

Trends in Michigan local governments' fiscal health 2009-14

Presented at the
2014 Michigan Political Science Association Conference
October 24, 2014

The Michigan Public Policy Survey

- **Census survey** – all 1,856 counties, cities, villages, and townships
- **Respondents** – chief elected and appointed officials
- **Administered** – online and via hardcopy
- **Timing** – Spring and Fall each year
- **Topics** – wide range, such as fiscal health, budget priorities, economic development, intergovernmental cooperation, privatization, employee policies, labor unions, state relations, energy, environmental sustainability, Great Lakes, citizen engagement, bankruptcy, much more.

MPPS is not a typical opinion poll

- **70+% response rates**
- **Transparency**
 - Questionnaires online
 - Pre-run data tables online
 - Sharing of (anonymized) datasets with other researchers
- **Borrow from other proven sources such as NLC and ICMA**
- **Quality control such as double blind coding of open-end responses, internal technical memos on data quality, etc.**

What does the MPPS aim to do?

- **Improve understanding** of local government to help improve policymaking and quality of life
- **Inform local leaders** about peers across the state: challenges and responses
- **Inform state policymakers** and other stakeholders with data about local level challenges and responses not available from any other source
- **Build a longitudinal data archive** to allow tracking of fundamental changes (such as the economic transition, aging population, etc.)
- Foster **academic research and teaching** on local government issues

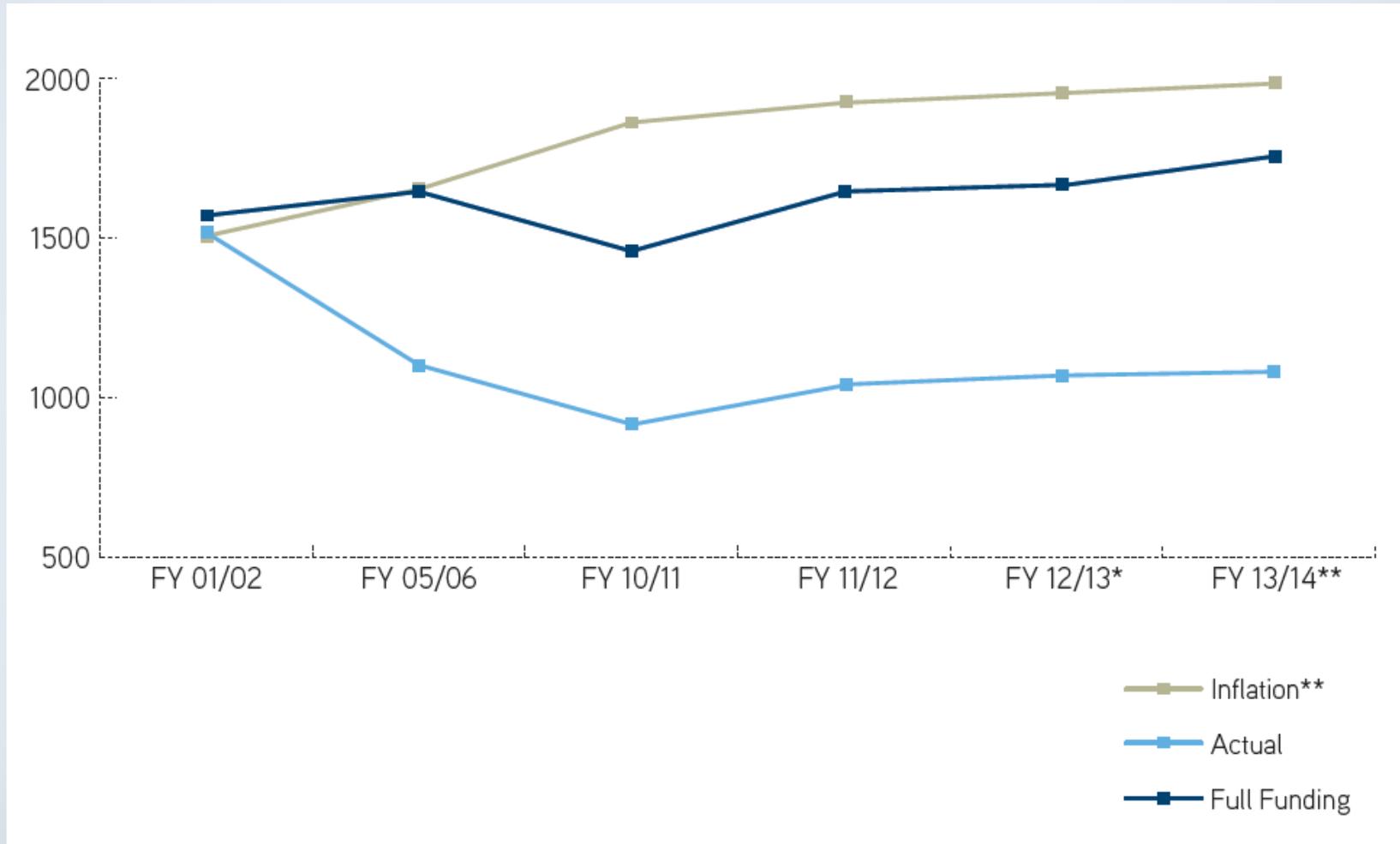
Presentation Outline

- Findings on fiscal trends and budgetary health from the 2009-2014 Waves of the MPFS
 - ✓ Fiscal challenges; how jurisdictions have responded
 - ✓ Fiscal health status today; changes since 2009
 - ✓ Looking ahead

Fiscal Challenges: Declining Revenues and Rising Costs

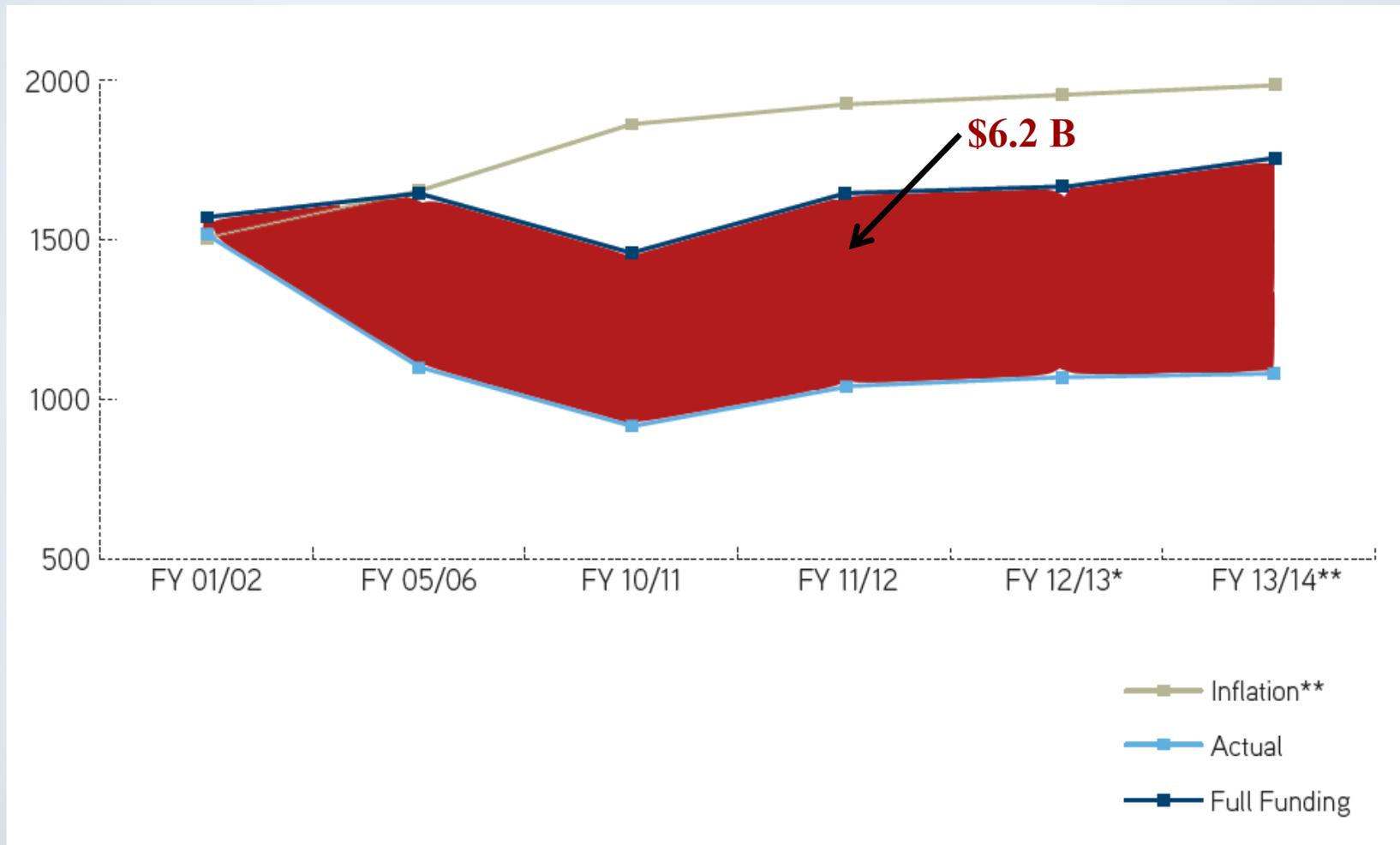
A Decade of Funding Cuts

State revenue sharing cuts



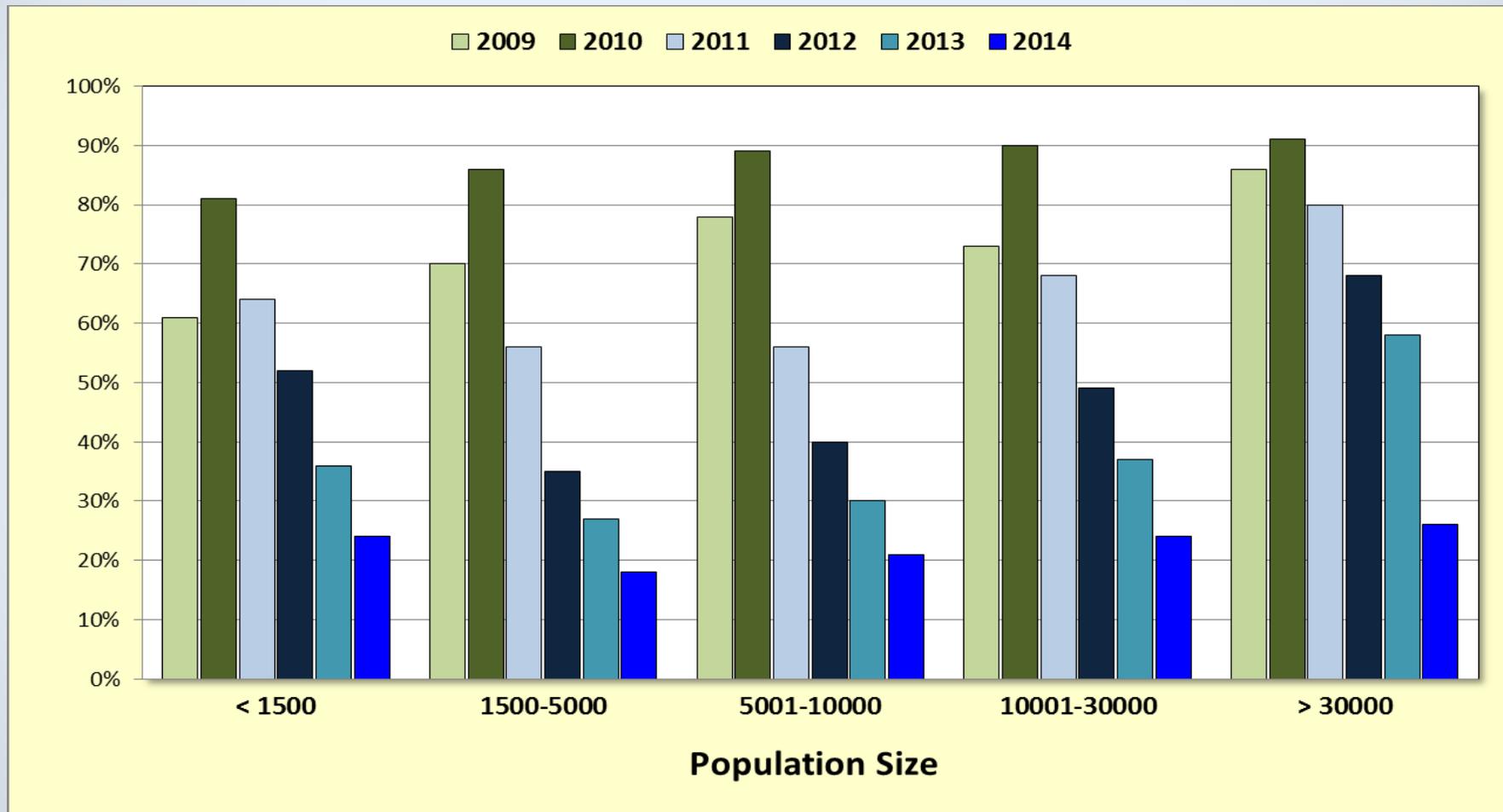
A Decade of Funding Cuts

State revenue sharing cuts



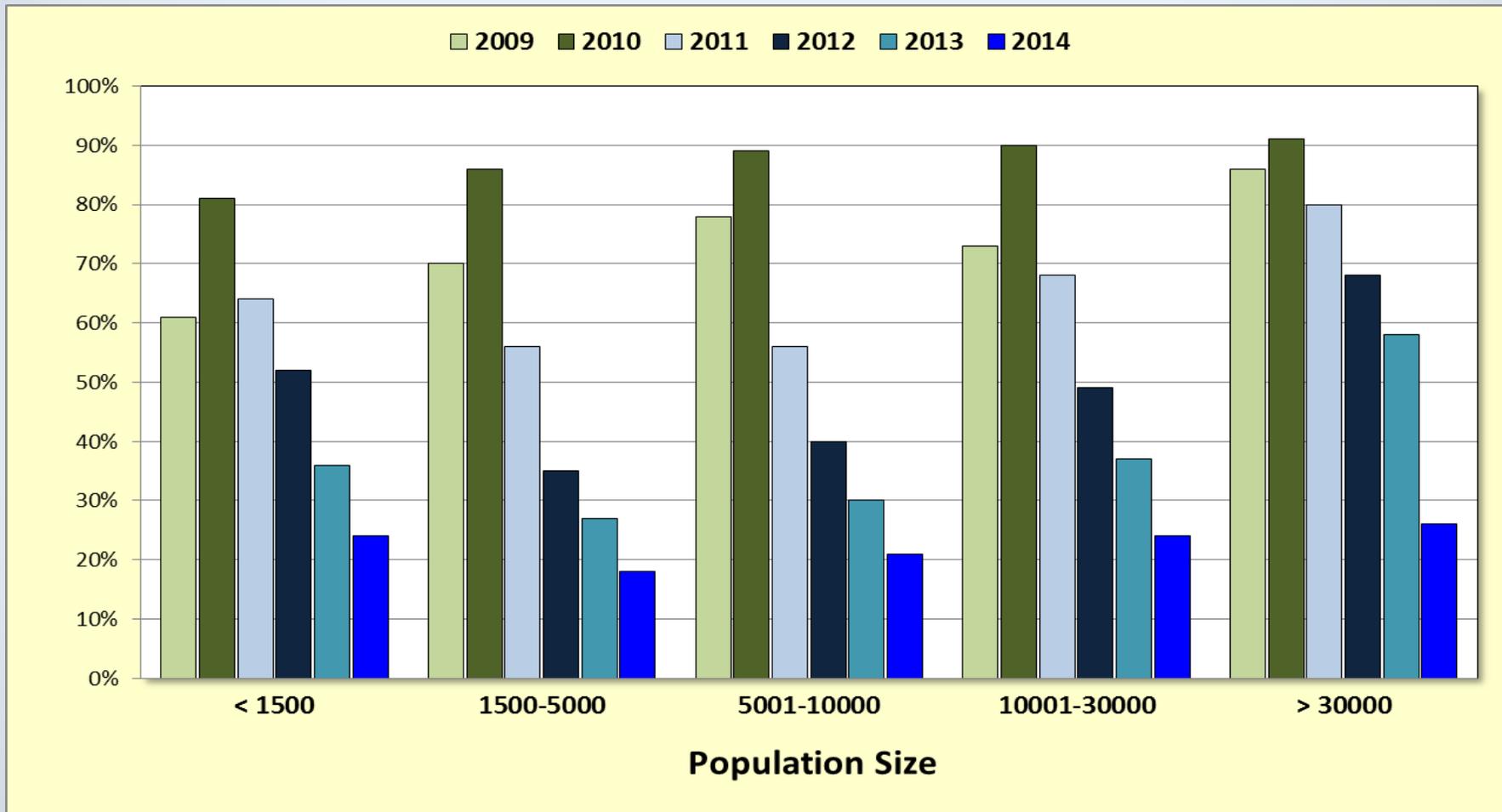
Declining Revenues

% of jurisdictions with declining state aid



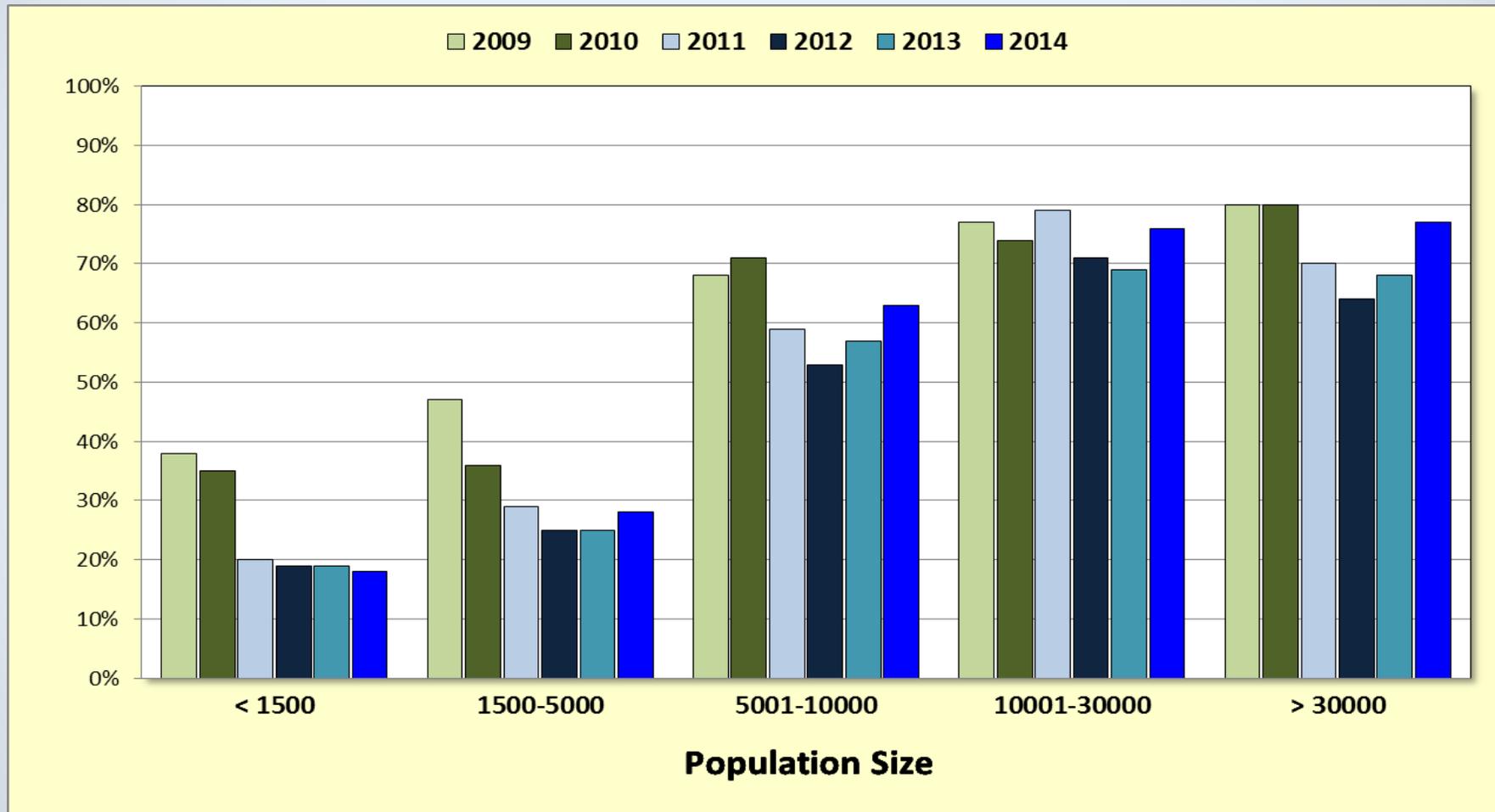
Declining Revenues

% of jurisdictions with **declining property tax revenues**



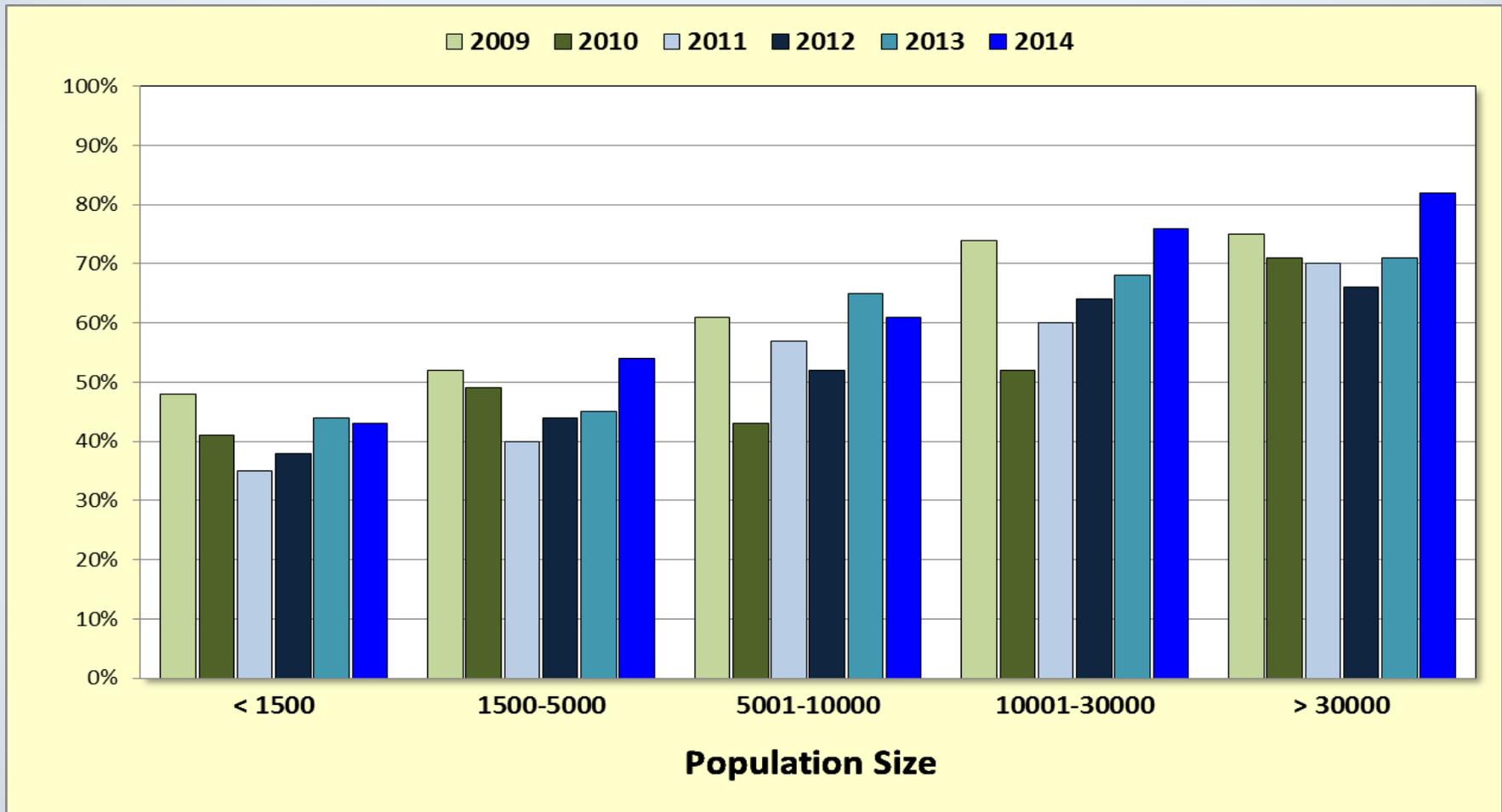
Rising Costs

% of jurisdictions with **rising health care costs** for current employees



Rising Service Demands

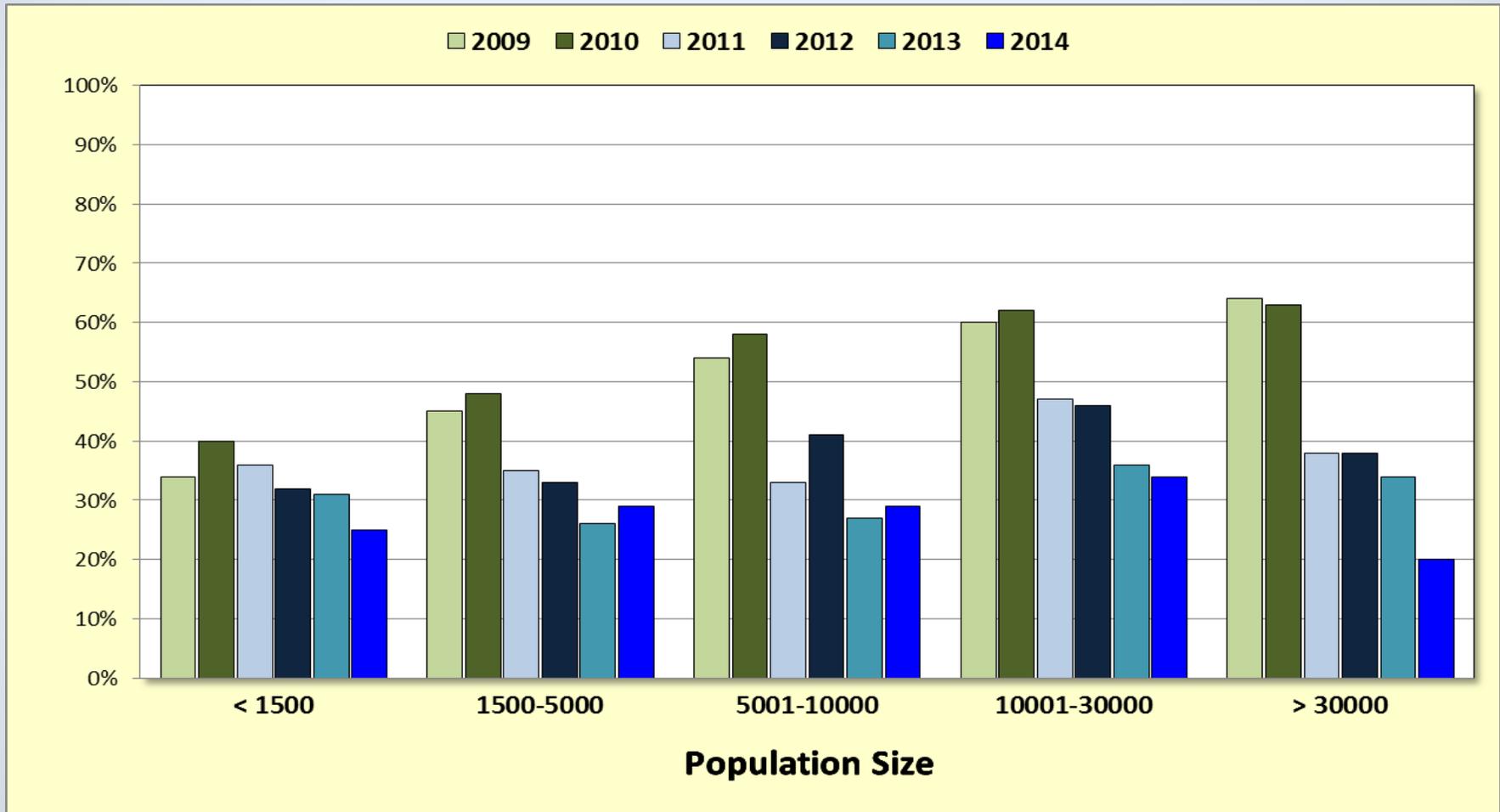
% of jurisdictions with **increasing infrastructure needs**



How Jurisdictions Have Responded to Fiscal Challenges

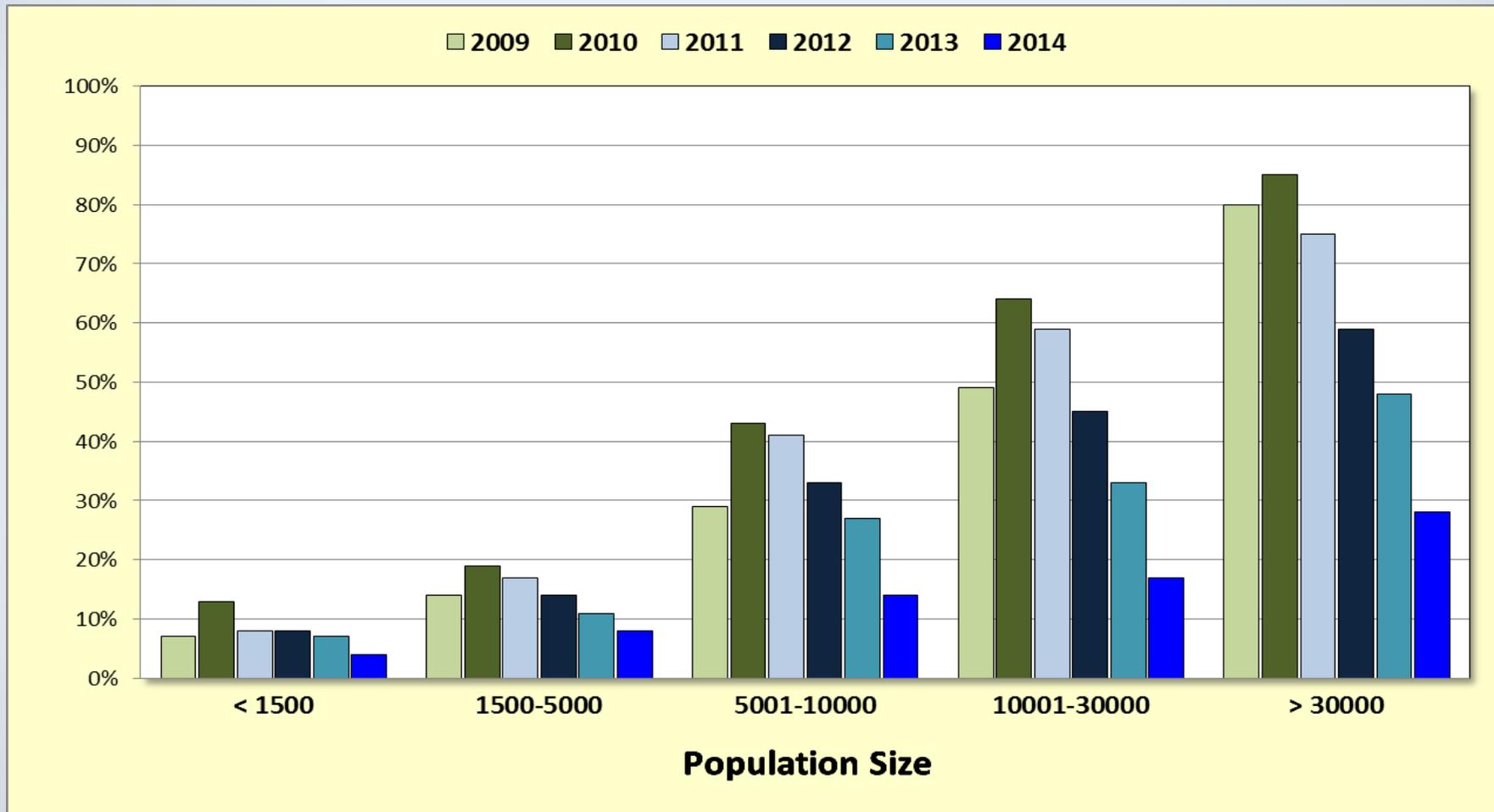
Government Actions

% of jurisdictions **increasing reliance on GF balance**



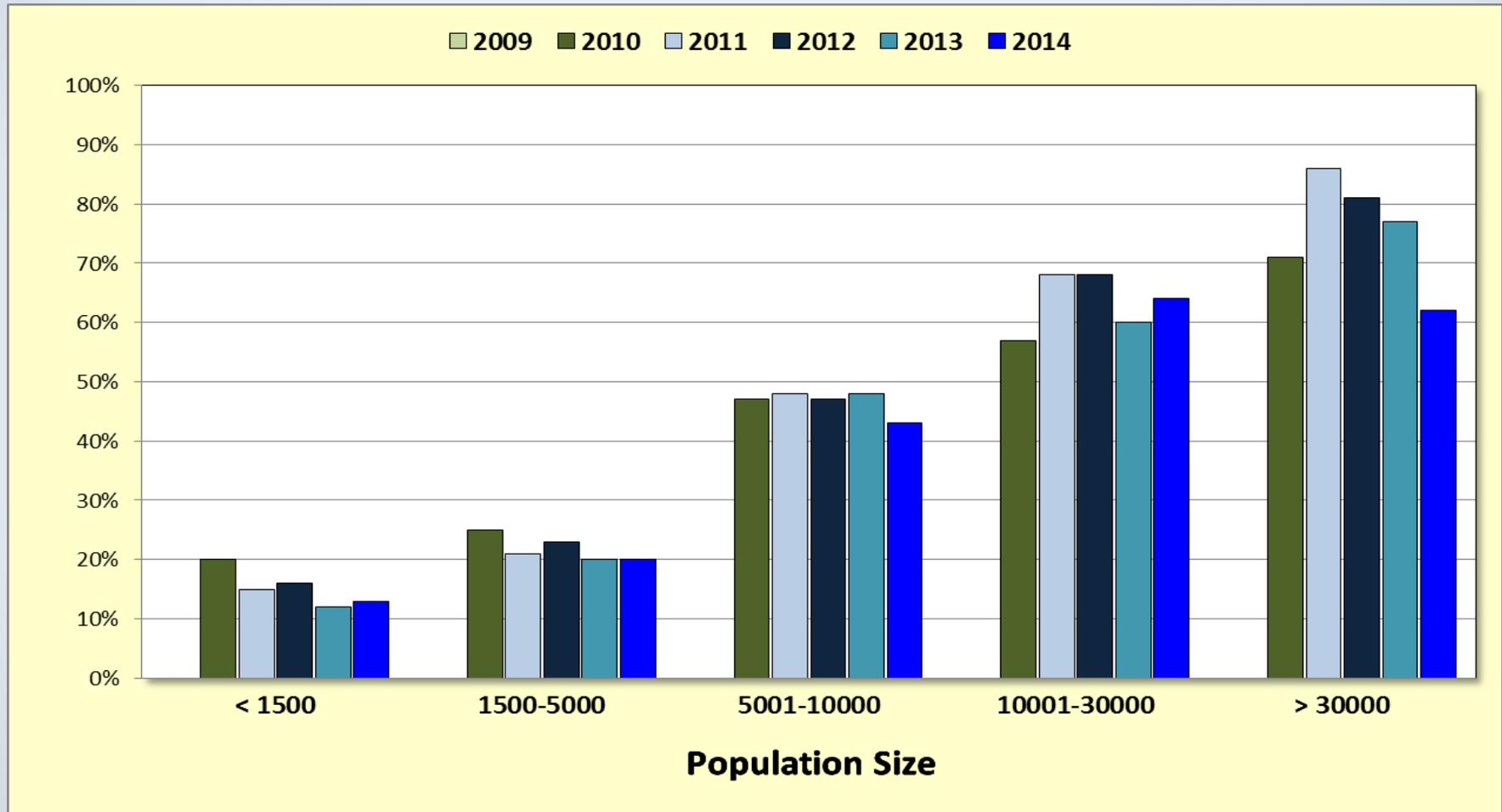
Government Actions

% of jurisdictions **cutting staff levels**



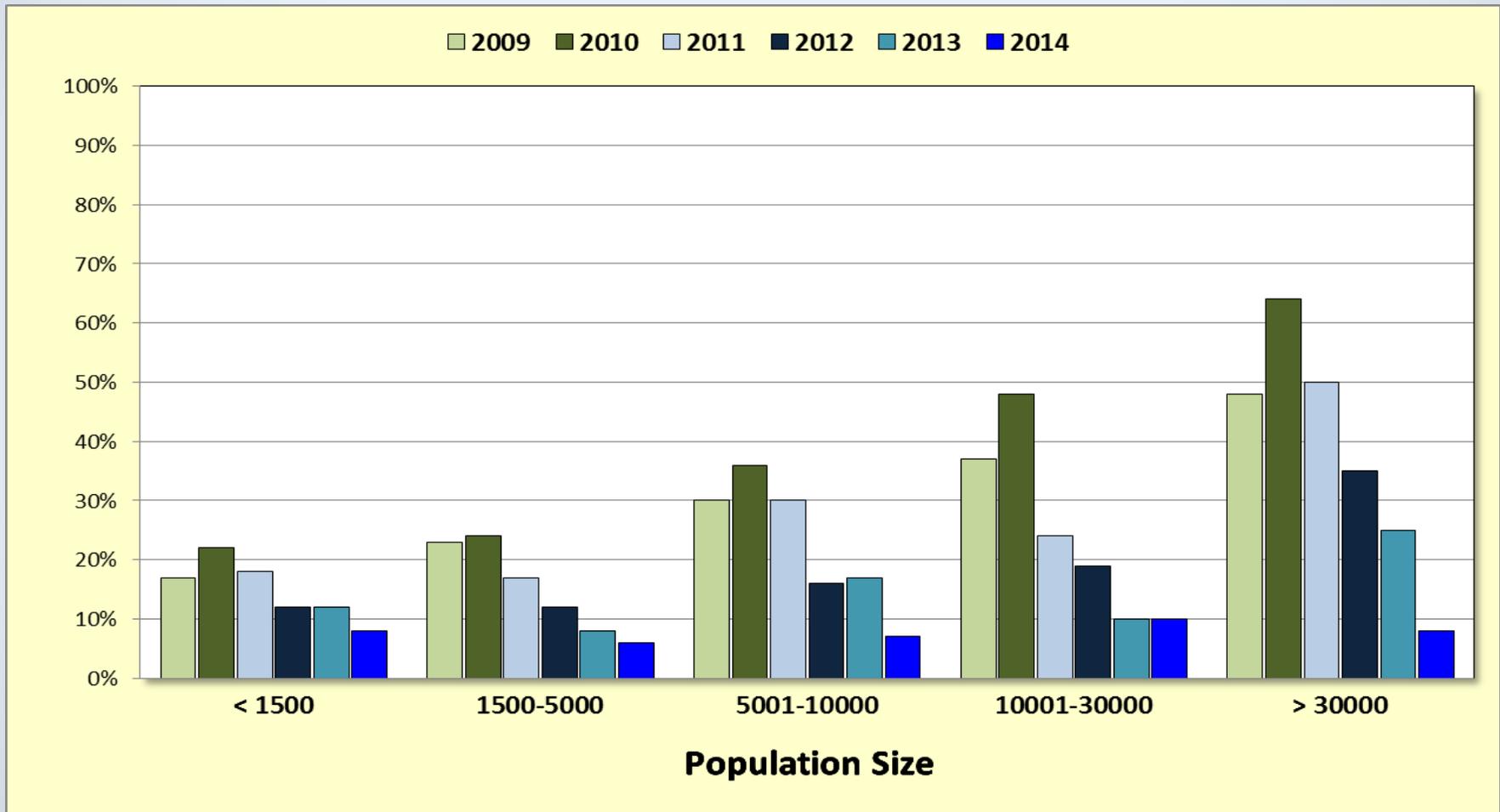
Government Actions

% of jurisdictions **shifting health care costs** to employees



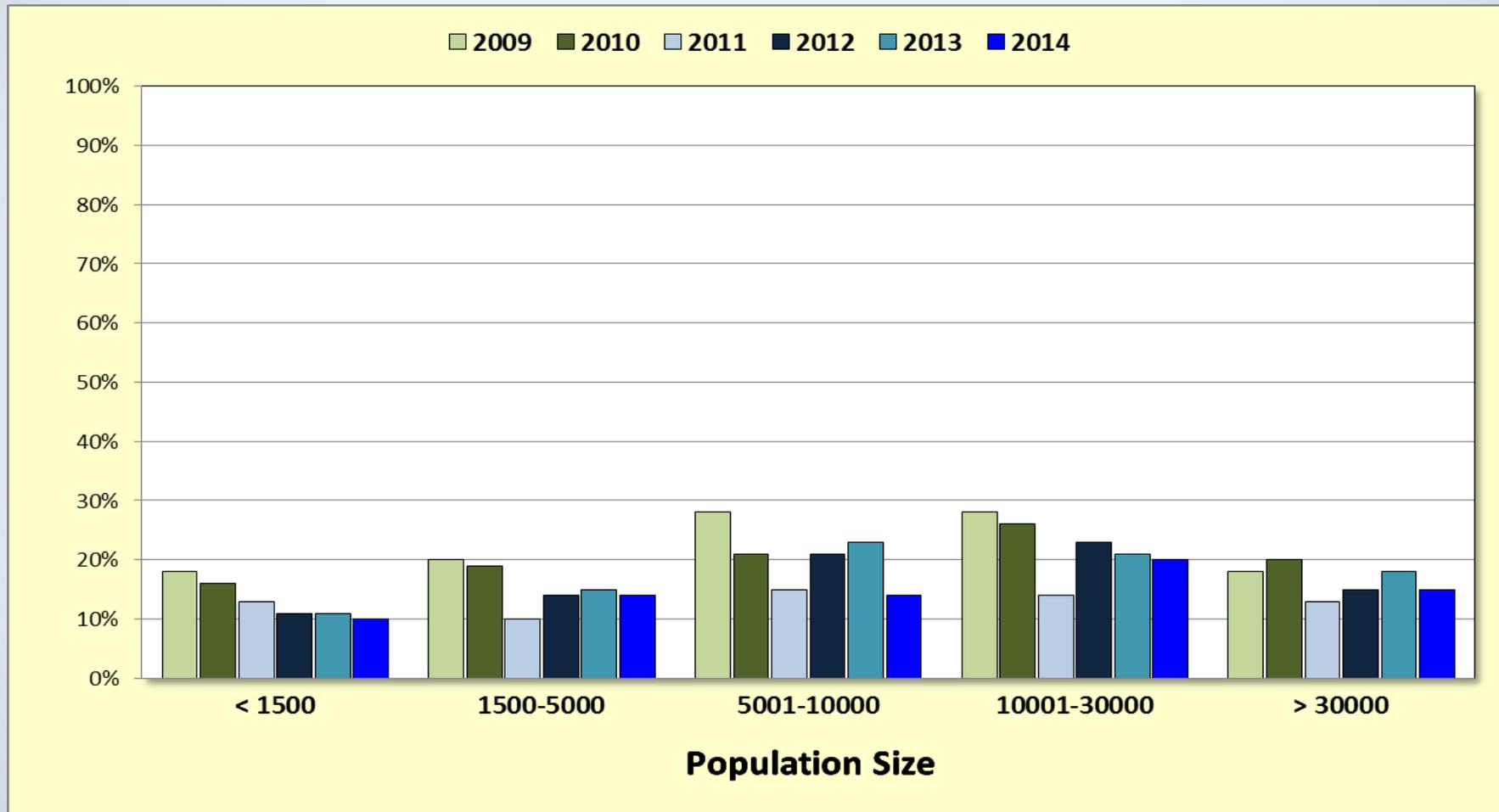
Government Actions

% of jurisdictions **cutting service levels**



Government Actions

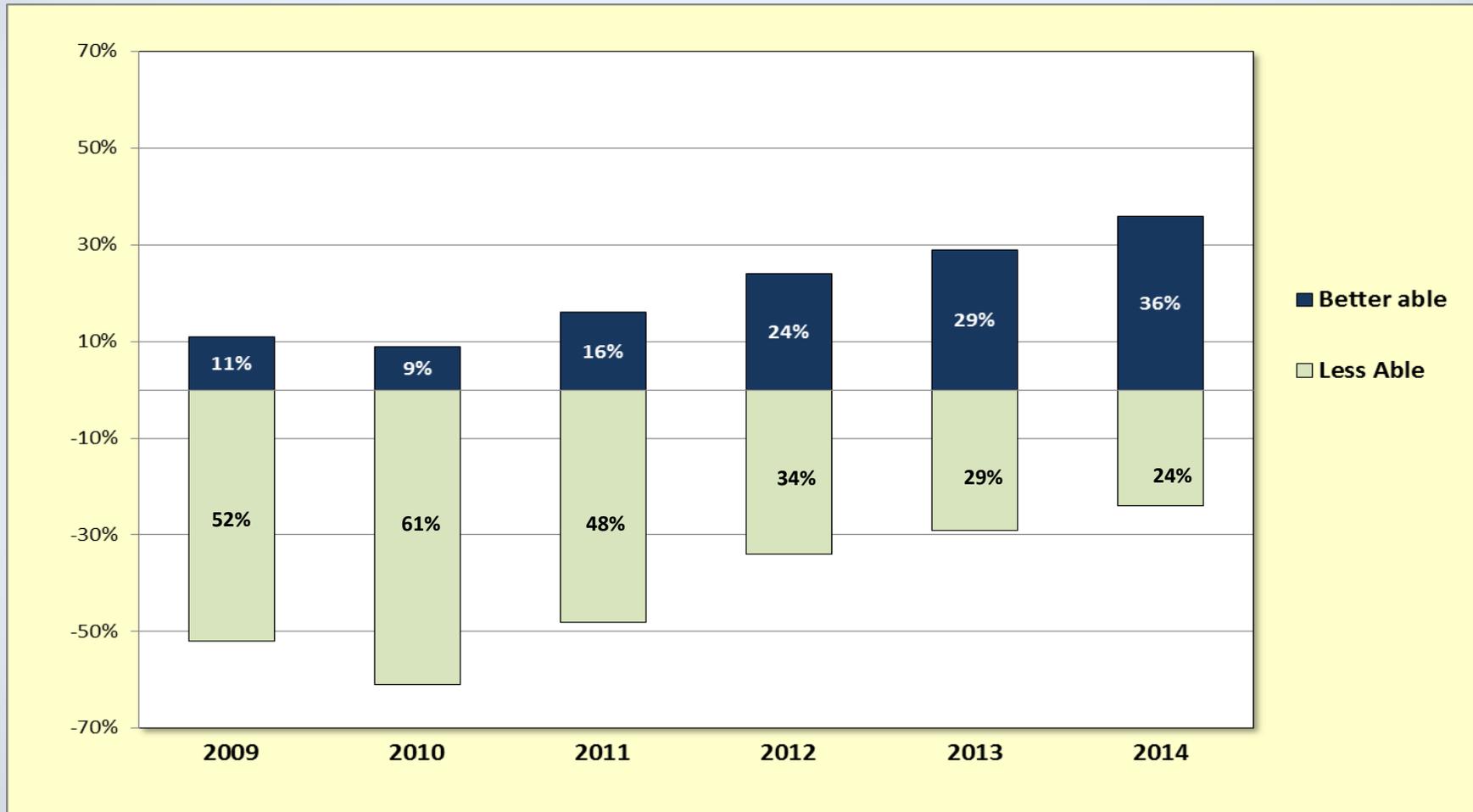
% of jurisdictions **increasing debt**



Result:
Despite Challenges,
Gradual Easing of Fiscal Stress

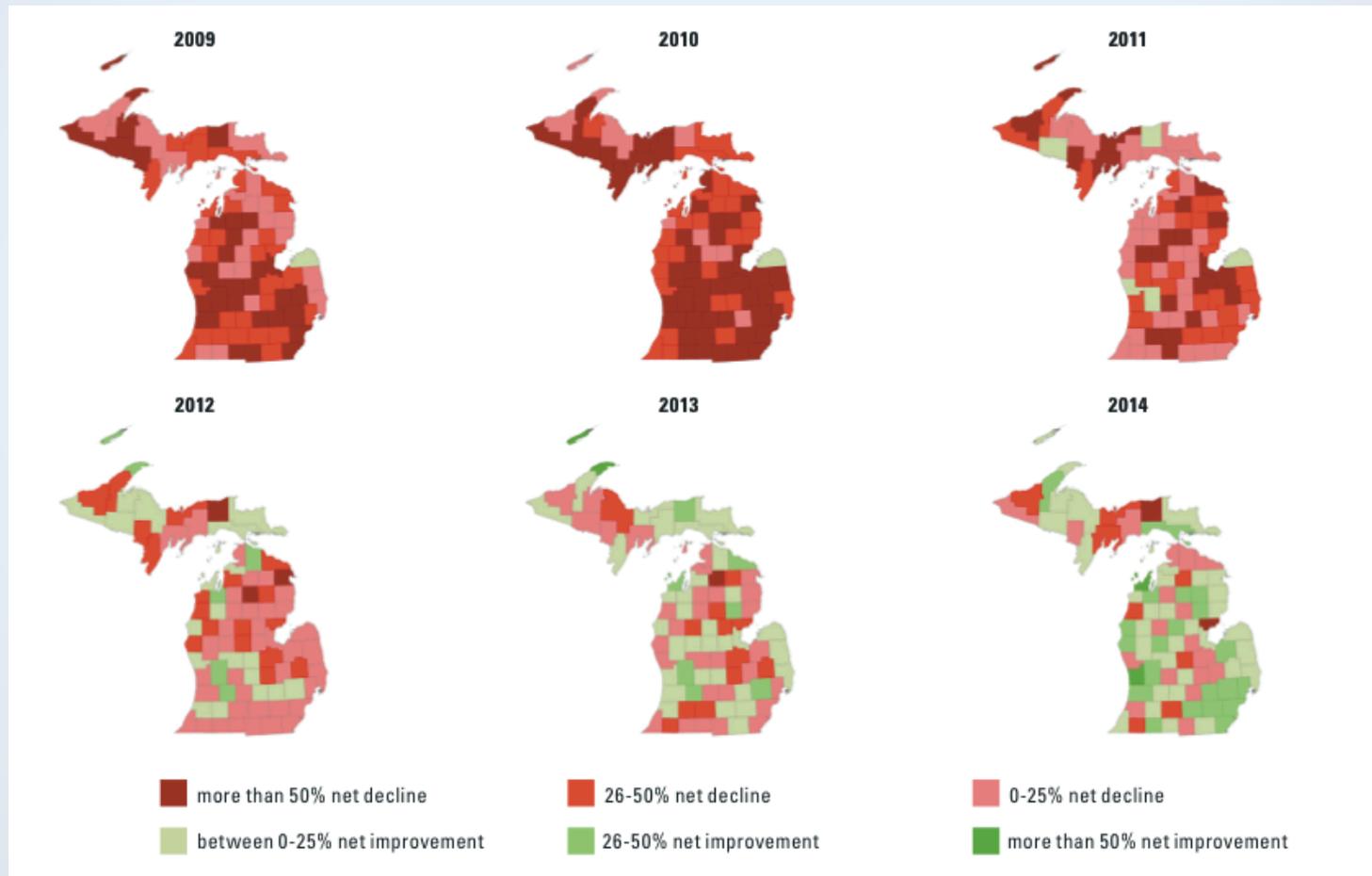
Slowly Improving Fiscal Health

% of jurisdictions **better or less able** to meet fiscal needs



Spread and Easing of Fiscal Problems

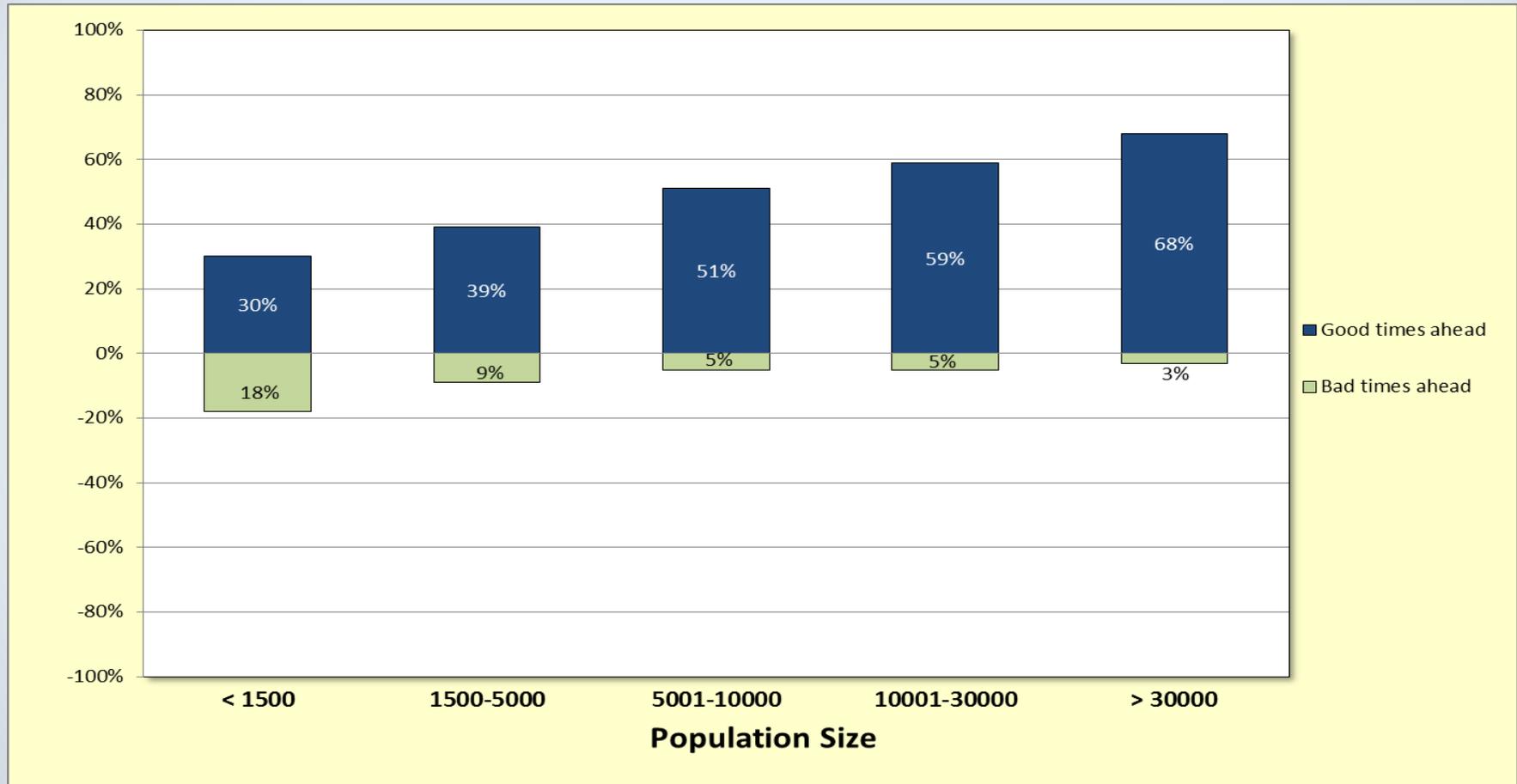
Net fiscal health yearly change: % of jurisdictions reporting improving fiscal health **minus** % reporting declining health, by county



Looking Ahead: Predictions about Future Fiscal Health

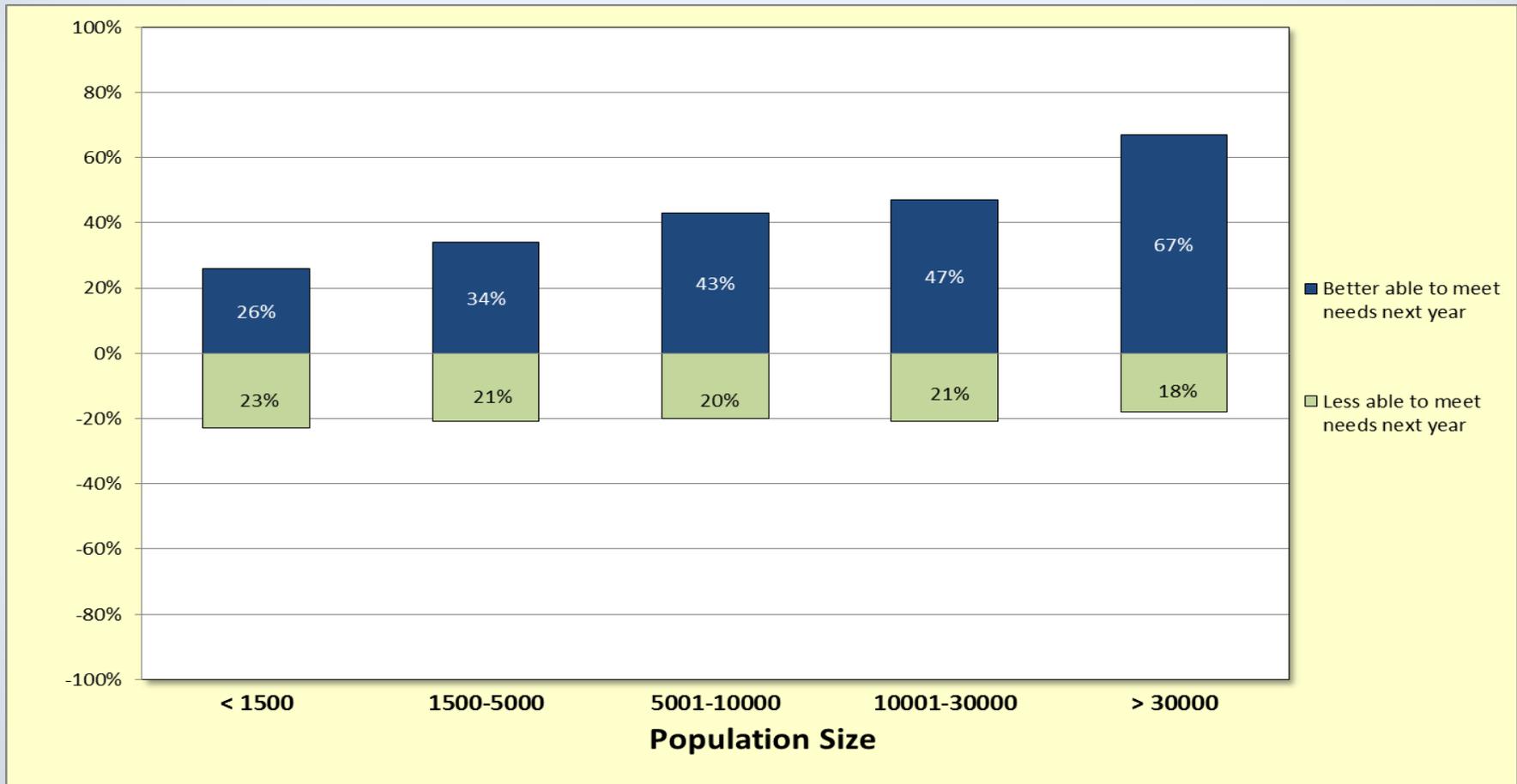
Forecast for Michigan communities

% of officials predicting **good or bad times**
for their communities financially in 2015



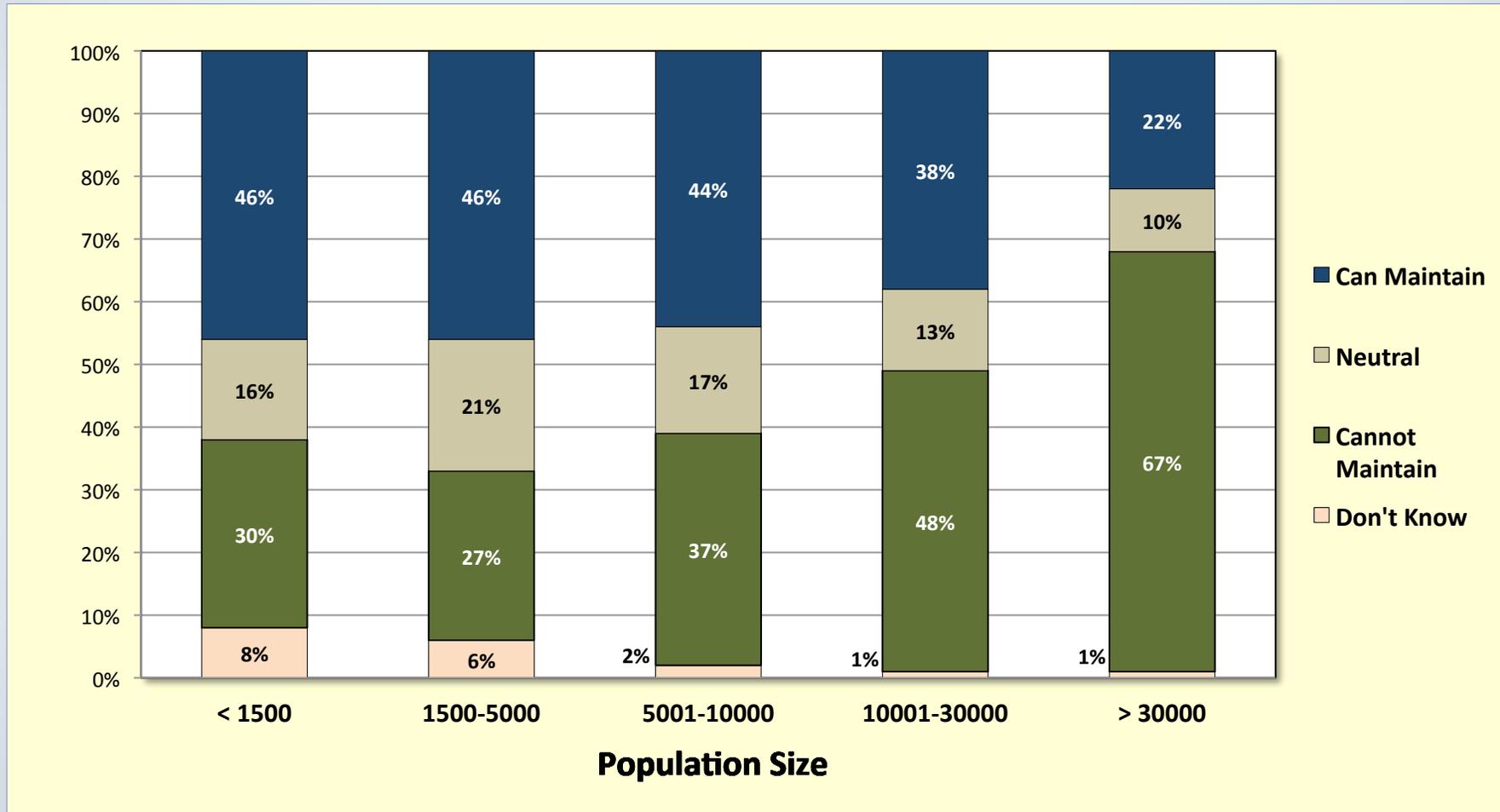
Forecast for local governments

% of officials predicting their governments will be **better or less able to meet fiscal needs** in 2015



Concerns Going Forward

% of officials predicting they can **maintain services** in current system (2012)



Future waves of the Michigan Public Policy Survey:

- Fall 2014: Roads, transit, and also ethics issues
- Other potential future survey topics:
 - Economic development
 - Aging demographic
 - Other infrastructure issues (water/sewer, IT, etc.)

The Michigan Public Policy Survey (MPPS)

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