

# Michigan local government fiscal health: a Northern Michigan and Grand Traverse County Perspective

April 2, 2015

# Presentation Outline

- Overview of the MPPS program
- Findings on fiscal trends and budgetary health from the 2009-2014 Waves of the MPPS
- Comparison of key indicators in Grand Traverse area and Northern Michigan with other jurisdictions statewide

# 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

# Grand Traverse jurisdictions responding to the Spring 2014 MPFS

## In Grand Traverse County:

13 jurisdictions out of 17 countywide (76%)

## In the Grand Traverse Area (Benzie, Grand Traverse , Kalkaska, and Leelanau counties):

55 jurisdictions out of 66 area-wide (83%)

## In the Northern Lower Peninsula:

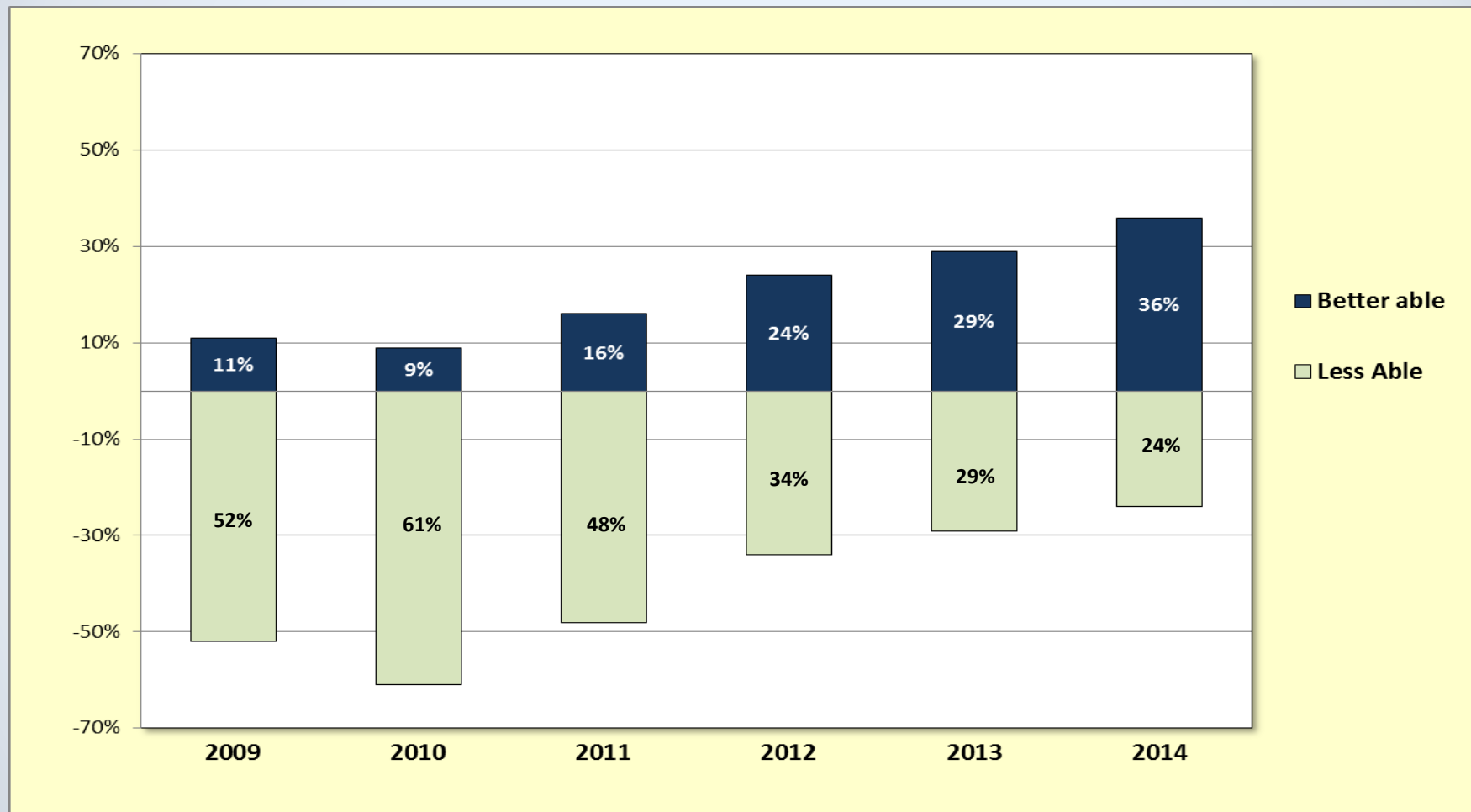
230 out of 317 region-wide (73%)



# Local government fiscal health: Statewide trends

# Slowly Improving Fiscal Health

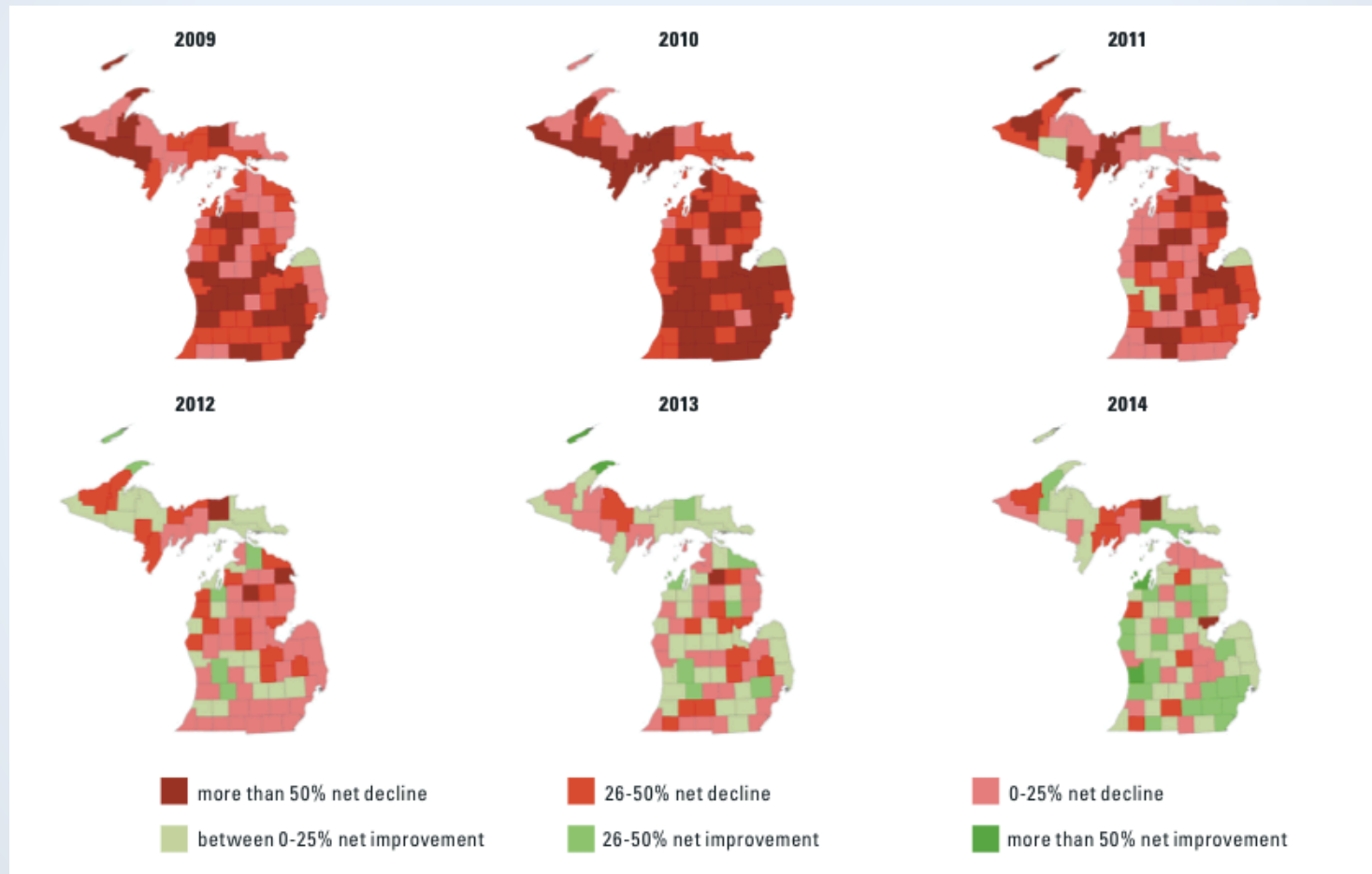
% of MI jurisdictions **better or less able** to meet fiscal needs





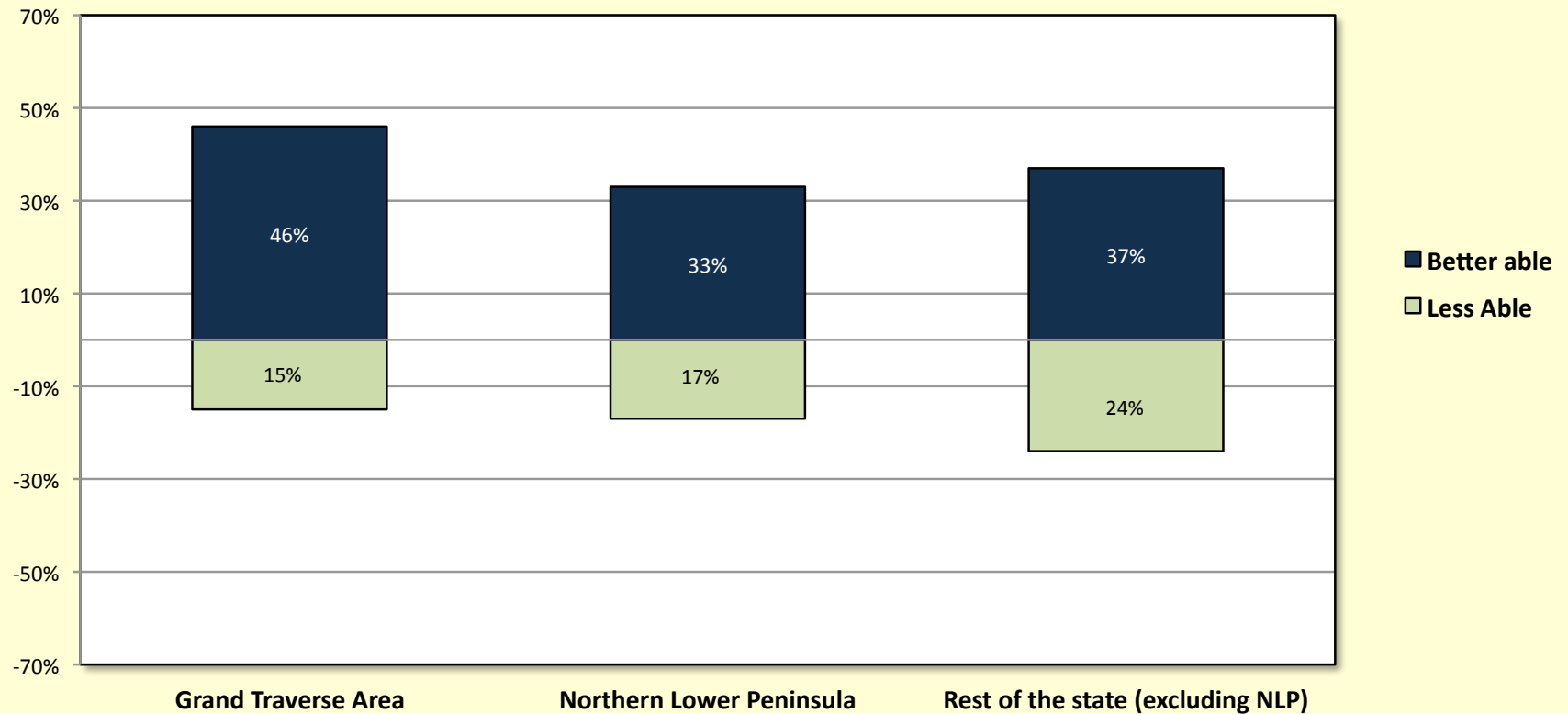
# Spread and Easing of Fiscal Problems

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



# Slowly Improving Fiscal Health

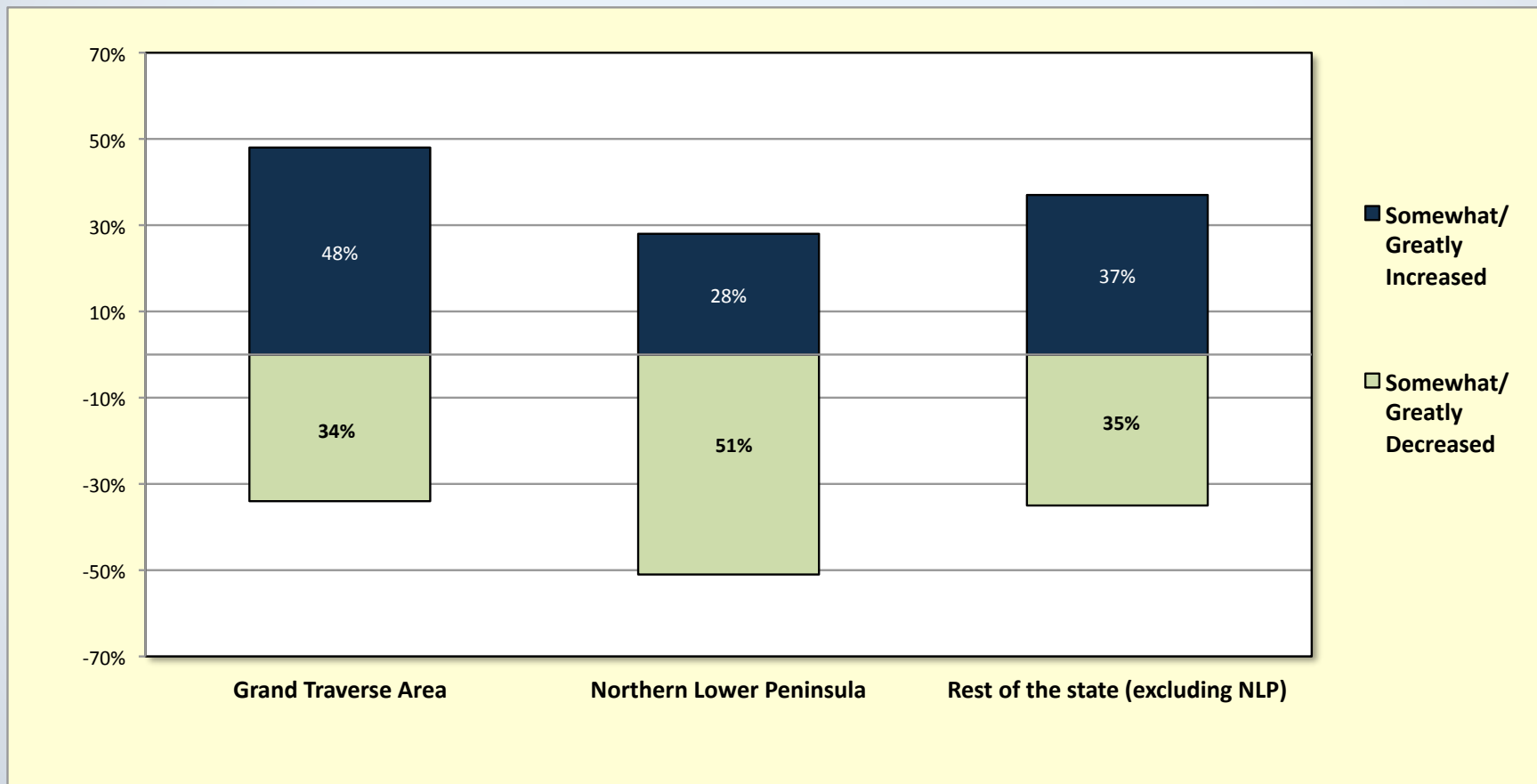
% of jurisdictions **better or less able** to meet fiscal needs in 2014



# Key Fiscal Indicators: Grand Traverse Area compared with statewide

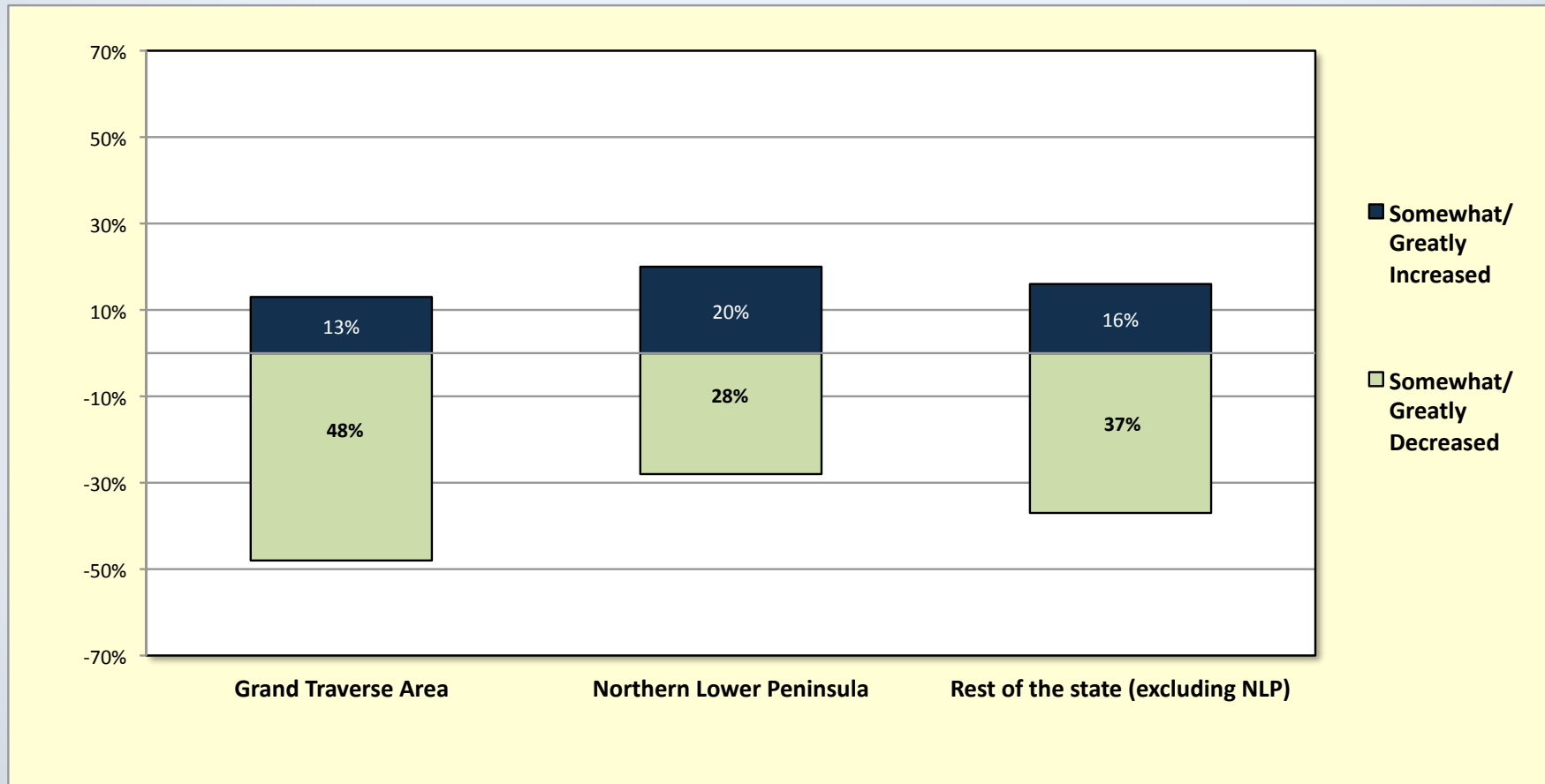
# Property Tax Revenues

% of jurisdictions with changes in **property tax revenues**



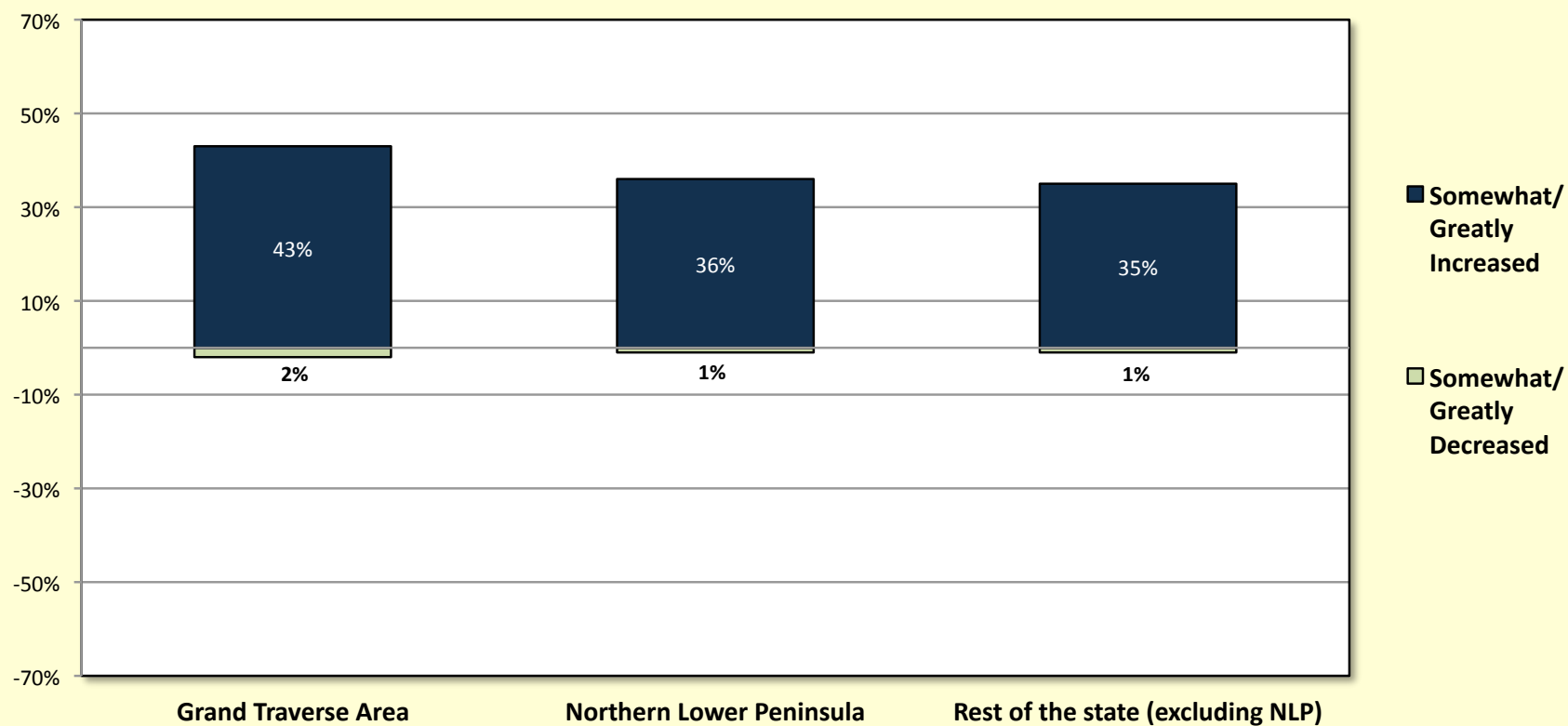
# Home Foreclosures

% of jurisdictions with **changes in home foreclosures**



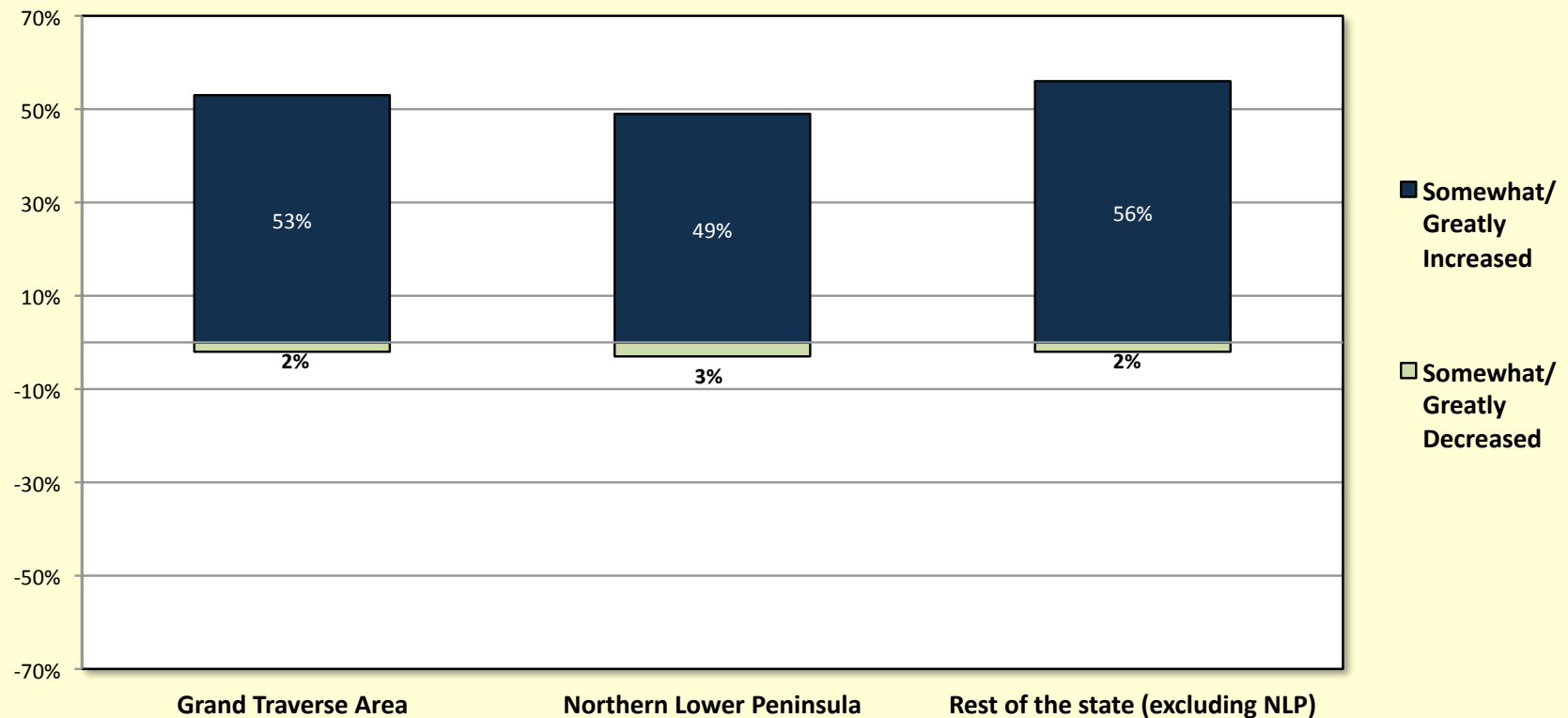
# Operational Costs

% of jurisdictions with **changes in general government operations needs**



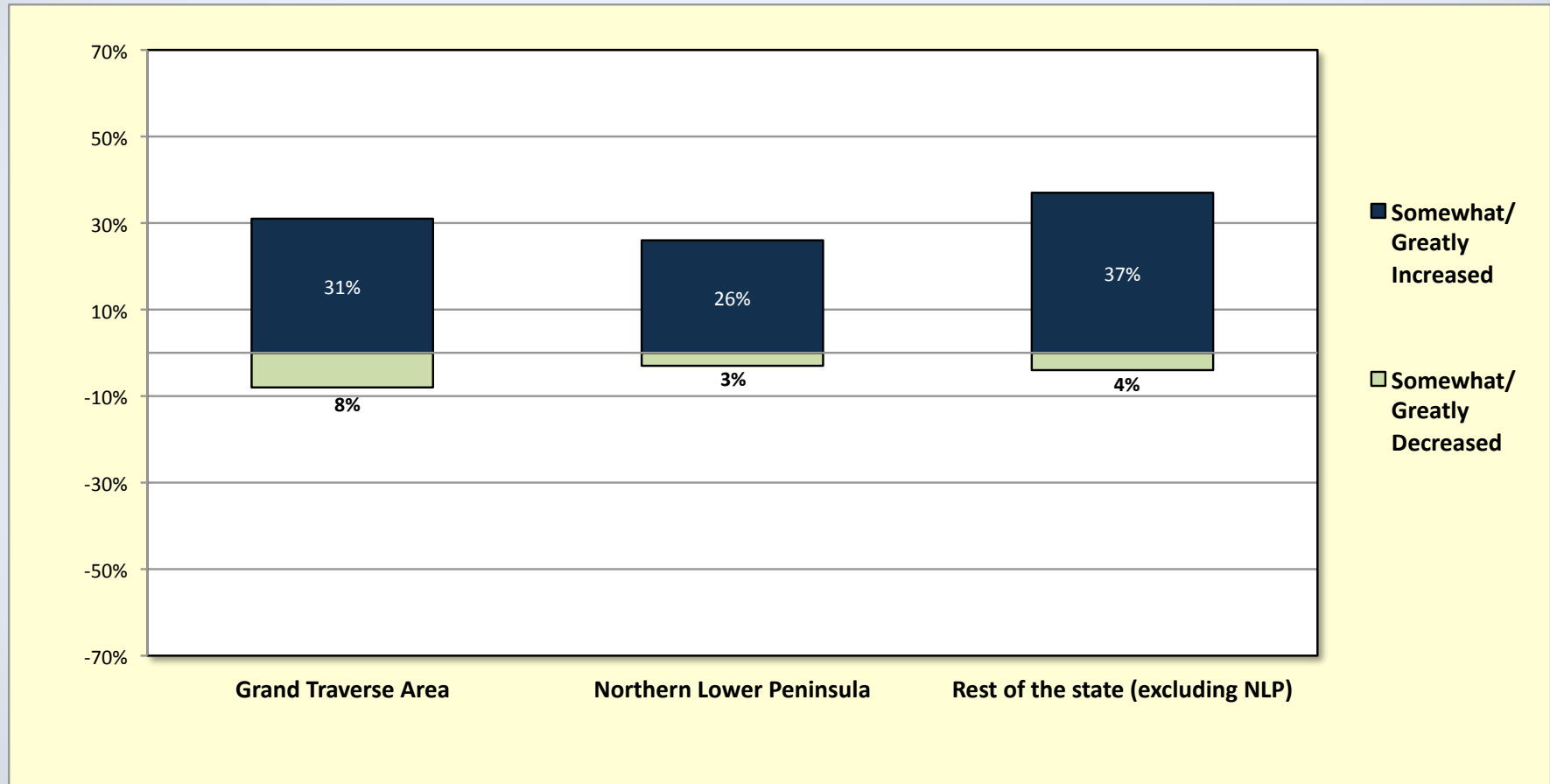
# Service Demands

% of jurisdictions with **changes in infrastructure needs**



# Employee Costs

% of jurisdictions with **changes in health care costs** for current employees

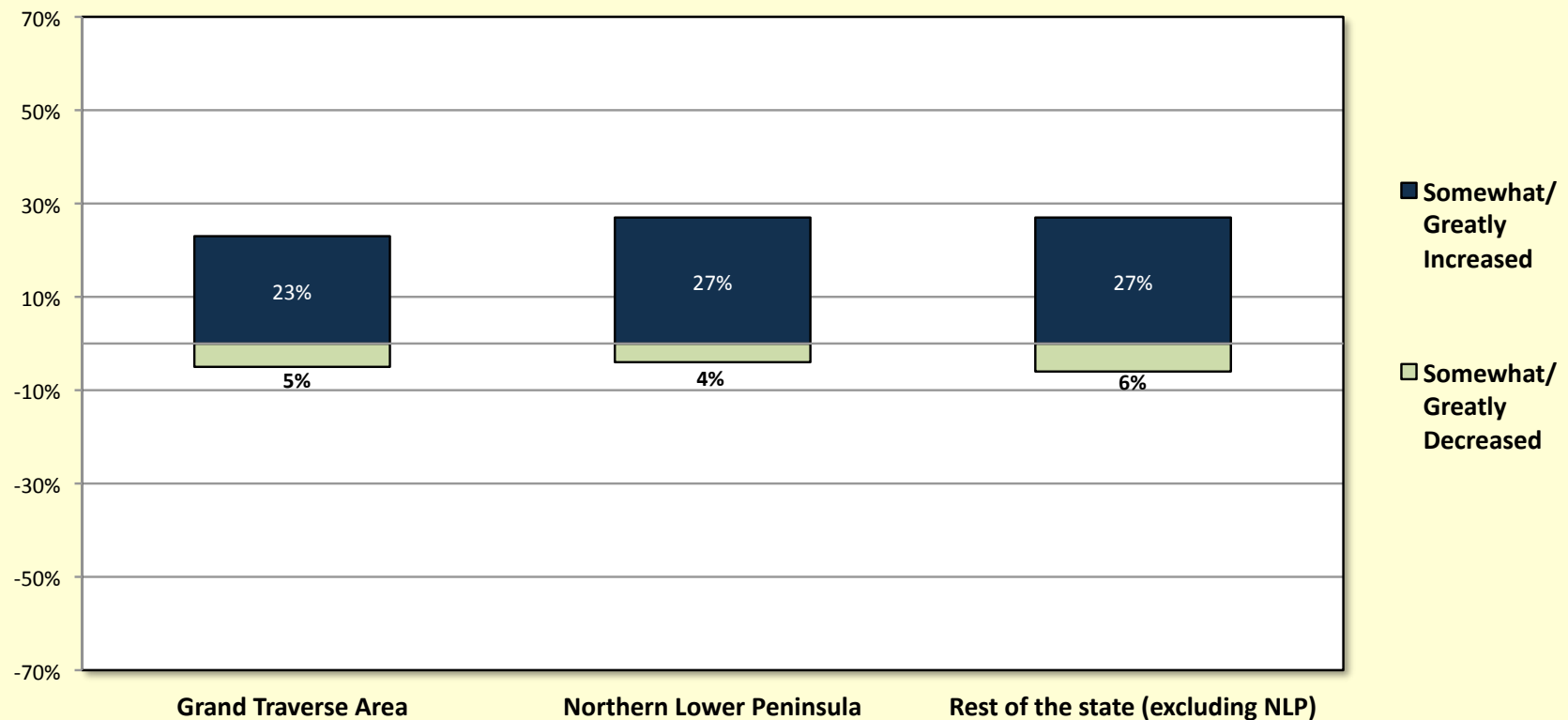




# How Jurisdictions Have Responded to Fiscal Challenges

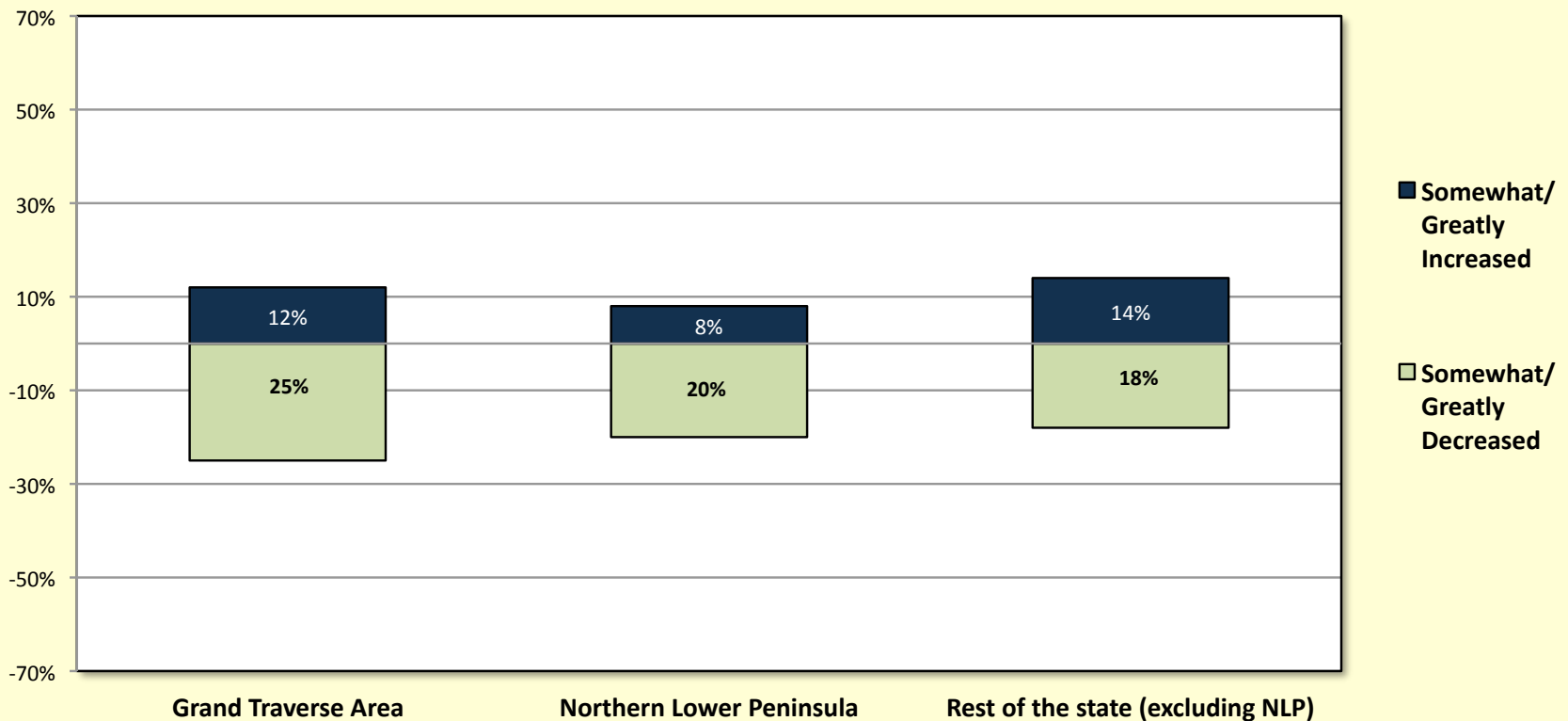
# Government Actions

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



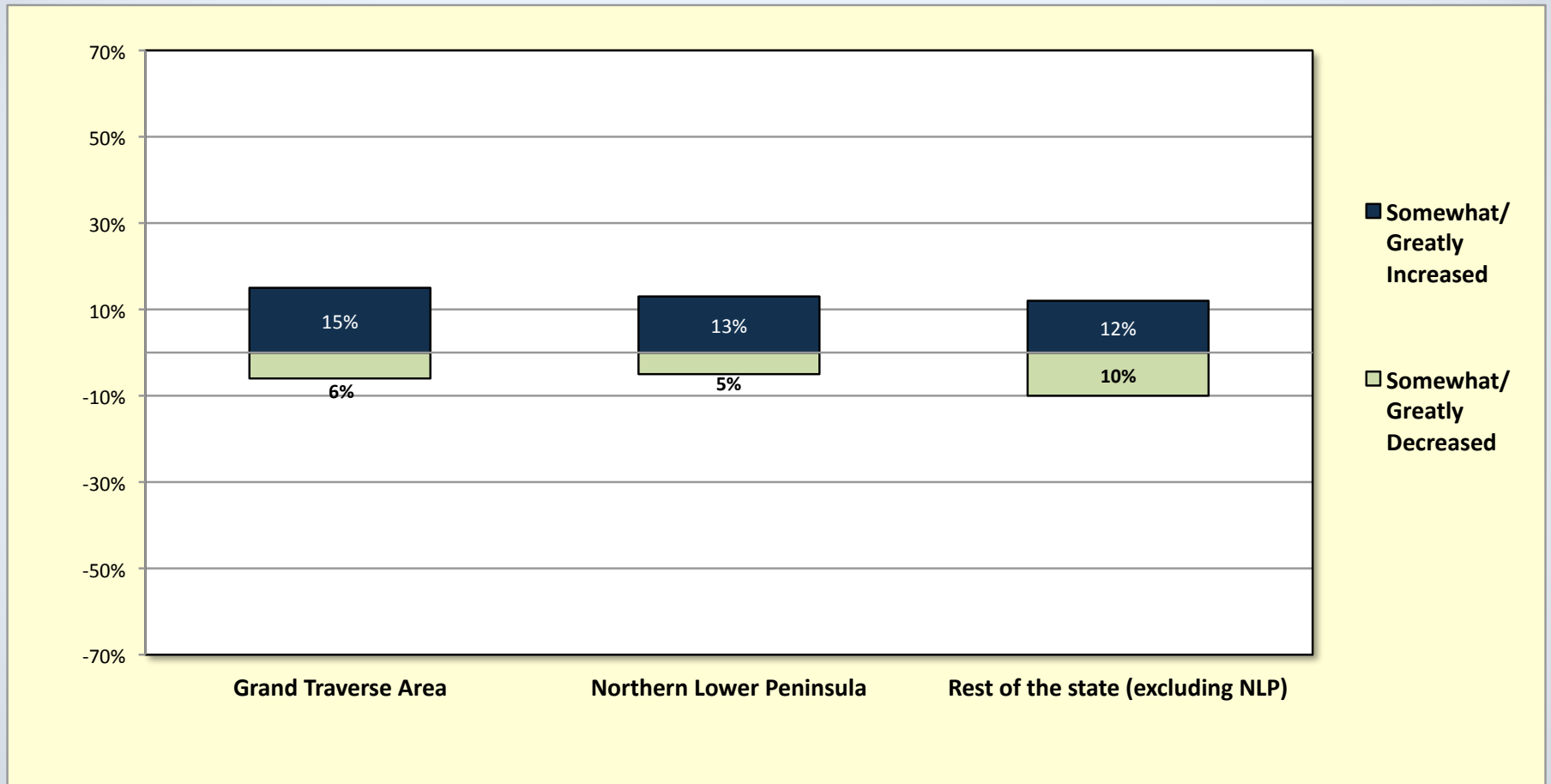
# Government Actions

% of jurisdictions **increasing or decreasing debt**



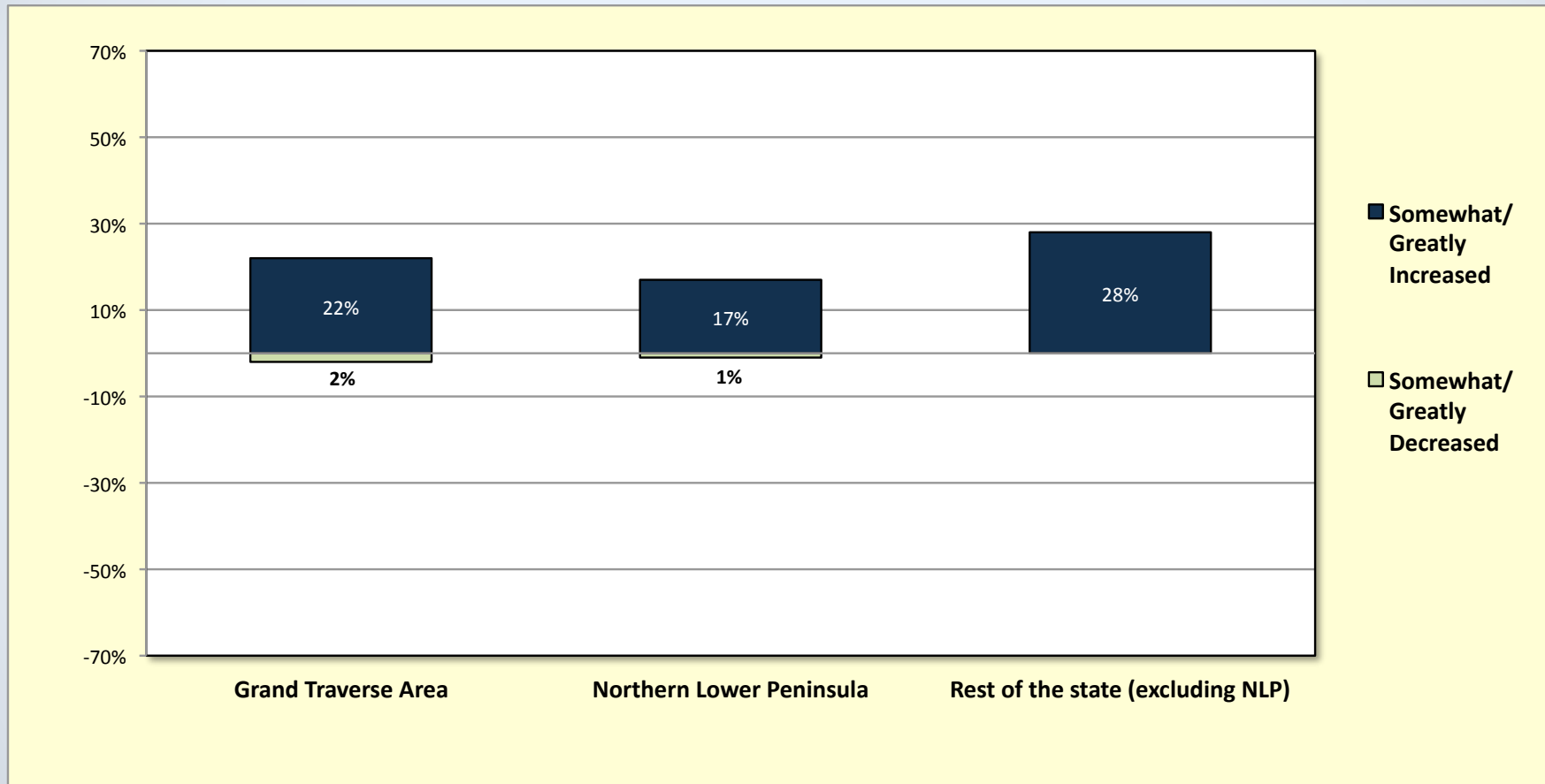
# Government Actions

% of jurisdictions **increasing or decreasing staff levels**



# Government Actions

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

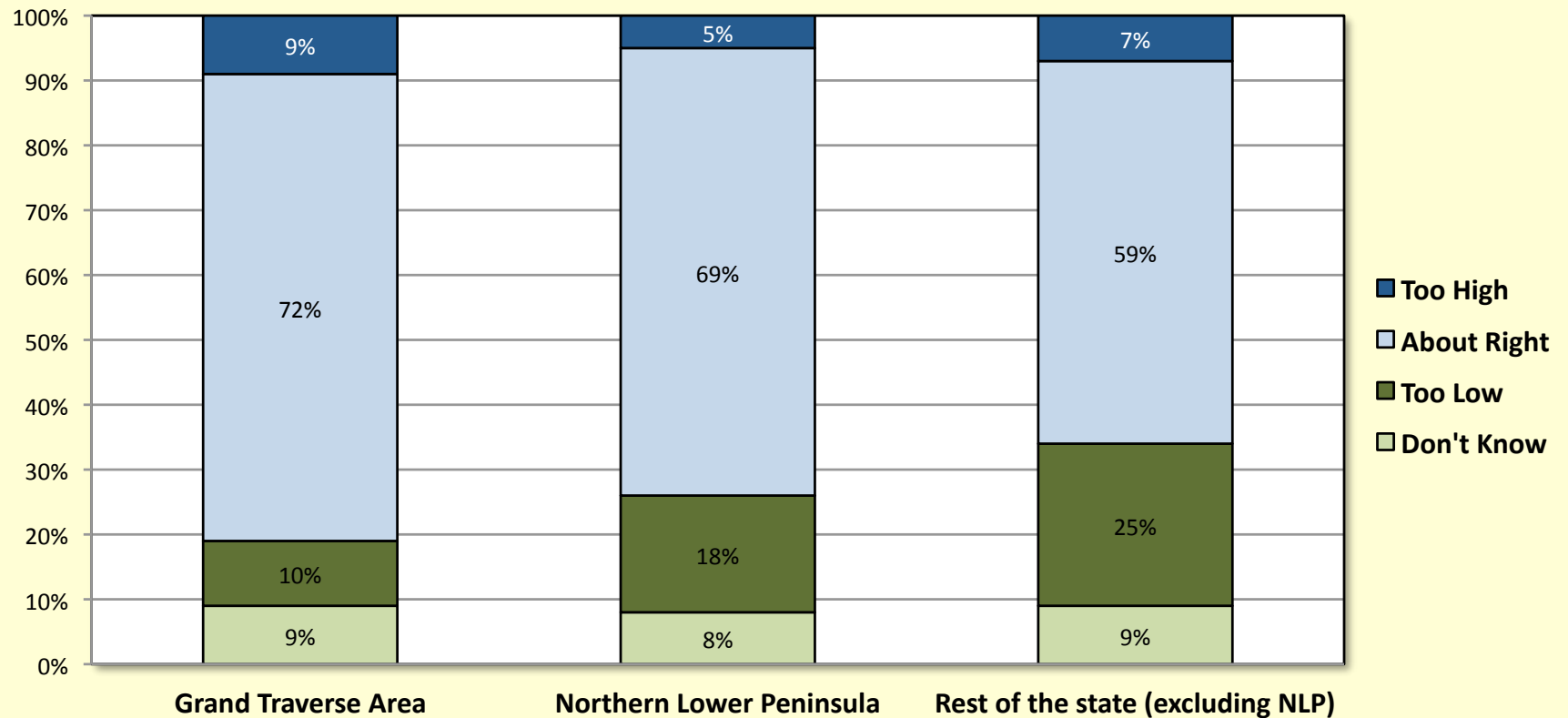


Result:

Despite Challenges,  
Gradual Easing of Fiscal Stress

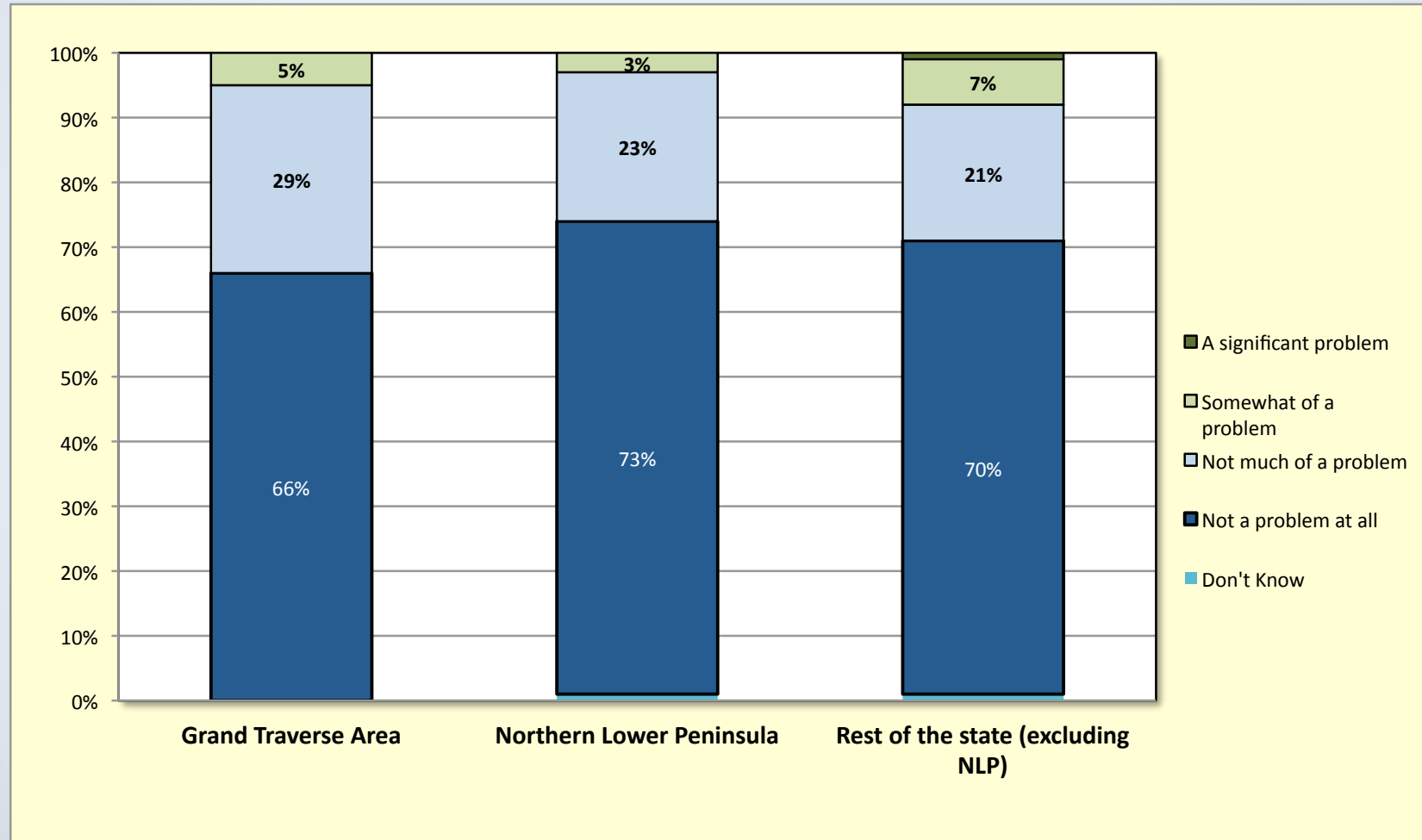
# General Fund Balance Status

% of jurisdictions in 2014 that say **general fund balance** is too low



# Cash Flow Status

% of jurisdictions in 2014 that say **cash flow** is a problem

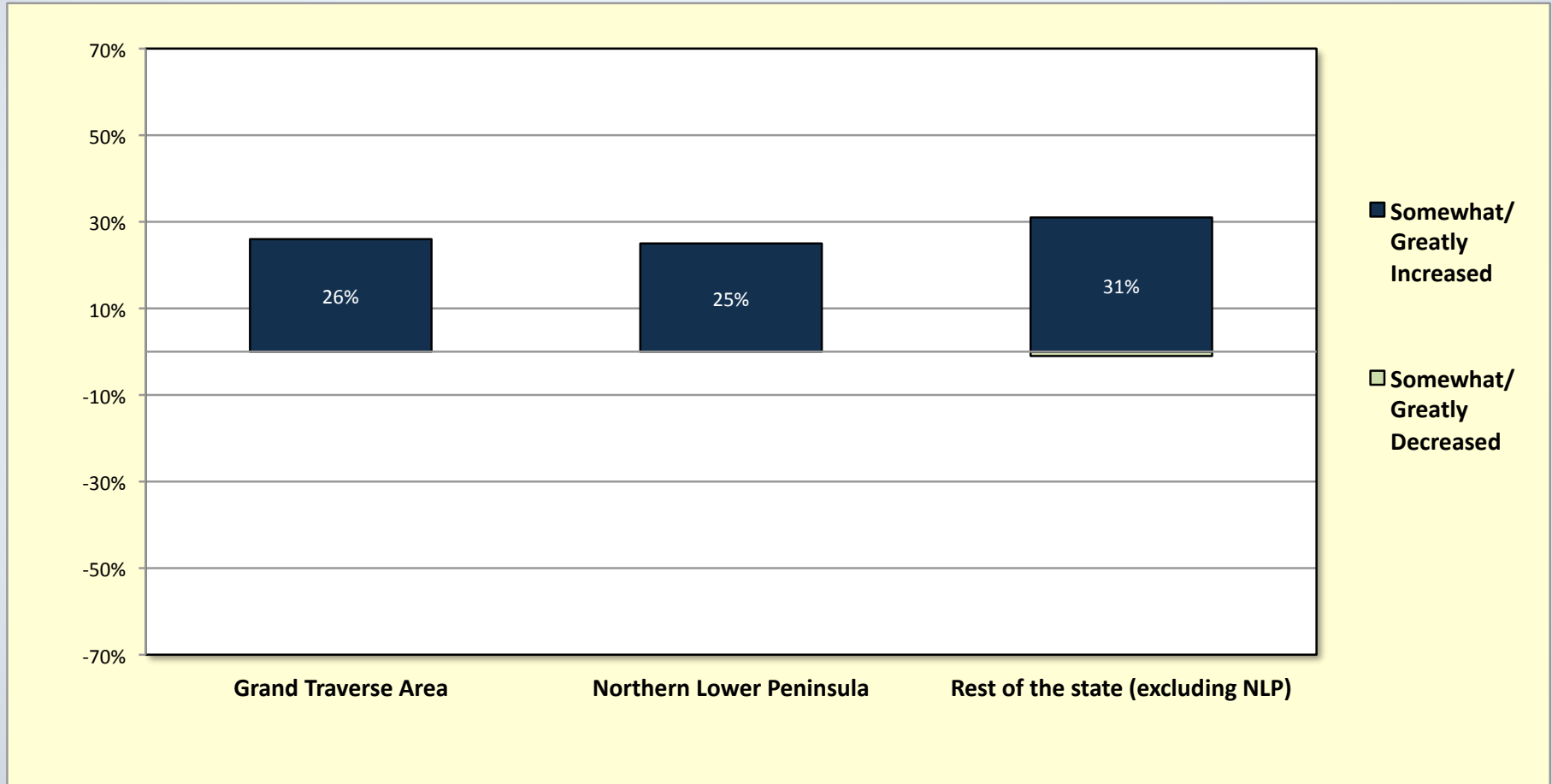




# Looking Ahead: Plans for the Coming Year

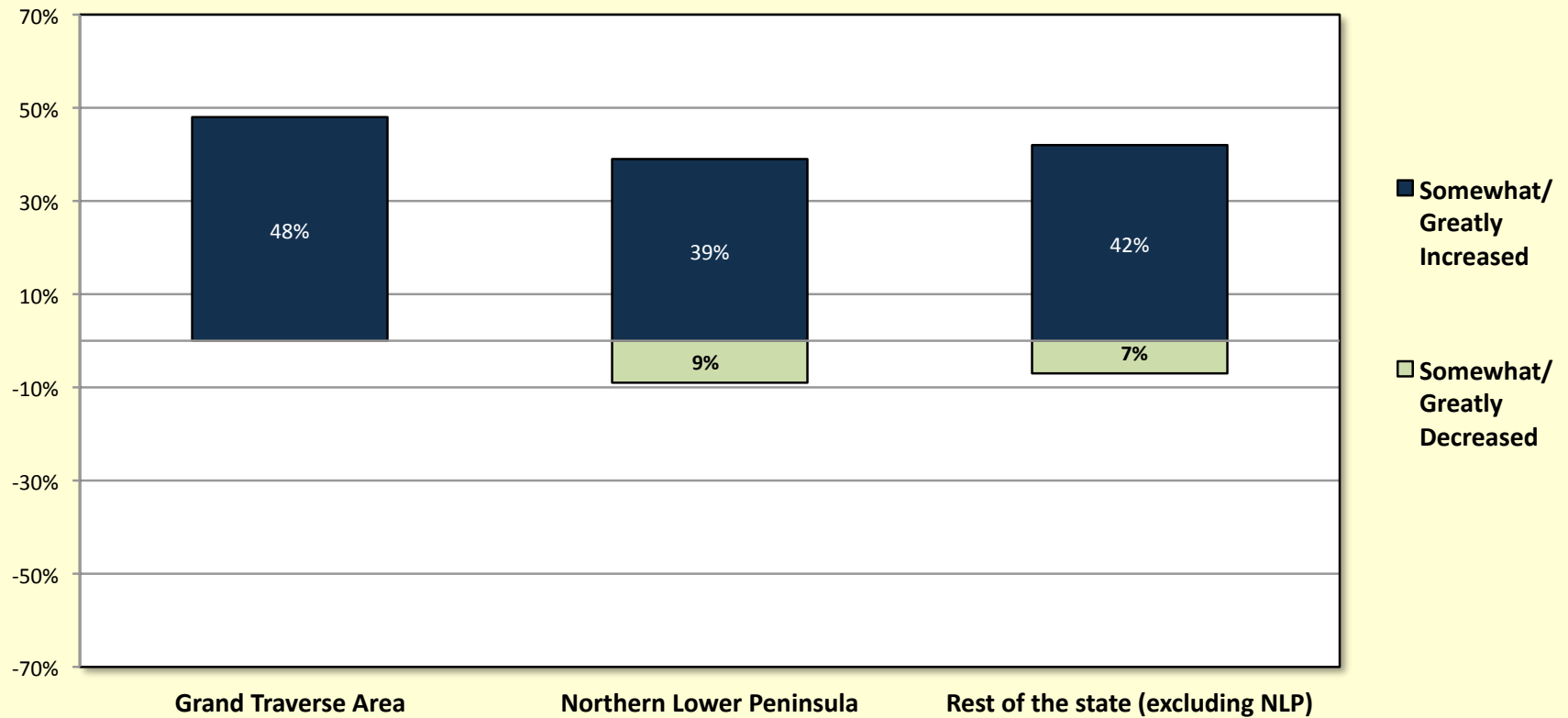
# Plans Going Forward

% of jurisdictions planning to **increase inter-gov't cooperation**



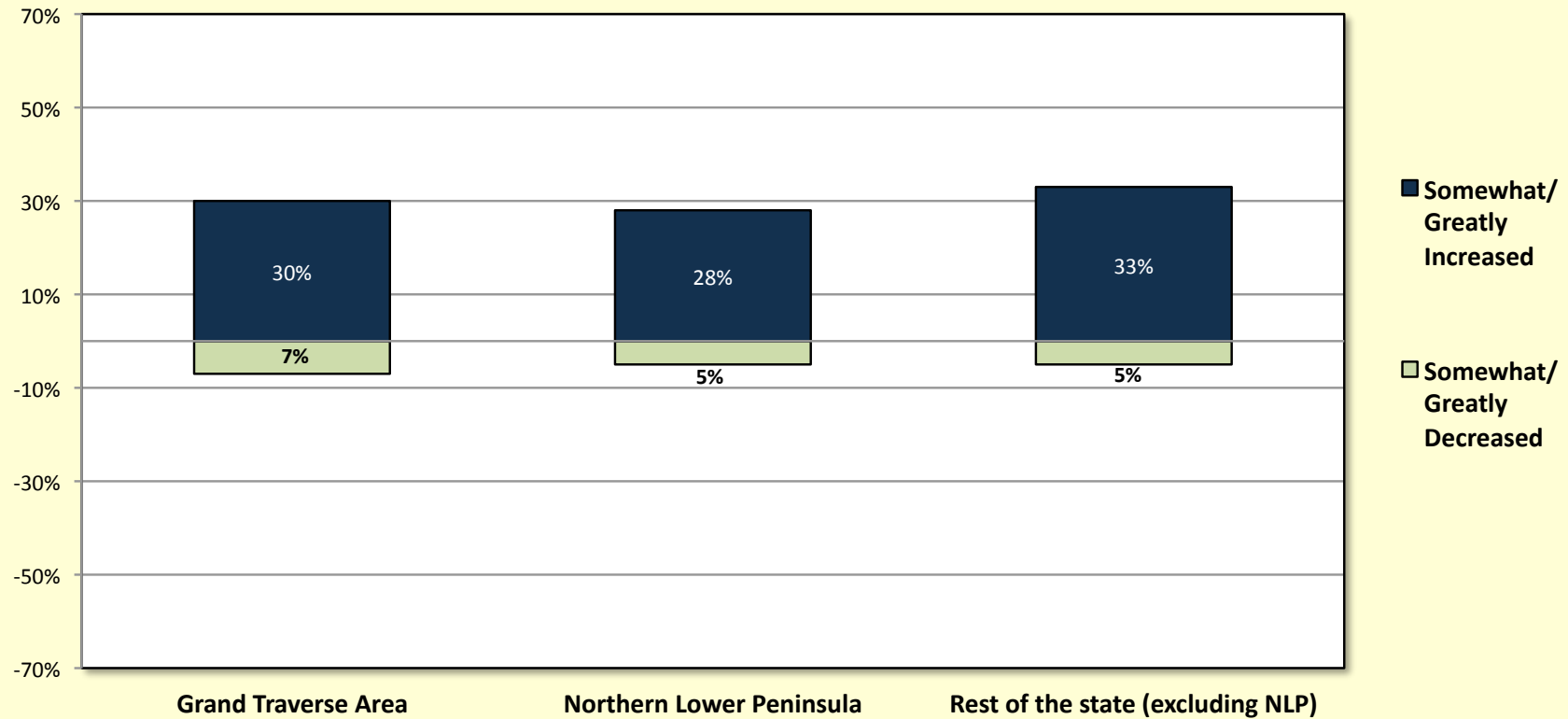
# Plans Going Forward

% of jurisdictions planning to **increase infrastructure spending**



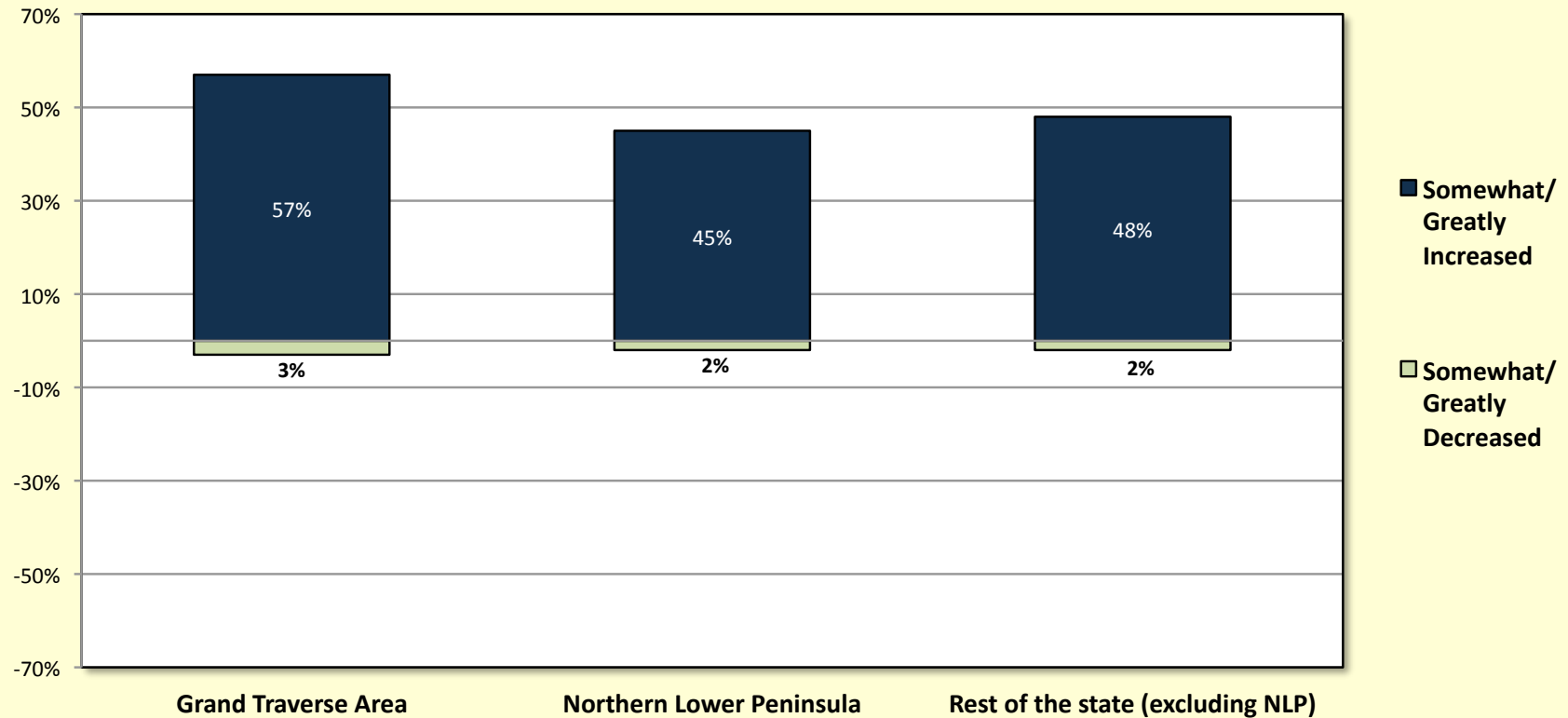
# Plans Going Forward

% of jurisdictions planning to **increase public safety spending**



# Plans Going Forward

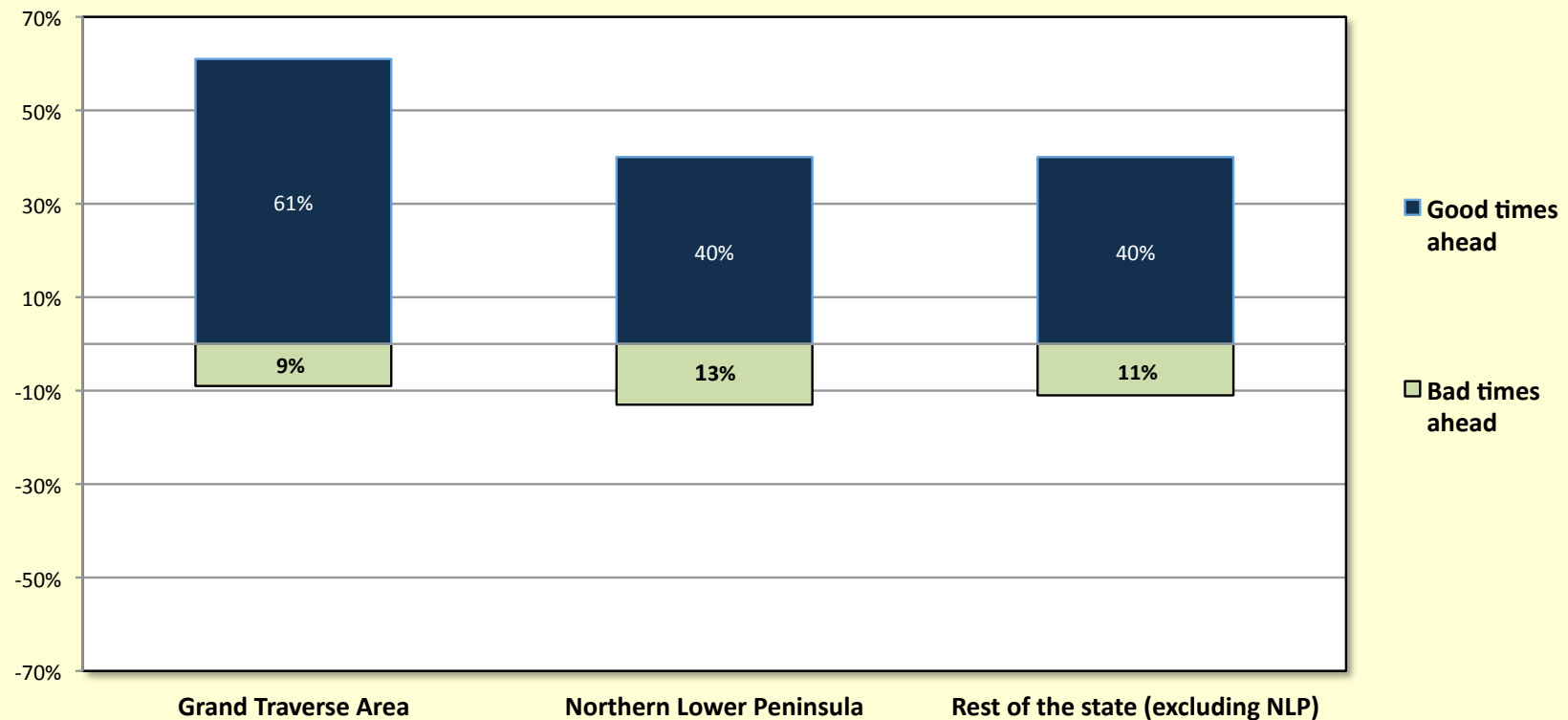
% of jurisdictions planning **increases in employee pay**



# Looking Ahead: Predictions about Future Fiscal Health

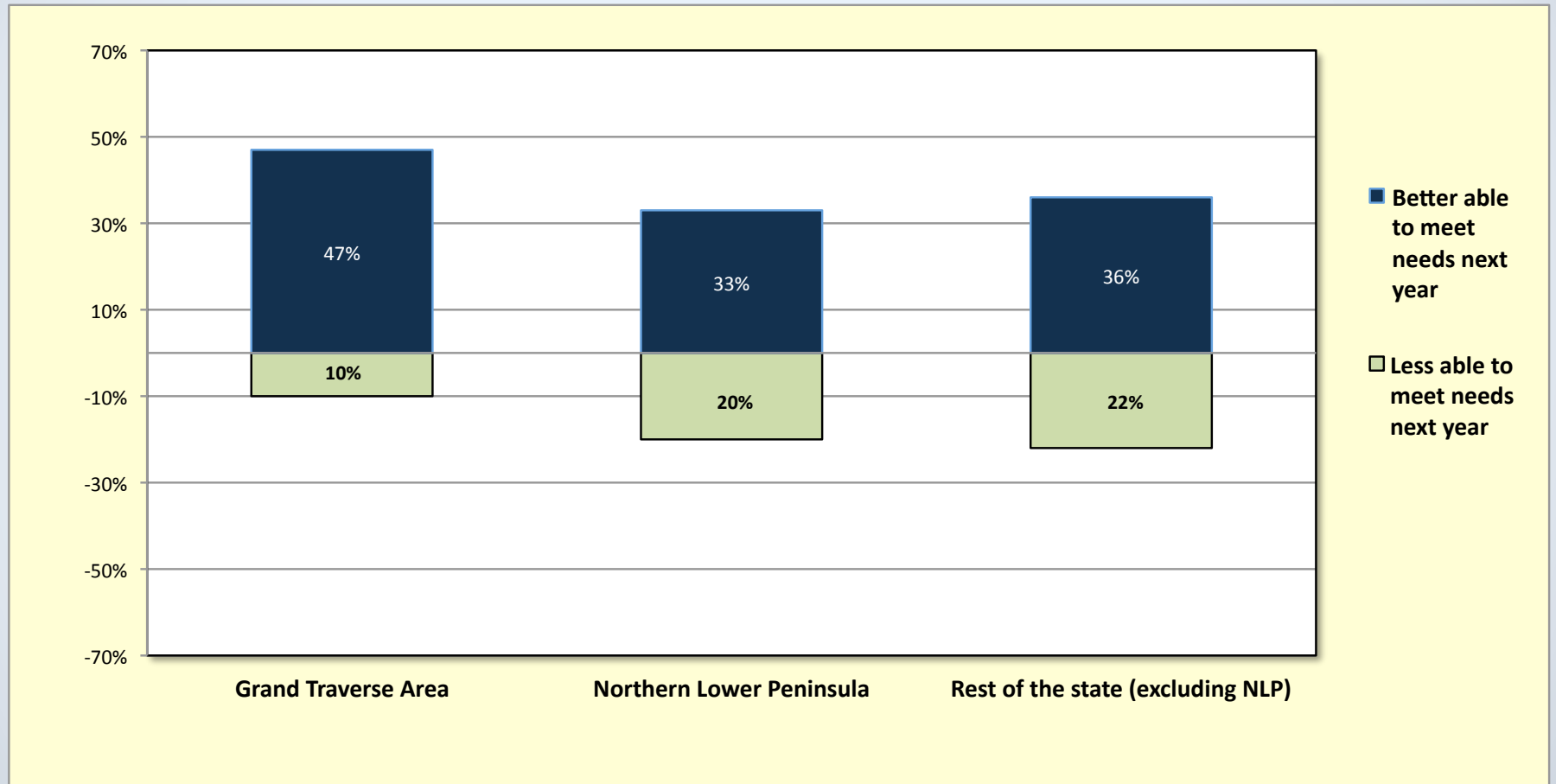
# Forecast for Michigan communities

% 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





## Future waves of the Michigan Public Policy Survey:

- Spring 2015: Fiscal Tracking + pension and OPEB liability
- Other potential future survey topics:
  - Public safety
  - Economic development
  - Aging demographics
  - Infrastructure issues (water/sewer, IT, etc.)

# The Michigan Public Policy Survey (MPPS)

**Web:** [www.closup.umich.edu](http://www.closup.umich.edu)

**Email:** [closup-mpps@umich.edu](mailto:closup-mpps@umich.edu)

**Twitter:** @closup