

# Labor

## AB 194 – Milwaukee Co. Income Maintenance Program

Rep. Grigsby

### Summary of Bill:

Assembly Bill 194 requires the Department of Health Services (DHS) to administer the income maintenance programs in Milwaukee County, and permits the Department of Children and Families to contract with DHS for the child care subsidy program. The bill requires that supervisory personnel be state employees and that all other employees may be a combination of State employees and County employees. DHS has the authority to supervise, hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, discipline, and adjust grievances for these county employees. DHS must use the same process used for classified service of the state civil service system.

AB 194 provides additional benefits for county employees who are appointed as state employees within this program. Seniority with the county is treated as state service. The employee's annual leave and accrued sick leave must be based on both county and state years of service. The employee is immediately covered for employer contributions towards health care coverage insurance. The employee is given the option of remaining in the Milwaukee County Employees' Retirement System (MCERS) or joining the Wisconsin Retirement System. If the employee continues in MCERS, DHS must pay all required employer contributions.

The county is required to contribute at least \$3,559,800 for operation of the programs in the county, and DHS must reimburse the county for all approved costs that exceed the amount for program operations. The bill requires DHS and Milwaukee County, at a specified time in the future, to discuss who will operate the income maintenance programs in the county and how the programs will be operated.

### Fiscal Effect:

DHS: AB 75 (the Governor's 2009-11 biennial budget recommendation) provides \$14 million for transitional costs and 16 new positions to implement the Department's assumption of these functions. Once the state assumes total responsibility, it is anticipated that current payments to the county in conjunction with current funding by the county will be sufficient. Current funding totals \$24 million, of which \$3.55 million is provided by the county. Under this bill, those funds will be used by the state and the amount of county contribution will be adjusted each year corresponding with annual increases in wages and benefits.

ETF: These employees will be eligible to participate in the state group health insurance program regardless of which retirement system they participate in. Health insurance costs will increase; actual cost is dependent upon the number of employees hired and the health plan chosen by those employees.

The Office of State Employment Relations (OSER) states that assumed increases are indeterminate and likely negligible because the vast majority of current county employees would remain county employees whose employment rights and collective bargaining agreements would continue to be administered by county personnel.

### Supporters Message:

- In 2008, fewer than 10% of calls to the public assistance call center were answered by the county.
- Milwaukee County had demonstrated a sustained inability to successfully provide services to its customers. Merely providing more state assistance has historically not improved services, which is why this drastic step is needed.
- A lawsuit has been filed against DHS that seeks remedy of poor income management services provided in Milwaukee County. A period of good performance under state management may dismiss litigation.
- This bill protects the workers in the takeover process. Represented county employees will remain part of their collective bargaining agreement and state managers will abide by those terms.

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### Opponents Message:

- Milwaukee County was not given sufficient time to review the proposal for its full fiscal and legal ramifications effects to its operations.
- The State has not demonstrated that its plan would do a better job of serving the county residents.
- The hybrid model is more costly than a straightforward takeover using state employees and raises complications regarding labor relations, assignment of liability between the State and County, and administrative support functions the State may continue to require the County to provide.
- The public assistance call center now responds to 60% of calls and the wait time has dropped, which underscores the county's ability to fix the programs on its own.
- The state takeover of the program will require the county to annually provide over \$3.5 million (plus annual escalations) in property tax to fund the state's management of the programs, setting a dangerous precedent that could be expanded to other programs and counties by allowing the State to mandate specific dollar amounts to be allocated from the local property tax levy.

### Key Supporters:

Representative Tamara Grigsby (author); Senator Lena Taylor (author); Secretary Karen Timberlake, Department of Health Services; AFSCME; AFL-CIO.

### Key Opponents:

Milwaukee County; Representative Leon Young; WI Counties Association; Peggy West, Milwaukee County Supervisor; Steve Kreklow, Milwaukee County Budget Director; Fred Bau, Milwaukee County Labor Negotiator's Office; John Jorgenson, Milwaukee County Corporation Counsel.

### Committee Vote:

On April 16, 2009, the Assembly Committee on Labor recommended passage of AB 194 on vote of 5-3-1. [Honadel, Nass, and Knodl voted No; Soletski absent]

### Ranking Member Author of Bill Summary:

Jason Vick; Office of Rep. Mark Honadel (6-0610)