

How Are Local Governments in Oakland County & Across Michigan Coping With Fiscal Stress?

Findings from the Spring & Fall 2011 Michigan Public Policy Surveys (MPPS)

Presentation for
The South Oakland County Mayor's Association
December 13, 2011

Presentation Outline

- Overview of the Michigan Public Policy Survey (MPPS)
- Summary of findings on fiscal and budgetary health from the Spring 2011 Wave of the MPPS
 - Continuing challenges facing our local governments
 - How local governments are responding
- Brief preview of findings on performance management and EVIP revenue sharing from the Fall 2011 Wave of the MPPS

Background:

The Development of the MPPS

- Problem: information gap in the policymaking process
 - Great deal of data available on Michigan's citizens
 - Certain amount of data available on Michigan's businesses
 - Lack of 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

■ A Census Survey

- Targeted respondents are the chief elected and chief appointed official in every single Michigan county, city, township, and village
- Conducted twice per year (Spring and Fall)
- Administered online for ~5/6 of the sample, via hardcopy questionnaire for ~1/6 of the sample
- 60-70% response rate by jurisdiction
- Survey content is developed in close partnership with MML, MTA, and MAC, as well as Advisory Committees made up of topic experts

Michigan Public Policy Survey: Overview

■ Goals for the Survey Program

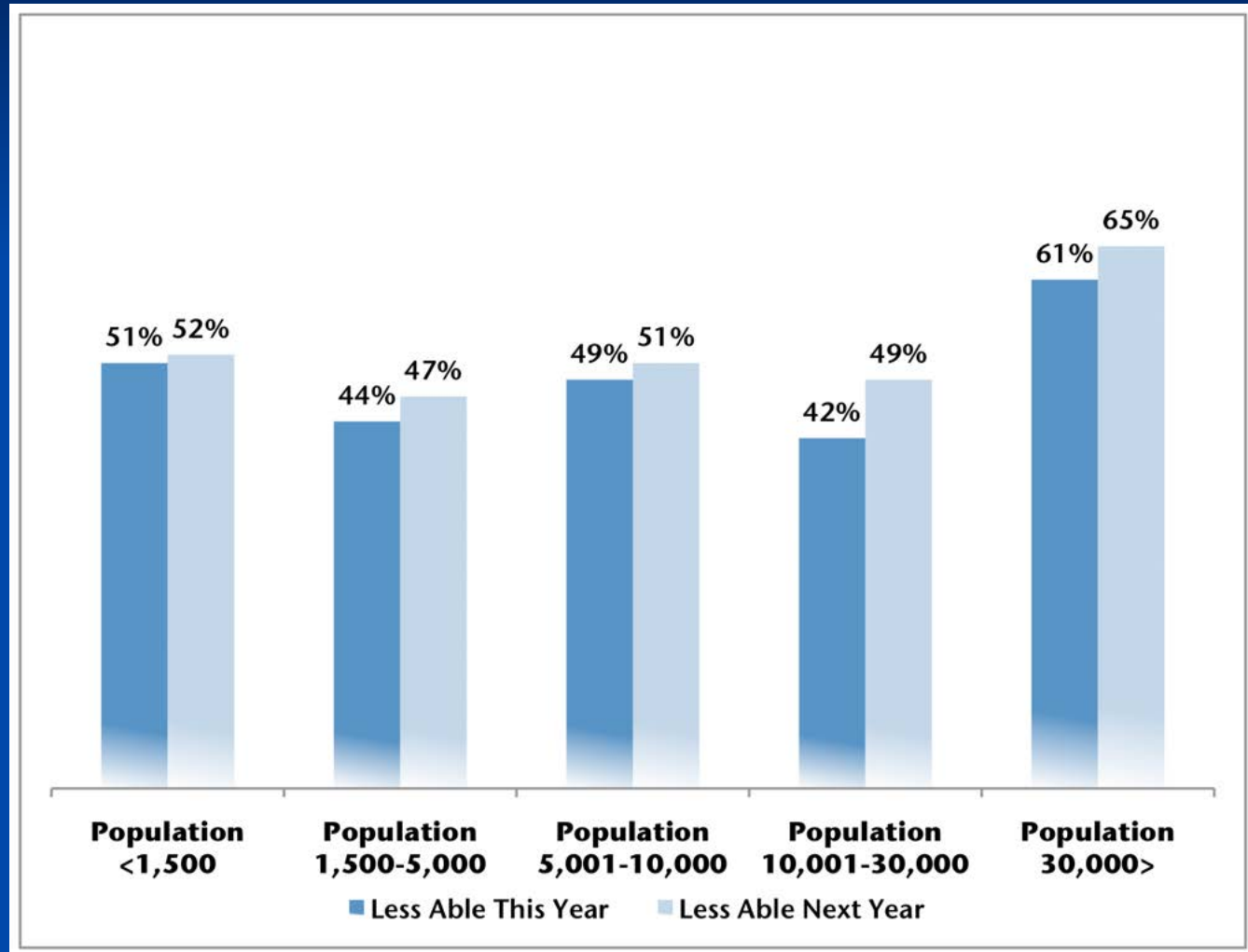
- Fill the critical information gap about challenges and opportunities at the local level to inform discussions among policymakers in Lansing, as well as foundations, community organizations, etc.
- Provide information to local leaders about peers across the state, spread best practices and grass-roots innovative solutions
- Build a longitudinal data archive to allow tracking of fundamental changes

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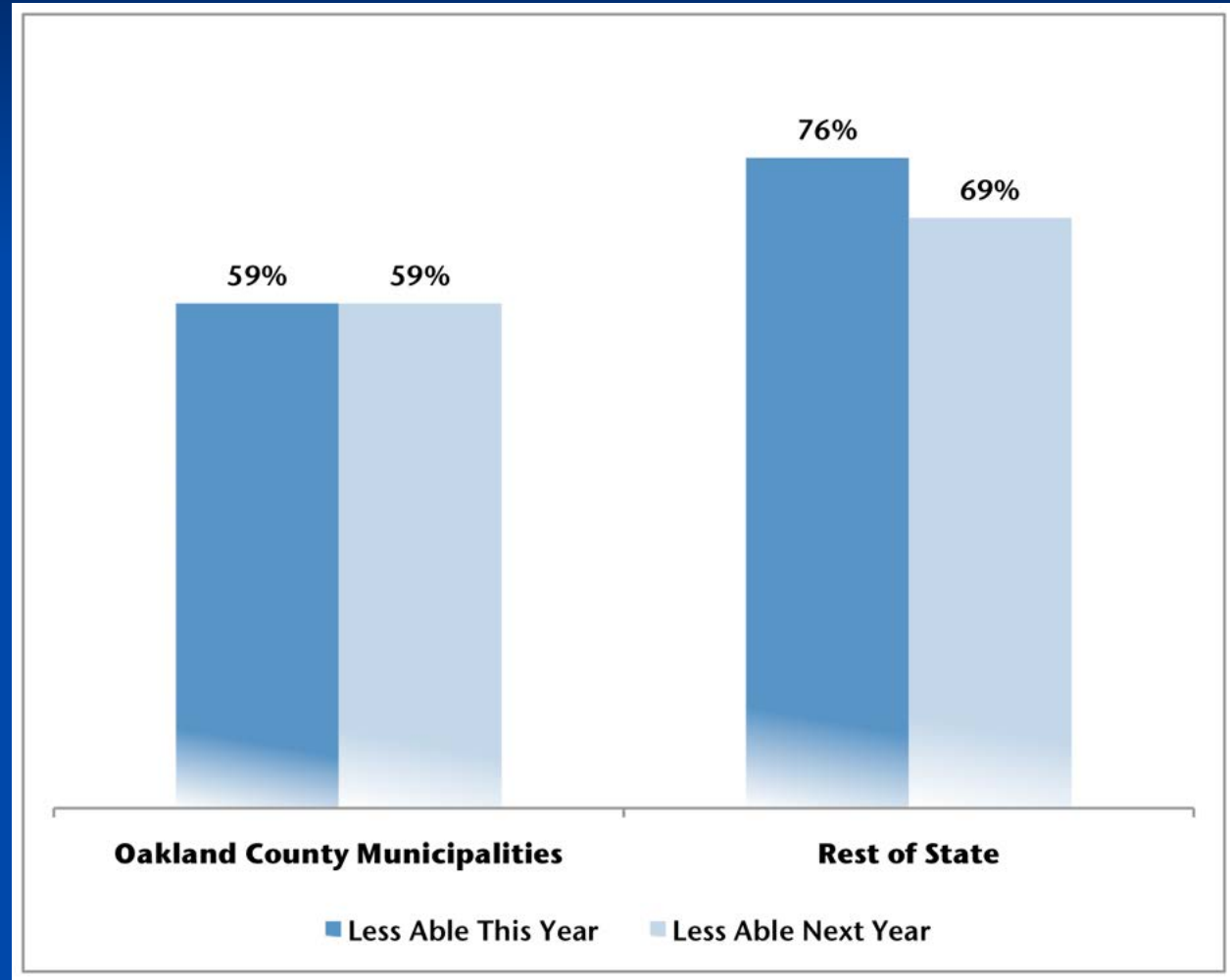
Half of all jurisdictions across Michigan expect further declines in fiscal health

% of Michigan jurisdictions less able to meet their financial needs now than in the previous year



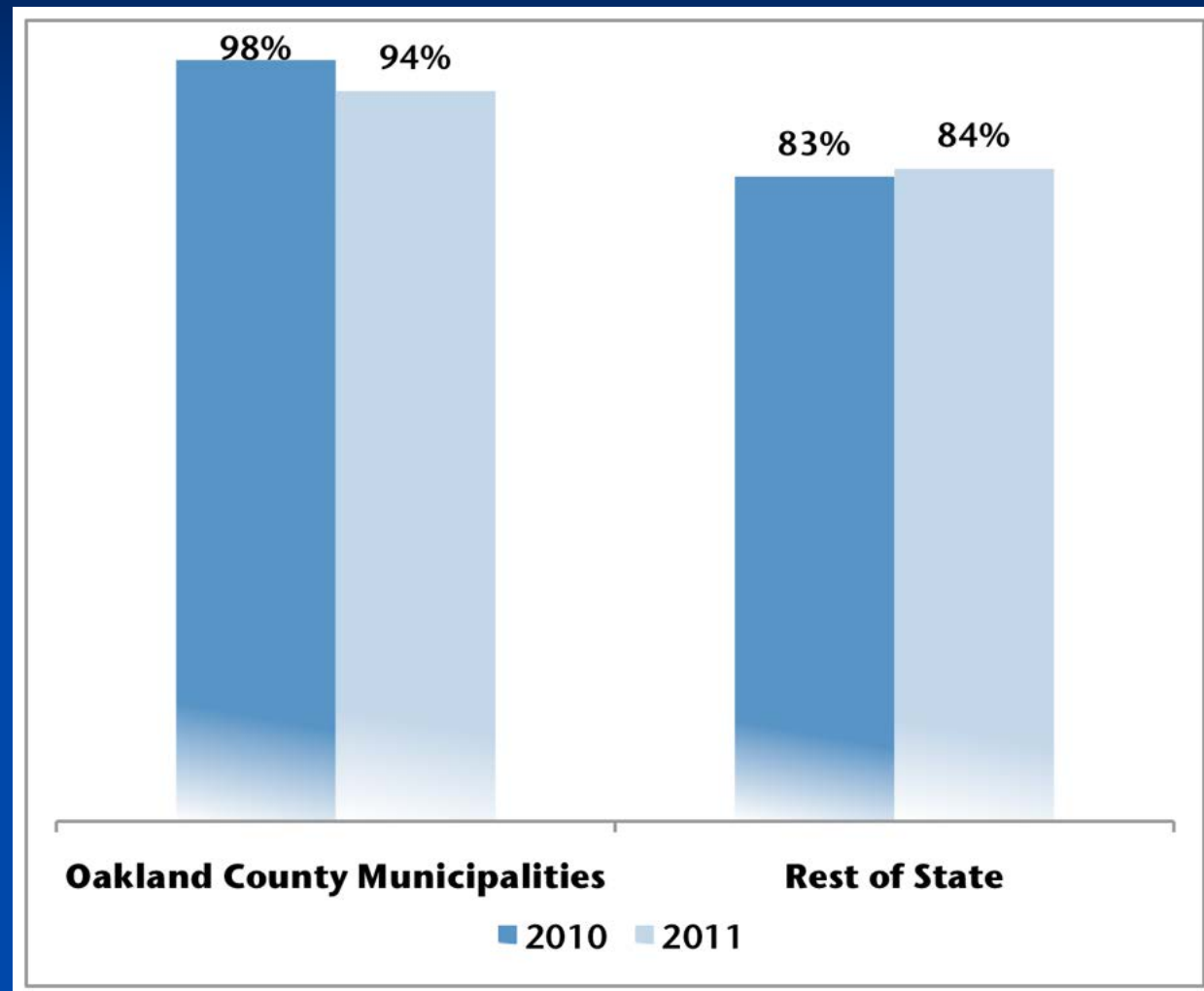
Oakland County cities & villages still expecting declines in fiscal health

% of cities
and villages
less able to
meet their
financial
needs now
than in the
previous
year



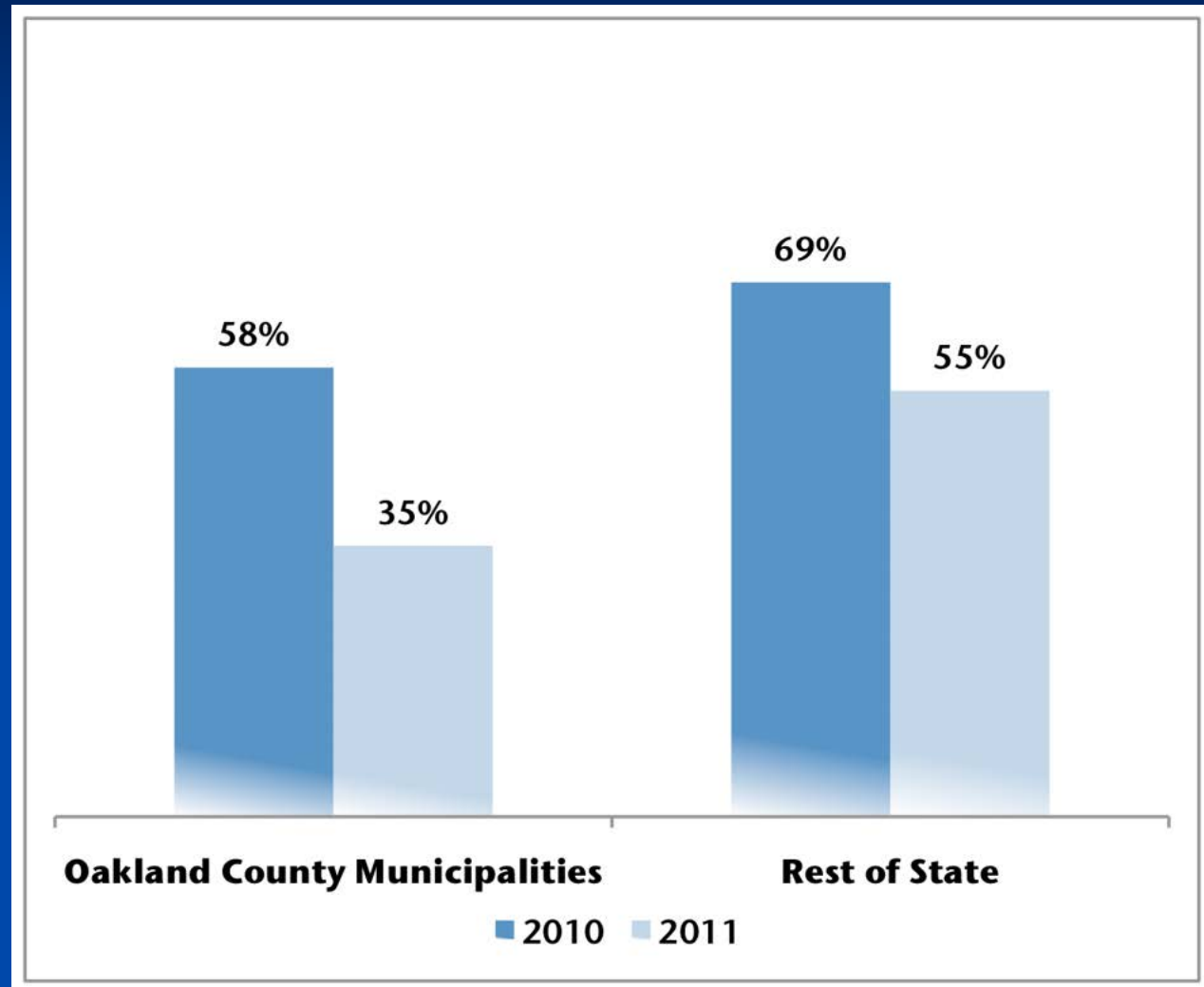
Persistent Problems: Declines in Property Tax Revenue

% of cities
and villages
reporting
decreases in
property tax
revenue



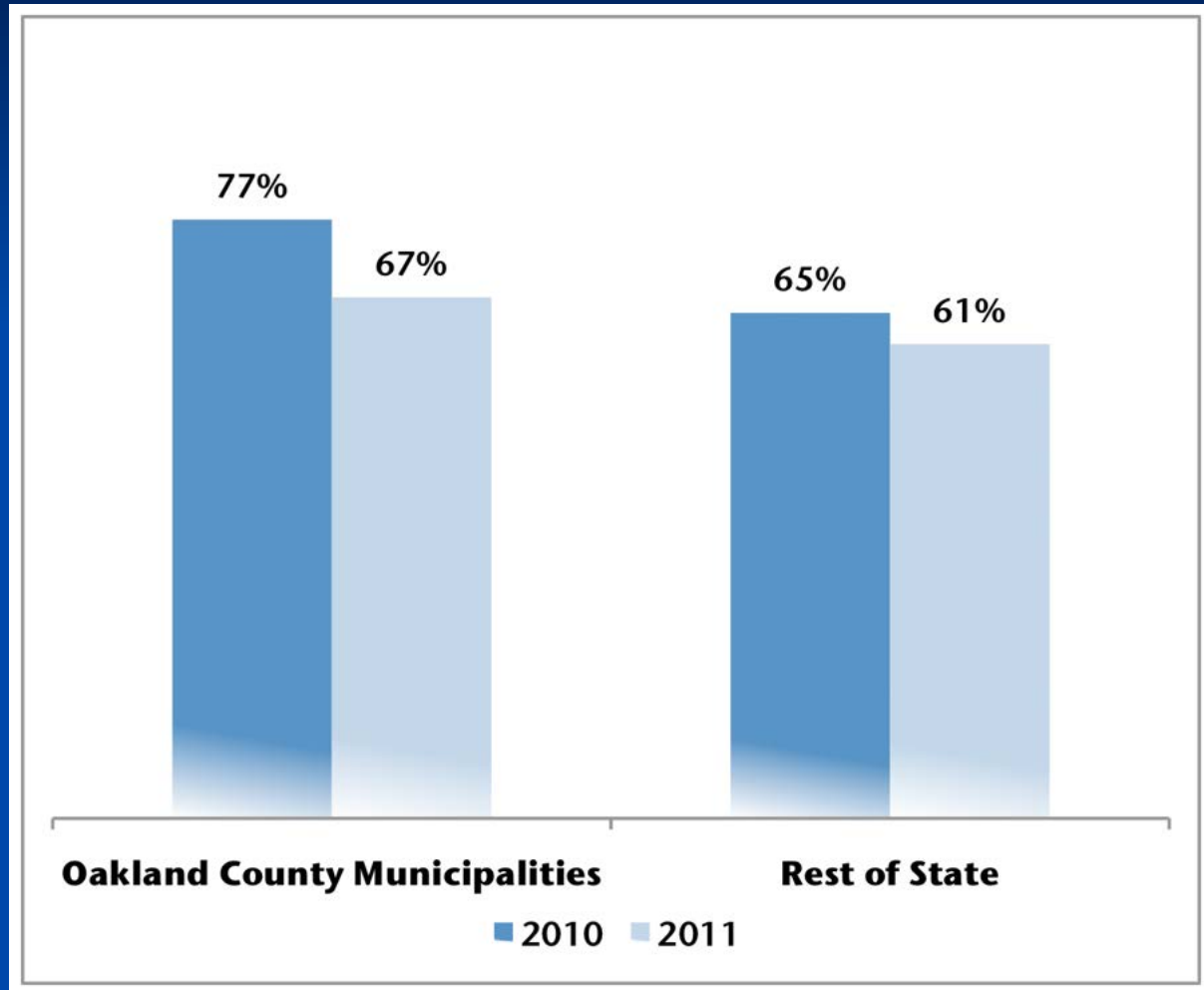
Persistent Problems: Home Foreclosures

% of cities
and villages
reporting
increased
home
foreclosures



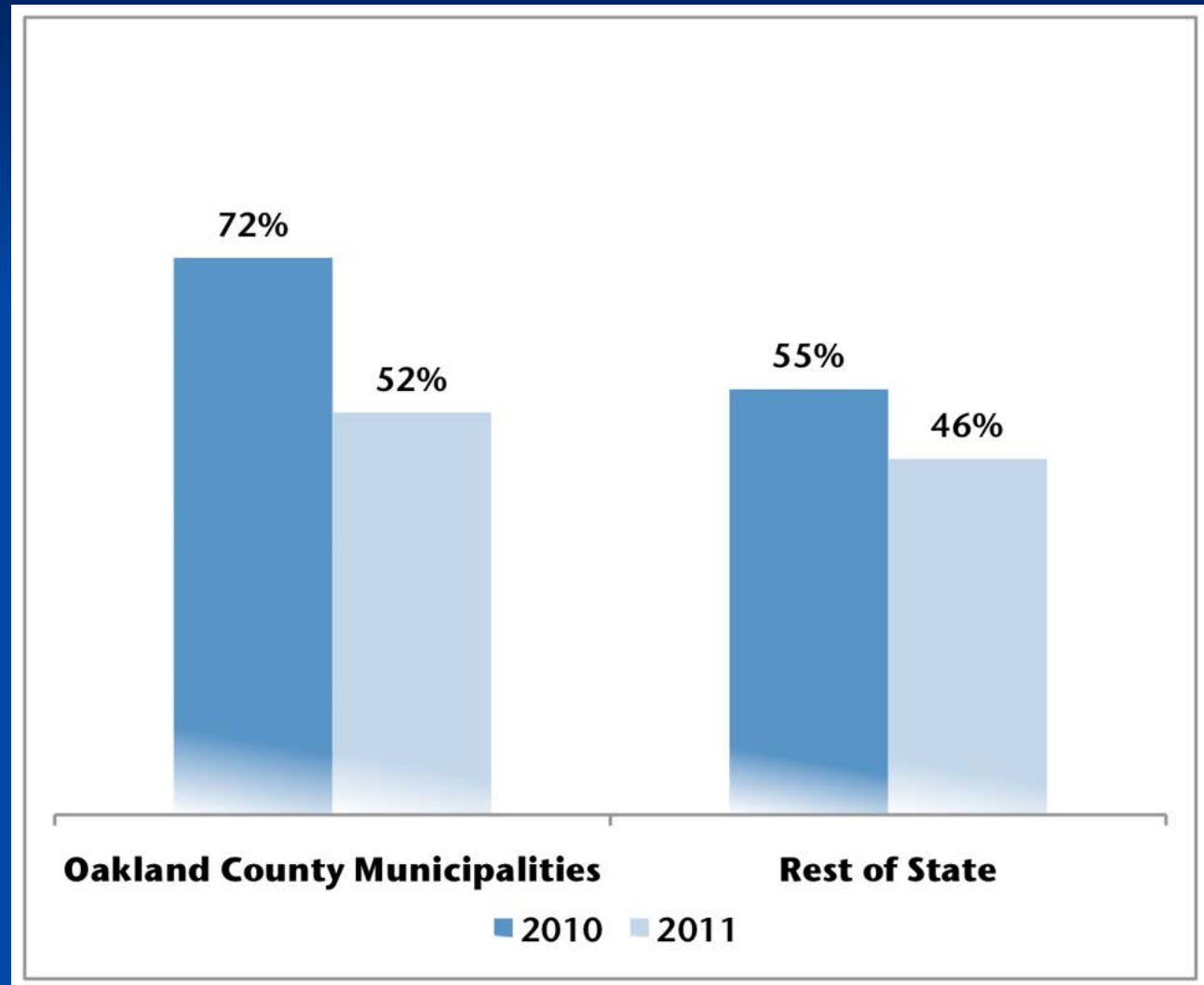
Persistent Problems: Infrastructure Needs

% of cities and villages reporting increased infrastructure needs



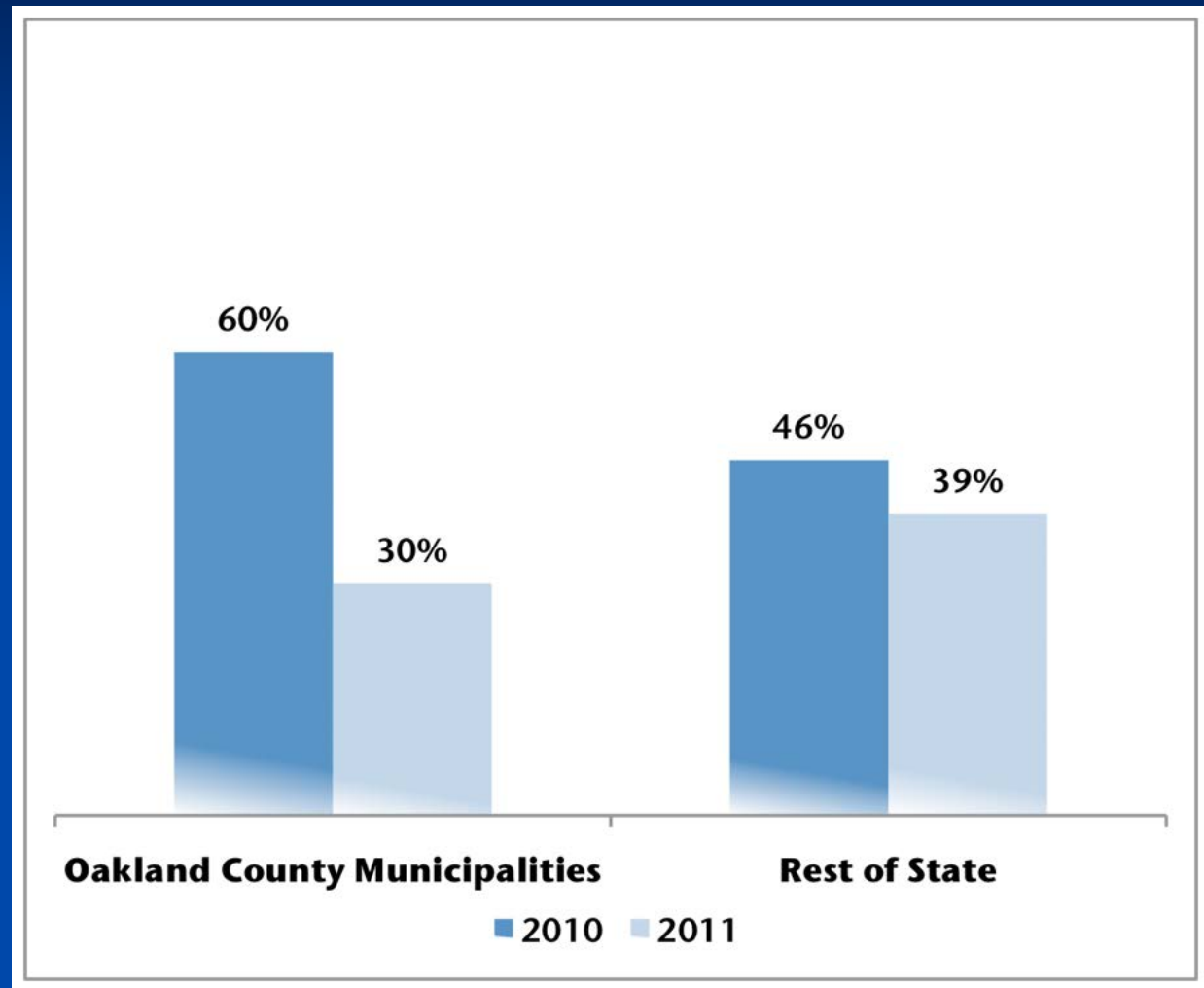
Local Government Responses: General Fund Balance

% of cities and villages planning to increase their reliance on their general fund balance in coming fiscal year



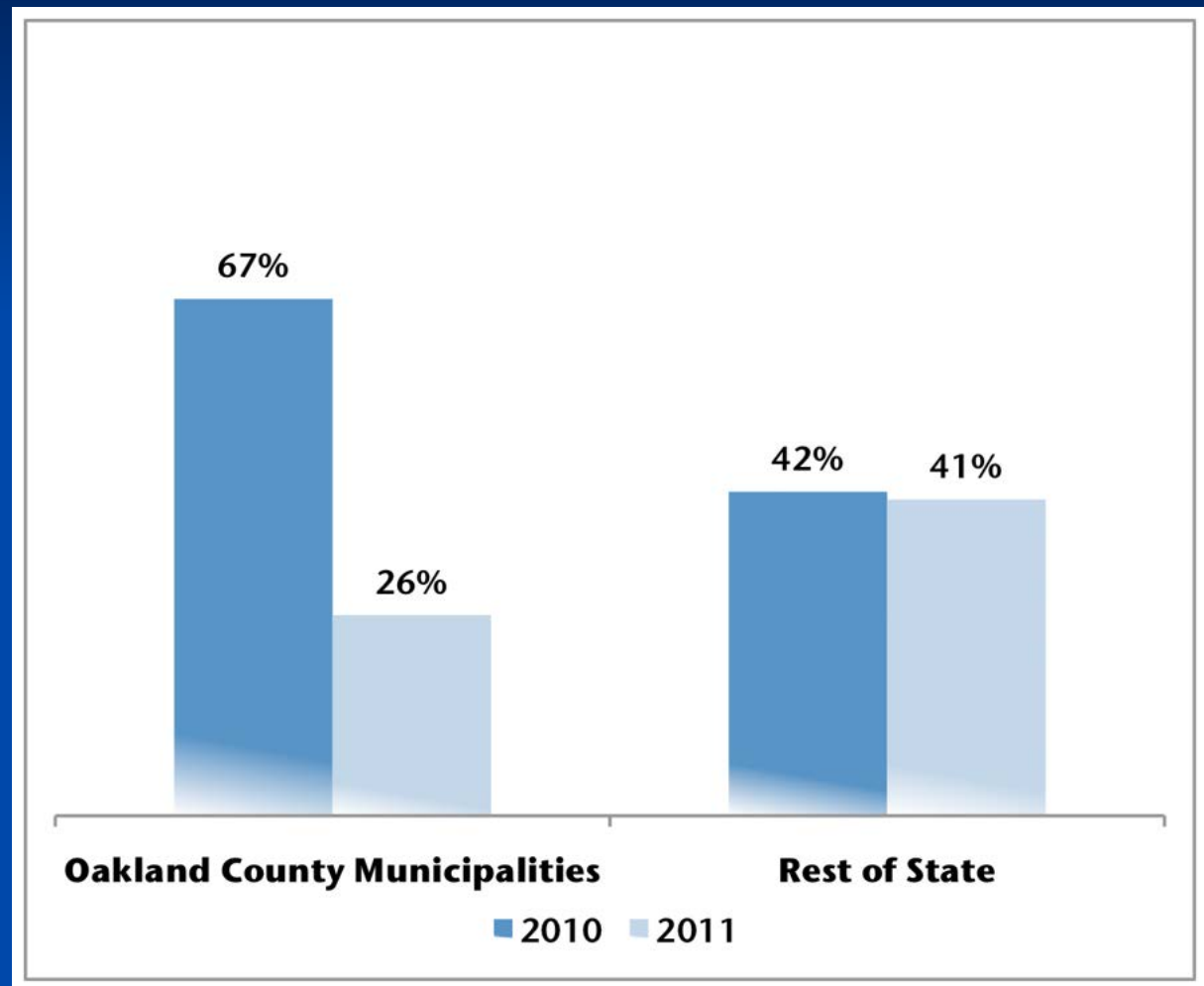
Local Government Responses: Infrastructure Spending

% of cities
and villages
planning to
decrease their
infrastructure
spending



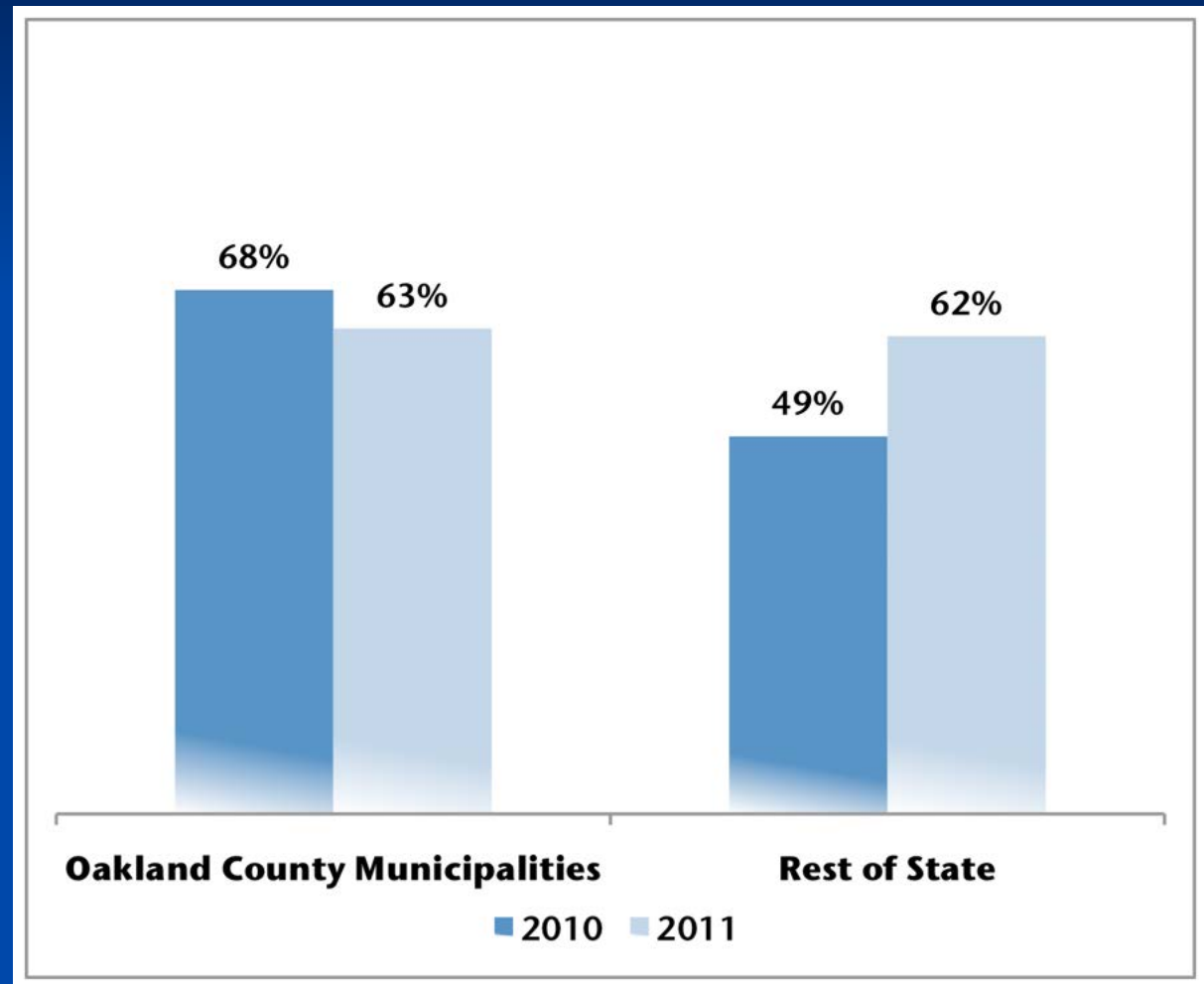
Local Government Responses: Services Provided

% of cities
and villages
planning to
decrease the
amount of
services
provided



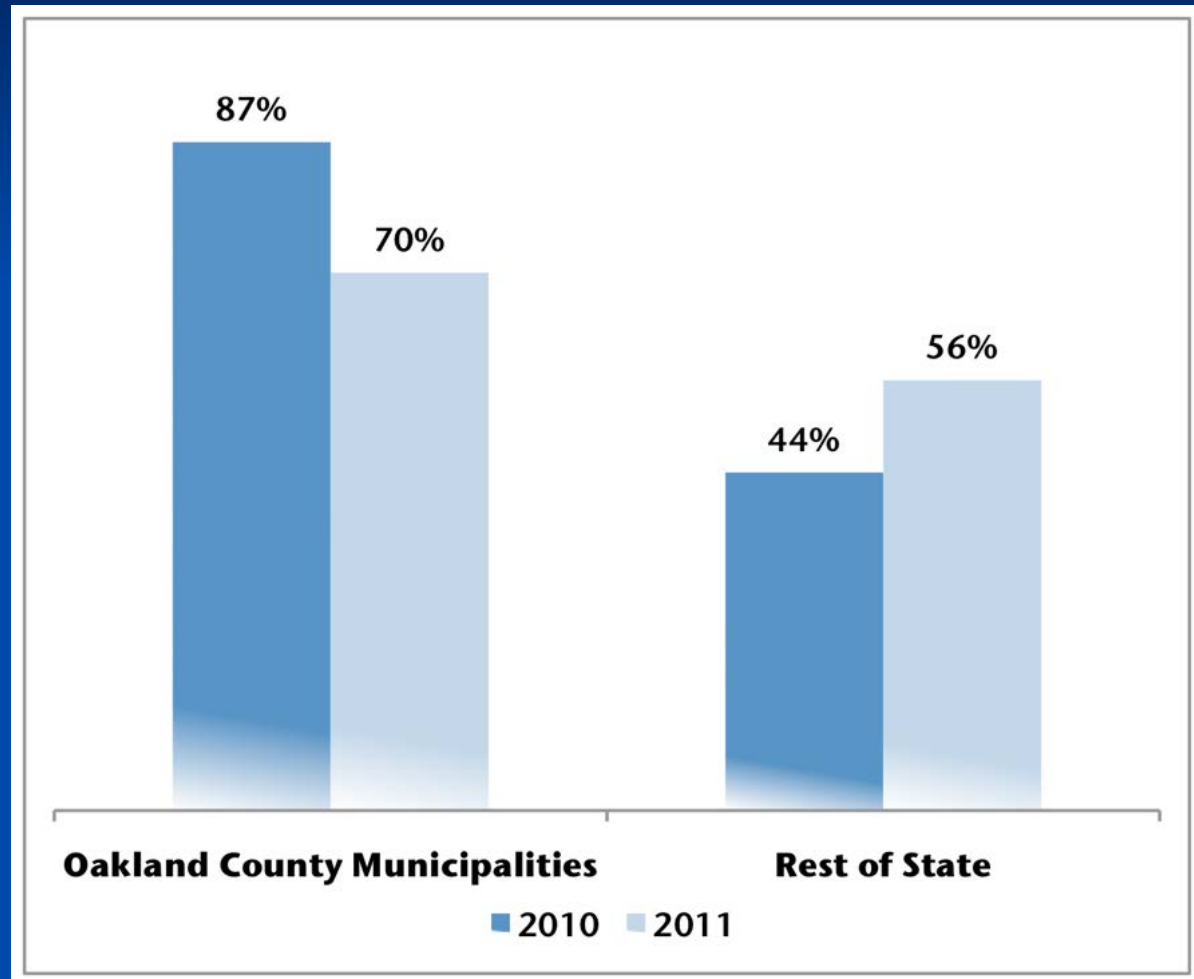
Local Government Responses: Employee Benefits

% of cities
and villages
planning to
increase
health
benefit
costs paid
by their
employees



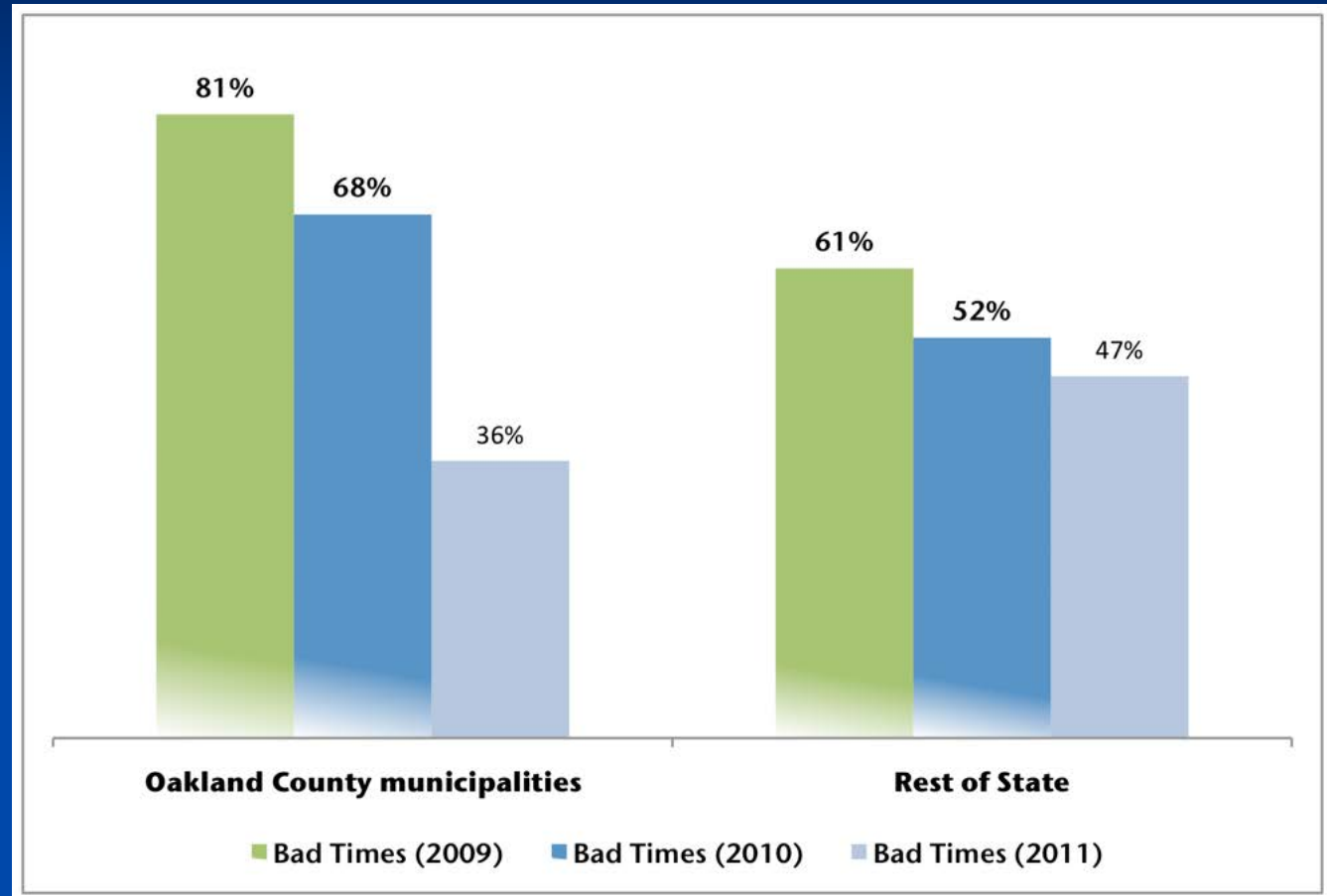
Local Government Responses: Intergovernmental Cooperation

% of cities and
villages
planning to
increase their
collaborative
efforts



Trend over time: Signs of improvement?

% of cities and villages who predict bad times financially in the coming year



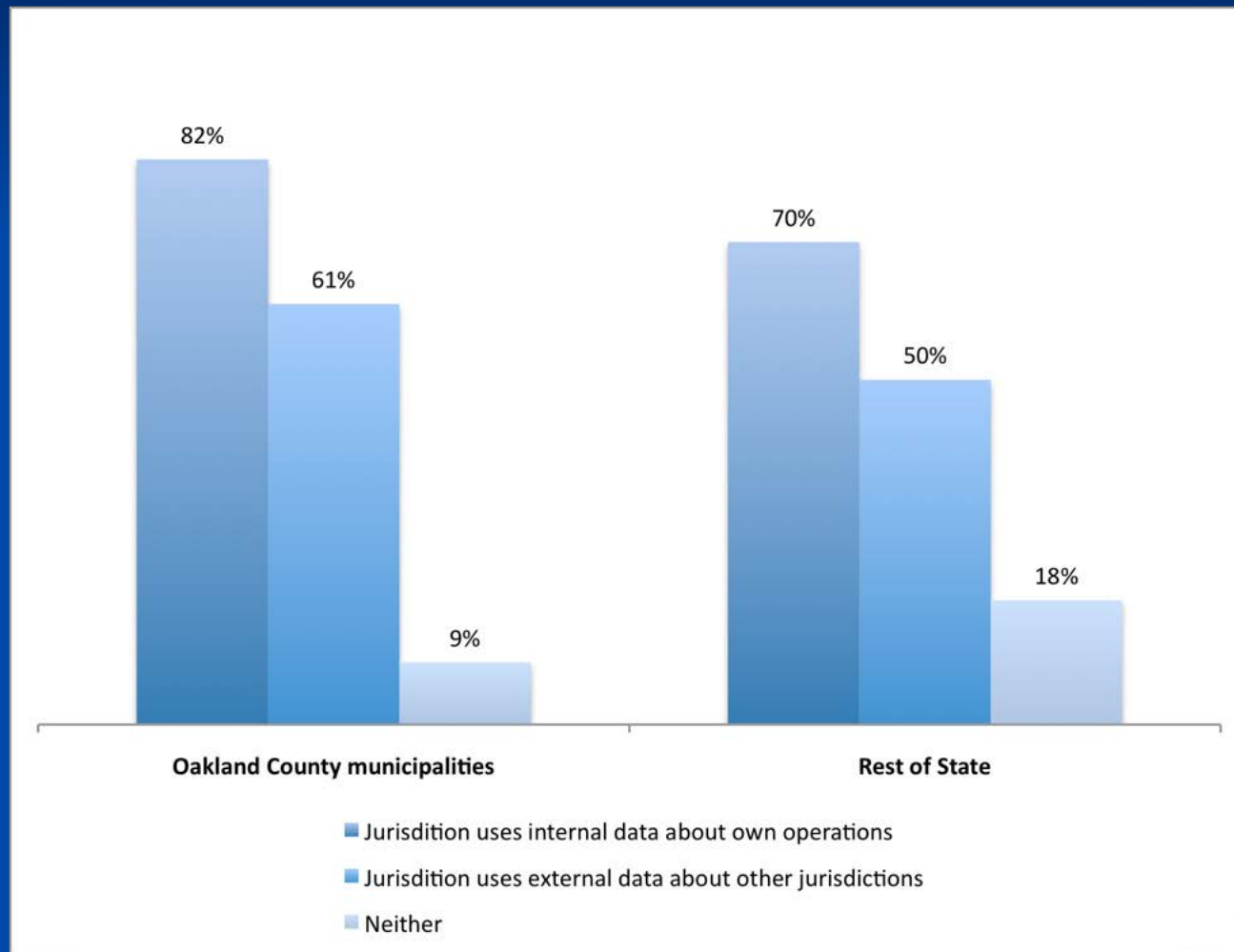
MPPS: Key Findings from Spring 2011

- Continued widespread fiscal stress in Michigan municipalities, with Oakland County especially hard hit
- A leveling off– if little improvement– of some of the steep declines of 2010, particularly in Oakland County

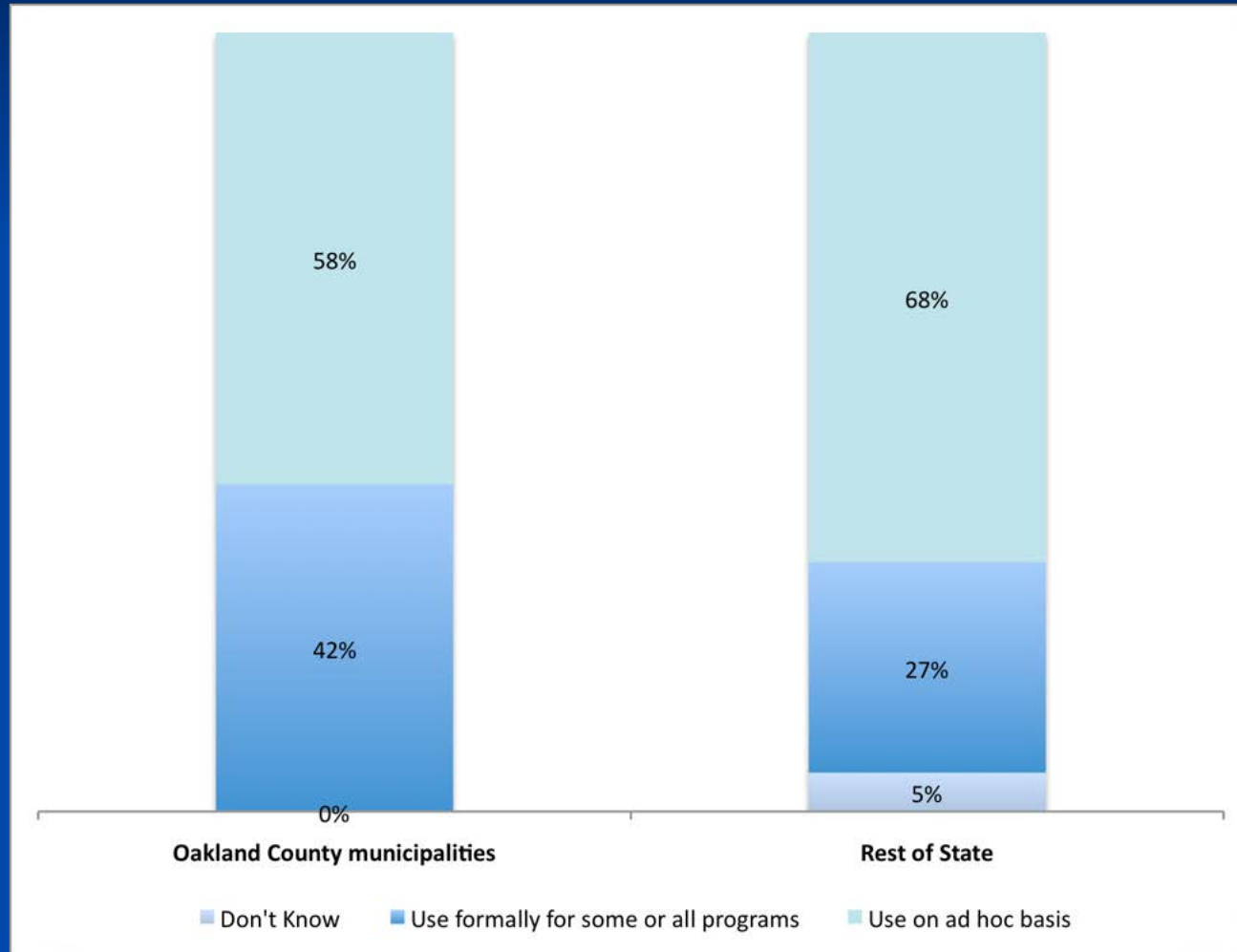
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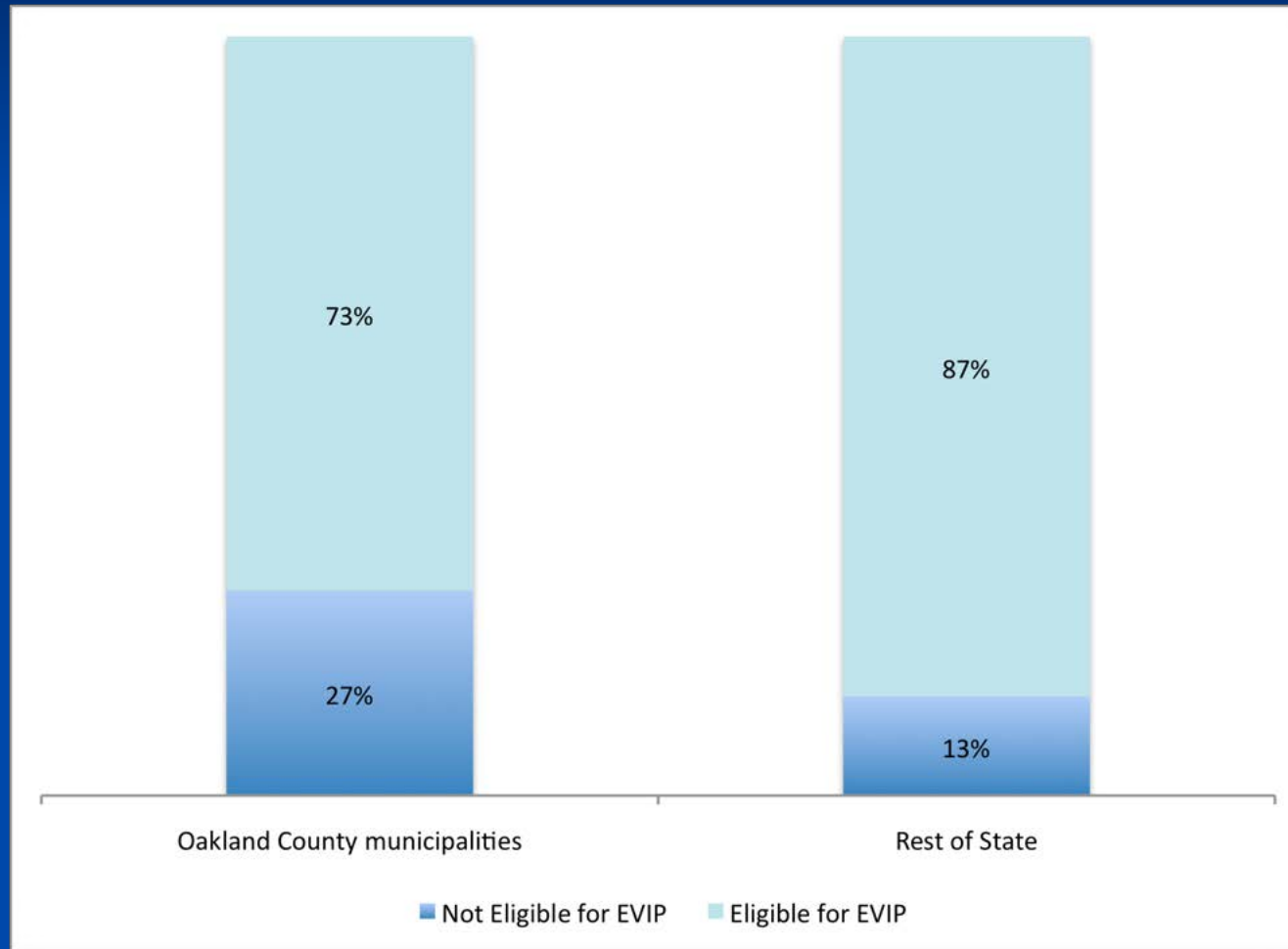
Over 8 in 10 Oakland municipalities use internal data, 6 in 10 use external data



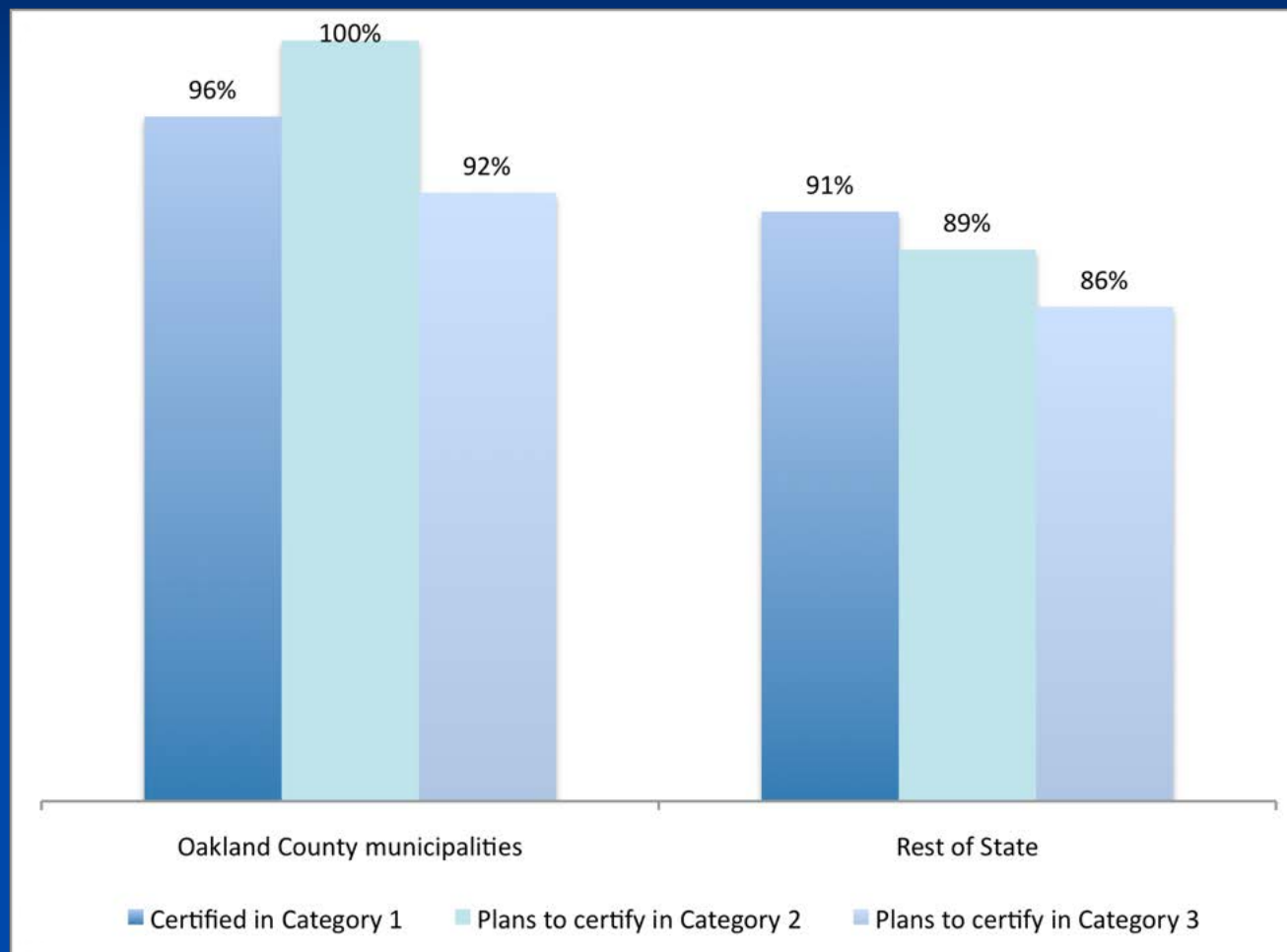
Oakland municipalities more likely to have formal performance measurement systems



73% of Oakland municipalities eligible for EVIP revenue sharing



Almost all EVIP-eligible Oakland municipalities planning to certify for 2011-12 EVIP funds



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