



MEMORANDUM

LEGISLATIVE REFERENCE BUREAU

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To: Ald. Michael Murphy
From: Dana J. Zelazny, Legislative Reference Bureau
Date: October 12, 2020
Subject: IMPACT OF POLICE DIVESTMENT ON SWORN DEMOGRAPHICS

This memorandum was prepared in response to your request for an analysis of the potential impact of Milwaukee Police Department budget cuts on the demographics of sworn personnel.

Personnel costs typically comprise about 95% of the Police Department's operating budget; thus, any divestment would primarily be accomplished by reducing the department's workforce. For the purposes of this analysis, it is assumed that all layoffs would be attributed to sworn personnel. However, the Chief of Police could choose to achieve divestment in part through civilian layoffs, or by leaving vacant civilian positions unfilled, in favor of retaining sworn personnel.

Following any reduction in sworn personnel, the Chief of Police may use his or her discretion to make greater use of overtime, at higher per-hour costs, with remaining officers. Conversely, with the reduction in staff, some savings in operating costs, equipment expenditures and capital borrowing for police vehicles could be realized, potentially offsetting a portion of additional overtime and unemployment compensation costs. The impact of these ancillary costs and savings on the number of layoffs to achieve the desired level of divestment will not be addressed in this memorandum.

Sworn members of the police force are represented by one of two labor unions, the Milwaukee Police Association (MPA) and the Milwaukee Police Supervisors' Organization (MPSO). The City's current MPA specifies that in the event of layoffs, the order of layoff shall be inversely related to length of service (last hired, first fired). Length of service is measured from the date of original hire in the department with police powers.

The current MPSO contract, which covers supervisory employees with greater seniority and higher base salaries, is silent as to order of layoffs. This memorandum assumes that only police officers subject to the MPA contract would be terminated to achieve divestment. However, if several hundred lower level police officers were laid off as projected in this report, it is likely that the Department would work with the MPA and the MPSO to reduce the number of supervisory (higher paid) sworn members commensurately. All of these factors would impact the number of layoffs needed to achieve divestment, as well as the demographics of remaining sworn employees.

Salary and fringe benefits for the lowest-paid sworn personnel cost the City approximately \$86,207 each. However, the combined salary and fringe benefit costs increase to \$113,396 per sworn employee after as little as 4 years of active service. Additional compensation is provided for sworn members who have attained higher-education goals.

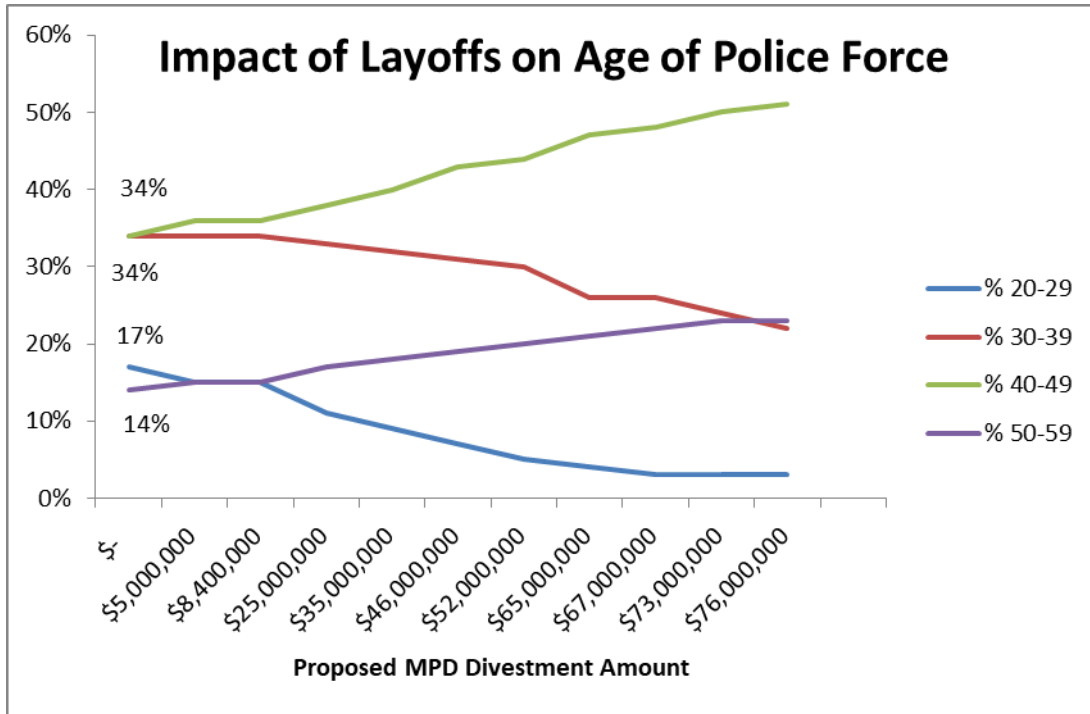
Using an average salary and fringe benefit cost of \$114,000 per sworn employee, approximately 720 MPA-covered employees hired from 2010-2020 could be terminated in early 2021 to achieve an immediate \$75 million divestment from the Police Department budget. This includes unemployment costs of up to \$9,620 per employee, which reduces per-employee savings. However, the actual number of layoffs, and corresponding adjustment to sworn demographics, that would result in January 2021 from a \$75 million reduction in the Police Department’s 2021 Budget would depend on a number factors not considered here:

- Reduced equipment, vehicle and other operating costs associated with downsizing department sworn staff.
- The degree to which civilian personnel were terminated in lieu of sworn personnel.
- Increased department overtime expenditures at higher rates of pay.
- Additional attrition-related reductions in sworn personnel throughout 2021 (retirements and resignations).

Table 1 shows the department's current sworn demographics and the projected changes resulting from layoffs sufficient to achieve a \$75 million divestment:

| | Current Demographics | | Projected Demographics at \$75 million Divestment | |
|------------------|----------------------|-----|---|-----|
| Male | 1,480 | 84% | 872 | 83% |
| Female | 285 | 16% | 173 | 17% |
| Total | 1,765 | | 1,045 | |
| African-American | 303 | 17% | 165 | 16% |
| Hispanic | 246 | 14% | 122 | 12% |
| Asian | 37 | 2% | 15 | 1% |
| Native American | 22 | 1% | 15 | 1% |
| White | 1,157 | 66% | 730 | 70% |
| Aged 20-29 | 294 | 17% | 28 | 3% |
| Aged 30-39 | 595 | 34% | 223 | 21% |
| Aged 40-49 | 607 | 34% | 534 | 51% |
| Aged 50-59 | 255 | 14% | 246 | 24% |
| Aged 60-69 | 14 | 1% | 14 | 1% |

Chart 1 shows the approximate age-banded progression of changes in sworn demographics from the current level through a \$75 million divestment:



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