



Tom Barrett
Mayor, City of Milwaukee

July 9, 2015

Governor Scott Walker
115 East, State Capitol
Madison, WI 53702

Dear Governor Walker:

As Mayor of the City of Milwaukee, which is the heart of Wisconsin's economy, it is necessary that we share the mutual understanding of how imperative it is for the City to flourish. The fiscal, economic, and community ties between the City and the State run strong in both directions. Growth opportunities provide the greatest benefits when government works well to develop long-term sustainability at every level.

While I have a critical interest in multiple sections of the state budget and their challenging implications for the City of Milwaukee, I will focus my veto request on three sections that have the greatest impact.

First, I respectfully request your veto of Section 1952c mandating the City of Milwaukee offer a high deductible health plan to protective service employees. The state budget requires only the City of Milwaukee to offer protective service employees a high-deductible health plan that has identical design features to the State's plan. As there is a variety of significant differences between the management and design of the State's and City's health insurance plans, this provision would have an annual fiscal impact of approximately \$6 million for the City of Milwaukee. It is important to report that the City of Milwaukee has clearly demonstrated fiscal responsibility in the management of total healthcare costs, which is a direct result of our ability to manage our health benefit design decisions.

In fact, this provision essentially negates what was clarified in the last state budget, which was to keep the design of health insurance plans out of the negotiation process with public safety unions. Benefits to protective service employees already account for nearly half of the City's benefit budget. This provision would have a severely negative impact on our overall budget, forcing the City to make difficult financial decisions in the future (Please see attachment for further details).

Second, I request your veto of Provision 65 in Motion 999 prohibiting local governments from imposing Time of Sale requirements on real estate transactions. In the past, you have said that the State needs to give local governments the tools necessary to control costs. Our Certificate of Code Compliance Program forewarns and protects buyers of one and two family dwellings against dangerous or unsatisfactory housing conditions. The program also applies to the sale, transfer or conveyance of ownership of real property involving any change in ownership. Through application of this program, not only are we able to improve conditions for a new purchaser, we are also able to maintain the property values for the neighboring owners, thus stabilizing the community. The program also controls costs as it allows the City to ensure that the housing stock is well-maintained and meets applicable building code safety.

Under the budget modifications, the City of Milwaukee's Certificate of Code Compliance Program would be prohibited, making it more difficult for us to improve the conditions for the new owner of a property, which would have an additional detrimental effect on the property values in our neighborhoods.

The third request is to veto the entire language of the Opportunity Schools and Partnership Program. The complex socio-economic issues that impact some of our most vulnerable citizens cannot be solved through a last minute budget amendment. Because of this complexity, true reform should be determined through the democratic process, offering the public and educational experts an opportunity to be heard and to provide their valid opinions on the matter of educating children. Given the highly intrusive nature of this program, the public has the right to a fair and open hearing on this program through separate legislation.

If it is not possible to veto the entire Opportunity Schools and Partnership Program, I request a veto of Section 3386p mandating the City of Milwaukee provide special treatment to education operators in the sale of school building property. This provision completely removes local control of the sale of property by the City of Milwaukee. With no regard for free market principles or fair business practices, this provision provides special treatment status for prospective buyers of school property who are defined as education operators. The transfer of property should be handled through traditional markets.

I respectfully request the veto of the above-mentioned items. Thank you for your consideration. Please feel free to contact me at 414-286-6202.

Sincerely,

A handwritten signature in black ink that reads "Tom Barrett". The signature is written in a cursive, flowing style.

Tom Barrett
Mayor