Michigan local leaders see need for state and local ethics reform

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This report presents Michigan local government leaders’ views on a variety of issues regarding ethics at the state and local levels, including how ethical they believe Michigan’s state and local government leaders are, what types of ethics policies are needed, and what types are already in place in their jurisdictions. Findings in the report are based on statewide surveys of local government leaders in the Fall 2014 wave of the Michigan Public Policy Survey (MPPS).

Key Findings

- In the view of local leaders, significant ethics concerns and violations are not very common in Michigan local governments, with 70% believing that other local officials across the state are very or mostly ethical in general, and 88% believing their own local government’s officials are very or mostly ethical. In addition:
  - Three-quarters (75%) of local leaders say their jurisdiction’s officials rarely (50%) or never (25%) face substantial conflicts of interest where they or family members might receive tangible benefits because of action taken as a government official. Meanwhile 18% say such conflicts happen occasionally and just 3% say they happen frequently.
  - Just over a quarter (26%) of local officials say their jurisdictions have received Freedom of Information Act requests in the last five years related to potential ethics violations, but just 3% say these turned out to be legitimate. Similarly, few report findings of legitimate concerns in their jurisdictions regarding accusations of improper actions by local officials (5%) and of Open Meetings Act violations (2%).
  - Overall, 13% of local officials report having felt pressure from others to act unethically in the past five years.

- When it comes to their views of state government officials, just under half (48%) of local leaders feel state legislators are either very (5%) or mostly (43%) ethical. By comparison, 57% believe executive branch officials are, in general, very (14%) or mostly (43%) ethical.
  - Local leaders’ views on state officials’ ethical behavior are linked to partisan identification. Republican local leaders are more likely to give officials positive ratings in the current Republican-controlled state government, while Independent and Democratic local leaders are more likely to give negative ratings.

- Local leaders see a need to strengthen ethics policies, especially at the state level, but to some extent at the local level as well.
  - First, 59% of local jurisdictions report having a formal code of ethics with guidelines for their personnel that can cover a broad range of ethics issues.
  - Local leaders strongly support prohibiting honoraria for state executive branch officials (as is already the law for state legislators), for limiting gifts that can be provided to any state official, and for requiring disclosure of such gifts. In addition, local leaders overwhelmingly agree that these policies should apply to local government officials.
  - While local leaders strongly support requiring state officials to disclose certain financial interests (sources of income, property holdings, list of creditors, etc.) by state officials, they are less likely to say these policies should also apply to local officials.
  - Finally, local leaders strongly support introducing “revolving door” policies for state officials.
Background

The expectation of ethical behavior among public officials is a cornerstone of democratic governance. No single set of rules can dictate all of the ethical decisions officials should make, given the complex and sometimes competing values—such as fairness, liberty, or common good—that officials face in their role as government leaders. However, laws related to transparency and ethical conduct are important for setting appropriate standards. For example, government ethics laws can provide specific, enforceable rules to facilitate the handling of situations when conflicts of interest arise, and—when the rules require public disclosure—they also provide information to help the public (and officials themselves) identify areas of ethical concern.¹

While local governments can adopt rules governing ethics in their own jurisdictions, states may pass statutes that govern ethics in government at both the state and local levels. In Michigan there are a number of laws that address various ethical issues that state and local government officials may face, including conflicts of interest, Freedom of Information, Open Meetings, and more.² Some of these apply only to members of the state legislature, while others may apply to a wider array of state officers and/or local officials.

Michigan has at least some strong rules regarding public sector ethics, but in other ways it lags behind other states. On the one hand, state legislators in Michigan are prohibited from simultaneously holding any other elected office or public job, and this may minimize opportunities for conflicts of interest. Michigan also prohibits state legislators from receiving honoraria if it is given in connection to a legislator’s official duties as a public officer while in office, as do about half of the states. On the other hand, Michigan is one of only three states that do not require state legislators to disclose their financial interests, such as sources of income, property holdings, names of creditors, and so on. And this lack of transparency may increase opportunities for unethical behavior in office.³ Using data from 1996, University of Florida professor Beth Rosenson graded the various states on a range of ethics issues including the existence of basic ethics codes, limits on honoraria and gifts, financial disclosure requirements, and more. On this scale Michigan was ranked 27th among the states.⁴ In 2012 the Center for Public Integrity ranked Michigan 44th among the states with an overall grade of “F” when analyzing the risk of corruption in state government, with “F’s” on sub-scores for executive, legislative and judicial accountability, lobbying disclosure, civil service management, political financing, redistricting, lobbying disclosure and ethics enforcement agencies.⁵

While ethics violations are not frequent front-page news in Michigan, there certainly have been cases at both the state and local levels, including the high profile case of former Detroit Mayor Kwame Kilpatrick, convicted on 24 of 30 counts of corruption in 2013.⁶ At the state level, a major scandal was uncovered in 1993 involving political influence in the awarding of state contracts, stolen and missing money, and more, resulting in convictions for 10 people including a state legislator. Numerous other state and local cases have been uncovered since then.⁷ The Fall 2014 wave of the MPPS surveyed local officials statewide to gauge support for or opposition to stricter ethics policies at the state and local levels, as well as to explore issues regarding ethical behavior in local governments themselves.

Asking people to report on ethical behavior can be challenging and it may not produce accurate results. It is certainly possible that local officials might under-report instances of ethical concerns in their jurisdictions, especially if they were personally involved. There is extensive research in the survey field regarding sensitive questions and whether respondents answer them truthfully on questionnaires, including the case of under-reporting socially undesirable behaviors.⁸ Research on factors that affect respondents’ tendency to give truthful survey answers indicates that respondents will weigh the risks and benefits of answering a survey when deciding how candid to be. The MPPS’ respondents may be more willing to provide honest assessments than they otherwise might be because the MPPS promises respondent confidentiality and has built a track record ensuring it. Furthermore, the survey is conducted by a source credible with respondents—the University of Michigan—which does not accept any special interest funding for the MPPS; the MPPS program is funded through UM general purpose funds only. While the survey is conducted in partnership with several Michigan local government organizations, all substantive decisions regarding survey content, analysis, and reporting are made by the University of Michigan staff. Nevertheless, these factors are unlikely to completely eliminate the possibility of under-reporting ethics issues by survey respondents.

But beyond questions of accurate response, it’s also impossible for one survey to address all of the ethical issues government leaders face, such as the small daily decisions that can reach far beyond what is delineated by state or local laws. This MPPS survey focused on several specific high profile areas of government ethics policy, based on recommendations for ethics reform set out by the Metropolitan Affairs Coalition (MAC), a public-private partnership of business, labor, government and education leaders in southeast Michigan. In addition, the survey asked local leaders for their general impressions of how ethical Michigan’s state and local leaders are in terms of carrying out their official duties in office. It should be noted that the MPPS survey focused only on particularly significant ethics and legal issues such as violations of the Open Meetings Act and requests filed through Freedom of Information Act. Even the survey’s question about conflicts of interest was set with a high bar, defined as a situation where an official or an officials’ family members may receive tangible benefits because of actions taken as government official.
Local officials see mostly ethical behavior among their peers

According to Michigan’s local leaders, significant ethics concerns and violations are not very common in Michigan local governments. The MPPS asked local leaders how they would rate other local officials across the state in terms of ethical behavior in carrying out their official duties, and found that 70% believe other local officials in general are very (15%) or mostly (55%) ethical. When asked about those they are most familiar with—other local officials in their own jurisdictions—88% say their colleagues are very (53%) or mostly (35%) ethical in office (see Figure 1).

On one hand, if the goal is perfectly ethical behavior among public servants, these assessments fall short of that standard. But, on the other hand, the assessments are much more positive than negative, especially when it comes to the other government officials whose conduct the MPPS respondents know best.

Local officials say they rarely face significant conflicts of interest

The MPPS asked officials how often local elected and/or appointed officials in their jurisdiction face issues that present potential conflicts of interest. The survey defined such conflicts with a fairly high bar, as instances where the official or his/her family may receive personal or business-related tangible benefits because of actions taken or decisions made as a government official. The survey did not specifically ask about minor issues, such as using an office copier to make a copy of a personal document, or an office fax machine to send a personal fax. Overall, 75% of local leaders say officials in their jurisdiction rarely (50%) or never (25%) face significant conflicts of interest, while 18% say this happens occasionally and just 3% say it happens frequently (see Figure 2a).

Whether they are from large or small communities, less than 5% of officials say conflicts of interest happen frequently in their jurisdiction (see Figure 2b). However, while 31% of officials from the state’s smallest jurisdictions—those with less than 1,500 residents—say conflicts of interest are never present in their jurisdiction, the same is true of only 14% of leaders from the state’s largest jurisdictions—those with more than 30,000 residents.

It is possible, of course, that this may be influenced by differences in what local leaders perceive to be potential conflicts of interest.
Few report other legitimate concerns regarding significant local ethics violations

The MPPS explored several other areas where local government officials might face ethical concerns. For example, while many Freedom of Information Act (FOIA) requests filed with local governments by citizens or organizations in the community may not be related to ethical concerns, others might indeed be. Some of these FOIA requests regarding ethical concerns might not end up having merit, while others might. When asked about the prevalence of FOIA requests, just over a quarter (26%) of Michigan local jurisdictions overall report having received FOIAs within the past five years related to potential ethics violations, with the largest jurisdictions (42%) being the most likely to report this (see Figure 3). However, local officials indicate that these FOIA requests rarely result in findings of legitimate ethical concerns (only 3% overall in the past five years; 5% in the largest jurisdictions).

Somewhat fewer Michigan local jurisdictions (18%) report having faced accusations of Open Meetings Act violations in the past five years. Again, in the case of Open Meetings Act violations, reported accusations are more common among larger jurisdictions, with 44% of the largest jurisdictions saying they’d experienced such accusations, compared to just 11% of the smallest jurisdictions (see Figure 4). Of course, larger jurisdictions have many more committees that must comply with the Open Meetings Act, and so there are more opportunities for such violations, compared to small jurisdictions. Yet it is still the case that very few local leaders (2% overall) report that these accusations resulted in findings of legitimate ethical concern, and there are few differences in these outcomes based on community size.

When looking more generally at accusations of any kind of impropriety leveled against one or more of a local government’s officials, overall, just 23% of Michigan local leaders say their jurisdiction has experienced such accusations in the last five years and just 5% of jurisdictions report these accusations resulted in findings of legitimate concern. There is a significant increase in these numbers, however, in Michigan’s larger jurisdictions. In the largest jurisdictions in particular, 41% report receiving accusations of impropriety of some kind in the last five years, and 14% report that the accusations revealed legitimate ethics concerns (see Figure 5).
The MPPS also asked local leaders if they themselves had come under pressure to do something they felt might be unethical during the last five years. Overall, just 13% of local officials report having felt such pressure to do something unethical. Officials in larger jurisdictions are somewhat more likely to report facing ethical pressures in the recent past—including a quarter (25%) of those in jurisdictions with between 10,001 and 30,000 residents—compared to just 9% from the smallest jurisdictions (see Figure 6).

As shown in Figure 7, among the relatively small portion of officials who indicate they have felt ethical pressures recently, the most commonly reported sources of these pressures are other officials in their own jurisdiction (52%) or members of the public (49%). Relatively few officials indicate they have faced such pressure from officials in other jurisdictions or in other levels of government (17%); just 3% say the pressure has come from family and friends.
Greater concerns about state officials’ ethical practices, tied to partisanship

The MPPS also asked local leaders how they view state government officials in terms of their ethical behavior in office. Whereas local officials give relatively high marks to other local officials (as shown first in Figure 1), they give lower marks to state officials. Just under half (48%) of local officials statewide feel state legislators are either very (5%) or mostly (43%) ethical (see Figure 8a). When it comes to executive branch leaders—the governor, lieutenant governor, department leaders, etc.—overall 57% of local officials think members of the executive branch are either very (14%) or mostly (43%) ethical in carrying out their official duties.

Compared to the more ethical ratings they give to local officials in general, and especially to other officials in their own local jurisdictions, these lower ratings for state officials are in line with previous MPPS findings among Michigan local officials. In general, they are more likely to trust other local officials than to trust officials at the state and federal levels.9

There are few differences in evaluations on this issue when broken down among officials from jurisdictions of different population sizes or regions of the state. However, opinions on the ethical behavior of state-level officials are strongly correlated with the MPPS respondents’ partisan identification. At present, local officials who identify themselves as Republican are more likely to give positive ratings on ethical behavior to legislators (59%) and executive branch officials (72%), compared with Independent and Democratic local leaders, who currently give lower ratings to these state officials (see Figure 8b). This may not be surprising given that both the legislative and executive branches of Michigan’s state government are currently controlled by the Republican Party. By contrast, there is relative agreement among officials of all partisan stripes that other local officials are very or mostly ethical in office.
Almost a third of Michigan local officials report no formal code of ethics in their jurisdictions

The MPPS asked local leaders whether their jurisdictions currently have policies on a range of ethical issues. Overall, 59% of Michigan local governments report having an official code of ethics with guidelines for their personnel, including 74% of mid-size jurisdictions with between 5,001 and 10,000 residents, and 70% of the state’s largest jurisdictions (see Figure 9). These codes of ethics may address a wide range of issues, including conflicts of interest, transparency, gifts, use of public resources, financial disclosure, and more.

Meanwhile 29% say their jurisdictions do not have a code of ethics, and 12% do not know if their jurisdictions have adopted such a code.

Beyond codes of ethics, just 23% of local jurisdictions report having other specific policies that prohibit, limit, or require disclosure of honoraria provided to officials. Such honoraria might include speaking fees or other payments to local officials for services provided to groups outside of their local government. In addition, only 27% of local governments statewide report having policies on gifts that local officials are allowed to accept.

Larger jurisdictions (those with over 30,000 residents) are the most likely to report having existing policies regarding honoraria and gifts paid by outside sources (see Figure 10). However, even among the largest local jurisdictions, significant percentages report not having current policies governing gifts (41%) or honoraria (47%) for local officials.
Support to strengthen honoraria and gifts policies for both state and local officials

The MPPS then asked local leaders whether state and/or local officials should be subject to new, or strengthened, ethics policies. Currently in Michigan, state legislators are forbidden from receiving honoraria, as is the case in 28 other states. However, other Michigan state executive branch officials are not covered by this restriction. When asked if other state officials in the executive branch should be prohibited from accepting honoraria as well, 76% of local officials agree, either strongly (54%) or somewhat (22%), as seen in Figure 11. There is also strong support for greater restrictions on the overall amount of gifts, food, and travel/lodging reimbursements any state government official may receive. Overall, 77% of local officials strongly agree (53%) or somewhat agree (24%) there should be a yearly cap on the total amount of gifts received by state officials. In addition, when it comes to the reporting of these kinds of gifts and reimbursements, an even higher percentage of local officials (83%) agree strongly (62%) or somewhat (21%) that expenditures made on behalf of a state government official above a certain threshold should be reported by both the donor and the public official.

Finally, local officials were then asked if they believe these kinds of policies limiting gifts and honoraria, and/or requiring their disclosure, should be applied to local government officials. Overall, 76% of local leaders believe prohibitions on honoraria, annual caps on gifts allowed, and requirements to disclose such gifts should indeed apply to local government leaders in Michigan, including 54% who feel strongly about it.
Strong support for financial disclosure requirements for state officials, less for local officials

Forty-seven states require some kind of financial disclosure for their state legislators; the three that do not require disclosure are Michigan, Idaho, and Vermont. The MPPS finds most local officials statewide believe that state-level officials—legislators and executive branch leaders—should be required to disclose their financial interests, defined as their occupations, sources of income, business interests, property holdings, list of creditors and debtors, and so on. Overall, 68% of local leaders agree that state legislators should be required to disclose their financial interests, and 69% say the same for executive branch leaders (see Figure 12).

By contrast, there is significantly less support to require financial disclosure from local elected officials. In fact, fewer than half of those surveyed think financial disclosure should be required at the local level, either for local elected officials (44%) or for local government department heads (40%).

Strong support to introduce “revolving door” policies for state officials

The MPPS also asked about support for or opposition to the introduction of policies that would require state officials to wait a specified period of time (for example, a year or two) after leaving office before becoming a lobbyist or consultant for a private company that does work with the state government. This is commonly known as a “revolving door” restriction. At least 33 states across the country have some kind of revolving door restriction for members of their state legislatures, and many apply to executive branch officials as well. However, Michigan is not one of those states. When asked whether some kind of revolving door policies should be introduced for state officials in Michigan, a majority of local officials (52%) strongly agree that state legislators should be bound by a revolving door policy, and a similar percentage support restrictions on executive branch leaders (see Figure 13). (Note: The survey did not ask local leaders about revolving door policies at the local level partly due to space constraints on the survey. In addition, the MPPS researchers believe revolving door issues are generally not likely to be as big a concern for small jurisdictions—who make up a large portion of MPPS respondents—at the local level where there may be few businesses lobbying the local jurisdiction.)
Conclusion

Overall, local government leaders in Michigan report that significant ethics violations are not a frequent occurrence in their jurisdictions. The overwhelming majority (75%) say that officials in their jurisdictions rarely or never face conflicts of interest. However, the survey set a high bar, defining such conflicts as instances where an official or an official’s family members may receive tangible benefits as a result of decisions made as a government official. Local leaders also say there are few legitimate concerns found when their jurisdictions have been subject to Freedom of Information Act requests, accusations of violating the Open Meetings Act, or other accusations of impropriety leveled against the local government’s officials.

Most local leaders think other local officials across the state behave very or mostly ethically in carrying out their official duties, but they express somewhat greater concerns when it comes to state government officials, particularly state legislators.

And local leaders see the need for ethics reform, especially at the state level, but also at the local level in some cases. Local leaders support prohibitions on honoraria, limits on gifts, and new gift disclosure requirements for all state officials. They also believe these policies should apply to local government leaders. While they see the need for greater financial disclosure requirements for state officials, they are less likely to believe local government officials should be subject to the same policies. And finally, while not asked about “revolving door” policies for local governments, local leaders do believe there should be new restrictions on state officials to prohibit government lobbying for a certain period of time after they have left office.
Notes


Survey Background and Methodology

The MPPS is a biannual survey of each of Michigan’s 1,856 units of general purpose local government, conducted once each spring and fall. While the spring surveys consist of multiple batteries of the same “core” fiscal, budgetary and operational policy questions and are designed to build-up a multi-year time-series of data, the fall surveys focus on various other topics.

In the Fall 2014 iteration, surveys were sent by the Center for Local, State and Urban Policy (CLOSUP) via the internet and hardcopy to top elected and appointed officials (including county administrators and board chairs, city mayors and managers, village presidents, clerks, and managers, and township supervisors, clerks, and managers) from all 83 counties, 278 cities, 255 villages, and 1,240 townships in the state of Michigan.

The Fall 2014 wave was conducted from October 6 to December 11, 2014. A total of 1,356 jurisdictions in the Fall 2014 wave returned valid surveys (64 counties, 210 cities, 177 villages, and 905 townships), resulting in a 73% response rate by unit. The margin of error for the survey as a whole is +/- 1.4%.

The key relationships discussed in the above report are statistically significant at the p<.05 level or below, unless otherwise specified. Missing responses are not included in the tabulations, unless otherwise specified. Some report figures may not add to 100% due to rounding within response categories. Quantitative data are weighted to account for non-response. “Voices Across Michigan” verbatim responses, when included, may have been edited for clarity and brevity. Contact CLOSUP staff for more information.

Detailed tables of the data analyzed in this report broken down three ways—by jurisdiction type (county, city, township, or village); by population size of the respondent’s community, and by the region of the respondent’s jurisdiction—are available online at the MPPS homepage: http://closup.umich.edu/mpps.php.

The survey responses presented here are those of local Michigan officials, while further analysis represents the views of the authors. Neither necessarily reflects the views of the University of Michigan, or of other partners in the MPPS.
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Michigan local governments actively promote U.S. Census participation (August 2010)

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Fall 2009 key findings report: educational, economic, and workforce development issues at the local level
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Local government officials give low marks to the performance of state officials and report low trust in Lansing
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Local government fiscal and economic development issues (October 2009)

All MPPS reports are available online at: http://closup.umich.edu/mpps.php
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