

OUR TOP FIVE RESEARCH FINDINGS FOR 2021

A large portion of our 2021 research agenda again was related to the pandemic, and two findings from that research – one on increased alcohol purchases and the other on decreased college financial aid applications – made our annual top five list. Rounding out this year's list are findings related to police spending, public support for the Milwaukee County Parks, and enrollment trends at the University of Wisconsin-Milwaukee.

As Forum researchers began to contemplate our 2021 research agenda a year ago, it appeared that analysis of the harsh impacts of the pandemic would be our primary focus for the second consecutive year.

In particular, we anticipated the need to assess and explain escalating fiscal challenges at the state level as lawmakers dove into the next two-year state budget and the likely corresponding impacts on already precarious local government and school district budgets. We also expected additional research on key economic sectors that would continue to be hit hard by public health restrictions and changes in consumer activity.

It turns out that while pandemic-related issues were indeed a key driver of our 2021 research agenda, the tenor of our work was not what we expected. Instead of analyzing the painful fiscal choices required of state government and local jurisdictions, we instead focused on the impacts of billions of dollars of federal relief from the American Rescue Plan Act. And, instead of reporting only bad economic news, we were able to shed light on initial recovery in the restaurant and housing sectors.

Nevertheless, as we looked back at our body of work to select our top five research findings for the year, we discovered that most of the candidates had some type of worrisome pandemic-related angle.

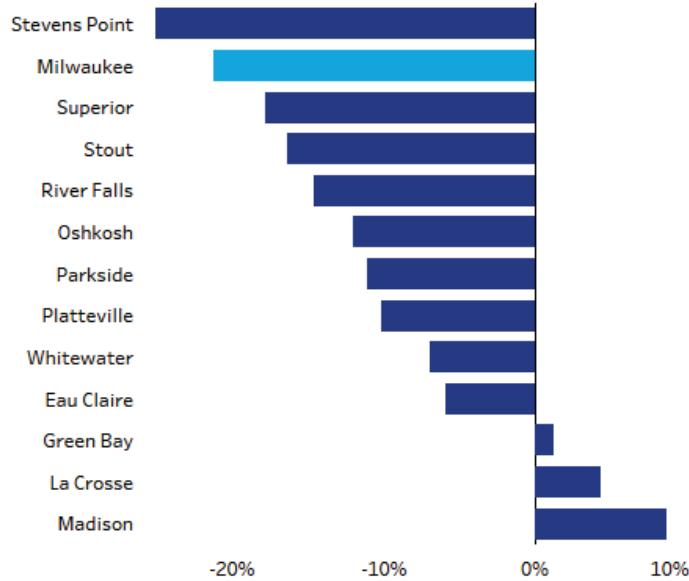
As in previous years, selecting only five top findings was not easy. We produced 52 reports, policy briefs, and data tools on a broad range of topics, and each contained important findings and insights. A key criterion was that the finding contains newly uncovered information that should help drive policy debates or actions at the state or local level.

We summarize our top five research findings in 2021 in chronological order below:

- UWM is falling behind its peers.** As the pandemic continued to create challenges for higher education institutions, our July report, [Degree of Difficulty](#), painted a concerning picture of longer-term enrollment and fiscal trends at the University of Wisconsin-Milwaukee, the state's second-largest university and one of its two top-level research universities. We found that full-time equivalent (FTE) enrollments at UWM's main campus had declined by 21.3% from fall 2010 to fall 2020 (from 25,035 to 19,711 students) – the second-worst of any UW System four-year campus. Meanwhile, the

UWM Enrollment Decline Among Largest in Past Decade

% change in FTE enrollment by main campus, fall 2010 to fall 2020



Source: University of Wisconsin System

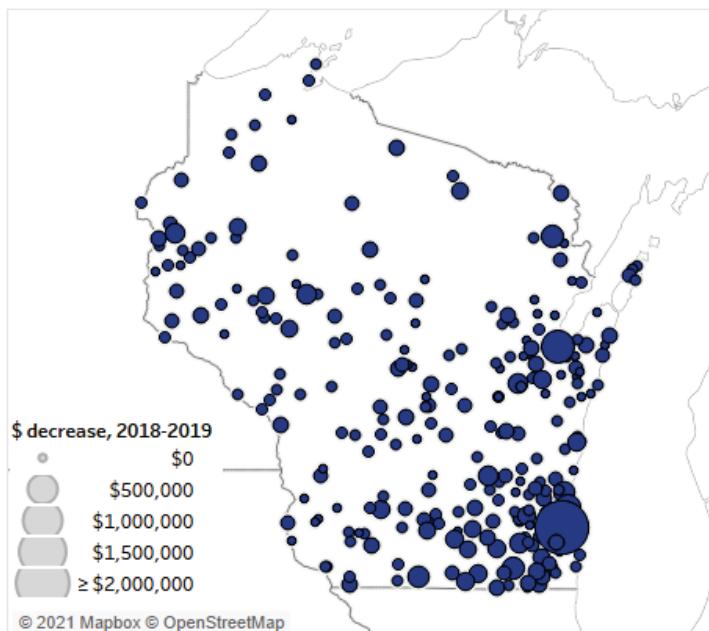


university's 6.4% enrollment loss from 2013 to 2019 was the fourth-biggest among a peer group of 14 other urban public research universities nationally. Given related declines in state and tuition revenues and lagging faculty numbers and research spending, we suggested that "a sense of urgency is required if UWM is to remain a vital place of higher education and an important economic driver in the region."

- Police spending was on the decline before 2020.** A legislative effort in Madison to penalize municipalities that cut police spending or staffing in response to calls for "defunding" prompted us to seek additional context. In an August report, [Some Cuts to Police Predate Calls for Defunding](#), we found that 253 municipalities across Wisconsin – both big and small and in all corners of the state – reduced police spending between 2018 and 2019, the year before the murder of George Floyd and resulting protests. We also found that 79 of 304 Wisconsin police departments in an FBI data set had reduced their sworn officers over the same two years. These findings and our previous work on municipal budget constraints suggested that the cuts "may be less about a deliberate attempt to 'defund police' and more about confronting challenging fiscal realities."

Hundreds of WI Communities Cut Police Spending

Municipalities with decrease in law enforcement spending, 2018 to 2019

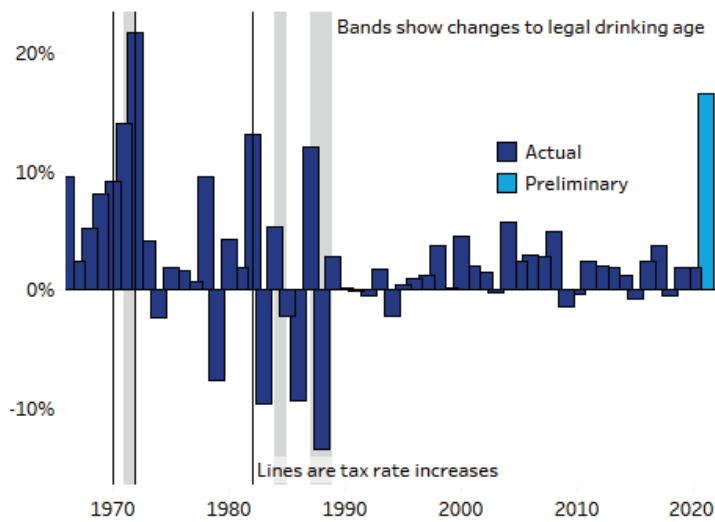


- Pandemic has produced more drinking in Wisconsin.** There have been anecdotal accounts of greater alcohol consumption since the pandemic hit

in March 2020 and hard data showing increases in substance use disorders. We were able to add additional solid numbers in our September report, [Alcohol Tax Revenues Surge During Pandemic](#). We analyzed state data on collections from the excise tax on alcoholic beverages and found a 16.6% increase (from \$63.3 million to \$73.8 million) in the 2021 fiscal year that ended June 30 when compared to the previous year. This was the largest percentage increase in Wisconsin since 1972 – a year when the tax rate on wine and liquor was raised and the drinking age was lowered. While greater alcohol consumption does not necessarily equate to greater addiction or abuse, we suggested the need for careful monitoring and a public health policy response if the trend continues.

Sale of Alcoholic Beverages Booms Over Past Year

Annual % increase in Wisconsin alcohol tax revenues by fiscal year*



Sources: Wisconsin Department of Administration and Department of Revenue.

*Fiscal years run from July 1-June 30. In March 1972, Wisconsin lowered the legal drinking age from 21 to 18. In July 1984, it was raised to 19 and was phased in to 21 between September 1986 and September 1988.

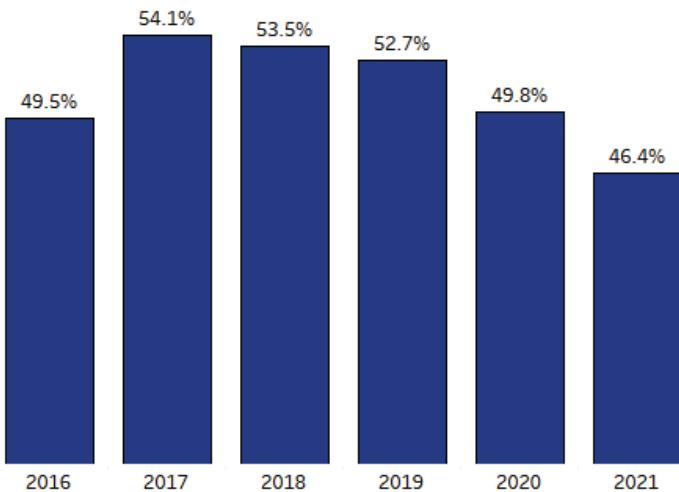
- Fewer Wisconsin students are applying for financial aid.** In another September report gauging pandemic-related impacts, [Free-Falling FAFSAs](#), we explored whether schooling disruptions had negatively impacted a critical entry point for college access. Our concerning finding was that it had, as the percentage of Wisconsin high school seniors completing the Free Application for Federal Student Aid (FAFSA) fell from 52.7% in the 2019 school year to 49.8% for the class of 2020 and 46.4% for the class of 2021. Furthermore, the drop was particularly pronounced among students from historically underserved groups and erased previous



years' progress. We noted that the declines "carry ominous implications" since the FAFSA is a crucial first step for securing college financial aid, and we encouraged further collaboration between the state, higher education institutions, and high schools to provide FAFSA completion assistance to students.

FAFSA Completion Declines Sharply During COVID

Percentage of Wisconsin 12th graders completing FAFSA by June 30th

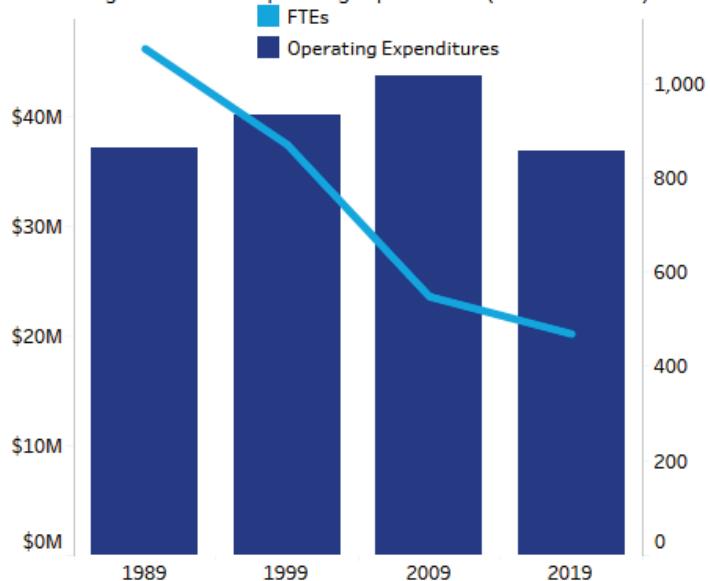


Sources: National Center for Education Statistics, U.S. Department of Education, and Department of Public Instruction. *Does not include private schools or schools with fewer than five FAFSAs completed per year.

5. The Milwaukee County Parks operated with less money in 2019 than 30 years earlier. In October we released [Sinking Treasure](#), a comprehensive report that laid out the financial challenges facing

Milwaukee County Parks Operated with Less Money

Budgeted FTEs and operating expenditures (nominal dollars)



Source: Milwaukee County Parks Department

Milwaukee County's parks and offered potential solutions. We found, shockingly, that the county's \$36.9 million in parks department spending in 2019 was slightly lower than the \$37.1 million it spent in 1989. When adjusted for inflation, the department spent \$39.6 million less in 2019 than 30 years earlier, which explains why parks staffing levels dropped from 1,073 to 469 FTEs and why a huge backlog of maintenance and repair needs has materialized and grown. We noted that while this reassessment of the parks' fiscal challenges is "strikingly similar" to earlier assessments we made in 2002, 2008, and 2013, it is disconcerting that each has grown progressively worse.

Because we limit our list of top research findings to five, we were forced to omit several important ones from our 2021 research. Those include findings related to local government spending in Wisconsin and how our state compares to others; barriers to greater teacher workforce diversity in the state; changes in Wisconsin's tax burden rankings; the growing staffing and operational challenges facing small and mid-sized fire and EMS agencies; how the Milwaukee Police Department measures up to national calls for police reform; and pandemic-related impacts on the state's transit systems, corrections populations, and child care facilities. Those interested in reviewing these and other research findings can access the Forum's full portfolio of research publications on our [website](#).

We're proud of our research output and quality, which was reflected by the five awards we received this year from the Governmental Research Association for a variety of publications. We're also grateful for the support of our members and we're already hard at work on several important research projects for 2022. Happy holidays and we look forward to seeing you at our annual meeting on February 3!

