

## **Milwaukee County Executive Scott Walker's Statement to the Finance and Audit Committee**

First, I want to thank the members of the Finance and Audit Committee for your hard work on the budget this year. In particular, I want to thank Chairman Nyklewicz for his leadership and guidance on a number of difficult issues. I also want to commend County Board Chairman Holloway for his work on this budget.

Earlier this year, I sounded the warning of our budget challenges for 2007 and beyond. I appreciate that you understand the severity of our fiscal situation. While I realized from the beginning of the budget process that we will not agree on the level of the tax levy, I do respect your restraint in putting this budget together.

Having said that, I must raise a concern that is directed at the rest of the members of the county board. Adding back all of the positions that were eliminated or outsourced in the original budget – without corresponding savings elsewhere – will create a budget deficit in 2007.

Realistically, it will take about \$12 million to pay for all of the positions. Of that, \$6 million is for restoring the positions themselves and \$6 million is to cover wage increases for 2007 (plus covering the bump from 2005 and 2006).

At a minimum, the county could save some \$6 million if AFSCME District Council 48 merely approved the health care plan approved by each of the other unions. A more aggressive plan for 2007 could save even more for the county that could be used to protect services and maintain jobs.

Since this budget includes some \$135 million for overall health benefits in 2007 – as determined by the combined work of DAS, County Board staff, the Department of Audit, Corporation Counsel and our external health care consultant – and that number is likely to double over the next five years, we need to look at dramatic changes. Failure to do so will only further jeopardize services and jobs in the future.

We need to send a clear signal to our workforce about our options. Many of our unions have “stepped up” and helped with changes in health care this past year. Still, our largest union has not.

This is not for lack of trying. The county presented a united front as Board Chairman Holloway, Finance and Audit Committee Chairman Nyklewicz, Personnel Committee Chairman Schmitt and I approached our largest union with hopes of finding a way to preserve jobs in a way that would balance the budget.

The other night, you heard from hundreds of county workers who are fighting to protect their jobs. That would be easier to do if our largest union was willing to work with the county on truly controlling costs. Throwing out ideas that do not add up does not balance our budget.

Having said that, it can be done. In June, the DHHS presented a budget request that including outsourcing all of the Targeted Case Management (TCM) and Community Support Program (CSP). Later, employees in those areas approached the division head with a plan to reduce costs. With this in mind, we restored those positions in the budget I presented to you on September 28<sup>th</sup>. In other words, I am willing to save jobs if we can balance the budget with real savings in our wage and benefit costs.

Just as we did with TCM and CSP, we can restore jobs if there is a way to balance the budget. As you found while working through this process over the past month, there are no other simple answers to our budget crunch.

On September 28<sup>th</sup>, I presented you with my budget. Now, the budget belongs to the Finance and Audit Committee. Next Monday, it will become the County Board’s budget. You set the policy for this county and I am asking that you pass a budget next Monday that protects services and jobs, but also a budget that does not blow up in 2007. I am committed to working with you to find those savings. A united front will put us in a better fiscal place for 2007 and beyond. Thank you.