



2022 Milwaukee County Requested Budget Overview

August 10, 2021

Structural Deficit/Budget Gap

- Milwaukee County has a long-term structural deficit. Expenditures grow at a faster rate than our revenues.
- This has caused a budget gap of \$30M to \$40M over the past decade
- 2022 Requested Budget Gap: \$23.1M
- County Executive must reduce expenditures and/or increase revenue by \$23.1 to meet the statutory requirement for a balanced budget



Impact on Departments

- Departments have historically been issued “levy reduction targets”.
- They were asked to reduce their tax levy support to help the County close the budget gaps.
- In the 2022 Requested Budget, departments were asked to use the same amount of Tax Levy as 2021
 - No tax levy reduction, but inflationary increases are not funded.



Executive Budget Options

Investments

- Strategic Plan Initiatives
- Compensation

Savings

- Property Tax Increase (to State limit)
- Debt Service Reserve
- Sales Tax Projections
- ARPA Funding – for One-Time items
- Health Care Projections/Plan Design



ARPA

- American Rescue Plan Act signed into law in March 2021.
- Milwaukee County allocated \$183.7M.
- Funds are available for 4 to 6 years.
- Funds can be used to:
 - Support public health responses
 - Address negative economic impacts
 - Serve the hardest hit communities and families
 - Provide premium pay for essential workers
 - Invest in water, sewer, and broadband infrastructure
 - Replace revenue loss



ARPA Best Practices

GFOA has issued 3 guiding principles on how to allocate ARPA funding

- 1) **ARPA Funds Are Temporary** – Funds should be applied to non-recurring expenditures.
- 2) **Scanning and Partnering Efforts** – We should work with the City of Milwaukee and other local municipalities to align our investments.
- 3) **Take Time and Careful Consideration** – Funds may be allocated through the end of 2024, we can consider how the funds will best lead to recovery and advance racial equity.



ARPA Task Force

Milwaukee County Board created an ARPA Task Force to review funding recommendations

- Task Force includes County Executive, County Board, Administrative Services, Comptroller, and African American Affairs
- A preliminary report of non-binding recommendations is expected in late 2021/early 2022



Next Steps

- Aug 15: REQ Budget/Summary posted on County website
- Aug 18, Aug 23, Aug 24: Budget Town Halls
- Oct 1: Executive Budget Released
- October: Finance Committee Hearings
- November: Budget Adopted

