, township, or village in which they are located equivalent to the cost of police and fire services. (WPPA [Item #5 on 8/31/04 hearing handout])
- Require that sewer services be supported entirely by user fees. (WPPA [Item #17 on 8/31/04 hearing handout])
- Allow municipal sewer and storm water utilities to make payments in lieu of taxes (PILOTs) to municipalities. (League of WI Municipalities; WI Alliance of Cities)
- Require that zoning and land use services be 100% supported by consumers (developers, home buyers, etc.) through user fees. (WPPA [Item #16 on 8/31/04 hearing handout])

- Require a user fee on cell phones to fund the Enhanced 911 Phase II compliant dispatch solution for emergency 911 calls to prevent the current funding mechanism sunset clause from shifting costs entirely to county taxpayers. (Waukesha County)

## **5. UNFUNDED STATE MANDATES AND COST-SAVING MEASURES**

### **a. Newspapers**

- Eliminate requirement for publishing full text of new ordinances in official newspaper. (League of WI Municipalities)
- Modify, e.g., scale back newspaper publishing and use website for legal notice and publication requirements [see WTA handout for various statutory provisions that the WTA recommends amending]. (WTA [Item #1 on 8/31/04 hearing handout]; Winnebago County; Outagamie County)
- Testified **against** scaling back public notices placed in newspapers. (Publisher of the Sawyer County Record in Hayward, WI; Wisconsin Newspaper Association; Publisher of Iola Herald & Manawa Advocate)
- Allow municipalities to advertise for competitive bids using the same alternatives to the Class 2 notice that exist for the state. (League of WI Municipalities)
- Exempt cities in which only one qualifying newspaper is published from having to advertise for bids from newspapers seeking to become the city's official newspaper. (League of WI Municipalities)

### **b. Procurement**

- Raise the competitive bidding threshold, beyond which a competitive bidding process is required for public contracts, from \$15,000 to a higher amount [League: \$186,000] [WTA: \$25,000 then indexed]. (League of WI Municipalities; WI Alliance of Cities; WTA [Item #8 on 8/31/04 hearing handout] [Association Builders and Contractors of WI sent email supporting increase to state threshold of \$30,000; but no more])
- Require all local units of government to select the lowest and most competitive bidder for services and supplies. (WPPA [Item #3 on 8/31/04 hearing handout])
- Require all local units of government to go to referendum of voters before building new buildings above \$1 million. (WPPA [Item #4 on 8/31/04 hearing handout])
- Require that highway maintenance cycles cannot be shorter than 25 years. (WPPA [Item #18 on 8/31/04 hearing handout])
- Amend s. 96.31 (2) (d) 4., Stats., to allow local road improvement program purchases of large quantity and/or costly products, in addition to asphaltic hot mix, to be bid as stand alone projects. (Eau Claire County)

**c. Labor Issues**

- Consider raising threshold for prevailing wage law for public works projects under s. 66.0903, Stats. (WTA [Item #9 on 8/31/04 hearing handout])
- Eliminate or provide state funding for the option employees have under the Wisconsin Family Medical Leave Act to take up to eight weeks of leave with full salary and benefits paid at district expense for family medical reasons. (League of WI Municipalities; SWSA)
- Require new employees of local governments participating in WRS to pay the first 3% of the employee's contribution to the WRS and make nonbargainable [2003 Assembly Bill 599]. (League of WI Municipalities)
- Cap employer-paid contribution to WRS program. (Eau Claire County)
- Increase early retirement age under WRS for all general employees (teaching and nonteaching) from age 55 to age 59 ½. (WASB)
- Provide alternatives similar to 2003 Assembly Bill 598, which makes the issue of “contracting out” a permissive subject of collective bargaining for all municipal employers, thus generally not subject to binding arbitration unless parties agree [2003 Assembly Bill 598]. (Eau Claire County)

**d. Schools**

- Allow a school district to carry forward 100% of previous year's unused revenue limit authority, instead of current 75% [2003 Assembly Bill 542]. (SAA; WASB)
- “Search-and-destroy” outdated laws and regulations relating to K-12 public education and change other requirements, e.g., for school district performance report. (SAA; SWSA)
- Provide more flexibility in what privately contracted special education services can be funded with Wisconsin's special education categorical aid--e.g., include speech therapy services [2003 Senate Bill 210]. (SAA)
- Restructure Wisconsin's special education categorical aid to allow school districts to offer comprehensive programs that serve all learners and encourage integrated learning environments. (WASB)
- Allow school districts to receive 100% of the Medicaid reimbursements for services provided to Medicaid-eligible students. (WASB)
- Allow school districts to use their highest pupil enrollment of the last five years in calculating revenue limits, instead of a three-year rolling average pupil enrollment. (WASB)
- Eliminate various school district and Department of Public Instruction requirements [2003 Assembly Bill 725]. (WASB)
- Allow school districts participating in SAGE to choose whether to lower class sizes in grades two or three, and to have flexibility regarding the 15-1 student-teacher ratio. (SAA; WASB)

- Allow school districts to reduce school transportation costs by transporting private school students only on days that public school is held in the school district. (SAA; WASB)
- Support municipal reform measures, such as the state motor fuel tax exemption, with the understanding that technical college districts are local governments. (WTCS)
- Exempt school districts from the state gas tax as proposed by 2003 Assembly bill 827. (WASB)
- Annually index the bilingual-bicultural categorical aid and the transportation categorical aid to reflect actual costs. (WASB)
- Ensure maximum flexibility for local school districts with respect to the federal No Child Left Behind Act and direct the appropriate state agency to study the fiscal impact of the Act on Wisconsin school districts. (WASB)
- Eliminate requirement for schools to keep two sets of books by requiring use of only the accrual accounting system required by federal law. (SWSA)
- Require the State Superintendent to grant a waiver of a state law or administrative rule upon request from a school board, with certain exceptions, if the school board has held a public hearing [2003 Assembly Bill 373; 2003 Senate Bill 161]. (WASB)
- Require state mandates to be accompanied with analyses of potential impact on student achievement [SWSA]. (SWSA)
- Streamline burdensome capital building program process by modernizing statutes and procedures to match capital budget methods to accepted national practice. (UW System)
- Create flexibility in the procurement process to permit more efficient purchasing of goods and services directly in the marketplace, and permit the UW System to take advantage of discounts available through higher education consortium contracts. (UW System)
- Create the authority for the UW System to assume all university cash management and investment responsibilities currently performed by DOA. (UW System)
- Give the UW System the authority to retain and reinvest the proceeds from the sale of buildings or land if acquired or built with program revenue or gift funds (not GPR). (UW System)

*e. Other*

- Eliminate requirement that municipalities fund libraries at a level not lower than the average of the previous three years. (League of WI Municipalities)
- Do **not** eliminate the library funding requirement referred to in the above proposal by the League of WI Municipalities (found in s. 43.15 (4), Stats.). (WI Library Association)
- Establish an attorney service fee of \$25 for each court appearance. (WPPA [Item #19 on 8/31/04 hearing handout])
- Modify s. 60.20 (3), Stats., to allow town board meetings to be located outside the town, adjoining town, village, or city. (WTA [Item #2 on 8/31/04 hearing handout])

- Modify s. 174.07 (1) (b), Stats., to allow dog licenses to be issued for one, two, or three years with appropriate minimum dog license tax per year. (WTA [Item #3 on 8/31/04 hearing handout])
- Modify s. 174.05 (5), Stats., to provide that the date for late fees for dog licenses be changed to January 31<sup>st</sup> of each year, and that the late payment fee may be increased from \$5 to \$25 per dog. (WTA [Item #4 on 8/31/04 hearing handout])
- Modify ch. 157, Stats., to authorize towns, villages, and cities to prohibit the burial of human remains in any location other than properly permitted and/or licensed cemeteries. (WTA [Item #5 on 8/31/04 hearing handout])
- Modify s. 74.25 (1) (b), Stats., to provide that towns, villages, and cities do not have to pay the taxes on leasehold improvements to the taxing jurisdictions until collected by the taxation district, but not later than August 15<sup>th</sup> of each year. (WTA [Item #6 on 8/31/04 hearing handout])
- Modify election laws [see WTA handout for various changes recommended]. (WTA [Item #7 on 8/31/04 hearing handout])
- Require a state mandate to be accompanied with the funding necessary to sustain the mandate's implementation. (SWSA; WASB; Eau Claire County; Town of Brookfield; Waushara County; La Crosse County; Racine County)
- Fund NR216, a state mandate relating to storm water management that is too inflexible, or authorize us to opt out. (Town of Brookfield)
- Improve the mandate waiver program, to make it easier for counties to opt out of unfunded mandates such as those attached to end of 9/20/04 hearing handout. (La Crosse County)
- Create incentives and provide tools for local programs designed to increase the collections of court-ordered obligations. (WI Clerks of Circuit Court Association)
- Revise state laws to arrest the growth in the number of county jail beds in the state. (Fond du Lac County)
- Improve the technical mapping standards for annexations, and reference the annexation statute to Wisconsin's mediation statute (s. 802.12, Stats.). (State-Local Government-Private Sector Working Group Chair)

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

MO:rv

Attachment

*Appendix*

AFSCME	American Federation of State, County and Municipal Employees
DATCP	Department of Agriculture, Trade and Consumer Protection
MPA	Milwaukee Police Association
PFW	Professional Firefighters of Wisconsin, Inc.
SAA	School Administrators Alliance
SWSA	Southeastern Wisconsin Schools Alliance
WASB	Wisconsin Association of School Boards
WEAC	Wisconsin Education Association Council
WPPA	Wisconsin Professional Police Association
WTA	Wisconsin Towns Association
WTCS	Wisconsin Technical College System
WWTC	Western Wisconsin Technical College