

Michigan Local Governments in Persistent Fiscal Decline

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The Michigan Public Policy Survey

- **Census survey** – all counties, cities, villages, and townships
- **Respondents** – chief elected and appointed officials
- **Administered** – online and via hardcopy
- **Timing** – Spring and Fall each year
- **Topics** – wide range, such as fiscal health, budget priorities, economic development, intergovernmental cooperation, employee policies, labor unions, state relations, roads, environmental sustainability, citizen engagement, much more.

MPPS is not a typical opinion poll

- 70+% response rates
- **Transparency**
 - Questionnaires online
 - Pre-run data tables online
 - Sharing of (anonymized) datasets with other researchers
- Expert advisors on questionnaire content
- Borrow from other proven sources such as NLC and ICMA

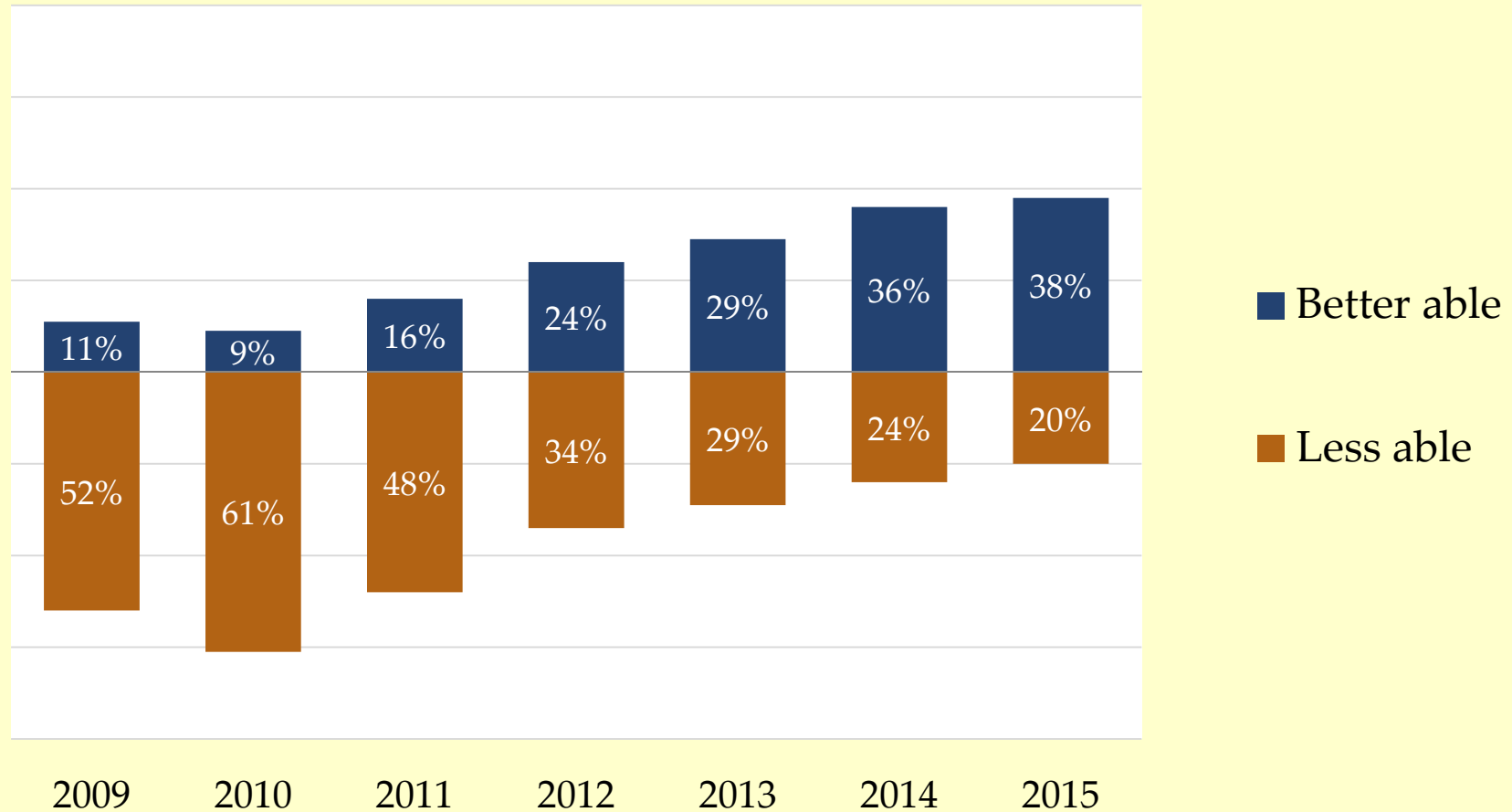
What does the MPPS aim to do?

- **Improve understanding** of local government to help improve policymaking and quality of life
- **Inform local leaders** about peers across the state: challenges and responses
- **Inform state policymakers** and other stakeholders with data about local level challenges and responses not available from any other source
- **Build a longitudinal data archive** to allow tracking of fundamental changes (such as the economic transition, aging population, etc.)
- Foster **academic research and teaching** on local government issues

Local government fiscal health 2009 - 2015

Slowly Improving Fiscal Health

% of jurisdictions **better or less able** to meet fiscal needs



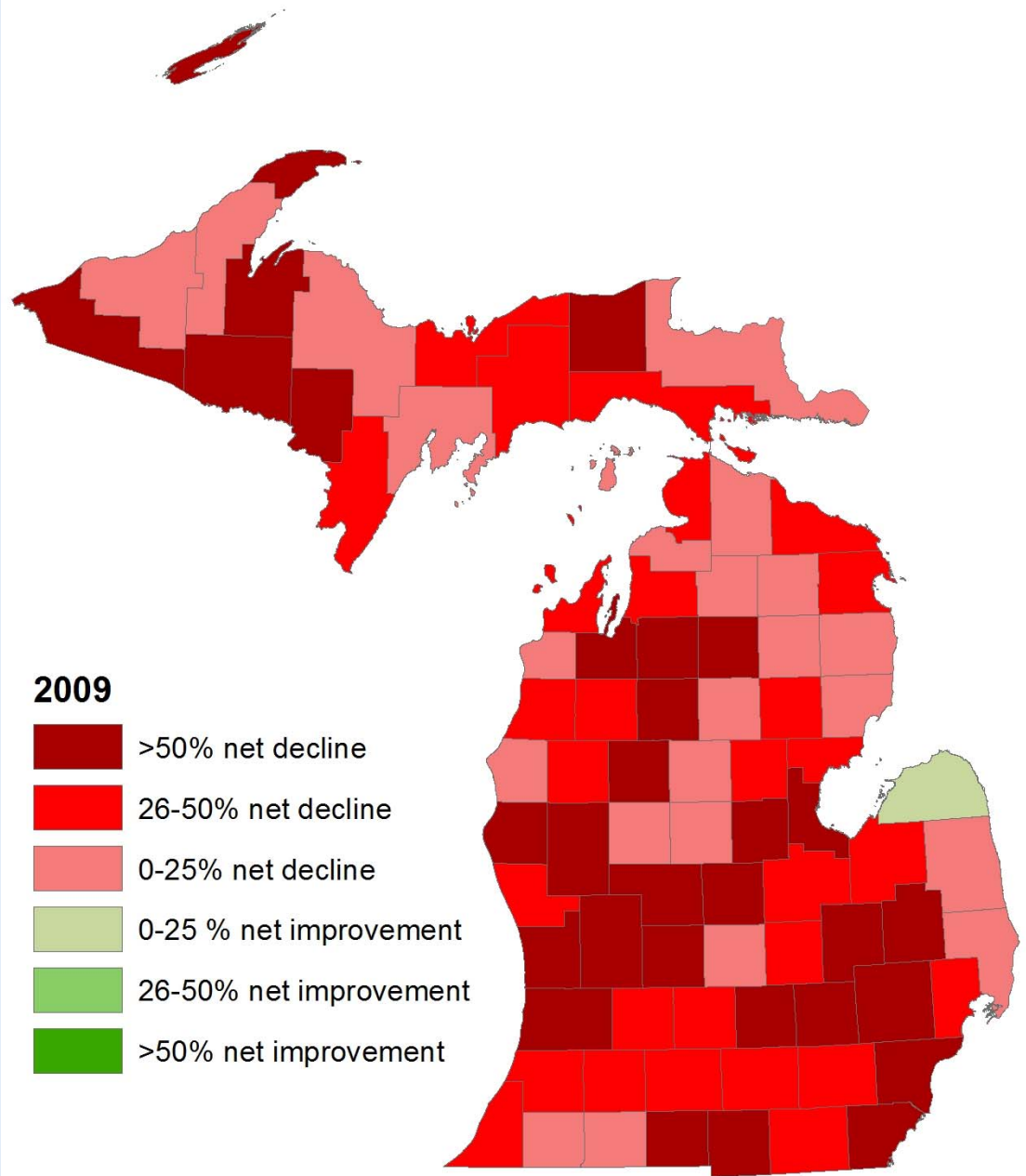
Spread and Easing of Fiscal Problems, by County

Net fiscal health:

% of local jurisdictions reporting better able to meet needs

minus

% reporting less able to meet needs



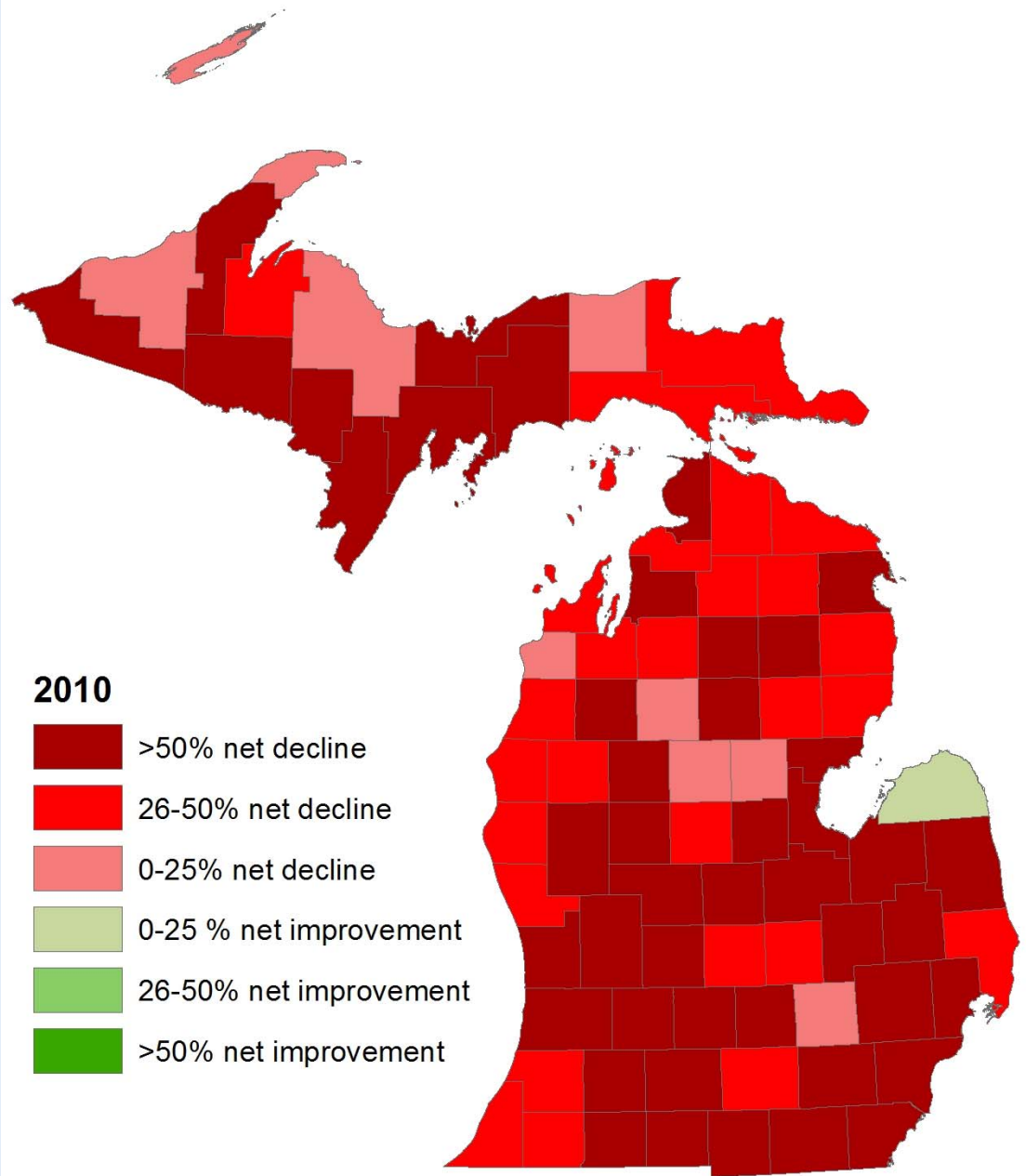
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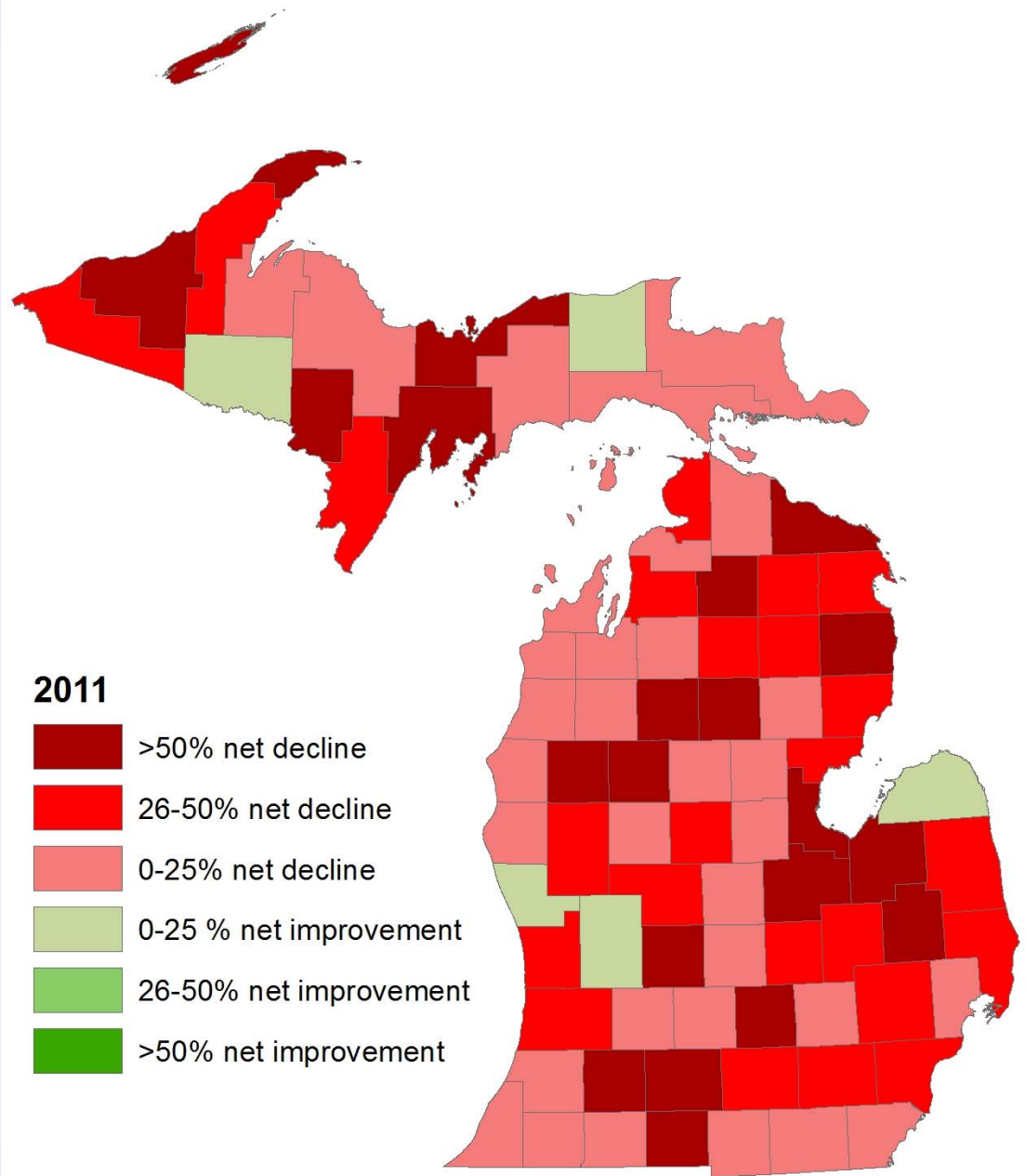
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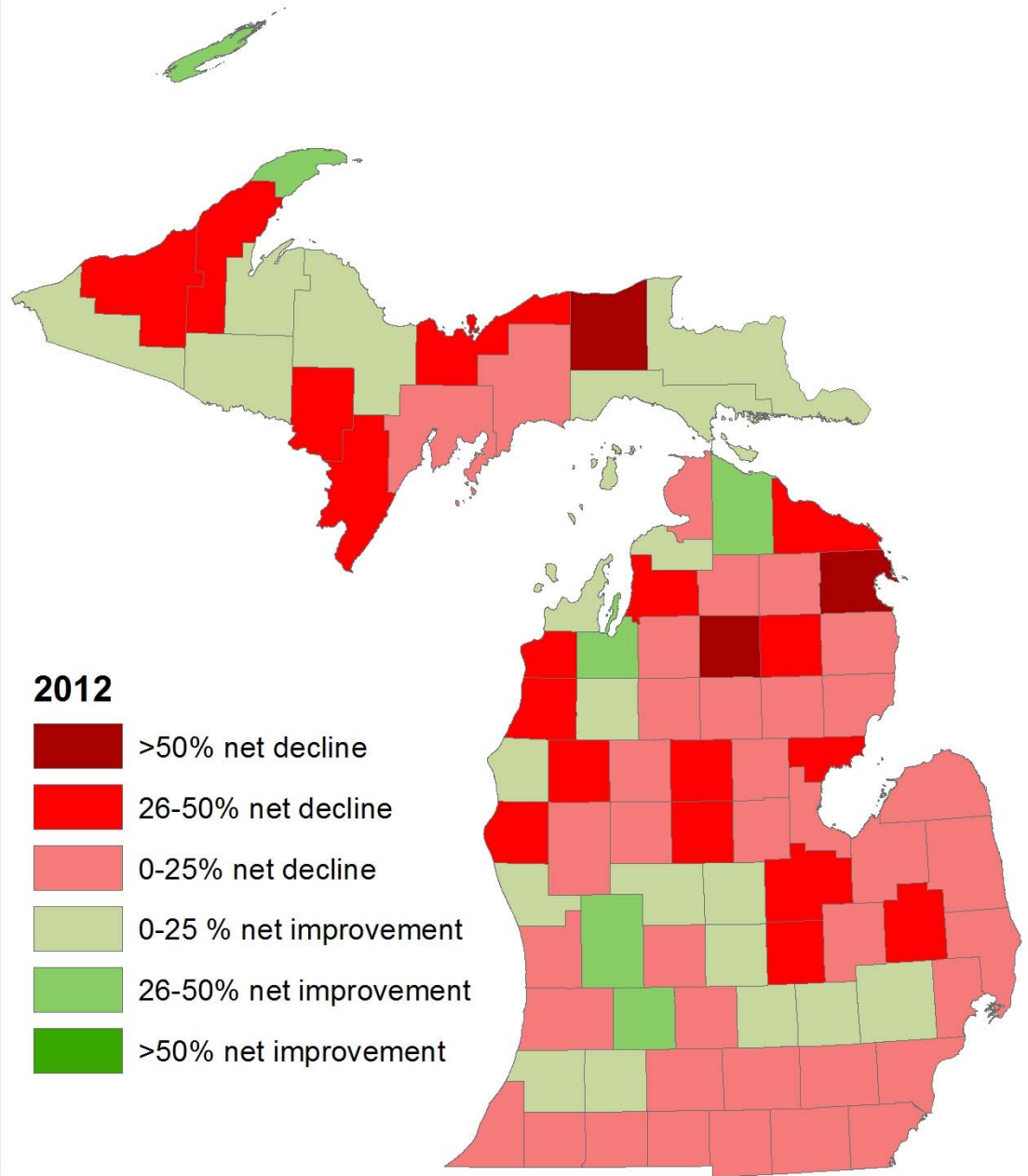
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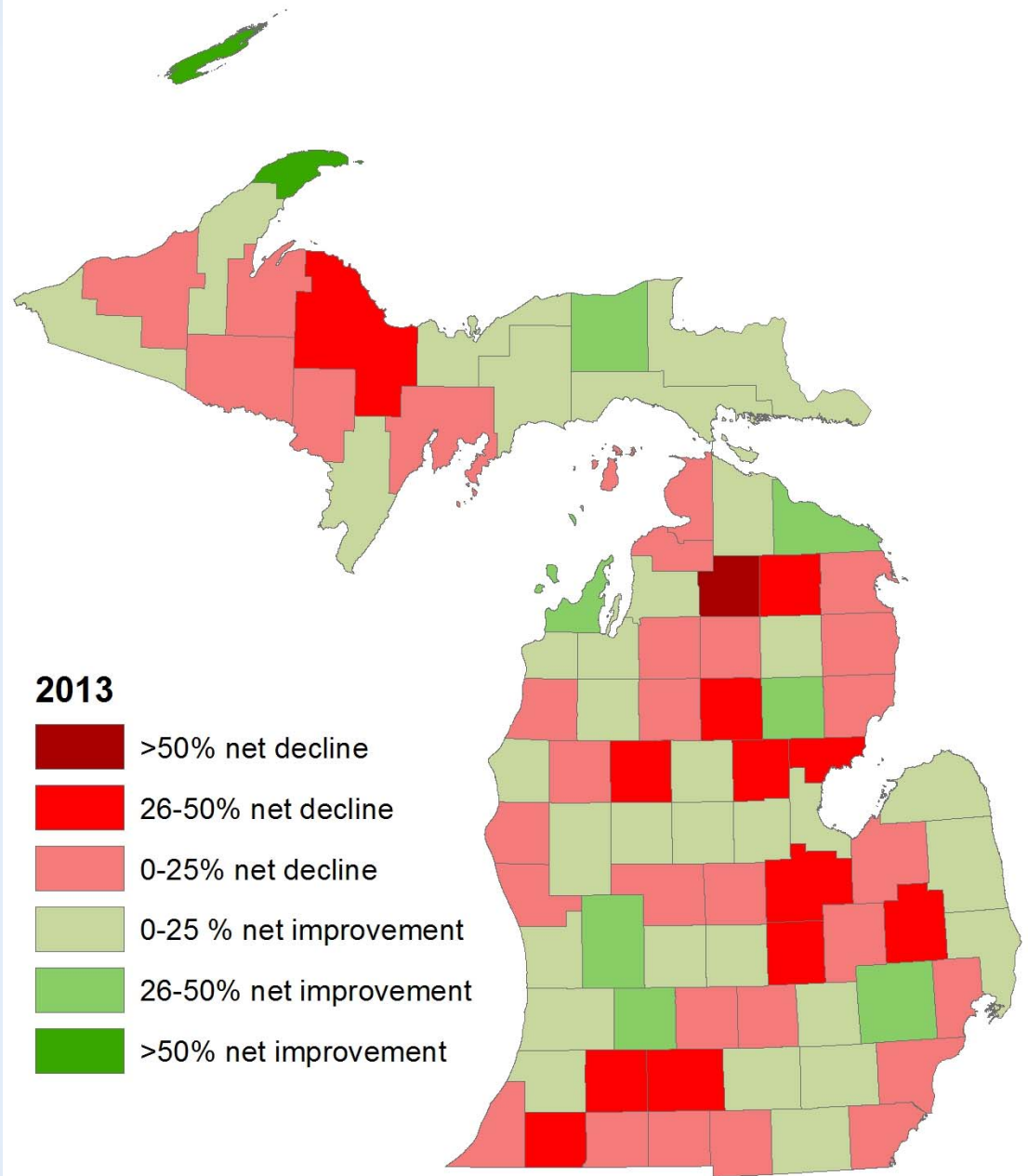
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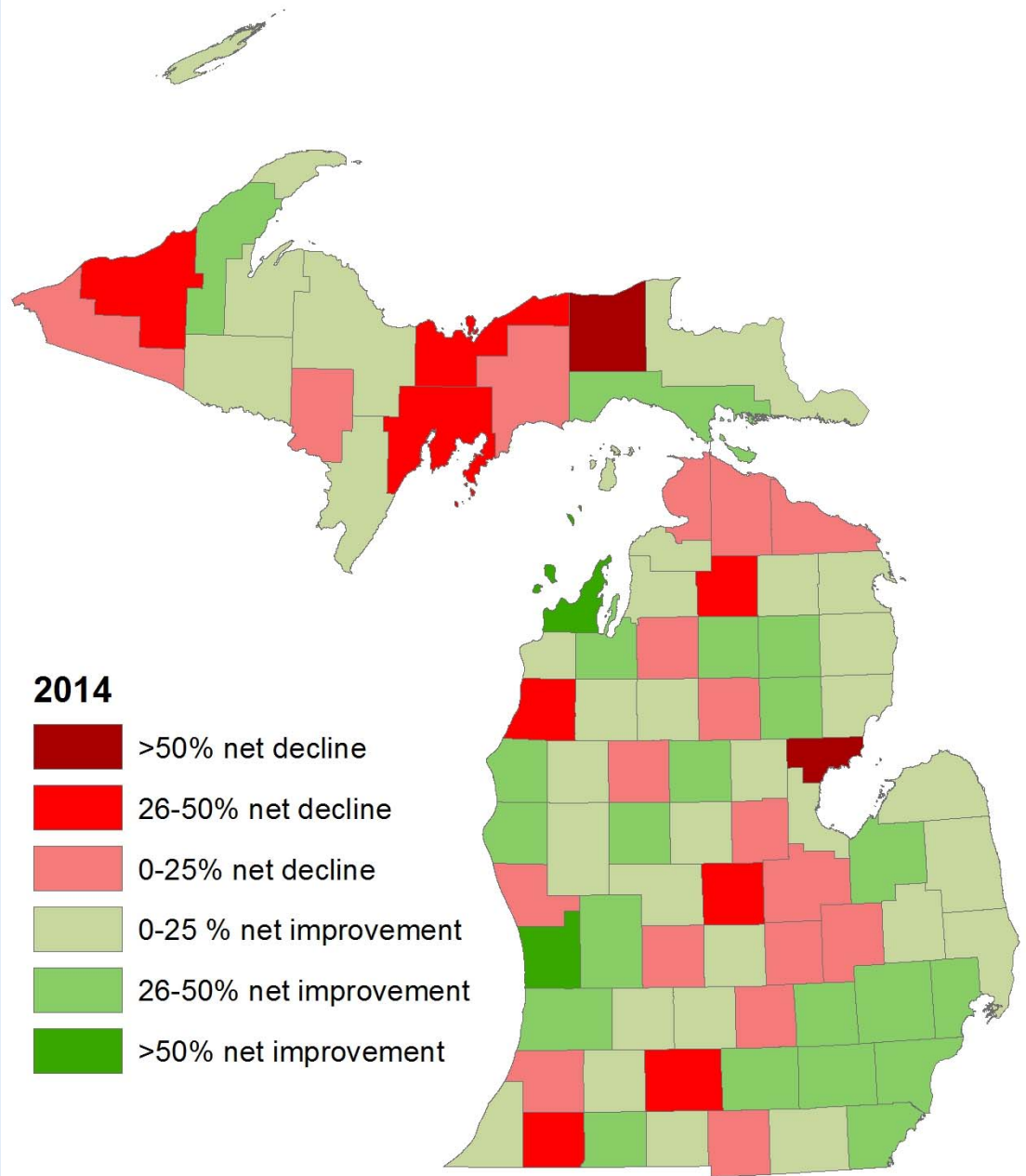
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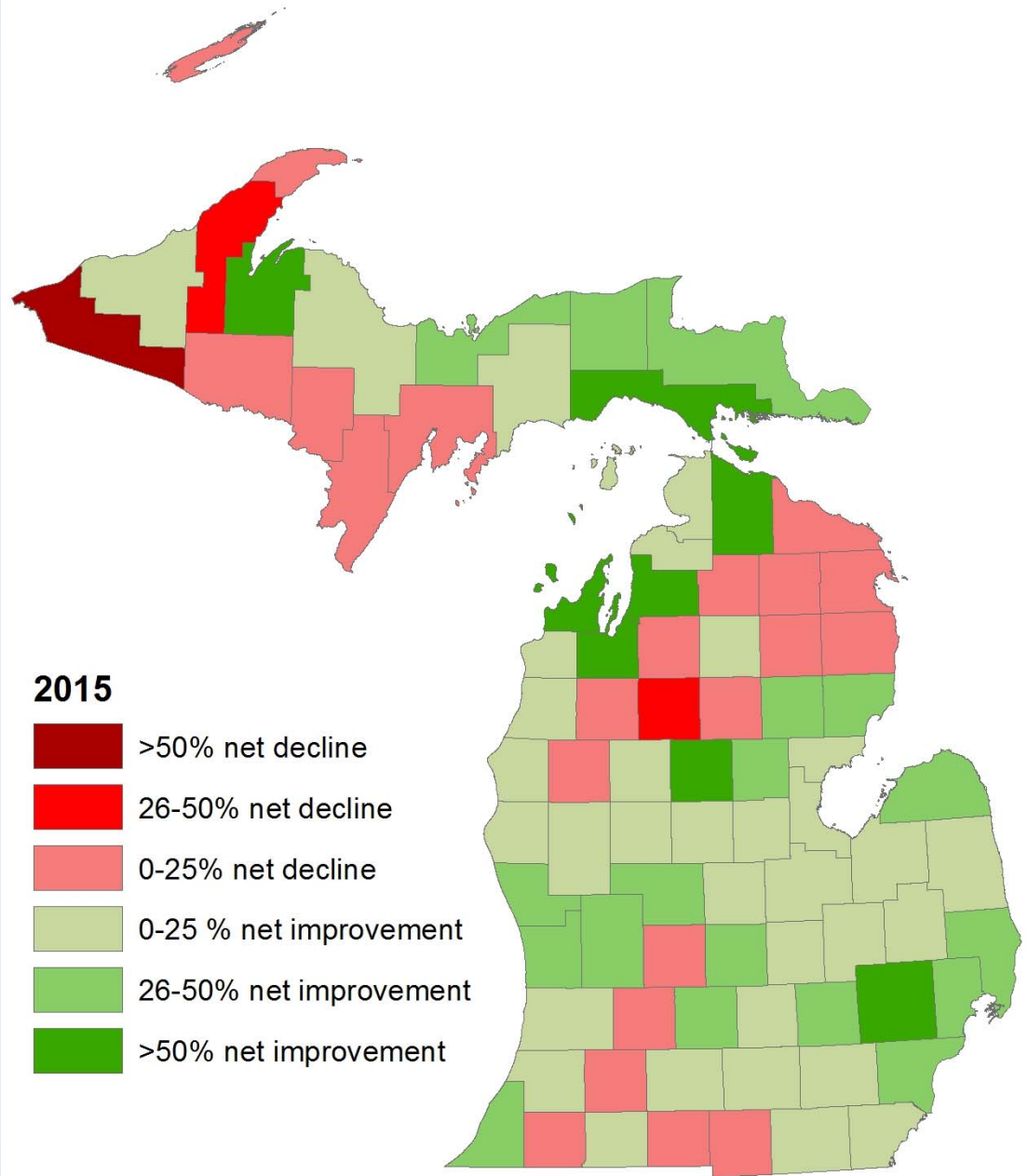
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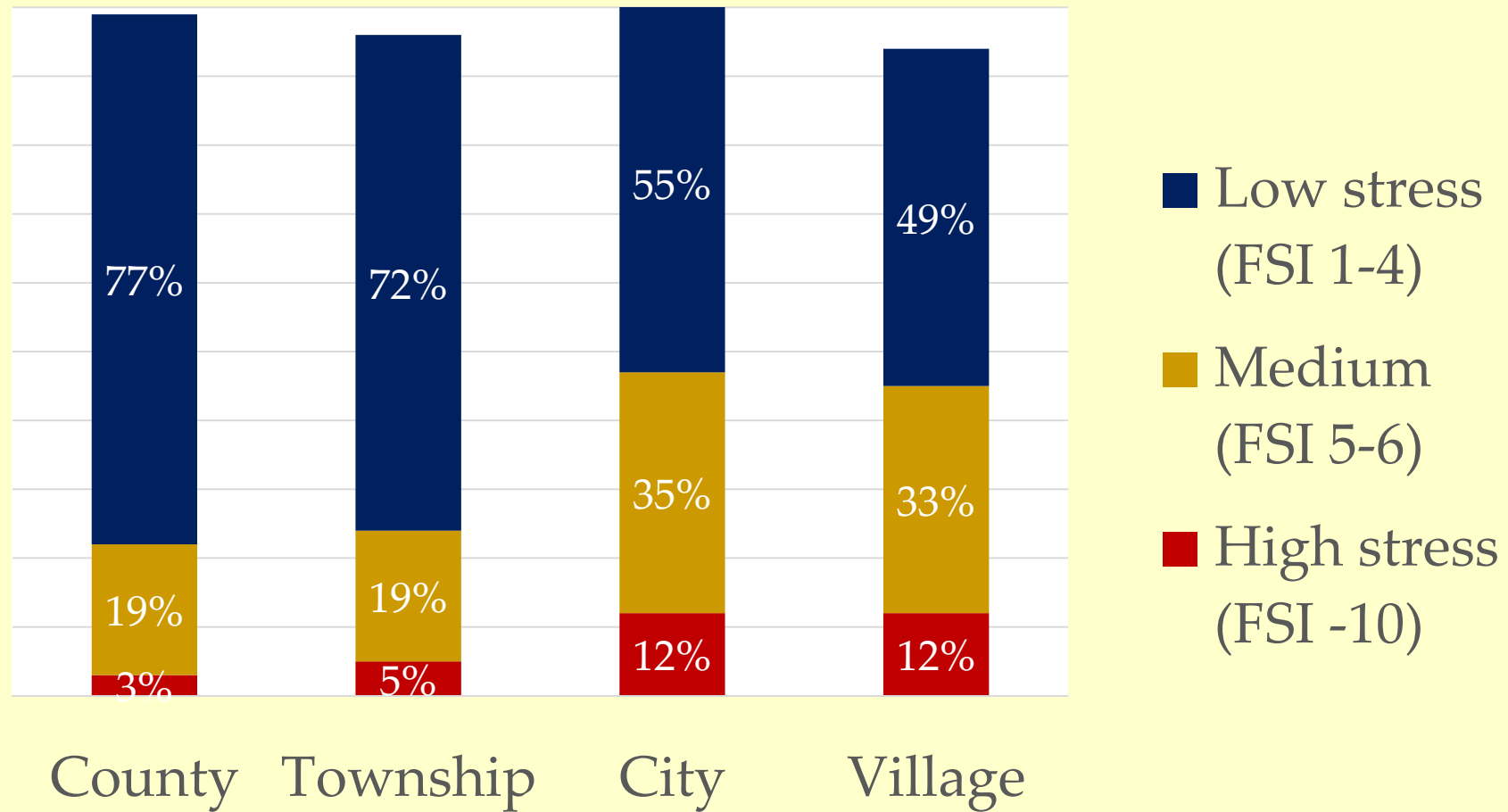


But does improvement equal
Fiscal Health?

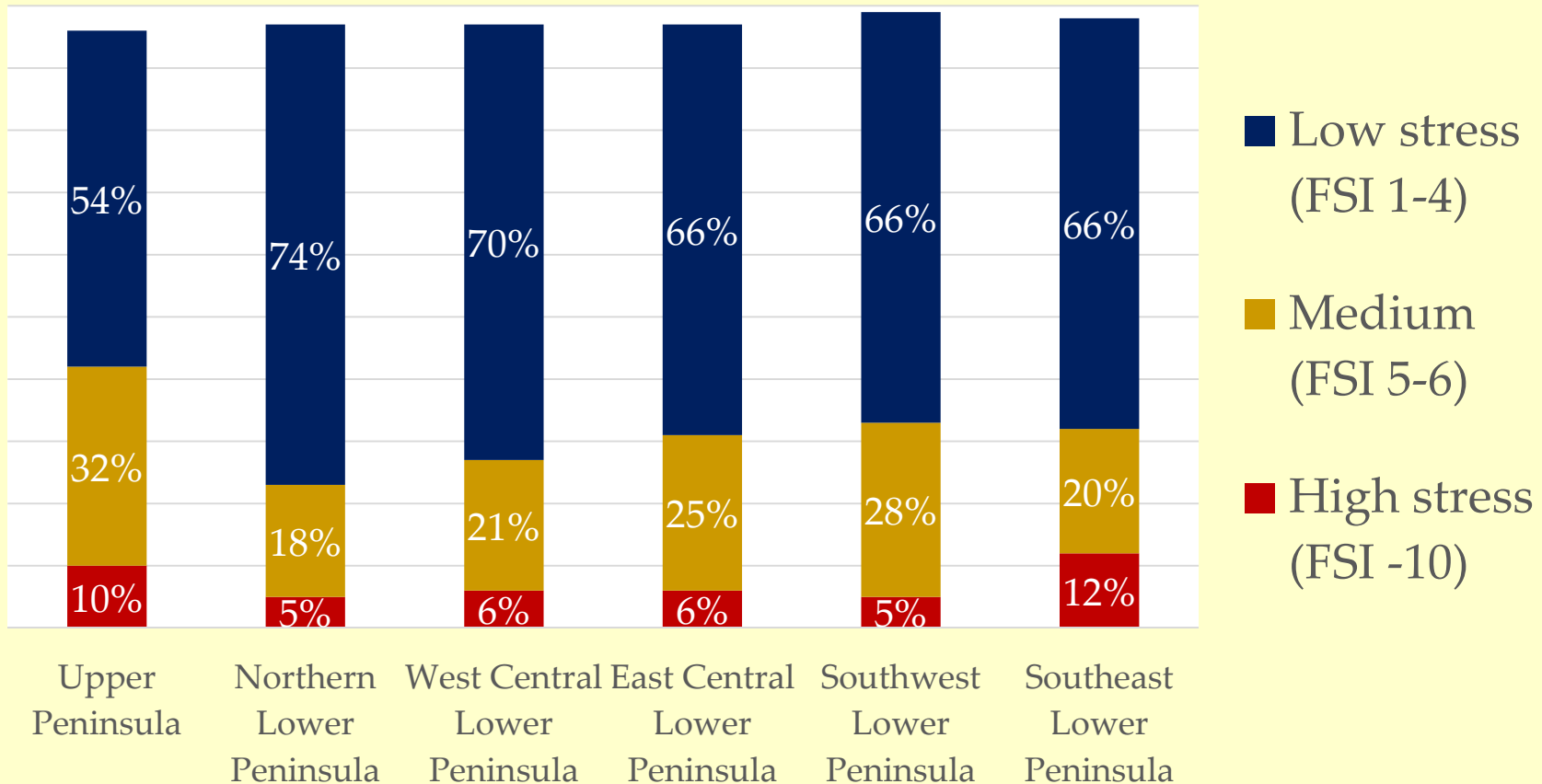
A single snapshot variable

- In 2013, MPPS introduced “fiscal stress index”
- 10 point scale: 1= “perfect fiscal health” 10 = “fiscal crisis”
- Modelled on index using administrative data, calculated by Munetrix

Higher stress in urban areas



Southeast Michigan and U.P.

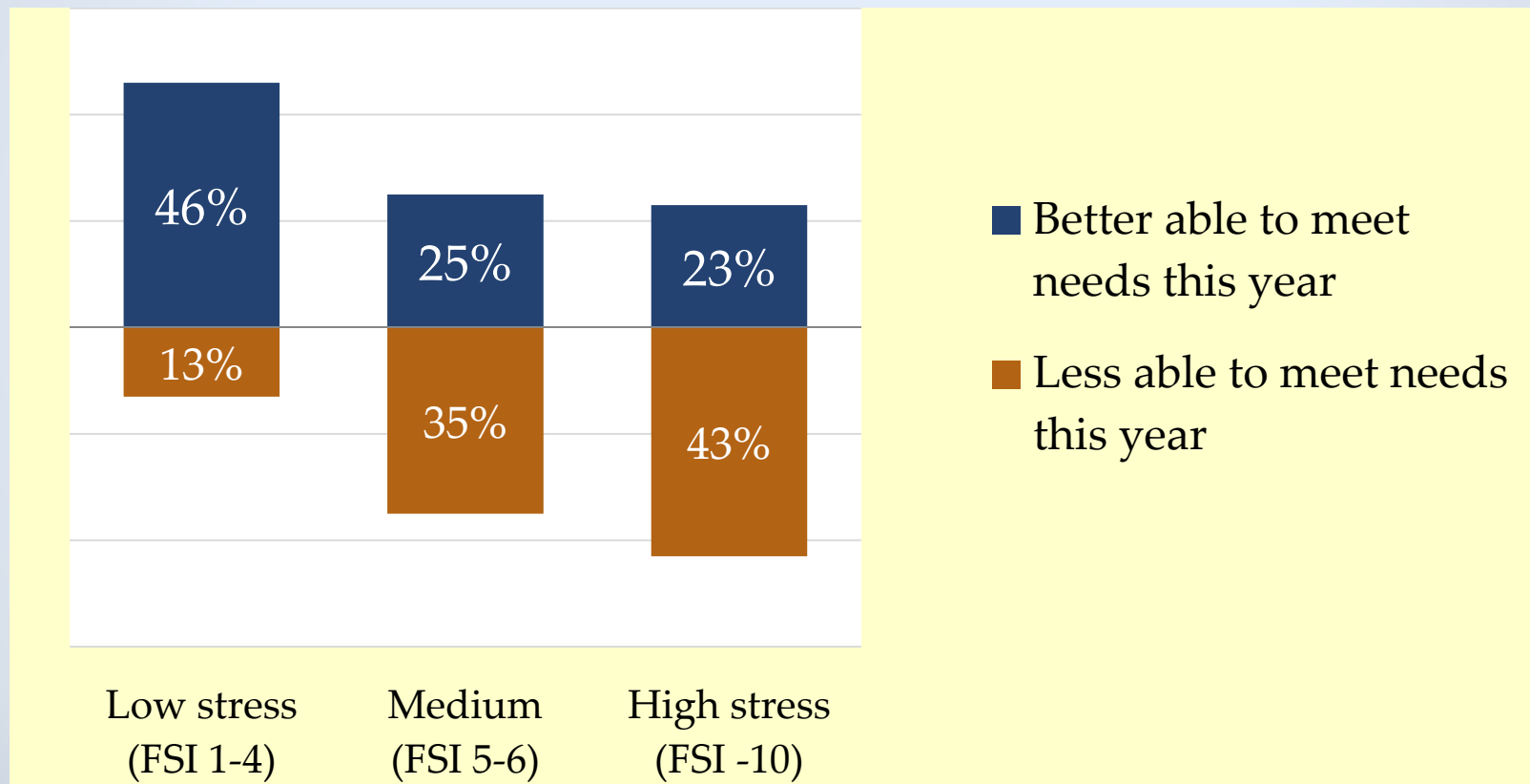


Connection between trend
data and fiscal stress:

Characterizing communities
in persistent decline

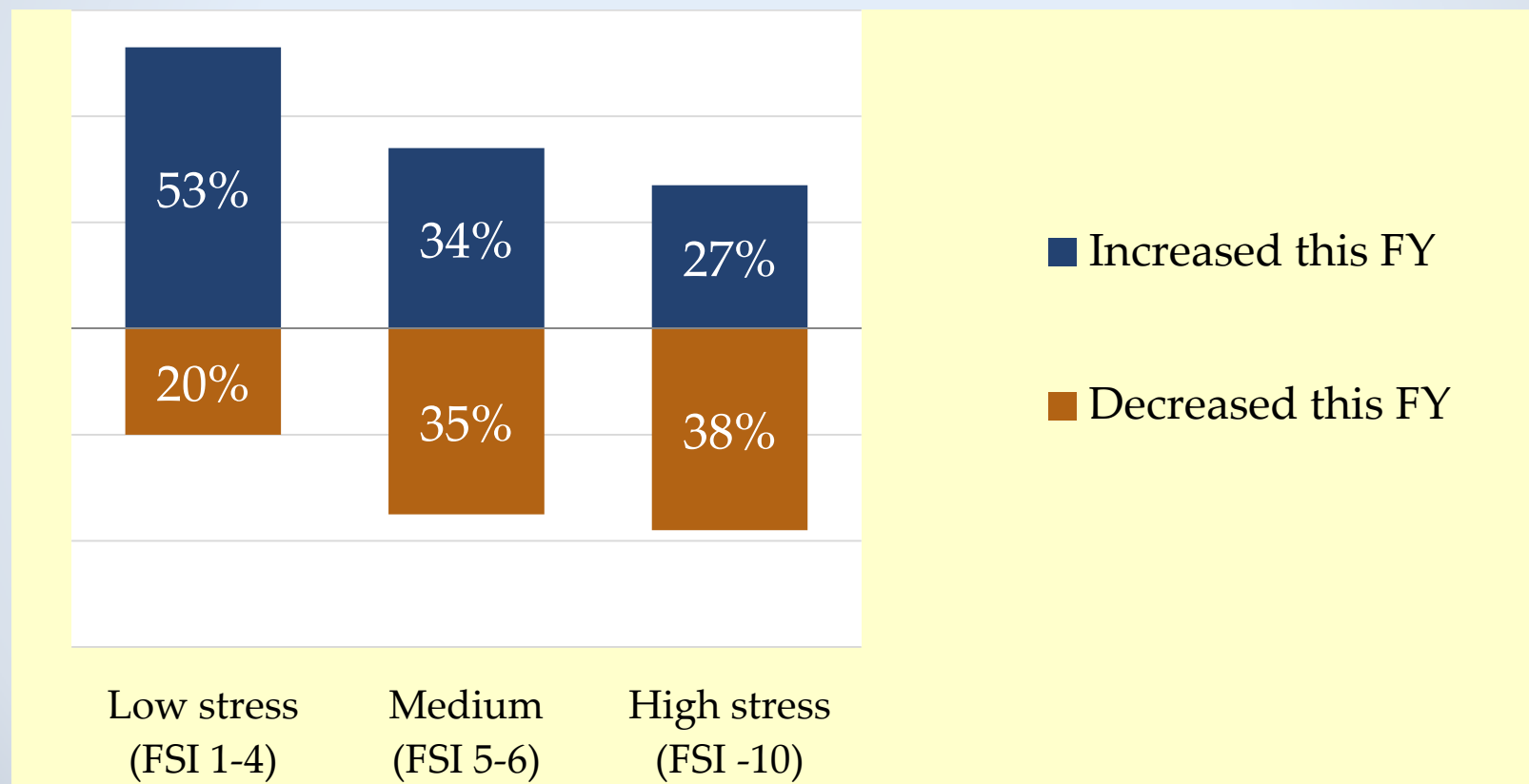
Communities in stress also in decline

% of jurisdictions **better or less able** to meet fiscal needs



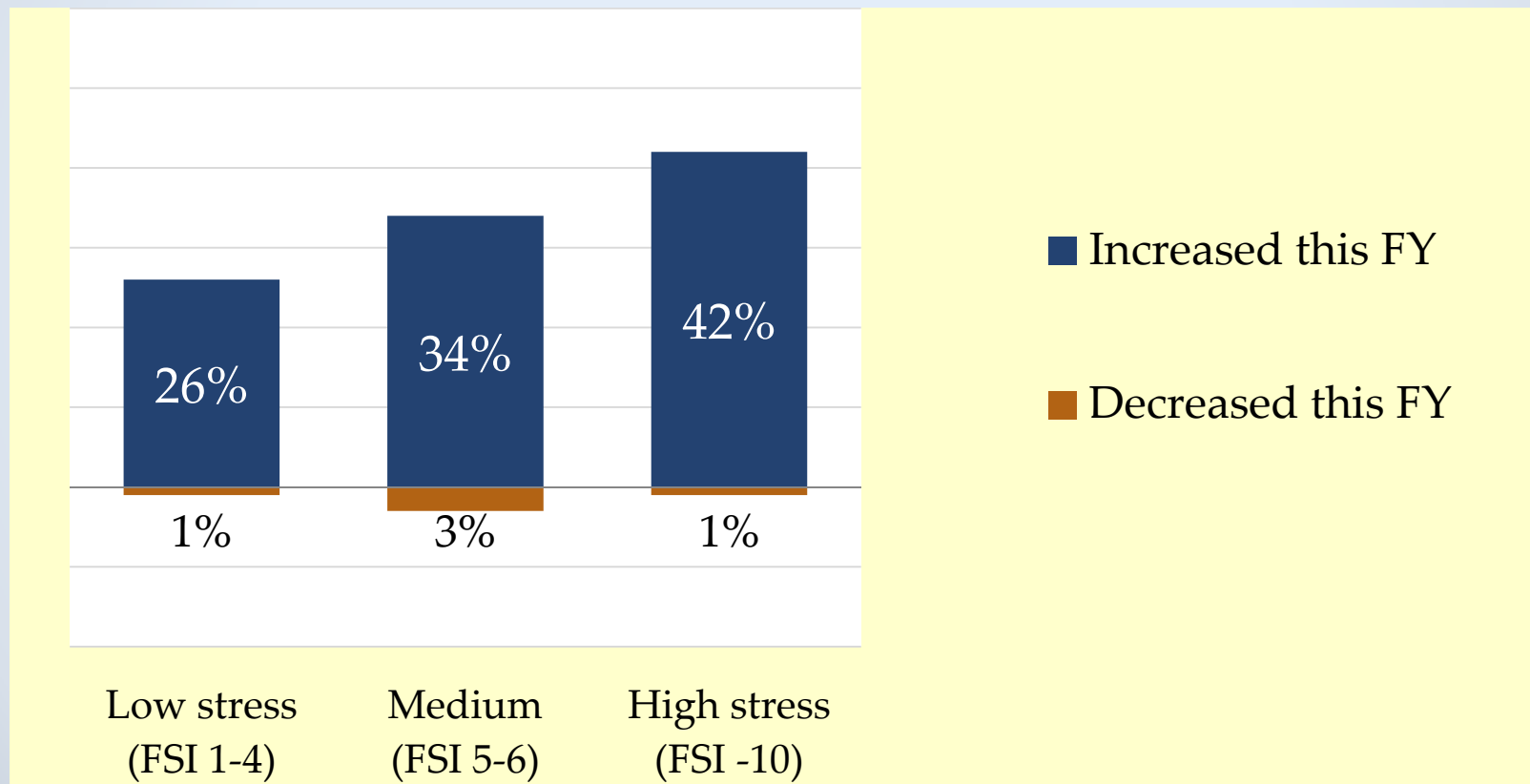
Property tax revenues and fiscal stress

% of communities with a change in **property tax revenues**



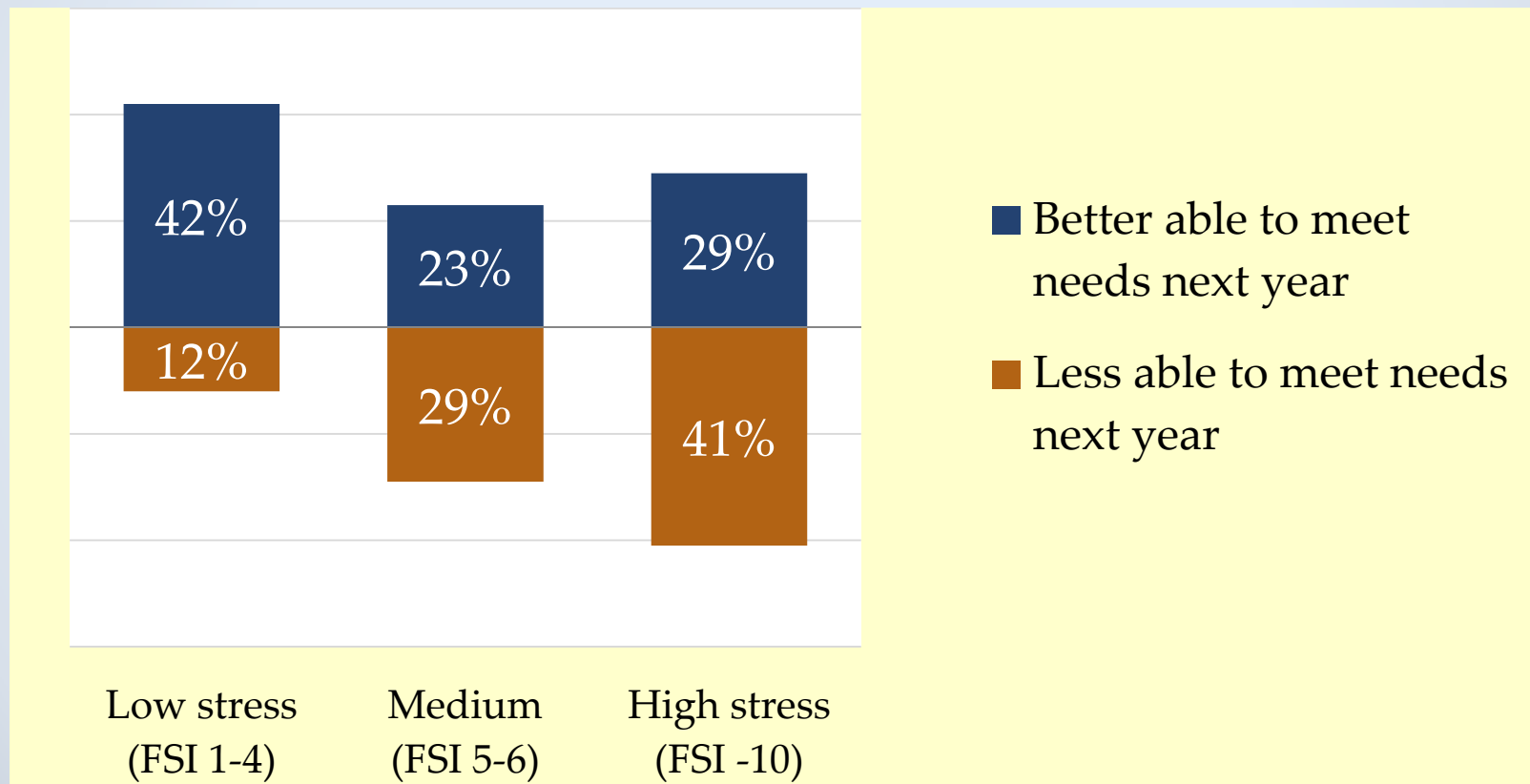
Public safety need and fiscal stress

% of communities with a change in **public safety needs**



Communities already in high stress also project future decline

% of jurisdictions **better or less able** to meet fiscal needs **next year**



More from the Michigan Public Policy Survey

You can use our data, too

- Request access to full dataset (less FIPS codes)
- Possibilities to merge your own data
- Coming soon: Public use datasets for student/classroom use

The Michigan Public Policy Survey (MPPS)

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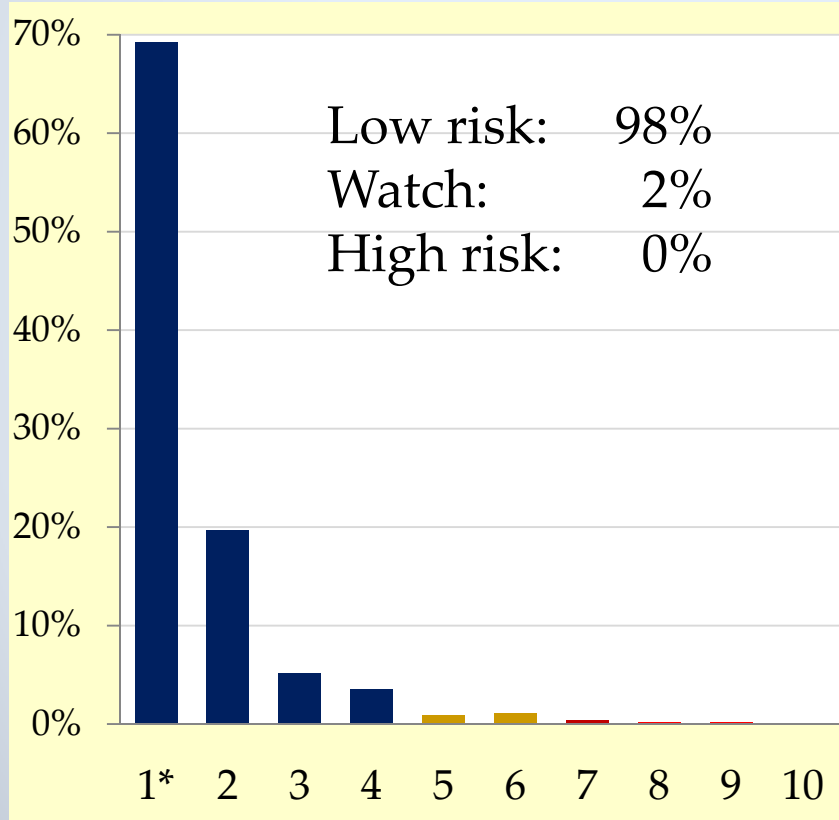
Audit-Based Fiscal Stress Indicators

- Origins in Michigan Dept. of Treasury
- A new version produced by Munetrix
- Index comprised of 10 categories; pass-fail
 - Population growth
 - Taxable value growth/decrease
 - General fund expenditures as % of taxable value
 - Current and prior general fund deficits
 - General fund balance
 - Long-term debt
- Scores range from 0 – 10
 - 0-4 = Low risk
 - 5-6 = Fiscal watch
 - 7-10 = High risk

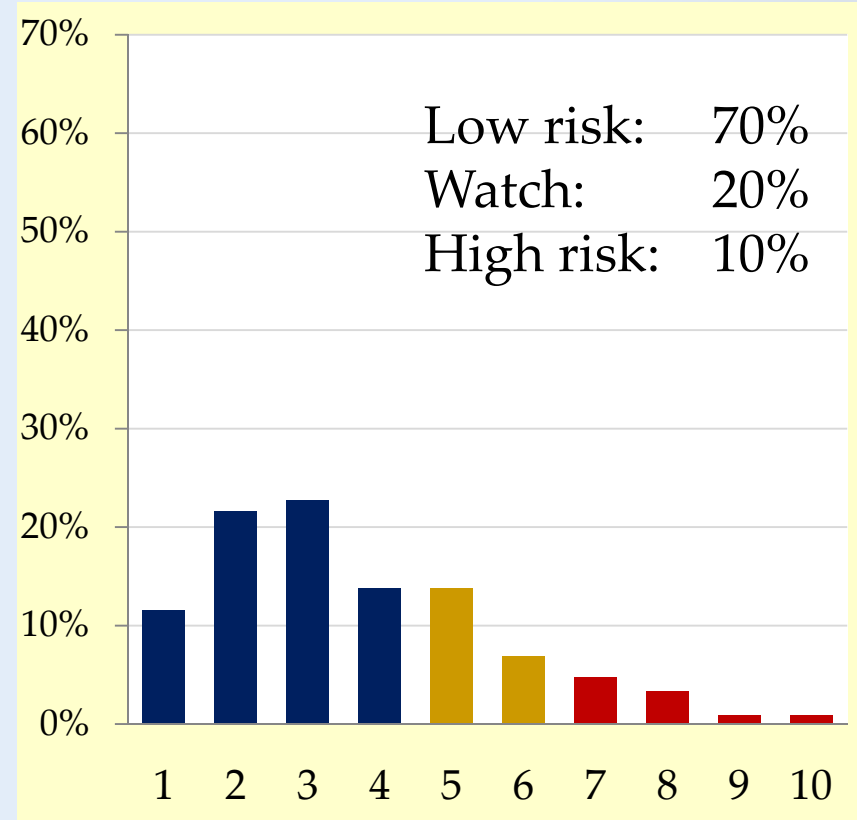
Distribution of scores

2013: using only matched pairs (835 js)

Munetrix



MPPS



Possible reasons for the differences

- Local officials **treating 5 as “average”** or other opinion research effects?
- Fluctuation in MPPS due to **different respondent answering?**
- Local officials naturally **cautious?**
- Local officials **consider different factors** than Munetrix, or assign different weight to these factors?