

CORRESPONDENCE/MEMORANDUM STATE OF WISCONSIN

Local Government Services Section
Department of Revenue

DOR

DATE: September 4, 2009
TO: Whom It May Concern
FROM: Stan Hook
SUBJECT: Expenditures for Emergency Services

Thank you for assisting the Department of Revenue (DOR) in reviewing a draft methodology for implementing sec. 79.07, Wis. Stats.

As many of you probably know, 2009 Wisconsin Act 28 (section 1900k on page 406) established a requirement for DOR to define emergency services for the purpose of sec. 79.07, Wis. Stats., and to collect and monitor the expenditures, related to the defined services for years subsequent to the 2009 adjusted base expenditures for each county or municipality. Based on this requirement, DOR has developed the attached worksheet to be used in the collection of data to establish the 2009 base and to assist counties and municipalities in identifying the minimum amount to budget and spend for the defined emergency services in 2010 to avoid a penalty.

If a county or municipality spends less, in a subsequent year, than the adjusted 2009 base amount, that county or municipality is subject to a penalty. Any penalty imposed will be deducted from that county's or municipality's shared revenue amount. The requirements of this new provision can be broken into 3 phases. The first phase is to establish the 2009 base expenditures for emergency services for each county and municipality. The second phase is the reporting of expenditures in subsequent years and to compare those expenditures to the base year. The final phase is to calculate and impose a penalty if a county or municipality has an unapproved reduction in their expenditures for any given year, as compared to the 2009 base or adjusted base expenditures.

Please review the attached draft instructions, definition and worksheet. E-mail any comments to lgs@revenue.wi.gov by September 11, 2009. Please enter the subject of your e-mail as Expenditures for Emergency Services Comments. We ask that you do not contact us by phone unless it is something that can not be clearly expressed in an e-mail. Telephone contacts include (608) 266-2569, Carol Doran or (608) 261-5360, Stan Hook. Because of the volume of people that we are sending this draft to, please be brief in your comments and be certain that the comments are in regard to the implementation and the draft documents we have included.

The department's intention is to publish the finalized instructions, definition and worksheet on or before September 18, 2009.



State of Wisconsin • DEPARTMENT OF REVENUE

DIVISION OF STATE AND LOCAL FINANCE • BUREAU OF PROPERTY TAX • LOCAL GOVERNMENT SERVICES SECTION • MADISON, WI

ADDRESS MAIL TO:

Area 6-97
2135 Rimrock Road • P.O. Box 8971
Madison, WI 53708-8971
TELEPHONE: (608) 261-5360
FAX: (608) 264-6887

January 4, 2010

<Clerk's Name>

<County or Municipal Name>

<Street Address>

<Post Office, State & Zip>

DRAFT

Dear <County/Municipal Clerk>:

2009 Wisconsin Act 28 provides that future payments of county and municipal aids are being partially funded by a Police and Fire Protection Fee imposed on all communications providers in the state. The intent is that the funds generated by the fee be used to maintain the level of emergency services provided by each municipality and county. Therefore, sec. 79.07, Wis. Stats., was created to ensure that municipalities and counties do not compromise the level of emergency services they provide by reducing expenditures for emergency services. The statute is provided below:

79.07 Expenditures for emergency services. (1) Except as provided in sub. (3), beginning in 2010, the amount that each county and municipality spends each year for emergency services, as defined by the department of revenue to include only emergency services funded from payments received under ss. 79.035 and 79.043, shall be no less than the amount that the county or municipality spent in 2009 for emergency services, not including one-time expenses and capital expenditures. Each county and municipality shall report the amount it spent for emergency services in 2009, and the amount of its one-time expenses and capital expenditures, to the department of revenue at the time and in the manner prescribed by the department.

(2) The department of revenue may adjust any amount reported under sub. (1) to more accurately reflect the amount that the county or municipality submitting the report spent for emergency services and to ensure that excluding one-time expenses and capital expenditures as provided in sub. (1) does not compromise the level of service for providing emergency services.

(3) A county or municipality may decrease the amount it spends for emergency services below its 2009 amount, with the department of revenue's approval, if the decrease in expenditures is a result of operating more efficiently, as determined by the department. For purposes of this section, any decrease approved under this subsection shall permanently decrease the base amount of expenses for emergency services provided in the county or municipality requesting the decrease by the amount of the decrease.

(4) If a county or municipality fails to comply with this section, the department of revenue may reduce the county's or municipality's payment under ss. 79.035 and 79.043, in an amount determined by the department.

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The worksheet enclosed provides a means to determine the 2009 expenditure amount to be used as a base level for subsequent years. Please read the instructions located on Page 2 before completing this form.

If your costs have changed solely due to the way costs are being allocated under a contract or joint operating agreement with other municipalities, with no decrease in actual services levels, please note that fact in a letter attached to your form.

Return completed worksheet to the Department of Revenue (DOR) by May 15, 2010.

Sincerely,

Carol Roessler, Administrator
Division of State and Local Finance

Enclosures

DRAFT

**Worksheet to Establish 2009 Base Year
 and Report 2010 Budgeted Expenditures for Emergency Services**

2008 Expenditures:	Budgeted	Spent
1. 2008 Emergency Services		
Fire Protection		
Police/Law Enforcement		
Jail Guard/Security		
Ambulance/EMT		
Dispatchers		
911 Call Centers		
Subtotal		
2. Less: One-time Expenses Included Above		
3. Less: One-time Capital Expenditures Included Above		
4. Base Cost for 2008 Emergency Services (Line 1 subtotal minus Lines 2 &3)		
2009 Expenditures:		
1. 2009 Emergency Services		
Fire Protection		
Police/Law Enforcement		
Jail Guard/Security		
Ambulance/EMT		
Dispatchers		
911 Call Centers		
Subtotal		
2. Less: One-time Expenses Included Above		
3. Less: One-time Capital Expenditures Included Above		
4. Base Cost for 2009 Emergency Services (Line 1 subtotal minus Lines 2 &3)		
2010 Budgeted Expenditures:		
1. 2010 Emergency Services		
Fire Protection		
Police/Law Enforcement		
Jail Guard/Security		
Ambulance/EMT		
Dispatchers		
911 Call Centers		
Subtotal		
2. Anticipated One-time Expenses Included Above		
3. Anticipated One-time Capital Expenditures Included Above		
4. DOR Approved Decreases (attach approval notice)		
5. Budgeted Base Cost for 2010 Emergency Services (Line 1 minus Lines 2, 3 & 4)		

I hereby certify, to the best of my knowledge, this form is complete and accurate.

Preparer's Name	Title	Date
Signature	Phone Number () -	E-mail Address

Under sec. 79.07(1), Wis. Stats., the amount that each county and municipality spends each year for emergency services (to include only emergency services funded from payments received under ss. 79.035 and 79.043), shall be no less than the amount that the county or municipality spent in 2009 for emergency services, not including one-time expenses and capital expenditures.

For the purpose of reporting emergency services expenditures under sec. 79.07(1), Wis. Stats., emergency services are defined as fire protection, police/law enforcement, jail guard/security, ambulance/EMT, dispatchers for these entities, 911 call center service personnel and supervisors/managers of these positions. The expenditures include benefits associated with these positions. Emergency services do **not** include expenditures for jail operations (except as noted above), fire hydrant installation/maintenance, disaster preparedness, early warning sirens/systems, animal control, homeless shelters, clerical and support staff even if they are directly associated to emergency service operations, etc.

To determine your 2009 base amount, complete Lines 1 through 4 for 2008 and 2009 Budgeted and Spent columns, using the applicable instructions below to determine what should be included/excluded on each line. Also enter the budgeted expenditures for 2010.

Line 1: Enter (for the applicable year) budgeted and spent amounts for the specific emergency services as defined above for personal, equipment, supplies, cost for contracting services, etc. Do not include facility costs. Subtotal the items listed under Line 1.

Line 2: Enter the amount of one-time budgeted and spent amounts that were included in Line 1 (for the applicable year). Types of items to include on Line 2 are overtime cost due to an unusual event (dignitary visit), emergency declared under sec. 166.03 (1)(b) 1, Wis. Stats., or grants received to fund an emergency service position. Do **not** include overtime costs for events that occur on an annual or regular basis such as sporting events, fairs, conventions, etc. Attach a list describing the one-time expenses included on Line 2.

Line 3: Enter the amount of capital expenditures, budgeted and spent, that are included in Line 1 (for the applicable year). Examples of expenditures to include on Line 3 are purchases of a fire truck, squad car, radio equipment, etc. Do not include routine maintenance or repair costs for these items. Attach a list describing capital expenditures included on Line 3.

Line 4 (2008 & 2009) & Line 5 (2010): Subtract Lines 2 and 3 (and Line 4 for 2010 only) from the Subtotal under Line 1 and enter the result on Line 4 (2008 & 2009) or Line 5 (2010). The amount on Line 4 for 2009 is your 2009 base amount for emergency services expenditures (**unless** notified by DOR that this amount has been adjusted).

Line 4 (for 2010 only): Enter those amounts approved by DOR as authorized reductions due to operating more efficiently. Attach a copy of the DOR approval letter/document.

Attach an explanation to this form if there is a reduction in the Spent column from 2008 to 2009 (if Line 4 for 2009 is less than Line 4 for 2008).

Document those items included/excluded on each line of this worksheet to ensure the same types of expenditures are addressed from one year to the next. The Department of Revenue may request documentation at any time to verify entries on this form.

Note: You may incur a penalty if Line 5 for 2010 is less than the amount on Line 4 for 2009.

Your shared revenue payment will be reduced by the calculated penalty amount if the amount spent in subsequent years is less than the 2009 base amount (or an adjusted base amount) and the calculated penalty is equal to or exceeds \$250. The penalty will be a reduction in your shared revenue payments based on the percentage of emergency services funded by shared revenues that were reduced from the emergency services expenditures.

Complete and return this form and attached documentation to DOR by May 15, 2010. Please contact us at lgs@revenue.wi.gov or call (608) 266-2569 or (608) 261-5360 if you have questions.

Return completed form to: Wisconsin Department of Revenue
Local Government Services Section 6-97
PO Box 8971
Madison WI 53708-8971