The Center for Local, State, and Urban Policy

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

Michigan Public Policy Survey

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Survey of Michigan local leaders finds major short-term boost in financial aid doesn't change fundamentals of fiscal stress

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This report presents Michigan local government leaders' assessments of their jurisdictions' fiscal conditions and the actions they plan to take in the coming year given their financial situations. The findings are based on responses from 15 statewide survey waves of the Michigan Public Policy Survey (MPPS) conducted annually each spring from 2009 through 2023. The Spring 2023 wave of the Michigan Public Policy Survey (MPPS) was conducted between February 6 – April 17, 2023.

The Michigan Public Policy Survey (MPPS) is an ongoing census survey of all 1,856 general purpose local governments in Michigan conducted since 2009 by the Center for Local, State, and Urban Policy (CLOSUP). Respondents for the Spring 2023 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 1,307 jurisdictions across the state.

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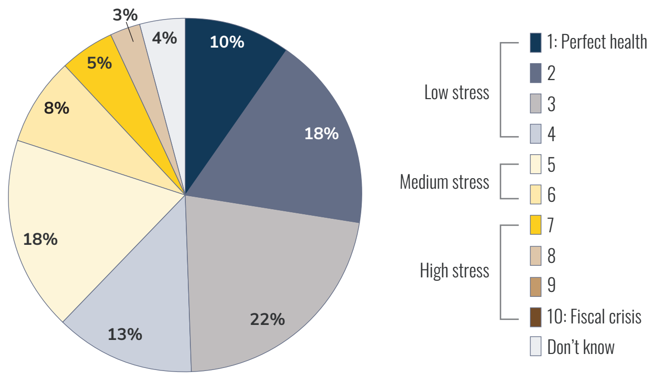
Key Findings

- Despite significant infusions of pandemic-related federal and state aid, Michigan local leaders report their governments' fundamental levels of fiscal stress have not improved. Statewide, 63% of local leaders rate their fiscal stress as relatively low (a score of 4 or lower on the MPPS 10-point Fiscal Stress Index), while 8% say it is high (at 7 or higher), both percentages essentially unchanged from last year.
  - The 8% of jurisdictions statewide with high fiscal stress represent approximately 148 Michigan local governments.
  - By population size, fewer mid-sized jurisdictions (with between 5,001-10,000 residents) report low fiscal stress compared to 2022, while both smaller and larger jurisdictions report little change. However, a significant drop among the smallest jurisdictions reporting low stress between 2021-2022 has persisted, with just 57% currently reporting low fiscal stress.
- Looking at short-term year-over-year change in local governments' ability to meet fiscal needs shows fewer jurisdictions reporting fiscal improvement this year. Statewide, 36% say they are better able to meet their fiscal needs in 2023, a drop from the record high 41% last year. In addition, local officials say the improvements are relatively small shifts, not significant changes. Meanwhile, 18% say they are currently less able to meet their needs than they were last year and 44% statewide report no change.
  - Improvements in this measure among jurisdictions of all population sizes have dropped from the record highs of 2022 (which were likely linked to infusions of ARPA funding, particular in the state's largest communities), but are still currently higher than in 2021 among all population categories.
- As with these overall measures of fiscal health, some assessments of individual fiscal conditions such as increased revenues from property taxes and the stability of general fund balances are slightly improved, but most are simply holding steady.
- Looking ahead to next year, 42% expect no change in their ability to meet fiscal needs, while 30% expect improvement, and 22% expect further decline.
- In the longer term, 52% of jurisdictions expect low fiscal stress five years from now (down from 63% who have low stress today), while 13% predict high fiscal stress (up from 8% who have high stress today). Concerns about long-term fiscal stress have increased over the past two years.

Fundamental statewide fiscal stress remains unchanged, but experiences vary at community level

Figure 1a
Officials' assessments of their jurisdiction's current fiscal health, via the MPPS Fiscal Stress Index, 2023



Since its launch in 2009, the Michigan Public Policy Survey (MPPS) has reported on the trends in fiscal health among Michigan local governments by asking local officials about a variety of measures, from general assessments of overall fiscal health to changes in specific types of revenues and expenditures. Research suggests that local leaders' subjective assessments contribute "forward-looking, context-specific, and difficult-to-quantify insights about local economic and political conditions" that otherwise might be missed by standard financial audit and economic measures.[1]

One of the key measures the MPPS started tracking in 2014 is the Fiscal Stress Index (FSI). This measure captures a snapshot of local government fiscal stress and health by asking local leaders to rate their jurisdiction's overall fiscal health on a scale of 1-10, where 1 is perfect fiscal health and 10 is fiscal crisis.

Based on tracking over the last decade, the FSI appears to capture a fundamental measure of fiscal health that tends to change relatively marginally statewide in any given short period of time, likely influenced by major long-term factors such as limitations in revenue growth due to state-imposed tax caps in the Headlee Amendment and Proposal A, the condition of community infrastructure, funding levels for retiree pension and health care obligations, and so on.

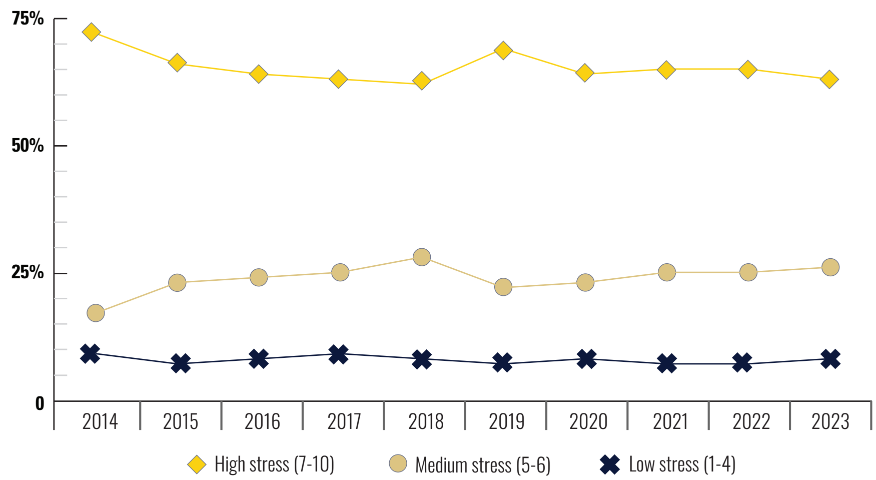
As shown in *Figure 1a*, 63% of Michigan's local leaders rate their jurisdiction's fiscal stress on the FSI as relatively low (at 4 or less on the 10-point scale) in 2023. This is essentially unchanged from 2022 (65%), 2021 (65%), and 2020 (64%), but down somewhat from before the pandemic in 2019, when 69% reported relatively low levels of fiscal stress. On the lowest point on the scale, 10% report currently having "perfect fiscal health" (1 on the 10-point scale), unchanged from last year.

Meanwhile, 26% of the state's local governments currently report medium levels of fiscal stress (scores of 5 or 6 on the 10-point scale) and 8% report high levels of stress (scores of 7 or higher), also very similar to last year. Another 4% are unsure about their current level of fiscal stress.

To examine change over time in these annual snapshots, *Figure 1b* shows the percent of jurisdictions reporting low, medium, and high fiscal stress annually since 2014.

Between 2014 and 2018, this measure showed a clear trend of declining fiscal health for jurisdictions as a whole across the state. The percent reporting low fiscal stress dropped from 72% in 2014 to 62% in 2018, and the percent reporting medium fiscal stress increased from 17% to 28%. And although this trend was briefly reversed in 2019, the arrival of the COVID-19 pandemic in 2020 coincided with declining fiscal health once more. Since then, ratings of fiscal stress have held steady from 2020-2023.

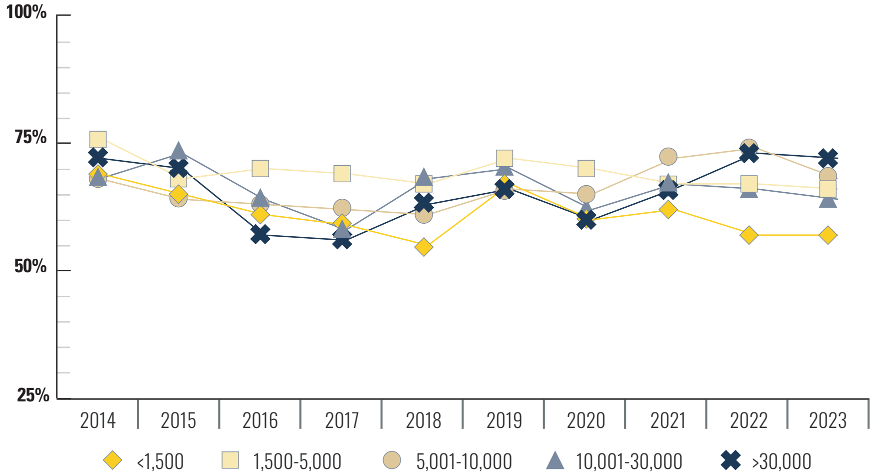
Figure 1b
Percentage of jurisdictions reporting low, medium, and high fiscal stress, 2014-2023



However, the recent trend of stability for all jurisdictions combined across the state masks greater volatility when broken down by jurisdictions' population size. *Figure 1c* shows the percentage of jurisdictions reporting low fiscal stress each year by population category. This year, fewer mid-sized jurisdictions (with 5,001-10,000 residents) report low fiscal stress compared to 2022, while both smaller and larger jurisdictions showed little change. Notably, the significant improvement seen for jurisdictions with more than 30,000 residents between 2021-2022 (during an influx of ARPA funding) persisted, with 72% reporting low fiscal stress, essentially unchanged from 2022 (73%) and substantially higher than 2021 (66%).

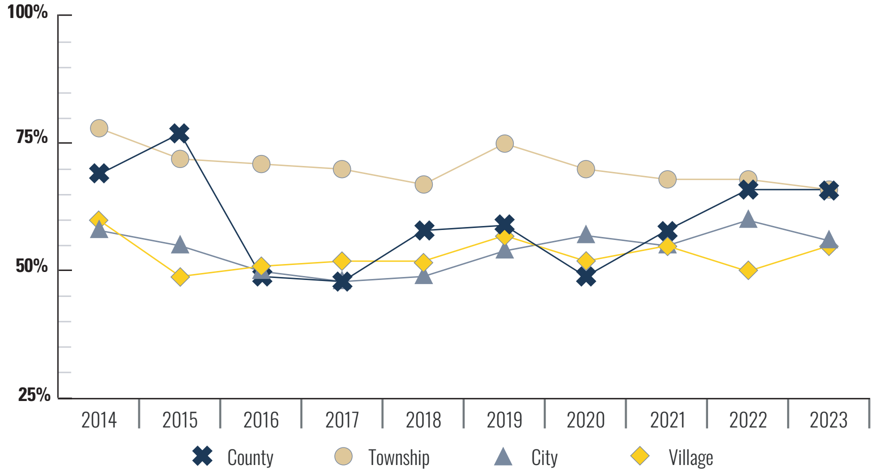
However, the substantial drop seen for jurisdictions with less than 1,500 residents between 2021-2022 also persisted, with just 57% reporting low fiscal stress today, unchanged from 2022 but lower than it was in 2021 (62%).

Figure 1c
Percentage of jurisdictions reporting low fiscal stress, 2014-2023, by population size



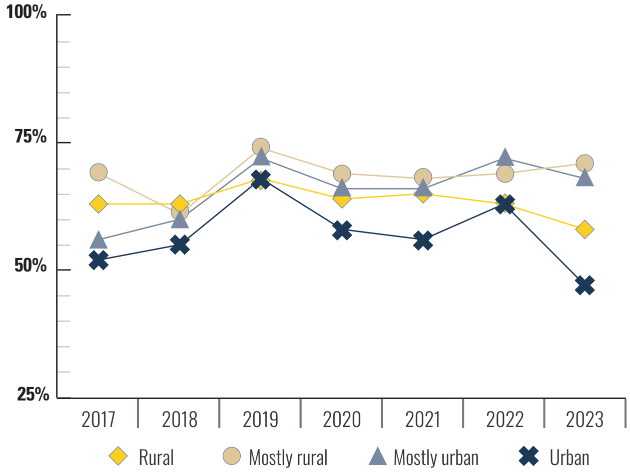
By jurisdiction type, counties and townships are more likely to report low fiscal stress (66%) compared with cities (56%) and villages (55%) this year; still, more than half of cities and villages currently report low fiscal stress (see *Figure 1d*). The improvement seen by counties from 2021-2022 persisted this year. By contrast, cities also saw a short burst of improvement from 2021 (55% low stress) to 2022 (60% low stress), but in 2023 this dropped back down to 56%. Meanwhile, the decline for villages in 2022 has reversed in 2023, but townships continue their gradual decline in assessments of current fiscal health.

Figure 1d
Percentage of jurisdictions reporting low fiscal stress, 2014-2023, by jurisdiction type



The MPPS also asks local officials to characterize their jurisdiction on an urban-rural spectrum: rural, mostly rural, mostly urban, or urban. As shown in *Figure 1e*, this year jurisdictions that identify as mostly urban (68%) or mostly rural (71%) are significantly more likely to report low fiscal stress compared to jurisdictions that identify as fully urban (47%) or fully rural (58%). The percent of urban jurisdictions reporting low fiscal stress dropped sharply from 63% in 2022 to 47% in 2023, a new low point since the MPPS began tracking along the urban-rural spectrum in 2017. Reports of low fiscal stress also declined among mostly urban and fully rural jurisdictions, although less dramatically. Meanwhile, jurisdictions that identify as mostly rural are the only category that saw a slight improvement compared to 2022.

Figure 1e
Percentage of jurisdictions reporting low fiscal stress 2017-2023, by urban-rural self-identification



Change in local governments' ability to meet this year's fiscal needs shows no improvement

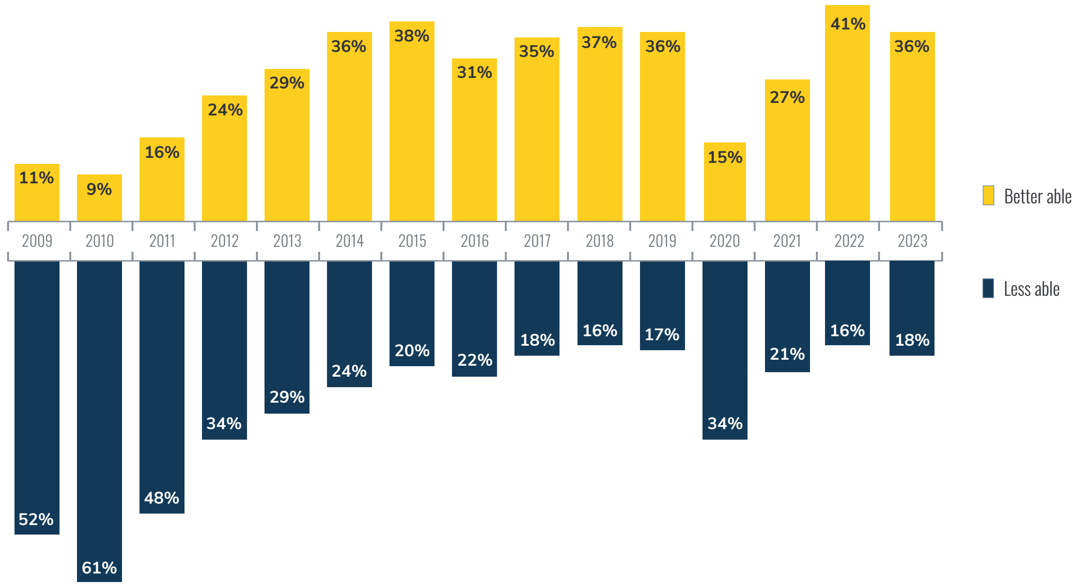
Whereas the FSI takes a snapshot of fundamental and overall current fiscal health, the MPPS also asks local leaders about short-term changes in fiscal health, measuring whether jurisdictions are better able or less able to meet their financial needs now compared to the previous year. This measure appears to capture more fleeting and volatile changes, compared with the FSI's more fundamental assessment.

After five years of improvement during the recovery from the Great Recession from 2010 to 2015, this metric reversed in 2016 before plateauing from 2017 to 2019. It then declined sharply during the initial arrival of the COVID-19 pandemic in 2020, before rebounding again in 2021 with initial rounds of state and federal aid, before spiking sharply upward in 2022 amid the influx of money from the American Rescue Plan Act and other federal and state aid.

As of 2023, 36% of local governments report being better able to meet their fiscal needs compared to the previous year. This is down somewhat from the record high 41% in 2022, but still significantly up from 27% who said the same in 2021 (see *Figure 2a*). Similarly, only 18% of jurisdictions in 2023 report being less able to meet fiscal needs, essentially unchanged from 2022 (16%) and down from 21% of jurisdictions in 2021 and 34% in 2020 when the economy experienced widespread shutdowns with the arrival of the COVID-19 pandemic. Meanwhile, 44% of local governments say they are simply holding steady as of 2023, reporting no significant change in their fiscal health in 2022.

It is also worth noting that among the 36% of jurisdictions that say they are better able to meet financial needs in 2023 compared to the previous year, most of the reported improvements are relatively small, with 30% of jurisdictions statewide reporting they are "somewhat" better able to meet financial needs, while just 6% are "significantly" better able. The marginal changes may also help explain why these improvements are not reflected in the more fundamental fiscal stress index.

Figure 2a
Percentage of jurisdictions reporting they are better or less able to meet their fiscal needs in current year compared to previous year, 2009-2023



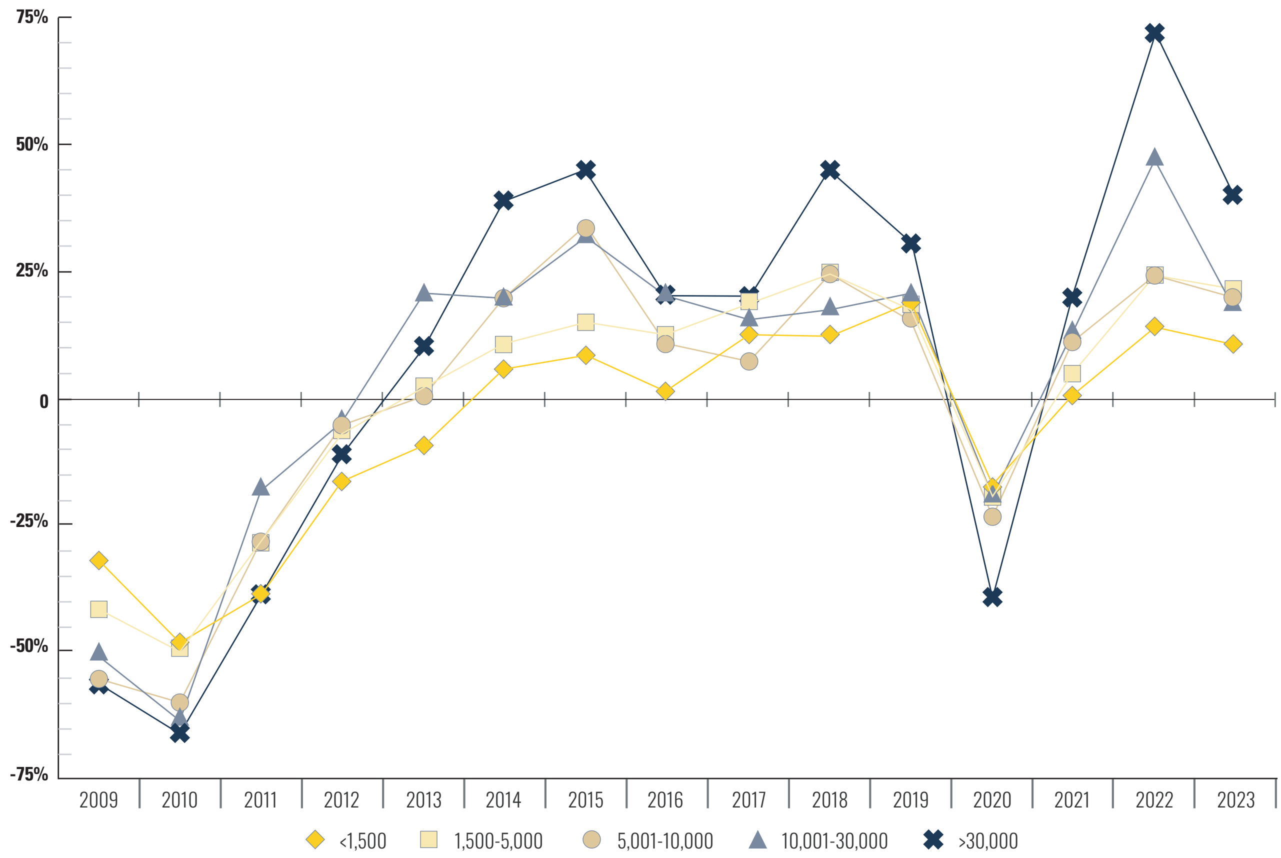
Note: responses for "neither better nor less able" and "don't know" not shown

Figure 2b presents this year-over-year change in ability to meet fiscal needs over the last decade broken out by jurisdiction population-size category and displayed as "net" change: the percentage of jurisdictions that were better able to meet their needs minus the percentage that were less able, for each population grouping. For instance, among jurisdictions with more than 30,000 residents, 55% were better able to meet their fiscal needs while 15% were less able, for a net rating of 40%, which is down sharply from 72% in 2022.

Looking at the different population-size categories in *Figure 2b*, net improvement among jurisdictions of all sizes has dropped at least slightly from the highs of 2022. The drop is particularly notable among Michigan's larger jurisdictions with more than 10,000 residents. These jurisdictions received larger amounts of ARPA funding, and experienced dramatic improvements in year-over-year capacity to meet their fiscal needs between 2021 and 2022. And although the bounce reported in 2022 has dropped again, this net improvement measure is still currently higher than in 2021 among all population categories.

Figure 2b

Net fiscal health yearly change: percentage of jurisdictions reporting improving fiscal health minus percentage reporting declining health, 2009-2023, by population size



As shown in *Figure 2c*, Michigan's cities are the most likely to report more improvement than decline in net year-over-year fiscal health (26%) compared with other jurisdiction types, followed by counties (22%), townships (18%), and villages (5%). Again, all of these measures declined compared to 2022. Furthermore, the net rating among counties is now lower than in 2021 as well.

Figure 2c
Net fiscal health yearly change: percentage of jurisdictions reporting improving fiscal health minus percentage reporting declining health, 2009-2023, by jurisdiction type

Figure 2d displays the same "net" change for jurisdictions across Michigan aggregated at the county level, regardless of their size or type. The annual maps contrast counties (in shades of red) where more jurisdictions are experiencing year-over-year fiscal decline than are experiencing improved fiscal health, compared with those counties (in shades of green) where more jurisdictions are experiencing improved fiscal health than decline. Counties where there are equal numbers of jurisdictions experiencing improvement and decline are shaded grey. Jurisdictions that report no change in ability to meet fiscal needs are excluded from the county-wide aggregations, and so if a large number experience no change, then the net calculation may include a relatively small number of jurisdictions in any given county.

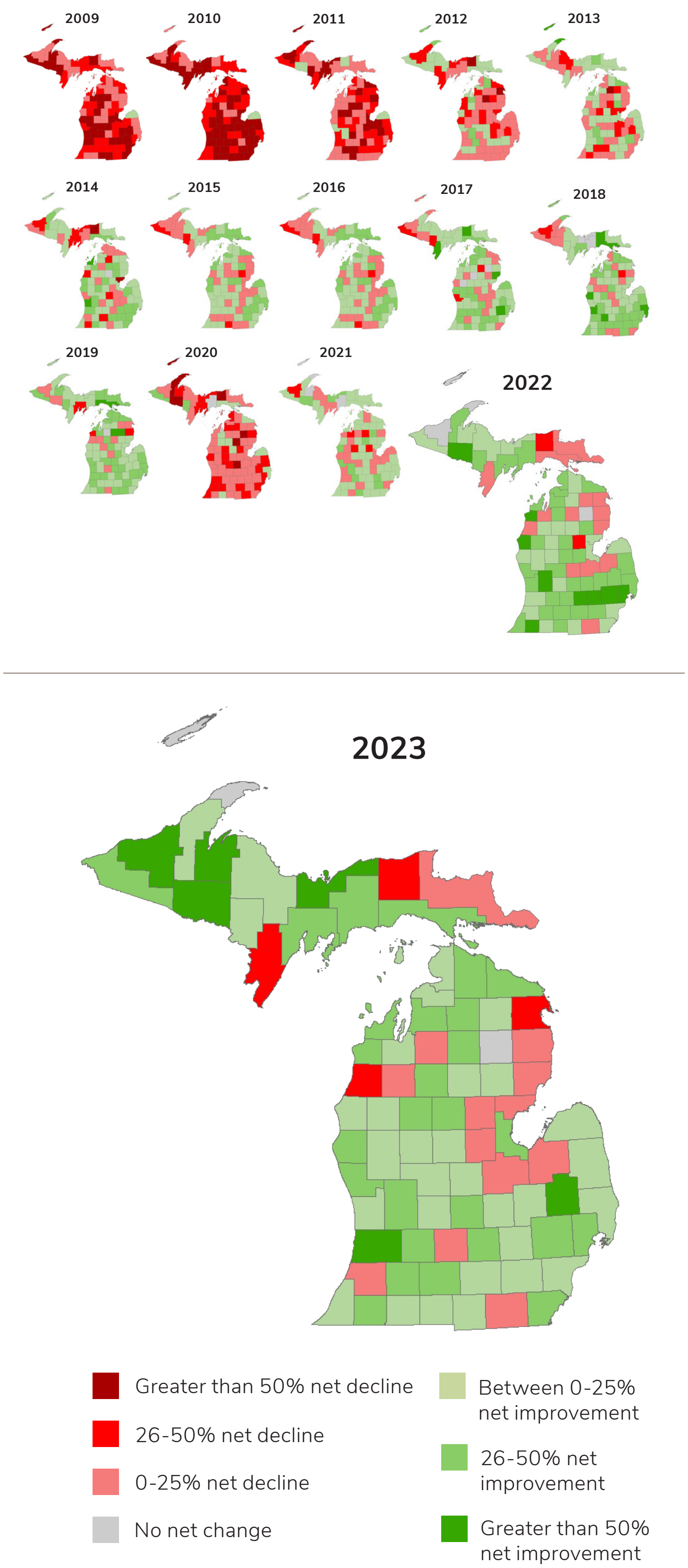
The darkest shades of green and red show counties where the net calculation of jurisdictions improving minus those declining is greater than 50% (positive if green, negative if red). For example, if 76% of jurisdictions in a county are improving while 24% are declining, the net calculation is 76%-24%=52% improving, displayed in the darkest shade of green. Lighter shades show where the net calculation is between 26% and 50%, or between 0 and 25%. For example, if 27% of jurisdictions in a county are improving while 33% are declining, the net calculation is 27%-33%=-6%, which results in the lightest red shade.

At the low point during the Great Recession in 2010, the map was almost uniformly red, showing widespread fiscal decline across the state. This gradually improved over time, and by 2019 most counties showed net improvement for their local jurisdictions. After a sharp drop in the early months of the COVID-19 pandemic in 2020 (with 71 out of 83 counties reporting year-over-year net decline among their local governments), fiscal health rebounded in many jurisdictions in 2021 and 2022.

This rebound continued in 2023, with 66 counties reporting net improvement in fiscal health among their local jurisdictions this year, including six that saw a net improvement among over 50% of their reporting local governments. Meanwhile, 17 counties report continuing net declines, but only one with a net score worse than -30% (highlighted with the medium red shade), and none worse than -50%.

Appendix A at the end of this report displays the actual percent net change reported for each of Michigan's 83 counties for 2023.

Figure 2d
Net fiscal health yearly change: percentage of jurisdictions reporting improving fiscal health minus percentage reporting declining health, 2009-2023, by county

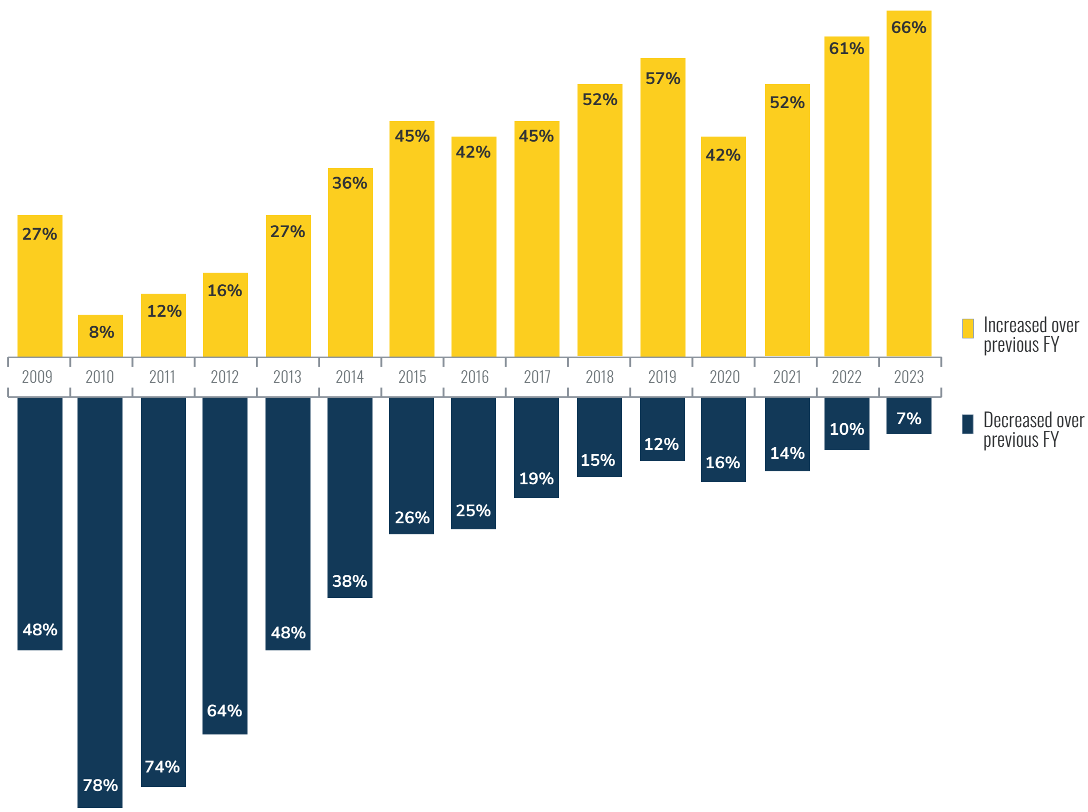


Revenues from property taxes continue to increase

The MPPS also asks local leaders about changes in revenues from four different sources: property taxes, fees for services, state aid, and federal aid. For example, as shown in *Figure 3a*, 66% of Michigan local governments report increased property taxes in 2023, the highest percentage since the MPPS began its tracking. Again, however, most of these reported increases are small, with just 2% statewide reporting that revenues from property taxes increased significantly this year.

Jurisdictions with increased property tax revenue may be better able to meet their fiscal needs compared to the prior year, but if those revenue increases are small then this probably doesn't move the needle on the Fiscal Stress Index's more fundamental measurement of fiscal health, as described earlier.

Figure 3a
Percentage of jurisdictions overall reporting changes in property tax revenue compared with previous fiscal year, 2009-2023



Note: responses for "no change," "not applicable," and "don't know" not shown

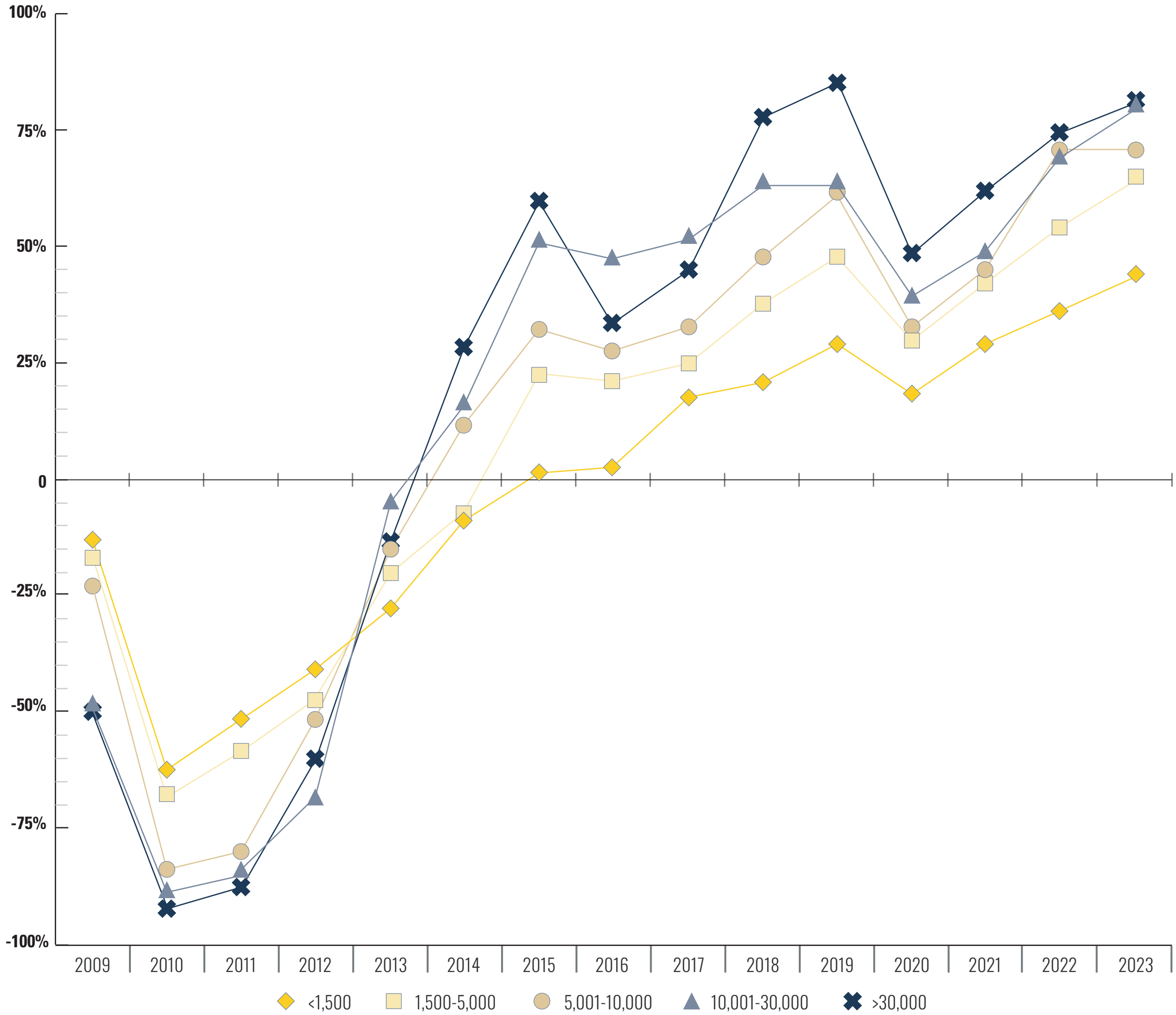
Figure 3b shows the net calculations for the percentage of jurisdictions with increased property tax revenues minus the percentage with decreased revenues for jurisdictions aggregated into groups by their population size. These net increases in property tax revenue continue to improve after a sharp drop between 2019 and 2020 (see *Figure 3b*).

Looking at other revenues, more than half (54%) of jurisdictions reported increases in federal aid in 2022, including 21% who said their federal aid greatly increased, reflecting the distribution of American Rescue Plan Act (ARPA) funds and other COVID-related aid. However, in 2023, this growth dropped significantly, with just 27% of all Michigan jurisdictions reporting further increases in federal aid, including just 7% that said the increases were large, while 14% reported decreased federal aid. Larger jurisdictions are more likely to report increases, including 53% of jurisdictions with more than 30,000 residents, compared with just 19% of jurisdictions with under 1,500 residents.

While fewer jurisdictions report increased federal aid compared to last year, 35% had increased state aid, only slightly down from 37% in 2022. However, as with federal aid, the increases are much more common in jurisdictions with more than 10,000 residents compared to smaller jurisdictions.

Data from 2009-2023 on changes in local government finances and operations this year compared to the last year are available in Appendix B.

Figure 3b
Net property tax yearly change: percentage of jurisdictions reporting increases in property tax revenue minus percentage reporting decreases in property tax revenue, 2009-2023, by population size

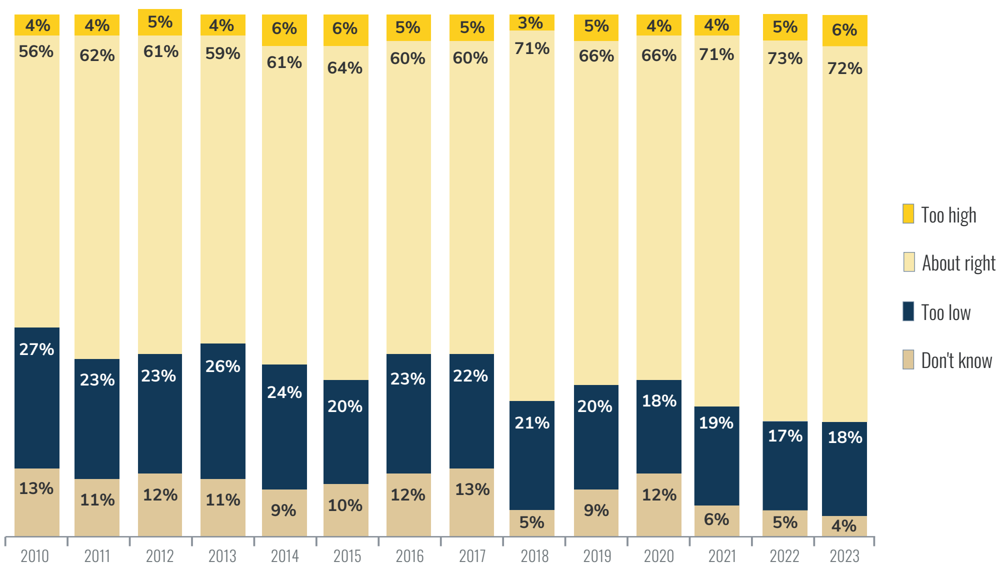


Assessments of general fund balance, cash flow, remain positive

One key aspect of fiscal health is a jurisdiction's general fund balance. Each year, the MPPS asks whether the balance is too high, about right, or too low to meet their jurisdiction's fiscal needs. As of spring 2023, 72% of local officials statewide say their general fund balance is about right while 18% say their balance is too low (see *Figure 4*). This is essentially unchanged compared to 2022.

The MPPS also asks about the status of local governments' cash flow, a particularly sensitive indicator of fiscal stress. In 2023, 62% of jurisdictions statewide say cash flow is "not a problem at all," while few say cash flow is somewhat of a problem (5%), and less than 1% of respondents say it is a significant problem.

Figure 4
Percentage of officials saying their general fund balance is too high, too low, or about right, 2010-2023



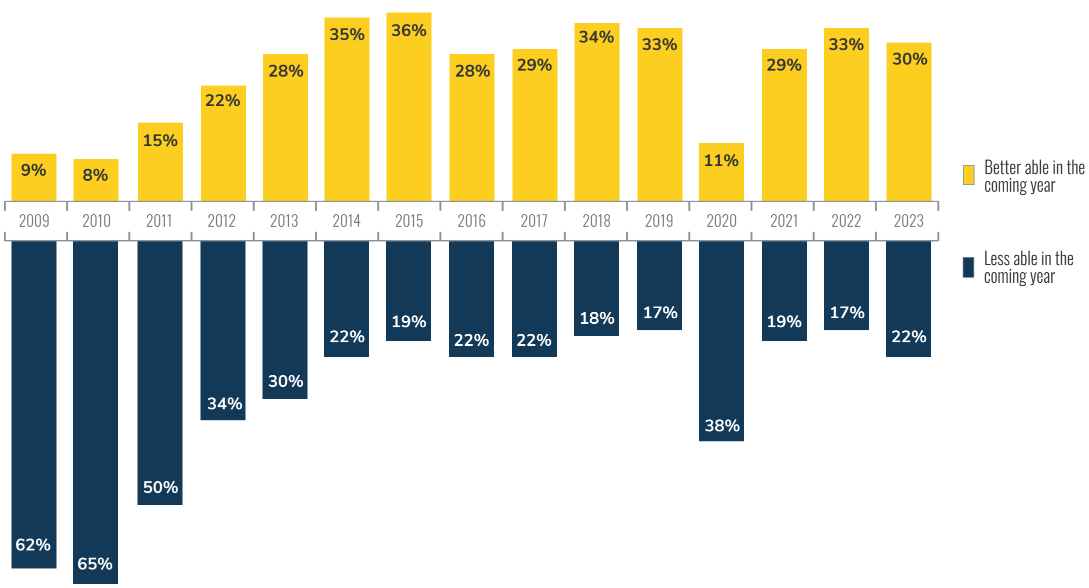
Declining optimism for fiscal improvement in the year ahead, while a plurality believe they will simply hold steady

Michigan local officials' optimism is even more restrained when looking one year into the future, compared with looking backward. As of 2023, fewer than one-third (30%) statewide predict their jurisdiction will be better able to meet its fiscal needs in 2024 (see *Figure 5*). By comparison, 33% said the same in 2022 when looking ahead to 2023. Meanwhile, 22% of local leaders believe their jurisdictions will be less able to meet fiscal needs in 2024, compared with 17% who felt this way in 2022 looking ahead to 2023.

Most predict no change over the coming year, with 42% statewide expecting to be neither better nor less able to meet financial needs in 2024, while 6% are uncertain.

Data from 2009-2023 on expected changes in local government finances and operations next year compared to this year are available in Appendix C.

Figure 5
Percentage of jurisdictions predicting they will be better or less able to meet their fiscal needs in next year compared to current year, 2009-2023



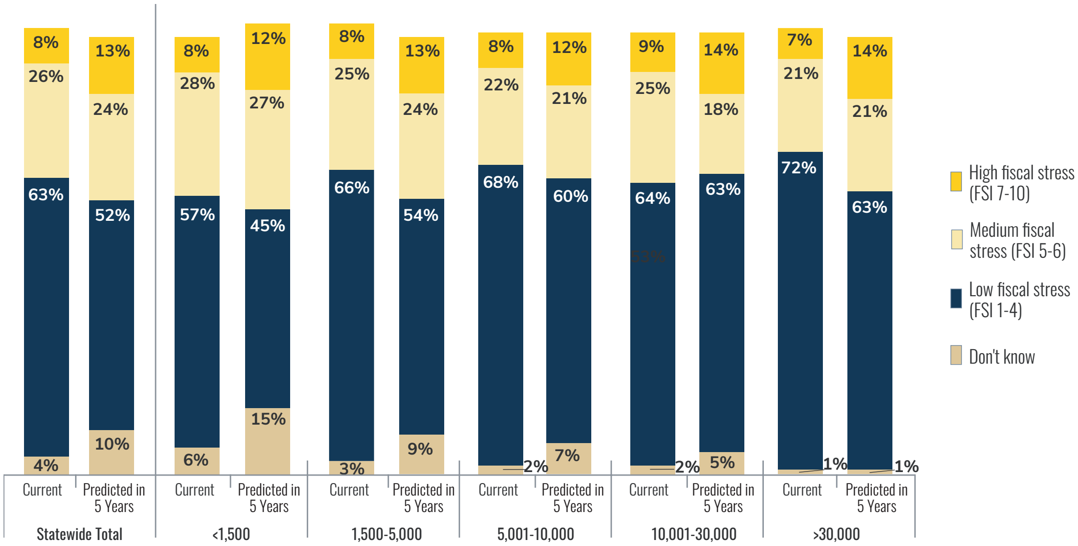
Note: responses for "no change" and "don't know" not shown

Increased anxiety about Michigan local government fiscal health in the long term

Michigan's local leaders typically express more concerns about longer-term fiscal health compared to shorter-term measures, reflecting their beliefs that the state's system of funding local government is inadequate to keep up with demands.[2] As of 2023, although 8% say they are currently experiencing high fiscal stress, 13% expect to experience high fiscal stress five years down the road (see *Figure 6*). Meanwhile, 52% expect low fiscal stress in five years, down from 63% who say they have low stress today.

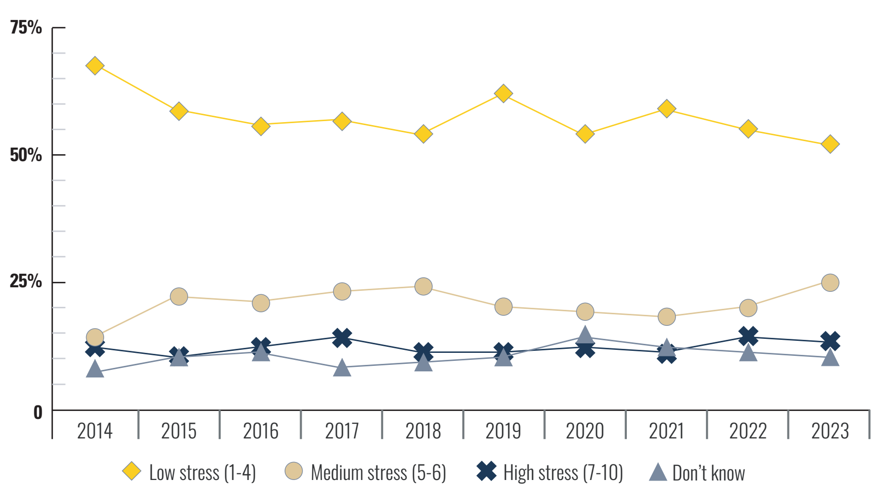
These long-term concerns are slightly more common in jurisdictions with more than 30,000 residents, where 14% now predict high fiscal stress in five years, double the 7% who report high stress today. However, even in the state's smallest jurisdictions, fewer than half (45%) predict they will have low fiscal stress in five years, compared with 57% who report low stress today (note: 15% of officials from these smallest jurisdictions are unsure what the next five years will bring, significantly higher than in larger jurisdictions).

Figure 6
Officials' predictions of their jurisdiction's fiscal stress in five years, 2023, by population size



Concerns about long-term fiscal stress have increased over the past two years. As shown in *Figure 7*, the percent of local officials predicting that their government will have low fiscal stress in five years (52%) is the lowest it has been since this measure was first asked in 2014, while 38% expect medium (25%) or high (13%) stress, a record high.

Figure 7
Officials' predictions of their jurisdiction's fiscal stress in five years, 2014-2023



Conclusion

In 2023 the MPPS finds evidence that the substantial increase in state and federal aid in the previous two years has failed to substantially move the needle on the fundamentals of local government fiscal health in Michigan. Reports of current fiscal stress statewide are essentially unchanged from 2020-2022 levels, while predictions for the future indicate deepening concerns regarding long-term fiscal health.

After record increases in the percent of local governments reporting they were better able to meet their fiscal needs in 2022, reports of improvement were less common in 2023 and more jurisdictions were likely to say they were just holding steady.

More fundamental assessments of fiscal stress using a 10-point Fiscal Stress Index show no statewide improvement from 2022 despite the significant increases in pandemic-related state and federal aid over the last few years. As of 2023, 63% of local leaders rate their governments' fiscal stress as relatively low, while 8% say it is high, compared with 65% and 7% respectively in 2022. However, there are significant differences between Michigan's largest and smallest jurisdictions, and across the rural-urban spectrum.

Looking ahead one year, fewer local officials foresee additional year-over-year improvements, while 42% predict fiscal health will simply remain stable. And looking farther down the road, officials from jurisdictions of all sizes predict a drop in their fiscal health over the next five years, with just 52% expecting to have low fiscal stress (down from 63% today), and 13% expecting to face high fiscal stress (up from 8% today). Concerns about this longer-term fiscal health have increased over the past two years.

Notes

1. Leiser, S., & Mills, S. (2019). Local government fiscal health: Comparing self-assessments to conventional measures. *Public Budgeting and Finance, 39*(3), 75-96. https://doi.org/10.1111/pbaf.12226
2. Mills, S., & Ivacko, T. (2016). Local officials say Michigan's system of funding local government is broken, and seek State action to fix it. Ann Arbor, MI: Center for Local, State, and Urban Policy at the Gerald R. Ford School of Public Policy, University of Michigan. Retrieved from https://closup.umich.edu/michigan-public-policy-survey/57/local-officials-say-michigans-system-of-funding-local-government-is-broken-and-seek-state-action-to-fix-it

Survey Background and Methodology

The MPPS is an ongoing survey program, interviewing the leaders of Michigan's 1,856 units of general purpose local government, 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. Surveys are conducted each spring (and prior to 2018, were also conducted each fall). The program has covered a wide range of policy topics and includes longitudinal tracking data on "core" fiscal, budgetary and operational policy questions and designed to build-up a multi-year time-series.

In the Spring 2023 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, managers and clerks; 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 2023 wave was conducted from February 6 – April 17, 2023. A total of 1,307 jurisdictions in the Spring 2023 wave returned valid surveys (70 counties, 217 cities, 174 villages, and 846 townships), resulting in a 70% response rate by unit. The margin of error for the survey for the survey as a whole is +/- 1.47%. 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.

Detailed tables of the data analyzed in this report broken down several ways—by jurisdiction type (county, city, township, or village); by population size of the respondent's community, by the region of the respondent's jurisdiction; and by self-identified rural, mostly rural, mostly urban, or urban categories—will be available online at the MPPS homepage: closup.umich.edu/michigan-public-policy-survey

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

Net fiscal health yearly change: percentage of jurisdictions that report improving fiscal health minus percentage reporting declining health, 2019-2023, by county

County Name	% Less Able to Meet Fiscal Needs	% Neither Better nor Less Able	% Better Able to Meet Fiscal Needs	% Don't Know	Net Yearly Change for 2023
ALCONA	19%	71%	10%	0%	-9%
ALGER	0%	26%	74%	0%	74%
ALLEGAN	7%	21%	68%	4%	61%
ALPENA	28%	72%	0%	0%	-28%
ANTRIM	6%	37%	50%	7%	44%
ARENAC	35%	46%	19%	0%	-16%
BARAGA	15%	15%	69%	0%	54%
BARRY	8%	57%	35%	0%	28%
BAY	23%	24%	52%	0%	29%
BENZIE	15%	30%	54%	0%	39%
BERRIEN	12%	52%	36%	0%	24%
BRANCH	16%	39%	35%	10%	18%
CALHOUN	5%	62%	32%	0%	27%
CASS	18%	26%	56%	0%	37%
CHARLEVOIX	7%	66%	27%	0%	20%
CHEBOYGAN	0%	73%	27%	0%	27%
CHIPPEWA	29%	48%	7%	15%	-22%
CLARE	11%	48%	41%	0%	30%
CLINTON	4%	55%	40%	0%	36%
CRAWFORD	24%	25%	50%	0%	26%
DELTA	19%	29%	52%	0%	34%
DICKINSON	0%	76%	10%	14%	10%
EATON	40%	35%	25%	0%	-15%
EMMET	20%	50%	30%	0%	11%
GENESEE	24%	35%	33%	8%	9%

GLADWIN	22%	64%	7%	8%	-15%
GOGEBIC	12%	29%	59%	0%	48%
GRAND TRAVERSE	11%	69%	20%	0%	8%
GRATIOT	23%	35%	43%	0%	20%
HILLSDALE	23%	48%	29%	0%	6%
HOUGHTON	15%	41%	30%	14%	15%
HURON	6%	54%	20%	20%	14%
INGHAM	6%	41%	46%	6%	40%
IONIA	22%	43%	36%	0%	14%
IOSCO	23%	60%	17%	0%	-7%
IRON	0%	14%	86%	0%	86%
ISABELLA	24%	30%	46%	0%	22%
JACKSON	22%	46%	28%	4%	6%
KALAMAZOO	20%	31%	49%	0%	29%
KALKASKA	34%	44%	22%	0%	-13%
KENT	12%	26%	59%	3%	47%
KEWEENAW	0%	100%	0%	0%	0%
LAKE	21%	55%	24%	0%	4%
LAPEER	0%	49%	51%	0%	51%
LEELANAU	17%	32%	51%	0%	33%
LENAWEE	35%	34%	32%	0%	-3%
LIVINGSTON	16%	54%	29%	0%	13%
LUCE	28%	47%	0%	24%	-28%
MACKINAC	11%	45%	44%	0%	33%
MACOMB	15%	25%	55%	5%	40%
MANISTEE	36%	53%	11%	0%	-25%
MARQUETTE	28%	40%	32%	0%	4%
MASON	10%	69%	22%	0%	12%
MECOSTA	13%	56%	31%	0%	17%

MENOMINEE	47%	45%	8%	0%	-39%
MIDLAND	29%	49%	21%	0%	-8%
MISSAUKEE	8%	55%	37%	0%	29%
MONROE	22%	24%	54%	0%	32%
MONTCALM	32%	17%	46%	5%	14%
MONTMORENCY	23%	26%	39%	13%	16%
MUSKEGON	17%	31%	45%	7%	28%
NEWAYGO	15%	46%	34%	5%	20%
OAKLAND	10%	44%	46%	0%	37%
OCEANA	22%	31%	47%	0%	25%
OGEMAW	14%	66%	20%	0%	6%
ONTONAGON	12%	24%	64%	0%	52%
OSCEOLA	8%	56%	36%	0%	28%
OSCODA	0%	100%	0%	0%	0%
OTSEGO	11%	40%	49%	0%	38%
OTTAWA	20%	49%	31%	0%	11%
PRESQUE ISLE	7%	60%	33%	0%	26%
ROSCOMMON	8%	65%	28%	0%	20%
SAGINAW	26%	49%	25%	0%	-1%
SANILAC	12%	63%	25%	0%	13%
SCHOOLCRAFT	12%	29%	59%	0%	46%
SHIAWASSEE	23%	51%	25%	0%	2%
ST CLAIR	13%	53%	30%	5%	17%
ST JOSEPH	20%	41%	40%	0%	20%
TUSCOLA	26%	44%	25%	5%	-1%
VAN BUREN	30%	44%	23%	4%	-7%
WASHTENAW	13%	48%	35%	4%	22%
WAYNE	27%	36%	36%	0%	9%
WEXFORD	37%	44%	19%	0%	-18%

Appendix B

Conditions in the current fiscal year compared to the previous fiscal year, 2009-2023

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue from property tax	Increased	27%	8%	12%	16%	27%	36%	45%	42%	45%	52%	57%	42%	52%	61%	66%
	Decreased	48%	78%	74%	64%	48%	38%	26%	25%	19%	15%	12%	16%	14%	10%	7%
Revenue from fees for services, licenses, transfers, etc.	Increased	7%	4%	7%	10%	13%	17%	18%	19%	21%			15%	18%	26%	26%
	Decreased	54%	59%	47%	34%	26%	18%	13%	12%	10%			25%	23%	11%	9%
Amount of debt	Increased			12%	12%	14%	12%	15%	14%	16%		17%		13%	15%	
	Decreased			18%	21%	22%	21%	20%	21%	19%		18%		16%	17%	
Ability of jurisdiction to repay its debt	Increased			7%	12%	14%	15%	18%	13%	14%	14%	18%	8%	11%	17%	15%
	Decreased			7%	7%	6%	4%	4%	6%	3%	2%	3%	8%	3%	2%	2%
Amount of federal aid to jurisdiction	Increased	9%	8%	3%	5%	4%	5%	6%	4%	6%				31%	54%	27%
	Decreased	38%	39%	29%	22%	21%	14%	11%	13%	14%				9%	7%	14%
Amount of state aid to jurisdiction	Increased	3%	1%	9%	15%	17%	27%	28%	18%	17%	30%	32%	15%	23%	37%	35%
	Decreased	69%	86%	61%	45%	34%	21%	14%	20%	19%	15%	16%	30%	19%	13%	11%
Number of tax delinquencies	Increased		46%	47%	40%	30%	23%	20%	19%	16%	15%	16%		25%	18%	
	Decreased		20%	12%	12%	13%	15%	16%	17%	15%	15%	14%		6%	7%	
Number of home foreclosures	Increased		60%	56%	41%	29%	18%	15%	13%	10%						11%
	Decreased		16%	10%	17%	25%	31%	33%	29%	26%						8%
Public safety needs	Increased	36%	29%	28%	29%	29%	28%	29%	33%	35%	32%	41%	25%	36%	41%	43%
	Decreased	9%	6%	3%	3%	3%	2%	1%	2%	2%	5%	4%	7%	2%	2%	2%
Infrastructure needs	Increased	55%	47%	43%	45%	50%	54%	52%	56%	56%	48%	63%	35%	55%	65%	60%
	Decreased	12%	7%	5%	5%	3%	2%	2%	2%	4%	7%	4%	10%	3%	2%	2%
Human service needs	Increased	45%	43%	35%	35%	29%	30%	28%	27%	28%	23%	33%	28%	37%	38%	40%
	Decreased	8%	6%	3%	1%	1%	1%	1%	1%	1%	2%	2%	8%	2%	1%	2%
General government operations needs	Increased						34%	34%	34%	36%	37%	42%	28%	42%	49%	49%
	Decreased						1%	1%	2%	3%	3%	2%	9%	2%	1%	2%
Number of employees	Increased		2%	2%	3%	4%	8%	10%	10%	13%	14%	14%		10%	15%	
	Decreased		27%	23%	19%	16%	9%	7%	6%	5%	5%	5%		7%	7%	
Pay rates for employee wages and salaries	Increased	36%	20%	21%	27%	39%	46%	53%	51%	57%				59%	72%	
	Decreased	15%	13%	10%	7%	5%	3%	1%	1%	2%				1%	1%	

Cost of employee pensions	Increased	40%	30%	22%	21%	24%	25%	26%	28%	30%	25%	26%	25%	28%	32%	32%
	Decreased	4%	4%	3%	4%	3%	3%	2%	2%	2%	2%	2%	1%	1%	2%	3%
Cost of current employee health benefits	Increased	51%	47%	35%	32%	31%	34%	34%	33%	36%	35%	34%	31%	32%	36%	39%
	Decreased	6%	8%	7%	8%	8%	4%	5%	4%	2%	2%	3%	2%	2%	1%	1%
Cost of retired employee health benefits	Increased	31%	24%	17%	16%	16%	17%	15%	16%	18%	15%	16%	15%	16%	19%	20%
	Decreased	4%	4%	3%	3%	4%	2%	3%	2%	1%	2%	1%	3%	1%	1%	2%

Notes: Responses for “no change,” “don’t know,” and “not applicable” not shown. Percentages are based on all responding jurisdictions (not just those that selected an option other than “not applicable”). The “not applicable” response option was added in 2011, so direct comparisons with earlier waves may be compromised. Question text for “pay rates for employee wage & salaries” changed slightly between 2010 and 2011. See web tables for exact question text.

Appendix C

Predicted actions for the coming fiscal year compared to the current fiscal year, 2009-2023

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Property tax rates	Increase	18%	10%	15%	15%	22%	23%	27%	22%	26%	25%	28%	18%	31%	38%	41%
	Decrease	17%	32%	19%	15%	12%	7%	5%	6%	5%	4%	4%	8%	4%	4%	3%
Charges for fees for services, licenses, etc.	Increase	23%	22%	20%	19%	21%	18%	18%	18%	23%			16%	23%	29%	30%
	Decrease	7%	7%	3%	2%	2%	2%	1%	1%	1%			5%	2%	1%	1%
Reliance on general fund balance	Increase		49%	36%	34%	30%	27%	26%	30%	28%	30%	32%	36%	32%	32%	33%
	Decrease		8%	8%	5%	6%	5%	6%	5%	5%	4%	5%	4%	3%	3%	3%
Reliance on "rainy day" funds	Increase		38%	25%	21%	19%	17%	17%	17%	17%						
	Decrease		7%	4%	4%	5%	5%	5%	5%	6%						
Amount of services provided	Increase	9%	7%	6%	10%	12%	13%	15%	15%	19%	21%	20%	10%	18%	22%	24%
	Decrease	24%	29%	21%	15%	12%	7%	5%	6%	4%	5%	5%	12%	5%	4%	4%
Actual public safety spending	Increase	26%	22%	20%	22%	27%	33%	34%	34%	33%	35%	39%	26%	40%	48%	48%
	Decrease	18%	22%	16%	9%	7%	4%	3%	4%	4%	3%	4%	7%	2%	1%	2%
Actual infrastructure spending	Increase	28%	25%	23%	32%	34%	42%	43%	42%	45%	49%	51%	32%	54%	66%	62%
	Decrease	30%	34%	21%	10%	10%	7%	5%	6%	5%	5%	5%	14%	3%	2%	4%
Actual human services spending	Increase		6%	5%	6%	8%	9%	9%	8%	10%	11%	11%	11%	17%	18%	21%
	Decrease		17%	10%	6%	4%	2%	1%	2%	2%	2%	1%	5%	1%	1%	1%
Actual general government operations spending	Increase						39%	40%	39%	38%	39%	39%	27%	39%	55%	60%
	Decrease						6%	6%	5%	5%	5%	3%	14%	3%	1%	2%
Funding for economic development programs	Increase	14%	12%	8%	11%	13%	12%	13%	12%	14%				17%	22%	
	Decrease	17%	20%	12%	9%	8%	5%	5%	4%	4%				3%	1%	
Amount of debt	Increase	21%	18%	11%	14%	15%	13%	15%	15%	17%		17%	17%	19%	19%	20%
	Decrease	12%	13%	15%	16%	17%	18%	17%	15%	16%		13%	9%	12%	13%	11%

Sale of public assets (i.e., parks, buildings, etc.)	Increase		5%	5%	6%	6%	7%	7%	7%	9%						
	Decrease		1%	1%	1%	1%	0%	1%	1%	1%						
Privatizing or contracting out of services	Increase	16%	18%	15%	12%	12%	10%	10%	10%	11%	13%	14%	11%			
	Decrease	4%	2%	1%	1%	1%	1%	1%	1%	1%	2%	2%	3%			
Number and/or scope of interlocal agreements or cost-sharing plans	Increase	32%	38%	40%	40%	34%	30%	22%	18%	18%	17%	21%	13%			20%
	Decrease	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	0%	2%			1%
Jurisdiction's workforce hiring	Increase	3%	1%	2%	2%	4%	8%	8%								
	Decrease	20%	22%	14%	8%	8%	3%	3%								
Jurisdiction not filling vacant positions	Increase	22%	23%	16%	10%	9%	7%	5%								
	Decrease	3%	3%	2%	2%	1%	1%	1%								
Number of employees	Increase								9%	11%	11%	12%	6%	12%	14%	18%
	Decrease								4%	5%	4%	3%	8%	4%	4%	3%
Employee pay rates	Increase			21%	30%	40%	47%	53%	48%	56%	61%	63%	44%	56%	68%	72%
	Decrease			6%	4%	3%	2%	1%	1%	1%	0%	1%	2%	0%	0%	0%
Employees' share of premiums, deductibles, and/or co-pays on health insurance	Increase		33%	30%	30%	27%	26%	22%	17%	17%	17%	15%		12%	14%	
	Decrease		2%	1%	0%	1%	1%	1%	0%	0%	0%	0%		0%	1%	
Employees' share of contributions to retirement funds	Increase		15%	14%	13%	13%	11%	11%	11%	12%	10%	11%		9%	11%	
	Decrease		1%	0%	0%	0%	0%	1%	1%	0%	0%	0%		0%	1%	
Retirees' share of premiums, deductibles, and/or co-pays on health insurance	Increase		22%	18%	15%	15%	14%	13%	11%	10%	8%	8%				
	Decrease		1%	0%	0%	0%	0%	0%	0%	0%	0%	0%				

Notes: Responses for “no change,” “don’t know,” and “not applicable” not shown. Percentages are based on all responding jurisdictions (not just those that selected an option other than “not applicable”). The “not applicable” response option was added in 2011, so direct comparisons with earlier waves may be compromised.

Previous MPPS reports

MPPS Policy Brief: Michigan local government leaders' assessments of democratic functioning improve from 2021 low, but first signs of trouble at local level emerge (December 2023)

MPPS Policy Brief: Challenges continue for state-local relations, according to Michigan local government leaders (November 2023)

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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)
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Confidence in Michigan's direction declines among state's local leaders (August 2015)
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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)
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Despite increasingly formal financial management, relatively few Michigan local governments have adopted recommended policies (December 2014)
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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)
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Michigan's local leaders more positive about Governor Snyder's performance, more optimistic about the state's direction (July 2012)
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State funding incentives increase local collaboration, but also raise concerns (March 2012)
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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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