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New report identifies financial opportunity for Oshkosh

OSHKOSH, Wis., February 14, 2022 – A February 8, 2022, report published by the Wisconsin Policy Forum entitled “Could Surplus Help Improve State-Local Relations?” details the significant projected surplus that the state of Wisconsin will receive over the next two years as a result of recent fiscal reforms and the improved collections of state income tax. The report further details the opportunity to address flaws in the state’s approach to financing local governments.

The report indicates that state “shared revenue” to local municipalities has been frozen at the same amount for the past ten years. The report also notes that while state income tax collections have more than tripled since the early 1990’s, appropriations for the shared revenue program have declined (see graph on the second page). If inflation is taken into account, the disparity becomes more striking. If the appropriation shared revenue had grown at the pace of the Consumer Price Index (CPI), it would be more than doubled from what the appropriation is today. Oshkosh Finance Director Russ Van Gompel notes that “for the city of Oshkosh, if state shared revenue had been increased by the CPI since 1993, our shared revenue payment (\$9,609,400) would have doubled between 1993 and 2022. That additional fair share would have reduced the city of Oshkosh tax levy (currently \$43.9 million) by nearly 22%.”

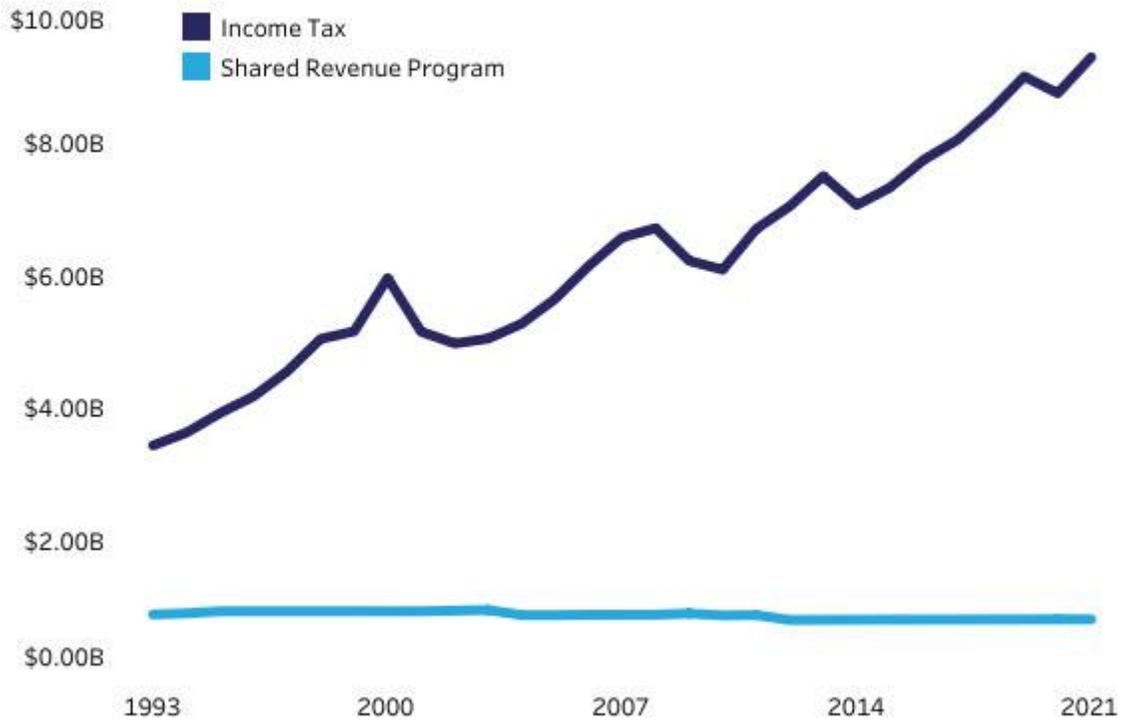
The report also notes the fiscal pressures that levy limits cause in providing core services like police, fire, public works, parks, and cultural services. Oshkosh City Manager Mark Rohloff reacted to the report, saying “a variety of ideas are under consideration at the state level for responding to the budget surplus, but another option that should be given close consideration is to use a portion of the funds to help address financial challenges faced by cities like Oshkosh and other municipal governments throughout Wisconsin.” Rohloff noted that leaders of other neighboring cities are also aware of the report. The League of Wisconsin Municipalities’ Executive Director, Jerry Deschane, stated “as this report shows, now is the best time to address Wisconsin’s broken system for funding local government and implement a comprehensive revamp. Our municipalities are doing more with less and making difficult budgeting decisions, but without fixing a broken system, they are struggling to provide needed services such as public safety.”

Oshkosh is determined to work with legislators on the best ways to modernize and diversify municipal revenue options and revitalize state aid programs during the next legislative session. For more information about restoration of state revenue for Oshkosh and other communities, please contact the Oshkosh City Manager’s office at (920) 236-5002.



Shared Revenues Not Keeping Up with Income Taxes

Total state income tax revenue vs. shared revenue payments to counties and municipalities, 1993-2021



Sources: Legislative Fiscal Bureau, Department of Administration

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