

# Move Forward **MKE**

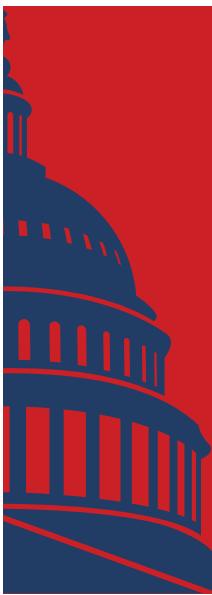


**THE CHALLENGE:  
COSTS FOR  
SERVICES  
CONTINUE TO  
INCREASE AT  
NEARLY TWICE  
THE PACE OF  
AVAILABLE  
REVENUES  
ALLOWED UNDER  
STATE LAW.**

Preserving the current level of public safety services would require the City of Milwaukee to cut all other services by 75% over 30 years. Meanwhile, 80% of Milwaukee County's local funding is consumed by state mandates.



To learn more visit  
[moveforwardmke.com](http://moveforwardmke.com)



## LOCAL SALES TAX: **A LOCAL TOOL TO SOLVE LOCAL ISSUES**

A growing number of concerned business leaders led by the Metropolitan Milwaukee Association of Commerce and the Greater Milwaukee Committee are asking the state legislature to allow Milwaukee a local tool to solve local issues: a 1% local sales tax.

### WHAT HAPPENS WITHOUT **A SOLUTION?**

<b>PUBLIC SAFETY</b>	Cuts to public safety, including fire, police, EMS, sheriff, emergency management, corrections officers, court staff, DA's, and public defenders.
<b>LOCAL SERVICES</b>	State mandated services including court services and certain social services, and pension costs will consume the entire property tax levy and local revenue sources. Funding for local services will be eliminated, including road repair, garbage collection, senior services, parks, transit, public safety, and more.
<b>ECONOMIC DRAIN</b>	Devastating and long-lasting economic impact for the seven county region that will reverberate throughout the entire state.
<b>STATE INTERVENTION</b>	If Milwaukee is prevented from solving problem with local tools, lawmakers in Madison may be asked to solve the problem.

### THE BACKGROUND

#### **PENSION:**

Decisions decades ago are significantly impacting both the City of Milwaukee and Milwaukee County today. Significant pension reforms over the past 10 years were critical but are insufficient. Skyrocketing pension payments squeeze out funding for services. **Over the past 10 years, County pension contributions as a percent of payroll have tripled, currently consuming 1/3 of the property tax levy. In 2023, City pension payments will balloon to 1/2 of property tax levy.**

#### **CUTS ALONE CAN'T CLOSE GAP:**

**Preserving current services requires closing annual gaps of approximately \$20-\$30 million for the County and \$135 million for the City.** The County has reduced expenditures by \$340M over the past 10 years, while the City has closed an approximately \$400 million gap. Cuts will be required in perpetuity as revenues cannot keep up with costs.

# Move Forward MKE

## THE TIME IS NOW.

The bipartisan Move Forward MKE coalition is asking legislators to pursue a solution at the start of the 2023 session, with inclusion in the state budget.

### INFLATION:

Costs for state mandates and local services continue to increase at roughly **three times the pace** of allowed revenues under state law.

### STATE MANDATES:

Funding for state services is currently underfunded and requires a local levy to fill the gap. **80% of Milwaukee County's local funding is consumed by state mandates.** By 2027, all local dollars will need to be redirected to subsidize state services.

### LIMITED LOCAL TOOLS:

Milwaukee is unlike other metro regions, relying almost exclusively on property taxes for local revenue. As costs increase, local government is unable to raise revenue to preserve current levels of service.

- X State Aids:** Reduced or flat.
- X Prop Tax:** Capped.
- X VRF:** Insufficient and limited eligibility.
- X Fees:** Limited by state statute.

## STRUCTURAL CHANGES IN MILWAUKEE **UNDERScore 1% SALES TAX SOLUTION**

### LEGISLATION TO ENABLE MILWAUKEE COUNTY TO LEVY A LOCAL 1% SALES TAX COULD INCLUDE:

PENSION REFORM	Require Milwaukee to reduce pension costs by eliminating local pensions and joining the state pension system.
REDUCE PROPERTY TAXES	Require a reduction in local property taxes to offset a portion of the increased sales tax.
GUARDRAILS & TAXPAYER ACCOUNTABILITY	Require funding to be utilized for specified uses, preventing the ability to use funds for other purposes, and sunset the expenditure subject to referendum.

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## WHAT CAN THE LEGISLATURE DO?

- SHARED REVENUE:** Increase GPR spending on shared revenue by over 600% to generate revenue similar to 1% sales tax and provide annual inflationary increases.
- PROPERTY TAXES:** Remove property tax caps to allow for an approximately 60% increase.
- LOCAL CHOICE:** Allow Milwaukee County the opportunity to implement a sales tax to address local issues.