From the Director

Welcome to the Spring 2005 issue of our newsletter, designed to bring you up-to-speed on recent developments at the University of Michigan’s Center for Local, State, and Urban Policy (CLOSUP). Through integrated research, teaching, and outreach, CLOSUP’s mission is to foster understanding of the problems facing states, cities, and metropolitan areas and to seek effective solutions to them. To meet this mission, the Center serves as a focal point for research and teaching on state and local policy within the Gerald R. Ford School of Public Policy and across the University of Michigan. CLOSUP functions as an information clearinghouse for academics, policymakers, students, the media, and the public. The Center provides resources and creates new opportunities for scholars to conduct policy relevant social science research, and it works to establish effective mechanisms of communication between academic researchers and the decision-makers, analysts, public officials, stakeholders and citizens dealing with today’s local and state policy issues.

We have a number of exciting new activities underway, as reported on the following pages. We encourage you to contact us with ideas and suggestions for how we can better bring the resources of the University to bear on pressing issues of state and local public policy.

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Professor of Public Policy
CLOSUP Director

FOCUS ON RESOURCES:
POLICY REPORTS, EXPERTS, EVENTS AND DATA LINKS ON THE WEB

CLOSUP maintains an extensive website to disseminate information and provide resources to researchers and policy practitioners. The CLOSUP Policy Events Calendar can help you find policy-relevant events across the University of Michigan, including lectures, seminars, workshops, and major research conferences. Our Experts Database currently lists over 100 UM faculty and research staff who have agreed to be listed as sources of expertise in numerous issue areas, including economic development, welfare policy, land use, public finance, and more. In addition to providing a centralized point of access to over 100 units on campus that are studying issues related to state and local policy, the CLOSUP website also provides links to numerous working paper series, hundreds of Michigan’s local, county, and state government websites, and many reliable government data sources. Our website also includes faculty profiles and policy reports that summarize original research conducted by CLOSUP. Read on to learn more about some of these resources.

FOCUS ON FACULTY:
PROFILING UM FACULTY ENGAGED IN PUBLIC POLICY RESEARCH

To help build connections between UM experts and policymakers, CLOSUP has initiated a new project: profiling UM faculty who study and analyze state and local policy-relevant issues. The profiles are designed to highlight the contributions that academic researchers make to state and local policy debates as well as the ways in which academic research is influenced by current policy issues. Many faculty members interact with state and local governments and other policy orga-
FOCUS ON RESEARCH: CLOSUP PROJECTS

An integral part of CLOSUP’s core mission is to carry out research projects on important topical policy issues. Four current projects are described below.

LOCAL GOVERNMENT FISCAL CAPACITY AND TAX LIMITATIONS

This project seeks to understand the consequences for local government service provision resulting from the Headlee Amendment and Proposal A, two state-wide limitations on property taxes. These measures were passed partly in response to taxpayer dissatisfaction over high property taxes. Since 1978, the Headlee Amendment has constricted the annual growth in local government property tax revenues to the lesser of the rate of inflation or 5 percent, while 1994’s Proposal A has capped annual increases in individual property value assessments. Many local units of government now feel the binding effects of these two policies. As the demand for and cost of public services have grown, so too have gaps between government revenues and expenditures in many communities. This study examines how municipalities in Southeast Michigan have responded to these budgetary constraints. Have they reduced service provision? Have they raised revenue through other sources, such as user fees? Or have they sought efficiencies in service provision through collaboration with other municipalities, private contracting, or other mechanisms? In addition, this study investigates the factors that affect a municipality’s likelihood of being constrained by these tax laws. While most previous studies of tax and spending limitations have focused solely on changes in the levels of revenue raised, this study takes a more integrated view of the spending and revenue choices and constraints facing local governments.

To measure the fiscal capacity of local governments in Southeast Michigan, this study uses annual millage rate and tax levy data for each community in the seven-county metropolitan Detroit region, provided by the State Tax Commission, as well as data on each community’s economic, political and social characteristics, obtained from the U.S. Census of Population and Census of Governments. Results from this project will inform policymakers of the long-term effects, including unintended consequences, of both the Headlee Amendment and Proposal A, as they have played out over the years. Furthermore, as local governments respond to rising costs and state-imposed tax revenue constraints, this project will provide knowledge to help them understand the experiences of similar communities within their region.

BALANCING COMPETING INTERESTS IN AMERICAN REGIONAL GOVERNANCE

Funded by the National Science Foundation, this innovative study of regional governance will produce new knowledge of how institutional arrangements – voting rules, membership characteristics, budgeting processes, etc. – affect the success and failure of regional policymaking organizations. As local governments struggle under fiscal constraints, regional (as opposed to strictly local) approaches to policymaking and service provision are becoming increasingly important. In addition, many public policy decisions taken at the local level have implications for neighboring jurisdictions, leading to calls for greater regional coordination. For instance, economic development policy in one community can impose...
costs – road congestion, environmental degradation, new sewer and water demands, etc. – on neighboring communities. Regional efforts can provide opportunities to address these policy areas across the wider geographic domains they impact.

Despite its economic appeal, however, there is a fundamental tension inherent in regional governance efforts: local governments must give up some authority to achieve regional benefits. Local actors may then be held accountable by their constituents for regional outcomes. Consequently, local governments are compelled to ask: what are the expected local benefits of regional policymaking, and how do those benefits compare to the expected local political costs of delegating power to the region? This study makes use of multiple data sources, including existing Census and survey data, original national web-based surveys of regional government officials, federal and state enabling legislation, and the rules and by-laws of regional organizations. It will provide a critical first step for scholars and policymakers to better understand how the design of regional institutions affects their ability to address today's complex policy problems.

**GREAT LAKES REGIONAL ECONOMIC DEVELOPMENT INITIATIVE PLANNING CONFERENCE**

CLOSUP recently helped kick off an exciting new effort: the Great Lakes Regional Economic Development Initiative. Over 35 experts from a wide variety of disciplines and organizations gathered in Ann Arbor on March 14 and 15 of this year to begin planning efforts to address the future of regional economic development in the Great Lakes meta-region. Co-hosted with the Brookings Institution’s Metropolitan Policy Program, the conference took a visionary approach to large-scale regional economic development. Experts from universities, federal and state agencies, the Canadian government, large and small private firms, major foundations, and non-profit think tanks spent two days examining the shared cultural, historic and economic bonds that help define the Great Lakes region. This inaugural planning conference is expected to lead to an on-going research and outreach effort to help policymakers and others make informed decisions on matters of economic development as the Midwest continues its transition from the post-industrial age to a new knowledge-based economy.

**THE WASHTENAW COUNTY HOMELESSNESS BLUEPRINT PROJECT**

CLOSUP faculty, staff, and student researchers are collaborating with numerous government and community organizations to support Washtenaw County’s “Blueprint to End Homelessness” project. The Blueprint is a 10-year effort to end homelessness and address the myriad problems surrounding homelessness in the Ann Arbor/Washtenaw County area. CLOSUP researchers are involved in designing and initiating evaluation tools to assess progress in meeting the Blueprint’s objectives. One set of tools involves designing methods for better leveraging the information contained in the County’s Homeless Management Information System (HMIS). Through the federally-mandated HMIS program, the County currently collects extensive data on people receiving emergency and transitional housing and related services from numerous providers throughout the region. CLOSUP researchers are collaborating with numerous service providers and County staff to improve data collection, demonstrate the value of data-driven decision-making, produce baseline estimates of homeless sub-populations, and create templates for tracking housing outcomes of homeless persons over time. A second set of tools involves tracking the housing outcomes of persons receiving various combinations of housing and social services as a means of better directing public dollars into the most effective programs. This project is expected to extend well into the 2005-06 Academic Year and is providing numerous benefits for the University and the community.
FOCUS ON RESEARCH: CLOSUP-SPONSORED PROJECTS

In addition to its own research and service projects, CLOSUP sponsors policy-relevant research and outreach activities by other scholars at the University, through both an annual funding competition known as the Major Projects Program, and an ongoing funding opportunity known as the Small Grants Program. Sponsored projects are designed to produce new knowledge regarding important topical policy issues, foster interdisciplinary approaches to research, and build connections between the academic and policy communities.

Recent projects supported by CLOSUP funding cover a wide range of policy issues, including the following: integration of workforce development and economic development efforts at the regional level; cigarette taxation as a tool of public health policy; the impact of local environmental institutions on patterns of political participation; financial services for the poor; youth participation in policymaking; public land disposition strategies; the responsiveness of state and local workforce development systems to economic decline; and, the impacts of recent revitalization in metro Detroit on city-suburban as well as black-white relations. Visit the CLOSUP website for more information on these and other CLOSUP-sponsored projects.

UPDATE YOUR CONTACT INFORMATION

Please take a moment to update your contact information so that we can keep you informed of developments at CLOSUP and around the University. Simply send an email to closup@umich.edu, call 734-647-4091, or use the form on our homepage (www.closup.umich.edu) to make sure we have your latest contact information. We look forward to hearing from you.