Reactions to Changes to State-Local Revenue Sharing Under the Economic Vitality Incentive Program: an Oakland County Perspective

Presentation by the Center for Local, State, and Urban Policy (CLOSUP) for the Oakland County City Managers’ monthly meeting
April 10, 2012
Presentation Outline

- Overview of the Michigan Public Policy Survey (MPPS)
- Summary of findings on initial local government reactions to the EVIP across the state, including a specific look at Oakland County
Michigan Public Policy Survey: Overview

- **A Census Survey**

  - Targeted respondents are the chief elected and chief appointed official in every single Michigan county, city, township, and village
  - Conducted twice per year
  - Administered both online and via hardcopy questionnaire
  - 60-70% response rate by jurisdiction… 72% in Fall 2011!
  - Survey content developed in close partnership with MML, MTA, and MAC, and Advisory Committees of topic experts
Michigan Public Policy Survey: Overview

- **Goals for the Survey Program**

  - Fill the critical information gap about challenges and opportunities at the local level.

  - Provide information to local leaders about peers across the state, spread best practices and grass-roots innovative solutions.

  - Provide a voice for local-level concerns to policymakers in Lansing, foundations, community organizations, etc.

  - Build a longitudinal data archive to allow tracking of fundamental changes.
Presentation Outline

- Overview of the Michigan Public Policy Survey (MPPS)
- Summary of findings on initial local government reactions to the EVIP across the state, including a specific look at Oakland County
Total Constitutional and Statutory/EVIP Revenue Sharing Payments to Local Jurisdictions Statewide
Overview of the EVIP

- Program Goal: to incentivize local government policy change to “best practices” in three categories:
  1. Accountability and Transparency
  2. Intergovernmental Cooperation
  3. Employee Compensation

- Who is eligible for the EVIP?
  - 486 jurisdictions
  - Those that received greater than $4,500 in statutory revenue sharing in fiscal year 2009-10
MPPS Fall 2011 Wave findings:
Slim majority of local leaders are very familiar with EVIP, but many are not well informed

- Total Statewide
  - Very familiar: 53%
  - Somewhat familiar: 33%
  - Mostly unfamiliar: 10%
  - Completely unfamiliar: 3%
  - Don't know: 1%

- Oakland County
  - 25%

(among eligible jurisdictions)
EVIP Category 1: Accountability and Transparency
MPPS Fall 2011 Wave findings:
A core of local officials believe strongly in dashboards, but most have doubts about efficacy

(among all jurisdictions)
MPPS Fall 2011 Wave findings:

Oakland officials only slightly more enthusiastic about dashboards

(among Oakland jurisdictions)
Most EVIP jurisdictions created dashboards, few ineligible jurisdictions have or plan to

![EVIP-eligible jurisdictions](image)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Produced dashboard</td>
<td>81%</td>
</tr>
<tr>
<td>Not yet produced - planning one within next 12 months</td>
<td>7%</td>
</tr>
<tr>
<td>Not yet produced - not planning to</td>
<td>3%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>9%</td>
</tr>
</tbody>
</table>

![Jurisdictions ineligible for EVIP](image)

<table>
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<tr>
<th>Category</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Produced dashboard</td>
<td>25%</td>
</tr>
<tr>
<td>Not yet produced - planning one within next 12 months</td>
<td>17%</td>
</tr>
<tr>
<td>Not yet produced - not planning to</td>
<td>8%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>50%</td>
</tr>
</tbody>
</table>
MPPS Fall 2011 Wave findings:

As an incentive program, the EVIP seems to be working

<table>
<thead>
<tr>
<th>Official says dashboard would be very <strong>effective</strong></th>
<th>Among EVIP-eligible jurisdictions</th>
<th>Among those not EVIP-eligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official says dashboard would be very <strong>ineffective</strong></td>
<td>90% produced a dashboard</td>
<td>15% produced a dashboard</td>
</tr>
<tr>
<td>Official says dashboard would be very <strong>ineffective</strong></td>
<td>81% produced a dashboard</td>
<td>8% produced a dashboard</td>
</tr>
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</table>
MPPS Fall 2011 Wave findings:

Some jurisdictions concerned about the dashboard measures they’re using

(among all jurisdictions with dashboards)
EVIP Category 2: Consolidation of Services
MPPS Fall 2010 Wave findings:
81% of EVIP-eligible jurisdictions were already engaged in collaboration

(among eligible jurisdictions)
MPPS Fall 2010 Wave findings:

Most EVIP-eligible jurisdictions were also pursuing new collaboration in 2010
91% of EVIP-eligible jurisdictions certified for Category 2 EVIP funds

(among eligible jurisdictions)
Jurisdictions that “flipped” were eligible for more Category 2 EVIP funds

<table>
<thead>
<tr>
<th></th>
<th>Non-collaborating jurisdictions that &quot;flipped&quot; in 2012</th>
<th>Non-collaborating jurisdictions that did not &quot;flip&quot; to start collaborating in 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average EVIP funds jurisdiction received/would have received</td>
<td>$4,995</td>
<td>$1,964</td>
</tr>
</tbody>
</table>

(among eligible jurisdictions that were not planning collaboration)
EVIP Category 3: Employee Compensation
85% of EVIP-eligible jurisdictions plan to comply regarding changes to employee compensation (among eligible jurisdictions)
MPPS Spring 2011 Wave findings:
66% of EVIP-eligible jurisdictions were already planning increases in employee health care contributions

(among EVIP eligible jurisdictions that offer pension benefits)
EVIP Grant Funding for Supporting Collaboration
MPPS Fall 2011 Wave findings:
Only small proportion of state’s jurisdictions familiar with grant program for collaboration
MPPS Fall 2011 Wave findings:
Few officials say their jurisdictions are likely to apply for EVIP grants
Key Findings from MPPS Fall 2011 EVIP data

- Understanding of Michigan’s EVIP policy innovation is uneven among local leaders across the state.

- A core group of local officials believe strongly in efficacy of dashboards, but many are skeptical.

- Many jurisdictions were already pursuing collaboration and changes to employee compensation.

- Nevertheless, eligible local jurisdictions are complying with EVIP requirements in order to receive funding.
Current and future MPPS survey content

- Types of questionnaire items? Other survey topics?
- Targeted to specific jurisdiction types? (counties only? counties and cities?)
- How should MPPS data and reports be analyzed and disseminated?

Contact us at: closup-mpps@umich.edu
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http://www.closup.umich.edu