

# The Center for Local, State, and Urban Policy

Gerald R. Ford School of Public Policy >> University of Michigan

Michigan Public  
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## Workforce issues and challenges for Michigan's local governments

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This report presents the opinions of Michigan's local government leaders on a range of issues regarding their jurisdictions' workforce, including employee pay and fringe benefit rates, whether the size of the workforce is adequate for providing services, and personnel problems experienced, including recruitment and retention. These findings are based on statewide surveys of local government leaders from the Spring 2017 wave of the Michigan Public Policy Survey (MPPS), and reference MPPS surveys conducted each spring since 2011.

>> The Michigan Public Policy Survey (MPPS) is a census survey of all 1,856 general purpose local governments in Michigan conducted by the Center for Local, State, and Urban Policy (CLOSUP) at the University of Michigan in partnership with the Michigan Municipal League, Michigan Townships Association, and Michigan Association of Counties. The MPPS takes place twice each year and investigates local officials' opinions and perspectives on a variety of important public policy issues. Respondents for the Spring 2017 wave of the MPPS include county administrators, board chairs, and clerks; city mayors, managers, and clerks; village presidents, managers, and clerks; and township supervisors, managers, and clerks from 1,372 jurisdictions across the state.

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## Key Findings

- Statewide, 91% of Michigan's local governments report having some kind of paid employees (full-time, part-time, seasonal, or temporary), while 8% say they have none at all.
- Among jurisdictions with employees, 58% report increasing pay rates in 2017, while 57% predict they will increase pay rates in the coming year. Local officials indicate that most of these increases have been modest, and are expected to remain so.
- However, despite a general multi-year trend of employee pay increases tracked since 2011, 25% of local officials say pay rates in their jurisdiction are too low today (the same percentage as in 2014).
- Fewer jurisdictions are increasing their employees' share of health care costs, with 29% doing so in 2017, compared with 43% in 2014. Over the same time period, the percentage of officials who say their jurisdiction's fringe benefits package is too generous increased slightly to 14% in 2017 compared with 10% in 2014 (though both are down from 28% in 2011).
- After widespread reports of workforce reductions following the Great Recession, many local governments in Michigan have modestly increased the size of their workforce in recent years. However, 27% of local leaders say their workforce is smaller today than before the Great Recession, while just 8% say their workforce size is larger today.
  - » A majority of Michigan's bigger jurisdictions report having a smaller workforce today than before the Great Recession, including 70% of Michigan's largest jurisdictions (those with more than 30,000 residents).
- Most local officials believe that their current workforce size is adequate to deliver the desired level of services, including public safety (police and fire), general administration, and other public works and services. However, 35% of jurisdictions identify at least one service area where their workforce size is inadequate.
  - » Almost half (47%) of Michigan counties say their workforce size is inadequate for police services.
- When it comes to workforce challenges, almost half (48%) of local jurisdictions report problems recruiting qualified employees. Contributing factors in these jurisdictions include a shortage of qualified candidates (70%) and lack of competitive compensation (46%).
- Additional workforce problems are widely reported, especially by Michigan's largest jurisdictions, among whom 45% note low employee morale, 45% cite challenges with turnover due to retirements, and 30% report inadequate skill sets among current employees.

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## Background

The local government fiscal crisis driven by the Great Recession that started in late 2007 led many jurisdictions in Michigan to cut costs in order to balance their budgets against reduced revenue streams, with personnel costs as a primary target. Previous MPPS reports found many local governments—especially in large jurisdictions—have tried to “right-size” themselves by cutting staff, reducing pay rates for new hires, shifting health care costs to be paid increasingly by their employees, and more.<sup>1</sup> In 2010, at the height of the Recession’s impact on Michigan jurisdictions, 85% of the state’s largest jurisdictions (those with more than 30,000 residents) reduced their number of employees, while 71% planned to increase the share of health care costs paid by employees, and 31% planned to reduce employee pay rates. Similar cost-cutting actions were common in local governments across the nation as well. For example, the National League of Cities (which samples larger jurisdictions compared with the MPPS, overall) reported that in 2010, 74% of cities nationwide had enacted hiring freezes, 54% reduced or froze wages, 35% enacted layoffs, and 17% reduced health care benefits for employees (which increased to 30% in 2011).<sup>2</sup>

Although workforce reductions were common in Michigan and elsewhere, the cuts in Michigan during the years following the Great Recession were more than twice as deep as those nationwide. According to the U.S. Census Bureau, between 2007 and 2013, full-time equivalent local government employment (excluding workers in the education sector) decreased by approximately 7% in Michigan, compared to about 3% across the country at-large.<sup>3</sup> In fact, as of 2014, Michigan had just 184 state and local government workers per 10,000 residents, the lowest rate in the nation at the time.<sup>4</sup>

Today, Michigan continues to lag the nation at-large in terms of local government employee wage rates. According to the most recent Census figures, the average full-time equivalent monthly pay in March 2016 was \$5,067 for local government employees nationwide, compared to \$4,449 for local government workers in Michigan.<sup>5</sup>

However, both MPPS and national surveys of local governments show that the most severe cost-cutting efforts have been easing somewhat in the last few years, even while large percentages of jurisdictions continue to shift costs to employees. It is difficult to compare MPPS findings to national surveys since the MPPS sample tends to include many smaller jurisdictions (with fewer employees and fewer benefits) compared with most national surveys of local governments. Nonetheless, a nationwide sample survey of larger jurisdictions conducted by the Center for State and Local Government Excellence (CSLGE) in 2014 found that 57% of local governments increased the portion of health care premiums paid by their employees that year,<sup>6</sup> while the 2014 MPPS found the same was true among 62% of Michigan’s largest jurisdictions. By 2017, a new survey conducted by CSLGE found that 38% of local governments nationwide reported increasing the portion of health care premiums paid by their employees last year,<sup>7</sup> while the 2017 MPPS finds the same is true among 44% of Michigan’s largest jurisdictions. Even while fewer jurisdictions may be forcing compensation cuts on their employees today compared to shortly after the Great Recession, once again local government employees in Michigan appear to be somewhat worse off compared with their counterparts across the nation.

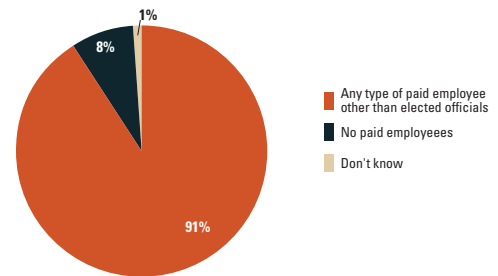
To get a better sense of how Michigan local government leaders view compensation for their employees in the midst of all these changes, the MPPS originally asked local leaders in 2011 and 2014 whether they thought their employees were paid too much or too little, and whether fringe benefits packages were too generous or not generous enough. As Michigan’s local governments have been recovering from the effects of the Great Recession, the Spring 2017 MPPS took a more detailed look the current state of the Michigan local government workforce. In addition to re-examining employee compensation, the MPPS asked local leaders about their workforce size, and about challenges their jurisdictions face with their workforce.



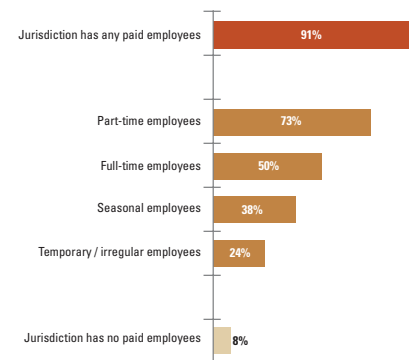
## Most jurisdictions have at least some paid employees, but only half have full-time employees

In 2017, 91% of Michigan's local jurisdictions report having at least some type of paid employees beyond their government's elected officials (see *Figure 1a*). The most common type are regular part-time employees, reported by 73% of local governments (see *Figure 1b*). Meanwhile, 50% of local units report having full-time staff members, 38% report seasonal workers, and 24% report having temporary/irregular employees. Included in the overall 50% of local governments with full-time employees are 100% of counties, 97% of cities and 78% of villages, but just 30% of townships (see *Figure 1c*).

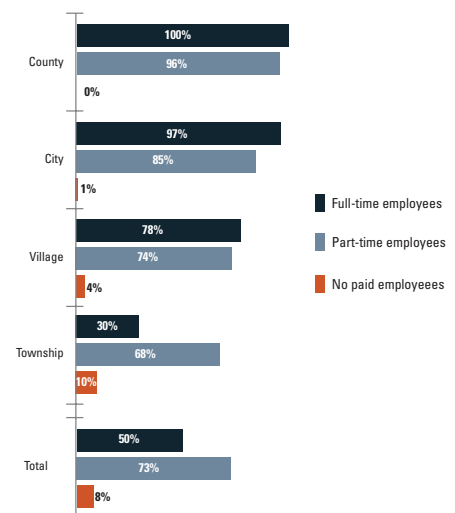
**Figure 1a**  
Percentage of jurisdictions reporting having paid employees in their workforce



**Figure 1b**  
Percentage of jurisdictions reporting various types of employees in their workforce



**Figure 1c**  
Percentage of jurisdictions reporting various types of employees in their workforce, by jurisdiction type



## Michigan local governments continue marginal employee pay increases, but concerns persist that pay is too low

Over the past six years, Michigan local governments have generally been increasingly likely to report modestly raising pay rates for their employees. When the MPPS asked if local employee pay rates had increased, decreased, or remained the same compared with the previous fiscal year, in 2011 just 22% of jurisdictions with employees said they had increased pay rates (see *Figure 2*). By 2015, for the first time since the start of the MPPS in 2009, an outright majority (55%) of Michigan's local jurisdictions reported increasing pay rates. And in 2017, 58% report increased pay rates compared to the previous fiscal year. Looking ahead, 57% plan to increase pay rates in the coming year.

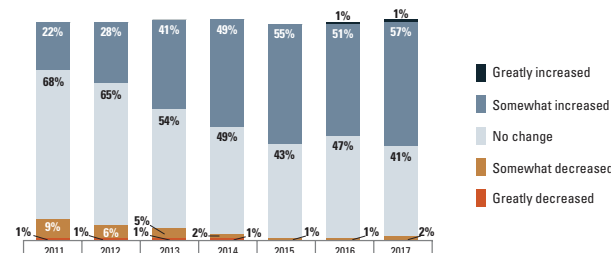
However, even today, eight years after the end of the Great Recession, over 40% of local officials report their jurisdictions are not changing employee pay rates. And among those who have reported increases at any time in the MPPS series, almost all officials report increases have been modest, with just 1% saying the rate increases were significant in 2017, and less than 1% saying they expect to increase wages significantly in the next year.

[Note: Over time, the MPPS has used multiple measures to determine whether a jurisdiction has employees. See the Survey Background and Methodology section of this report for details. In addition, for full data on year-to-year pay rate changes, see Appendix A.]

Although more Michigan jurisdictions have been reporting somewhat increasing their employee pay in recent years, assessments of whether pay rates are appropriate remain largely unchanged. In 2014, 70% of local officials in jurisdictions with employees said pay rates for their current employees were about right, while 26% said they were too low, and just 3% said they were too high (see *Figure 3*). In 2017, nearly identical percentages say that pay rates are about right (71%), too low (25%), and too high (3%). The persistence of concerns over low pay among a quarter of local officials in the face of widespread pay rate increases may indicate that the small boosts in pay rates are not keeping pace with needs in these places.

**Figure 2**

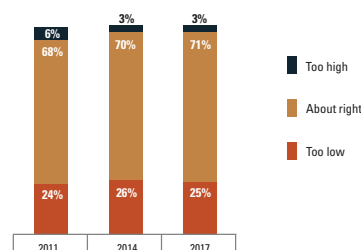
Percentage of jurisdictions that have reported an increase or decrease compared with previous year in employee pay rates, 2011-2017



Note: responses for "not applicable" omitted, and those for "don't know" not shown

**Figure 3**

Local officials' assessments of current employee pay rates, 2011-2017



Note: responses for "don't know" not shown



## Fewer jurisdictions shifting health care costs to employees

Statewide, about half (53%) of Michigan jurisdictions with employees report on the Spring 2017 MPPS that they offer fringe benefits to their current employees, unchanged from 2014. Among those jurisdictions that have full-time employees, 86% report offering benefits today.

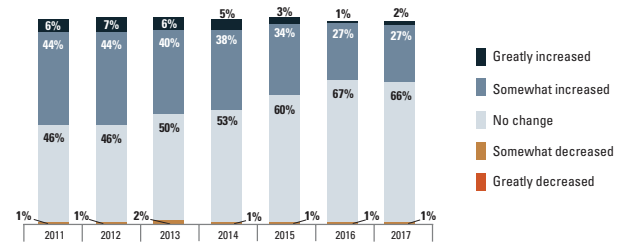
To address the rising costs of benefits, many jurisdictions reported over the past six years that they had increased, or expected to soon increase, their employees' share of premiums, deductibles, and/or copays on health insurance. In recent years, however, the percentage of jurisdictions that have reported these changes has declined. Cost shifting peaked in 2012 at 51% of jurisdictions, was still substantial (43%) in 2014, but has decreased significantly to 29% of relevant jurisdictions as of the 2017 MPPS (see *Figure 4*).

Following earlier health care cost shifting, the percentage of local officials who believed their benefits package to be too generous dropped significantly from 28% in 2011 to 10% in 2014, and the percentage who believed employee benefits were not generous enough more than doubled, from 6% to 13%. However, as fewer jurisdictions continued to shift health care costs to employees in more recent years, the percentage who say their benefits are too generous has increased slightly from 10% in 2014 to 14% in 2017, although it is still significantly lower than the 28% in 2011 (see *Figure 5*). Meanwhile, 9% of officials say their fringe benefits are not generous enough today, compared to 13% in 2014, and 6% in 2011. Overall, the percentage of officials who say their benefits packages are "about right" has increased very slightly from 74% in 2014 to 76% in 2017.

Additionally, while fewer local jurisdictions are shifting costs to employees, some jurisdictions that do offer fringe benefits to current employees do not offer those benefits to new hires (including 48% of all jurisdictions with employees, and 79% of jurisdictions with full-time employees).

**Figure 4**

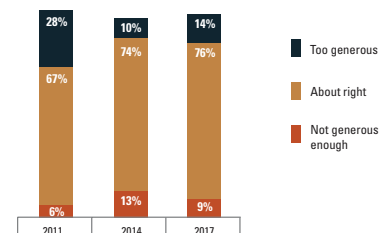
Percentage of jurisdictions that predict an increase or decrease in the coming year in employees' share of premiums, deductibles, and/or co-pays on health insurance (among those jurisdictions that offer benefits), 2011-2017



Note: responses for "not applicable" omitted, and those for "don't know" not shown

**Figure 5**

Local officials' assessments of current employee fringe benefit packages (among jurisdictions that offer benefits), 2011-2017



Note: responses for "don't know" not shown

## Workforce hiring is increasing modestly, but Michigan's largest jurisdictions still below pre-recession job levels

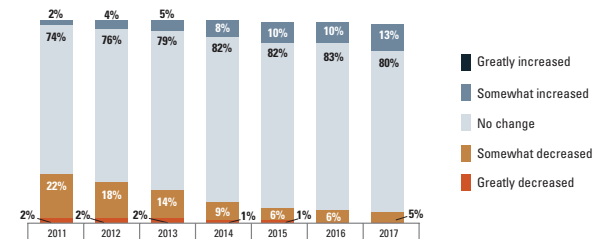
When it comes to the size of local governments' workforce, reductions were common nationwide during the Great Recession, and they were particularly deep in Michigan. From 2007 to 2013, full-time equivalent local government employment decreased by 7% in Michigan, compared to 3% for the country overall.<sup>8</sup> In 2011, almost a quarter of Michigan local governments with paid employees reported they had decreased their number of employees compared to the prior fiscal year.

As Michigan's economy recovered, the percentage of local jurisdictions reporting staff cuts decreased steadily from 24% in 2011 to 5% in 2017. While most jurisdictions continue to hold steady on their number of employees, the percentage that report somewhat increasing their workforce compared to the previous year has grown from 2% in 2011 to 13% in 2017; none report increasing their workforce size greatly (see *Figure 6*).

The year 2015 marked a turning point, when more local officials reported increasing rather than decreasing their number of employees. Michigan's experience is similar to national trends: according to analysis by the Center for State & Local Government Excellence, local government workforce size peaked across the country in 2008, and then declined until 2013. From 2014-2016, workforce size grew, although in 2016 the nationwide local government workforce was still 1.6% smaller than at its height in 2008.<sup>9</sup>

**Figure 6**

Percentage of jurisdictions that have reported an increase or decrease in number of employees compared with previous year (among those jurisdictions that have employees), 2011-2017



Note: responses for "not applicable" omitted, and those for "don't know" not shown



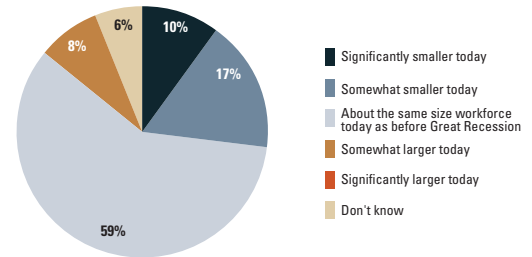
Despite an increasing number of jurisdictions growing their workforce in recent years, according to the 2016 U.S. Census, Michigan's local governments overall experienced a net loss of 7% of their full-time equivalent, non-education workforce between 2007<sup>10</sup> and 2016.<sup>11</sup> This year, the MPPS asked local officials to compare the size of their current workforce to its size before the Great Recession. Officials from 27% of jurisdictions with employees report a net decline in the size of their workforce, while just 8% report an increase (see *Figure 7a*). In most local jurisdictions (59%), officials reported that there has been no significant change, although there are important differences by jurisdiction size, as seen below.

When looking by community size, a majority of Michigan's larger jurisdictions report having a smaller workforce today. Among the state's largest local jurisdictions, 70% report their workforce is smaller now than before the Great Recession (see *Figure 7b*). Additionally, 56% of jurisdictions with a population of 10,001-30,000 report that their workforce is smaller today (24% say significantly smaller). In contrast, only 14% of Michigan's smallest jurisdictions (those with fewer than 1,500 residents) say their workforce is smaller today.

Meanwhile, the state's largest jurisdictions are also more likely than small ones to report that they are increasing hiring. Compared to the last fiscal year, 38% of the largest jurisdictions reported that the size of their workforce increased in 2017, and 33% predict that the size of their workforce will increase in the next year. By comparison, the same is true among 6% and 5% of the smallest jurisdictions, respectively. Again, these increases are expected to continue to be modest.

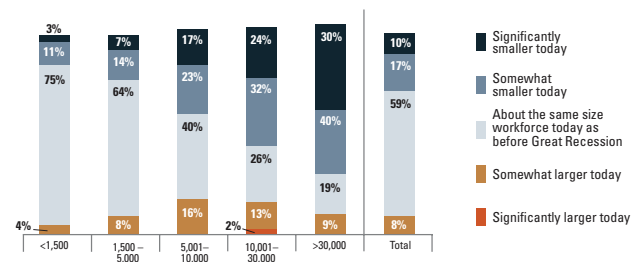
**Figure 7a**

Local officials' assessments of overall size of jurisdiction's workforce today compare to its size before the Great Recession, 2017



**Figure 7b**

Local officials' assessments of overall size of jurisdiction's workforce today compare to its size before the Great Recession, 2017, by jurisdiction size



Note: responses for "don't know" not shown



## Most local officials say workforce size is adequate to provide most types of services, but some are particularly concerned about public safety services

In addition to the changing size of their workforce, the Spring 2017 MPPS asked local leaders whether or not the current size is adequate to provide the desired level of services. (Since many local jurisdictions don't provide certain types of services, only some service areas were applicable to any particular jurisdiction.) In each relevant service area studied, most local officials say their workforce size is adequate today. For example, 79% of jurisdictions with employees providing fire services say their workforce size is adequate for fire protection. In addition, 85% say their workforce is adequate for the administrative / management services required to run the local government (see *Figure 8*). Somewhat fewer local leaders say that their workforce size is adequate to provide police services (69%) and other public works and services (69%).

When looking across all these types of services combined for individual jurisdictions, officials from 35% of jurisdictions with any employees say their workforce is *not* adequate for at least one area among fire services, police services, administrative / management services, and other public works and services. This includes a majority of counties (54%) and cities (63%), but only 39% of villages and 24% of townships, many of which provide fewer types of services.

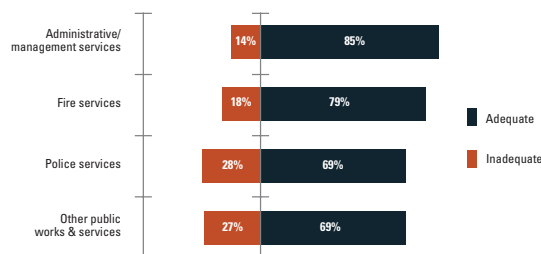
Although most local leaders say they have an adequate workforce in each of these individual service areas, reports of inadequacies in public safety services are somewhat concerning, given the nature of the services. Among jurisdictions providing these services, 21% of cities and 19% of townships say their workforces are inadequate for fire service needs, while inadequate police workforces are reported by 47% of counties, 31% of cities and villages, and 22% of townships.

Since almost half (48%) of Michigan cities, townships, and villages reportedly do not provide or contract for police services, but simply rely on the county sheriff and/or state police to respond when called,<sup>12</sup> this may have implications for levels of policing for communities throughout the state.

Overall, local officials from 24% of jurisdictions among those that have employees say their workforce size is inadequate to provide the desired level of at least one public safety service.

**Figure 8**

Local officials' assessments regarding size of their jurisdiction's workforce to deliver desired services (among those jurisdictions that have employees in particular service areas)



Note: responses for "not applicable" omitted, and those for "don't know" not shown

## Voices Across Michigan

### Quotes from local leaders about problems their jurisdiction has experienced with service delivery

"Because of reduced revenue sharing from State to local government this City has had to reduce its staffing levels to the absolute minimum for public works, public safety and administration. These employees are able to provide most essential services because of their experience and skills. However less critical services to residents are often delayed due to this minimal staffing. Somewhat reduced morale among employees can be attributed to this minimal staffing as well."

"One of the main issues we have is that employees are spread too thin. We have not replaced many vacancies due to the uncertainty of the revenue sharing."

"Our public works department is providing better service because we increased the size of the department and also made some management changes. We have also increased the size of our police department. Our administration has decreased over the years."



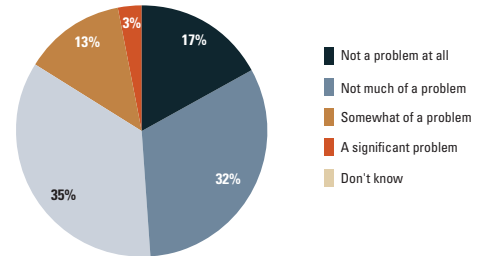


## Local governments struggle to recruit qualified employees

Beyond challenges due to the overall size of their workforce, local jurisdictions across Michigan also struggle to recruit employees with necessary skills. As shown in *Figure 9a*, among jurisdictions with employees (other than temporary ones), almost half (48%) say recruiting employees with needed skills is somewhat of a problem (35%) or a significant problem (13%). As shown in *Figures 9b* and *9c*, this is even more common for cities (69%), counties (69%), and villages (60%) as well as for larger jurisdictions in general (66% of jurisdictions with 10,001-30,000 residents, and 74% of jurisdictions with more than 30,000 residents).

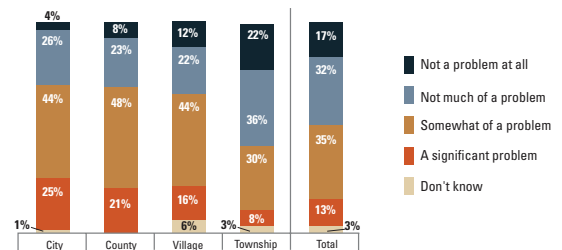
**Figure 9a**

Local officials' assessments of problems in their jurisdictions with recruiting skilled employees



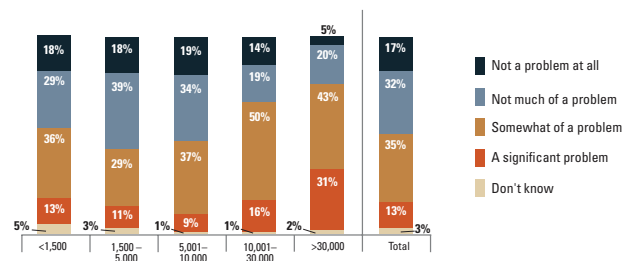
**Figure 9b**

Local officials' assessments of problems in their jurisdictions with recruiting skilled employees, by jurisdiction type



**Figure 9c**

Local officials' assessments of problems in their jurisdictions with recruiting skilled employees, by jurisdiction size



While problems with employee recruitment are widespread among Michigan jurisdictions, employee retention is reported to be a much less common problem for local governments across the state. Only 17% of local officials from jurisdictions with employees statewide say that retention of current employees is somewhat of a problem (14%) or a significant problem (3%) (see *Figure 10*). However, problems of employee recruitment and retention appear to be closely linked. Among officials who say that recruiting employees with needed skills is a significant problem, 54% say that retaining current employees is somewhat of a problem (36%) or a significant problem (18%). Meanwhile, among officials who say that recruitment is not a problem at all or is not much of a problem, just 2% say that employee retention is a problem for their jurisdiction.

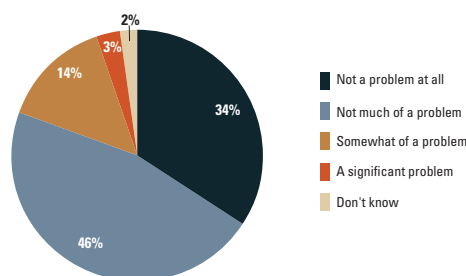
When presented with a list of potential factors that may contribute to their problems recruiting and/or retaining employees, 70% of local officials report their jurisdictions struggle with a shortage of qualified candidates. Moreover, 46% believe they don't offer competitive compensation packages (which, of course, could be partly to blame for a lack of qualified candidates applying for positions). Fewer local officials report that they lose current employees to other employers (24%) while just 8% believe their workforce atmosphere presents challenges (see *Figure 11*).

Meanwhile, compensation may be an even bigger problem than first realized. Among officials who say their pay rates for new hires are too low, 72% say recruiting new employees with appropriate skills is somewhat of a problem (45%) or a significant problem (27%). By comparison, 43% of those who say pay rates are about right, and—perhaps strangely—51% of those who say their pay rates are too high also report recruitment problems (see *Figure 12*). (It is unclear why those who think pay rates are too high are more likely to struggle compared with those who say rates are about right, but this could represent local officials who think their jurisdiction has had to raise pay rates too much to attract qualified employees.)

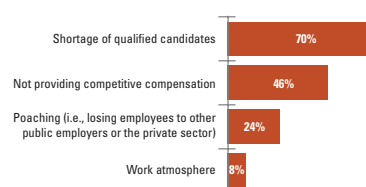
The generosity of fringe benefits for new hires may also be related to recruitment problems. For example, 60% of officials who rate their fringe benefits package (or lack thereof) for new hires as not generous enough also say that recruiting employees is a problem, compared to 49% of those who say their fringe benefits package is about right, and 54% who say it is too generous.

These same factors may be related to retention of current employees. For jurisdictions where local officials say pay rates for current employees are too low, 30% say retention of current employees is a problem, compared with 17% of jurisdictions overall who say retention is a problem. Meanwhile, 28% say it is a problem in jurisdictions where they say fringe benefits for current employees are not generous enough.

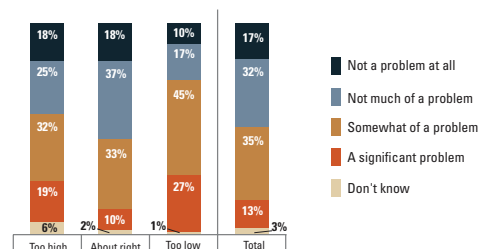
**Figure 10**  
Local officials' assessments of problems in their jurisdictions with retaining current employees



**Figure 11**  
Percentage of local officials identifying factors contributing to their jurisdiction's problems in recruiting and/or retaining employees (among jurisdictions that say that recruiting and/or retaining employees is a problem)



**Figure 12**  
Local officials' assessments of problems in their jurisdictions with recruiting skilled employees, by assessments of jurisdiction pay rates for new hires





## Voices Across Michigan

### Quotes from local leaders about problems their jurisdiction has experienced with recruitment and retention of qualified personnel

“For skilled positions or positions that require licensing or certification we struggle to provide competitive pay. We are fortunate that some people like the small community lifestyle and the lower cost of living in our county but we have lost employees in the areas mentioned and have trouble attracting qualified applicants.”

“Apart from general office positions, there is a very thin pool of applicants for positions - public works, sewer/water, and police officer positions have been difficult to fill with qualified applicants. We have had one or more vacant positions within our police department for over a year, which has put us into a perpetual recruitment/selection mode - something that is an anomaly within our small department’s history.”

“Finding qualified candidates for top administrative positions has been a significant problem for the last 8-10 years. Top positions for public works and public safety have remained vacant for more than two years at times.”

“Public Works employees can make more money per hour and have better benefits in the private sector. We use to get over 100 applications for a public safety position. We have tried to fill one position for 9 months and have received 6 applications.”

“Recruiting issues are far more significant for professional positions and police officers. In most cases the pay rates and benefit levels are no longer significant enough to attract people away from other private industry or to attract college graduates.”

“We have been having an extremely difficult time recruiting Police Officers. Although the pay is competitive compared to other like-size municipalities, we struggle to attract candidates. We have even engaged in aggressive recruiting efforts. We also have a difficult time in attracting minority candidates even through aggressive recruitment. Neighboring communities are also having the same type of issues.”

“Our biggest personnel problem is not offering a high enough wage or benefit package to keep new police deputies. They start here and then move to other counties in a year or less for higher paying jobs. That turn-over is costly in new uniforms, training and recruitment.”

“Our small City lacks the funds needed to pay competitive salaries and retain employees. It’s a constant revolving door, with no end in sight. Additionally, the City lacks the funds needed to adequately train employees, so our employees are not aware of the proper way of handling things, resulting in mistakes and frustration.”

“We have part-time police officers because we can’t afford full-time, this creates a revolving door as it is difficult to keep people when they are looking for a benefit package.”

“[The jurisdiction] has a part-time police force and finding individuals who are willing to work part-time on a long-term basis is an issue. [The jurisdiction] also is at the lower end of the pay scale for starting police officers. Given our pay scale, finding employees with the technical skills along with technology skills have proven to be difficult in our Department of Public Works and administrative staff.”

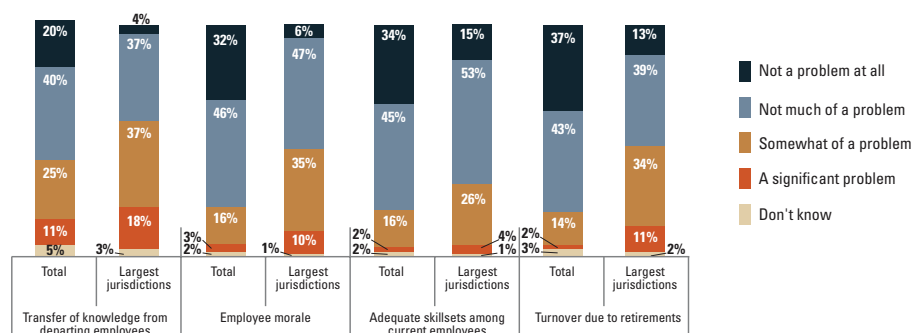
## Larger jurisdictions experience additional workforce problems

Local governments across Michigan, but particularly the largest jurisdictions, face additional problems with their workforce beyond challenges with recruitment and retention. One common problem is the transfer of knowledge from departing employees, with 36% of officials from all jurisdictions with employees statewide reporting this is a problem (see *Figure 13*). By comparison, this rises to 55% among officials from the largest jurisdictions. While problems with employee morale are reported by only 19% of all local officials statewide from jurisdictions with employees, morale problems are reported by 45% of the largest jurisdictions. Meanwhile, problems with adequate skill sets among current employees are reported by 18% statewide, but by 30% of officials from the largest local governments. And finally, reports of problems with turnover due to retirements rise from 16% among all jurisdictions with employees statewide to 45% among the largest communities.

For a full breakdown of personnel problems by jurisdiction size, see *Appendix B*.

**Figure 13**

Local officials' assessments of personnel issues in their jurisdictions, statewide vs. among the state's largest jurisdictions (those with more than 30,000 residents)





## Conclusion

While the Great Recession reduced the local government workforce in Michigan and across the nation, employment trends have been on a small upward swing in the recent years. In particular, more and more jurisdictions across Michigan have been increasing the size of their workforce, though just marginally. Meanwhile, they have also increasingly been raising employee wages modestly, and more recently fewer jurisdictions have been shifting additional health care costs to their employees after many had done so in the years following the Recession.

However, there are signs that Michigan's local governments' employee compensation lags their peers in other states, and the recovery in workforce size among Michigan local governments has also lagged compared to other states. Overall, the total local government workforce across Michigan remains smaller than before the Great Recession. While a number of local governments have seen an increased workforce size recently, more than a quarter of Michigan's local governments still have a smaller workforce today than pre-recession, including 70% of the largest jurisdictions.

While most jurisdictions report they are able to provide their desired level of services in multiple areas, one quarter of Michigan's local officials believe they have an inadequate workforce size to provide at least one type of public safety service, and nearly half of county officials say they have an inadequate workforce to deliver desired police services.

Additionally, even as jurisdictions have begun increasing workforce hiring, many jurisdictions have struggled to recruit qualified employees, particularly where officials believe pay for new hires is too low. Larger jurisdictions have especially struggled, facing a shrinking applicant pool and a wider range of workforce-related problems.

## Notes

1. Ivacko, T., Horner, D., & Crawford, M. (2012). *Fiscal stress continues for hundreds of Michigan jurisdictions, but conditions trend in positive direction overall*. Ann Arbor, MI: Center for Local, State, and Urban Policy at the Gerald R. Ford School of Public Policy, University of Michigan. Retrieved from <http://closup.umich.edu/files/mpps-fiscal-health-2012.pdf>
2. Pagano, M., Hoene, C., & McFarland, C. (2012). *City fiscal conditions in 2012*. Washington, DC: National League of Cities. Retrieved from <http://www.nlc.org/Documents/Find%20City%20Solutions/Research%20Innovation/Finance/city-fiscal-conditions-research-brief-rpt-sep12.pdf> (Note: Compared with the MPPS, the annual NLC City Fiscal Conditions Surveys draw from a different sample of jurisdictions—namely, only cities with populations of more than 10,000 residents—and use a slightly different scale in their policy questions—namely, one that does not include a “neither increase nor decrease” midpoint—which may lead to certain differences in the size of the percentages reported.)
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<http://slge.org/wp-content/uploads/2017/06/State-and-Local-Government-Workforce-2017-Trends.pdf>
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8. Horner & Ivacko, 2015.
9. Center for State & Local Government Excellence, 2017.
10. U.S. Census Bureau. (2007). *Annual survey of state and local government employment and payroll*. Washington, DC: U.S. Census Bureau. Retrieved from <https://www.census.gov/programs-surveys/apes.html> (Note: Authors’ calculations for full-time equivalent employment, excluding education employees.)
11. U.S. Census Bureau, 2016.
12. Horner, D. & Ivacko, T. (2016). *Most local officials are satisfied with law enforcement services, but almost half from largest jurisdictions say their funding is insufficient*. Ann Arbor, MI: Center for Local, State, and Urban Policy at the Gerald R. Ford School of Public Policy, University of Michigan. Retrieved from <http://closup.umich.edu/michigan-public-policy-survey/52/most-local-officials-are-satisfied-with-law-enforcement-services-but-almost-half-from-largest-jurisdictions-say-their-funding-is-insufficient/>



## 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 Spring 2017 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, 280 cities, 253 villages, and 1,240 townships in the state of Michigan.

The Spring 2017 wave was conducted from April 3 – June 2, 2017. A total of 1,372 jurisdictions in the Spring 2017 wave returned valid surveys (70 counties, 232 cities, 170 villages, and 900 townships), resulting in a 74% response rate by unit. The margin of error for the survey for the survey as a whole is +/- 1.34%. The key relationships discussed in the above report are statistically significant at the  $p < .05$  level or below, unless otherwise specified.

For questionnaire items tracking changes to workforce size, pay rates, and shifting of health care costs, responses of "Not Applicable" were used to exclude jurisdictions without employees (or that don't provide health care benefits). In 2011 and 2014, for questionnaire items about pay rates levels and provision of fringe benefits, responses of "Not Applicable" were used to exclude jurisdictions without employees. In 2017, except where otherwise specified, "jurisdictions with employees" applies to jurisdictions that selected having any of the following responses: full-time, part-time, and seasonal employees. Jurisdictions that selected only having temporary employees were excluded except where 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.*



## Appendices

### Appendix A

Year-to-year pay rate changes among those jurisdictions with employees, 2011-2017

	2011	2012	2013	2014	2015	2016	2017
<b>Conditions in the current fiscal year compared to the previous fiscal year</b>							
Greatly increased	0%	0%	0%	0%	0%	1%	1%
Somewhat increased	22%	28%	41%	48%	55%	51%	57%
No change	68%	65%	54%	49%	43%	47%	41%
Somewhat decreased	9%	6%	5%	2%	1%	1%	2%
Greatly decreased	1%	1%	1%	1%	0%	0%	0%
<b>Predicted actions for the coming fiscal year compared to the current fiscal year</b>							
Greatly increase	0%	0%	0%	0%	0%	0%	0%
Somewhat increase	22%	31%	42%	49%	55%	49%	57%
No change	70%	63%	53%	47%	43%	48%	39%
Somewhat decrease	6%	4%	3%	2%	1%	1%	1%
Greatly decrease	0%	0%	0%	0%	0%	0%	0%

Responses for "not applicable" omitted.

Responses for "don't know" not shown

**Appendix B**

Local officials' assessments of personnel problems in their jurisdictions, by jurisdiction size

	Jurisdiction Population Size					
	<1,500	1,500-5,000	5,001-10,000	10,001-30,000	>30,000	Total
<b>Recruiting employees with needed skills</b>						
Not a problem at all	18%	18%	19%	14%	5%	17%
Not much of a problem	29%	39%	34%	19%	20%	32%
Somewhat of a problem	36%	29%	37%	50%	43%	35%
A significant problem	13%	11%	9%	16%	31%	13%
Don't know	5%	3%	1%	1%	2%	3%
<b>Retaining current employees</b>						
Not a problem at all	33%	38%	37%	26%	19%	34%
Not much of a problem	46%	48%	51%	47%	33%	46%
Somewhat of a problem	14%	10%	10%	25%	31%	14%
A significant problem	3%	2%	2%	2%	13%	3%
Don't know	4%	2%	1%	0%	3%	2%
<b>Turnover due to retirements</b>						
Not a problem at all	46%	39%	30%	22%	13%	37%
Not much of a problem	38%	46%	50%	48%	39%	43%
Somewhat of a problem	11%	11%	17%	26%	34%	14%
A significant problem	1%	1%	3%	3%	11%	2%
Don't know	4%	3%	0%	1%	2%	3%
<b>Transfer of knowledge from departing employees</b>						
Not a problem at all	23%	23%	18%	10%	4%	20%
Not much of a problem	36%	42%	42%	43%	37%	40%
Somewhat of a problem	21%	22%	25%	38%	37%	25%
A significant problem	13%	8%	12%	7%	18%	11%
Don't know	7%	5%	3%	2%	3%	5%
<b>Employee morale</b>						
Not a problem at all	36%	40%	27%	16%	6%	32%
Not much of a problem	45%	45%	49%	54%	47%	46%
Somewhat of a problem	13%	12%	22%	23%	35%	16%
A significant problem	3	2%	2%	7%	10%	3%
Don't know	4%	1%	0%	0%	1%	2%
<b>Adequate skillsets among current employees</b>						
Not a problem at all	35%	40%	30%	29%	15%	34%
Not much of a problem	42%	45%	52%	48%	53%	45%
Somewhat of a problem	18%	12%	16%	23%	26%	16%
A significant problem	3%	2%	1%	1%	4%	2%
Don't know	3%	1%	1%	0%	1%	2%

## Previous MPPS reports

Local leaders' views on elections in Michigan: accuracy, problems, and reform options (November 2017)

Michigan local government officials report complex mix of improvement and decline in fiscal health, but with overall trend moving slowly upward (October 2017)

Michigan local leaders want their citizens to play a larger role in policymaking, but report declining engagement (August 2017)

Michigan local leaders' views on state preemption and how to share policy authority (June 2017)

Improving communication, building trust are seen as keys to fixing relationships between local jurisdictions and the State government (May 2017)

Local leaders more likely to support than oppose Michigan's Emergency Manager law, but strongly favor reforms (February 2017)

Local government leaders' views on drinking water and water supply infrastructure in Michigan communities (November 2016)

Michigan local leaders say property tax appeals are common, disagree with 'dark stores' assessing (October 2016)

Local officials say Michigan's system of funding local government is broken, and seek State action to fix it (September 2016)

Michigan local governments report first declines in fiscal health trend since 2010 (August 2016)

Michigan local leaders' doubts continue regarding the state's direction (July 2016)

Hospital access primary emergency medical concern among many Michigan local officials (July 2016)

Firefighting services in Michigan: challenges and approaches among local governments (June 2016)

Most local officials are satisfied with law enforcement services, but almost half from largest jurisdictions say their funding is insufficient (April 2016)

Local leaders say police-community relations are good throughout Michigan, but those in large cities are concerned about potential civil unrest over police use-of-force (February 2016)

Report: Responding to budget surplus vs. deficit: the preferences of Michigan's local leaders and citizens (December 2015)

Michigan's local leaders concerned about retiree health care costs and their governments' ability to meet future obligations (October 2015)

Fiscal health rated relatively good for most jurisdictions, but improvement slows and decline continues for many (September 2015)

Confidence in Michigan's direction declines among state's local leaders (August 2015)

Michigan local government leaders' views on private roads (July 2015)

Few Michigan jurisdictions have adopted Complete Streets policies, though many see potential benefits (June 2015)

Michigan local leaders have positive views on relationships with county road agencies, despite some concerns (May 2015)

Michigan local government leaders say transit services are important, but lack of funding discourages their development (April 2015)

Michigan local leaders see need for state and local ethics reform (March 2015)

Local leaders say Michigan road funding needs major increase, but lack consensus on options that would raise the most revenue (February 2015)

Michigan local government leaders' views on employee pay and benefits (January 2015)

Despite increasingly formal financial management, relatively few Michigan local governments have adopted recommended policies (December 2014)

Most Michigan local officials are satisfied with their privatized services, but few seek to expand further (November 2014)

Michigan local governments finally pass fiscal health tipping point overall, but one in four still report decline (October 2014)

Beyond the coast, a tenuous relationship between Michigan local governments and the Great Lakes (September 2014)

Confidence in Michigan's direction holds steady among state's local leaders (August 2014)

Wind power as a community issue in Michigan (July 2014)

Fracking as a community issue in Michigan (June 2014)



The impact of tax-exempt properties on Michigan local governments (March 2014)

Michigan's local leaders generally support Detroit bankruptcy filing despite some concerns (February 2014)

Michigan local governments increasingly pursue placemaking for economic development (January 2014)

Views on right-to-work legislation among Michigan's local government leaders (December 2013)

Michigan local governments continue seeking, and receiving, union concessions (October 2013)

Michigan local government fiscal health continues gradual improvement, but smallest jurisdictions lagging (September 2013)

Local leaders evaluate state policymaker performance and whether Michigan is on the right track (August 2013)

Trust in government among Michigan's local leaders and citizens (July 2013)

Citizen engagement in the view of Michigan's local government leaders (May 2013)

Beyond trust in government: government trust in citizens? (March 2013)

Local leaders support reforming Michigan's system of funding local government (January 2013)

Local leaders support eliminating Michigan's Personal Property Tax if funds are replaced, but distrust state follow-through (November 2012)

Michigan's local leaders satisfied with union negotiations (October 2012)

Michigan's local leaders are divided over the state's emergency manager law (September 2012)

Fiscal stress continues for hundreds of Michigan jurisdictions, but conditions trend in positive direction overall (September 2012)

Michigan's local leaders more positive about Governor Snyder's performance, more optimistic about the state's direction (July 2012)

Data-driven decision-making in Michigan local government (June 2012)

State funding incentives increase local collaboration, but also raise concerns (March 2012)

Local officials react to state policy innovation tying revenue sharing to dashboards and incentive funding (January 2012)

MPPS finds fiscal health continues to decline across the state, though some negative trends eased in 2011 (October 2011)

Public sector unions in Michigan: their presence and impact according to local government leaders (August 2011)

Despite increased approval of state government performance, Michigan's local leaders are concerned about the state's direction (August 2011)

Local government and environmental leadership: views of Michigan's local leaders (July 2011)

Local leaders are mostly positive about intergovernmental cooperation and look to expand efforts (March 2011)

Local government leaders say most employees are not overpaid, though some benefits may be too generous (February 2011)

Local government leaders say economic gardening can help grow their economies (November 2010)

Local governments struggle to cope with fiscal, service, and staffing pressures (August 2010)

Michigan local governments actively promote U.S. Census participation (August 2010)

Fiscal stimulus package mostly ineffective for local economies (May 2010)

Fall 2009 key findings report: educational, economic, and workforce development issues at the local level (April 2010)

Local government officials give low marks to the performance of state officials and report low trust in Lansing (March 2010)

Local government fiscal and economic development issues (October 2009)

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The **Center for Local, State, and Urban Policy (CLOSUP)**, housed at the University of Michigan's Gerald R. Ford School of Public Policy, conducts and supports applied policy research designed to inform state, local, and urban policy issues. Through integrated research, teaching, and outreach involving academic researchers, students, policymakers and practitioners, CLOSUP seeks to foster understanding of today's state and local policy problems, and to find effective solutions to those problems.

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