How Are Michigan Local Governments Coping With Fiscal Stress?

Findings from the Spring 2011 Michigan Public Policy Survey (MPPS)

Presentation for
Reinvigorating Public Service in Michigan, 2011 and Beyond
Michigan Capital Area Chapter of the ASPA Conference
September 30, 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 Michigan's local governments
  - How local governments are responding

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)
  - 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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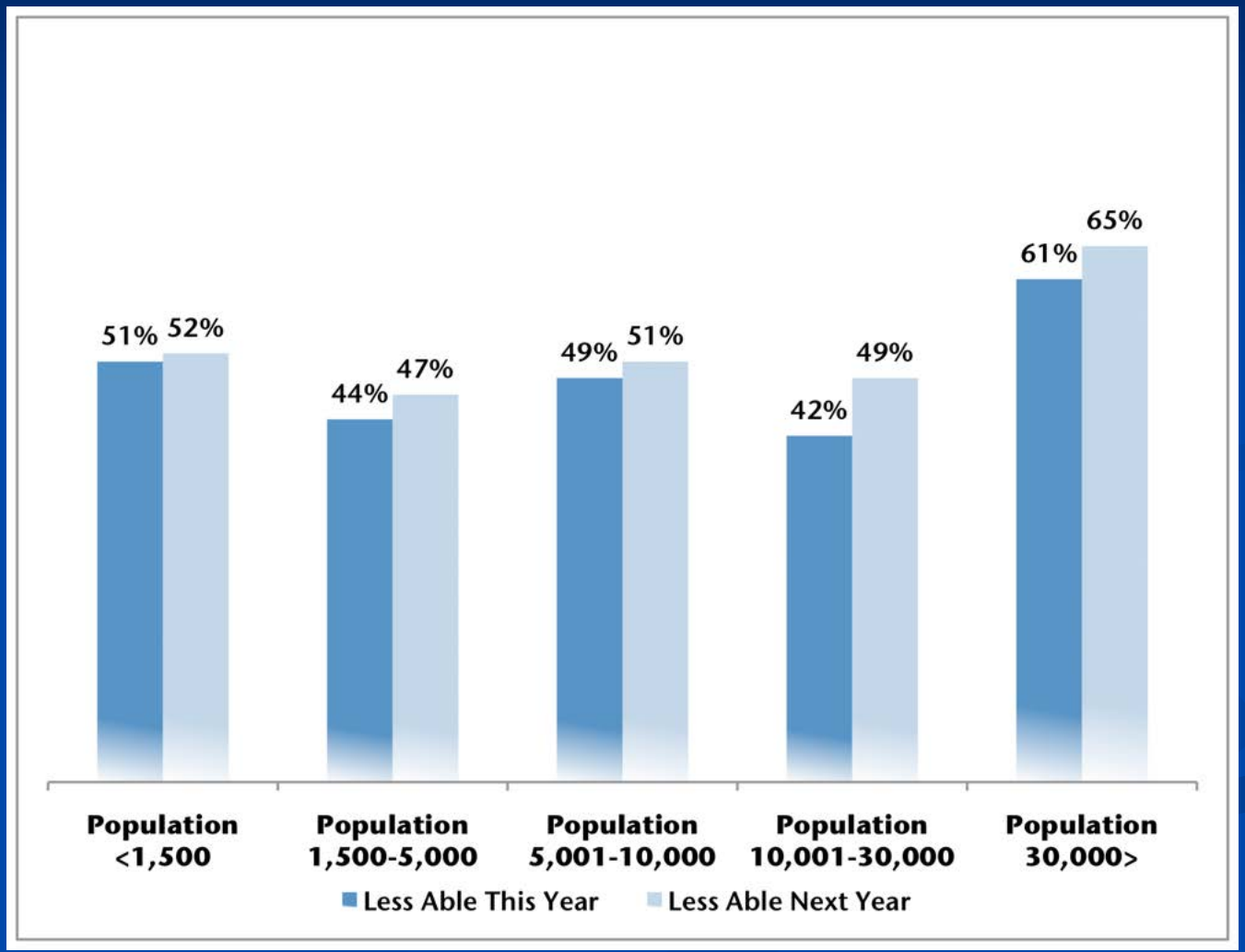
MPPS: Key Findings from Spring 2011

- Michigan's local governments continue to face a wide array of severe fiscal stresses in communities of all sizes, in all regions of the state, including further dwindling of revenues from property tax.

- There has been some leveling off– but little improvement– of the steep declines of 2010 in many fiscal indicators, including fewer jurisdictions overall seeing increasing costs or decreasing their provision of some public services.

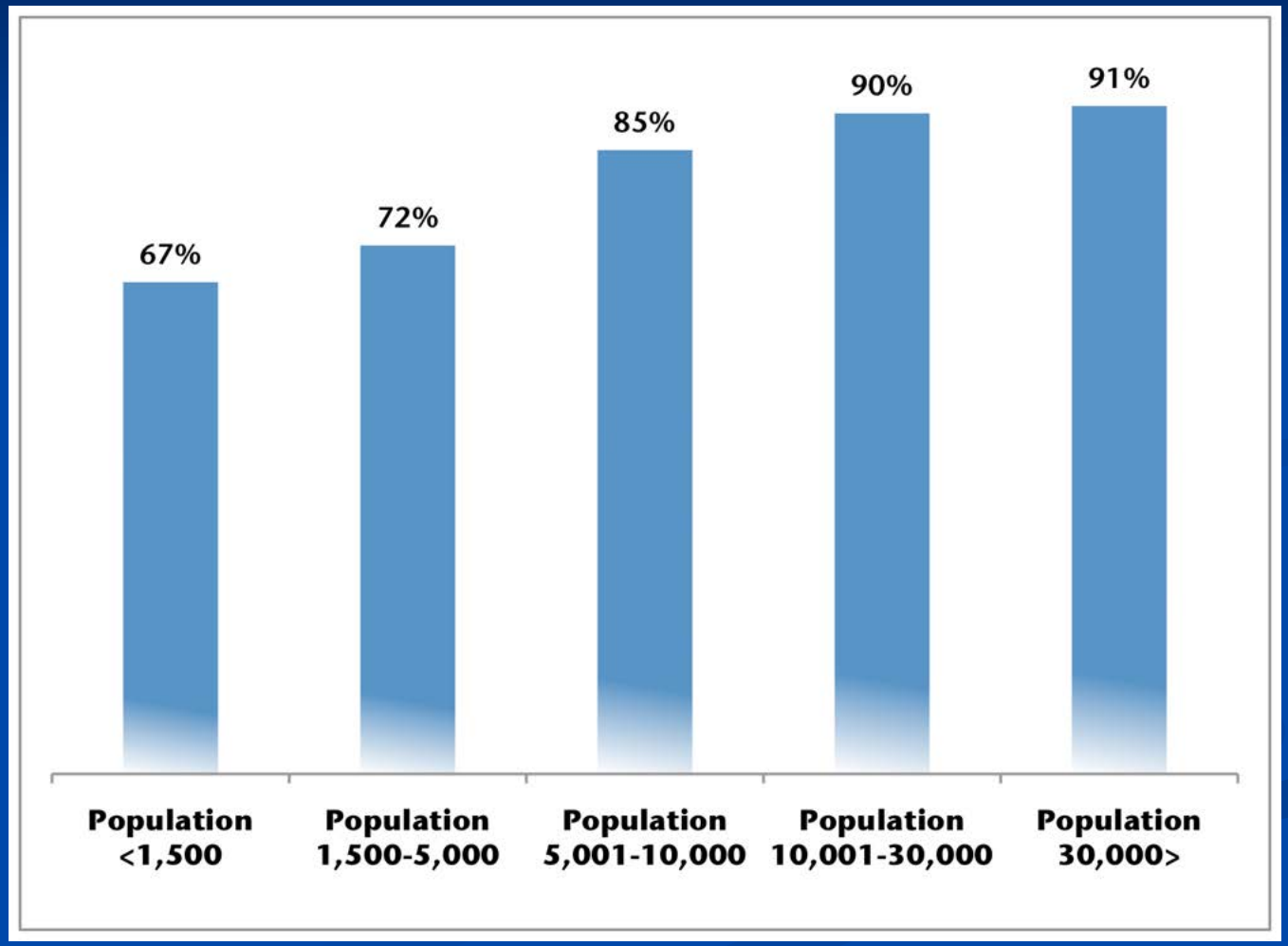
Half of all jurisdictions expect further declines in fiscal health

% of jurisdictions less able to meet their financial needs this year and next year



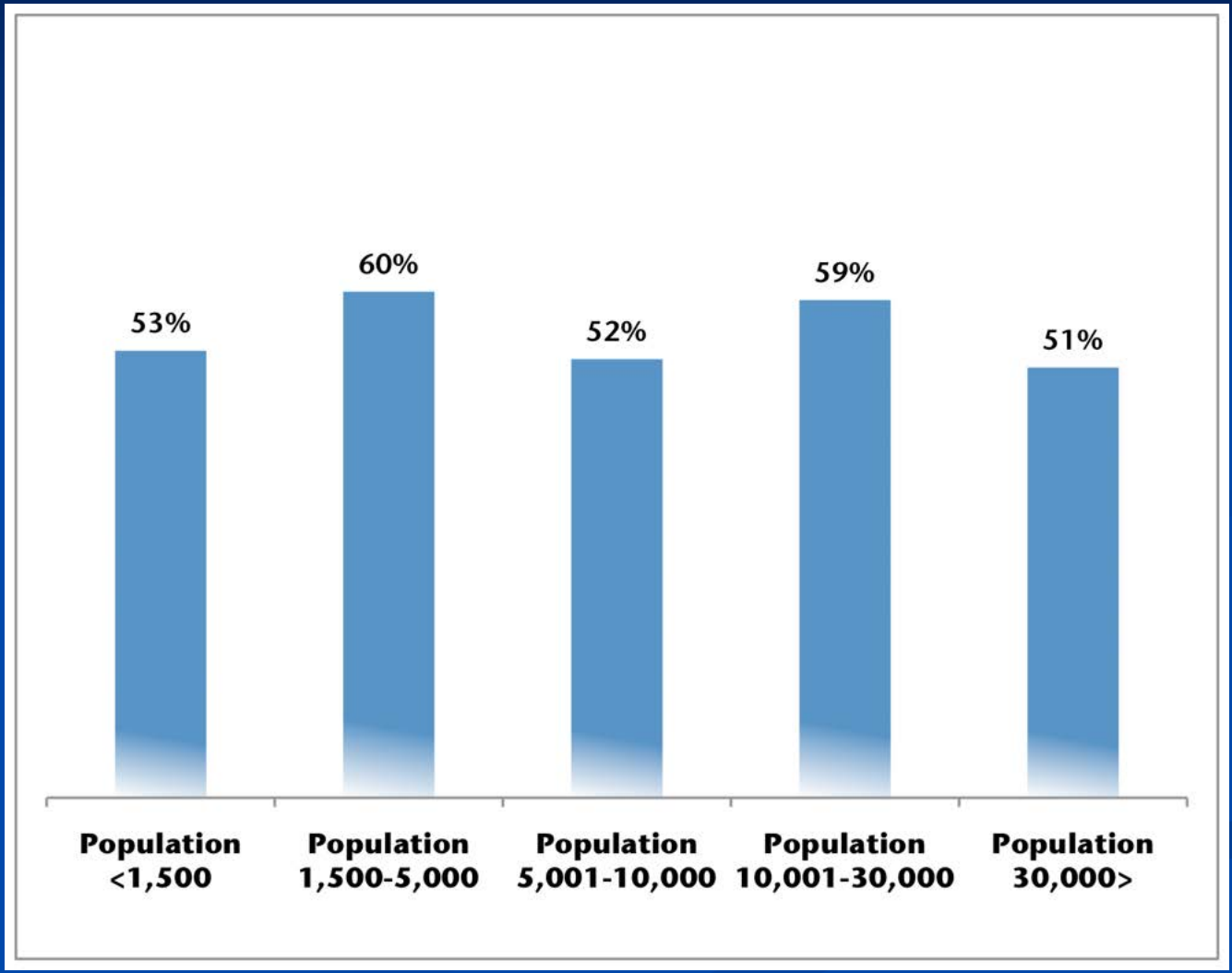
Persistent Problem: Declines in Property Tax Revenue

% of jurisdictions reporting decreases in property tax revenue in 2011



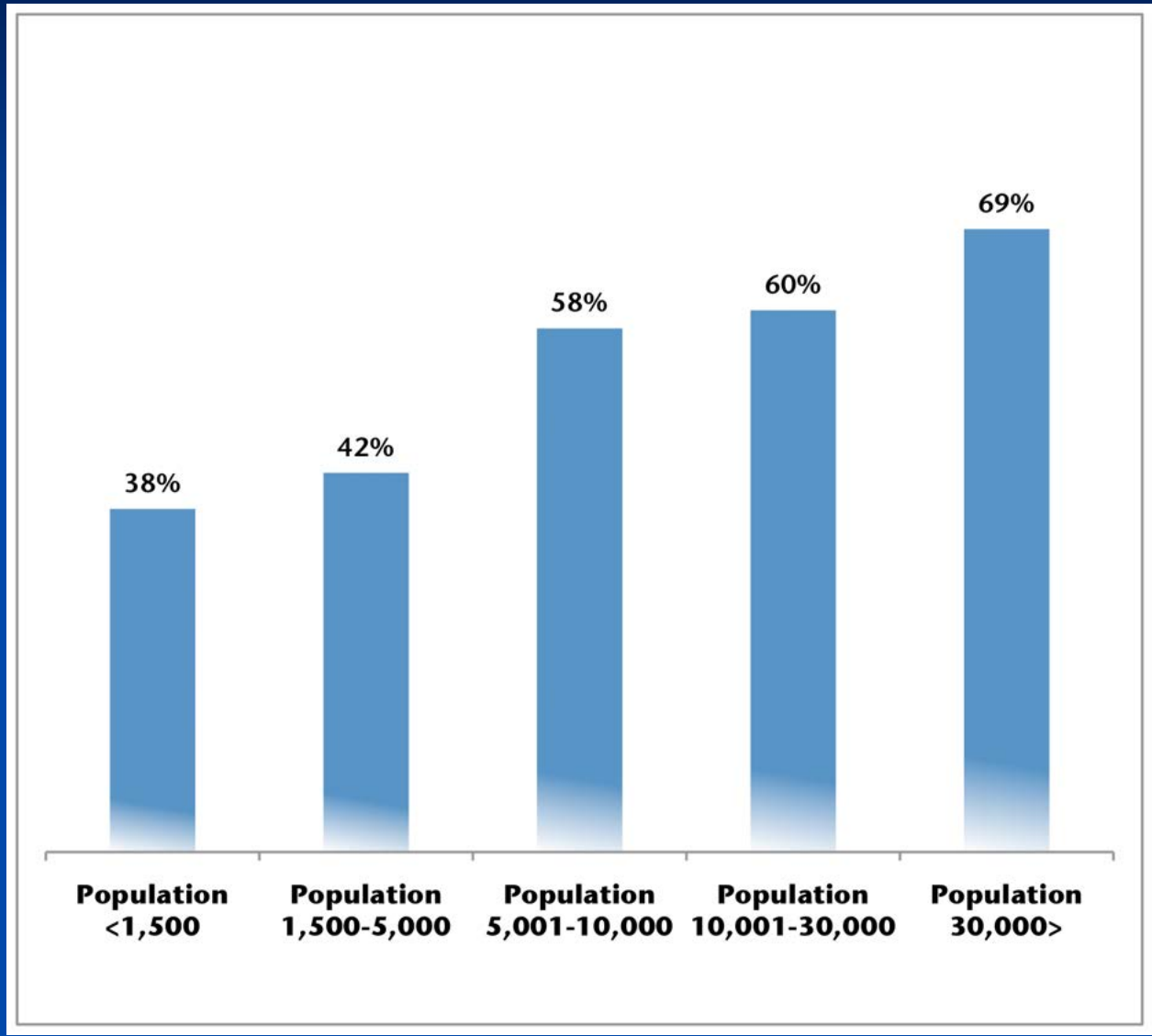
Persistent Problems: Home Foreclosures

% of jurisdictions reporting increased home foreclosures in 2011



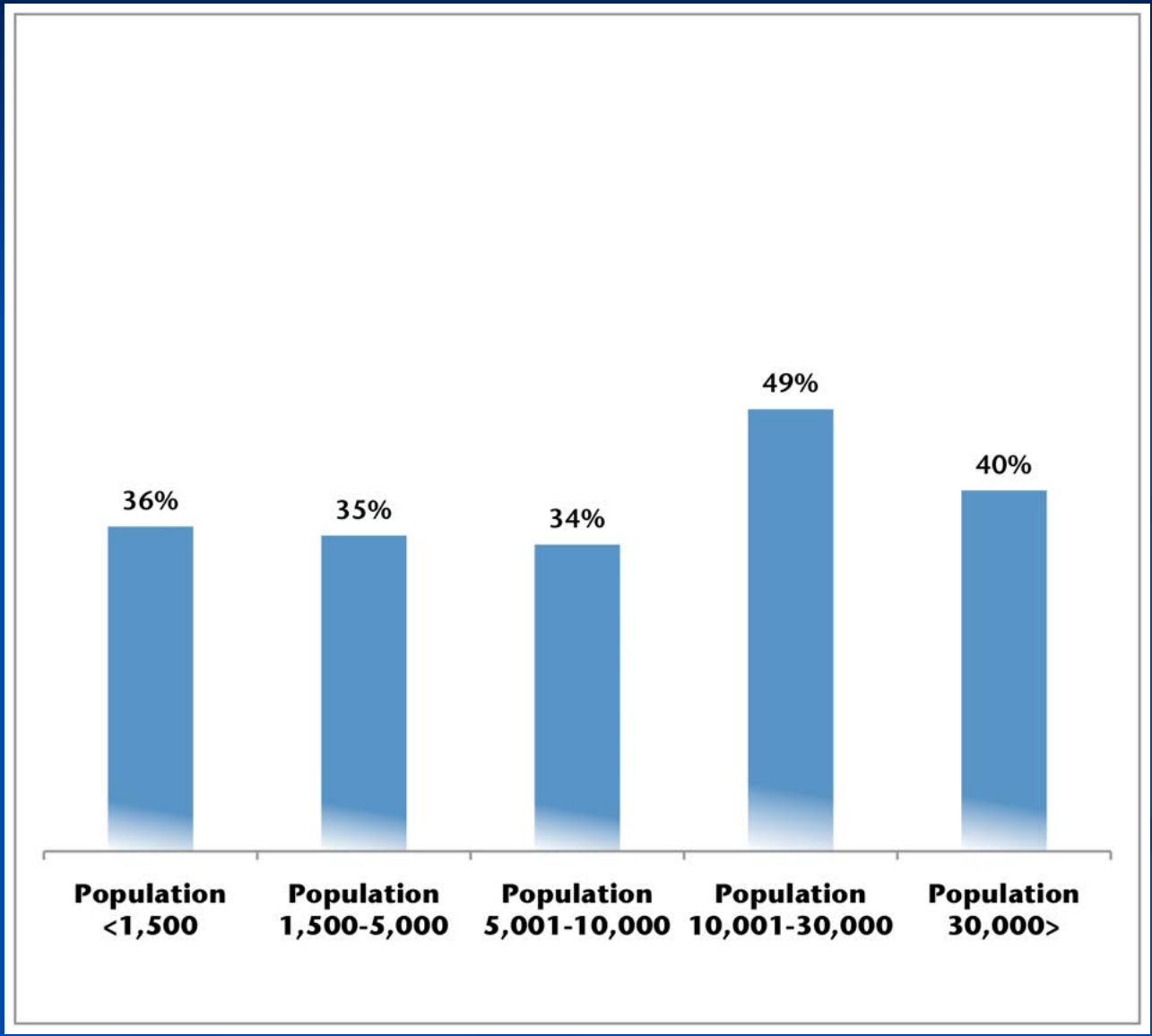
Persistent Problems: Infrastructure Needs

% of jurisdictions reporting increased infrastructure needs



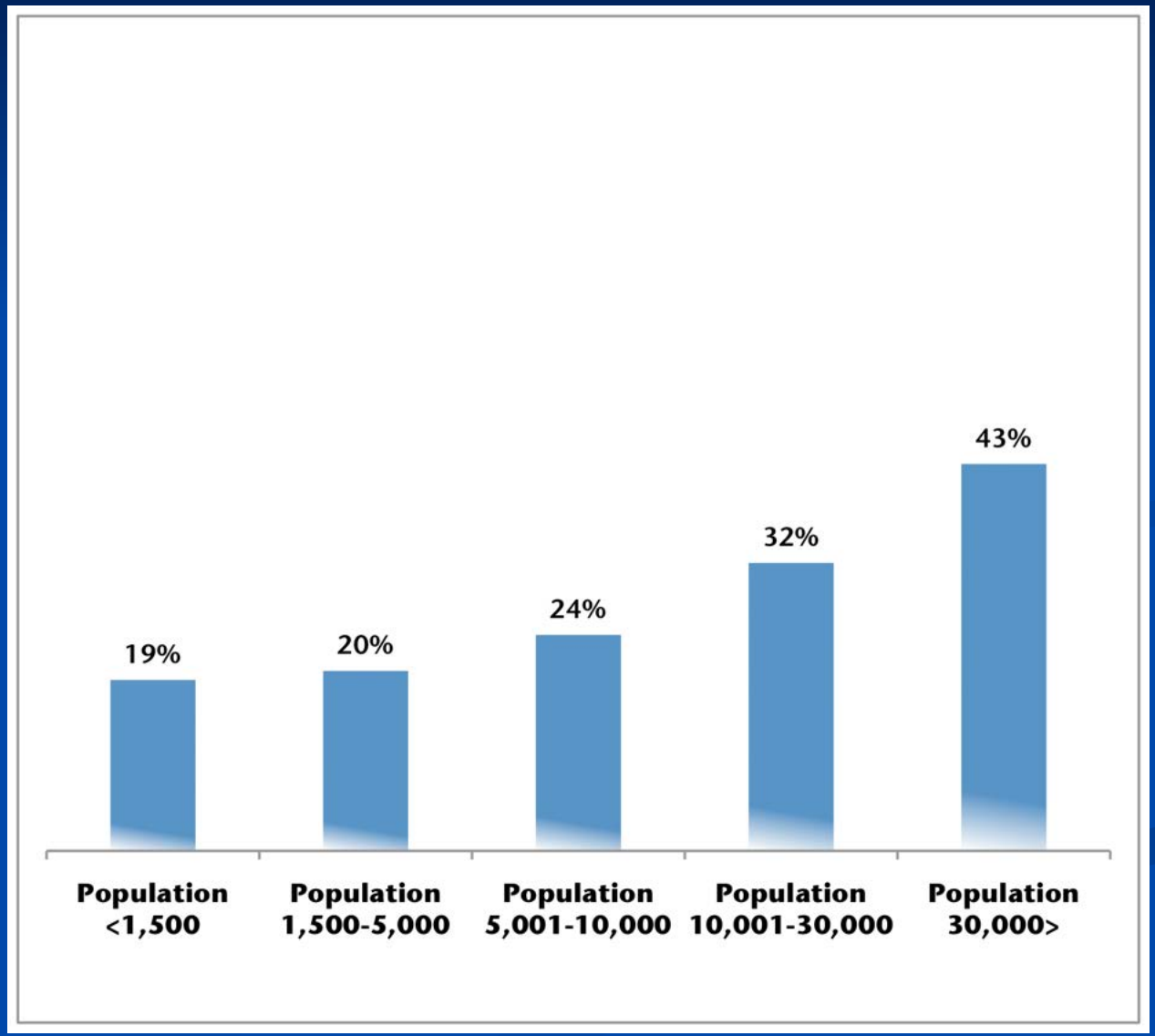
Local Government Responses: General Fund Balance

% of jurisdictions planning to increase their reliance on their general fund balance in coming fiscal year



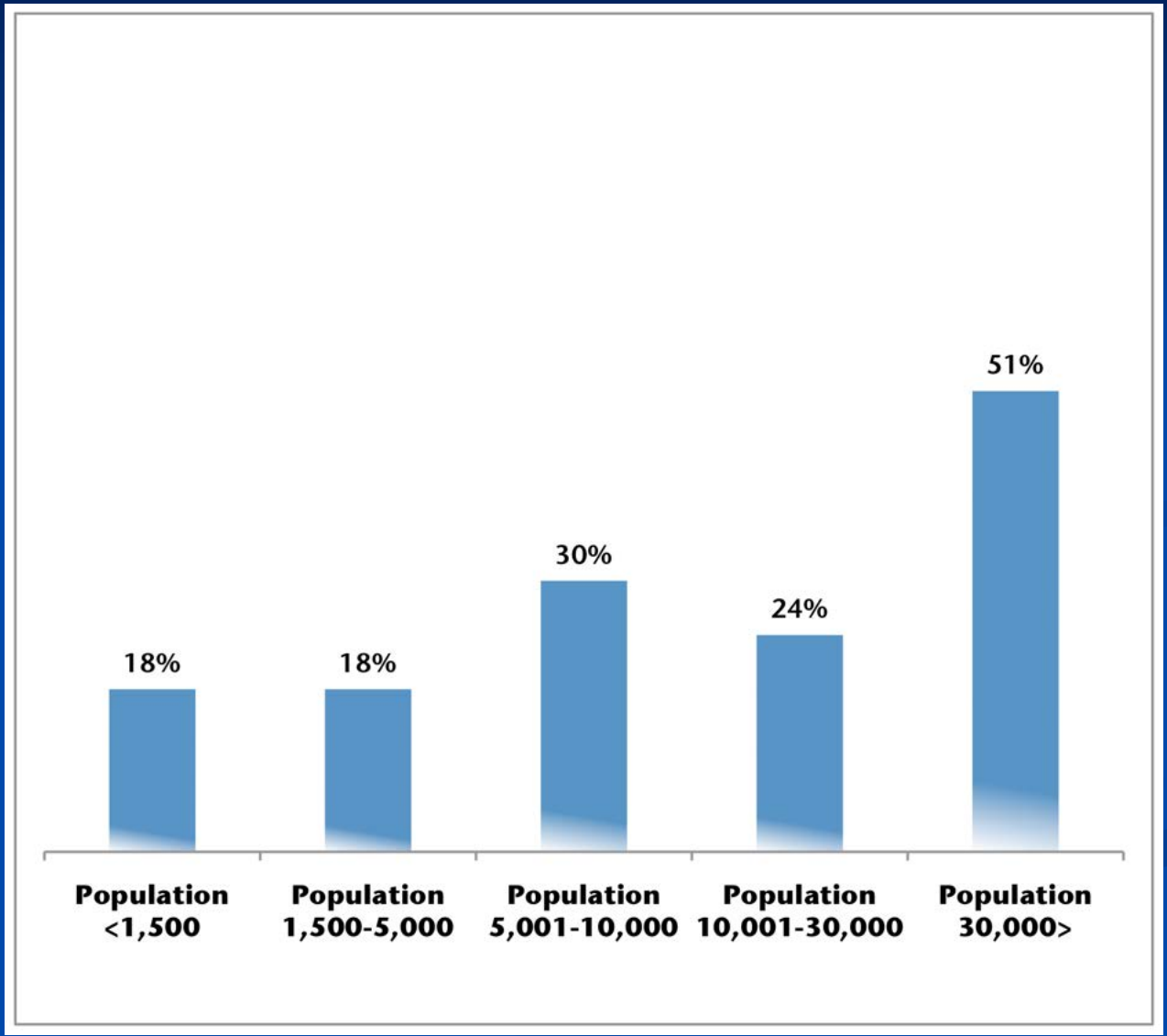
Local Government Responses: Infrastructure Spending

% of jurisdictions planning to decrease their infrastructure spending



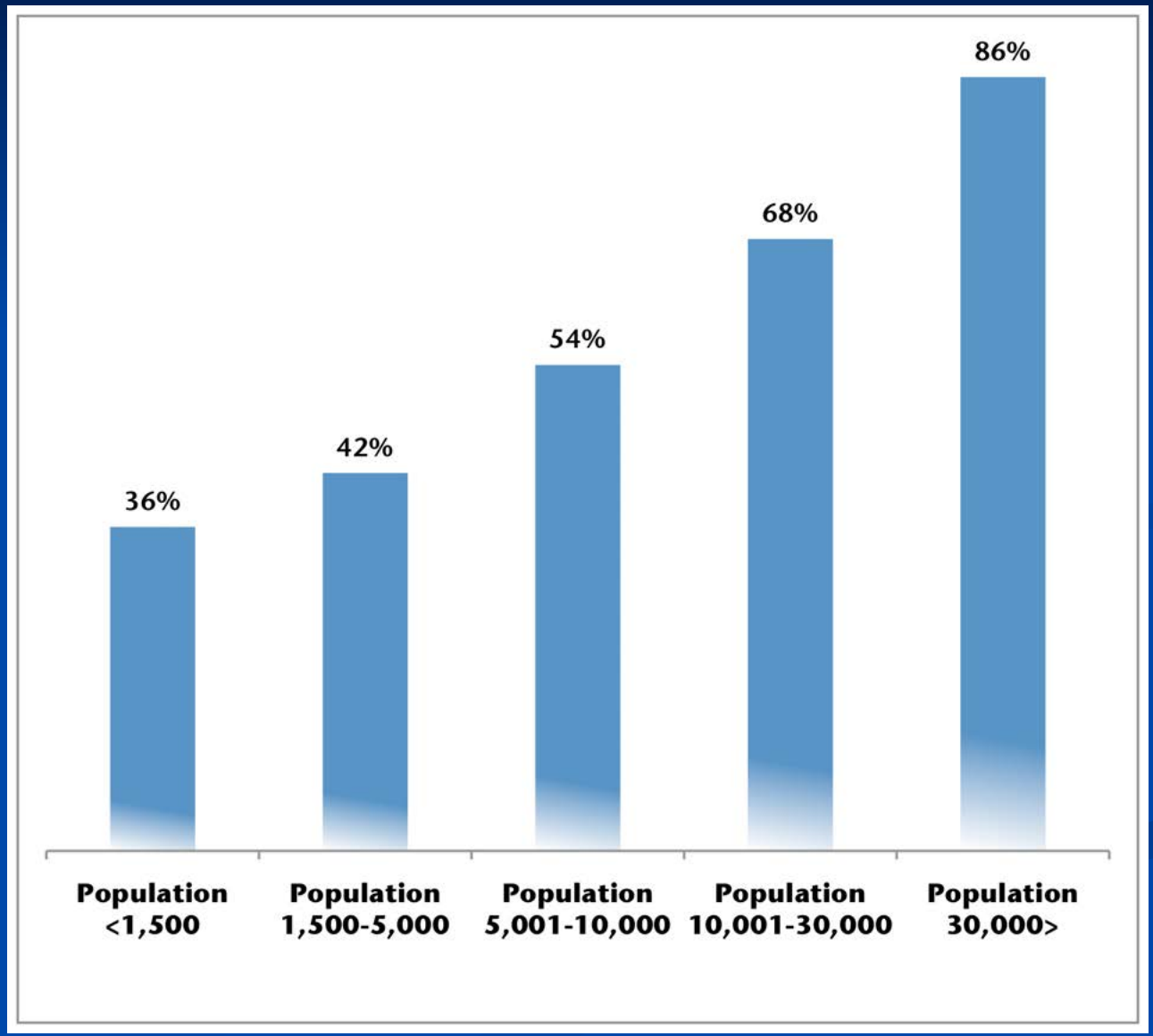
Local Government Responses: Services Provided

% of jurisdictions planning to decrease the amount of services provided



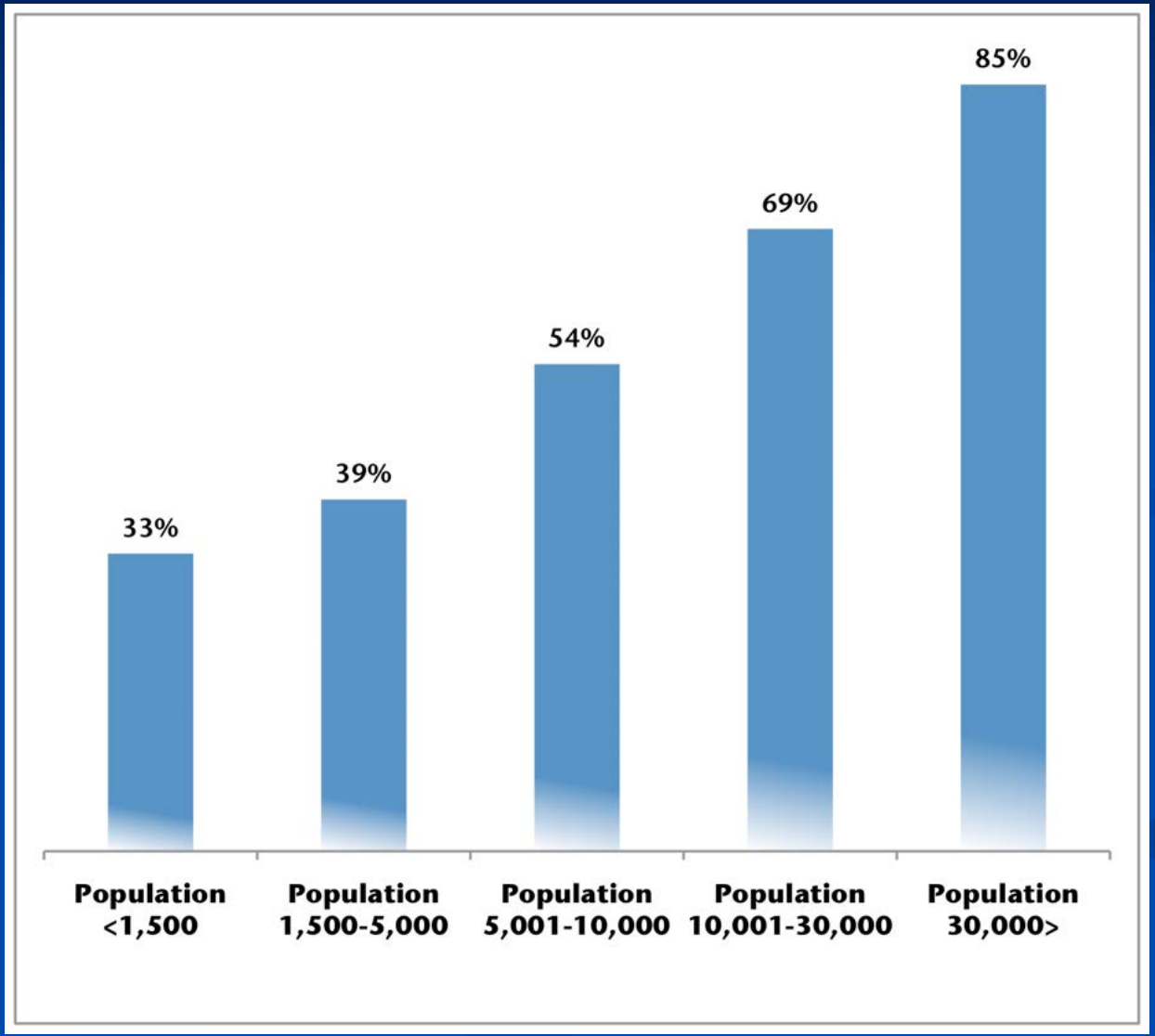
Local Government Responses: Employee Benefits

% of jurisdictions planning to increase health benefit costs paid by their employees



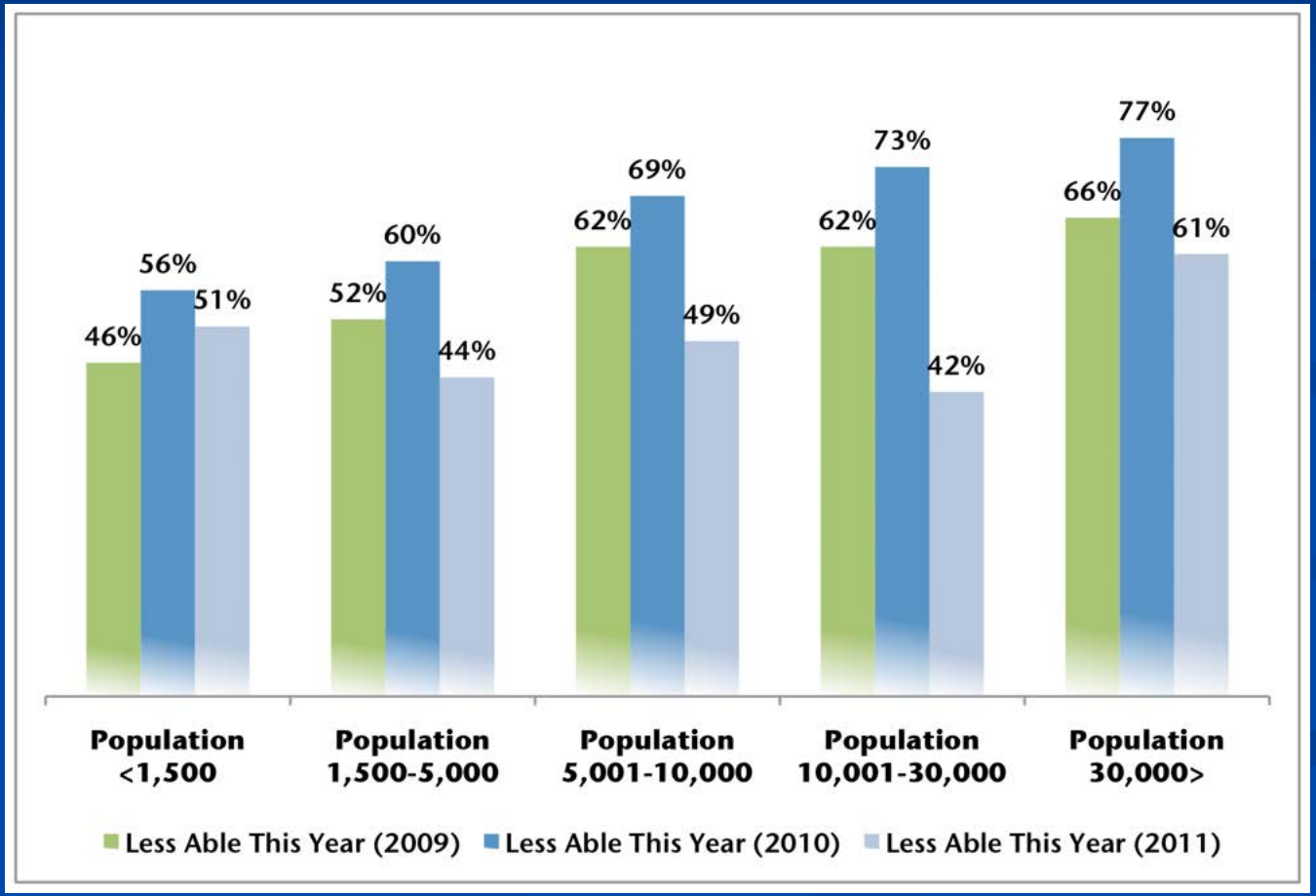
Local Government Responses: Intergovernmental Cooperation

% of jurisdictions planning to increase their collaboration efforts



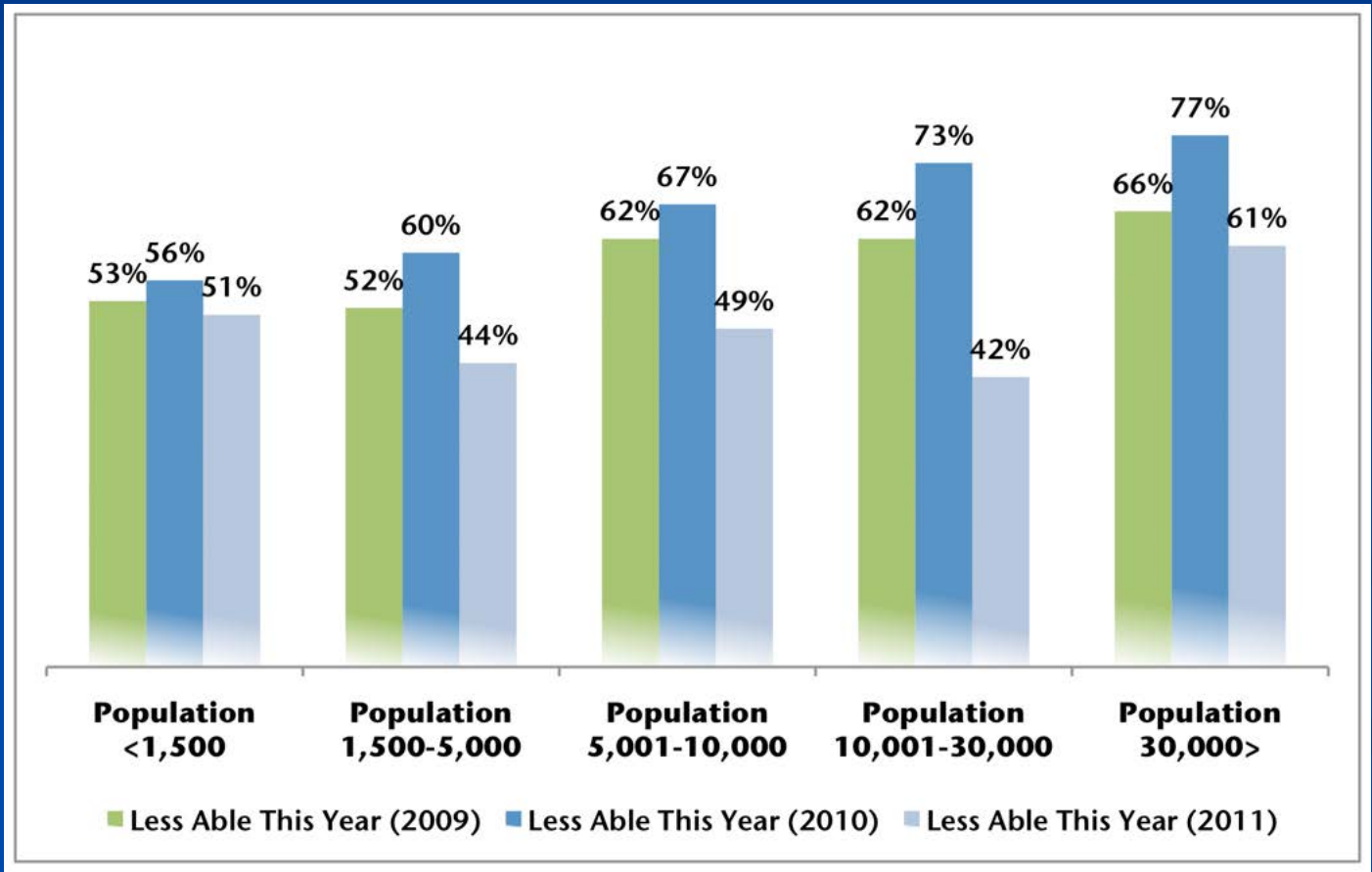
Trend over time: Rates of decline reduced

- Thinking about the financial needs of your jurisdiction, would you say that your unit of government is less able or better able to meet its financial needs this fiscal year compared with the last fiscal year?



Trend over time: Rates of decline reduced

- Thinking about the financial needs of your jurisdiction, would you say that your unit of government will be less able or better able to meet its financial needs next fiscal year compared with this fiscal year?



MPPS: Key Findings from Spring 2011

- Continued widespread fiscal stress in all jurisdiction types, sizes, and regions
- A leveling off– but little improvement– of some of the steep declines of 2010

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