

# Counties in Michigan: An Exercise in Regional Government

Citizens Research Council of Michigan

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[www.micounties.org](http://www.micounties.org)

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# County - Regional Government

- Economies of Scale and Economies of Skill
- Less Income Differences and Inequalities at County Level
- Increase Impact of State Revenue Sharing
- Levy Local-Option Alternative Taxes at Regional Level

# Governance Structure

- 83 Counties, 533 Cities and Villages, and 1,240 Townships
- Creatures of the State
- Characterized by Large Number of Local Governments with Overlapping Geographical Boundaries, Service Responsibility, and Taxing Authority

# County Governance

- Boards of County Commissioners
- Election of Clerk, Treasurer, Register of Deeds, Sheriff, and Prosecuting Attorney
- General Law Counties (79 of 83)
- Optional Unified Counties (Oakland and Bay)
  - Appointed Administrator
  - Elected Executive
- Charter Counties (Wayne and Macomb)

# County Government Accountability

Degree of Accountability Afforded through County Organizing Laws

← Less Accountable

More Accountable →

General Law  
County

Optional Unified  
w/ Administrator

Optional Unified  
w/ Elected Executive

Charter  
County

- Antiquated Structure
- Commissions Share Legislative and Administrative Duties
- Executive Authority Disbursed
- Basic Structure has Existed Since 1830s

# County Demographics

- 83 Counties: Very Diverse
- Differences between Urban and Rural Populations
  - Urban Areas Have Higher Public Service Needs
  - Rural County Residents May Require More Services From County Level

# Local Government Revenue

- Local Property Tax
- State Revenue Sharing
- Other Local Taxes
  - Michigan Counties: Selective Sales Taxes
  - Michigan Cities: Income Tax
  - Counties in Other States: Income, Sales, Motor Fuel, Alcohol, Tobacco, Utility Users Taxes
- Fees for Services

# County Revenue

- General Funds and All Other Governmental Funds
  - Property Tax: 44.9%
  - State Aid and Revenue Sharing: 15.0%
  - Other Services and Fees: 13.1%
  - Transfers In from Other Funds: 10.9%
  - Remaining Revenue: Parks and Recreation Fees; Licenses and Permits; Interests, Rents, and Royalties; Fines and Forfeits; Federal Contributions; Contributions from Other Local Governments; and Other Revenue

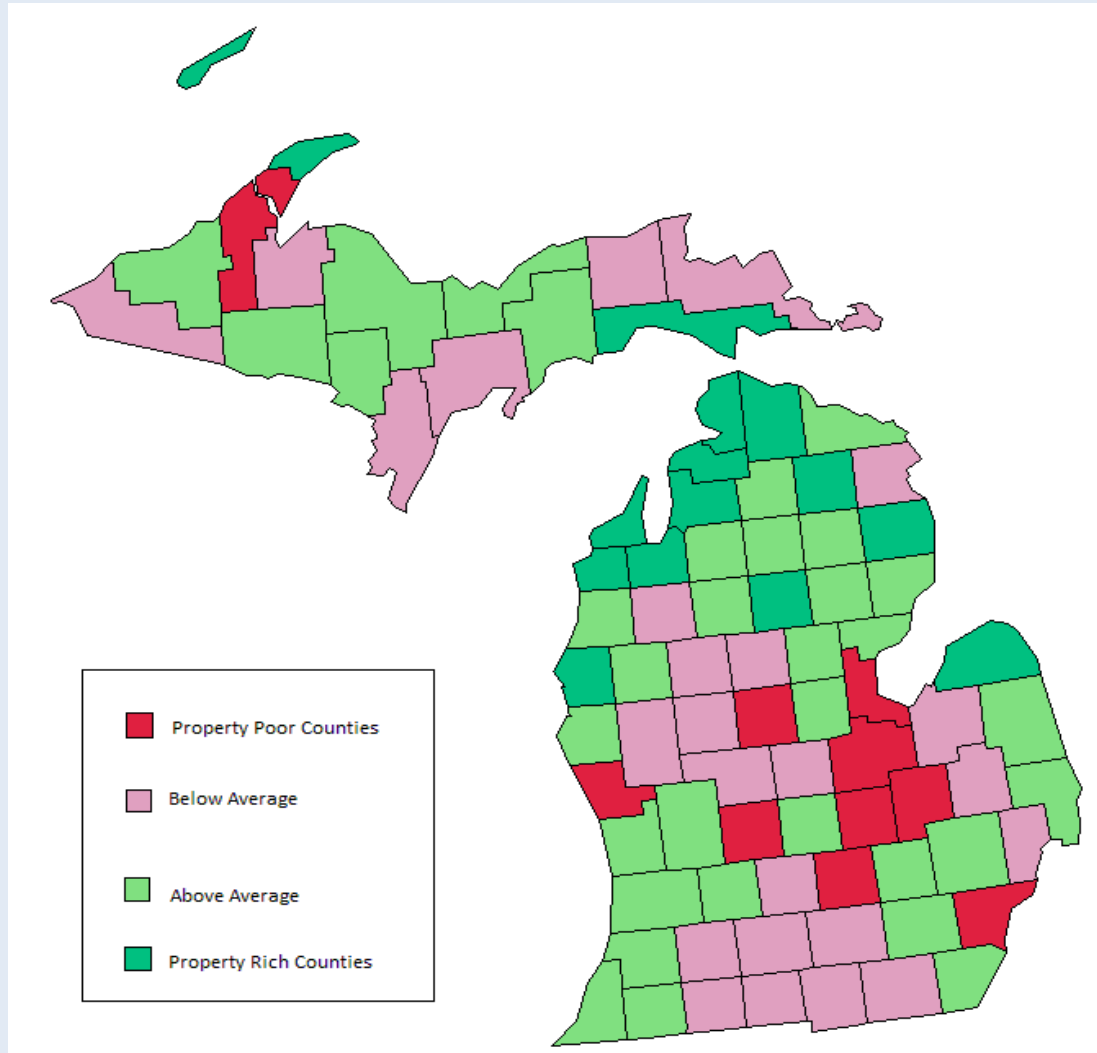
Source: Munetrix Municipal DataXplorer, F65LineNumber



# County Revenue

- National Association of Counties (NACo) Report
  - Counties Derive 76% of Revenue from Own Sources and 24% from Other Sources
  - Counties Receive Small Portion of Total Property Tax Revenue Collected in each State
    - 23.7% Across County
    - Less Than 10% in Five States (including Michigan)
  - 93% of State and Federal Funding Used by Counties is Restricted

# County Taxable Values



Source: Michigan Department of Treasury, [http://www.michigan.gov/treasury/0,1607,7-121-1751\\_2228\\_21957\\_45819---,00.html](http://www.michigan.gov/treasury/0,1607,7-121-1751_2228_21957_45819---,00.html); U.S. Census Bureau, 2010 Census population data; CRC calculations.

# Local Government Service Provision

- County Government Formed as Administrative Arm of State Government
- Have Evolved into Regional Local Governments with Increased Authority to Deliver Local Services
- Some States Have Legally Classified Local Governments to Differentiate Powers and Responsibilities – Not Michigan
- Local Government Service Provision Complicated in Michigan

# Local Government Service Provision

- Citizens Research Council Enumerated Local Government Services
  - Categorized into Core or Mandated, Public Safety, “Essential”, and Discretionary Services
  - Specified How Each Service is Impacted by State Laws and Other Regulations
  - Catalog of Local Government Service Delivery

# Core or Mandated Services

- Mandated Services Required by State Constitution or Statute to be Provided by Specific Level of Government
- Core Services So Vital to Operation of Local Government that Government Cannot Function Without Providing Them
- Mandates Not Always Clear and Easy to Understand
- Most State Mandates Performed by Counties

# Core or Mandated Services

- Legislative Services
- Clerk
- Register of Deeds
- Treasurer
- Sheriff
- Prosecuting Attorney
- Court System
- Corrections Services and Jails
- Administration and General Government Services

# Core or Mandated Services

- Tax Allocation and Collection
- Elections
- Property Assessment and Equalization Services
- Information Technology
- Buildings and Grounds
- Engineering and Legal Services
- Health and Welfare Functions
- Road Commission and Road Services
- Drain Commissioner

# Public Safety Services

- Unique Category of Services
  - Not Explicitly Mandated (Except County Sheriff)
  - Cities and Villages Mandated to Provide for the Public Peace and Safety
  - Necessary Functions of Government
- Public Safety Services: Police, Fire, Ambulance/  
Emergency Medical Services (EMS), and 9-1-1  
Dispatch Services
  - Generally Provided Separately, but Some Communities have Combined Services into Public Safety Departments



# “Essential Services”

- Have Been Ruled by State Government and Courts to be “Optional”, but are Essential to Functioning of Local Government and Quality of Life
- Planning and Zoning Services
- Public Works and Infrastructure
- Sanitation and Landfill Services
- Environmental Services

# Discretionary Services

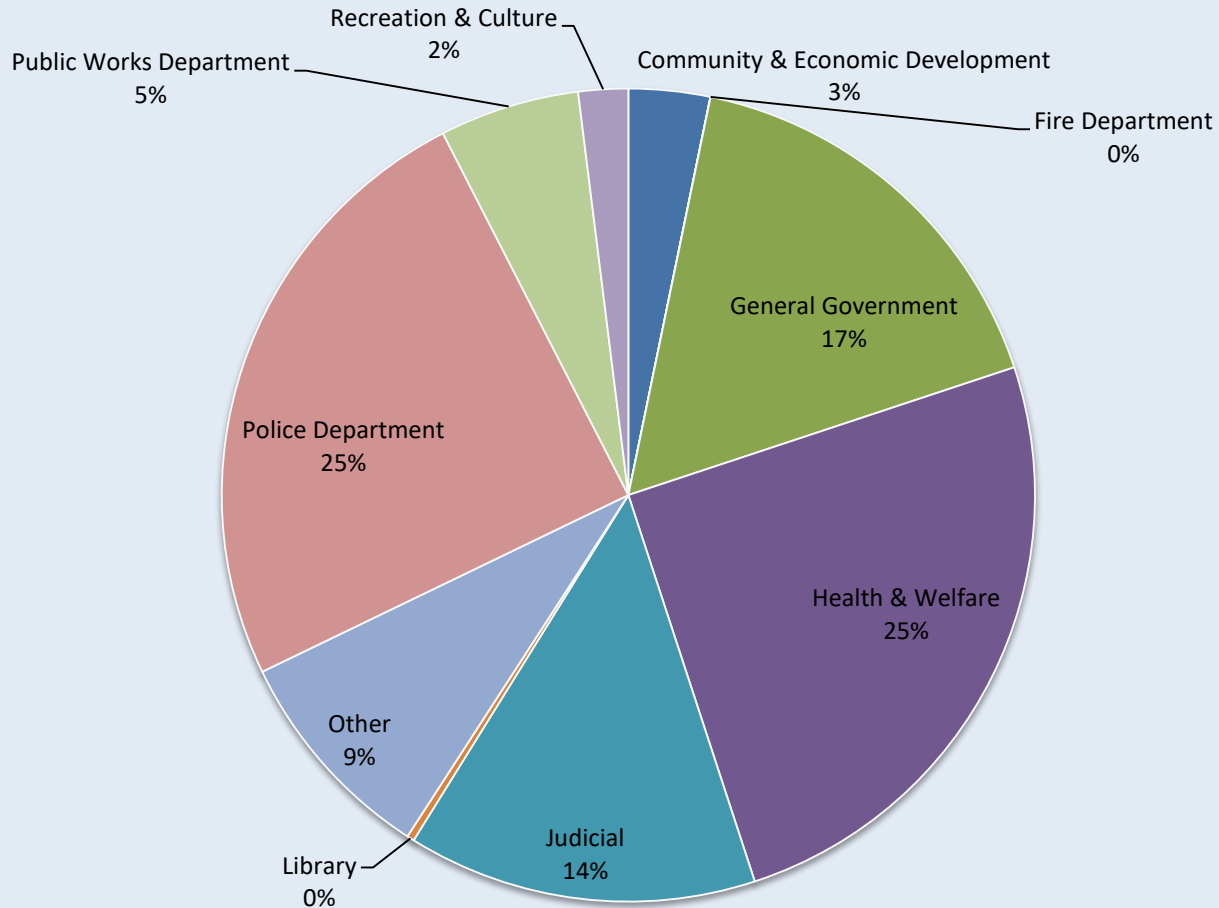
- Services Not Considered Essential or Necessary, but that Affect Quality of Life
- Parks and Recreation
- Libraries
- Cultural Amenities
- Economic Development
- Public Transportation
- Animal Services

# County Expenditures

- General Funds and All Other Governmental Funds
  - 17.4% on General Government
  - 11.5% on Judicial Services
  - 17.8% on Health and Welfare Services
  - 25.6% on Sheriff and Police Services
  - Less Than 5% on: Fire Dept, Public Works Dept, Recreation and Culture, Library, and Community and Economic Development

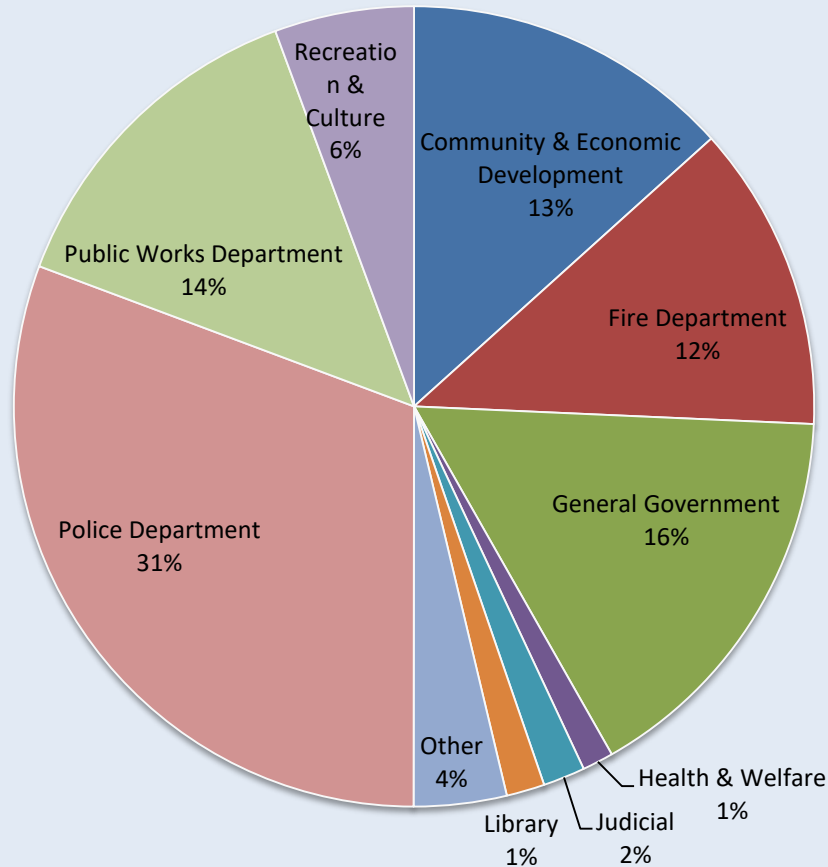
Source: Munetrix Municipal DataXplorer, F65LineNumber

# County Expenditures



Source: Munetrix data, Municipal DataXplorer, General Funds and All Other Governmental Funds Expenditures, F65 Line Number ([www.munetrix.com](http://www.munetrix.com)).

# Municipal Expenditures



Source: Munetrix data, Municipal DataXplorer, General Funds and All Other Governmental Funds Expenditures, F65 Line Number ([www.munetrix.com](http://www.munetrix.com)).

# County Government in Other States

- All but Two States have County Government
- Counties Generally Provide Similar Services and Functions
- Great Lakes States
  - Library Services
  - Solid Waste Services
  - Public Safety Services
  - Elections
  - Tax Collection
  - Regional Police Services

# Recommendations for Michigan

- County Government Not Uniform
- Any Approach at Regional Government has to Understand and Appreciate Variance Across Counties
- Counties Will Need to Tailor Suggestions to Meet Their Residents' and Municipalities' Needs and Counties' Abilities

# Criteria Used to Make Suggestions

- Capital Intensive Services
  - Economies of Scale
  - Horizontal Collaboration
- Technically Intensive Services
  - Economies of Skill
  - Vertical Collaboration
- Counties as Service Providers
  - Change Culture from Counties as Stand-Alone Entities to Multi-Purpose Function Providers for Their Local Governments



# County Governance Recommendations

- County Government has Potential to Provide Expanded Regional Service Delivery – Benefit Residents and Local Units
- Hindered by Governance Structure
  - General Law Counties with Plural Executive and Little Accountability
  - County Governance Started with Regional Emphasis but Evolved into Stand-Alone Government
- Strong County Leadership Needed

# County Revenue Recommendations

- If Counties Assume Responsibility for Providing and Funding More Services, Then Local Units can Direct Their Resources to Vital Services Left with Them
- Authorize the Levy of More Local-Option Taxes at County Level
- Redirect State Revenue Sharing to Counties

# County Revenue Sharing

- Current Per Capita Distribution
- Additional Revenue Sharing Dollars Sent to Counties and Distributed by a Formula that Accounts for Variances in Fiscal Capacity Would Help to Enhance Roles Counties Play
- Problem for Policymakers: Creates Winners and Losers
  - May be More Palatable if Used to Distribute Larger Pot of Money

# County Service Delivery Recommendations

- How Can the Provision of Local Government Services Transform to Meet the Needs of Local Communities and Their Residents?
- Local Governments Interact in Variety of Ways to Provide Services to Residents – Overlap and Duplication, Competition, and Collaboration
- Counties Well Suited to Provide Services to Residents of Smaller Municipalities and to Partner with Larger Municipalities to See How Services Can be Provided Best

# County Service Delivery Recommendations

- To Promote County-Wide Regional Service Delivery, Counties Need to Ask:
  - What Does the County Need to Operate Better?
  - What Do the Municipalities Want that They Cannot Afford to Adopt or Can No Longer Afford to Provide?
- Internally: Look to Future of County
- Externally: Understand Needs of Constituent Municipalities

# County Service Delivery Recommendations

- The State's Role
  - Institutionalized Vertical Collaboration
  - Direct Actions to Promote Local Government Collaboration
  - County-Wide Shared Services Program
  - Hindered Local Governments: Revenue Restrictions and Spending Requirements
- County to County Collaboration

# County Service Delivery Recommendations

- Information Technology Services
  - MIS, GIS, Internet, Intranet, and Webpage and Email Services
  - Backbone of Expanded County Services
  - Invest in Information Technology Services Capable of Connecting County with Local Units
  - Establish High-Speed Intranet Connecting All County, City, Village, and Township Facilities
    - Extend Beyond Municipal Offices
    - Improve Opportunities for File Sharing and Development of Resources to Capitalize on Advances in Communication

# County Service Delivery Recommendations

- With Sufficient Computer and Network Infrastructure, Counties Could Provide:
  - Staff to Manage Computers and Equipment and Serve Technology Needs of County and Local Units
  - GIS Services
  - Create and Maintain Websites and Email Service
  - Standardize Governmental Forms
  - Central Repository for Local Documents and Records
  - Ability to Process Credit Card Transactions Online



# County Service Delivery Recommendations

- Administration and General Government Services
  - Human Resource Services
    - Counties Could House Employees with Requisite Skills
  - Fiscal Services
    - County Level Accountants
    - Purchasing Functions and Decisions
  - Document Services: Printing, Archiving, and Destroying Documents

# County Service Delivery Recommendations

- Tax Collection
  - County Level Tax Collection Would Simplify Collection and Distribution of Taxes
  - Counties Collect Taxes in 45 States
  - State Law Allows Local Units to Enter into Agreement with County Treasurer

# County Service Delivery Recommendations

- Elections
  - Consolidating Administration of Elections, Maintenance of Records, and Reporting of Results at County Level Would Bring Uniformity to Task
  - Would Not Diminish Local Nature of Voting Process
  - Would Consolidate Duplicative Tasks
  - Would Need to Amend State Election Law

# County Service Delivery Recommendations

- Property Assessing and Equalization
  - Assessing and Equalization Not Duplicative Services, but May Require Duplicative Functions and Knowledge Obtained at County and Local Level
  - State Law Allows Assessing to be Done at County Level
  - Would Remove the Need for County Equalization
  - 30 States Do Assessing at County Level

# County Service Delivery Recommendations

- Road Commission and Road Services
  - County Road Commissions: Make Services Available to Any Local Jurisdiction to Care for Roads
  - Provide Auxiliary Services for Municipal Road Agencies: Purchasing, Road Signs and Traffic Lights, Engineering, Winter Road Maintenance, or Other Services
  - Provide Capital Intensive Services (e.g., Garages and Vehicles) and Technically Intensive Services (e.g., Mechanics)

# County Service Delivery Recommendations

- County Sheriff and Public Safety Services
  - Duplicated at County and Local Level
  - Service Needs Determined by Population, Geographic Area, Road Miles, and Population Density
  - County Sheriffs Could Provide Support Services to Municipal Police and Fire Departments
    - 9-1-1, Special Units, Purchasing, Emergency and Disaster Response Planning, Hazardous Material Handling, and Administrative Tasks
  - Regional Police and Public Safety

# County Service Delivery Recommendations

- Planning and Zoning Services
  - Regional Land Use Planning and Economic Development Will Likely Benefit Entire Regions
  - Intergovernmental Intranet would Facilitate Moving Building Inspection and Permitting to County Level
- Public Works and Sanitation Services
- Public Transportation Services
- Other Services

# Conclusion

- Local Governments Face Structural Problem: Ongoing Revenue Not Sufficient to Meet Growing Expenditure Pressures
- One Potential Solution: Move More Local Government Services to County Level
- Before Counties Can Meet Additional Service Delivery and Cooperation Facilitation Needs:
  - Modernize County Government
  - Need Resources to Meet Additional Needs
  - Need to Change County Mindset to One of a Service Provider and Regional Unifier