



Jefferson County  
Finance Committee Minutes  
February 26, 2013

Committee members: Braughler, James B.  
Hanneman, Jennifer (Excused)  
Jones, Richard C. (Chair)  
Mode, Jim  
Molinaro, John

1. **Call to order** – Richard Jones called the meeting to order at 8:30 a.m.
2. **Roll call (establish a quorum)** – All committee members were present except for Jennifer Hanneman. Staff in attendance was Gary Petre, Phil Ristow, Brian Lamers, Tammy Worzalla, Terri Palm, Bill Kern, Kathi Cauley, Joan Daniels, Joe Nehmer, Kim Bucholz, Yvonne Duesterhoeft and Carla Robinson.
3. **Certification of compliance with the Open Meetings Law** – Gary Petre certified that the meeting complied with the Open Meeting Law.
4. **Review of the agenda** – No changes.
5. **Citizen Comments** – None.
6. **Approval of Finance Committee minutes for February 14, 2013** – A motion was made by Mode/Braughler to approve the minutes for February 14, 2013 as drafted. The motion passed 4-0.
7. **Communications** – None
8. **Discussion and possible action regarding a donation policy.** John Molonaro explained why the need for the policy and acceptance of donations. He explained that the departments include in their annual report a listing of donations. The discussion was done to use \$5,000 as the threshold for the donation policy. The Finance department and Corporation Counsel will come back with a revised policy to be approved.
9. **Discussion and recommendation to the County Board regarding departmental surplus (deficit) activity for 2012 and related budget amendments for 2012** – Brian Lamers went through the departments that were over budget which included the Sheriff department by \$190,703 mainly due to overtime and worker's compensation, the County Clerk department by \$15,028 mainly because of recall elections, the Land Conservation department because of less state funding than originally anticipated and the Fair Park department mainly because of special acts and advertising being over budget. A motion was made by Molinaro/Mode to recommend to the County Board approval of the departmental surplus (deficit) activity for 2012 and related budget amendments for 2012 including any minor adjustments made by the Finance department. The motion passed 4-0.
10. **Discussion and recommendation to the County Board regarding 2012 non-lapsing departmental requests amending the 2013 budget** - The Finance Committee reviewed the 2012 non-lapsing departmental requests individually by department. Molinaro/Braughler made a motion to recommend to the County Board approval of the 2012 non-lapsing



departmental requests including any minor adjustments made by the Finance department. The motion passed 4-0.

11. **Convene in closed session pursuant to Wisconsin State Statutes 19.85 (1)(f) and (g) Stats., to consider medical history of a specific person and the advice of legal counsel concerning pending worker's compensation claim.** Motion was made by Mode/Braughler to go into closed session. Roll call was taken and all approved to go into closed session.
12. **Reconvene in open session to consider resolution to authorize settlement of pending claim discussed in closed session.** Motion was made by Molinaro/Mode to reconvene to open session. A motion was made by Mode/Braughler to approve a resolution to go to the County Board approving a settlement of \$16,500 for a pending worker's compensation claim.
13. **Set future meeting schedule, next meeting date, and possible agenda items** – The next month's regular meeting is Thursday, March 14, 2013 agenda items will include continued discussions on the 2014 budget, the 3 or 5-year budget projections, updated Donation Policy, impact on state budget and County impact due to sequester.
14. **Adjourn** – A motion was made by Molinaro /Braughler to adjourn at 9:14 a.m. The motion passed 4-0.

Respectfully submitted,

James Braughler  
Finance Committee  
Jefferson County  
/bll

**DRAFT Jefferson County, Wisconsin**

**Acceptance of Monetary, Non-Monetary and In-Kind Donations Policy**

**1.) Definitions.**

“Donation” is defined as any monetary, non-monetary or in-kind donation, devise or bequest to Jefferson County.

“Monetary Donation” includes cash or a check, money order or other negotiable instrument. In the event of a stock donation, since a government entity is not legally able to own stock, such a donation would be liquidated and turned into cash or other liquid asset, and treated as a monetary donation.

“Non-Monetary Donation” includes real or personal property.

“In-Kind Donation” is defined as services or labor supplied for an identified project or program.

“Established Fundraising Efforts” includes donations extended to recurring annual events, in-kind donations associated with annual events, or donations for the maintenance and upkeep of donated materials by the original donor.

**2.) Purpose.**

To establish a policy and procedures for the acceptance of monetary, non-monetary and in-kind donations, devises, or bequests from private citizens, business groups or other organizations. Considerations include the use of the donation, restrictions associated with the donation, cost associated with and effective use of the donation.

**3.) Donation Administration.**

Department Heads are responsible for informing the Administrator and Finance Director of all donations over \$5,000 or donations that do not fall under the County’s established fundraising efforts.

A resolution will be required to go to the County Board to accept donations over \$5,000 or donations that do not fall under the County’s established programs or fundraising efforts.

All donations may be recognized formally in a letter from the Department Head, Administrator or the County Board.

**4.) Monetary Donations.**

If a monetary donation is to be used on a project budgeted in the year in which the donation is received or on a project consistent with the County’s policy, subject to #3 above, the Department Head is authorized to accept all unrestricted, monetary donations whether solicited or not. If no terms or conditions are attached to the donation, devise or bequest, the County may expend or use the same for any municipal use. If conditions are appended by the donor, the Department Head will consult with the Administrator to determine the acceptance or denial of the gift, which decision may be referred to the

County Board. After acceptance, the donation is to be deposited into the appropriate fund by the County Treasurer.

**5.) Non-Monetary Donations.**

The Department Head is authorized to determine the appropriateness, usefulness and the value to the County of all non-monetary donations, whether solicited or not and accept same if less than \$5,000 in value. The department head shall recommend, if greater than \$5,000 value or land of any value, to the County Board the retention, improvement, return to donor, transfer, trade, sale, donation to other agency, or other disposition. Non-monetary donations from other governmental units may be accepted by the Department Head regardless of value.

**6.) In-Kind Donations.**

If an in-kind donation is to be used on a project budgeted in the year in which the donation is received, the Department Head may approve the donation. If the in-kind donation is intended for use on a project that is not budgeted in the year in which it is received, it shall be approved in accordance with procedures for non-monetary donations.

For tax record purposes, donors providing in-kind donation will have the option of invoicing the County, indicating the service provided and the estimated value but no charge will be imposed upon the County. As an alternative to the donor invoice, the County may provide documentation for the in-kind donation to the donor in the form of a letter indicating the services provided.

**7.) Establishing Fundraising Efforts.**

Establishing fundraising efforts, which are implicitly authorized in the annual budget process, will be specifically coordinated and managed by the appropriate department. Department Heads are required to follow standard donation administration, as specified in #3 of this policy.

**8.) Ownership.**

Any donations to the County become the property of the County.

**9.) Non-Acceptance of Donation.**

The Administrator may decline to accept a donation if such donation is not consistent with the policies, plans, goals or ordinances of the County or the acceptance of same is contrary to law. The Administrator will report any donations that have been declined at the following Administration and Rules Committee meeting.

**10.) Donation Listing.**

Annually the Department Head will provide the annual donations that were received in their department and submit it to the Finance Department and will also be required to be part of their annual reports that are presented to the County Board.

*if in the County's best interest,*

other sections of this ordinance. Architectural, audit, consulting, and engineering services shall, ~~where feasible~~, be acquired on the basis of competitive proposals. However, in no event shall the Purchasing Agent, an agency or the County Board be required to accept the lowest cost proposal. Professional service agreements that are under \$25,000 and are based on an appropriation that has been approved in the annual budget or through a budget amendment, do not require County Board approval. Professional service agreements that are \$25,000 will require County Board approval. All professional service agreements shall require the review of the Corporation Counsel prior to execution. Original copies of all signed professional service agreements shall be forwarded by the originating department and kept on file in the County Clerk's office. [Created 12/12/06, Ord. 2006-23]

**SECTION 9. PUBLIC WORKS CONTRACTS.** (a) If the estimated cost of any public work is between \$5,000 and \$25,000, the department or agency head that is initiating the contract shall inform the Purchasing Agent and the Agent shall give a Class 1 notice under Chapter 985 before contracting for the work or shall contract with a person qualified as a bidder under Section 66.0901, Wis. Stats. [Amended 04/19/05, Ordinance No. 2005-01] The County Administrator shall establish written criteria concerning contracts, payment and performance bonds for public work projects between \$10,000 and \$100,000, in accordance with Section 779.14(1)(d), Wis. Stats. [Created 12/12/06, Ord. 2006-23]

(b) As provided in Section 59.52(29), Wis. Stats., all public work, include any contract for the construction, repair, remodeling or improvement of any public work, building or furnishing of supplies or material of any kind where the estimated cost of such work will exceed \$25,000 shall be let by contract to the lowest responsible bidder, provided such bid complies with the specifications. The contract shall be let and entered into pursuant to Sec. 66.0901, Wis. Stats., except the Board may, by a three-fourths vote of all the members entitled to a seat, provide that any class of public work or any part thereof may be done directly by the County without submitting the same for bids. [Created 12/12/06, Ord. 2006-23]

**SECTION 10. RECEIVING SHIPMENTS.** The person signing the requisition shall be responsible for receiving and examining the purchase and shall promptly report to the supplier any shortage, damage or variation of quality. Invoices shall not be processed for payment of items that were not delivered as ordered under the purchase order. [Amended 12/12/06, Ord. 2006-23]

**SECTION 11. INVOICES.** All invoices billed against purchase orders shall be forwarded to the designated fiscal staff in the County Clerk's Office, Human Services' Department, Countryside Home or Highway Department who shall process the invoices for payment and shall then submit all invoices to the Finance Committee, Human Services Board, Countryside Board of Trustees or Highway Committee for approval prior to the issuance of County payments. All invoices, no matter the dollar amount, require the initials of the department head or designee on the invoice. [Amended 04/19/05, Ordinance No. 2005-01; amended 12/12/06, Ord. 2006-23]

**SECTION 12. RENTAL AGREEMENTS OR LEASES.** (a) All County rental agreements or leases involving personal property where the annual rental or lease payment is less

**Governor's 2013-15 Biennial Budget**  
**Department of Health Services**  
Items Involving County Human Services Programs  
February 20, 2013

***Medicaid and FoodShare***

***Medicaid: Caseload and Service Utilization.*** The Governor's Budget increases funding for the Medicaid program based on a re-estimate of enrollment and service utilization based on current eligibility and benefit coverage.

\$405,406,000 GPR  
\$401,445,700 FED/PR/SEG  
\$806,851,700 All Funds

***Medicaid Federal Cost Increases and Loss of Federal Funding.*** The budget provides funding for cost increases due to implementation of the Patient Protection and Affordable Care Act (PPACA). These include increased enrollment due to the mandate that individuals obtain health insurance coverage, application of new modified adjusted gross income (MAGI) eligibility rules, estimated impact of federal HMO excise taxes, and other factors. The budget also reflects increases for Medicare coverage of dual Medicare/Medicaid enrollees and a reduction in federal Medicaid matching rates.

\$258,223,800 GPR  
\$25,738,100 FED/PR/SEG  
\$283,961,900 All Funds

***BadgerCare Plus Eligibility Changes.*** The Governor recommends establishing BadgerCare Plus eligibility limits for non-pregnant adults at 100% FPL. Currently, BadgerCare Plus covers parents and caretakers up to 200% FPL. Adults without dependent children are also currently covered up to 200% FPL but enrollment is capped. Under the Governor's proposal, adults above 100% FPL will receive coverage in the federal health insurance exchange. There will be no change to eligibility for children up to 300% FPL. Children in families above 300% FPL will no longer be able to buy in to Medicaid, but would have the option to purchase coverage in the federal exchange. In total, Medicaid enrollment will decrease by 5,400 adults, while the number of individuals with insurance coverage will increase by an estimated 224,580.

(\$3,004,200) GPR  
(\$83,457,400) FED/PR/SEG  
(\$86,461,600) All Funds

***Funding to Income Maintenance Consortia for PPACA Workload.*** The Governor's Budget provides an increase of \$53.6 million AF over two years to address the workload

impact of PPACA on IM agencies. Of that amount, \$38.2 million is allotted for IM consortia and tribes. The calendar year amounts are \$9.8 million AF in CY 13, \$22.4 million AF in CY 14, and \$5.9 million for the first six months of CY 15.

\$19,843,700 GPR  
\$18,317,200 FED/PR/SEG  
 \$38,160,900 All Funds

**Family Care.** The Medicaid budget fully funds Family Care, PACE/Partnership, and IRIS benefits in existing Family Care counties. It does not expand into new counties and maintains current law requirements that any requests for new counties must be approved by Legislature’s Joint Finance Committee.

**Aging and Disability Resource Center Re-Estimate.** The Department requests internal GPR transfers and an increase of \$6.98 million FED over the biennium to fund the cost to continue for Aging and Disability Resource Centers implemented in the 2011-13 biennium.

\$6,978,200 FED

**Medical Assistance Purchase Plan (MAPP).** In order to better fulfill the goal of providing incentives for people with disabilities to work, the budget modifies MAPP’s eligibility criteria and its premium structure. Earned and unearned income will be treated equally in both the eligibility and premium calculations. An individual will have to provide documentation that he or she is paying, or having withheld, taxes on earned income to enroll/maintain MAPP eligibility. Documentation would be provided at initial application, at annual review, or within 10 days of a change in income.

In addition, to the extent approved by the federal government, independence accounts and retirement assets and income accumulated while an individual is employed and enrolled in MAPP would be excluded when determining eligibility and cost-sharing requiring under various MA programs. This change would be effective January 1, 2014, subject to federal approval. The budget provides an additional \$1,860,400 AF in Income Maintenance funding, including \$1,302,400 AF for IM consortia and tribal agencies.

(\$1,480,500) GPR  
(\$369,100) FED/PR/SEG  
 (\$1,849,600) All Funds



**Medicaid Divestment Policy.** State law bars individuals who are elderly or have disabilities from transferring certain assets in order to become Medicaid eligible. The Governor's Budget includes several changes to clarify guidelines and eliminate loopholes regarding those policies. The changes are estimated to result in \$1.95 million AF savings.

(\$ 761,000) GPR  
(\$1,193,600) FED/PR/SEG  
 (\$1,954,600) All Funds

**Medicaid Estate Recovery Policy.** State law directs DHS to recover the cost of long term care services from the estates of seniors enrolled in Medicaid. The budget proposes to strengthen the estate recovery program in the following ways:

- a. Expand the definition of estate to equal the full allowable federal definition;
- b. Allow DHS to file notices of encumbrance and potential claims;
- c. Limit the amount retained by a pooled trust;
- d. Require DHS to be notified of terminations of special needs trusts;
- e. Recover all services for members participating in a long-term care waiver program;
- f. Extend estate recovery to participants in the PACE program
- g. Recover the capitation payment amount in managed care situations; and
- h. Void unrecorded and certain other real property transfers.

(\$2,552,500) GPR  
\$4,456,100 FED/PR/SEG  
 \$1,903,600 All Funds

**Medicaid Eligibility Electronic Residency Verification.** The Governor's Budget proposes to utilize electronic databases to verify Wisconsin residency of Medicaid applicants. The enhanced program integrity efforts are expected to result in net savings for the Medicaid program.

(\$8,429,100) GPR  
(\$12,057,000) FED/PR/SEG  
 (\$20,486,100) All Funds

**ICF-MR Bed Assessment.** The Governor's Budget caps the Intermediate Care Facilities bed assessment at the CY 13 dollar amount. Under current law, the assessment is set at 5.5% of the facility's gross revenue and therefore changes from year to year.

\$847,300 GPR  
(\$3,199,400) FED/PR/SEG  
 (\$2,352,100) All Funds

**Medicaid Third Party Liability Program Enhancements.** The Governor's Budget includes a funding decrease along with an increase of 18 FTE to improve third party liability efforts in the Medicaid program. The budget proposes to expand staff capacity, consolidate efforts, and improve processes to identify third party insurance and other payers who are liable to fund Medicaid members service costs. As part of the proposal, the Department would consolidate all tort and casualty activities centrally, utilizing state staff.

(\$2,181,900) GPR  
(\$2,473,700) FED/PR/SEG  
 (\$4,655,600) All Funds

**FoodShare Able Bodied Adults Without Dependent Children (ABAWD) Initiative.** The Governor's Budget recommends resuming enforcement of federal work requirements for ABAWD individuals enrolled in FoodShare effective July 1, 2014, with a staged statewide rollout to be completed by January 1, 2015. Since 2002, Wisconsin obtained federal waivers to make the work requirements voluntary. Non-exempt ABAWDs may comply with the requirements by participating in the FoodShare Employment and Training Program (FSET). The Department will pursue a regional model and select FSET providers through a competitive process. The budget includes an increase of \$26.8 million AF in FY 15 for FSET programs, \$4.4 million AF for IM agency costs, plus funding for DHS administrative costs.

\$16,779,900 GPR  
\$18,973,800 FED/PR/SEG  
 \$35,753,700 All Funds

**Mental Health Program Improvements**

**Comprehensive Community Services (CCS).** CCS is a Medicaid benefit that funds community supports for people with mental illness. Under current law, the Medicaid program reimburses counties for the federal share of the benefit costs, with counties funding the non-federal match. The Governor's Budget would reimburse for both the federal and non-federal share of CCS benefits to counties that commit to a regional service delivery model, effective July 1, 2014. The budget provides \$16.7 million AF (\$10.2 million GPR) in FY 15 to fund the change.

\$10,202,000 GPR  
\$6,499,900 FED/PR/SEG  
 \$16,701,900 All Funds

**Coordinated Services Team Grant Funds.** The budget provides an additional \$1.25 million GPR in FY 14 and \$2.5 million GPR in FY 15 to expand statewide grants for coordinated services team programs for children with severe emotional disturbance (SED). Currently, the Department allocates \$2.8 million in grants to 38 counties and five tribes. The Governor’s Budget would fund grants to all counties and would allow DHS the option to implement CST models on a regional basis.

\$3,750,000	GPR
<u>\$ 0</u>	FED/PR/SEG
\$3,750,000	All Funds

**Peer-Run Respite Centers.** The Governor’s Budget provides \$1.35 million GPR per year beginning in FY 15 to fund regional peer-run respite centers for people with mental illness or substance abuse.

\$1,347,300	GPR
<u>\$ 0</u>	FED/PR/SEG
\$1,347,300	All Funds

**Office of Children’s Mental Health Services.** The Governor’s Budget establishes an Office of Children’s Mental Health Services located within DHS. The mission of the office will be to study and recommend ways, and coordinate initiatives, to improve the integration across state agencies of mental health services provided to children and monitor the performance of programs that provide those services. The Office will include a director appointed by the Governor plus three additional positions.

\$535,400	GPR
<u>\$ 0</u>	FED/PR/SEG
\$535,400	All Funds

**In Home Counseling for Children.** Currently, Medicaid reimburses for in-home counseling services only for children diagnosed with severe emotional disturbance (SED). Counseling services for non-SED children may be reimbursed in a clinic setting. The Governor’s Budget will expand in-home Medicaid reimbursement for counseling services to all children with mental illness. The goal is to make home services available to younger children with less serious psychiatric problems, before those problems worsen. The budget provides \$655,000 AF (\$262,000 GPR) per year in FY 14 and FY 15 to fund the expanded benefit.

\$524,000	GPR
<u>\$786,000</u>	FED/PR/SEG
\$1,310,000	All Funds

**New Forensic Units.** The Governor's Budget provides funding and position authority for two new forensic units at Mendota Mental Health Institute to address increased number of individuals committed to Mendota because they have been found not guilty by reason of insanity or need treatment to become competent to stand trial. The budget provides \$12.5 million GPR and 73.0 FTE over the biennium to fund the units.

\$12,573,700	GPR
<u>\$ 0</u>	FED/PR/SEG
\$12,573,700	All Funds

**Other Programs**

**Community Aids Basic County Allocation.** Under the Governor's Budget, funding for the Community Aids Basic County Allocation would be \$171,678,000 in CY 13, \$171,645,700 in CY 14, and \$171,600,800 in CY 15. The small changes in funding reflect projections of Wisconsin's federal Social Service Block Grant award amounts, based on the current funding formula.

**Intoxicated Driver Program.** The Governor's Budget restores funding to counties for Intoxicated Driver Programs to \$1 million PR per year. Allocations in FY 12 totaled \$744,300.

\$ 0	GPR
<u>\$218,000</u>	FED/PR/SEG
\$218,000	All Funds

**Benefit Program Re-Estimates.** The Governor's Budget includes the following funding adjustments for caseload-driven programs, based on current eligibility and benefit standards:

*SeniorCare*

(\$19,503,700)	GPR
<u>(\$32,164,800)</u>	FED/PR/SEG
(\$51,668,500)	All Funds

*SSI State Supplement and Caretaker Supplement*

\$8,779,200	GPR
<u>\$4,911,600</u>	FED/PR/SEG
\$13,690,800	All Funds

*Chronic Disease Aids Program*

(\$854,400)	GPR
<u>\$431,200</u>	FED/PR/SEG
(\$423,200)	All Funds

*Wisconsin Funeral and Cemetery Aids*

\$2,979,600 GPR

*AIDS Drug Assistance Program*

\$5,039,300 GPR

\$8,874,200 FED/PR/SEG

\$13,913,500 All Funds

***Mental Health Institutes Funding Split.*** The Governor's Budget provides an increase in GPR and a decrease in program revenue to reflect a re-estimate of the relevant sizes of the forensic and civil populations at the Mendota and Winnebago Mental Health Institutes. Forensic patients are GPR funded, and civilly-committed patients are funded with program revenue from counties, Medicaid, and third party insurance.

\$3,836,400 GPR

(\$3,836,400) FED/PR/SEG

\$0 All Funds

***Conditional and Supervised Release Re-Estimate.*** The Governor's Budget increases funding based on re-estimates of caseload and service costs for the conditional release, supervised release, outpatient competency examinations and treatment to competency programs.

\$2,723,900 GPR

POLITICS HOME

THE CAUCUS

PROBUDGET EIGHT

ELECTION 2012

G.O.P. PRIMARY

INSIDE CONGRESS

FOLL WATCH

MAPPA

**JUST 99¢ for 4 WEEKS** OF A DIGITAL SUBSCRIPTION

**The New York Times** NYTIMES.COM

TRY IT NOW >

Published: February 23, 2013

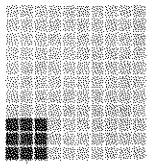
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## Where the Cuts Will Fall

Beginning March 1, automatic spending cuts known as sequestration were set to hit, trimming \$85 billion from the 2013 fiscal year budget and even more from each annual budget for the next decade. Some areas will be hit harder than others, as many programs are exempt from the cuts. [Related Article »](#)

■ Amount to be cut from 2013 budget

### Military



**\$43 billion in cuts**  
7.8% of \$550 billion

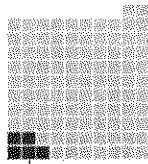
Half the cuts are required to come from national security operations and military costs.



**No cuts**  
\$155 billion

President Obama has said he will not allow cuts to affect military personnel.

### Domestic programs Nonmilitary discretionary



**\$26 billion**  
5.2% of \$510 billion

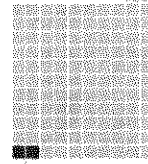
Includes health, education, drug enforcement, national parks, Hurricane Sandy relief and other programs.



**No cuts**  
\$85 billion

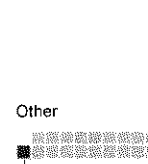
Includes funding for Pell Grants and programs run by the Department of Veterans Affairs.

### Mandatory spending Medicare



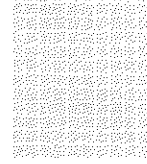
**\$11 billion**  
2% of \$560 billion

Includes payments to Medicare providers and plans, limited to a 2 percent cut.



**\$5 billion**  
5.3% of \$95 billion

Mostly agriculture programs and extended unemployment benefits.



**No cuts**  
\$1.5 trillion

Social Security, Medicaid, veterans' benefits, federal retirement benefits, nutrition and other low-income programs.

By THE NEW YORK TIMES

Source: Bipartisan Policy Center calculations

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**Impact of March 1<sup>st</sup> Cuts on Middle Class Families, Jobs and Economic Security: Wisconsin**

Unless Congress acts by March 1<sup>st</sup>, a series of automatic cuts—called the sequester—will take effect that threaten hundreds of thousands of middle class jobs, and cut vital services for children, seniors, people with mental illness and our men and women in uniform.

There is no question that we need to cut the deficit, but the President believes it should be done in a balanced way that protects investments that the middle class relies on. Already, the President has worked with Congress to reduce the deficit by more than \$2.5 trillion, but there's more to do. The President has put forward a balanced plan to not only avoid the harmful effects of the sequester but also to reduce the deficit by more than \$4 trillion in total. The President's plan meets Republicans more than halfway and includes twice as many spending cuts as it does tax revenue from the wealthy. For details on the President's plan click [here](#).

Unfortunately, many Republicans in Congress refuse to ask the wealthy to pay a little more by closing tax loopholes so that we can protect investments that are helping grow our economy and keep our country safe. By not asking the wealthy to pay a little more, Republicans are forcing our children, seniors, troops, military families and the entire middle class to bear the burden of deficit reduction. The President is determined to cut spending and reduce the deficit in a balanced way, but he won't stick the middle class with the bill. The President is willing to compromise, but on behalf the middle class he cannot accept a deal that undercuts their economic security.

Our economy is continuing to strengthen but we cannot afford a self-inflicted wound from Washington. Republicans should compromise and meet the President in the middle. We cannot simply cut our way to prosperity, and if Republicans continue to insist on an unreasonable, cuts-only approach, Wisconsin risks paying the price.

<b>WISCONSIN IMPACTS</b>
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If sequestration were to take effect, some examples of the impacts on Wisconsin **this year** alone are:

- **Teachers and Schools:** Wisconsin will lose approximately \$8.5 million in funding for primary and secondary education, putting around 120 teacher and aide jobs at risk. In addition about 10,000 fewer students would be served and approximately 50 fewer schools would receive funding.
  - Education for Children with Disabilities: In addition, Wisconsin will lose approximately \$10.1 million in funds for about 120 teachers, aides, and staff who help children with disabilities.
- **Work-Study Jobs:** Around 550 fewer low income students in Wisconsin would receive aid to help them finance the costs of college and around 420 fewer students will get work-study jobs that help them pay for college.
- **Head Start:** Head Start and Early Head Start services would be eliminated for approximately 900 children in Wisconsin, reducing access to critical early education.

- **Protections for Clean Air and Clean Water:** Wisconsin would lose about \$3,875,000 in environmental funding to ensure clean water and air quality, as well as prevent pollution from pesticides and hazardous waste. In addition, Wisconsin could lose another \$1,479,000 in grants for fish and wildlife protection.
- **Military Readiness:** In Wisconsin, approximately 3,000 civilian Department of Defense employees would be furloughed, reducing gross pay by around \$12.4 million in total.
  - Army: Base operation funding would be cut by about \$1 million in Wisconsin.
- **Law Enforcement and Public Safety Funds for Crime Prevention and Prosecution:** Wisconsin will lose about \$216,000 in Justice Assistance Grants that support law enforcement, prosecution and courts, crime prevention and education, corrections and community corrections, drug treatment and enforcement, and crime victim and witness initiatives.
- **Job Search Assistance to Help those in Wisconsin find Employment and Training:** Wisconsin will lose about \$661,000 in funding for job search assistance, referral, and placement, meaning around 23,120 fewer people will get the help and skills they need to find employment.
- **Child Care:** Up to 500 disadvantaged and vulnerable children could lose access to child care, which is also essential for working parents to hold down a job.
- **Vaccines for Children:** In Wisconsin around 2,540 fewer children will receive vaccines for diseases such as measles, mumps, rubella, tetanus, whooping cough, influenza, and Hepatitis B due to reduced funding for vaccinations of about \$173,000.
- **Public Health:** Wisconsin will lose approximately \$543,000 in funds to help upgrade its ability to respond to public health threats including infectious diseases, natural disasters, and biological, chemical, nuclear, and radiological events. In addition, Wisconsin will lose about \$1,390,000 in grants to help prevent and treat substance abuse, resulting in around 2,600 fewer admissions to substance abuse programs. And the Wisconsin Department of Health Services will lose about \$108,000 resulting in around 2,700 fewer HIV tests.
- **STOP Violence Against Women Program:** Wisconsin could lose up to \$120,000 in funds that provide services to victims of domestic violence, resulting in up to 500 fewer victims being served.
- **Nutrition Assistance for Seniors:** Wisconsin would lose approximately \$653,000 in funds that provide meals for seniors.



## NATIONWIDE IMPACTS

The Office of Management and Budget (OMB) now calculates that sequestration will require an annual reduction of roughly 5 percent for nondefense programs and roughly 8 percent for defense programs. However, given that these cuts must be achieved over only seven months instead of 12, the effective percentage reductions will be approximately 9 percent for nondefense programs and 13 percent for defense programs. These large and arbitrary cuts will have severe impacts across the government.

- **Cuts to education:** Our ability to teach our kids the skills they'll need for the jobs of the future would be put at risk. 70,000 young children would lose access to Head Start, 10,000 teacher jobs would be put at risk, and funding for up to 7,200 special education teachers, aides, and staff could be cut.
- **Cuts to small business:** Small businesses create two-thirds of all new jobs in America. Instead of helping small businesses expand and hire, the automatic cuts would reduce loan guarantees to small businesses by up to approximately \$900 million.
- **Cuts to food safety:** Outbreaks of foodborne illness are a serious threat to families and public health. If sequestration takes effect, up to 2,100 fewer food inspections could occur, putting families at risk and costing billions in lost food production.
- **Cuts to research and innovation:** To compete for the jobs of the future and ensure that the next breakthroughs to find cures for critical diseases are developed right here in America, we need to continue to lead the world in research and innovation. Most Americans with chronic diseases don't have a day to lose, but under sequestration progress towards cures would be delayed and several thousand researchers could lose their jobs. Up to 12,000 scientists and students would also be impacted.
- **Cuts to mental health:** If sequestration takes effect, up to 373,000 seriously mentally ill adults and seriously emotionally disturbed children could go untreated. This would likely lead to increased hospitalizations, involvement in the criminal justice system, and homelessness for these individuals.

More detailed explanations of these cuts as well as additional areas that will be impacted include:

### Security and Safety

- **FBI and other law enforcement** – The FBI and other law enforcement entities would see a reduction in capacity equivalent to more than 1,000 Federal agents. This loss of agents would significantly impact our ability to combat violent crime, pursue financial crimes, secure our borders, and protect national security.
- **Customs and border patrol** – U.S. Customs and Border Protection (CBP) would not be able to maintain current staffing levels of border patrol agents and CBP officers as mandated by Congress. CBP would have to reduce its work hours by the equivalent of over 5,000 border patrol agents and the equivalent of over 2,750 CBP officers. Funding and staffing reductions would increase wait times at airports, weaken security between land ports of entry, limit CBP's ability to collect

revenue owed to the Federal government, and slow screening and entry for those traveling into the United States. At the major gateway airports, average wait times could increase by 30-50 percent. At the nation's busiest airports, like Newark, JFK, LAX, and Chicago O'Hare, peak wait times could grow to over 4 hours or more. On the southwest land border, our biggest ports of entry in California and Texas could face wait times of 5 hours or more during peak holiday weekends and travel periods. And at our seaports, delays in container examinations could increase from 2-3 days to 4-5 days, resulting in congestion at terminals, increased transaction costs to the trade community, and reduced availability of consumer goods and raw materials critical to our economy.

- **Aviation safety** – The Federal Aviation Administration (FAA) would be forced to undergo a funding cut of more than \$600 million. This action would force the FAA to undergo an immediate retrenchment of core functions by reducing operating costs and eliminating or reducing services to various segments of the flying community. A vast majority of FAA's nearly 47,000 employees would be furloughed for approximately one day per pay period, with a maximum of two days per pay period. The furlough of a large number of air traffic controllers and technicians would require a reduction in air traffic to a level that could be safely managed by the remaining staff, resulting in slower air traffic in major cities, as well as delays and disruptions across the country during the critical summer travel season.
- **Aviation security** – The Transportation Security Administration (TSA) would reduce its frontline workforce, which would substantially increase passenger wait times at airport security checkpoints. TSA would need to initiate a hiring freeze for all transportation security officer positions in March, eliminate overtime, and furlough its 50,000 officers for up to seven days.
- **Emergency responders** – FEMA would need to reduce funding for State and local grants that support firefighter positions and State and local emergency management personnel, hampering our ability to respond to natural disasters like Hurricane Sandy and other emergencies.

## Research and Innovation

- **NIH research** – The National Institutes of Health (NIH) would be forced to delay or halt vital scientific projects and make hundreds of fewer research awards. Since each research award supports up to seven research positions, several thousand personnel could lose their jobs. Many projects would be difficult to pursue at reduced levels and would need to be cancelled, putting prior year investments at risk. These cuts would delay progress on the prevention of debilitating chronic conditions that are costly to society and delay development of more effective treatments for common and rare diseases affecting millions of Americans.
- **NSF research** – The National Science Foundation (NSF) would issue nearly 1,000 fewer research grants and awards, impacting an estimated 12,000 scientists and students and curtailing critical scientific research.
- **New drug approvals** – The FDA's Center for Drug Evaluation and Research (CDER) would face delays in translating new science and technology into regulatory policy and decision-making, resulting in delays in new drug approvals. The FDA would likely also need to reduce operational support for meeting review performance goals, such as the recently negotiated user fee goals on new innovative prescription drugs and medical devices.

## Economic Growth

- **Small business assistance** – Small Business Administration (SBA) loan guarantees would be cut by up to approximately \$900 million, constraining financing needed by small businesses to maintain and expand their operations and create jobs.
- **Economic development** – The Economic Development Administration's (EDA) ability to leverage private sector resources to support projects that spur local job creation would be restricted, likely resulting in more than 1,000 fewer jobs created than expected and leaving approximately \$50 million in private sector investment untapped.
- **Oil and gas permitting** - Development of oil and gas on Federal lands and waters would slow down, due to cuts in programs at the Department of the Interior (DOI) and other agencies that plan for new projects, conduct environmental reviews, issue permits and inspect operations. Leasing of new Federal lands for future development would also be delayed, with fewer resources available for agencies to prepare for and conduct lease sales.

## Government Services

- **Food safety** – The Food and Drug Administration (FDA) could conduct 2,100 fewer inspections at domestic and foreign facilities that manufacture food products while USDA's Food Safety and Inspection Service (FSIS) may have to furlough all employees for approximately two weeks. These reductions could increase the number and severity of safety incidents, and the public could suffer more foodborne illness, such as the recent salmonella in peanut butter outbreak and the E. coli illnesses linked to organic spinach, as well as cost the food and agriculture sector millions of dollars in lost production volume.
- **Veterans services** – Although the Department of Veterans Affairs is exempt from sequestration, the Department of Labor's Veterans Transition Assistance Program, which serves over 150,000 veterans a year, would have to reduce operations – leaving thousands of transitioning veterans unserved as they move from active duty to civilian life. The Jobs for Veterans State Grants Program would also experience cuts, translating into a reduction in the capacity to serve tens of thousands of veterans in their efforts to find civilian employment.
- **National parks** – Many of the 398 national parks across the country would be partially or fully closed, with shortened operating hours, closed facilities, reduced maintenance, and cuts to visitor services. These closures will hurt the many small businesses and regional economies that depend on nearby national parks to attract visitors to their region.

## Education

- **Title I education funds** – Title I education funds would be eliminated for more than 2,700 schools, cutting support for nearly 1.2 million disadvantaged students. This funding reduction would put the jobs of approximately 10,000 teachers and aides at risk. Students would lose access to individual instruction, afterschool programs, and other interventions that help close achievement gaps.

- **Special education (IDEA)** – Cuts to special education funding would eliminate Federal support for more than 7,200 teachers, aides, and other staff who provide essential instruction and support to preschool and school-aged students with disabilities.
- **Head Start** – Head Start and Early Head Start services would be eliminated for approximately 70,000 children, reducing access to critical early education. Community and faith based organizations, small businesses, local governments, and school systems would have to lay off over 14,000 teachers, teacher assistants, and other staff.

## **Economic Security**

- **Social Security applicant and beneficiary services** – The Social Security Administration (SSA) would be forced to curtail service to the public and reduce program oversight efforts designed to make sure benefits are paid accurately and to the right people. Potential effects on SSA operations could include a reduction in service hours to the public, and a substantial growth in the backlog of Social Security disability claims.
- **Senior meals** – Federally-assisted programs like Meals on Wheels would be able to serve 4 million fewer meals to seniors. These meals contribute to the overall health and well-being of participating seniors, including those with chronic illnesses that are affected by diet, such as diabetes and heart disease, and frail seniors who are homebound. The meals can account for 50 percent or more of daily food for the majority of participants.
- **Nutrition assistance for women, infants and children** – Approximately 600,000 women and children would be dropped from the Department of Agriculture’s Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) from March through September. At least 1,600 State and local jobs could be lost as a result.
- **Child care**– Cuts to the Department of Health and Human Services’ Child Care and Development Fund would leave 30,000 low-income children without child care subsidies, denying them access to child development programs and ending a crucial work support for many families.
- **Rental assistance** – The Department of Housing and Urban Development’s (HUD) Housing Choice Voucher program, which provides rental assistance to very low-income families, would face a significant reduction in funding, which would place about 125,000 families at immediate risk of losing their permanent housing.
- **Emergency unemployment compensation** – People receiving Emergency Unemployment Compensation benefits would see their benefits cut by nearly 11 percent. Affected long-term unemployed individuals would lose an average of more than \$450 in benefits that they and their families count on while they search for another job. Smaller unemployment checks will also have a negative impact on the economy as a whole. Economists have estimated that every dollar in unemployment benefits generates \$2 in economic activity.
- **Homelessness programs** – More than 100,000 formerly homeless people, including veterans, would be removed from their current housing and emergency shelter programs, putting them at risk of returning to the streets.

## Public Health

- ***Mental health and substance abuse services*** – Cuts to the Mental Health Block Grant program would result in over 373,000 seriously mentally ill adults and seriously emotionally disturbed children not receiving needed mental health services. This cut would likely lead to increased hospitalizations, involvement in the criminal justice system, and homelessness for these individuals. In addition, close to 8,900 homeless persons with serious mental illness would not get the vital outreach, treatment, housing, and support they need through the Projects for Assistance in Transition from Homelessness (PATH) program.
- ***AIDS and HIV treatment and prevention*** – Cuts to the AIDS Drug Assistance Program could result in 7,400 fewer patients having access to life saving HIV medications. And approximately 424,000 fewer HIV tests could be conducted by Centers for Disease Control (CDC) State grantees, which could result in increased future HIV transmissions, deaths from HIV, and costs in health care.
- ***Tribal services*** – The Indian Health Service and Tribal hospitals and clinics would be forced to provide 3,000 fewer inpatient admissions and 804,000 fewer outpatient visits, undermining needed health care in Tribal communities.

## What the Fiscal Cliff Means for State and Local Budgets

BY: Ryan Holeywell | December 3, 2012

For full coverage of the fiscal cliff's impact on states and localities, [click here](#).

The White House and Congress appear to be making little progress in their negotiations to avert the so-called "fiscal cliff" the country is set to face in January as a result of scheduled, automatic spending cuts coupled with the expiration of lower tax rates.

For state and local governments, already facing their own budgetary challenges, the \$1.2 trillion in cuts threatens to exacerbate their own struggles with revenue in the wake of the recession.

Non-defense programs -- depending on their category -- will face cuts of 7.6 percent or 8.2 percent. Grants that fund education programs, workforce development, public safety and education are all at risk.

This week, state legislators from across the country are convening in Washington, where many will meet with federal lawmakers and try to make their case against the cuts. On Tuesday, the governors of Arkansas, Delaware, Minnesota, Oklahoma, Utah and Wisconsin are scheduled to discuss the issue with the president.

Those meetings come on the heels of last month's visit to Washington by many of the country's top mayors, who met with congressional leaders and Vice President Joe Biden to stress the importance of avoiding the fiscal cliff.

But many state and local leaders -- like the rest of the country -- are wondering what, exactly, will happen if their efforts lead to naught. Here are some of the answers.

### ***Will sequestration be a huge blow to local government budgets?***

No -- at least not those cuts themselves.

Direct federal aid is a very small portion of city budgets, representing only about 4.2 percent of municipal government revenue, according to the latest data from the Census. Sequestration would force automatic cuts of 8.2 percent in non-defense discretionary programs -- the kind of programs like Community Development Block Grants, community policing grants, and workforce training grants that cities care about.

Mayors have warned of the dire impact that losses to those programs might have. But the reality is that we're talking an 8.2 percent cut to 4.2 percent of a city's budget. In total, the loss would represent, on average, about one third of one percent of city revenue.

That's not to say cities are out of the woods completely. While mayors have emphasized the importance of federally-funded grants, the greater risk of the "fiscal cliff" would be broader damage to the economy. Cities are funded by property taxes, sales taxes and income taxes, all of which would suffer in the event of a double-dip recession triggered by the fiscal cliff. Cities are still reeling from the effects of the economic downturn, suffering their sixth consecutive year of revenue declines, and a double-dip recession would only exacerbate that challenge.

Additionally, cities may need to worry more about how states will react to the cuts than the federal cuts themselves. Cities get about 29 percent of their revenue from states, which in turn, get about 27 percent of their revenue from the feds. As the Manhattan Institute's Stephen Eide writes, "instead of lobbying Congress, cities should lobby their states to offset local-aid cuts by granting them additional authority to address their ongoing budget problems."

### ***So there's no need for local governments to worry?***

That's not entirely true either. City officials say that because of two factors -- their own declining revenue and ongoing cuts to federal programs -- they're at the breaking point. In many cases, cities are so strained that if sequestration happen, some officials say they won't be able to plug the budget holes left by the feds.

Baltimore city officials, for example, recently prepared a report outlining which programs would suffer under sequestration. They highlighted CDBG, a flexible program the city uses to fund literacy programs, foreclosure counseling, and low-interest financing of home renovations.

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Baltimore officials say that the CDBG budget been cut by 30 percent over the last two years, and sequestration could drain their funding by \$1.5 million to \$16.5 million. "A cut of this size on top of those sustained over the past two years will force the discontinuation of some programs and limit others that annually provide housing and social services to many thousand low- and moderate-income Baltimore households," city officials wrote.

If the cuts happen, city officials warn that Baltimore may be forced to reduce the number of people getting job training and the number of low-income youths in educational programs. On the other hand, it's worth noting the context of the cut: the loss to CDBG represents less than .05 percent of Baltimore's \$3.1 billion budget.

### ***So will sequestration obliterate state budgets?***

Again, not exactly. One source to consider is Federal Funds Information for States, a well-respected research shop that tracks federal spending on state programs. The bad news for states: more than 75 percent of the 216 programs FFIS tracks are subject to the sequester and will face automatic cuts if Congress fails to act.

But the dollar amount tells a different story. About 82 percent of the actual funding states get is exempt from the sequester, and in fact, FFIS projects that some programs will see an increase in federal funding next year.

Why aren't states seeing big cuts? When lawmakers created the fiscal cliff mechanism, they exempted Medicaid along the Children's Health Insurance Program from the sequester. That's good news for states, since Medicaid represents the biggest transfer of funds from feds to the states each year. A year ago, when a Congressional "super committee" held meetings in hopes of generating a compromise that would avoid sequestration, some state officials privately suggested the committee's failure was a good thing. Under sequestration, Medicaid won't get cut. In a negotiation to avoid a cut, anything -- including Medicaid -- is on the table. Ultimately for states, the bigger concern may come as lawmakers negotiate ways to avoid the fiscal cliff.

### ***Which programs face the biggest threats under sequestration***

Among programs likely to be of interest to *Governing* readers, education grants face a lot of trouble. Overall, Department of Education grants tracked by FFIS would drop from a \$37.5 billion to \$34.4 billion under sequestration. Local governments are also particularly concerned about drops in various public housing programs. Two Section 8 public housing programs would see their funding drop from \$28.4 billion to about \$26.1 billion. That funding doesn't go directly to cities, but ultimately, city officials would have to deal with the consequences of large numbers of people without housing, National League of Cities officials tell *Governing*.

To dig deeper on specific cuts, the nearly 400-page Office of Management and Budget report on sequestration offers some specifics.

### ***What's the impact on infrastructure?***

The transportation community lucked out. Only about 4 percent of transportation funding in the FFIS is affected by the sequester. That's because the money for roads mostly comes from the Highway Trust Fund, which has a unique funding mechanism -- the gas tax -- that gives it a sort of special status in budgetary matters.

But transportation isn't in the clear entirely. The Federal Highway Administration Emergency Relief Program -- a special program that funds repairs that are the result of natural disasters -- would see its budget drop \$136 million from \$1.7 billion. That cut comes at a time when states and localities are still reeling from the aftermath of Hurricane Sandy. The Federal Transit Administration's largest grant program isn't exempt either. It would stand to lose \$156 million out of its \$1.9 billion budget.

To complicate matters, part of highway funding is exempt, but the not all of it is, since some of it doesn't actually come from the gas tax.

### ***What do "across-the-board" cuts really mean?***

Exactly that: federal programs subject to the sequester will be subject to a specific percentage cut, and federal departments won't have the discretion to pick and choose how those cuts will be applied. The cuts will be the same across program, project and activity, according to FFIS.

However, it's important to note that every federal grant recipient won't necessarily see its federal funding decline by the same amount. For formula grants, for example, the same formula will still apply. It's just the total amount distributed by the grant program that would be reduced by the same amount.

Meanwhile, states and localities will be free to respond to the reduced funding as they see fit.

***What about the timing? Do states and localities lose their money when the cuts come in January?***

Not necessarily. Federal agencies have some discretion in terms of the timing of the cuts, according to FFIS and OMB. The cut will impact FY 2013 budgets. But the law doesn't explicitly state how that cut will be implemented.

The federal fiscal year ends Sept. 30. Conceivably, agencies could plan on applying the cut toward the end of the year in hopes that Congress will then time to restore their funding, at least partially, within the same fiscal year. That would help mitigate or even eliminate the impact of the cut. As FFIS notes, the Department of Education has announced that some of the reductions will be enacted after July 1 in order to ensure they won't affect the current school year.

Also, FFIS notes that the sequester will be reflected in grants issued after Jan 2 – since some grants have been awarded and spent. If the cuts do happen, it will be grants issued in the latter half of the year that bear the brunt of the impact.

This article was printed from: <http://www.governing.com/blogs/fedwatch/What-the-Fiscal-Cliff-Means-for-State-and-Local-Budgets.html>



## Brian Lamers

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**From:** Dawn Gunderson <dgunderson@ehlers-inc.com>  
**Sent:** Tuesday, March 05, 2013 12:12 PM  
**To:** Gary Petre; Dave Wagner  
**Cc:** Brian Lamers; Tammy Worzalla; Richard Jones  
**Subject:** RE: Financial Plan

Hi Gary,

Vacations are great, but I am still trying to catch up.

We welcome the opportunity to work with the County in updating its long range plan. For Ehlers (Dave and I) to update the plan, previously completed in 2009, we have determined the fee to be \$11,000. This would include, forecasting all the County's funds, 4 workshops with the Finance Committee, and a presentation to the full County Board. We would not increase the costs to take the projections out for 5 years rather than 3. We would expect that there would be benefit to the County to forecast for the full five years.

Let me know if you have any questions or would like to discuss further,  
Dawn

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**From:** Gary Petre [<mailto:GaryP@jeffersoncountywi.gov>]  
**Sent:** Tuesday, March 05, 2013 9:44 AM  
**To:** Dave Wagner  
**Cc:** Brian Lamers; Tammy Worzalla; Richard Jones; Dawn Gunderson  
**Subject:** RE: Financial Plan

Hi Dave,  
Any information on an estimated cost for updating our 5 year financial plan or updating it to a 3 year plan? The Finance Comm. will be discussing this next week Thursday.

Thanks, Gary.

Gary R. Petre  
Jefferson County Administrator  
920-674-7101  
[www.jeffersoncountywi.gov](http://www.jeffersoncountywi.gov)

Jefferson County  
Contingency Fund  
For the Year Ended December 31, 2013

Ledger Date	Description	General (599900)	Other (599908)	Vested Benefits (599909)	Authority	Publish Date
1-Jan-13	Tax Levy	400,000.00	250,000.00	265,000.00		
<b>Total amount available</b>		<b>400,000.00</b>	<b>250,000.00</b>	<b>265,000.00</b>		
Net		400,000.00	250,000.00	265,000.00		