

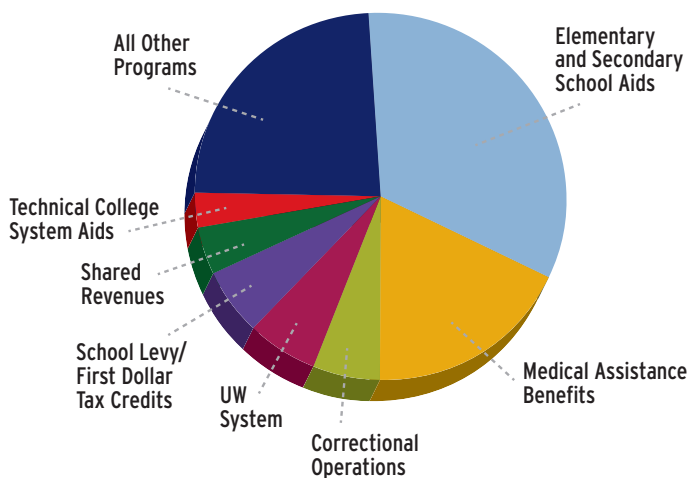
# Have Policing and the Polls Lost Priority?

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One of the League's primary legislative efforts is to reverse the decades-long slide in state support for municipal services such as police and fire protection, elections, and parks. While state financial support for these services, known as "shared revenue," remains in the top 10 of "state programs," it has struggled to maintain its place.

## 2019-21 General Fund Appropriations



The chart above illustrates where support for police, fire, and other local services stacks up among the major state budget programs. As the chart shows, the bulk of state general-purpose, revenue-funded spending goes to one of seven programs. They include, in order: Elementary and Secondary School Aids, Medical Assistance, Corrections, the UW System, The School Levy Credit, Shared Revenues, and the Technical College System. Collectively, these seven comprise 76% of state spending.

The shared revenue slice of the pie is at an all-time low. At one time, municipal services claimed a full 90% of state income tax revenue (at the time there was no state sales or corporate tax). When Wisconsin became the first state to adopt a constitutionally-defensible income tax, the bulk of the money, more than 90%, was to be returned to local governments. Over the years, this came to be known as "Return to source" revenues, in recognition that the income was earned locally, and therefore the taxes generated should be used on local programming. In fact, the argument that most of the money would be returned to local governments was a major factor that helped convince Wisconsin voters to support the creation of the income tax.

As the state's priorities ebbed and flowed over the years, first responders and other municipal services struggled to remain a state priority. The portion of state resources dedicated to other priorities grew and the local services share shrank. Today, although the income tax and shared revenue are no longer directly linked, the percentage returned to local services would be roughly 15%, a significant drop from what the voters approved in 1911.

Apples-to-apples comparisons among different state programs are difficult, as programs are merged together, divided, or other changes are made. In real dollar terms, however, the fact is that shared revenues have shrunk significantly. Between 2001 and 2018, shared revenues to municipalities and counties went from \$951.2 million to \$825.4 million, a drop of more than 13% in real, not inflation-adjusted, dollars. When inflation is factored in, the drop is even more significant.

### About the Author:

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