

SOME CUTS TO POLICE PREDATE CALLS FOR DEFUNDING

Debate over “defunding” police departments has generated national controversy for the past year and led to legislation in Wisconsin – recently vetoed by Gov. Tony Evers – that would have penalized municipal governments for reducing police budgets. We reviewed municipal spending and found that even prior to the controversy over defunding, communities throughout the state were reducing police spending or staffing for reasons that may have had more to do with their finances than calls for reform.

Since the murder of George Floyd in late May 2020, police budgets have come under more scrutiny from the general public, and have also been the subject of much debate at the state and local level. A bill passed by both the Wisconsin Assembly and Senate in June further stoked that debate.

[Senate Bill 119](#), which was vetoed by Governor Tony Evers, would have reduced 2021 and later state shared revenue payments to certain municipalities that decreased either budgeted spending on police, fire departments, and emergency medical responders, or the number of individuals employed in those areas. The legislation would have applied only to municipalities that employ at least 30 individuals in these various areas, looked at only the portion of each budget “dedicated to hiring, training, and retaining” the individuals mentioned, and included some exceptions for collaboration with or transfer of services to another local government.

Given the likelihood that police spending will remain a contentious issue in the coming weeks and months as municipal budget deliberations get underway, this report seeks to provide a clearer picture of local public safety spending in Wisconsin.

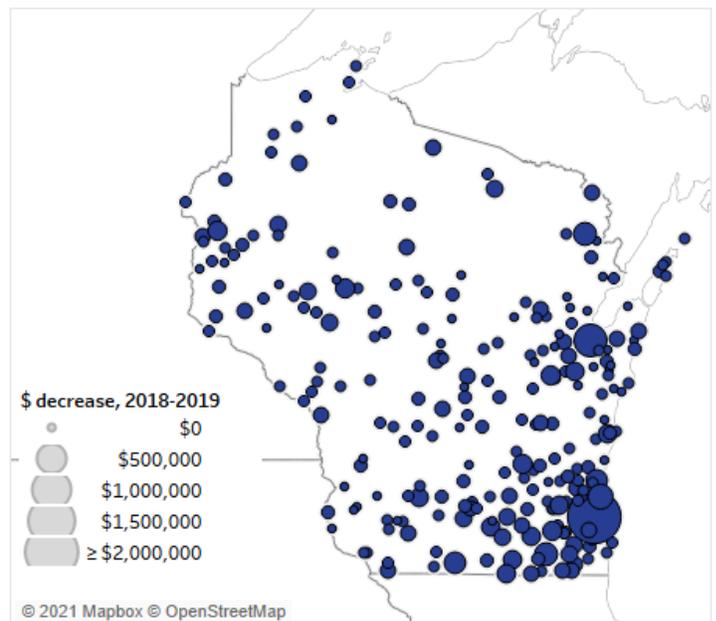
In a June 2020 Focus on long-term trends, we [found](#) police spending comprises a much larger share of municipal spending today than in the 1990s, though that percentage peaked in 2013 and has since fallen somewhat. Looking at updated figures from 2018 and 2019 – the most recent years of data available – we find that more than 250 municipalities statewide

decreased their police spending between those two years, even amid a period of strong economic growth.

SPENDING CUTS COMMON PRIOR TO PROTESTS

For our analysis, we looked at expenditure data from the state Department of Revenue (DOR) for 1,854 cities, villages, and towns in Wisconsin. These data come from backward-looking financial statements that are reported to the state and may differ in various ways from the forward-looking budget data that would come before local city councils and town and village boards. In other words, the DOR data cannot be used to show

Figure 1: Hundreds of WI Communities Cut Police Spending
Municipalities with decrease in law enforcement spending, 2018 to 2019



Source: Wisconsin Department of Revenue



what the effect of the vetoed legislation would have been. Still, the DOR figures represent the best statewide data available and provide a sense of how local public safety spending has fared in recent years.

Starting with law enforcement, we find that total spending on that function across all municipalities increased from \$1.21 billion in 2018 to \$1.23 billion in 2019 (1.3%). However, the data show 253 municipalities decreased the dollar amount spent on all law enforcement activities (see Figure 1). This includes large cities (Milwaukee, Green Bay), suburbs (Bayside, Grafton, Stoughton, Verona), and a number of very small communities, including 144 municipalities with fewer than 2,000 residents.

In fact, all but 10 of Wisconsin’s 72 counties had at least one municipality that decreased its police budget in 2019. Milwaukee was the only municipality among this group with a spending decrease larger than \$1 million (\$7.4 million). Given that the spending data does not match the exact definition in the proposal, we did not look to see which of these municipalities met the 30-employee threshold.

Over that same two-year span, 461 municipalities increased their spending on police, including three that increased spending by more than \$1 million: Madison (\$2.2 million), West Allis (\$1.7 million), and Racine (\$1.5 million). It should be noted that 1,118 municipalities – more than three out of every five – spent nothing on police in either year; however, most of these are town governments with a population of under 1,000. As we noted in a [recent report on local](#)

[government spending](#), those small communities tend to be served by county sheriff departments.

Fire protection spending in Wisconsin, on the other hand, occurs only at the municipal level. Nearly every municipality in the state spends something on fire protection, whether for its own department or to pay a neighboring department to provide service. Overall, spending on fire protection in Wisconsin municipalities increased 3.3% from \$651.8 million in 2018 to \$673.0 million in 2019.

From 2018 to 2019, 1,194 municipalities increased their overall spending on fire protection, including Milwaukee (\$5.3 million) and Madison (\$2.1 million). However, 621 municipalities – about one out of every three – decreased spending on fire protection and 31 municipalities did so by at least \$100,000.

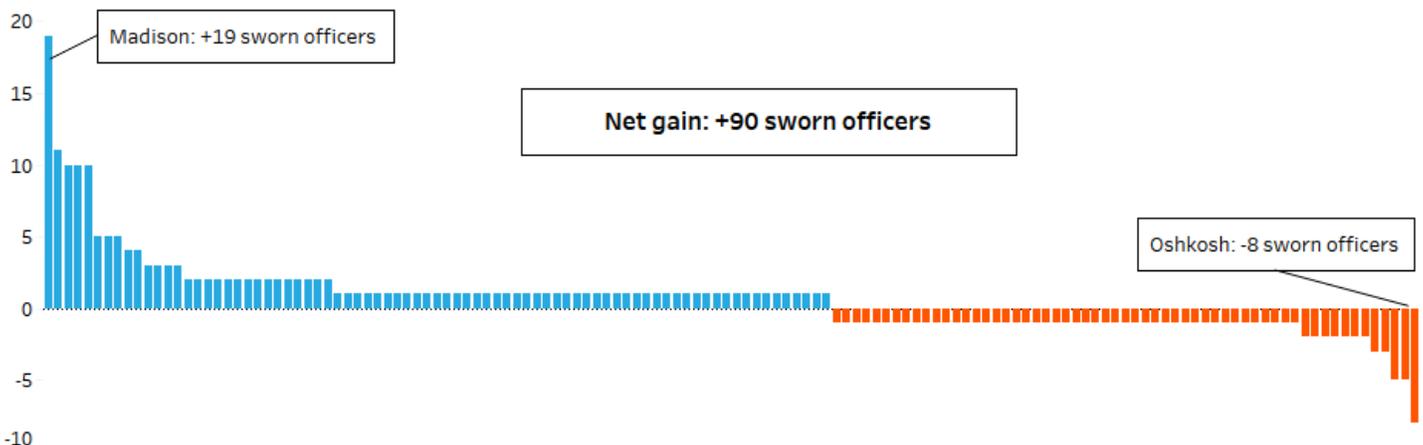
ALSO SOME STAFFING CUTS

We also examined police staffing levels using FBI Uniform Crime Reporting (UCR) data (we are not aware of any similar data on fire department staffing). Across 2018 and 2019 – the two most recent years for which data are available – UCR has employment data for 304 municipal police departments in Wisconsin. Readers should note the FBI’s definition of a full-time officer may or may not fit the one used in the recent legislation or that used in local budget documents and therefore cannot be used to predict the effect of the legislation.

From 2018 to 2019, 79 Wisconsin police departments reported increasing their sworn officers, while 59 decreased them (see Figure 2). The rest remained the same. Of the departments that had a decrease in sworn

Figure 2: Some Departments Gain, Some Lose Sworn Police Officers

Net change in full-time sworn strength among municipal WI police departments with any change, 2018 to 2019



Source: FBI Uniform Crime Reporting



officers, Oshkosh had the largest decrease at eight. Five departments had an increase of at least 10 officers.

Overall, total police employment (including civilians) in Wisconsin increased from 9,364 employees in 2018 to 9,554 in 2019 (2.0%). However, sworn strength levels increased by just 1.2% from 7,790 in 2018 to 7,880 in 2019, compared to a 6.4% jump in civilian positions.

CUTS MAY REFLECT FISCAL REALITIES

In both “Dollar for Dollar” and a [report](#) we released last September, we noted that as municipal budgets have tightened for various reasons, local officials have attempted to shield police departments from cuts. As a result, those departments now take up a larger share of municipal budgets than a generation ago.

Wisconsin municipalities have been operating under strict property tax limits for more than a decade and intergovernmental revenue – primarily aid from the state – has also declined as a share of overall municipal revenue over that period. These constraints on the growth of property taxes and state aid likely have contributed to the difficulties faced by municipalities in maintaining police and fire department budgets and staffing.

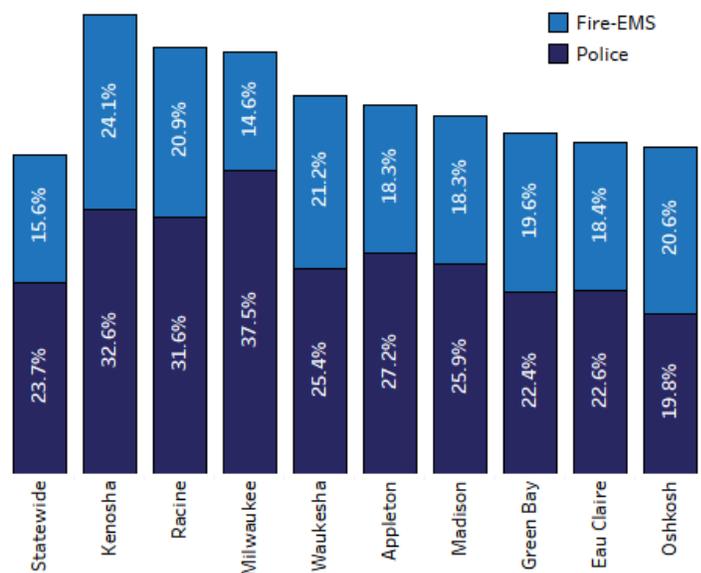
It also may be more expensive to maintain police and fire staffing levels than those for some other public service jobs. Under 2011 Wisconsin Act 10, the state curtailed most collective bargaining for public sector unions, but exempted police and firefighters.

In our 2021 [budget brief](#) for the city of Milwaukee, we noted that even though the city planned to cut 120 sworn officers (6.7%), the department budget would decline by just \$434,000, as pension costs and salary increases for the remaining officers would offset almost all the savings from reducing the workforce. Other municipalities do not face Milwaukee’s unusual costs from unfunded pensions, but they are similarly responsible for maintaining a long list of public services – including streets, libraries, parks, and housing.

In 2019, police, fire, and emergency medical services together made up 39.3% of all municipal operating spending in Wisconsin, down only modestly from the 40.5% mark in 2009. In big cities, like Milwaukee (52.1%), Madison (44.2%), and Kenosha (56.7%), that number is even higher (see Figure 3); 39 of Wisconsin’s 50 most populous municipalities spent at least 40% of their operating budget on these three services in 2019.

Figure 3: Public Safety Key in Municipal Budgets

% of total operating spending on Police & Fire-EMS, 10 largest WI cities, 2019



Source: Wisconsin Department of Revenue

When any of these cities face a significant fiscal shortfall, exempting any major part of their budget from cuts means that the remaining areas will have to absorb even larger reductions.

CONCLUSION

Recent [projections](#) suggest that both Wisconsin municipalities and the state government are likely to fare far better fiscally in 2021 than was previously thought. That said, the key structural items that have posed substantial challenges to municipal finances – namely, levy limits and flat state aid – remain in place.

The Forum does not take a position on those state policies or on the level of local police spending. Yet understanding what is happening with each of them is valuable for both sides in the debate over police funding.

Even in good economic times, we find that hundreds of town, village, and city governments throughout Wisconsin decreased their police and fire department spending in the year preceding the George Floyd incident and police reform protests. That suggests these actions may be less about a deliberate attempt to “defund police” and more about confronting challenging fiscal realities.

