Reactions to Changes to State-Local Revenue Sharing Under the Economic Vitality Incentive Program: an Oakland County Perspective

Presentation by the Center for Local, State, and Urban Policy (CLOSUP) for the Oakland County City Managers’ monthly meeting
April 10, 2012
Presentation Outline

- Overview of the Michigan Public Policy Survey (MPPS)
- Summary of findings on initial local government reactions to the EVIP across the state, including a specific look at Oakland County
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.
  
  - Administered both online and via hardcopy questionnaire.
  
  - 60-70% response rate by jurisdiction… 72% in Fall 2011!
  
  - Survey content developed in close partnership with MML, MTA, and MAC, and Advisory Committees 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.
  - Provide information to local leaders about peers across the state, spread best practices and grass-roots innovative solutions.
  - Provide a voice for local-level concerns to policymakers in Lansing, foundations, community organizations, etc.
  - Build a longitudinal data archive to allow tracking of fundamental changes.
Presentation Outline

- Overview of the Michigan Public Policy Survey (MPPS)

- Summary of findings on initial local government reactions to the EVIP across the state, including a specific look at Oakland County
Total Constitutional and Statutory/EVIP Revenue Sharing Payments to Local Jurisdictions Statewide

[Bar chart showing revenue sharing payments from FY 1996 to FY 2011]
Overview of the EVIP

- **Program Goal:** to incentivize local government policy change to “best practices” in three categories:
  1. Accountability and Transparency
  2. Intergovernmental Cooperation
  3. Employee Compensation

- **Who is eligible for the EVIP?**
  - 486 jurisdictions
  - Those that received greater than $4,500 in statutory revenue sharing in fiscal year 2009-10
MPPS Fall 2011 Wave findings:

Slim majority of local leaders are very familiar with EVIP, but many are not well informed

(among eligible jurisdictions)
EVIP Category 1: Accountability and Transparency
MPPS Fall 2011 Wave findings:

A core of local officials believe strongly in dashboards, but most have doubts about efficacy

(among all jurisdictions)
MPPS Fall 2011 Wave findings:

Oakland officials only slightly more enthusiastic about dashboards

(among Oakland jurisdictions)
Most EVIP jurisdictions created dashboards, few ineligible jurisdictions have or plan to

(among all jurisdictions)
MPPS Fall 2011 Wave findings:

As an incentive program, the EVIP seems to be working

<table>
<thead>
<tr>
<th>Official says dashboard would be</th>
<th>Among EVIP-eligible jurisdictions</th>
<th>Among those not EVIP-eligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>very effective</td>
<td>90% produced a dashboard</td>
<td>15% produced a dashboard</td>
</tr>
<tr>
<td>very ineffective</td>
<td>81% produced a dashboard</td>
<td>8% produced a dashboard</td>
</tr>
</tbody>
</table>
MPPS Fall 2011 Wave findings:

Some jurisdictions concerned about the dashboard measures they’re using

(among all jurisdictions with dashboards)
EVIP Category 2: Consolidation of Services
MPPS Fall 2010 Wave findings:

81% of EVIP-eligible jurisdictions were already engaged in collaboration

(among eligible jurisdictions)
MPPS Fall 2010 Wave findings:
Most EVIP-eligible jurisdictions were also pursuing *new* collaboration in 2010

![Bar chart showing percentage of EVIP-eligible and not eligible jurisdictions by population category.](chart.png)
91% of EVIP-eligible jurisdictions certified for Category 2 EVIP funds (among eligible jurisdictions)
Jurisdictions that “flipped” were eligible for more Category 2 EVIP funds

<table>
<thead>
<tr>
<th>Non-collaborating jurisdictions that &quot;flipped&quot; in 2012</th>
<th>Non-collaborating jurisdictions that did not &quot;flip&quot; to start collaborating in 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average EVIP funds jurisdiction received/would have received</td>
<td>$4,995</td>
</tr>
<tr>
<td></td>
<td>$1,964</td>
</tr>
</tbody>
</table>

(among eligible jurisdictions that were not planning collaboration)
EVIP Category 3: Employee Compensation
MPPS Fall 2011 Wave findings:
85% of EVIP-eligible jurisdictions plan to comply regarding changes to employee compensation

(among eligible jurisdictions)
MPPS Spring 2011 Wave findings:

66% of EVIP-eligible jurisdictions were already planning increases in employee health care contributions

(among EVIP eligible jurisdictions that offer pension benefits)
EVIP Grant Funding for Supporting Collaboration
MPPS Fall 2011 Wave findings:

Only small proportion of state’s jurisdictions familiar with grant program for collaboration

![Chart showing the proportion of familiarity levels among jurisdictions.]

- **Total Statewide**
  - Very familiar: 9%
  - Somewhat familiar: 28%
  - Mostly unfamiliar: 31%
  - Completely unfamiliar: 25%
  - Don’t know: 7%

- **Oakland County**
  - Very familiar: 23%
  - Somewhat familiar: 19%
  - Mostly unfamiliar: 51%
  - Completely unfamiliar: 3%
  - Don’t know: 4%
MPPS Fall 2011 Wave findings:

Few officials say their jurisdictions are likely to apply for EVIP grants.
Key Findings from MPPS Fall 2011 EVIP data

- Understanding of Michigan’s EVIP policy innovation is uneven among local leaders across the state.

- A core group of local officials believe strongly in efficacy of dashboards, but many are skeptical.

- Many jurisdictions were already pursuing collaboration and changes to employee compensation.

- Nevertheless, eligible local jurisdictions are complying with EVIP requirements in order to receive funding.
Current and future MPPS survey content

- Types of questionnaire items? Other survey topics?

- Targeted to specific jurisdiction types? (counties only? counties and cities?)

- How should MPPS data and reports be analyzed and disseminated?

Contact us at: closup-mpps@umich.edu
Reactions to Changes to State-Local Revenue Sharing Under the Economic Vitality Incentive Program: an Oakland County Perspective

http://www.closup.umich.edu