

# OUR TOP FIVE RESEARCH FINDINGS FOR 2022

*The Forum’s 2022 research portfolio covered a wide range of issues, which are reflected in our annual top five research findings list. Only one of this year’s top five (a finding related to the city of Milwaukee’s fiscal condition) came from the area of government finance – traditionally the linchpin of our research agenda. Findings related to public health services in Milwaukee County, racial disparities in homeownership across Wisconsin, statewide education spending, and the public sector workforce rounded out this year’s list.*

**A** look back at the Forum’s 2022 research portfolio reveals one of our most balanced in years. While research related to government finance again led the way – accounting for 22 of our 56 research products, or 39% – that percentage was lower than in 2021 (47%) and 2020 (50%). Our portfolio also included 11 education-related reports and nine on economic development issues, with the remainder categorized under social services, service sharing, and other.

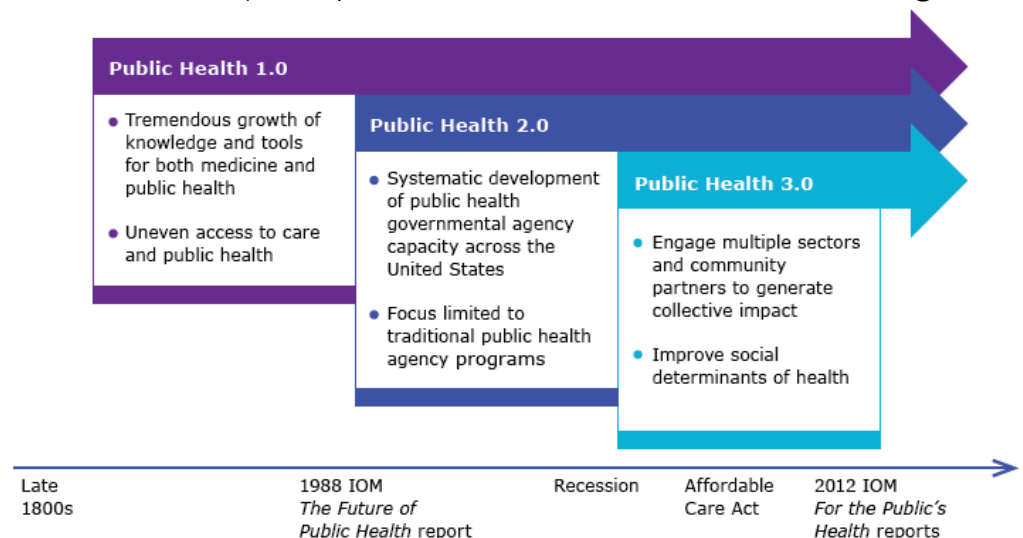
This year’s list of top five Forum research findings reflects the diversity of issues we pursued in 2022. Only one deals primarily with a fiscal issue, while the others encompass public health, K-12 education, housing, and the public sector workforce.

As always, it was difficult to choose among findings from our dozens of in-depth reports, policy briefs, and interactive data tools. We based our decisions primarily on the criteria that the finding contains newly uncovered information and that it is relevant to upcoming policy debates at the state or local level.

Without further ado, here is this year’s top five list in chronological order.

- 1. Public health departments in Milwaukee County need to advance to the next level.** The easing of the pandemic allowed for reflection on the overall state of public health services in Milwaukee County. Our February report, [Be Prepared](#), found that “in many of the county’s cities and villages, the existing model essentially is delivering the same types of services that were delivered two decades ago.” This finding ran counter to a new model for public health agencies, referred to as Public Health 3.0 (and depicted in the U.S. Centers for Disease Control figure below), that urges focus on

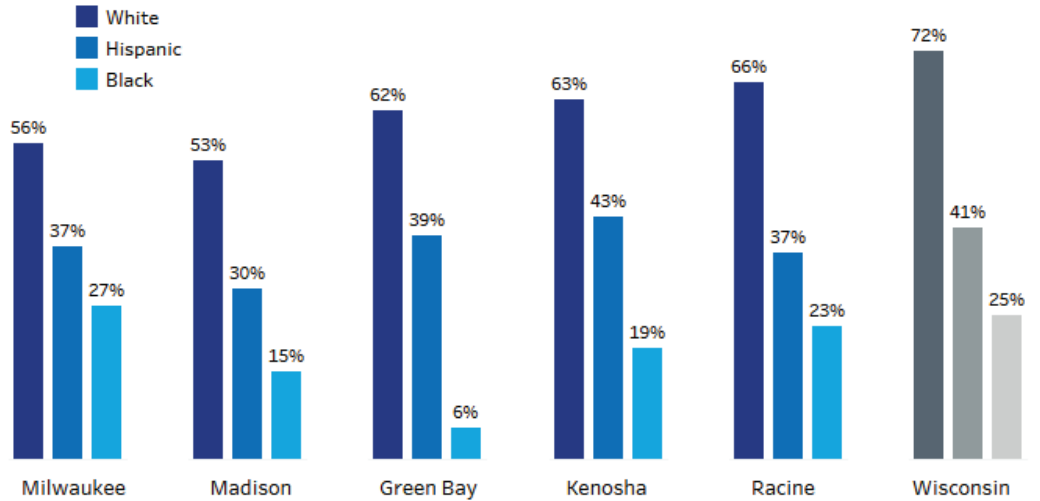
improving social determinants of health like housing and employment. We suggested a range of options – including greater collaboration or consolidation among the 11 health departments in the county and a new role for county government in data collection and planning – to enhance the capabilities of all.



2. **Milwaukee is not alone when it comes to homeownership disparities.** As a follow-up to our previous research that found gaping racial disparities in homeownership rates in Milwaukee, we turned our attention in March to whether such gaps exist in other large Wisconsin cities and statewide. We found, in [Racial Disparities in Homeownership Extend Beyond Milwaukee](#), that while Milwaukee's 28.8 percentage point

### Large Racial Gaps in Homeownership in Wisconsin and its Biggest Cities

Owner-occupancy rates by race/ethnicity, 2019



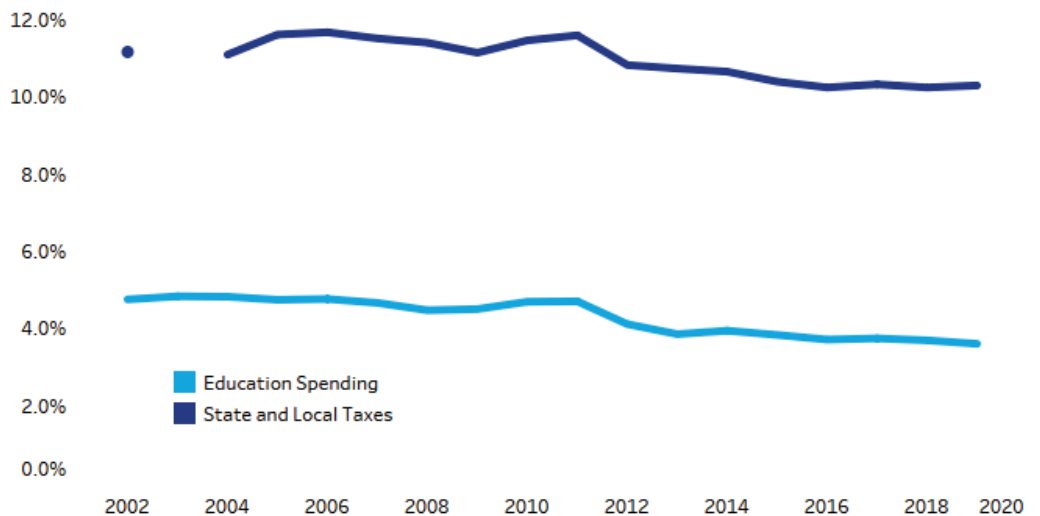
Note: Owner-occupancy rates are for non-Hispanic white households, Hispanic households of any race, and Black households (which may include some who identify as both Black and Hispanic). Source: U.S. Census Bureau. American Community Survey 5-year estimates.

disparity was substantial (a 27.0% homeownership rate for Blacks versus 55.8% for whites in 2019), the gap was even greater in Green Bay (55.9 points), Kenosha (43.9 points), Racine (43.1 points), Madison (37.4 points), and statewide (46.5 points). We also found that both the Milwaukee and statewide disparities had deepened in recent years and suggested the need to expand several emerging homeownership strategies to address them. (A subsequent [report](#) in July dug even deeper into Milwaukee's disparities.)

3. **Wisconsin falls to middle of the pack in school spending.** In July, we took one of our periodic looks at Wisconsin's school spending compared to other states and found a continuation of the decline in the state's ranking that we had observed in recent years ([Wisconsin's Ranks in School Spending, Tax Burden Fall Together](#)).

### Drop in Education Spending Mirrors Drop in Tax Burden

Wisconsin state-local tax burden & PreK-12 public spending as a % of personal income\*

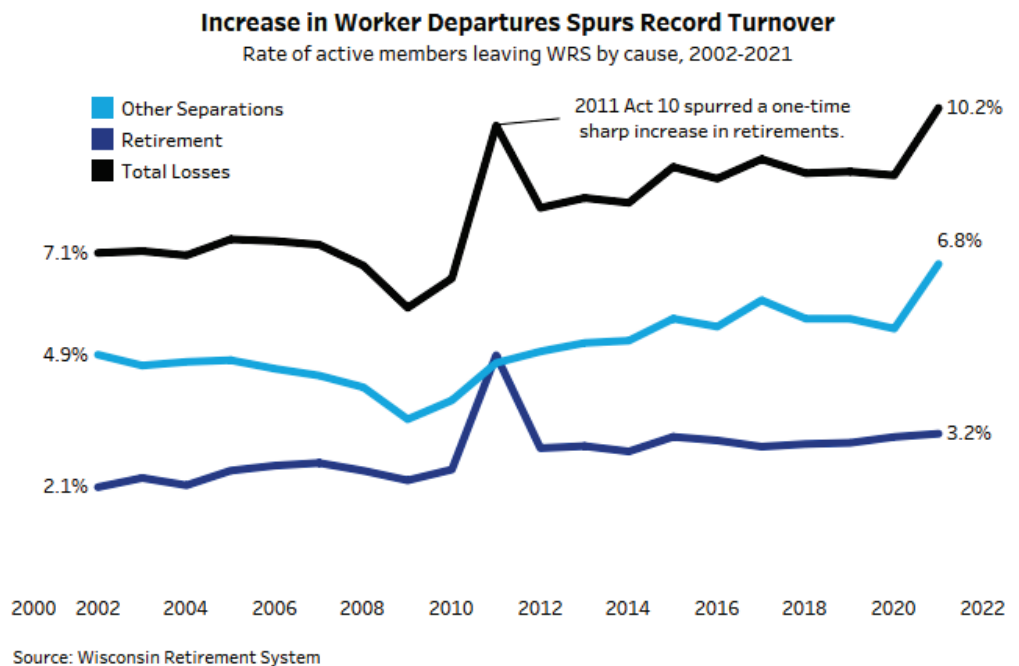


Sources: U.S. Census Bureau and Bureau of Economic Analysis. \*Tax burden data does not exist for 2003. Education spending does not include capital projects, debt, private schools, or charter schools operated by private entities.

Per 2020 Census Bureau data, Wisconsin's spending of \$12,740 per student on public elementary and secondary education was 25<sup>th</sup> in the nation and 5.6% below the national average. In 2002 – the earliest year for which comparable data are available – Wisconsin ranked 11<sup>th</sup>. Not surprisingly, given that state and local taxes are the primary funding source for K-12 education, the decline in Wisconsin's school spending rank was consistent with its declining tax burden (measured by the ratio of state and local taxes to personal income), which fell from fifth in the U.S. in 2002 to 23<sup>rd</sup> in 2019.

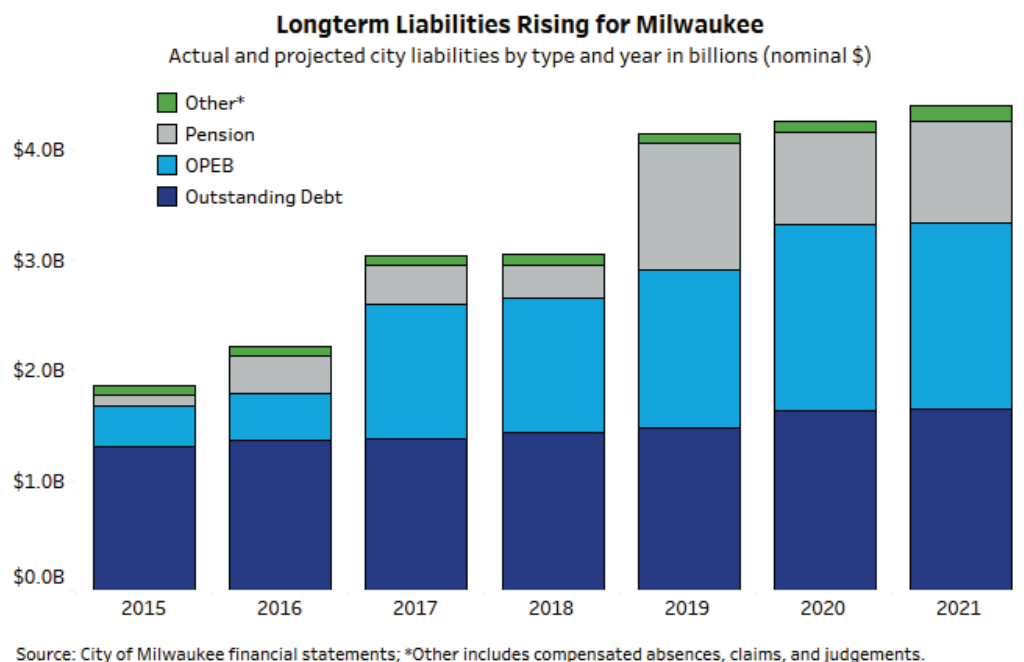


4. **Public sector workforce sees alarmingly high turnover.** A historically tight labor market and reports of widespread vacancies in Milwaukee-area local governments prompted us to explore the state of the public sector labor force across Wisconsin. Our August report, [Public Sector Workforce Takes a Hit](#), showed the situation was even worse than we feared. We found that in 2021, 17,646 individuals left the Wisconsin Retirement System's active



employee ranks for reasons besides retirement, death, or disability – the most since at least 2002 and a total that exceeded the next highest year on record by more than 2,000 workers. Overall, more than one in 10 WRS members who started 2021 as a state or local employee left their job or active status over the course of the year. We pointed out that such turnover “could put pressure on elected leaders to raise public salaries and, ultimately, put further pressure on government budgets.” (The WRS encompasses almost all state and local public sector workers receiving retirement benefits in Wisconsin, though city of Milwaukee and Milwaukee County employees are not included because those governments administer their own pension systems.)

5. **City of Milwaukee’s fiscal prognosis worsens.** In light of our annual reviews of the city budget and our deeper dives into city finances in 2009 and 2016, we thought we had a solid handle on Milwaukee’s deteriorating fiscal health. But in our latest comprehensive look at city finances ([Nearing the Brink](#), published in September), we were somewhat taken aback by just how alarming the situation had become. Most striking were the depletion of city reserves



since our 2016 report (the city’s unassigned general fund balance fell from \$61.7 million at the end of 2015 to just \$9.1 million at the end of 2021) and the escalation of its long-term liabilities (combined liabilities mainly for



pensions, retiree health, and capital debt grew from \$1.9 billion to \$4.4 billion over the same period). We warned that “every citizen and stakeholder who cares about maintaining city services such as public safety, streets, and public health should consider the consequences if steps are not taken to stave off this coming fiscal challenge.”

Our tradition of limiting our list of top research findings to five precluded us from highlighting several other important 2022 findings, including statewide insights related to state income tax reform, diminishing financial aid to college students, and rising levels of local government debt. Important findings from our metro Milwaukee research that did not make the cut related to the use of vacancy savings by the Milwaukee Public Schools to balance the district’s 2023 budget; the potential financial savings that could result from a consolidation of North Shore police departments; and the key factors that Milwaukee Metropolitan Sewerage District leaders should consider when revisiting the outsourcing of their wastewater treatment operations. Those interested in reviewing these and other research findings can access the Forum’s full portfolio of research publications on our [website](#).

We’re again very proud of our research output in 2022 as well as the quality of our work, which was reflected by the five national [awards](#) we received this year from the Governmental Research Association for a variety of publications. Our ability to churn out timely and high-quality research is directly linked to the support of our members – we’re grateful for that support and looking forward to sharing the many important research projects already on our docket for 2023. Happy holidays, and we look forward to seeing our members at our annual meeting on February 1!

