



RICK GUNDRUM

STATE REPRESENTATIVE • 58TH ASSEMBLY DISTRICT

Senate Committee on Government Operations, Technology & Consumer Protection
Tuesday, May 7, 2019
Room 411 South
Testimony on Senate Bill 178

Chairman Stroebel and members of the Senate Committee on Government Operations, Technology & Consumer Protection, thank you for providing me with the opportunity to testify in support of Senate Bill 178, which authorizes counties and municipalities to adopt a biennial budget procedure.

The legislation establishes a framework that preserves the balance of power between local executive and legislative bodies under current law, in addition to maintaining longstanding budgetary practices. These include the holding of public hearings, the publication of itemized budget summaries, disclosure of fiscal projections, and allowing for appropriation or revenue adjustments during the off year of the budget.

In general, Senate Bill 178 allows the governing body of a local government – such as a city council or county board – to authorize the adoption of a biennial budget procedure, the adjustment of appropriations, and the delegation of certain authorities to standing committees.

While Senator Kooyenga and I understand that most local governments are satisfied with their current budgeting arrangements, the local governments we worked with when drafting this bill expressed interest in having the option to transition to a two-year budget. Senate Bill 178 establishes a mechanism that would allow for this transition to occur.

Proponents of biennial budgeting often cite the benefits that result from devoting the first year of the biennium to budget action, while reserving the second year for long-range strategic planning and program evaluation. Not only can this arrangement result in improved financial management for a local government, it can also free up the amount of staff time that is devoted strictly to budget development.

Thank you for your time and consideration, and I hope you can place your support behind Senate Bill 178. Two of our constituent counties are here today to testify on this legislation as well, and I'm sure they would also be happy to speak to any of the questions or concerns you present to us.



DALE KOOYENGA
STATE SENATOR · 5TH DISTRICT

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May 7, 2019

TO: Members of the Senate Committee on Government Operations, Technology and Consumer Protection

FR: Senator Dale Kooyenga

RE: Support for SB 178 – authorizing a biennial budget procedure for political subdivisions.

Thank you for holding a hearing on Senate Bill 178. In general, SB 178 authorizes cities, villages, towns, and counties to adopt and utilize a biennial budget procedure. It allows for the adjustment of appropriations, and the delegation of certain authorities to standing committees of the governing body. Moreover, the bill provides a two-month budgetary adjustment period in October and November of even-numbered years (i.e., the second year of the biennium) to allow appropriation or revenue amounts to be changed through a simple majority vote.

The biennial budget serves the state well. Among the benefits of a biennial budget, a county board will be better able to balance their civilian and county board responsibilities. A biennial budget will also provide longer periods of certainty to taxpayers, those in need and other organizations working with county government.

SB 178 was drafted in collaboration with the Wisconsin Counties Association, Washington County, Waukesha County, Milwaukee County and the City of Milwaukee.

I believe that SB 178 provides local units of government to thoughtfully plan for future years, thereby spending taxpayer dollars more efficiently. Thank you for hearing this bill. I respectfully ask for your support.



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Public Hearing Testimony on Biennial Budget Procedures
May 7, 2019

Thank you for the opportunity to submit testimony on the option for local governments to utilize a biennial budget. While the bill is lengthy, the bill is largely technical and similarly changes four different budget chapters within the statutes. The legislation can be simplified by stating that the bill changes terms such as “annual” and “next fiscal year” to ensure a budget could be done in a two-year budget period beginning in the even fiscal year.

Contrary to other proposals over the years, the governing body will have to pass a resolution or ordinance authorizing the use of a biennial budget. This was required to secure support from the Wisconsin Counties Association.

Washington County spends a significant time budgeting. On an annual basis, the county will begin the operating budget process in May and conclude just before Thanksgiving. As the budget public hearing is occurring in October, departments begin the capital budget for passage in the spring (just in time for the next operating budget to begin).

Washington County utilizes “Priority Based Budgeting” and other performance measurement tools. The county spends so much time reauthorizing spending that it becomes difficult to measure outcomes to ensure our programs are effective for our citizens. Washington County’s mission is to create an environment so that all residents have an opportunity at an authentic quality of life. Under a biennial budget, we could shift administrative staff time to constituent services in an effort to achieve this mission.

Washington County intends to pilot a biennial budget this fall. We need the rules of the game to be set so that we can properly go through a budget process and implement the budget as required by the bill.

The procedures for passing a budget will remain the same for each local government including public notices and public hearings. Additionally, there is a period where the governing body may adjust the budget to ensure it is balanced prior beginning of the second fiscal year.

In the end, we brought together many stakeholders and have a bill with broad support.

Respectfully Submitted,
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