

Local Government Fiscal and Economic Development Issues: The Michigan Public Policy Survey (MPPS)

Presentation for the Michigan Municipal League (MML)
Annual Convention
September 24, 2009

Presentation Outline

- Brief background on the University of Michigan's Center for Local, State, and Urban Policy (CLOSUP)
- Overview of the Michigan Public Policy Survey (MPPS)
- Summary of findings on fiscal health and economic development from the Spring 2009 Wave of the MPPS
- Next steps

Background:

An Overview of CLOSUP

- The Center for Local, State, and Urban Policy (CLOSUP) was founded in 2001 and is housed in the UofM's Gerald R. Ford School of Public Policy
- CLOSUP is a small research center with a core staff of 3 permanent employees and additional research staff working on a variety of projects
- Base funding comes from the University of Michigan, with additional funds raised from external sources for specific projects
 - W.K. Kellogg Foundation is supporting the MPPS

Background:

The Mission of CLOSUP

- The Center's primary mission is to conduct and support applied academic research that informs local, state, and urban policy issues, and that furthers academic knowledge
 - Dual goals: policy-relevant; theoretically motivated
 - Focus on public service
- CLOSUP also seeks to facilitate student learning and engagement with today's critical local, state, and urban policy issues

Background:

An Overview of CLOSUP

- Activities:
 - Conduct internal research projects such as the MPPS
 - Sponsor state and local policy-relevant research by other faculty across UM: 51 projects sponsored to date
 - Events: conferences, seminars, lectures, panel discussions
 - Teaching and student-focused activities:
 - Ford School applied policy seminars; internships for students;
 - employing students on research projects

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Michigan Public Policy Survey: Genesis

- Problem: information gap in the policymaking process
 - Great deal of data on Michigan's citizens – MSU State of the State Survey
 - Great deal of data on Michigan's businesses – various business surveys
 - Lack of ongoing data on Michigan's local governments and public officials
- Solution: new ongoing survey program focused on local government and local government leaders

Michigan Public Policy Survey: Overview

- Conducted twice per year (Spring and Fall)
 - One or two main topics in each wave, plus satellite batteries of questions
 - Spring 2009: Fiscal and Economic Development Issues
 - Fall 2009: Economic, Educational, and Workforce Development
 - Spring 2010 (tentatively): Intergovernmental Cooperation
- Surveys are developed in close partnership with MML, MTA, and MAC, as well as experts from around the state and nation
 - Key focus: informing important state and local policy debates
- Surveys are administered online for $\sim 3/4$ of the sample, via hardcopy questionnaire for $\sim 1/4$ of the sample
 - Targeted respondents are the chief elected and the chief appointed official in each county, city, township and village

Michigan Public Policy Survey: Overview

■ Goals for the Survey Program

- Fill the critical information gap about the challenges of policymaking at the local level
- Assist *you* as local leaders: provide information about your peers across the state, improve policymaking, spread best practices and grass-roots innovative solutions
- Provide a voice for local-level concerns to policymakers in Lansing, foundations, community organizations, etc.
- Build longitudinal data archive to allow tracking of fundamental changes
- Further academic knowledge and build student interest in local government

■ Intended products

- Publications: policy briefs and reports; press releases; tailored reports for specific jurisdictions or regions; tailored reports for MML, MTA, MAC
- Presentations: conferences, workshops, training sessions
- Academic and student papers, presentations, etc.
- Long-term data archive

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MPPS: Spring Wave

- General topics covered in the Spring wave:
 - Predictions about future fiscal health and changes in important revenues, expenditures, and other budget issues
 - Economic development
 - Intergovernmental cooperation and regional land use planning
 - Implementation of the American Recovery and Reinvestment Act (ARRA), *aka* the Federal Stimulus Package

MPPS: Response Rates

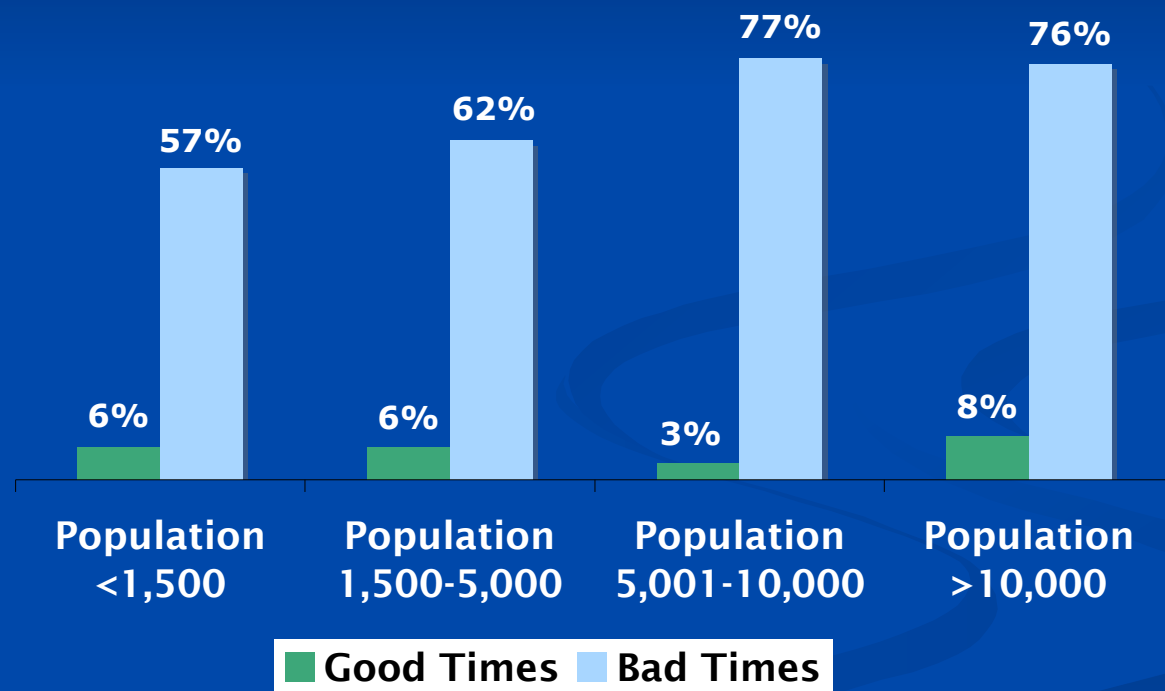
- Spring 2009 wave contacted the top elected and top appointed official in every local Michigan jurisdiction
 - 1,591 total respondents
 - 1,204 unique jurisdictions
 - 281 respondents from 202 cities and
131 respondents from 104 villages
 - 65% response rate by unit (63% of counties, 72% of cities,
38% of villages, and 68% of townships)
 - 76% of survey responses were completed online

MPPS: A Brief Summary of Results

MPPS: Future Financial Conditions

- Do you think that during the next twelve months your community will have good times, bad times, or neither financially?

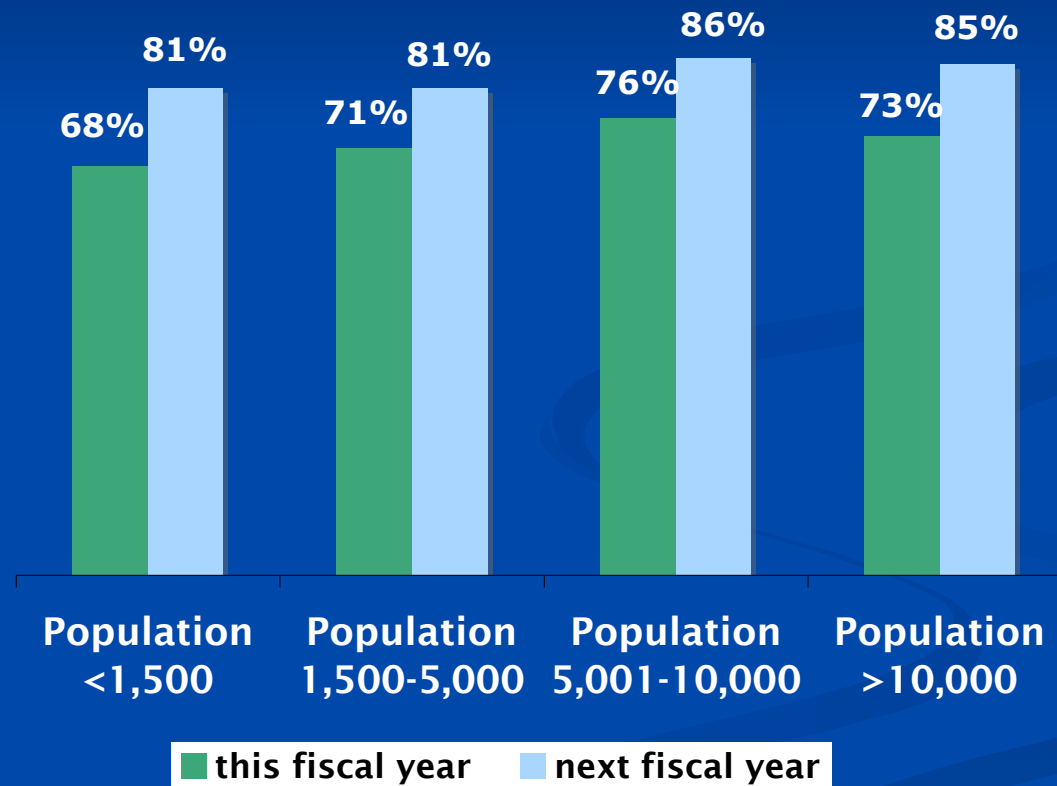
Percentage of
all cities and
villages
reporting:



MPPS: Future Financial Conditions (con't)

- Would you say that your unit of government is less able or better able to meet its financial needs?

Percentage of all cities and villages who reported being “somewhat” or “significantly” *less able* to meet needs:



MPPS: Changes in Revenue and Expenditures

- Comparing your jurisdiction's current fiscal year to its previous fiscal year, has there been a decrease, increase, or no change...

	Cities	Villages	Counties	Townships
Decrease in state aid	80%	78%	86%	69%
Decrease in revenue from fees	65%	43%	71%	56%
Decrease in revenue from property taxes	64%	51%	51%	45%
Increase in infrastructure needs	82%	70%	72%	45%
Increase in cost of current employee health benefits	81%	78%	74%	38%
Increase in human service needs	67%	44%	87%	40%
Increase in employee wages and salaries	65%	49%	64%	25%

(percent reporting “greatly” or “somewhat” increase/decrease)

MPPS: Anticipated Changes in Budgetary Policy

- What actions will your jurisdiction take in the next fiscal year?

	Cities	Villages	Counties	Townships
Decrease workforce hiring	51%	13%	61%	11%
Decrease amount of services provided	41%	33%	47%	17%
Decrease actual infrastructure spending	41%	36%	39%	27%
Decrease funding for economic development programs	30%	23%	38%	11%
Increase number of interlocal agreements	50%	38%	55%	28%
Increase privatizing or contracting out of services	33%	20%	21%	11%

(percent reporting “greatly” or “somewhat” increase/decrease)

MPPS: Economic Development

Assets and Barriers

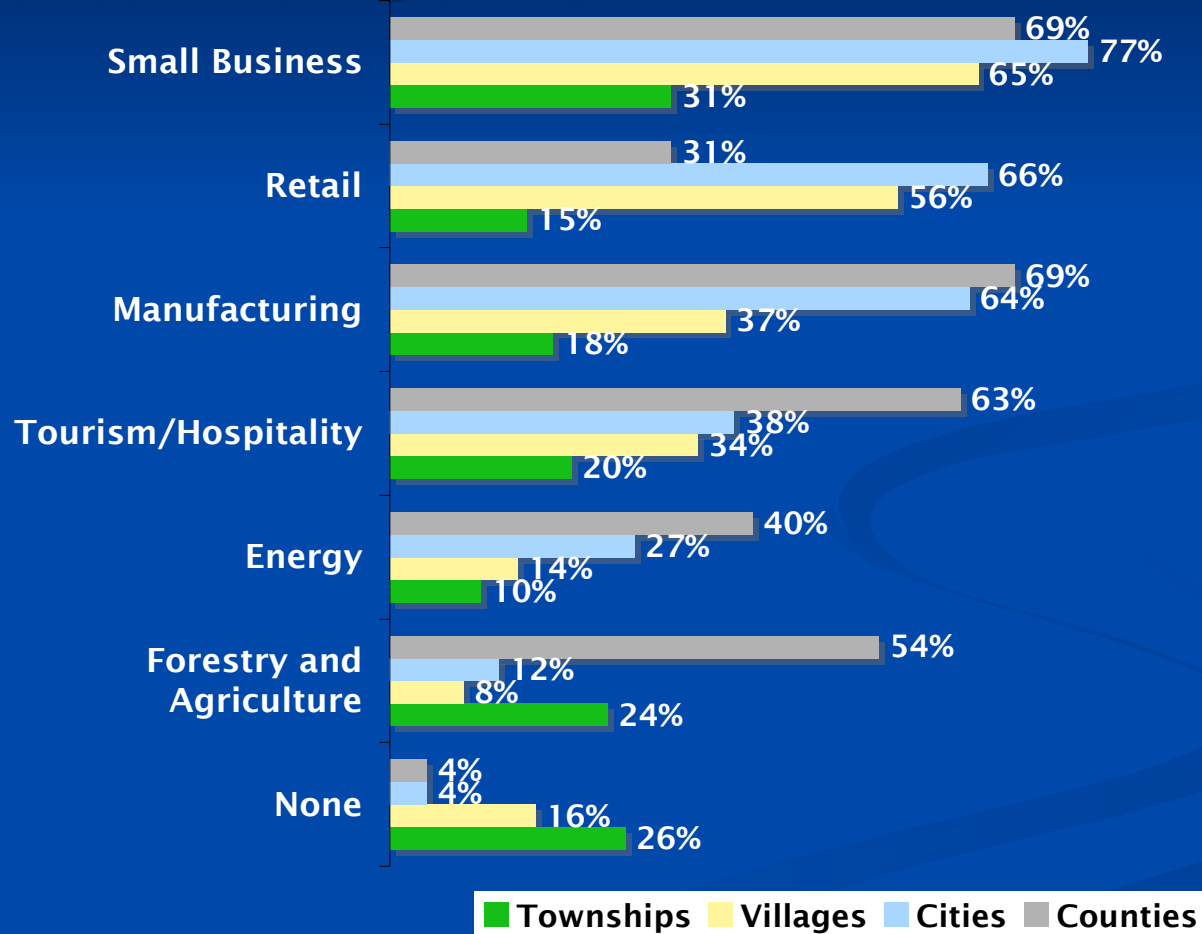
- To what degree would you consider the following items as *barriers* or *assets* to your jurisdiction's economic development efforts?

ASSETS			
	Cities/Villages	Counties	Townships
K-12 education system	75%	68%	57%
Recreational facilities	67%	76%	49%
Cost of housing	60%	64%	33%
Availability of appropriate workforce	54%	50%	34%
Vocational and higher education system	53%	65%	41%
Cost of labor	46%	53%	27%
Availability of land	35%	53%	49%
BARRIERS			
Availability of capital/funding	68%	70%	54%
Presence of major employers	48%	45%	59%
Distance to major markets	40%	64%	51%
Environmental regulations	39%	54%	41%
Traditional infrastructure	34%	33%	52%
Information technology infrastructure	29%	53%	42%

(percent reporting “significant” or “somewhat” asset/barrier)

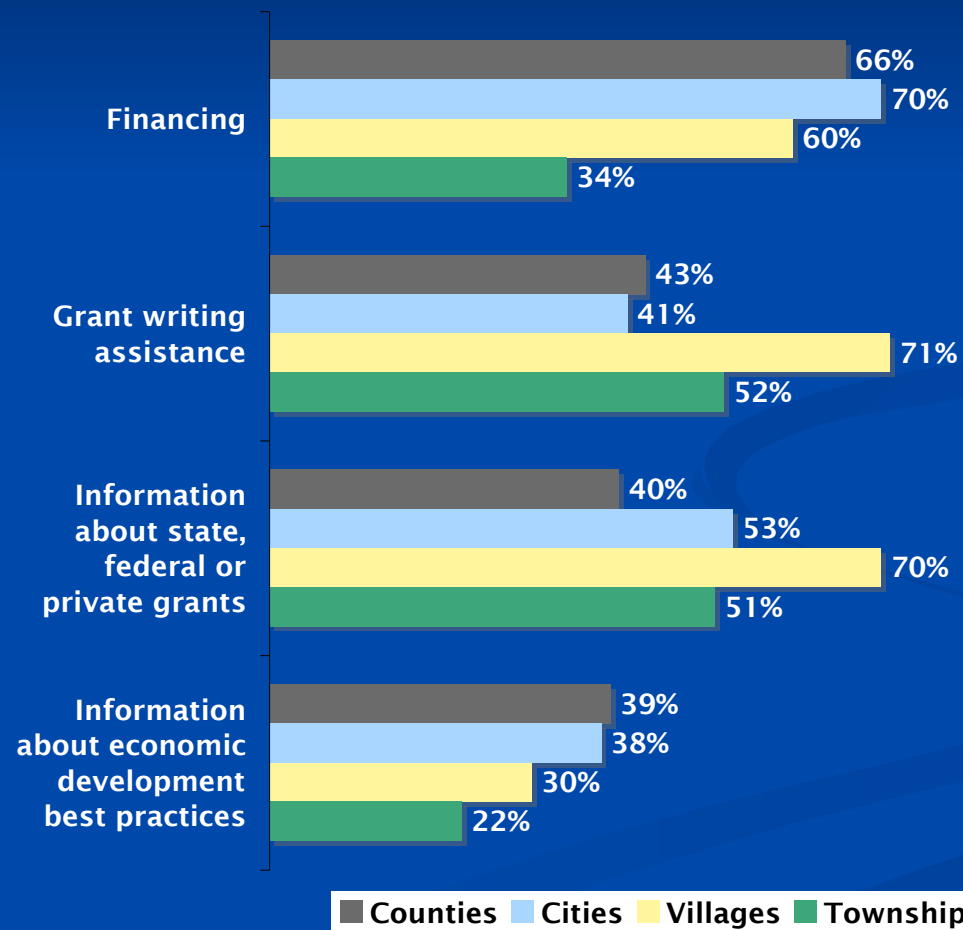
MPPS: Economic Development Targets

- Are any of the following sectors a focus of your current economic development efforts?



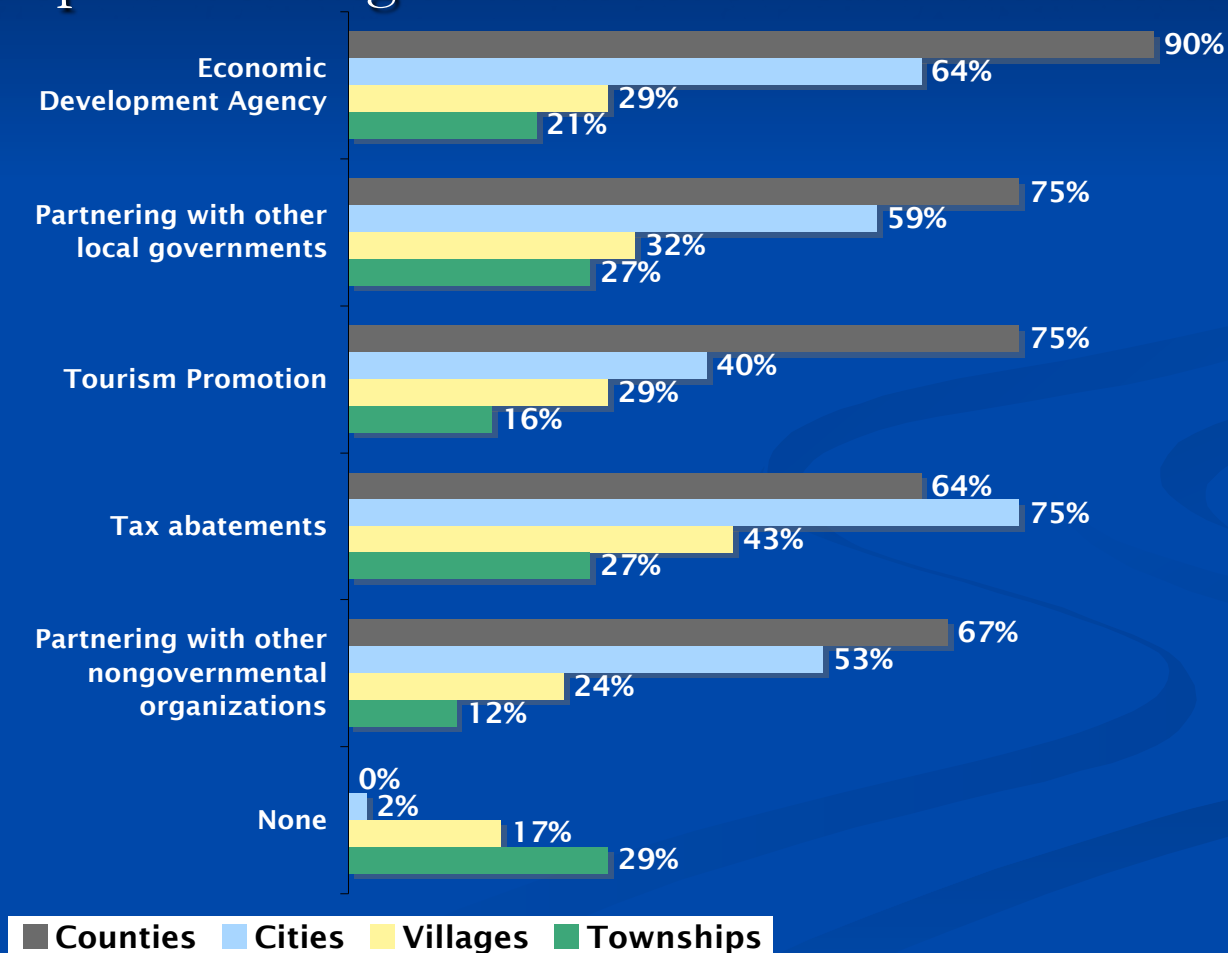
MPPS: Economic Development Assistance

- What types of external assistance or resources would be most valuable for improving your economic development capabilities?



MPPS: Economic Development Strategies

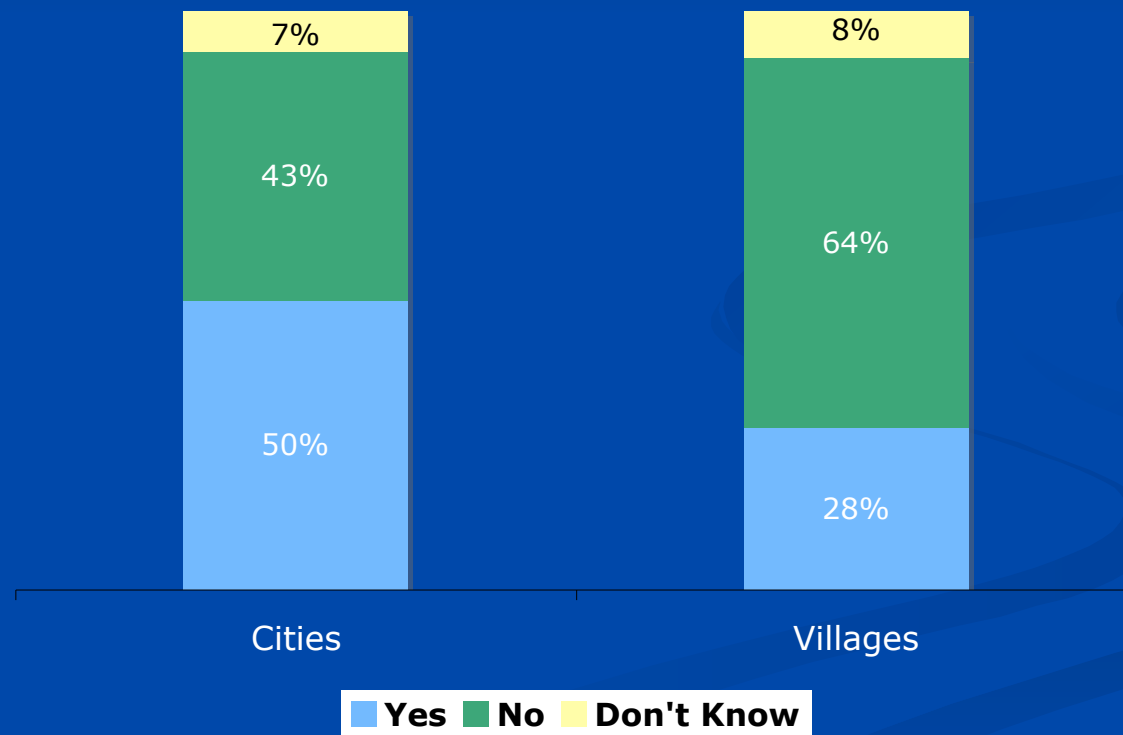
- Does your jurisdiction use any of the following economic development strategies to attract or retain businesses?



MPPS: Economic Development Strategies

“Placemaking”

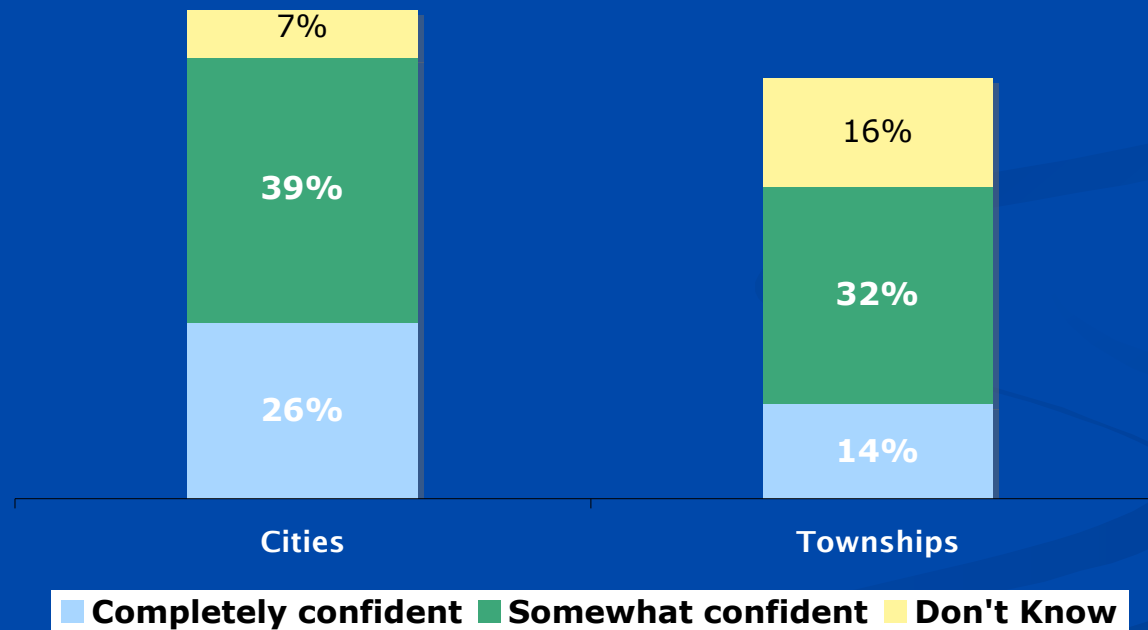
- Is your jurisdiction currently engaged in any placemaking programs or projects?



MPPS: Economic Development Strategies

“Placemaking”

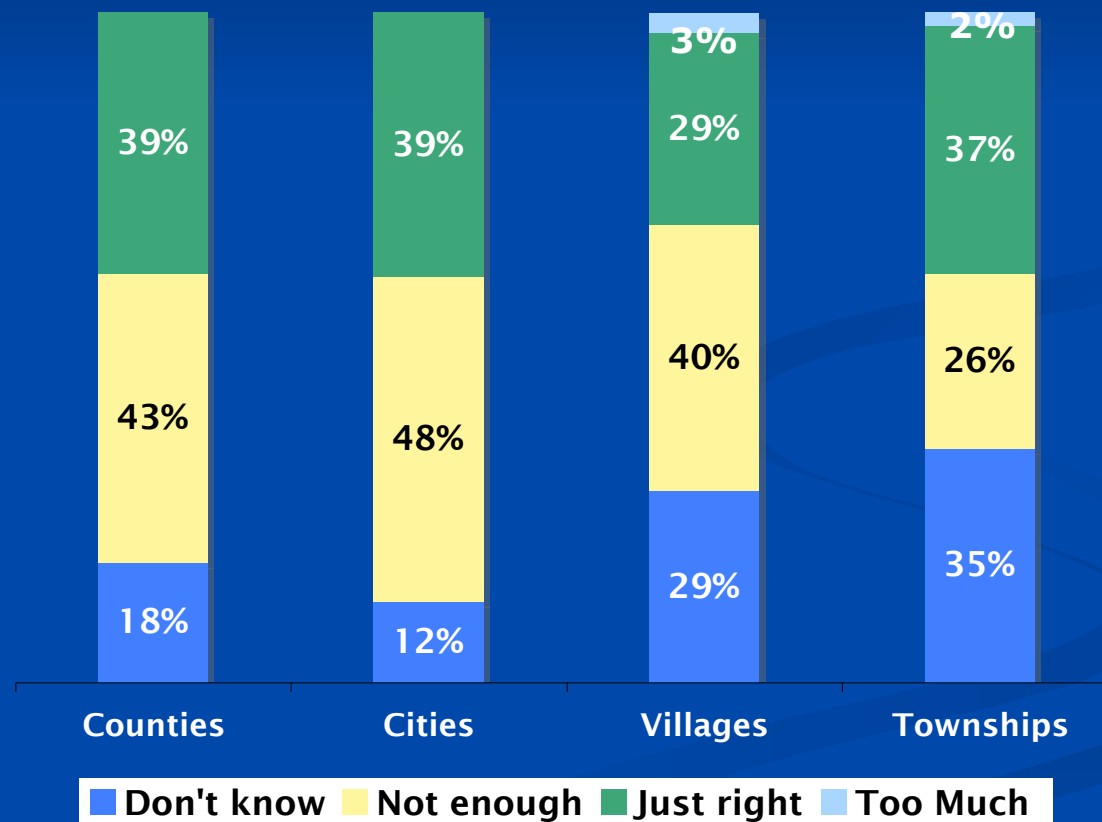
- How confident are you that placemaking can be an effective economic development strategy for your jurisdiction?



MPPS: Regional Cooperation

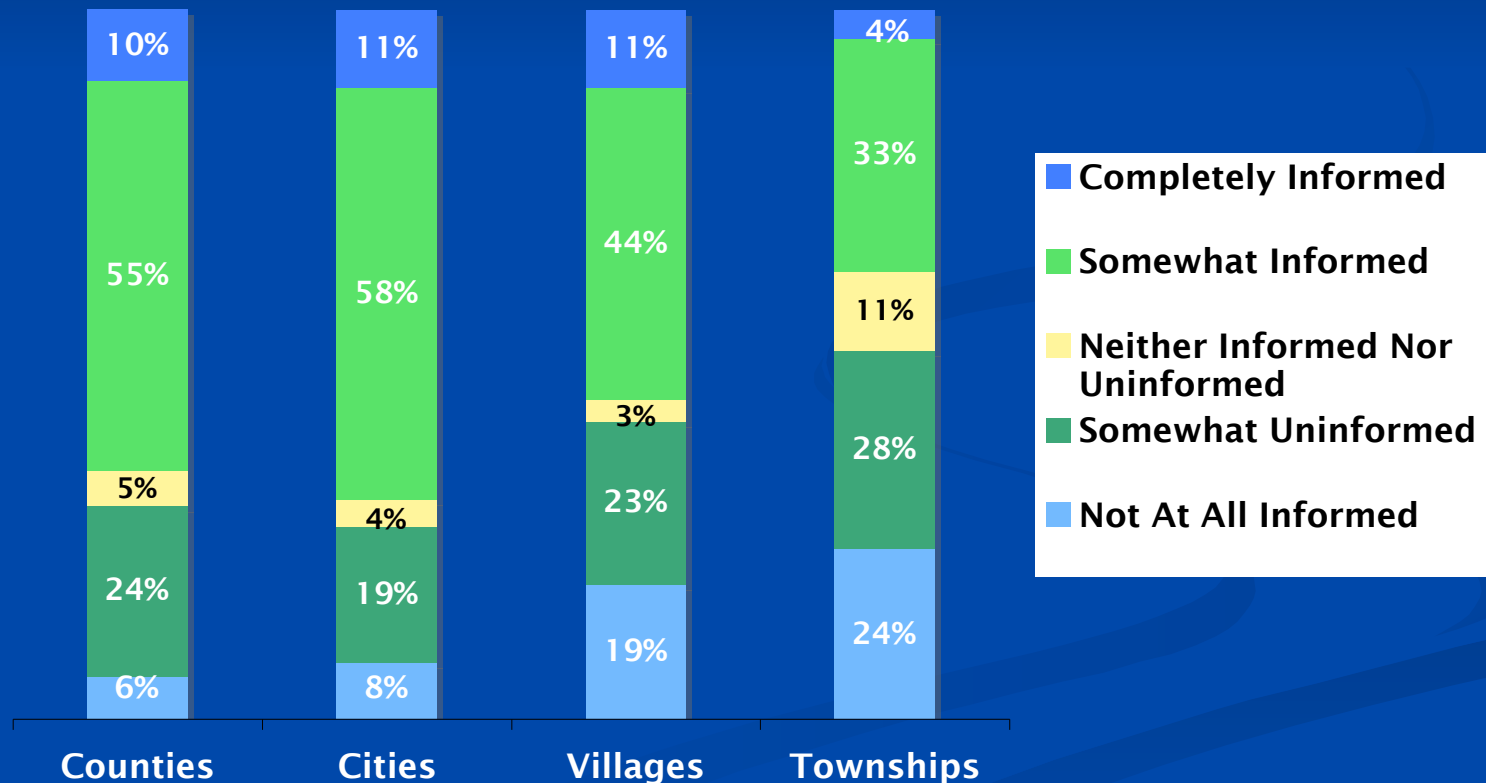
Land Use Planning

- Do you think your jurisdiction's involvement in regional land use planning efforts is too much, just right, or not enough?



MPPS: Stimulus Package Implementation

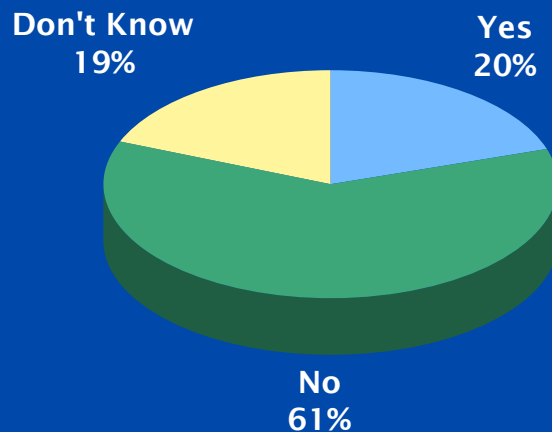
- How informed do you feel you have been about the opportunities available to your jurisdiction through the Stimulus Package?



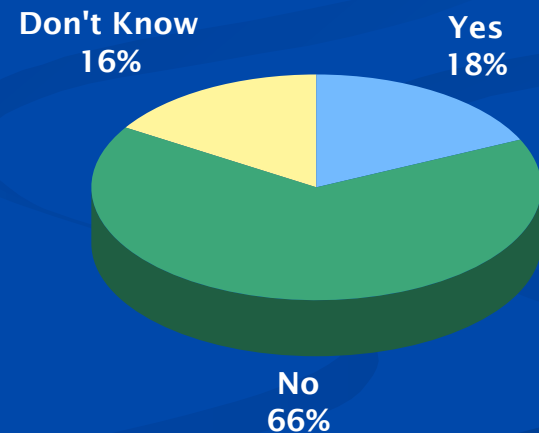
MPPS: Stimulus Package Implementation

- Overall, do you think the Stimulus Package will significantly help improve the economic conditions in your community?

Cities:



Villages:



MPPS: Review of Key Findings

- Over half of all villages and two-thirds of cities predict bad times financially in the year ahead.
- The widespread fiscal distress is causing many municipalities to predict decreases in workforce hiring, service provision and funding for economic development and infrastructure, as well as increases in interlocal agreements and contracting out of services.
- Municipalities see lack of capital as the greatest barrier to economic development, while local education systems are often cited as one of the greatest assets.
- Placemaking and regional land use planning appear to have widespread support among cities and, to a lesser extent, villages.
- Fewer than one in five municipal officials think the Stimulus Package will significantly improve economic conditions in their community.

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Michigan Public Policy Survey: Next Steps

- Spring 2009 survey key findings report
- Jurisdiction-specific reports from first wave
- Fall 2009 survey in the field in October, focused on economic, educational, and workforce issues.
- Spring 2009 survey, tentatively focused on intergovernmental cooperation
- We are seeking your feedback on how to make the MPPS as useful as possible to you: email us at cloup-mpps@umich.edu or call 734-647-4091