

MILWAUKEE COUNTY'S FUNDING CHALLENGES

Move Forward MKE supports giving Milwaukee County the authority to implement a local option sales tax to provide property tax relief, reform local pensions, and preserve critical services and assets that will enable Milwaukee County to attract the businesses and people to be a globally competitive metro region that helps drive the state economy forward.

OVER THE PAST 11 YEARS,
MILWAUKEE COUNTY HAS CLOSED

\$340 MILLION
IN BUDGET GAPS

by implementing historic reforms to address our structural deficit through budget reductions and efficiencies.

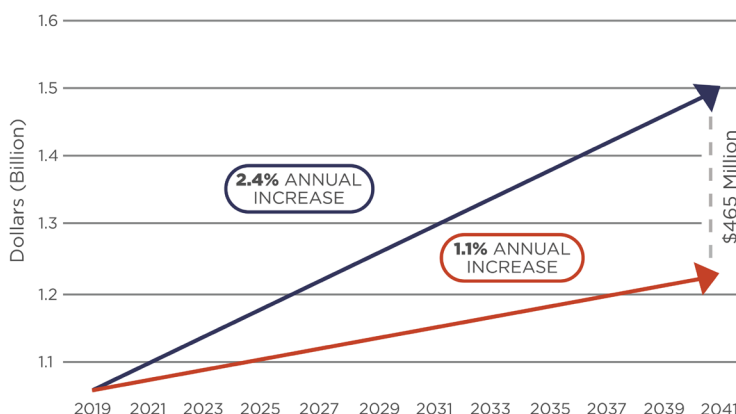
EVEN STILL, COSTS CONTINUE TO OUTPACE
REVENUES AND WE WILL FACE A

\$465 MILLION GAP OVER
THE NEXT
20 YEARS.

Further cost reductions won't be enough to fill this gap. Additional revenue is required to meet basic state-mandated services and to support discretionary services like parks, public safety, emergency services, roads and youth and senior programs.

Milwaukee County Lacks Sufficient Tools to Generate Revenue

Simply maintaining current County services results in a 2.4% annual increase in costs. At the same time, the State caps the County's revenue growth to 1%. The result is a projected \$300 million annual deficit by 2036.



Further Cost Reductions are Not Sustainable





Between 2010 and 2021, Milwaukee County closed its structural gap through \$340 million in expenditure reductions. The County realized tremendous efficiencies, streamlined services, and made government leaner, including through **\$30 million in annual budget cuts**.

To maintain a balanced budget for the next 20 years, the County would have to cut roughly \$23 million annually.

Without a solution to our funding challenges, Milwaukee County will be unable to continue current services. The gap between our costs and our revenue is insurmountable.

■ COSTS
■ REVENUE

WHAT TOOLS CAN WE USE?

-  **Property Tax:** Wisconsin already has the 6th highest property tax burden in the United States. It would take another 40% increase in Milwaukee County's property tax levy to generate revenue equal to a 1% sales tax increase.
-  **State Aids:** State aid has been flat since 2012 and is subject to competing state budget priorities. A 2% Shared Revenue increase results in \$600,000 for Milwaukee County, however, the projected gap in 2023 is roughly \$23 million. It would take **a 600% increase to provide revenue similar to a 1% sales tax increase.**
-  **Vehicle Registration Fee:** An increase in the VRF would not provide sufficient revenue to meet the County's needs or to reduce the property tax burden. It is also limited to uses related to transportation, preventing essential investments in parks, senior centers and public safety.
-  **Sales Tax:** A sales tax increase of 1% in Milwaukee County would provide local dollars to address local priorities and create revenue diversity through a dynamic annual revenue source **at no budgetary cost to the State.** Plus, the revenue generated through a sales tax increase would match the scale of the County's budget challenges - generating \$160 million annually.

Compared to fees and property taxes, a sales tax increase would result in the lowest cost to taxpayers, while enabling the County to invest in local priorities and provide critical property tax relief.

WITHOUT A SOLUTION

If no solutions are put in place, by 2027 Milwaukee County will have no local dollars to provide local services to County residents. The County would be required to cut those services.



PARKS



**BUS ROUTES
& ROADS**



**EMERGENCY
SERVICES**



**MUSEUMS
& ARTS**



**SENIOR
SERVICES**



**PUBLIC
SAFETY**



**DISABILITY
SERVICES**



**YOUTH
SERVICES**

Providing basic services is necessary to continue Milwaukee County's competitiveness with other global metro regions to attract capital investment and human capital to the region and state.

A growing Milwaukee County provides the State additional resources for State needs. As the economic engine of Wisconsin, Milwaukee County generates roughly one-third of the State's economic output. **The County's ability to invest in local priorities will enable continued increases in economic output, increasing our contribution to the state, and maintain competitiveness with other major metro areas by attracting new companies, entrepreneurs, and workers through quality public amenities.**