



Amy Loudenbeck

REPRESENTING WISCONSIN'S 31ST ASSEMBLY DISTRICT

Testimony before Senate Committee on Agriculture, Revenue and Financial Institutions

Senate Bill 487

Rep. Amy Loudenbeck

Thank you, Mr. Chairman and committee members, for the opportunity to testify in favor of Senate Bill 487: relating to an exception from local levy limits for certain amounts levied for charges assessed by a joint emergency medical services department.

Fire and emergency medical services in Wisconsin have evolved significantly over the past several decades. Call volumes for fires are down. Call volumes for emergency medical services are up. The number of volunteers serving their communities is down. Training requirements are up.

Communities have adapted to these changes, but significant challenges remain. The ability for all of our local communities to find and fund adequate staff are only part of the challenge. Local budgets must also provide adequate resources for apparatus, tools, gear, training, fuel and other items needed to remain operational.

Some local units of government have already utilized their authority under current law to form a Joint Fire Department. The town where I live is part of a joint fire department, along with one other town and one village. The Joint Fire Department operates in accordance with an intergovernmental agreement and has its own board. The Joint Fire Department does not have any taxing authority of its own, but current law does allow the participating local units of government to exclude certain charges assessed by a joint fire department from their levy limit. Specifically, the amount that a municipality levies to pay for charges assessed by a joint fire department may be excluded from the municipality's levy limit, but only to the extent that the amount levied to pay for such charges would cause the municipality to exceed its levy limit. In order for this exclusion from a municipality's levy limit to apply, all of the following must apply:

The total charges assessed by a joint fire department for the current year, relative to the total charges assessed for the previous year, increased less than or equal to, the percentage change in the Consumer Price Index (CPI) for all urban consumers, U.S. city average, as determined by the U.S. Department of Labor, from October 1 through September 30 of the current year, plus two percent.

The governing body of each municipality that is served by the joint fire department adopts a resolution in favor of exceeding the limit.

Senate Bill 487 grants the same exemptions described above for the creation and operation of a joint emergency medical services (EMS) district. This would allow local municipalities who would like to form a joint EMS district, without forming a joint fire department, to receive the same exemptions allowed under current law for a joint fire department.

As I mentioned earlier in my testimony, the delivery fire protection and emergency medical services has evolved significantly. Perhaps a community has enough apparatus and trained volunteers to cover fire calls, but needs to look for options to provide EMS services to meet the needs of the community. Under the provisions of SB 487, two or more communities could join together to form a Joint EMS District and qualify for the levy limit exemption described above. This could be a good option for communities that want to pursue a joint EMS arrangement, but are not interested in setting up a joint fire department.

With my testimony today, I'm passing out written testimony from North Shore Fire and Rescue Chief Robert Whitaker. North Shore is a Joint Fire District that is made up of seven municipalities in northern Milwaukee County. As one of the largest joint districts, Chief Whitaker has a unique perspective to share on how important joint districts can be to local communities, as well as an intimate knowledge on how they work. Unfortunately he was unable to be here today, but was kind enough to write testimony for me to share.

Thank you for your time today. I would be happy to answer any questions at this time.

NORTH SHORE FIRE/RESCUE

December 5, 2019

Senate Committee on Agriculture, Revenue and Financial Institutions
State of Wisconsin
Chairperson Senator Howard Marklein
State of Wisconsin Capitol
2 E. Main St.
Madison, WI 53703

Senator Marklein and Members of the Committee on Agriculture, Revenue and Financial Institutions,

I apologize for not being able to be present today at the Committee Hearing on SB487 relating to an exception from local levy limits for certain amounts levied for charges assessed by a joint emergency medical services department. I submit this written testimony to the Committee.

I testify in support of this bill. I am Fire Chief of the North Shore Fire Department, a joint fire department located in the northern suburbs of Milwaukee County. Our Department provides fire and emergency medical services to seven suburbs. Formed in 1995, the Department is the result of a consolidation of seven municipal fire departments.

Current State Statute allows for an exception from local levy limits for joint fire departments such as the North Shore Fire Department. This bill would allow the same exception for joint emergency medical service agencies in the State.

Whether under Republican or Democratic Leadership, the State of Wisconsin has long encouraged local municipalities to regionalize services as a means to reduce the cost to our taxpayers. Accomplishing such consolidations is not an easy task. Politics, control and fear of change consistently interfere with achieving consolidation of emergency services in municipalities across the Country. Communities that can accomplish such as feat generally enjoy an initial reduction in costs that can be enjoyed by their constituents in the first year when duplication in positions and capital investments can be eliminated. However, once that new base cost is set, the municipalities that have gone through the hard work of consolidation to reduce costs continue to be restricted by local levy limits which then limit the ability of the consolidated agencies to maintain the service levels they provide. In essence, after one year of consolidated services, the communities that have gone through the hard work of creating a consolidated agency are back to looking to reduce expenses for a new agency that has already been created without duplication of personnel or capital investments.

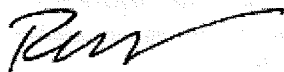
In 2006, the State of Wisconsin passed a levy limit exception for joint fire departments that has allowed agencies such as the North Shore Fire Department to continue to provide emergency services meeting our constituent's needs. The exception has a cap to the increases that can be authorized, thus limiting out of control spending. The member municipalities of the Department have used this levy cap exception sparingly and I believe other municipalities across the State would do so also. The exception to the cap not only allows the member municipalities to continue to provide critical services after "the fat has been trimmed" through a consolidation and *even more importantly*, it also allows for the cooperation that is necessary to create consolidated agencies. Under current levy limit laws, each municipality finds itself with different levy limits. So, the seven municipalities served by the North Shore Fire Department each have a different levy limit they must comply with annually. Finding a single budget that meets each of those seven levy limits is nearly impossible. The only way to do this is to limit the overall agency levy impact increase by the lowest levy limit

of the seven communities we serve. So, while member community may have experienced growth in previous years and need additional services, another member community may have had a stagnant growth factor, which limits their levy limit increase to something very small. Finding a budget that continues to comply with cost-sharing formulas, meets the service needs of the growing community, while meeting the restrictions on the levy in the stagnant community is next to impossible, thus creating tension between the communities that cooperate.

The levy limit exception for joint fire departments provides the flexibility needed to manage some of the challenges I have identified while continuing to ensure municipalities cooperate in the current agency and seek other opportunities for consolidation of other services, thus reducing costs to the taxpayers overall. SB487 would allow for the same flexibility for joint emergency medical service agencies across the State. While these exceptions are critical to future municipal service consolidations, I would also implore the Committee to evaluate the need to evaluate similar challenges the current Expenditure Restraint Program Formulas create for municipalities that participate in consolidated services and also utilize the levy limit exceptions being discussed here today. While these levy limit exceptions provide significant assistance, if the same communities participate in the State's Expenditure Restraint Program, they put themselves in a position to lose their Expenditure Restraint Funding if they legally utilize the levy limit exceptions in the Statutes, thus essentially limiting the usefulness of the levy limit exception for some municipalities that participate in consolidated entities.

Thank you for your service to the State of Wisconsin.

Respectfully,



Robert Whitaker
Fire Chief



SB 487 Joint Emergency Medical Services District Fees
Testimony of Senator Steve Nass
Senate Committee on Agriculture, Revenue, & Financial Institutions
December 18, 2019 • 201 Southeast, State Capitol

Thank you Chairman Marklein for holding a public hearing and allowing me to provide written testimony in support of SB 487. This bill increases options for local communities to provide Emergency Medical Services (EMS) by expanding the joint fire department fee exception to apply to joint emergency medical services districts as well.

Providing high-quality emergency medical services at an affordable cost has become increasingly challenging for communities throughout Wisconsin. Call volumes and training requirements have increased, while at the same time the number of volunteers have fallen. Communities continue to look for innovative ways to maintain services, such as joint districts, however they also need the flexibility to make consolidation work.

Current state law allows a limited exception from levy limits for joint fire departments. This bill allows the same exception for joint EMS departments. The exception still caps the allowable increases that can be authorized by participating municipalities to prevent out-of-control spending. It is limited to the percentage change in the Consumer Price Index (CPI) plus 2 percent relative to the total charges assessed by a joint EMS district the previous year. The governing body of each municipality that is served by the joint district must also approve utilizing the fee exception.

Communities that have formed joint EMS districts have seen funding constrained by the member municipality with the least growth, causing long-term tensions and impediments to the district's continuation. For example, there may be significant growth in one member community that creates the need and financial ability for increased service. However, the expansion becomes very difficult because all the member communities have different levy limits, preventing them from meeting their contractual obligations to the district. This bill helps to solve that problem.

Senate Amendment 1 makes two technical changes to the bill that were requested by the Department of Revenue (DOR). It creates a statutory definition for a joint emergency medical services district. And changes the applicability date from December 2019 to December 2020.

The Assembly companion bill (AB 472) passed out of committee unanimously and passed the Assembly on a voice vote earlier this year. Thank you for the opportunity to provide testimony in support of SB 487. Please contact me or Rep. Amy Loudenberg if committee members have further questions on this legislation.

"In God We Trust"