

Michigan local government officials' views on pension and OPEB obligations: **A statewide overview from the MPFS**

Presented at the
MML Fall Conference
September 18, 2015

What is the Michigan Public Policy Survey?

- **A census survey** – all counties, cities, villages, and townships in Michigan
- **Respondents** – chief elected and appointed officials
- **Administered** – online and via hardcopy
- **Timing** – Spring and Fall each year
- **Topics** – wide range, such as fiscal health, budget priorities, economic development, intergovernmental cooperation, employee policies, labor unions, state relations, environmental sustainability, citizen engagement, much more.

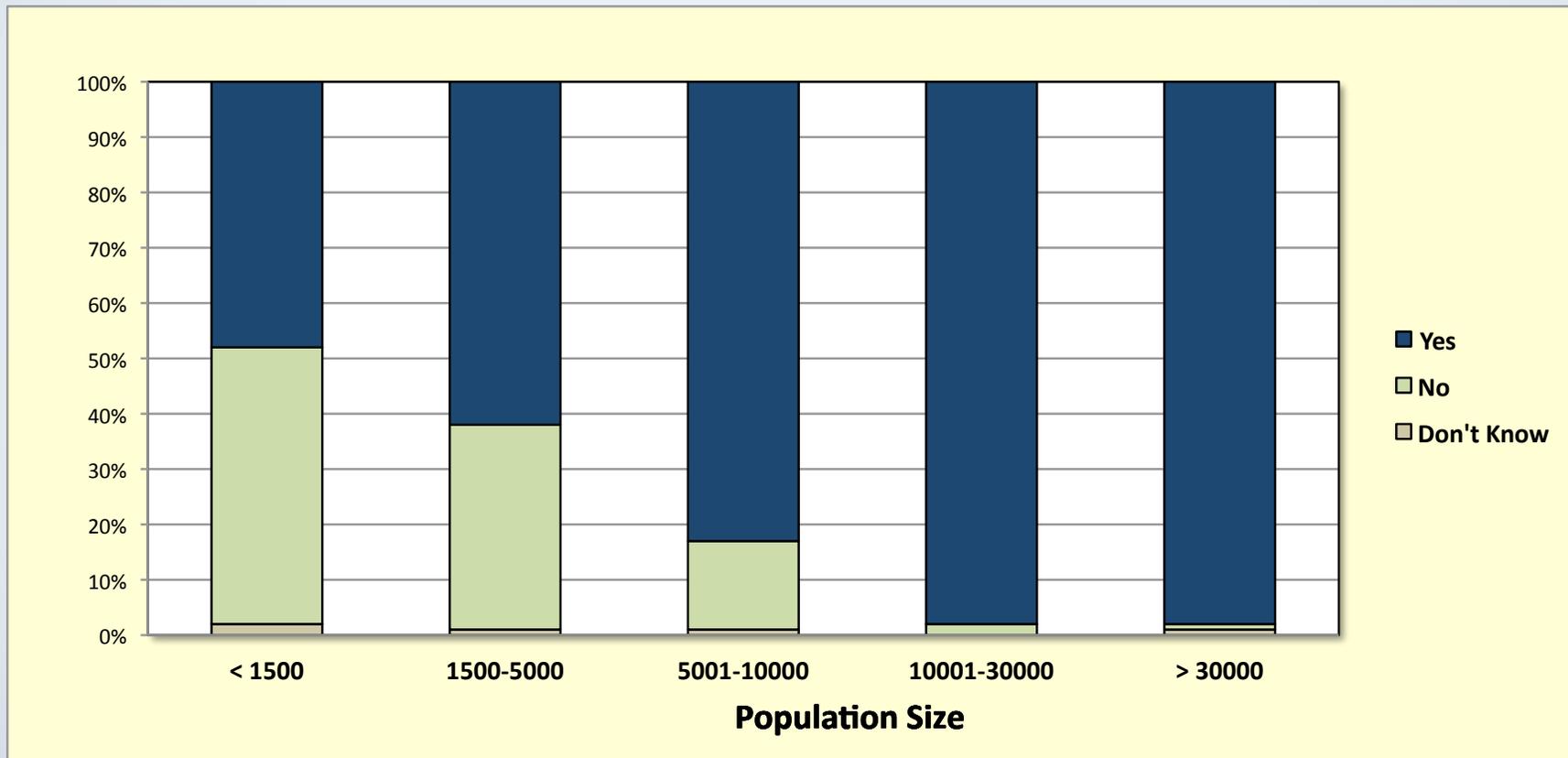
Why the MPPS is not a typical opinion poll

- **70+% response rates**
- **Transparency**
 - Questionnaires online
 - Pre-run data tables online
 - Sharing of (anonymized) datasets with other researchers
- **Brings in expert advisors on questionnaire content, including MML, MTA, and MAC**
- **Borrows from other proven sources such as NLC and ICMA**

Michigan local governments' Retirement Income Benefits

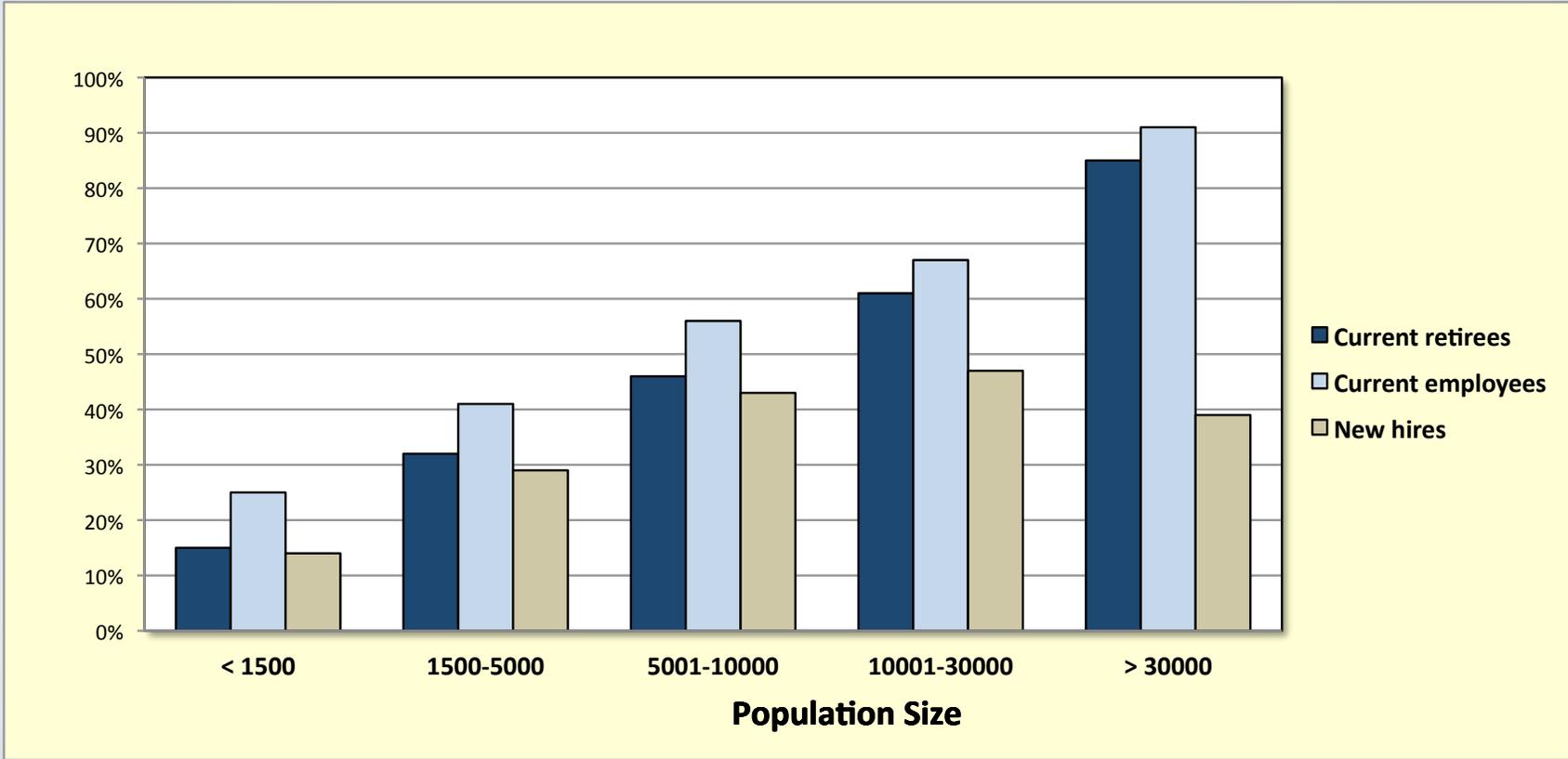
Who offers pensions?

Does your jurisdiction offer any kind of retirement income benefits (defined benefit pensions, defined contribution plans such as an IRA, 401a, 457b, or 401k-type plan, etc.) to any current or former employees and/or elected officials?



Who offers defined benefit/hybrid plans?

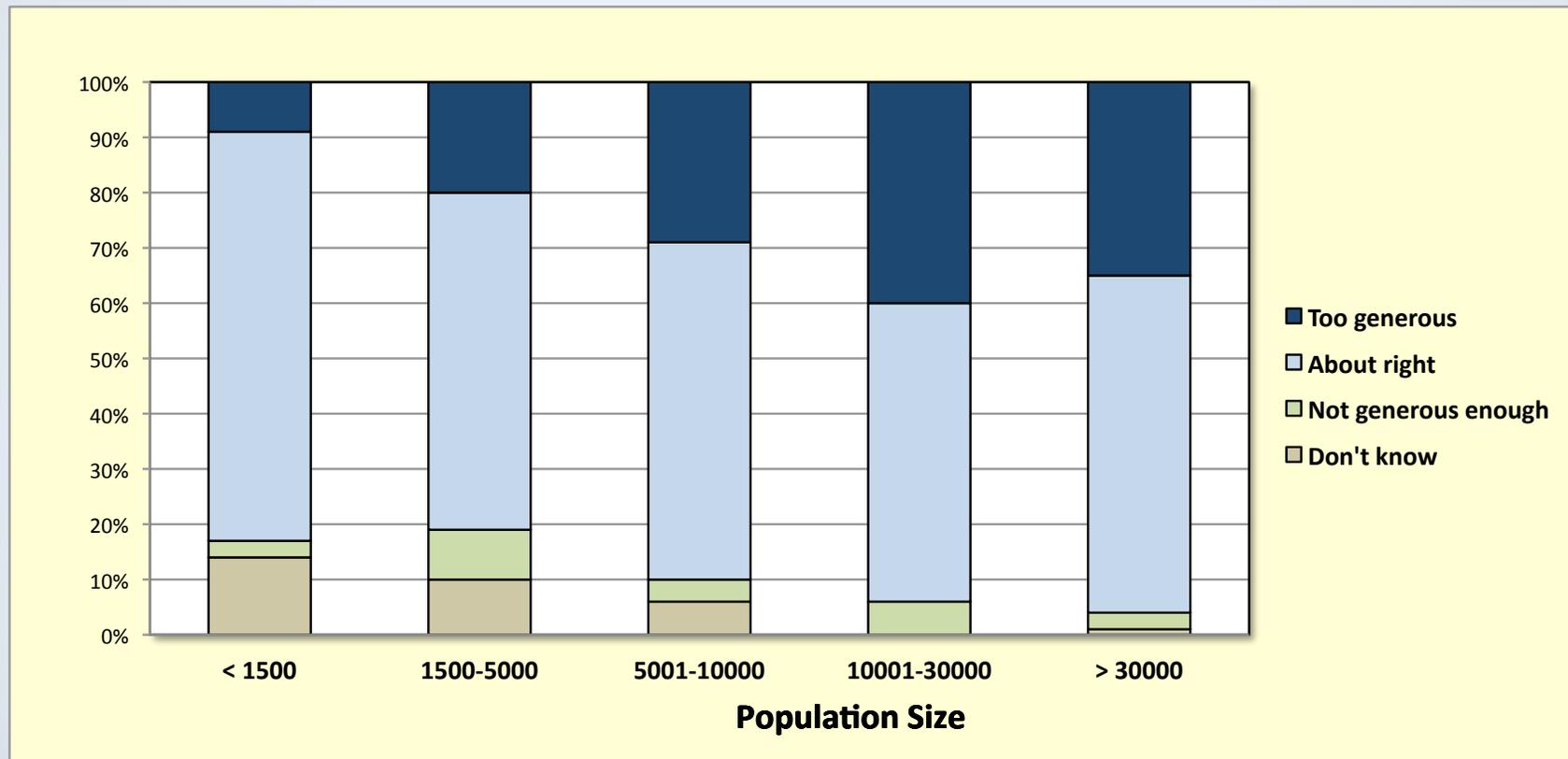
Which type(s) of retirement income benefits, if any, does your jurisdiction offer to...?



(Among those who offer pension benefits)

Who thinks their benefits are too generous?

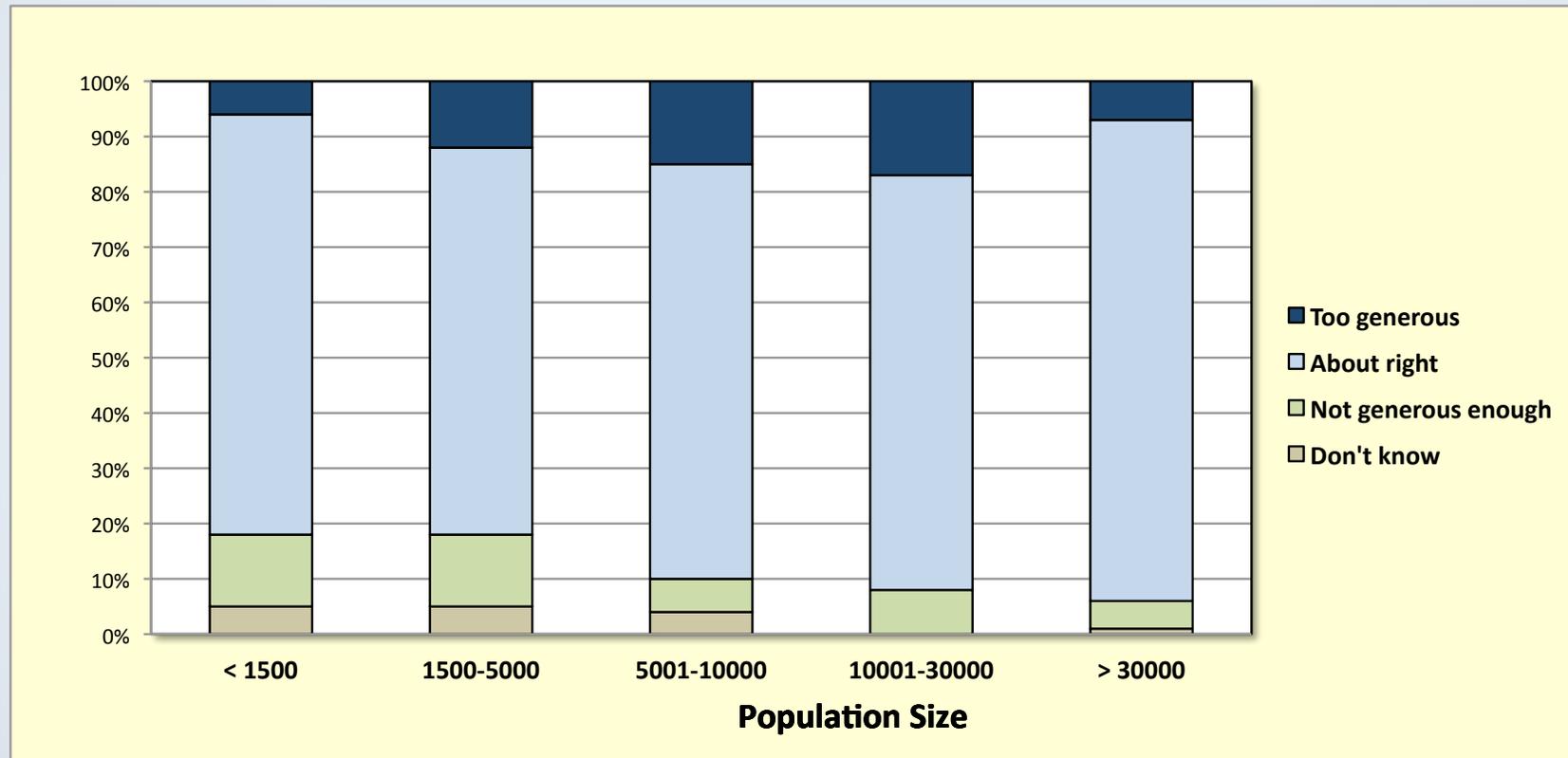
Overall, do you consider your jurisdiction's retirement income benefits - or lack thereof - for **current retirees** to be too generous, about right, or not generous enough?



(Among those who offer pension benefits)

Who thinks their benefits are too generous?

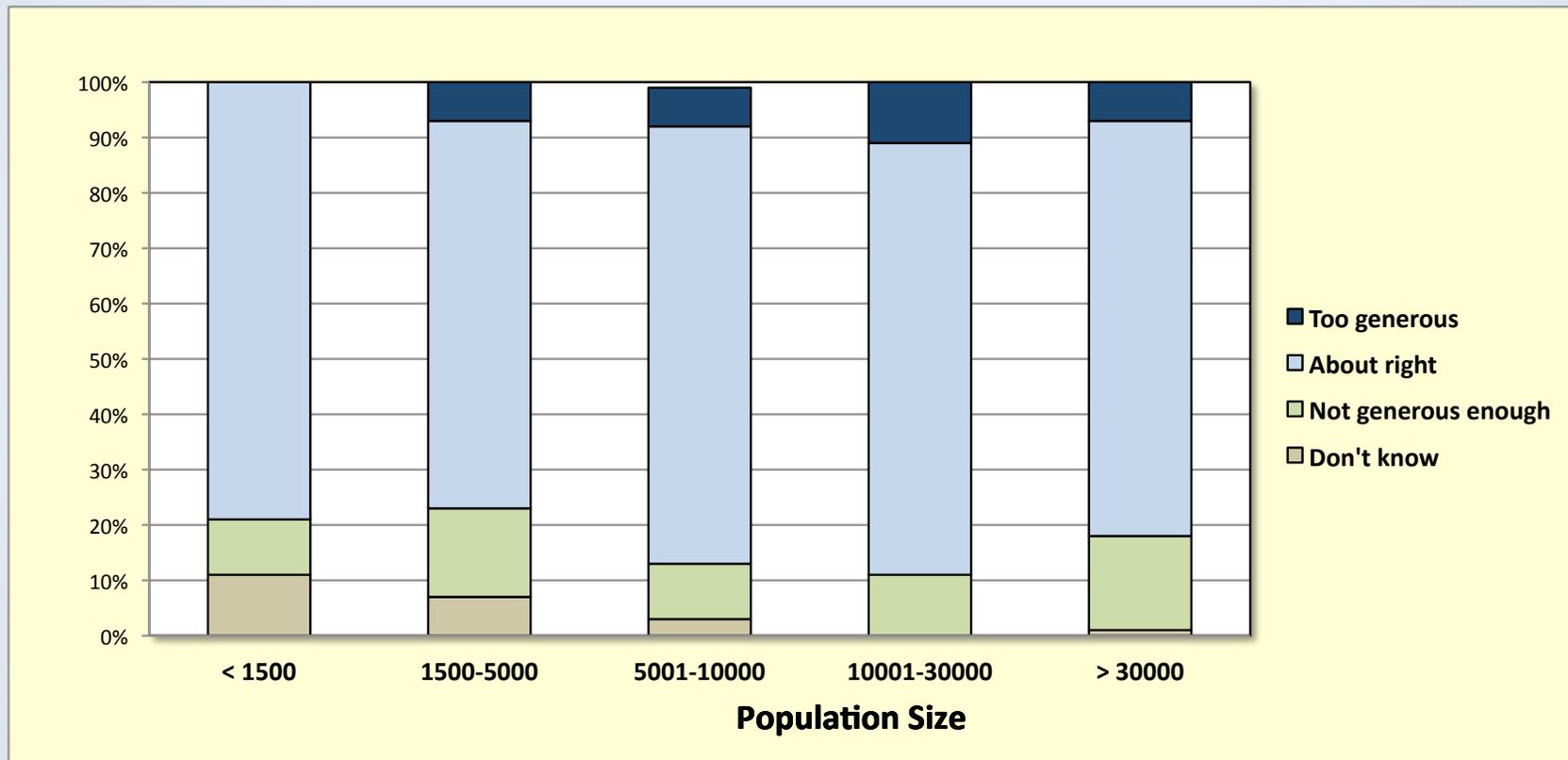
Overall, do you consider your jurisdiction's retirement income benefits - or lack thereof - for **current employees** to be too generous, about right, or not generous enough?



(Among those who offer pension benefits)

Who thinks their benefits are too generous?

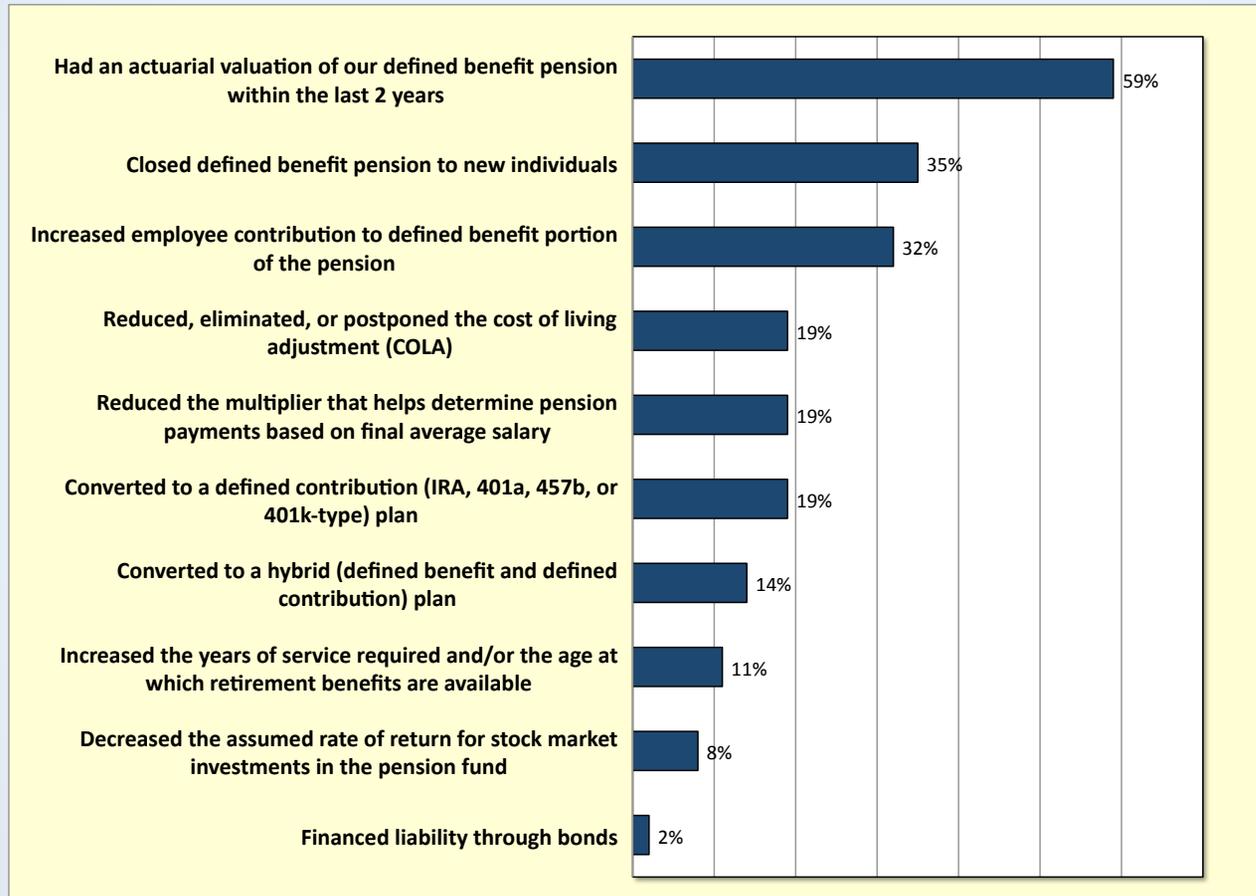
Overall, do you consider your jurisdiction's retirement income benefits - or lack thereof - for **new hires** to be too generous, about right, or not generous enough?



(Among those who offer pension benefits)

Who has taken action to control costs?

Which of the following actions, if any, has your jurisdiction taken so far regarding its defined benefit and/or hybrid pension plans for any of its employees, elected officials, or retirees?



(Among those taking action on pension costs)

Who has taken action to control costs?

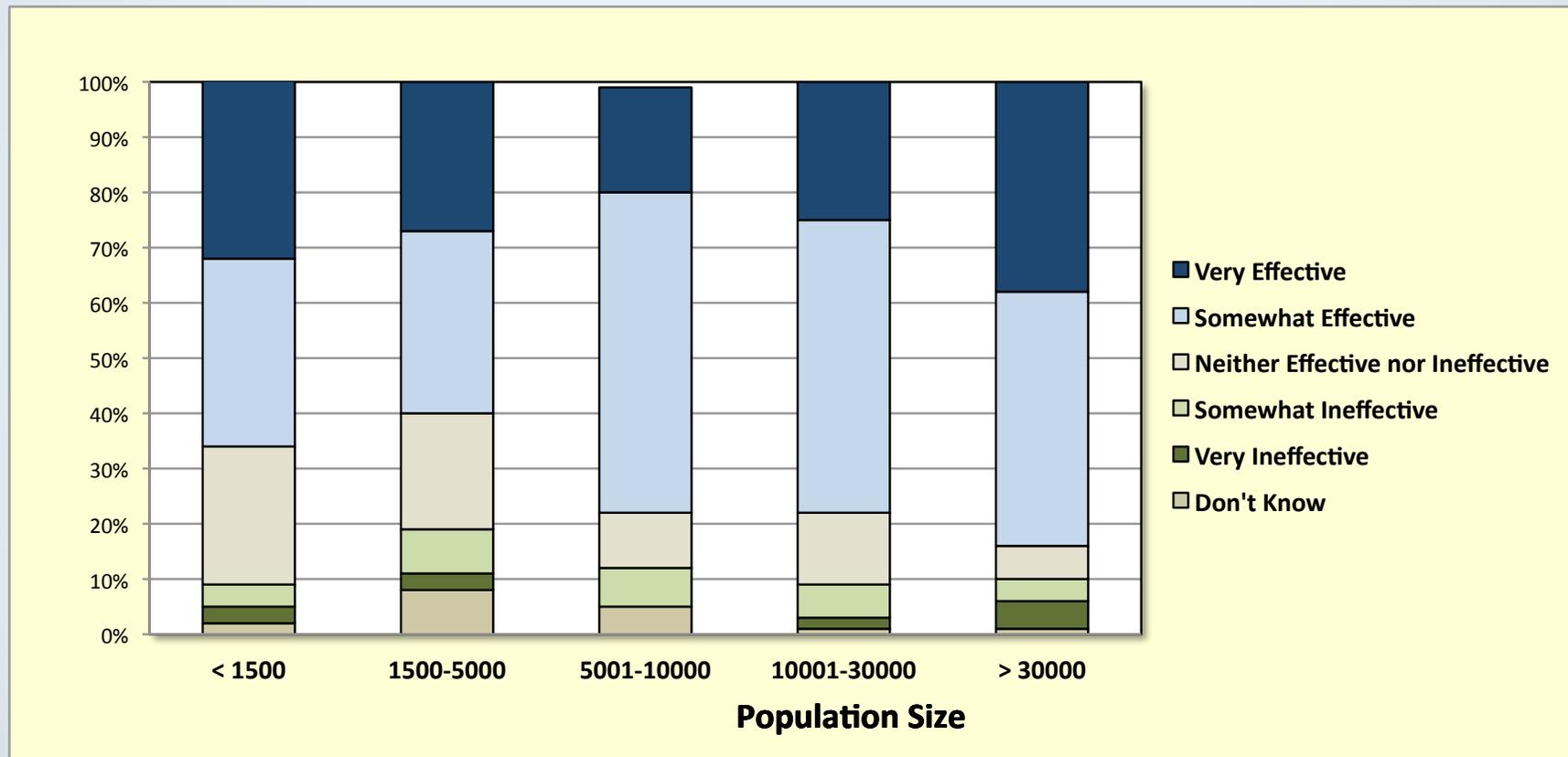
Which of the following actions, if any, has your jurisdiction taken so far regarding its defined benefit and/or hybrid pension plans for any of its employees, elected officials, or retirees?

| | Population <1500 | Population 1500-5000 | Population 5001-10000 | Population 10001-30000 | Population >30000 |
|--|---------------------|-------------------------|--------------------------|---------------------------|----------------------|
| Had an actuarial valuation of our defined benefit pension within the last 2 years | 32% | 48% | 68% | 79% | 83% |
| Closed defined benefit pension to new individuals | 16% | 24% | 32% | 45% | 67% |
| Increased employee contribution to defined benefit portion of the pension | 9% | 26% | 31% | 47% | 49% |

(Among those taking action on pension costs)

Who thinks their pension cost controls are effective?

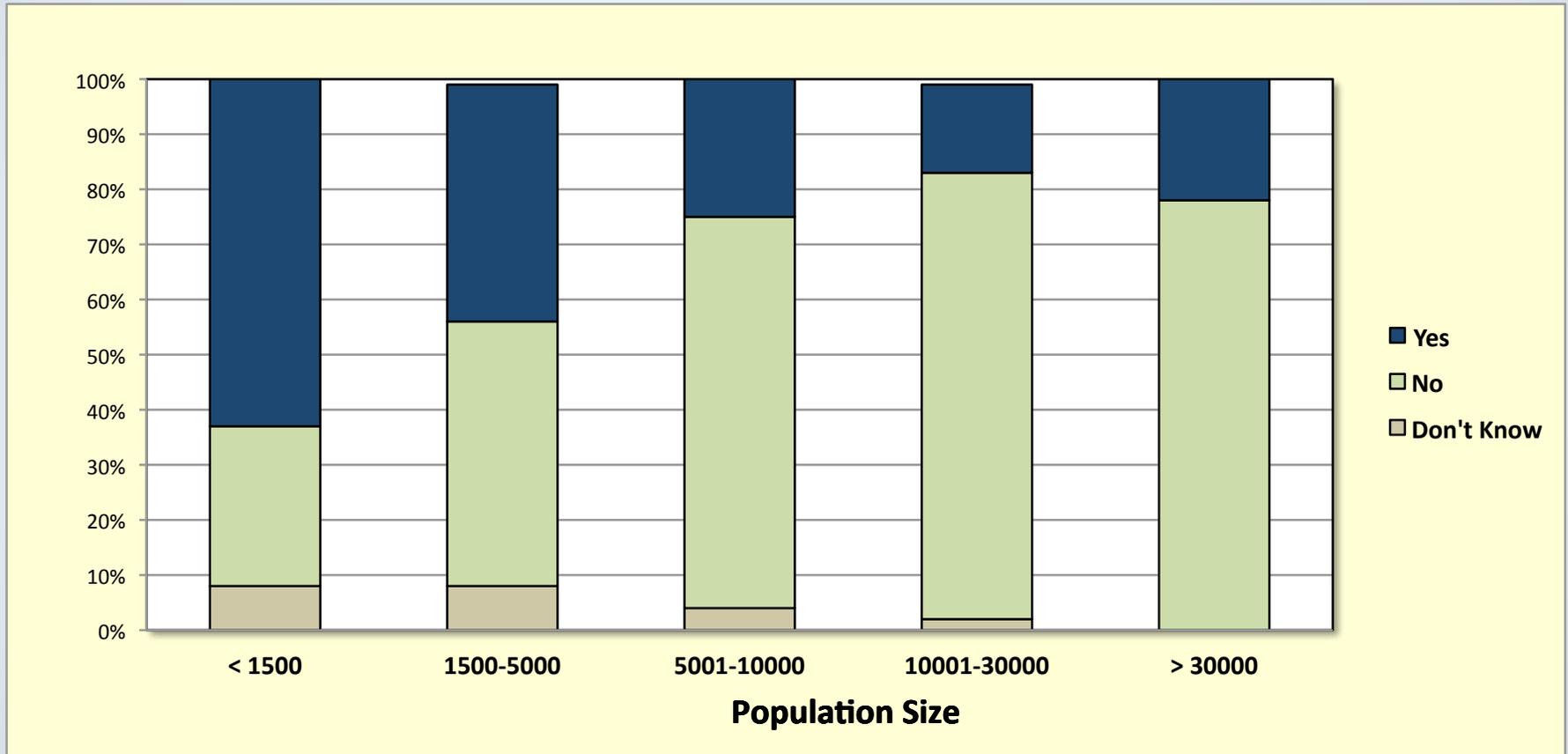
Overall, how effective would you say your jurisdiction's efforts, if any, have been at controlling costs related to its retirement income benefits?



(Among those with defined benefit/hybrid pensions)

Whose pension obligations are fully funded?

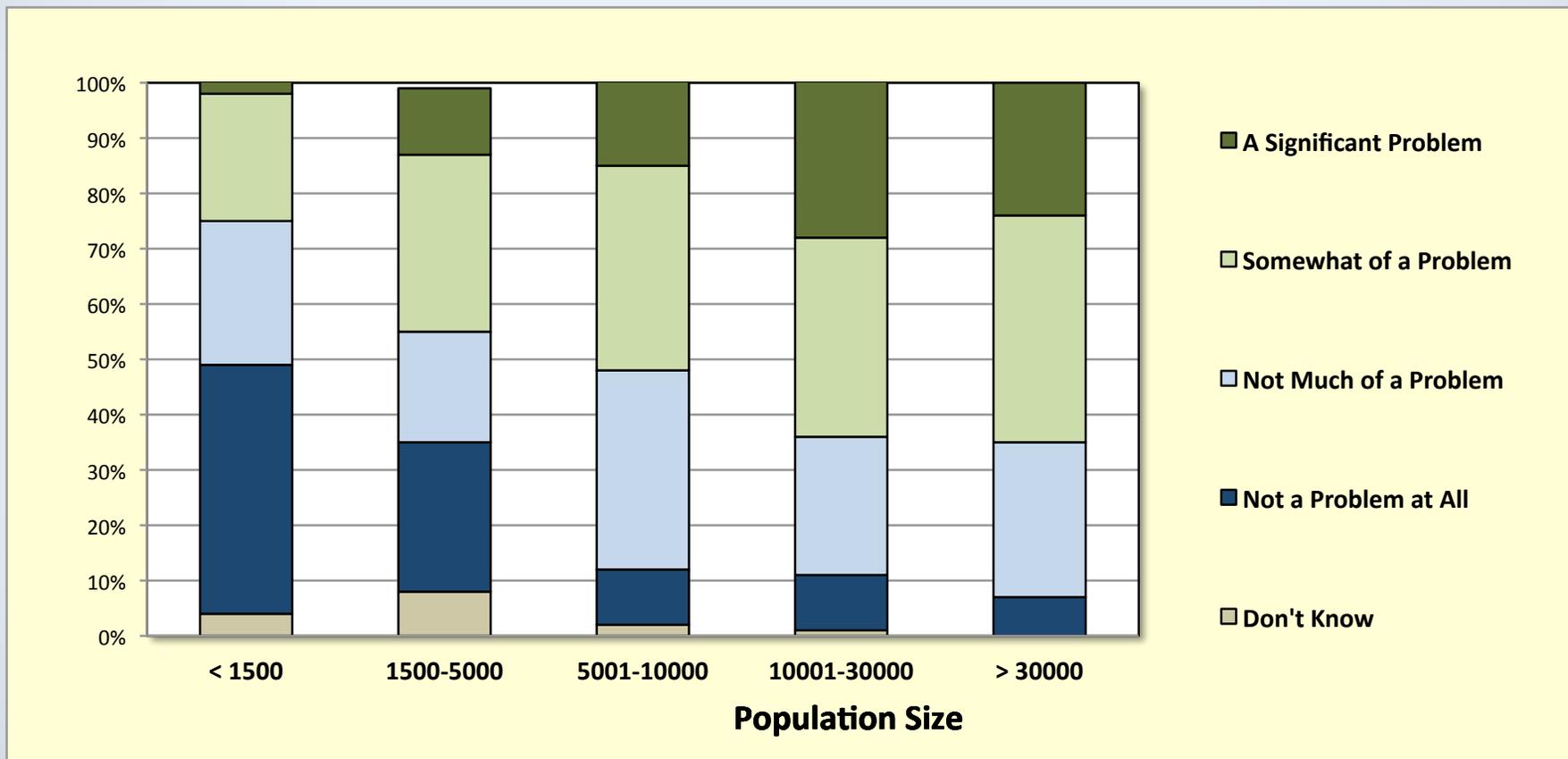
To the best of your knowledge, are your jurisdiction's pension obligations currently fully funded?



(Among those with defined benefit/hybrid pensions)

Whose obligations are a problem for fiscal health?

Regardless of whether or not your jurisdiction's defined benefit and/or hybrid plan pension obligations are currently fully funded, in your opinion, are these obligations a...
problem for your jurisdiction's fiscal health?

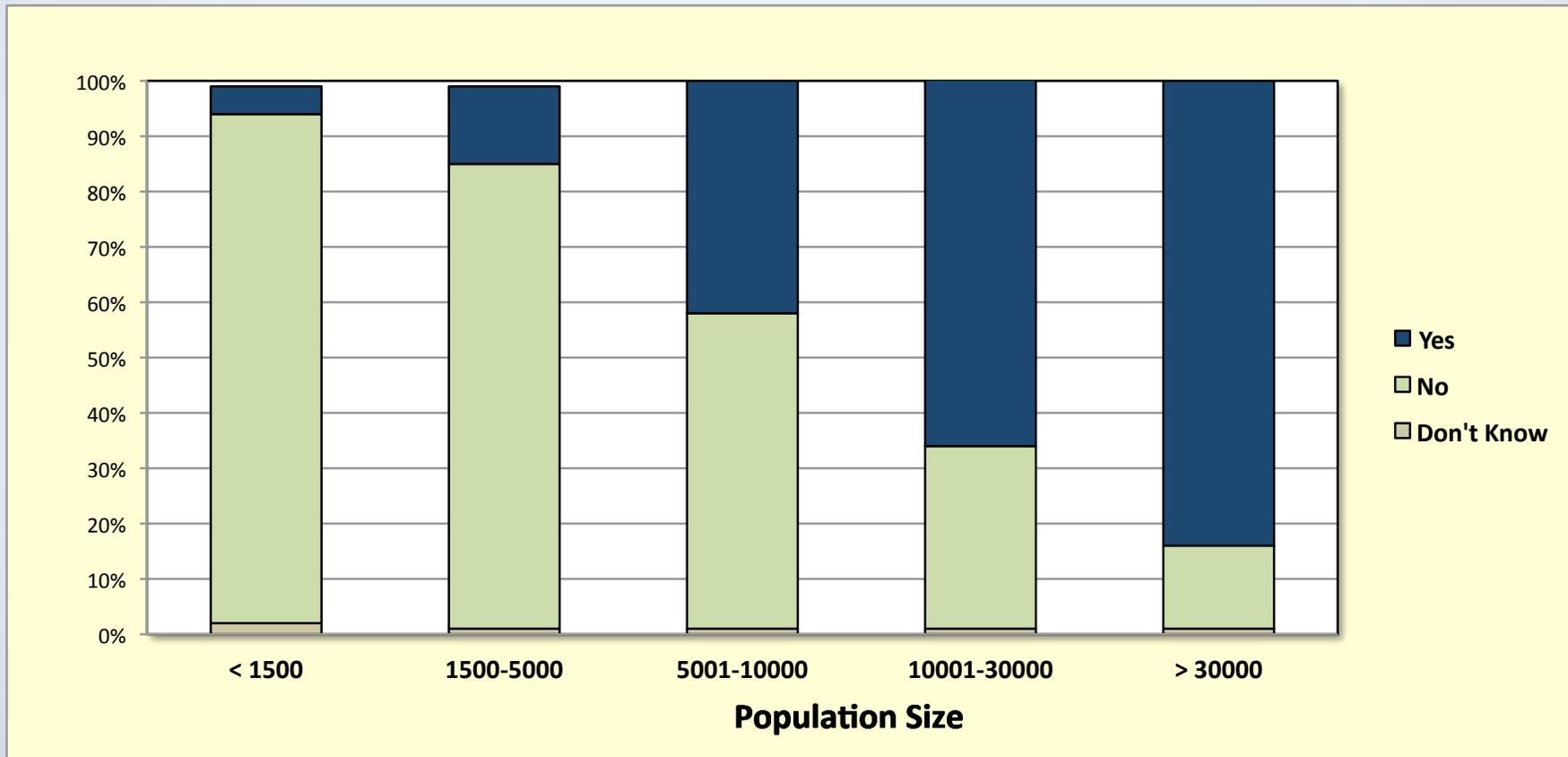


(Among those with defined benefit/hybrid pensions)

Michigan local governments' Retiree Health Care Benefits (OPEB)

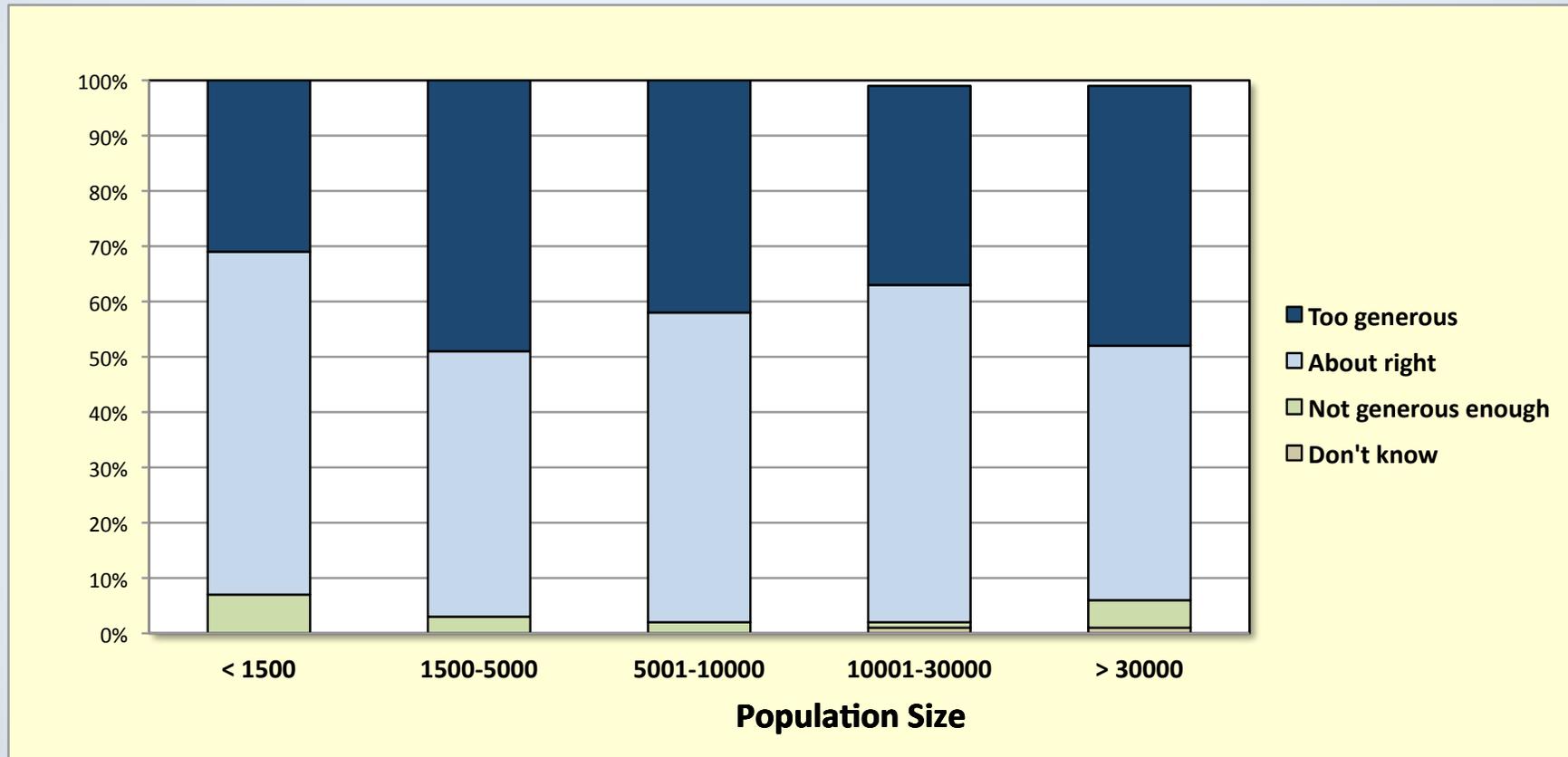
Who offers OPEB?

Does your jurisdiction provide any kind of retiree health care benefits to any current or former employees and/or elected officials?



Who thinks their OPEB are too generous?

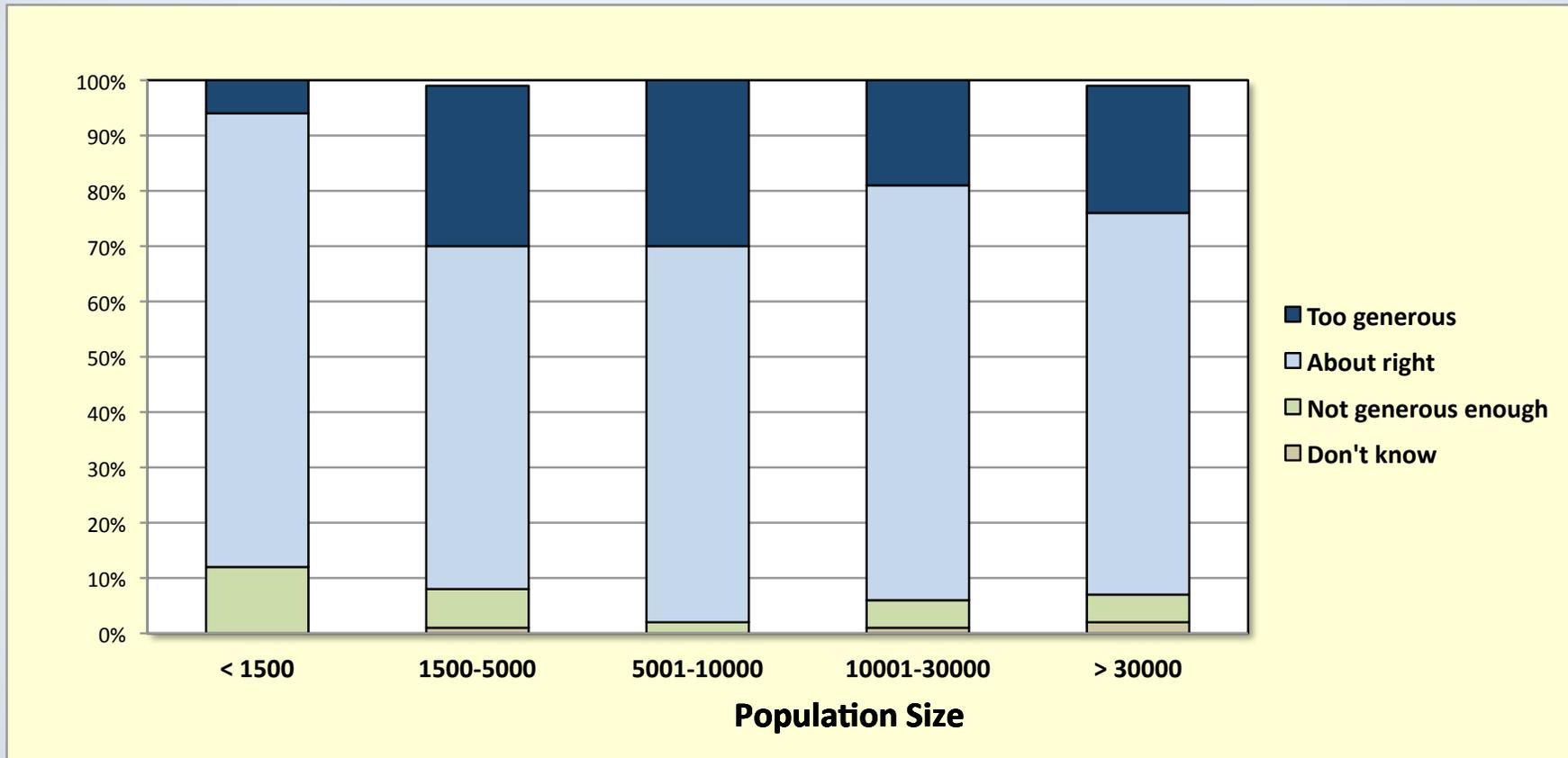
Overall, do you consider your jurisdiction's retiree health care benefits- or lack thereof - for **current retirees** to be too generous, about right, or not generous enough?



(Among those who offer OPEB)

Who thinks their OPEB are too generous?

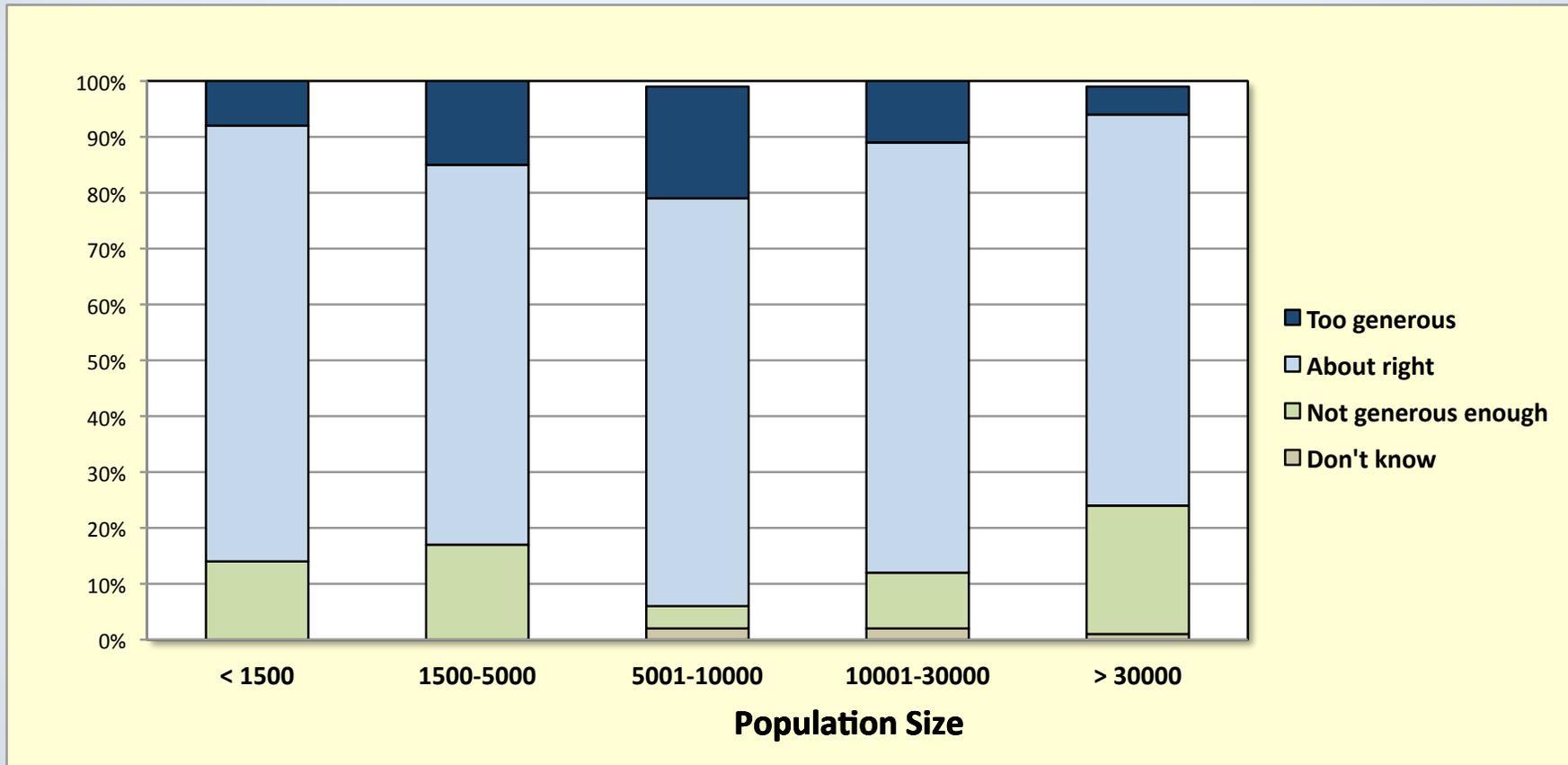
Overall, do you consider your jurisdiction's retiree health care benefits- or lack thereof - for **current employees** to be too generous, about right, or not generous enough?



(Among those who offer OPEB)

Who thinks their OPEB are too generous?

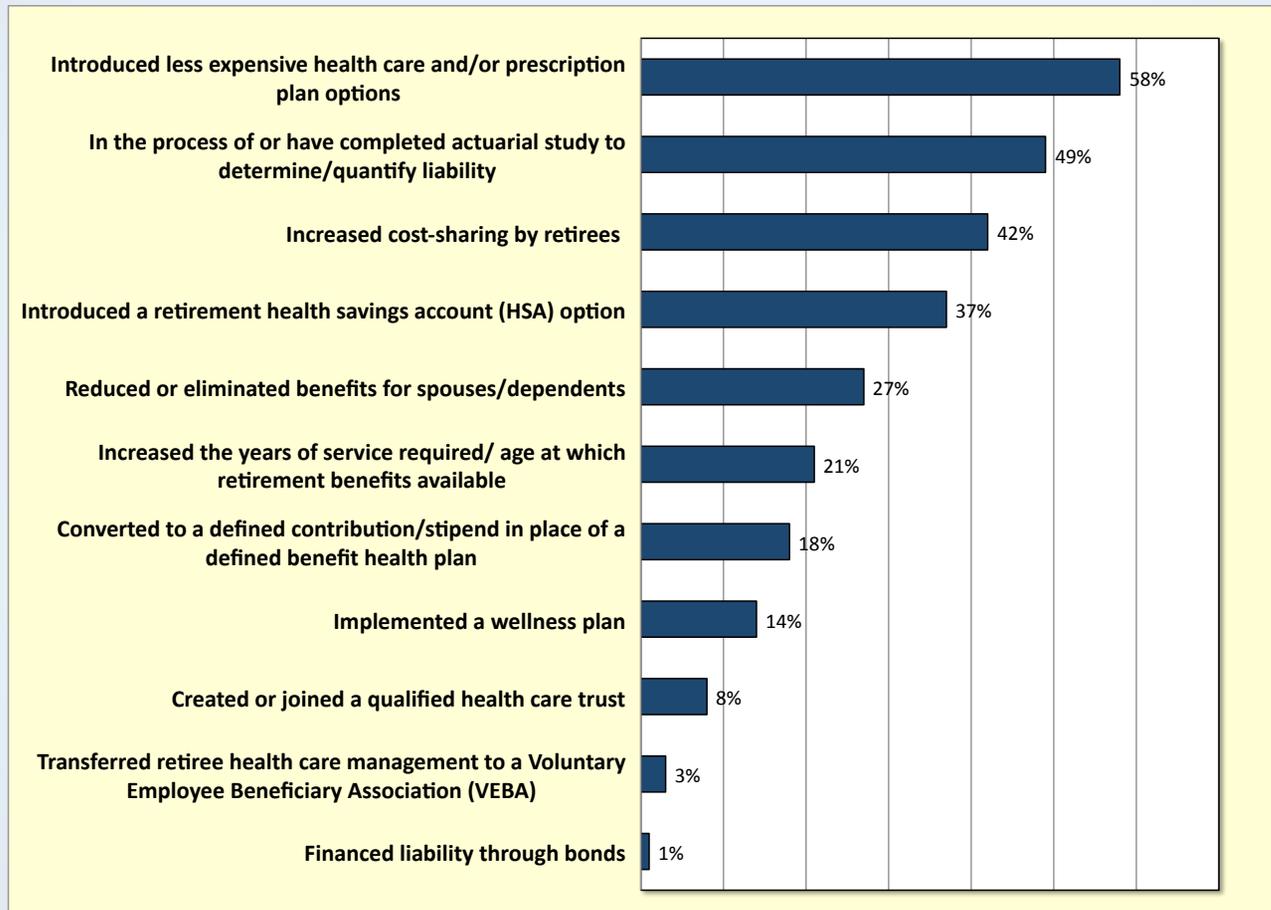
Overall, do you consider your jurisdiction's retiree health care benefits - or lack thereof - for **new hires** to be too generous, about right, or not generous enough?



(Among those who offer OPEB)

Who has taken action to control OPEB costs?

Which of the following actions, if any, has your jurisdiction taken so far regarding its retiree health care benefits for any current or future retirees?



(Among those taking action on OPEB)

Who has taken action to control OPEB costs?

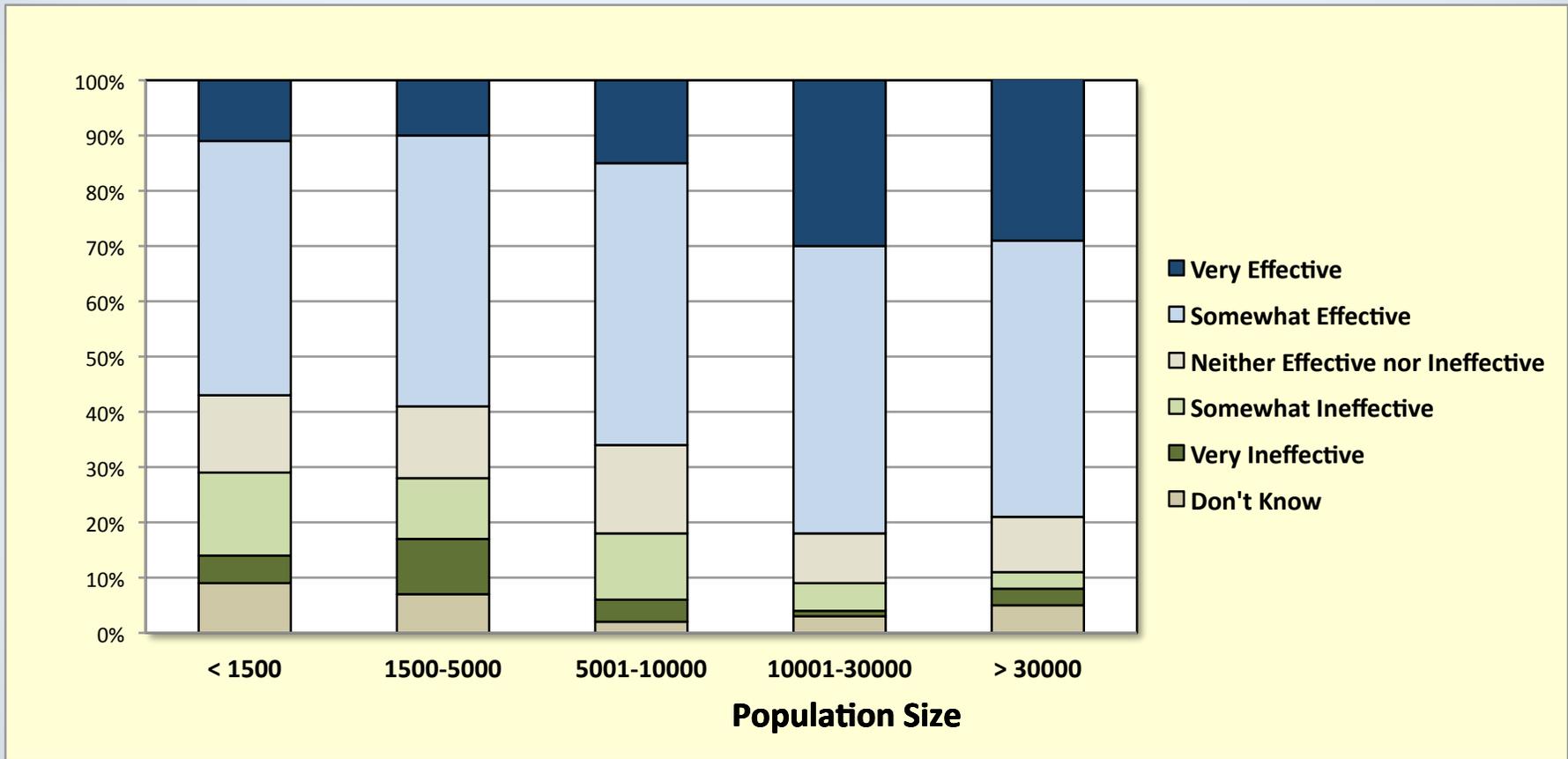
Which of the following actions, if any, has your jurisdiction taken so far regarding its retiree health care benefits for any current or future retirees?

| | Population <1500 | Population 1500-5000 | Population 5001-10000 | Population 10001-30000 | Population >30000 |
|--|---------------------|-------------------------|--------------------------|---------------------------|----------------------|
| Introduced less expensive health care and/or prescription plan options | 31% | 52% | 50% | 63% | 71% |
| In the process of or have completed actuarial study to determine/quantify liability | 26% | 37% | 40% | 53% | 72% |
| Increased cost-sharing by retirees | 25% | 29% | 40% | 54% | 48% |

(Among those taking action on OPEB)

Who thinks their OPEB cost controls are effective?

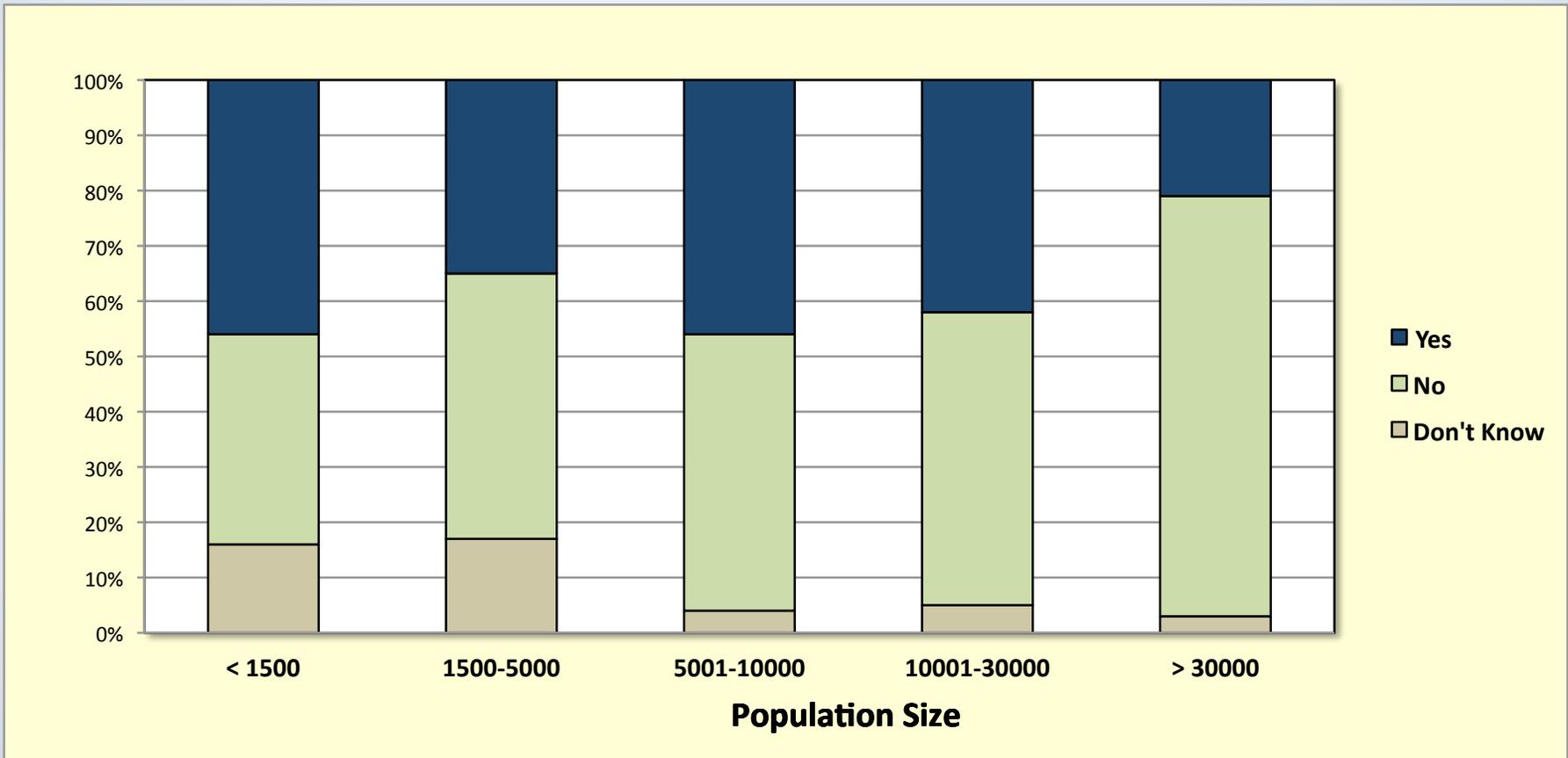
Overall, how effective would you say your jurisdiction's efforts, if any, have been at controlling costs related to its retiree health care benefits?



(Among those who offer OPEB)

Whose OPEB obligations are fully funded?

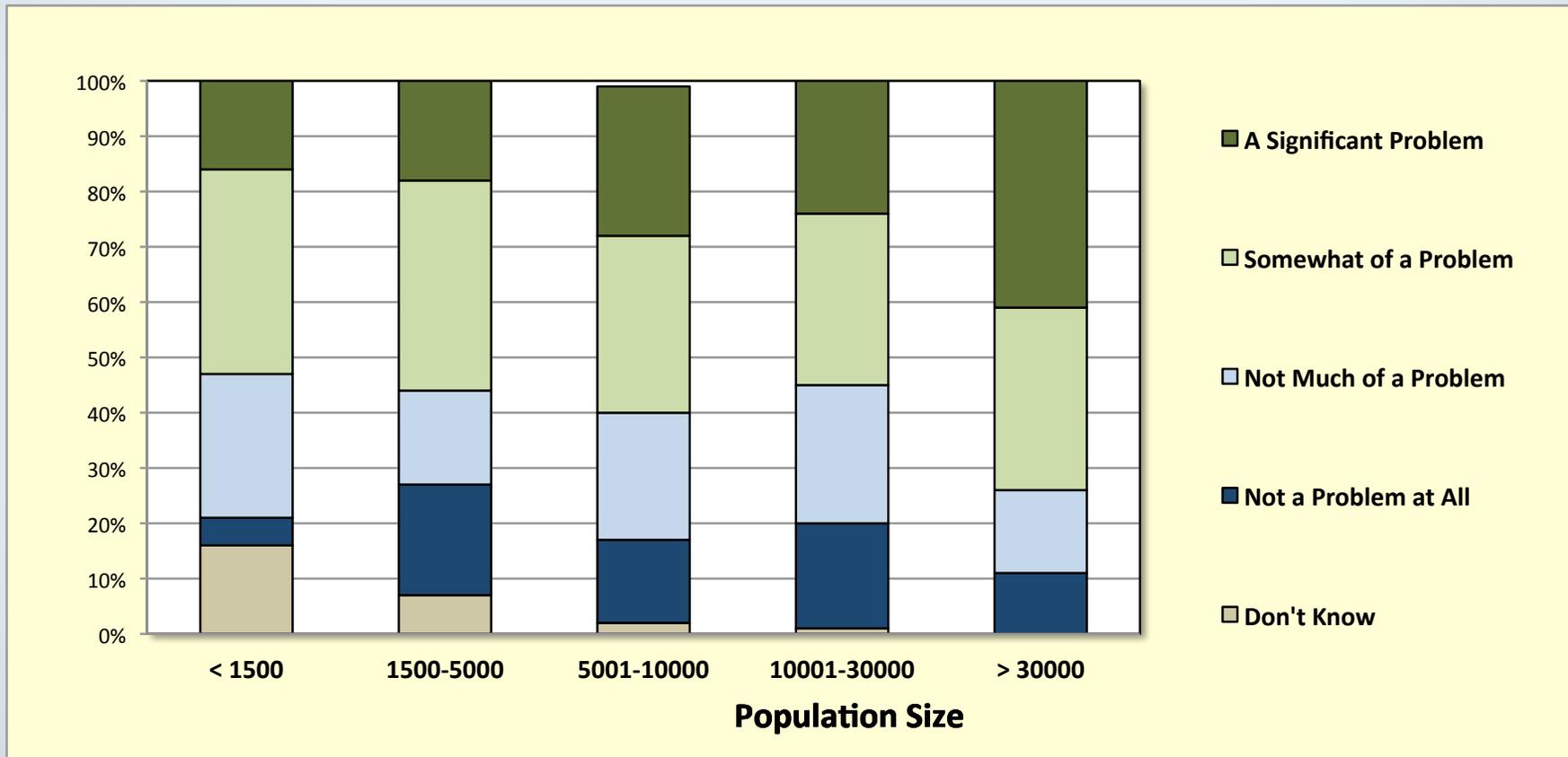
To the best of your knowledge, are jurisdiction's retiree health care obligations currently fully funded?



(Among those who offer OPEB)

Whose obligations are a problem for fiscal health?

Regardless of whether or not your jurisdiction's retiree health care obligations are currently fully funded, in your opinion, are these obligations a... problem for your jurisdiction's fiscal health?



(Among those who offer OPEB)

The Michigan Public Policy Survey (MPPS)

Web: www.closup.umich.edu
Email: closup-mpps@umich.edu
Twitter: @closup