Performance Management among Michigan Local Governments: Preliminary findings from the Fall 2017 Michigan Public Policy Survey (MPPS)

February 14, 2018
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Presentation for PubPol 587, Winter ‘18
Presentation Outline

• Overview of the Michigan Public Policy Survey (MPPS)

• Brief review of recent state-level performance measurement push

• Findings on local government officials’ views on their jurisdictions’ current performance management efforts, including:
  ✓ Who uses data and the scope of their efforts
  ✓ Who is responsible for and who supports performance mgmt.
  ✓ Views on effectiveness and problems
  ✓ Overall assessments of whether performance mgmt. is worthwhile
Background: The MPPS

• **Overview** – funded internally; partner with local government associations; primary mission is service to the state and its communities

• **A census survey** – all 1,856 Michigan counties, cities, villages, and townships. Response rates 70%+

• **Respondents** – chief elected and appointed officials

• **Administered** – online and via hardcopy

• **Topics** – wide range, such as fiscal health, budget priorities, roads, public safety, economic development, intergovernmental cooperation, service privatization, employee policies, labor unions, environmental sustainability, Great Lakes, citizen engagement, much more.
Michigan ranks 7th in the number of general purpose local governments (1,856):
- 83 counties
- 280 cities
- 253 villages
- 1,240 townships

These governments:
- spend about $26 billion per year
- employ about 150,000 people (although only 50% have full-time employees)
- hold approximately $45 billion in debt (and billions more in unfunded retiree obligations)
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Governor Rick Snyder and "EVIP":

- FY 2011-12: statutory revenue sharing replaced with the Economic Vitality Incentive Program (EVIP)
- To get revenue sharing, must adopt EVIP approach
- Three “buckets” with one—the creation of performance dashboards— incentivizing performance measurement (and subsequently management)
Background: MI Performance Mgmt.

Example: Grand Rapids’ 2017 Performance Dashboard

<table>
<thead>
<tr>
<th>Fiscal Stability</th>
<th>2015</th>
<th>2016</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual general fund expenditures per capita</td>
<td>$553</td>
<td>$573</td>
<td></td>
</tr>
<tr>
<td>Fund balance as a percent of annual general fund expenditures</td>
<td>14.1%</td>
<td>20.0%</td>
<td></td>
</tr>
<tr>
<td>Unfunded other post employment benefits (OPEB) liability as a percent of annual general fund revenue</td>
<td>116%</td>
<td>93%</td>
<td></td>
</tr>
<tr>
<td>Debt burden per capita</td>
<td>$695</td>
<td>$1,437</td>
<td></td>
</tr>
<tr>
<td>Percentage of road funding provided by the general fund</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Ratio of pensioners to employees</td>
<td>0.68</td>
<td>63.52</td>
<td></td>
</tr>
<tr>
<td>Number of services delivered via cooperative venture</td>
<td>96</td>
<td>96</td>
<td></td>
</tr>
<tr>
<td>General Fund Revenue Per Capita</td>
<td>576.88</td>
<td>617.83</td>
<td></td>
</tr>
<tr>
<td>Total Governmental Revenue per Capita</td>
<td>$1,054.00</td>
<td>$1,105.52</td>
<td></td>
</tr>
<tr>
<td>Public Safety Expenditures (% of General Fund Budget)</td>
<td>67%</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td>Total Governmental Expenditures per Capita</td>
<td>$1,112.07</td>
<td>$1,148.12</td>
<td></td>
</tr>
<tr>
<td>Pension &amp; OPEB % Funded</td>
<td>78%</td>
<td>74%</td>
<td></td>
</tr>
<tr>
<td>Bond rating (Standard &amp; Poor's)</td>
<td>AA</td>
<td>AA</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economic Strength</th>
<th>2015</th>
<th>2016</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of community with access to high speed broadband</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Percent of community age 25+ with a Bachelor Degree or higher</td>
<td>31%</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>Average age of critical infrastructure (years)</td>
<td>50.0</td>
<td>51.0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quality of Life</th>
<th>2015</th>
<th>2016</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miles of sidewalks and non-motorized trails per mile of local roads</td>
<td>3.0</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>Percent of general fund budget committed to arts, culture and recreation</td>
<td>5%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Notes: 2016: subalides for parks MOE+special events/GOF budget 2015: Parks MOE + Special Events</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acres of park per thousand residents</td>
<td>8.1</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>Percent of community with curbside recycling</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Legend:
- Trend is down, performance improving
- Trend is up, performance improving
- Trend is down, performance declining
- Trend is up, performance declining
- Trend is down, performance neutral
- Trend is up, performance neutral
- Trend is neutral, performance neutral
- *1.0% threshold is allowed
Background: MI Performance Mgmt.

Local jurisdictions’ creation of dashboards in 2011

Among revenue eligible jurisdictions:

- Population <1,500: 9% produced dashboard, 14% not yet produced - planning one within next 12 months, 6% not yet produced - not planning to, 7% don’t know
- Population 1,500-5,000: 4% produced dashboard, 10% not yet produced - planning one within next 12 months, 2% not yet produced - not planning to, 1% don’t know
- Population 5,001-10,000: 5% produced dashboard, 2% not yet produced - planning one within next 12 months, 2% not yet produced - not planning to, 2% don’t know
- Population 10,001-30,000: 6% produced dashboard, 2% not yet produced - planning one within next 12 months, 9% not yet produced - not planning to, 3% don’t know
- Population >30,000: 3% produced dashboard, 3% not yet produced - planning one within next 12 months, 3% not yet produced - not planning to, 3% don’t know

Among ineligible jurisdictions:

- Population <1,500: 28% produced dashboard, 26% not yet produced - planning one within next 12 months, 21% not yet produced - not planning to, 12% don’t know
- Population 1,500-5,000: 21% produced dashboard, 24% not yet produced - planning one within next 12 months, 41% not yet produced - not planning to, 37% don’t know
- Population 5,001-10,000: 17% produced dashboard, 52% not yet produced - planning one within next 12 months, 21% not yet produced - not planning to, 30% don’t know
- Population 10,001-30,000: 14% produced dashboard, 24% not yet produced - planning one within next 12 months, 41% not yet produced - not planning to, 30% don’t know
- Population >30,000: 5% produced dashboard, 17% not yet produced - planning one within next 12 months, 21% not yet produced - not planning to, 32% don’t know
Background: MI Performance Mgmt.

Local leaders’ assessments of EVIP dashboards in 2011

[Diagram showing percentages for Accountability and Transparency, Ability to Benchmark, and Jurisdiction Performance]
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Which Michigan local governments use data?

- **Total:**
  - Use performance data in decision-making: 37%
  - Do not use data: 55%
  - Don't know: 8%

- **Population <1,500:**
  - Use performance data in decision-making: 22%
  - Do not use data: 70%
  - Don't know: 8%

- **Population 1,501-5,000:**
  - Use performance data in decision-making: 38%
  - Do not use data: 56%
  - Don't know: 6%

- **Population 5,001-10,000:**
  - Use performance data in decision-making: 55%
  - Do not use data: 37%
  - Don't know: 8%

- **Population 10,001-30,000:**
  - Use performance data in decision-making: 62%
  - Do not use data: 28%
  - Don't know: 11%

- **Population >30,000:**
  - Use performance data in decision-making: 71%
  - Do not use data: 15%
  - Don't know: 14%
How do Michigan local governments use data?

Which of the following approaches best describes your jurisdiction’s use of the performance data it collects?
How do Michigan local governments use data?

Which of the following approaches best describes your jurisdiction’s use of the performance data it collects?

- We use data as part of a formal program for some or all operations
- We use data on an ad hoc basis
- Don’t know

<table>
<thead>
<tr>
<th>Population</th>
<th>Use as Formal Program</th>
<th>Use on Ad Hoc Basis</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population &lt;1,500</td>
<td>30%</td>
<td>66%</td>
<td>4%</td>
</tr>
<tr>
<td>Population 1,501-5,000</td>
<td>30%</td>
<td>62%</td>
<td>8%</td>
</tr>
<tr>
<td>Population 5,001-10,000</td>
<td>37%</td>
<td>55%</td>
<td>7%</td>
</tr>
<tr>
<td>Population 10,001-30,000</td>
<td>26%</td>
<td>73%</td>
<td>1%</td>
</tr>
<tr>
<td>Population &gt;30,000</td>
<td>46%</td>
<td>51%</td>
<td>3%</td>
</tr>
</tbody>
</table>
Do local officials think they’re using the right amount?

...would you say the current scope of your jurisdiction’s performance management efforts is too large, too small, or just right?
Do local officials think they’re using the right amount?

...would you say the current scope of your jurisdiction’s performance management efforts is too large, too small, or just right?
Do local officials think they’re going to change?

How likely is it that your jurisdiction will either **cut back or expand** its performance management activities within the next 12 months?
Who is responsible for performance management?

...Our performance management activities **primarily involve**...
Who supports performance management?

To the best of your knowledge, to what extent do the following groups support or oppose your jurisdiction using performance data to guide decision-making?
Who supports performance management?

To the best of your knowledge, to what extent do the following groups support or oppose your jurisdiction using performance data to guide decision-making?
What types of data do local governments use?

Please identify the extent to which, overall, your jurisdiction uses the following types of data...
How effective is performance management?

How would you rate the overall effectiveness of your jurisdiction’s use of performance data for the following purposes?
How effective is performance management?

How would you rate the overall effectiveness of your jurisdiction’s use of performance data for the following purposes?

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Ad hoc</th>
<th>Formal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guiding budgeting decisions</td>
<td>62%</td>
<td>56%</td>
</tr>
<tr>
<td></td>
<td>38%</td>
<td>56%</td>
</tr>
<tr>
<td>Guiding cost savings</td>
<td>68%</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>39%</td>
<td>51%</td>
</tr>
<tr>
<td>Improving accountability and transparency</td>
<td>62%</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td>36%</td>
<td>53%</td>
</tr>
<tr>
<td>Improving program or service quality</td>
<td>64%</td>
<td>11%</td>
</tr>
<tr>
<td></td>
<td>49%</td>
<td>41%</td>
</tr>
<tr>
<td>Improving management decisions</td>
<td>65%</td>
<td>11%</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>38%</td>
</tr>
<tr>
<td>Improving communication with Board/Council</td>
<td>61%</td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>40%</td>
<td>49%</td>
</tr>
<tr>
<td>Guiding compensation decisions</td>
<td>47%</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>39%</td>
<td>35%</td>
</tr>
</tbody>
</table>
What problems do users encounter?

To what extent, if any, would you say that the following are problems that your jurisdiction has faced within the last 12 months in its use of performance data?

<table>
<thead>
<tr>
<th>Problem</th>
<th>A significant problem</th>
<th>Somewhat of a problem</th>
<th>Not much of a problem</th>
<th>Not a problem at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedicating the necessary personnel</td>
<td>17%</td>
<td>31%</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td>Ability to obtain external data regarding other jurisdictions</td>
<td>6%</td>
<td>28%</td>
<td>36%</td>
<td>20%</td>
</tr>
<tr>
<td>Access to technology</td>
<td>5%</td>
<td>26%</td>
<td>42%</td>
<td>21%</td>
</tr>
<tr>
<td>Ability to implement change in response to data findings</td>
<td>4%</td>
<td>26%</td>
<td>42%</td>
<td>21%</td>
</tr>
<tr>
<td>Costs</td>
<td>7%</td>
<td>21%</td>
<td>43%</td>
<td>18%</td>
</tr>
<tr>
<td>Ability to tie performance data to jurisdiction’s goals</td>
<td>3%</td>
<td>25%</td>
<td>40%</td>
<td>24%</td>
</tr>
<tr>
<td>Ability to collect measures on services that are contracted out</td>
<td>3%</td>
<td>23%</td>
<td>40%</td>
<td>19%</td>
</tr>
<tr>
<td>Ability to make sense of performance data</td>
<td>2%</td>
<td>18%</td>
<td>44%</td>
<td>30%</td>
</tr>
</tbody>
</table>
Human Capacity: Is dedicating personnel a problem?

To what extent, if any, would you say(expect that dedicating the necessary personnel is a problem that your jurisdiction has/would face in its use of performance data?

![Bar chart showing responses to the question about dedicating personnel for performance data use.](chart)
Financial Capacity: Are costs a problem?

To what extent, if any, would you say(expect that costs required to collect and use data are a problem that your jurisdiction has/would face in its use of performance data?

![Bar chart showing responses to the question about financial capacity and cost as a problem in collecting and using data.](chart.png)
Change Capacity: Is implementation a problem?

To what extent, if any, would you say/expect that *ability to implement change* in response to data findings is a *problem* that your jurisdiction has/would face in its use of performance data?
Overall, do you agree or disagree that performance management activities are **worthwhile for your jurisdiction**?
Michigan Local Officials’ Views on Performance Mgmt.

Summary

• Over a third (37%) of Michigan local leaders report their governments engage in performance management, including 71% from the largest.

• Two-thirds of these are only using data on an ad hoc basis, while 33% have formal programs.

• Officials from governments with formal programs are more likely to say they are very effective, report fewer problems, and are more likely to believe it is worthwhile.
The Michigan Public Policy Survey (MPPS)

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