

Footnotes...

FOURTH QUARTER 2008

Forum renews watchdog role over city and county budgets

With its recent detailed analyses of both the city of Milwaukee and Milwaukee County budgets, the Public Policy Forum is getting back to its roots.

“The fiscal problems facing local governments are growing worse, and it is critical for city and county policymakers to honestly assess those problems and responsibly address them. The Forum’s budget analyses re-emphasize our role of watchdog by pointing out long-term fiscal issues that are not being addressed,” says Forum President Rob Henken.

During the latest round of city and county budgeting, the Forum made itself heard loud and clear within government’s halls and in the media. The message: No more quick fixes for the short term. Start making the tough decisions necessary to restore long-term fiscal solvency.

In a *Milwaukee Journal Sentinel* op-ed, Henken wrote, “It is time, therefore, for a candid conversation at both the city and county regarding which services may need to be reduced, eliminated, or consolidated; which assets may need to be leveraged or sold; and which programs and services may need to be supported by new dedicated fees or taxes. Squeaking through another budget year always is tempting, but delaying solutions to long-term problems only makes them worse.”

Not only did the Forum’s city and county budget analyses result in at least seven media stories, editorials, or columns, but Henken appeared in person before the Milwaukee County Board of Supervisors to outline the county’s long-term financial problems. During that appearance, he stated, “...the county has failed to analyze and quantify the depth of its long-term fiscal problems in recent years. It is of great concern to us that the county

continues to debate policy proposals with vast long-term budgetary implications...without appearing to have a handle on the nature and scope of its structural deficit and long-term fiscal outlook.”

“We understand and acknowledge the excruciating budget decisions facing our local elected leaders, and our intent is not to pile on,” says Henken. “Our hope, instead, is to illustrate trends and problems and provide insights that can lead to better decision-making.”

To access those stories or editorials in which the Forum was acknowledged or quoted regarding city or county budgeting, go to the following link:

<http://publicpolicyforum.org/recentlyinnews.php>.

Look for the Forum’s report on Milwaukee County’s fiscal crisis early next year. It will provide the most thorough assessment of the county’s fiscal condition undertaken in recent memory.

The heat is on

Red is the color of heat and energy.

The Forum is turning up the heat on a variety of policy issues affecting southeastern Wisconsin so it’s appropriate that its new brochure – describing the Forum’s mission and activities – should be printed in bright red. The brochure describes how the Forum researches issues that drive the regional economy, promotes government efficiency, and provides factual information to decision-makers. It also

highlights the benefits members receive in belonging to the Forum.

Testimony from public and private sector leaders about the Forum’s value to the community also is included, as well as full-color photos of Forum events.

Check the Forum’s Web site at <http://publicpolicyforum.org/pdfs/PPFBrochure.pdf>. Or, order free copies by e-mailing Cathy Crother at ccrother@publicpolicyforum.org or calling 414-276-8240.

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Curtain rising on financial challenges facing region's arts groups

A growing number of the more than 250 arts and cultural organizations in the region are struggling to survive, according to a study co-authored by the Public Policy Forum and released in November by the Cultural Alliance of Greater Milwaukee entitled “*Audit of Greater Milwaukee’s Regional Cultural Assets.*”

“While the area certainly has a vibrant arts and cultural scene with more options than you might find in other regions of similar size, many of the organizations are facing significant financial challenges,” says Forum President Rob Henken, who presented the report’s findings to the Milwaukee County Board’s Committee on Parks, Energy, and Environment in early December. The committee then asked for recommendations from the Forum, which it is considering providing.

The Forum’s responsibility in the audit was examination of the fiscal condition of parks and cultural assets owned and/or funded by Milwaukee County.

With the exception of the Milwaukee County Historical Society, the Forum found that major maintenance and basic infrastructure repair needs are significant and growing at each of the county-owned assets. In addition, Milwaukee County funding for parks and culture has declined. Attendance at most institutions also is declining. Nevertheless, Milwaukee County still spends far more on a per capita basis and as a percentage of its overall property tax levy on parks, recreation, and culture than the other six counties in the region.

Does this mean even more Forum reports?

Thanks to the generosity of longtime Forum member and trustee Dick Weiss, and his wife, Barbara, the Forum could be even more productive. A \$5,000 technology grant from the Weiss Family Fund has enabled the Forum to install a new server to speed up its computers and allow researchers to access files and data from remote locations. “We were running out of memory – that is, the server was running out of memory – and we found ourselves sometimes crossing our fingers that we wouldn’t lose all of our work,” says Forum President Rob Henken. “We can’t thank Dick and Barbara enough for their support to help make the Forum more productive and efficient.”

Three courses of action outlined in the audit include a creative summit bringing together all regional cultural organizations, a review of best practices followed in other cities, and the promotion of partnerships among these groups to reduce inefficiencies and duplication.

The study was funded by the Lynde and Harry Bradley Foundation, the Argosy Foundation, and the Northwestern Mutual Foundation. Other report authors included the University of Wisconsin-Milwaukee Center for Urban Initiatives & Research and the Donors Forum of Wisconsin.

Milwaukee-area charities feel effects of economic malaise

According to the 12th annual Report Card on Charitable Giving compiled last summer by the Forum for the Greater Milwaukee Foundation (GMF) and released in November, more than one-third of human service agencies rated their prospects for long-term viability as moderate or low – and that was before the economic downturn intensified this fall. Those saying that charitable giving was getting worse jumped from four percent to 22 percent.

While total giving to the 56 bellwether non-profit agencies surveyed by the Forum rose six percent from 2006-2007, to \$298.2 million, the increase was due to a near doubling of contributions by the GMF. Without that spike, total contributions would have dropped six percent.

In a *Milwaukee Journal Sentinel* article, Doug Jansson, president of the GMF, said, “I don’t think there’s anybody who doesn’t believe charitable giving will get worse over the next few years or longer. Individual giving, which is the key to charitable giving, is clearly going to be affected by the (stock) market and how people are feeling about their own personal security.”

Individual gifts account for nearly 60 percent of total donations to the bellwether groups.

The philanthropy report can be found at www.greatermilwaukeefoundation.org/research/reportcard.shtml.

New members (since October 1, 2008)

The Gateway of Milwaukee
The Last Word
Julie Penman
Wauwatosa School District

Next stop...Consensus?

More than 200 attendees at the Forum's Viewpoint Luncheon, "The Long and Winding Road," heard why the region needs the Southeastern Wisconsin Regional Transit Authority (RTA) – or some variation of it – to bring rationality to transit in Milwaukee, Racine, and Kenosha counties. How exactly to do that, however, wasn't as clear.

RTA Chairman Karl Ostby reviewed the authority's recent recommendations of how an authority should be structured and funded. Following that, Tim Sheehy, president, Metropolitan Milwaukee Association of Commerce (MMAC); Todd Battle, president, Kenosha Area Business Alliance (KABA); and Roger Caron, president, Racine Area Manufacturers and Commerce (RAMAC) discussed whether they were on board with the recommendations.

The three generally agreed there are benefits to operating transit in the three counties on a regional basis as envisioned by the RTA. There was reluctant support, however, for a sales tax increase to support it, even though 70 percent of such systems in the country are funded in that way.

In his introductory remarks, Forum President Rob Henken said that with the recent focus on Milwaukee's transit funding crisis and a need to promote economic ties in the Milwaukee-Chicago corridor, the time has never been better to discuss a regional solution. "It could be that we're looking at a 'now or never' situation," he said.

The RTA was created by the legislature in 2005 to identify a permanent, dedicated funding source for the local share of capital and operating costs for commuter rail and/or public transit in the region. Its members – of which there are seven – represent the mayors and county executives of the cities and counties of Milwaukee, Kenosha, and Racine, as well as Governor Doyle.

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1) RTA Chairman Karl Ostby reviewed the authority's recent recommendations.



2) Bruce Murphy (at podium), Milwaukee Magazine editor, moderated the discussion. Panelists (l-r: Todd Battle, KABA president; Roger Caron, RAMAC president; and Tim Sheehy, MMAC president) agreed there were benefits to operating transit on a regional basis, but there was tepid consensus on how it should be funded. **3)** Even though Battle says KABA has no position on an RTA, it does support regional transit. **4)** The region needs a transit system based on economies rather than county borders, said Sheehy (right). According to Caron (left), regional transit is not an "economic panacea," but it is an important part in making sure the area's economy grows.



5) Milwaukee County Board Supervisor Toni Clark questioned representation on the proposed RTA, saying Milwaukee County, because of its size and transit requirements, should have a greater voice.

In the pipeline...

Another side of the housing crisis

Early in 2009, the Forum will conclude a study – sponsored by the Local Initiatives Support Corporation (LISC) – to help determine policy options for the development of safe and affordable low-income and special needs housing in both the city of Milwaukee and Milwaukee County.

The report could lead to a more coordinated and efficient use of public resources in the development of affordable housing.

The University of Wisconsin-Milwaukee Employment and Training Institute found that since 2000 there has been a 48 percent increase in the number of Milwaukee renters spending greater than 50 percent of their income on housing. In addition, the Milwaukee Housing Trust Fund Coalition says there are 4,250 people currently on the waiting list for public housing or Section 8 vouchers.

The Forum's responsibility in the LISC study includes:

- Review and analysis of existing housing programs to outline strengths and challenges;
- Detailed review of a selected group of housing trust fund and program administration models in other metro areas.

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In addition to participating in the report's release, the Forum will hold its second members-only *"Policy in a Pub"* on the report's findings, most likely in February.

Forum takes lead role in redesigning mental health care

As key stakeholders consider a major improvement of Milwaukee County's mental health care delivery and financing system, the Forum was brought in to lay the groundwork for the project.

Its initial step was an examination of human services planning/system redesign plans in 10 other states. Consultants and experts who had worked on these projects in other states were probed for lessons learned, consultant usage, timeline, process, and outcomes.

During its research, the Forum worked with an advisory group of local mental health care experts.

An immediate observation in the Forum's initial research was that the Milwaukee project is different from efforts in other states in that it has sponsors in both the public and private sectors.

"One of the opportunities in having both participate is that it diminishes the role of politics in the redesign," says Forum President Rob Henken. "One of the challenges is

that it might be harder to get consensus on the project's scope, process, and timetable."

In January, the Forum will present its initial findings to hospital system CEOs, state and county officials, and other stakeholders. Should formal planning for redesign of the mental health system get underway, the Forum may become project coordinator and local researcher.

Forum wades into school governance

In early December, the Forum presented a report on school governance to the Greater Milwaukee Foundation. The eight-week project detailed the results of school district takeovers by mayors of large cities. "The jury is still out on what should be done here," says Forum Researcher Vanessa Allen, "because there are too many unknown variables to consider. For example, the success of a takeover depends on the strength of city leadership and whether the takeover involves financial management as well as educational performance."

Upcoming Viewpoint

The next Viewpoint Luncheon will be in February on early childhood education. Check the Forum's Web site for updates.