

Genesee County's Struggle to Survive

by

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Presented to the Public Administration Faculty
at the University of Michigan-Flint
in partial fulfillment of the requirements for the
Master of Public Administration Degree.

October 28, 1993

First Reader

A handwritten signature in cursive script, appearing to read "Peter R. Smith", written over a horizontal line.

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ABSTRACT

This research paper is based on the premise that Genesee County, like many other local units of government, has been experiencing on-going fiscal stress for a number of years, and that Genesee County has reacted to that stress the same way other governments facing the same kind of economic situation have reacted. The paper analyzes the fiscal condition of Genesee County from 1973 to 1992 using Levine's four cell typology to analyze the causes of public organization decline. The analysis concludes that the major reason for fiscal stress and organizational decline in Genesee County government is the result of external political and economic conditions. Declining purchasing power, loss of revenue from the federal government, litigation costs and judgements on the operation of the County jail, a loss of revenue due to a lawsuit from the County's major employer, General Motors and longterm economic decline have been the major contributors to the fiscal stress experienced by the County.

Genesee County has responded to fiscal stress in much the same way research concludes that many local units of government have responded. The County has shifted general operating responsibilities to other funding sources when possible. Special millages have been approved by the voters for specific services. User fees have been increased. Funding for services provided outside of county government has been significantly curtailed. Wage freezes have been negotiated with the union and an early retirement program was implemented. While personnel has declined over the twenty year period, elimination of services and massive lay-offs have been only considered as a last alternative.

The paper concludes by reviewing a number of potential solutions to improve the financial condition of the County. The paper explores continued elimination of service delivery, development of organizational incentives to reduce costs, reorganization of county and local government into a metropolitan governmental structure and, lastly, state legislative action to restructure public financing of county government. The conclusion is that the most feasible solution to county fiscal stress is to develop a statewide solution which restructures public financing of county government, placing such organizations in a strong fiscal position which recognizes the importance of the service provided by county government to its citizenry.

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Many local governments, especially those serving urban geographic areas, have had to face years of fiscal strain¹. Genesee County is no exception. Plagued with a shrinking economic base, changes in federal grant policies, tax limitation movements in the State of Michigan and a court ruling which mandated increased operating expenses for incarceration of prisoners in the County jail, Genesee County has struggled to provide adequate services with limited resources. Exploring current theories relating to fiscal stress and cutback management techniques, this paper will analyze the fiscal condition of Genesee County government over the past twenty years. It will identify conditions which have led to limited resource availability and detail budgetary decisions which have been made to assure the provision of services as mandated by law. A review from 1973-1992 will provide useful data regarding various external and internal

¹Wolman, Harold, "Local Government Strategies to Cope with Fiscal Pressure". Fiscal Stress and Public Policy, Charles Levine and Irene Rubin, eds., (Beverly Hills, California: Sage Publications, Inc., 1980), p. 231.

conditions and policies which have impacted upon the fiscal condition of the County. Given the above conditions over the past twenty years, this paper will analyze how these conditions have impacted upon resources available to Genesee County government for service provision and how Genesee County has coped with these given conditions. Comparisons will be made with current research on coping strategies of local governments with limited resources, including the loss of specific revenue, such as General Revenue Sharing. Lastly, conclusions regarding the current and long term fiscal condition of Genesee County will be drawn. It is hoped that this paper will identify issues which must be addressed to place the operation of Genesee County in particular and other local units of government facing similar situations, on a strong fiscally sound foundation.

As has been stated, the underlying premise of this research project is that Genesee County, like many other local units of government, has been experiencing on-going fiscal stress for a number of years, and because of that stress, Genesee County has followed the avenue of many governments facing the same kind of economic situation. In order to explore Genesee County's condition, one must first have an understanding of fiscal stress and the common conditions of governments facing such an environment. Theorists have described the condition of fiscal stress. Howard Wolman describes fiscal pressure as a condition "resulting from any

of several situations, all of which, if they persist for any length of time, must call forth a response of increasing revenues, decreasing expenditures, or some combination of the two."² Wolman further states that the following situations lead to fiscal pressure:

- (1) A declining revenue base or one growing at less than the rate of inflation
- (2) A reduction in the level of intergovernmental operating assistance
- (3) Unplanned deficits in either the annual operating budget or the general fund
- (4) A formal fiscal limitation on local expenditures or revenues.³

R. G. Downing used measures from financial trend monitoring systems as fiscal stress indicators in a study of the perceptions of county public officials. In his study, fiscal stress was defined "primarily as an imbalance between government revenues and spending" and his measures directed "attention to such symptoms of stress as fund deficits, failure to meet current financial obligations, and over-reliance on borrowing."⁴

Allen Schick describes fiscal conditions within

²Ibid., p. 231.

³ Ibid., p. 231-232.

⁴ Downing, R. G., "Urban County Fiscal Stress: A Survey of Public Officials Perceptions and Government Experiences", Urban Affairs Quarterly, Vol. 27, No. 2 (December, 1991) p. 315.

governments as a condition of scarcity, since budgeting is based on finite public resources. Relaxed scarcity, as defined by Schick, is a situation in which governments have "sufficient resources to continue existing programs and to undertake substantial new budget commitments." Schick states that chronic scarcity is the normal budget condition for most American governments. Chronic scarcity means there are enough funds to continue what is already being done because public resources are growing as fast as the cost of established services, but not fast enough to cover all demands on public resources. Acute scarcity prevails when available resources do not cover the rise in program costs. As described by Schick, "new programs cannot be encouraged, though the chief executive or the legislature might find funds for a few of their pet ideas or for demands that cannot be deferred". The last fiscal condition described by Schick is total scarcity. This condition occurs when available resources are not adequate for ongoing government programs. The government responds by either not providing services it wants to provide or by spending above its means.⁵

In 1978 Charles Levine, in an article entitled "Organizational Decline and Cutback Management", argued that administrative theory ignored organizational decline. As he

⁵ Schick, Allen, "Budgetary Adaptations to Resource Scarcity". Fiscal Stress and Public Policy, Charles Levine and Irene Rubin, eds., (Beverly Hills, California: Sage Publications, Inc, 1980), pp 116-128.

stated, "growth is a common denominator that links contemporary management theory to its historical antecedents and management practices with public policy choices".⁶ Prior to the 1970's, public organizational decline occurred in isolated cases while the public sector as a whole experienced enormous expansion. He argued that it was now important "to reappraise cases of public organization decline and death as exemplars and forerunners in order to provide strategies for the design and management of mainstream public administration in a future dominated by resource scarcity."⁷ Over the period of the last fifteen years, Charles Levine has been proven correct. Genesee County operates on a foundation of on-going resource scarcity. This case study on Genesee County can assist in the development of public administration strategies to help those in the field deal with long term fiscal pressure.

⁶ Levine, Charles H., "Organizational Decline and Cutback Management". Public Administration Review, Vol. 38, No. 4 (July/August 1978) , p. 316.

⁷ Ibid., p. 316.

I. ANALYSIS OF CONDITIONS CAUSING FISCAL STRAIN
IN GENESEE COUNTY GOVERNMENT

In order to understand the current fiscal condition of Genesee County, it is important to identify a number of conditions, both past and present, which have affected either the revenue available to the County or have affected expenditure obligations. Charles Levine developed a four cell typology to analyze the causes of public organization decline.

The causes are based on whether they are primarily the result of conditions either internal or external to the organization or whether they are a product of

Figure 1. The Causes of Public Organization Decline

	Internal	External
Political	Political Vulnerability	Problem Depletion
Economic/ Technical	Organizational Atrophy	Environmental Entropy

political or economic/technical conditions. Political vulnerability exists when internal conditions limit the organization's capacity to contract. Some variables of this include internal conflict, small size, younger organizations or changes in leadership. Problem depletion are external conditions which place a major drain on resources. This is the most common condition of causes in decline. Organizational atrophy is common to all organizations but public organizations are more vulnerable to such a condition, according to Levine. Declining performance can lead to

resource cutbacks or to a weakening of organizational capacity. Environmental entropy occurs when the capacity of the environment to support the public organization at prevailing levels of activity erodes. A declining economic base or tax limitation movements, such as Proposition 13 in California, are examples of conditions which can cause environmental entropy.⁸ Using this model of analysis, revenue changes over the past twenty years and other conditions which have impacted upon Genesee County's ability to maintain services will be explored.

⁸ Levine, Charles, "Organizational Decline and Cutback Management", p. 318.

A. Genesee County Resources 1973 - 1992

TABLE 1 - GENESEE COUNTY TOTAL REVENUE
1973 - 1992

1973	\$52,163,585
1974	\$58,105,378
1975	\$70,332,083
1976	\$72,430,893
1977	\$76,652,221
1978	\$85,162,949
1979	\$93,608,694
1980	\$84,263,960
1981	\$87,714,980
1982	\$84,418,695
1983	\$91,345,357
1984	\$99,117,691
1985	\$109,592,107
1986	\$127,233,803
1987	\$138,556,984
1988	\$139,637,710
1989	\$154,487,106
1990	\$164,396,956
1991	\$169,812,467
1992	\$170,987,877

Source- Genesee County Comprehensive Annual Financial Reports 1973 - 1992. Statistical Data Section, Table 2 - General Governmental Revenues by Source.

A cursory review of Genesee County revenues during the past twenty years does not appear to indicate any major problems. Table 1 shows the total revenue available to Genesee County during 1973 to 1992. Most years show a modest increase from the previous year, except for 1980 and 1982. The decrease in 1980 is a reflection of an accounting change. Genesee County, based on an agreement with local units of government within the County, established a delinquent tax revolving fund. Genesee County purchases property tax receivables for each year. Local units are then immediately

paid the amount of collectable tax for their unit. All taxes, including delinquent taxes, fees and interests are used for payment of the notes. Excess revenue then accrues to the County. Prior to 1980, the county delinquent tax revolving fund was reported in long-term debt service revenue. Due to

a change in accounting procedures based on the Governmental Accounting and Financial Reporting Principles of the National Council on Government Accounting, the delinquent tax revolving fund was removed from revenue identified for debt service.⁹ The decrease in 1982 is a reflection of decreases in federal grants, specifically the end of the Comprehensive Employment and Training Act (CETA) Program.¹⁰

Genesee County operating revenue, with the exception of the year 1982, has continued to grow over the years. However actual dollar growth does not take into account the growth of inflation or the purchasing power of those real dollars. Table 2 shows the adjustment of Genesee County revenue, both total revenue and general fund revenue, based on inflation using the Consumer Price Index base year 1982. As can be seen from the table, there has been some slight growth in total revenue but a decrease in the growth of general fund revenue. The declining purchasing power of Genesee County resources fits into Levine's method of analysis as an external economic condition, affecting the capacity of the environment to support the public organization's level of activity.

An overall review of revenue, while it points out that Genesee County has basic revenue problems, does not explore

⁹ Genesee County Controllers Department. Genesee County Annual Financial Report - 1980, p. 4.

¹⁰ Genesee County Controllers Department. Comprehensive Annual Financial Report, 1981 & 1982. Comparison of Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Special Revenue Funds, p 43 & p 47, respectively.

specific occurrences which have assisted in placing Genesee County in long term fiscal stress. In order to understand the variables which have affected Genesee County, one must review a number of revenue streams to determine major changes and identify how the County managed those changes. Appendix A. provides an overall view of major revenue streams over the twenty year period. This chart points out some items which bear further exploration, specifically the decrease in federal grants which occurred in the early 1980's, large growth in state grants in the mid to late 1980s with some decline in recent years, and the increase in the late 1980s in charges for services.

1. General Fund

The County General Fund provides revenue for general county operations. Appendix B. shows the revenue stream for county operating funds through the general fund. General operations for the county include those services as required by the Michigan Constitution and include the operation of the Courts, both Circuit and 67th District, the Sheriff's Department and operation of the County Jail. Other county-wide elected offices such as the Prosecutor, County Clerk, Register of Deeds and Treasurer operations are also included in the general fund. In addition, the county general fund supports activities like human services, the Equalization Department, Veteran Affairs, the Planning Commission, the Board of

Commissioners and County administrative support units including Personnel, the Controller's Office and the Management Information Systems department. The County Board of Commissioners sets the General Fund budget and modifies it as the year progresses.

As can be seen from Table 2, the growth within the General Fund has been minimal at best and given the growth of inflation, the purchasing power of the general fund has diminished over the years. The General Fund major source of revenue is taxes, and in the case of the County, that source is the property tax. Property tax growth is limited in Michigan because of the passage of the Headlee amendment in 1978. Genesee County levies 6.68 mills based on a fixed allocation approved by a vote of the people. The Headlee amendment to the Michigan constitution limits the collection of taxes to not more than the rate of inflation. Genesee County's growth in assessments has not usually been greater than the rate of inflation, except for 1993. Because of the 1992 tax freeze, assessments were increased more than the rate of inflation, changing the base tax rate from 6.68 mills to 6.07 mills. Genesee County can not collect any more than the 6.07 mills without a county wide vote to override the Headlee Amendment. Since the question has not been taken to the voters, Genesee County will lose approximately \$590,000 in

TABLE 2: ACTUAL DOLLARS ADJUSTED FOR INFLATION TO CONSTANT DOLLARS
 CPI-U 1982-84 = 100 BASE YEAR 1972

TOTAL REVENUE		GENERAL FUND REVENUE			
YEAR	Actual Dollars	Constant Dollars	YEAR	Actual Dollars	Constant Dollars
1973	\$52,163,565	\$47,985,963	1973	\$19,365,595	\$17,814,671
1974	\$68,105,378	\$47,581,475	1974	\$20,562,535	\$16,838,299
1975	\$70,332,083	\$53,857,901	1975	\$21,485,231	\$16,452,654
1976	\$72,430,893	\$52,891,975	1976	\$23,489,634	\$17,153,083
1977	\$76,652,221	\$52,459,249	1977	\$25,044,791	\$17,140,155
1978	\$85,162,949	\$53,462,708	1978	\$26,761,166	\$16,799,846
1979	\$93,608,694	\$51,869,224	1979	\$28,424,798	\$15,750,377
1980	\$84,263,960	\$41,497,315	1980	\$32,006,976	\$15,762,416
1981	\$87,714,980	\$39,658,369	1981	\$34,693,944	\$15,686,092
1982	\$84,418,695	\$36,760,190	1982	\$38,979,906	\$16,973,832
1983	\$91,345,357	\$38,323,570	1983	\$40,039,610	\$16,798,454
1984	\$99,117,691	\$40,004,766	1984	\$42,817,527	\$17,281,528
1985	\$109,592,107	\$42,613,582	1985	\$42,790,886	\$16,638,725
1986	\$127,233,803	\$48,936,078	1986	\$42,919,215	\$16,507,390
1987	\$138,556,984	\$51,028,352	1987	\$49,865,516	\$18,364,683
1988	\$139,637,710	\$49,249,815	1988	\$49,880,851	\$17,592,831
1989	\$154,487,106	\$52,067,423	1989	\$53,857,800	\$18,151,915
1990	\$164,396,956	\$52,218,764	1990	\$55,705,934	\$17,694,336
1991	\$169,812,467	\$52,335,242	1991	\$55,607,676	\$17,137,971
1992	\$170,987,877	\$51,212,014	1992	\$55,341,312	\$16,575,093

Source: Genesee County Controllers Office. Calculated by Ken Vavra, Assistant Controller

growth in 1993 tax collections.¹¹

The Truth in Taxation law can also affect the amount of taxes collected. The truth in taxation law requires that a public hearing must be held by the governmental body if the body intends to collect the full amount of millage allocated, if the collection of that millage level results in an increase of revenue greater than the amount collected in the previous year. In 1983, the County Board of Commissioners did not collect the full amount of millage allocated, thereby decreasing the amount of revenue available for that year.

Growth within the other revenue streams for the general fund has been minimal. Even though there has been an overall increase in charges for services in recent years, that

increase has not been reflected within General Fund revenues because they are used to offset specific services and

Table 3: Sources of transfers to General Fund

	Delinquent Tax Fund	Insurance Fund Unemployment	Special Revenue Fund	Internal Service Fund
87	\$4,600,000	\$1,000,000		\$527,974
88	\$4,107,133		\$59,165	\$134,475
89	\$4,350,000		\$774,087	
90	\$3,509,387	\$873,200	\$970,469	
91	\$3,051,070		1,485,972	
92	\$3,001,001	\$540,000	\$652,848	

Source: Genesee County Annual Comprehensive Financial Reports, 1987 -1992. Exhibits B-1.

¹¹ Fowler, Bill. Genesee County Equalization Director. Interview, Sept 17, 1993.

are designated as special revenue. In 1988, the County Board of Commissioners commissioned a User Fee Study to determine if additional revenue could be identified through the raising of fees for various services. In 1989, fees were raised within a variety of departments increasing revenues by \$421,896 per year.¹² The major increase shown in Appendix A. under Charges For Services from 1988 to 1992 is the result of increase in Community Mental Health change to full management status.

Beginning in the early 1980s, the Board of Commissioners began to regularly transfer funds into the general fund to augment resources available for services. Table 3 shows the amount of transfers and the source of the revenue from the transfer. Most of the transfers came from interest earned on the delinquent tax revolving fund. In 1987, other excess revenue from other funds began to be used to also augment the general fund. The two other major sources included excess funds from the unemployment fund and from special revenue funds.¹³ The use of excess revenue can be expected to decrease the fund balance for the General Fund. As can be seen from Table 4, the General Fund Balance has continued to progressively decrease as transfers are made to maintain

¹² Genesee County Board of Commissioners Minutes, April 25, 1989. Resolution 89-177., p 249. AND Memo from Richard G. McGraw, Controller to Commissioner Sylvester Broome, Chairperson of the Finance Committee. Subject: User Fee Study. April 14, 1989.

¹³ Genesee County Controllers Department. Comprehensive Annual Financial Reports. 1982 - 1992. State of Revenues and Transfers In: Budget and Actual-- General Fund. Exhibit B-1.

operations. It has become standard operating procedure, that at the beginning of each budget session for the coming year, the Strategic Budget Sub-Committee of the Board of Commissioners Finance Committee reviews fund balances of various accounts to determine if funds are available to augment the available revenue for the coming year. Such a practice points out the objective of the Legislative body to maintain on-going operations to the extent possible. The challenge for the Board of Commissioners, as viewed by their actions, is to identify more resources for operations and to shift as much General fund obligation as is possible to other funds. In order to limit the drain on general fund dollars, the use of special revenue funds to shift operations is vitally important.

Table 4: Genesee County General Fund Balances 1973 -1992

1973	\$9,031,926
1974	\$9,924,777
1975	\$8,176,085
1976	\$9,146,359
1977	\$11,117,448
1978	\$8,723,697
1979	\$8,729,973
1980	\$9,408,675
1981	\$9,346,980
1982	\$9,093,006
1983	\$9,394,724
1984	\$7,109,659
1985	\$8,226,819
1986	\$7,448,252
1987	\$6,816,687
1988	\$4,990,913
1989	\$4,639,946
1990	\$5,343,962
1991	\$4,532,703
1992	\$3,956,081

Source: Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Government Types. 1973 - 1992. Exhibits A-2.

2. Special Revenue Fund

The special revenue fund accounts for dollars which are designated for special purposes and which can only be used for the purpose stated. Much of the funding available through special revenue is state or federal funding. A few other accounts within the special revenue fund include tax dollars collected for specific purposes, such as the accommodations ordinance tax, the paramedics millage and millage for the parks and recreation system. Appendix C. outlines the various major special revenue accounts within the special revenue fund.

As was stated earlier in discussion of the general fund, there are ways some special revenue can be used to offset general fund expenditures. When fees are raised for various services provided by Genesee County, those fees are usually used to provide specific services. They are then accounted for within special revenue, but in actuality, they lessen the commitment needed from the general fund to provide services. For example, a fee raised for public swimming pool inspections, or inspections for restaurants, decreases the general fund obligation, and the revenues raised from that service are placed in the special revenue account.

The passage of certain taxes has also helped to lessen the obligation of the general fund. The passage of the Parks and Recreation millage has allowed the Commissioners to

progressively decrease the general fund allocation to Parks and Recreation and in 1992, the Board did not appropriate any general fund dollars to the operations of the parks. The accommodations tax is shared by the Parks Commission and the Flint Convention and Tourist Council, but a small portion of the tax is allocated to the Treasurer's office as a collection fee. Community development dollars are distributed to local units of government outside of the City of Flint by formula. Genesee County, through the Planning Commission, provides administrative and monitoring services for the program. In addition, a County wide housing rehabilitation program is operated by the Planning Commission. Those activities are funded with Community Development dollars.

There are some accounts in which general fund dollars are transferred to special revenue. These accounts include Child Care, County Health, Planning Commission, Social Services, Community Action Agency and Mental Health. Most of the revenue transferred are the result of providing match dollars for the programs listed above. Dollars transferred for these programs have substantially decreased as the County Commission continues to identify ways to lessen the obligation to the General Fund. Transfers to these funds have shrunk to the minimum amount possible without jeopardizing the loss of other state or federal revenue.

In the past, there were two major special fund accounts which were available to assist in general county operations.

These were the General Revenue Sharing and the Public Service Training Program accounts. Neither of these two funding sources are now available to the County. General revenue sharing legislation was passed by Congress in 1972 and the Comprehensive Employment and Training Act (CETA) quickly followed in 1973. Both programs were a part of President Nixon's proposed "New Federalism", an effort to clarify the roles of government (national government should concentrate on transferring income and the state and local governments should provide services¹⁴) and to keep down the rising level of state and local taxes¹⁵. General Revenue Sharing funds provided significant dollars to the County Board of Commissioners for county operations until 1986. Figure 2 and 3 on the following page show the percentage of the Genesee County operating budget funded by General Revenue Sharing and CETA dollars. Appendix D. identifies the expenditures in the General Revenue Sharing Fund and points out that most of the funds were used for on-going operations within the County. CETA funds (shown in Appendix C. under Public Service Training Program) were available until 1981. As with General Revenue Sharing, CETA funds were used within the County to help supplement services provided by general fund employees. It is difficult to

¹⁴ Brown, Lawrence D., James Fossett & Kenneth Palmer, The Changing Politics of Federal Grants (Washington, D.C.: The Brookings Institution, 1984) pp. 23-24.

¹⁵ Murphy, John C., "General Revenue Sharing's Impact on County Government". Public Administration Review, (March/April 1975) p. 134.

Figure 2 - Amount of Genesee County Budget funded by General Revenue Sharing

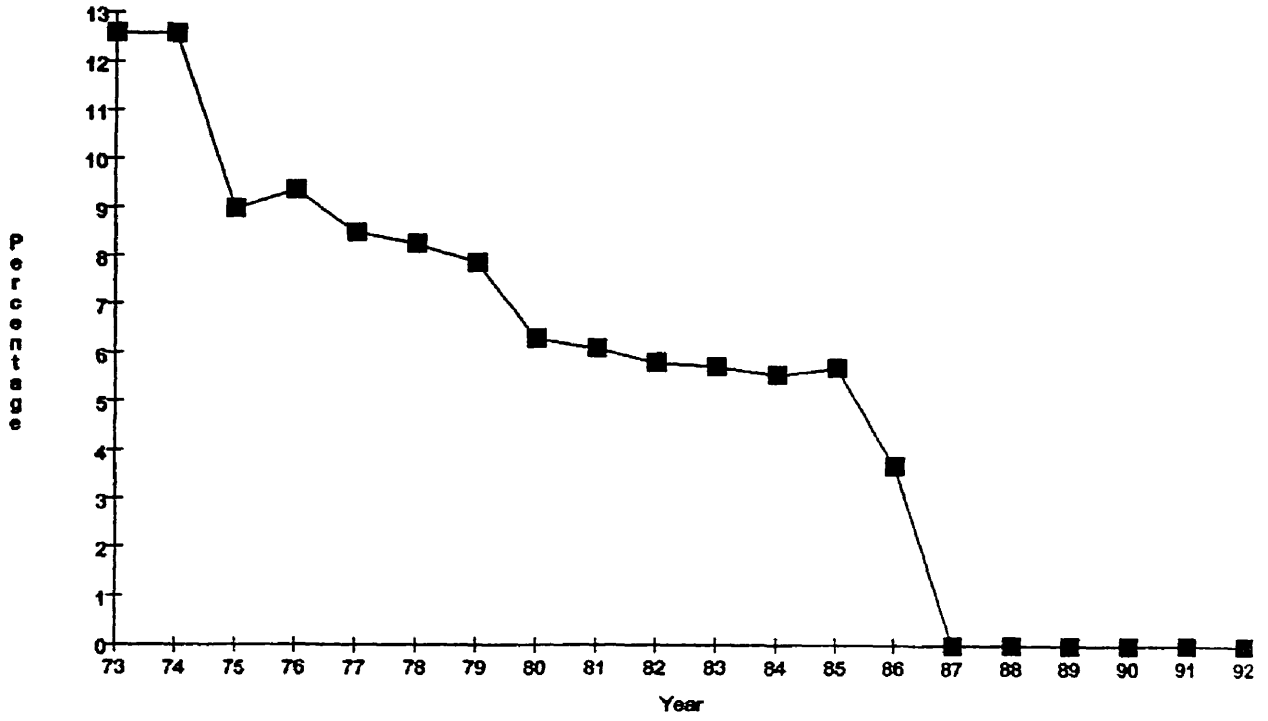
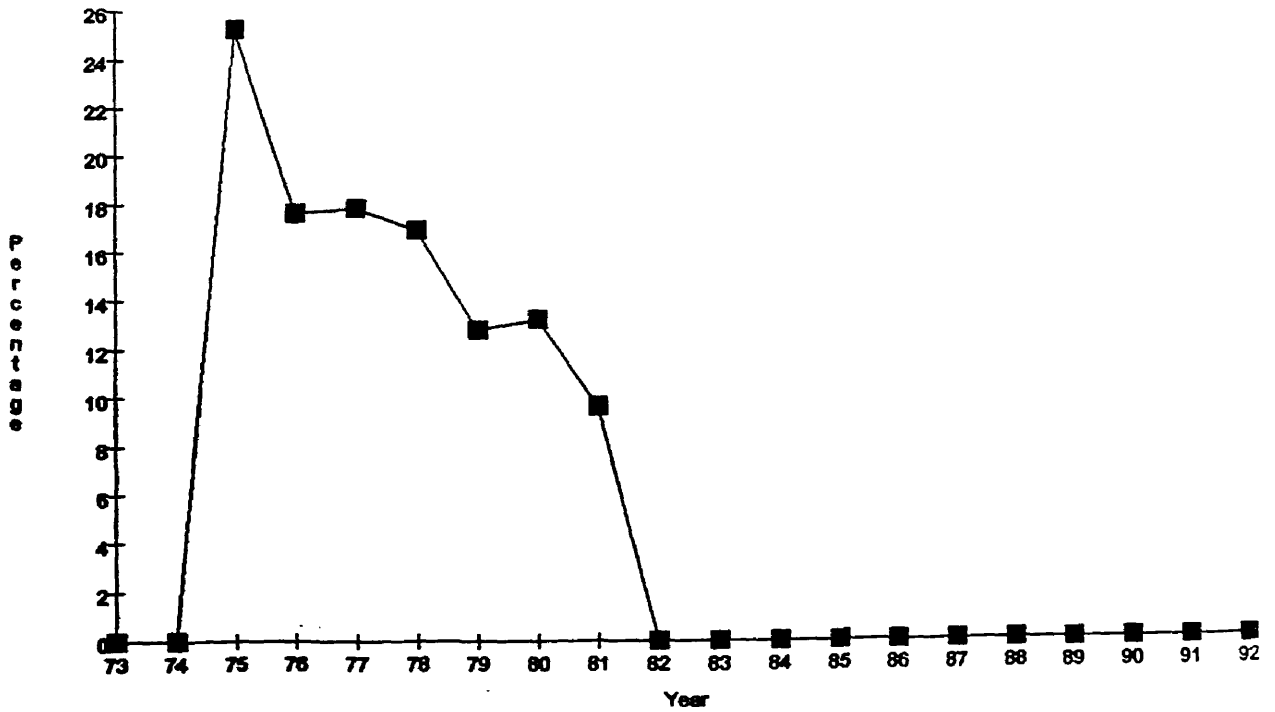


Figure 3 - Amount of Genesee County Budget Funded By CETA funds



specifically identify CETA funded employees since accounting records place CETA funded employees among other employee funding sources. However, the decline in the CETA/Other employee category (Appendix E.) from 1976 to 1982 is the result of the loss of CETA dollars. The loss of these two revenue sources had a significant impact on the amount of revenues available to the County and on the size of the County work force.

Two other revenue streams should be identified. These are the Model Cities Program and the Job Training Partnership Act. The Model Cities program was a major component of President Johnson's War on Poverty initiative. Significant funds were available in the sixties and early seventies for many social service, community organization and housing activities. These funds were channeled through Genesee County but were passed through to the Genesee County Model Cities Corporation. As a part of Nixon's New Federalism, Nixon proposed the end of many of Johnson's war on poverty programs because he believed local government should have a greater role in determining how federal dollars were being spent.¹⁶ Therefore, at that time, the Genesee County Model Cities program was phased out. Many of the services provided by the Model Cities program were picked up by City of Flint Community Development Program or by the Genesee County Community Action Agency when specific grant dollars for the services were

¹⁶ Brown, Fossett & Palmer, pp. 23-24.

received. The Job Training Partnership Act (JTPA) was the alternative program for employment and training when the CETA program ended. The emphasis of JTPA is on training for unsubsidized private employment. That emphasis makes it very different from CETA because funds are no longer provided for long term subsidized employment. Many local governments, Genesee County included, used the CETA dollars to fund public employment positions. In contrast, JTPA dollars are passed through Genesee County to the local employment service agency, Jobs Central. Therefore, unlike the past in which CETA dollars were used to provide County services to residents, JTPA funds are not available to the County Board of Commissioners to ease the pressures on the County general fund.

As can be seen, there are opportunities for the Board of Commissioners to utilize the special revenue fund to ease the pressure that has been placed on the general fund. However, these opportunities have decreased over the years. Much of the cause of this decrease is the result of a decrease in revenue which has the flexibility for many uses, specifically the loss of CETA and General Revenue Sharing dollars. Even though there has been an overall increase in special revenue due to increases in state revenue for specific programs, the dollars available are not as flexible as they were in the past. Changes in federal grant policies have contributed to the organizational decline experienced within Genesee County.

This cause of organizational decline can best be described through Levine's paradigm as external political category of causes.

B. Analysis of the Causes of Fiscal Strain Experienced by
Genesee County

A review of the history of the funding streams available to Genesee County identifies some of the reasons why Genesee County has been experiencing long-term fiscal pressure. The three major causes of fiscal pressure identified through this analysis of the funding streams were slow or decreasing growth in available revenue due to increasing cost of living, decreases in major grant programs from the federal government, and the Michigan constitutional limitation on property taxes coupled with the 1992 property tax freeze enacted by the Michigan State Legislature.

Through a review of budget documents for Genesee County, at least three other factors have had an impact upon either available revenue or through increasing financial obligations. The first is the general economic climate within Genesee County. Genesee County's economy is largely driven by General Motors. Since the late 1970's, the American car industry has continued to experience difficult times and Genesee County has been hit especially hard. High

unemployment, plant closings and a higher demand for service have characterized the decade of the 1980s in Genesee County. In 1987 General Motors projected that their labor force would be reduced from 63,000 to 40,000 by 1991.¹⁷ While it is difficult to place monetary values to the impact of this economic condition on Genesee County government, at a minimum, it included smaller growth in state income tax revenue sharing dollars and an increased need for services provided by the county.

Costs related to litigation of local governments have continued to increase in recent years, and county governments have been hit harder than city governments by such increases (53.8% as compared to 19.0%).¹⁸ Two major cases have negatively affected Genesee County, not just in the costs of litigation, but also through the costs of settlement. In January, 1978, a class action suit was filed in federal court on behalf of past, present and future inmates of the Genesee County Jail. The suit was broad in scope and action, stating that the conditions and practices of the county jail violated federal and state operating standards and regulations. Over the course of the ensuing years, matters were resolved through negotiated consent orders and, ultimately a consent judgement.

¹⁷ Genesee County Controller's Office. 1987 Operating Budget - Genesee County. p vii.

¹⁸ MacManus, Susan & Patricia A. Turner. "Litigation as a Budgetary Constraint: Problem Areas and Costs". Public Administration Review, Vol. 53, No. 5 (Sept./Oct. 1993), p 463.

An interim order in February, 1980 required maintenance of certain staffing levels, set a general population limit, and required certain staff training. Appendix F. shows the large increase in law enforcement staff which occurred from 1980 to 1984. Further orders in 1982 and 1985 contained additional specifications regarding population caps and procedural details for maintaining the population. During this time, the County Board of Commissioners commissioned studies to determine if it was more cost effective to renovate the current jail or build a new one which would meet the requirements of the court orders. It was determined that it would be more cost effective to build a new facility. In June of 1986, a final consent judgement was ordered which required construction of a new jail.¹⁹ In 1981, the Annual Budget document stated that costs for operating the county jail had doubled over one years time to a total of \$4.6 million dollars. By 1988 the costs of operating the jail had quadrupled.²⁰ In 1989 there was a small decrease in staff costs in operating the county jail but the decrease in staff projected due to the building of the new jail was not as large as was anticipated and in 1990, security staff had to be

¹⁹ Chapman, Ward. Genesee County Corporation Counsel, Interview with. August 18, 1993.

²⁰ Genesee County Controllers Office. 1988 Program Priorities. p vii.

increased because of double bunking in the new facility.²¹

The other major litigation which has had substantial impact upon the resources of the County is a lawsuit which was filed

by General Motors in 1987. GM appealed its 1983 through 1986 property tax assessments, requesting a rebate for which the county was partially liable. The case went before the Michigan Tax Tribunal and in 1992, was settled. The liability to Genesee County was as large as was anticipated. The settlement included the payback to GM of previous year tax collections from 1983 to 1991 of a total of \$3,507,443 over a nine year period. In addition, Genesee County experiences an annual loss of \$576,674 in yearly tax collections from GM based on the settlement. Therefore, over the next nine years, the loss to Genesee County is \$966,390 yearly.²²

The last major factor to impact Genesee County resources is one which is surrounded by controversy. Cities and townships are able, through state law, to grant tax abatements for industries who are locating or improving their operations. The purpose of the granting of abatements for property tax is that jobs will be created and maintained in the community. Theoretically, local units are not financially harmed through these abatements because of the growth which would accrue to

²¹ Genesee County Controllers Office. 1991 Program Priorities. p. 369.

²² Genesee County Controllers Office. Calculation of Amount Due-GM Tax Appeal (City of Flint), 1893-1991.

the community and the potential through increased revenue from income tax. The County only realizes revenue from income tax through state revenue sharing and the effectiveness of tax abatements to increase economic growth is unclear at best and to some, ineffective. Historically, the Genesee County Board of Commissioners has viewed the granting of tax abatements as detrimental to its resources and has transmitted that opinion every time the State has asked for input from the County on the granting of specific abatements. In addition, the creation of local Tax Increment Financing Authorities (TIFA), has caused a drain on county property tax revenue. A TIFA is a specific area of a local city or township designated for economic development and improvement, in which the property taxes collected in the area are used specifically for the development of that area. The total amount of property tax revenue lost to Genesee County because of the granting of tax abatements and the development of TIFAs is estimated at \$2,400,000.²³

All of the causes described fall into Levine's paradigm as external factors, either economic or political. The economic climate is, of course, an external economic cause resulting in environmental entropy. Both of the lawsuits can be viewed as external political conditions which have caused problem depletions. The same is true for the granting of tax

²³ Smorch, Leonard. Genesee County Controller. Letter to Roland C. Anderson, Secretary of the Michigan State Tax Commission dated February 3, 1993.

abatements and the creation of TIFAs. Clearly, the majority of causes of decline with Genesee County revenue are a result of external causes.

This is not to say that there are not any reasons internal to Genesee County which have caused organizational decline, but rather that the major reasons for decline are external to the organization. Internal decline which may have occurred can be attributed to the stress of experiencing the external problems. As Levine points out, older organizations are often more flexible than young organizations and rarely die or shrink very much. They have longer institutional memories than a human lifetime and they "ought to have a broader range of adaptive skills, more capacity for learning, more friends and allies and be more innovative because they have less fear from making a wrong decision than a younger organization".²⁴ While Genesee County is an old institution, some of the actions taken by the Board to decrease costs may have had some negative effects which could impact on the political vulnerability of the institution. For example, an early retirement program, implemented in 1991 to decrease personnel costs, resulted in a vast number of long term seniority employees leaving public service. Two of the counties major department heads, the Controller and Personnel Director, left under that program. With such a large number

²⁴ Levine, Charles. "Organizational Decline and Cutback Management", p. 319.

of employees leaving, the institutional memory and experience within the County has decreased. That situation in and of itself does not create political vulnerability, but it could be argued that the County might be in a more vulnerable position as continued fiscal stress is experienced.

It can also be argued that Genesee County has experienced some organizational atrophy. As is the case with many organizations, "when resources abound, money for the development of management planning, control, information systems, and the conduct of policy analysis is plentiful even though these systems are relatively irrelevant to decision making. Informal analysis suffices for most decisions because the costs of making mistakes can be easily absorbed without threatening the organization's survival. However, in times of austerity, when these control and analytical tools are needed to help to minimize the risk of making mistakes, the money for their development and implementation is unavailable"²⁵. The same can be said for Genesee County. In the seventies and early eighties, the Controller's office had a Management Analyst Division that worked with departments on methods to decrease costs. This division was eliminated in 1984 because of decreased resources. In recent years cuts have been made in staffing for general support services like purchasing, management information systems, controllers office and personnel before cuts are made in service personnel. This is

²⁵ Ibid., p. 317.

evidenced in Appendix F as shown in the Other category. As staff for law enforcement increased in the eighties, that increase was offset by decreases in employees in the other category. These cuts limit the analytic and management capability of the County at a time when such services are sorely needed. And yet, there is a recognition that efforts to improve the cost effectiveness of service delivery must continue and there are many examples undertaken with that in mind. In 1980, the County Clerk and Board of Commissioners commissioned a study on ways to make the operation of the County Clerk more effective through computerization and reorganization. Implementation of those recommendations led to decreases in staffing from forty-six people to thirty-two. Computerization and updating of computer systems continues at the County. For example, the staff in the Clerk's office has currently decreased to a total of twenty-eight people.²⁶

The County Board of Commissioners has established staff work groups with the City of Flint to identify ways to provide services together or share costs. The renovation of the old Montgomery Ward Building in 1990 into the McCree Courts and Human Services Center began the process of recent cooperative ventures with the City of Flint. Maintenance costs for that facility, which co-locates services are shared by the County, City and State of Michigan. There are many opportunities for

²⁶ Genesee County Controller, 1980 Program Priorities and 1992 Budget. pg.

the City of Flint and Genesee County to develop cost sharing systems. Some examples include purchasing, management information systems, communications systems and some service delivery.

Clearly, the major causes of the fiscal pressure experienced by Genesee County are due to external influences which the County can not change. The Genesee County organization has felt the impact of that fiscal pressure and suffered some organizational decline as a result. However, as has been discussed, the County continues to identify methods to stem the decline they have experienced by searching for less costly methods of providing the services that are required.

II. COPING WITH DECLINE

An analysis of the reasons for on-going fiscal strain leading to organizational decline does not provide detailed information on the strategies used by Genesee County to cope with the increasing drain on resources that has been experienced. Much of the current research identifies common ways organizations have dealt with the pressures associated with dwindling resources. Harold Wolman states that government has two choices, to increase revenue or decrease expenditures. Those choices are difficult ones for governmental bodies and according to Wolman, the literature appears to show that there is an "overall objective of local government to maintain existing employment levels and budget totals, even at the expense of changing the local program mix and priorities." Therefore, governments often use "buying time" strategies such as drawing down existing fund surpluses, engaging in interfund transfers, and borrowing to support operating deficits.²⁷ Forrester and Spindler categorize common strategies a little differently. They argue that governmental units use strategies to resist decline or strategies to smooth decline. Resisting revenue decline includes shifting fiscal responsibilities for services to third parties, placing greater reliance on intergovernmental transfers, increasing user fees and deferring maintenance and

²⁷ Wolman, Harold. pp 231 - 234.

capital expenditures. Tactics to smooth decline include targeting unpopular programs for cuts and termination, and cutting personnel, either through attrition or layoffs.²⁸ No matter what strategies are used to deal with fiscal pressure, all the literature points out that in order to place the organization on a sound financial basis there are really only two alternatives; either revenues must be raised or expenditures must be decreased.

The Genesee County Board of Commissioners has used both tactics to resist decline and tactics to smooth decline. Many of these methods have already been identified. As was stated earlier, the County Board of Commissioners has consistently used yearly fund balance, especially fund balance available through the delinquent tax revolving fund, to supplement available resources for on-going operations. County operations, whenever possible, have been shifted to other special revenue. However, unlike the times when CETA and General Revenue Sharing were available, the opportunities are limited to the use of smaller state or federal grants for specific uses. Over the years, the Board of Commissioners have become careful to assure that when funds are accepted for programs, either the full costs of providing the service are a part of the revenue received or that County contributions to

²⁸ Forrester, John P. & Charles J. Spindler, "Assessing the Impact on Municipal Revenues of the Elimination of General Revenue Sharing". State and Local Government Review, Vol. 22, No. 2 (Spring 1990), p. 74.

a program are limited to match requirements for that program.

There has been a substantial decline in County general fund contributions for other programs which do not impact county personnel. During the seventies and early eighties, the financial reports itemize long lists of agencies who received appropriations from the County. They include the Spanish Speaking Information Center, Planned Parenthood, The Region V Planning Commission, the Crisis Intervention and Rape Center, Rodent Control, Valley Area Agency on Aging, Williams Community Crime Council and Mass Transportation Authority. Most of those appropriations have been eliminated and are now only provided if required for the receipt of other grant funds or for special one time only emergency requests. In addition, required appropriations are made at only a minimal level. In 1990, the Friend of the Court appropriation was cut to the level required by law, decreasing their general fund appropriation from over \$2,000,000 to \$1.69 million.²⁹ Genesee Memorial hospital was sold to McLaren General Hospital in 1984 to decrease county obligations. The proceeds were used to help offset the cost of construction of the new county jail. Counties are required to provide funds for indigent hospitalization costs or develop a managed care system. Prior to 1991, the County allocated over a million dollars for this

²⁹ Genesee County Controllers Office. 1990 Program Priorities. p. 41.

hospitalization costs on a yearly basis. This program was changed to a managed care system in order to decrease the appropriation to \$436,000 yearly³⁰. While the decision was made to decrease costs, the effectiveness of the program and compliance of state law is an issue of controversy during the yearly budget process.

Discretionary programs have significantly decreased. A review of budget reports throughout this time period reflect cuts in many of these programs. Some examples include the sheriff aviation and snowmobile safety programs, significant decreases in county road patrol (The program now only includes a state grant for highway patrol and contracts with township governments), elimination of the Prosecutor's Consumer Protection Division, and elimination of the Investigative Unit in the Prosecutor's Office. Discretionary services are now only twelve percent of the County's general fund budget.³¹

As has also been stated earlier, the County has also searched for ways to increase revenue, either through the increase of user fees or through the passage of special use millage. In addition to the user fee study and consequent increases made in those fees, special use millages have been passed for the county library system and the county park system. Currently, neither organization receives any County

³⁰ Genesee County Controllers Office. 1992 Budget.

³¹ Smorch, Leonard. Genesee County Controller. Interview, September 17, 1993.

general fund appropriation. A millage was also passed for the paramedic program, which helps to supplement road patrol in the out-county. The 9-1-1 system lost state funding in 1990 and the Genesee County Board, with help from other counties, was successful in getting special state legislation passed to allow telephone companies to charge an assessment fee for the 9-1-1 system.

The early retirement incentive program was a major initiative by the County Board of Commissioners to resist decline. In 1990, employees were offered a substantial incentive to retire. Additionally, the County negotiated with the unions to decrease the starting wage of employees by two dollars an hour. An effort was also made to decrease the number of positions that would be filled when employees left. The success of that program, in terms of decreasing costs, is qualified. The program brought an estimated one million dollars in short term savings to the County as people left and were replaced with new employees receiving a decreased starting wage. However, the County Board replaced most of the positions and only eliminated about 22 positions out of about 120 in the first year of the program³². Consequently, long term savings will be minimal. As employees accrue seniority, the savings realized from this program will also decrease. In addition, the amount that the County must contribute to the

³² Smorch, Leonard. Genesee County Controller. Interview on September 17, 1993.

retirement system has grown substantially over recent years because of two actions. In 1988, 1989, and 1990, the retirement system was over 100% funded and the County Board of Commissioners chose not to contribute to the system. In addition the increased number of retirees has required a higher contribution rate. In 1992, the percentage contributed to the retirement system was 16.21 percent of employee wages³³.

Personnel costs are the major component of the Genesee County budget, making up 65.33 percent of total general fund expenses³⁴. In addition to the early retirement program, the county management continues to identify ways to slow the growth of personnel expenses. Annual cost of living adjustments were a regular cost to the County during the seventies. In 1987, the County negotiated with the unions to eliminate this benefit. Wage freezes have also become common as a part of negotiations with the union. Since 1989 there have been at least three years of wage freezes. When increases have been granted, they have been limited to three or three and one-half percent. It is expected that future negotiations will center on decreasing fringe benefit costs. Decreases in health insurance benefits or cost-sharing of health benefits and changes in the longevity system have been

³³ Genesee County Controllers Office. Genesee County Employer Contribution Ratio.

³⁴ Vavra, Ken. Genesee County Assistant Controller. Interview. September 9, 1993.

discussed as future negotiating items.

Long term debt in Genesee County has also substantially increased over recent years. Most of the increase which affects the Genesee County General Fund is the increase shown in Appendix G. under the Genesee County Building Authority and is the result of bonds purchased for the building of the new county jail and renovation of the old Montgomery Wards building into the Courts and Human Services Center. Some bonding has occurred for new outlying court buildings. Bonds have also been sold for the purchase of computer upgrades which in the past have been able to be purchased because of fund balance or general revenue sharing availability. Genesee County, like many other counties, has turned to the use of bonding for capital improvements and major equipment purchases as other funds have become limited.

The tactics used by Genesee County to manage resource decline are very common to those used by other units of government. Studies by Forrester and Spindler; Steel, Lovrich and Soden; and Thai and Sullivan on how cities have replaced general revenue sharing dollars show similar tactics used by Genesee County and described by other researchers. Forrester and Spindler point out that cities have preferred to use indirect methods to identify revenue to replace lost general revenue sharing dollars. These include increased state aid, service fees, and utility charges. When revenue decline persists, there has been a willingness to directly raise

taxes, using a combination of property, sales and income tax increases.³⁵ Steel, Lovrich and Soden cite the use of fund balance, transferring funds from one fund to another, deferring capital projects, selling assets, eliminating unfilled positions and deferring maintenance projects as common tactics to cope with lost revenue. Only 6.7 percent of the cities surveyed eliminated positions as a response to the loss of revenue.³⁶ Thai and Sullivan identified increasing property taxes, adding user charges or reducing operating or capital expenditures as common strategies to manage lost revenue sharing dollars.³⁷ With the exception of raising taxes, the city response is similar to county response to lost revenue. R. G. Downing surveyed urban county governments and found that actions taken to cope with their fiscal problems included tighter financial management controls, increases in user fees, and selective spending reductions. Poor counties

³⁵ Forrester, John P. and Charles J. Spindler, "Assessing the Impact on Municipal Revenues of the Elimination of General Revenue Sharing". State and Local Government Review, Vol. 22, No. 2 (Spring 1990) p. 77, 80-81.

³⁶ Steel, Brent S., Nicholas P. Lovrich, and Dennis L. Soden, "A Comparison of Municipal Responses to the Elimination of General Revenue Sharing". State and Local Government Review, Vol. 21, No. 3 (Fall 1989) p. 113.

³⁷ Thai, Khi V. & David Sullivan, "The Impact of Termination of General Revenue Sharing on New England Local Government Finance". Public Administration Review, Vol. 49, No. 1 (Jan/Feb, 1989) p. 66.

were more likely to use pay freezes than other counties.³⁸ Counties do not consider increasing taxes as commonly as cities do because they are usually limited by state constitution on their ability to levy taxes. However, as can be seen by Genesee County, when the option of levying tax is available to the unit of government (in this case, special use millage), it can and is used.

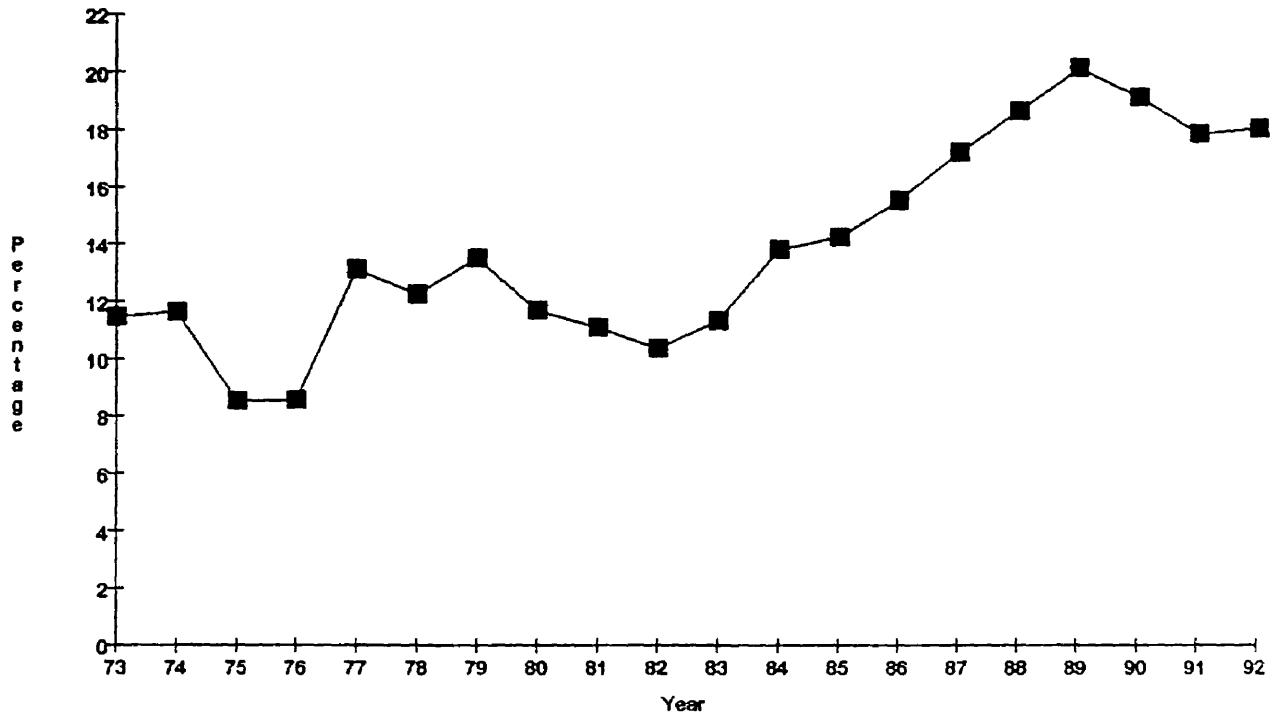
Both the research and the experience of Genesee County bears out the statement made by Howard Wolman referenced earlier that the overall objective of government is to maintain employee and budget totals. While the total number of Genesee County employees has declined from a high in 1976 of almost 2000 to about 1600 currently, it is evident that decreasing the work force and thereby decreasing the on-going costs to the county budget is the last alternative considered. The desire to provide services, along with responsibilities mandated by the federal and state government that must be met by the County, require a significant work force. The politics involved in the elimination of positions is always difficult and often bloody. It is understandable that a decrease in personnel becomes the last resort for a public organization.

³⁸ Downing, R. G., "Urban County Fiscal Stress: A Survey of Public Officials Perceptions and". Urban Affairs Quarterly, Vol. 27, No. 2 (December, 1991) p. 321.

III. LONG TERM SOLUTIONS FOR THE FINANCING OF COUNTY GOVERNMENT

As has been shown, Genesee County has faced many years of fiscal strain. The beginning of a long term economic downswing due to a depressed American auto industry began in the seventies and severely affected General Motors. Therefore, Genesee County was hit even harder than other areas of the State of Michigan. There are two local expressions which are commonly used to describe the economic climate in Genesee County. The first is "So goes GM, so goes Flint. And when the auto industry is on the down side and Michigan's economy is affected, it is often said that "when Michigan has a cold, Flint has pneumonia". Since Genesee County is so dependent upon General Motors financial condition, the whole community is hurt when GM is facing financial hardship. Genesee County government also experiences fiscal pressure because the condition of GM affects growth in real estate development, slowing down the growth of property tax revenue. In addition, property tax revenue growth was limited by the passage of the Headlee amendment and the 1992 property tax freeze enacted by the State Legislature. Federal programs, especially general revenue sharing and the Comprehensive Employment and Training Program helped to ease some of the financial pressure experienced by Genesee County during the seventies and early eighties. The elimination of these programs required the

Figure 4 - Amount of Genesee County Budget funded by State Revenues



county to eliminate some services and search for alternative funding sources for others. The State of Michigan increased assistance in the early eighties for specific programs and helped to alleviate some pressure felt by the County. From 1980 to 1986 local aid grew 36.5% in Michigan.³⁹ However, as the State experienced fiscal difficulties in the late eighties and continues to feel the pressure for property tax relief, their financial commitment to local government has begun to decrease. Figure 4 illustrates the change in the percentage of the Genesee County budget funded with state revenues from 1973 to 1992.

Genesee County's experience does not seem to be that different from other local units of government, especially those serving urban areas. If there is a difference, it is in the length of time Genesee County has had to weather difficult financial conditions. The financial picture for Genesee County does not appear to be much different in the foreseeable picture. While it appears that GM may be stabilizing, Genesee County still is highly dependent on one industry. There are many well-intentioned efforts in the county to develop an atmosphere which lends itself to diversification and to seek the development of new businesses but such efforts are long term in nature. One can not expect that benefits will accrue to local government for some time if the efforts are

³⁹ Gold, Steven D. & Brenda M. Erickson, "State Aid to Local Governments in the 1980s". State and Local Government Review, Vol. 21 No. 1 (Winter, 1989) p. 18.

successful. In addition, the negative affects of the GM lawsuit settlement will significantly impact the financial health of the County for the next nine years. As was stated earlier, the settlement agreement requires the County to pay back prior year collections to GM and has also negatively impacted growth in the property tax collected for the future.

Current actions by the State Legislature and Governor to revamp school financing have all local units of government in the State seriously worried. The elimination of school property tax will seriously impact the revenue raising ability of the Genesee County delinquent tax revolving (DTR) fund. County staff have even guessed that the DTR may no longer be needed. As has been stated earlier, the Genesee County Board of Commissioners uses about three million dollars from that fund on an annual basis to supplement revenues. The legislation to cut property taxes to eliminate school funding also included a section which required that in 1994, assessments would be based on 1992 valuations. County Staff has estimated that an expected growth of about 1.2 million dollars will be lost because of this provision in the law.⁴⁰ While initial discussions with State legislators seem to indicate that this portion of the law will be repealed, local governments remain extremely concerned about the impact of the legislation.

⁴⁰ Fowler, Bill. Genesee County Equalization Director. Interview. September 17, 1993.

During the next few months, the Governor and Legislature will be developing proposals and negotiating solutions to finance the operation of Michigan's public school system. Local units have already expressed major opposition to the Governor's proposal to end revenue sharing to local units. Genesee County would lose approximated 7.2 million dollars if this proposal is adopted⁴¹. The Governor argues that local units of government would be able to share the millage currently allocated to schools under the constitutional allocation of fifteen mills without a vote of the people. In Genesee County, 8.112 mills of the fifteen are allocated to schools. Division of these mills between the county and townships would be helpful but it is not clear that these mills would completely make up for the lost revenue which currently accrues to these units. Additionally, it is the opinion of the County Corporation Counsel that the allocation of the mills would probably have to be voted on by the citizens of the County. The voters could reject a new allocation, thereby leaving the current allocation as it is and maintaining the property tax cut received when schools are cut from the fifteen mill allocation. Many local units of government are working hard to assure that the proposal to eliminate state revenue sharing is not a part of the solution to finance schools in the State of Michigan. Genesee County

⁴¹ Smorch, Leonard. Genesee County Controller. Interview. September 17, 1993.

along with an increasing number of other counties, will continue to face fiscal strain unless the Legislature rejects solutions which have a negative impact upon local government.

Actions which can be taken by Genesee County to ease the strain it experiences are limited. One way Genesee County can act to stem decline is to identify ways to cut the expenses of operation. As Charles Levine points out, "there are few rewards for conserving resources in public management. To change this attitude, managers will have to shown that saving has rewards. In most government organizations, this will require fundamental reforms in budgeting and personnel practices".⁴² Genesee County has and continues to search for ways to save money. Most of these efforts have centered around temporary personnel savings or changes in operations through computerization.

Attention has now turned, as Charles Levine has suggested, to providing rewards for savings. The County is in the development stages of an employee suggestion program and the development of a total quality management program. However, it has been recognized that these efforts may not bear substantial savings for a number of years. In addition, the County Board of Commissioners is currently trying to identify budget policy changes which would encourage savings.

⁴²Levine, Charles H., "More on Cutback Management: Hard Questions for Hard Times". Public Administration Review, Vol. 39, No. 2 (March/April, 1979), p. 182.

A policy which is likely to be implemented is to allow departments to keep a certain percentage of dollars they save annually for use at the department's discretion. This is a major change in the thinking of the County Board. In the past, all departmental fund balances were taken at the end of the year and the use of those dollars was determined by the Board. Such a change in policy, termed by budget researchers as "profit-sharing", is a result of a recent shift in budgeting from centralized control to decentralized control. Within such a system of budgeting, goals and spending authorizations are determined by the governing body but significant discretion is given to departments on how best to allocate dollars to achieve the goals established.⁴³ While it can be expected that Genesee County will explore and experiment with budgeting methods to save money, it can not be expected that such methods, even if very successful, can solve the on-going problems resulting from the fiscal strain experienced.

Another alternative available to Genesee County is to continue its decline in service provision. That alternative will be extremely difficult since the vast majority of funds spent in the County are for mandated services or are funds allocated for specific purpose. Future cuts in service delivery will affect services mandated by the State

⁴³ Cothran, Dan A., "Entrepreneurial Budgeting: An Emerging Reform?". Public Administration Review, Vol. 53, No. 5 (Sept./Oct., 1993) p. 446.

Constitution. County elected officials responsible for the delivery of those services will not sit idly by while the Board of Commissioners eliminates operations vital to the provision of their mandated responsibilities. Conflicts arising from such actions will lead to possible court actions or increasing pressure on the State to identify other sources of revenue for county government.

Metropolitan government, or consolidation of local units of government, is another potential solution to solving the financial problems experienced by Genesee County. Research indicates that fragmentation of governmental services leads to a higher tax burden for its citizens and a corresponding increase in the cost of service delivery.⁴⁴ Metropolitan organization can take many forms. A single governmental organization can be created for the geographic area, merging Genesee County, the City of Flint and other townships, villages and small cities within the County. Another example of governmental reorganization is the two tier system of government, such as that which exists in Dade County, Florida. In a two tier system, certain services are consolidated at an upper tier level of government.

Metropolitan government is occasionally explored within

⁴⁴Bunch, Beverly S. & Robert P. Strauss. "Municipal Consolidation: An Analysis of the Financial Benefits for Fiscally Distressed Small Municipalities". Urban Affairs Quarterly, Vol. 27, No. 4 (June, 1992) p. 627.

Dolan, Drew A. "Local Government Fragmentation: Does It Drive Up the Cost of Government?". Urban Affairs Quarterly, Vol. 26, No. 1 (September, 1990) p.42.

Genesee County as a potential option, but it has been met with strong opposition by both City of Flint and out-county residents. Minority populations, especially African-American groups, living within the City argue that metropolitan government will dilute the political strength they have worked to achieve in recent years. Residents outside the City of Flint oppose such a move because they believe that it will decrease the value of their residence and negatively impact the quality of service they receive. The opposition which exists in Genesee County is reflective of other areas in the Country. A recent study of residents in Orange County, California found overwhelming opposition to a merger of local governmental units.⁴⁵ Therefore, while local governmental reorganization is a potential solution to solving fiscal stress experienced in Genesee County, the political reality is that such a solution is not in the foreseeable future. Until the time when the political will exists for such a major change in government service delivery, other alternatives must be identified.

The basic problem experienced by Genesee County is that the mix of revenue available to the County is not sufficient to meet the demands for service placed on the County. The only long-term solution for this problem is to address the financing structure of county government. Research bears out

⁴⁵Baldassare, Mark. "Citizen Support for Regional Government in the New Suburbia". Urban Affairs Quarterly, Vol. 24, No. 3 (March, 1989) p. 463.

this conclusion. John P. Thomas, the Executive Director of the National Association of County Organizations says "on a national scale, there seems to be no public officials who claim with any confidence that the county finance system is adequate to meet the demands of county residents".⁴⁶ He argues for stronger fiscal home rule so that counties are able to raise taxes as needed. He challenges counties to more effectively employ public education as a means to generate local support for county services.⁴⁷ Thai and Sullivan concluded that local governments must raise property taxes to maintain their levels of service.⁴⁸ Thomas concluded that counties need municipal like revenue streams⁴⁹, which are often a mix of income, sales and property tax revenue. All of these alternatives for County financing require state legislative action.

The options available to the Legislature could be many. The State may even be able to eliminate some revenue sharing if an alternative method to make up the loss and to allow local units some growth is identified. Flexibility to local units of government should also be increased. If the

⁴⁶ Thomas, John P., "Financing County Government: An Overview". Intergovernmental Perspective, (Winter, 1991) p. 10.

⁴⁷ Thomas, John P. "A Perspective on County Government Services and Financing". State and Local Government Review, Vol. 19, No. 3 (Fall, 1987) p. 121.

⁴⁸ Thai, Khi & David Sullivan, p. 66.

⁴⁹ Thomas, John P. "Financing County Government: An Overview". Intergovernmental Perspective, (Winter, 1991) p. 12.

legislature determines that financial commitments to local units must be reduced, then there should be a corresponding lessening on the limitations of local tax levying ability or a corresponding decrease in mandated responsibility. Some of these actions would require constitutional changes and some may be addressed by legislative action. For example, to increase the fifteen mill allocation limitation without a vote of the people would require a constitutional amendment. However to give Counties the ability to levy an income tax or sales tax could be accomplished by legislative action.

Property tax is a more stable form of taxation because it is not as susceptible to economic downturns as the income tax. Since it is more stable, it is the preferred tax of those working within governmental institutions. As can be evidenced throughout the past decade however, the property tax is not perceived to be a fair tax by the public. While in Michigan there may be some ability to increase the use of property tax for local governmental units because of the massive decrease which will be experienced due to the elimination of property tax for schools, it is only realistic to expect that any increase that might be experienced will be very limited in nature. Increasing the County's ability to raise income or sales tax for general operations may be a more reasonable solution. No matter what solution to increase county government's flexibility to raise revenue is developed, it will not be successful unless it has strong public support.

Counties, as John Thomas suggests, must become more effective in helping the public understand the need for the services counties provide.

Restructuring the financing of county government or the service delivery system of county government is not one which the State Legislature would be eager to undertake. Changes in a system which has operated relatively well over a long period of time, is complicated and has significant ramifications. And yet, if the fiscal strain that Genesee County has experienced over the past twenty years continues and expands to counties throughout the State of Michigan, there may come a time in the near future when the Legislature is forced, as it has been with school financing, to find alternatives to assure that services provided to communities through county government will continue.

APPENDICES

APPENDIX A: GENESEE COUNTY REVENUES

FISCAL YEAR	TAXES	LICENSES AND PERMITS	FINES AND FORFEITURES	USE OF MONEY	FEDERAL GRANTS	STATE GRANTS	INTERGOVERNMENTAL REVENUE	CHARGES			TOTAL
								OTHER SERVICES	FOR SERVICES	DEBT SERVICE*	
1973	\$14,550,609	\$167,026	\$368,826	\$1,327,059	\$9,666,860	\$13,901,093	\$2,539,934	\$1,943,292	\$2,179,836	\$5,519,010	\$52,163,565
1974	\$15,310,879	\$222,413	\$328,549	\$1,872,207	\$9,809,776	\$15,686,463	\$4,120,657	\$2,142,760	\$2,886,439	\$5,725,235	\$58,105,378
1975	\$15,932,152	\$258,460	\$292,454	\$1,693,476	\$17,347,208	\$16,907,359	\$4,038,413	\$2,742,601	\$2,099,642	\$9,032,318	\$70,332,083
1976	\$16,439,862	\$235,194	\$240,355	\$1,572,425	\$13,343,253	\$18,650,684	\$4,750,771	\$3,805,467	\$4,314,406	\$9,078,476	\$72,430,893
1977	\$14,469,646	\$222,047	\$327,066	\$2,505,243	\$11,824,174	\$21,092,485	\$6,075,402	\$4,719,898	\$4,878,804	\$10,737,418	\$76,652,221
1978	\$17,732,928	\$308,416	\$384,698	\$2,092,056	\$16,466,778	\$23,956,957	\$6,709,493	\$5,028,923	\$2,494,732	\$10,019,988	\$85,162,949
1979	\$18,884,971	\$369,947	\$480,873	\$2,928,972	\$17,394,414	\$26,876,117	\$7,334,069	\$4,383,987	\$1,904,573	\$13,070,991	\$93,608,694
1980	\$20,229,185	\$512,825	\$328,111	\$4,126,197	\$17,038,305	\$27,197,214	\$7,121,445	\$5,294,573	\$2,207,675	\$208,430	\$84,263,660
1981	\$23,316,191	\$564,082	\$377,087	\$5,298,774	\$16,994,993	\$27,012,181	\$6,150,562	\$5,059,957	\$2,710,696	\$230,457	\$87,714,960
1982	\$26,589,018	\$667,406	\$387,551	\$5,137,331	\$10,718,620	\$28,207,377	\$5,500,502	\$4,483,337	\$2,403,284	\$324,269	\$84,418,985
1983	\$26,818,184	\$683,603	\$431,525	\$3,717,628	\$10,876,267	\$31,705,926	\$8,091,036	\$5,731,530	\$3,008,319	\$271,339	\$91,345,357
1984	\$26,935,774	\$699,481	\$598,909	\$3,683,569	\$10,386,751	\$38,827,929	\$8,115,356	\$6,763,591	\$2,719,064	\$397,267	\$99,117,691
1985	\$28,511,862	\$703,255	\$772,692	\$2,957,652	\$9,693,410	\$47,093,655	\$8,331,772	\$8,312,484	\$2,931,934	\$283,371	\$109,592,107
1986	\$29,185,296	\$671,834	\$847,372	\$2,690,403	\$7,619,616	\$64,427,831	\$9,011,123	\$9,765,456	\$2,798,123	\$216,759	\$127,233,803
1987	\$30,116,902	\$602,928	\$1,127,182	\$3,255,445	\$7,511,724	\$70,100,208	\$11,541,212	\$9,200,960	\$3,445,623	\$1,654,900	\$138,556,984
1988	\$32,784,897	\$725,181	\$1,138,255	\$3,156,363	\$7,186,505	\$66,299,578	\$11,798,432	\$10,828,172	\$3,223,441	\$2,496,896	\$139,637,710
1989	\$34,169,976	\$808,012	\$1,250,206	\$3,521,964	\$10,456,949	\$71,711,700	\$13,811,372	\$13,435,091	\$3,553,110	\$1,768,726	\$154,487,106
1990	\$35,017,230	\$871,939	\$1,230,439	\$3,331,644	\$8,568,485	\$79,429,934	\$13,308,923	\$16,281,281	\$4,390,311	\$1,988,770	\$164,396,956
1991	\$36,152,570	\$988,886	\$1,269,226	\$2,822,603	\$11,196,329	\$78,350,273	\$13,460,984	\$17,027,365	\$6,006,829	\$2,598,402	\$169,812,467
1992	\$37,906,050	\$925,227	\$1,377,697	\$1,912,021	\$10,532,560	\$74,200,025	\$12,851,833	\$22,960,990	\$5,835,600	\$2,485,674	\$170,987,877

*As of January 1, 1990, Delinquent Tax Revolving is not included in Debt Service

APPENDIX B: GENESEE COUNTY GENERAL FUND REVENUES 1973-1992

YEAR	TAXES	LICENSES AND PERMITS	FINES AND FORFEITURE	USE OF MONEY AND			INTERGOVERNMENTAL REVENUES	CHARGES FOR SERVICES	OTHER REVENUE	TRANSFERS IN	TOTAL
				PROPERTY	AND	PROPERTY					
1973	\$13,688,698	\$150,030	\$241,406	\$1,084,638	\$2,541,711	\$1,594,498	\$64,616	\$0	\$19,365,695		
1974	\$14,519,385	\$187,494	\$222,971	\$1,364,338	\$2,732,732	\$1,409,460	\$116,135	\$0	\$20,562,636		
1975	\$15,215,740	\$234,251	\$187,256	\$1,181,215	\$2,782,714	\$1,599,911	\$284,144	\$0	\$21,485,231		
1976	\$15,516,694	\$218,488	\$167,811	\$1,369,305	\$2,757,288	\$3,060,649	\$399,499	\$0	\$23,489,634		
1977	\$13,896,588	\$203,193	\$221,707	\$2,327,147	\$4,462,357	\$3,676,578	\$257,221	\$0	\$25,044,791		
1978	\$16,183,806	\$212,826	\$283,583	\$1,642,047	\$4,381,276	\$3,899,257	\$158,371	\$0	\$26,761,166		
1979	\$17,256,398	\$251,871	\$321,946	\$2,099,461	\$4,840,278	\$3,444,936	\$198,200	\$11,708	\$28,424,798		
1980	\$19,126,037	\$384,746	\$328,111	\$3,285,978	\$4,647,535	\$3,684,488	\$214,456	\$135,625	\$32,006,976		
1981	\$21,454,794	\$318,763	\$377,087	\$4,194,024	\$4,576,586	\$3,593,427	\$179,243	\$0	\$34,683,944		
1982	\$23,745,464	\$352,557	\$387,551	\$4,356,165	\$4,294,369	\$3,122,842	\$89,960	\$2,630,978	\$38,979,906		
1983	\$23,881,155	\$348,172	\$431,525	\$2,916,633	\$5,828,091	\$3,474,922	\$105,204	\$3,053,908	\$40,039,610		
1984	\$24,056,281	\$355,412	\$588,909	\$2,865,360	\$6,269,658	\$4,167,891	\$291,486	\$4,222,530	\$42,817,527		
1985	\$25,227,292	\$359,807	\$772,692	\$2,191,910	\$6,488,192	\$4,482,318	\$268,675	\$3,000,000	\$42,790,886		
1986	\$25,655,749	\$323,147	\$847,372	\$1,957,957	\$6,949,159	\$4,432,879	\$253,052	\$2,500,000	\$42,919,215		
1987	\$26,248,667	\$302,877	\$1,127,182	\$2,556,220	\$8,610,703	\$4,454,548	\$220,088	\$6,345,231	\$49,865,516		
1988	\$27,465,255	\$328,288	\$1,121,565	\$2,368,031	\$9,324,537	\$4,635,097	\$335,627	\$4,302,451	\$49,880,851		
1989	\$28,482,185	\$332,088	\$1,181,547	\$2,712,087	\$10,880,559	\$4,829,832	\$315,415	\$5,124,087	\$53,857,800		
1990	\$29,256,092	\$406,263	\$1,178,941	\$2,577,620	\$10,690,922	\$4,982,748	\$782,125	\$5,831,203	\$65,705,934		
1991	\$30,160,609	\$397,894	\$1,268,226	\$2,130,044	\$9,949,960	\$5,515,336	\$1,040,542	\$5,145,166	\$55,607,676		
1992	\$31,641,810	\$341,160	\$1,310,051	\$1,329,278	\$9,994,082	\$5,823,064	\$633,075	\$4,368,792	\$55,341,312		

Source: Genesee County Comprehensive Annual Reports 1973 - 1992. Statement of Revenues - General Fund Exhibit B-1

APPENDIX C: GENESEE CO MAJOR SPECIAL REVENUE ACCOUNTS- REVENUE

YEAR	ANTI-RECESSION										PUBLIC SERVICE			
	ACCOMMODATIONS		FISCAL ASSISTANCE PROGRAM		CHILD CARE	COMMUNITY DEVELOPMENT	COUNTY HEALTH	COUNTY ROAD COMMISSION	PARAMEDICS RECREATION	PARKS AND RECREATION COMMISSION	PLANNING COMMISSION	TRAINING PROGRAM	SHARING REVENUE	SOCIAL SERVICES
	ORDINANCE TAX													
1973		\$1,427,599				\$602,002	\$10,127,180		\$1,934,678	\$461,929		\$2,785,448	\$4,344,411	
1974		\$2,081,027				\$988,309	\$12,714,531		\$1,486,653	\$593,510		\$2,956,684	\$4,842,701	
1975		\$2,351,785				\$1,079,087			\$2,351,430	\$721,217	\$8,245,347	\$2,935,320	\$5,793,320	
1976		\$3,000,618				\$1,311,665	\$13,609,117		\$2,346,706	\$819,886	\$5,674,636	\$3,016,779	\$6,699,407	
1977		\$799,651	\$1,145,899		\$1,249,735	\$1,531,340	\$14,613,615		\$2,942,768	\$686,447	\$6,067,333	\$2,890,072	\$6,137,971	
1978	\$230,370	\$485,391	\$1,145,899		\$1,925,009	\$496,814	\$13,833,334		\$2,105,977	\$77,137	\$6,061,823	\$2,950,913	\$4,902,571	
1979	\$257,393		\$692,079		\$4,268,164	\$615,689	\$15,917,024		\$1,504,953	\$397,423	\$4,687,295	\$2,816,641	\$4,044,061	
1980	\$287,236		\$573,159		\$3,582,767	\$788,369	\$15,686,207		\$1,609,463	\$477,958	\$5,252,148	\$2,606,458	\$4,223,811	
1981	\$256,954		\$503,833		\$4,125,135	\$925,301	\$15,503,840		\$2,110,216	\$522,062	\$3,968,557	\$2,606,932	\$4,506,191	
1982	\$297,253		\$577,179		\$2,989,405	\$996,724	\$13,988,885	\$960,378	\$1,584,616	\$431,002	\$188,092	\$2,399,144	\$4,316,274	
1983	\$317,519		\$522,889		\$2,774,605	\$1,451,553	\$18,272,667	\$999,860	\$1,810,870	\$403,004	\$115,260	\$2,428,131	\$4,392,642	
1984	\$436,946		\$533,712		\$3,712,884	\$1,152,524	\$14,924,748	\$951,940	\$1,541,464	\$407,439	\$6,386,569	\$2,620,443	\$3,789,971	
1985	\$540,022		\$630,893		\$2,951,604	\$1,212,760	\$19,884,511	\$1,107,224	\$1,645,505	\$455,271	\$9,886,528	\$2,683,488	\$4,036,963	
1986	\$522,915		\$886,488		\$2,520,456	\$1,212,407	\$20,488,244	\$1,059,453	\$2,186,116	\$466,871	\$8,082,199	\$1,649,792	\$4,601,478	
1987	\$530,723		\$691,088		\$2,893,340	\$1,237,302	\$21,343,437	\$1,537,827	\$1,890,942	\$519,583	\$9,817,005	\$22,108	\$6,843,813	
1988	\$720,166		\$761,309		\$2,545,238	\$4,440,046	\$21,102,671	\$1,625,859	\$3,143,842	\$523,889	\$8,505,844	\$11,060	\$6,481,325	
1989	\$872,250		\$735,075		\$2,305,309	\$4,874,446	\$24,390,833	\$1,759,227	\$3,813,379	\$590,524	\$9,914,728		\$7,229,850	
1990	\$819,150		\$698,016		\$1,923,630	\$5,461,825	\$22,860,529	\$1,860,876	\$4,189,779	\$374,239	\$11,361,304		\$8,814,172	
1991	\$881,888		\$774,571		\$1,936,621	\$6,051,896	\$24,523,341	\$1,979,597	\$4,295,565	\$302,524	\$11,075,489		\$6,198,596	
1992	\$881,876		\$648,213		\$2,168,985	\$5,365,749	\$23,529,903	\$2,048,920	\$4,367,100	\$341,469	\$12,988,550		\$4,534,783	

Source: Genesee County Comprehensive Annual Financial Reports 1973-1992. State of Revenues and Other Sources-Special Revenue Funds Exhibit C-3

APPENDIX D:

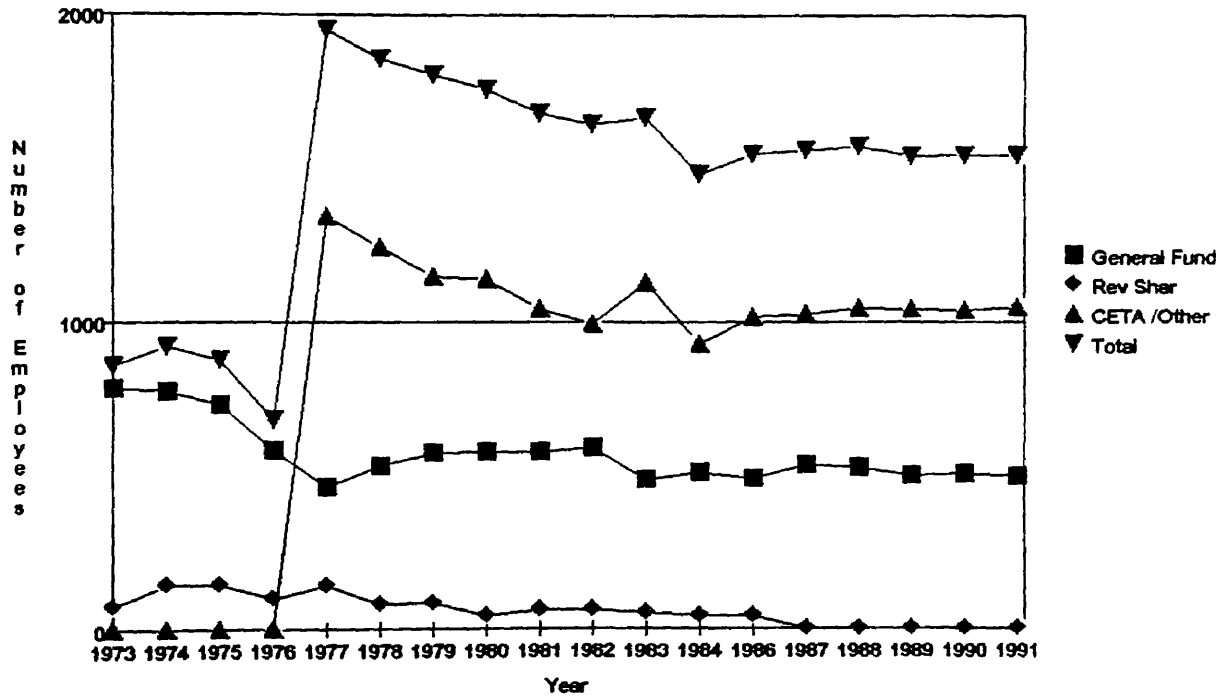
GENERAL REVENUE SHARING FUNDS

REVENUE YEAR	AMOUNT	EXPENDITURES										OTHER	CAPITAL OUTLAY
		TOTAL EXPENDITURE	PUBLIC SAFETY	ADMIN. OF JUSTICE	COMM ENR & DEV	HUMAN SERVICES	MANAGEMENT AND PLANNING	GENERAL SUPPORT					
1973	\$2,785,448	\$1,963,060	\$698,277		\$51,927	\$300,779				\$25,728		\$888,349	
1974	\$2,956,684	\$3,556,653	\$1,679,857		\$183,179	\$72,511				\$563,790		\$1,057,316	
1975	\$2,935,320	\$3,488,841	\$2,452,619		\$451,414	\$148,667				\$423,527		\$12,614	
1976	\$3,016,779	\$2,643,233	\$2,183,404		\$140,884	\$117,571				\$173,570		\$27,804	
1977*	\$2,890,072	\$4,215,920	\$3,664,287		\$140,669	\$40,335				\$300,882		\$69,737	
1978	\$2,850,913	\$2,662,863	\$1,691,278		\$555,469	\$95,935				\$60,068	\$91,979	\$42,913	
1979	\$2,816,641	\$2,677,436	\$1,878,544		\$314,401	\$64,595				\$127,703	\$133,777	\$17,527	
1980	\$2,506,458	\$1,481,189	\$1,289,830			\$68,071				\$76,197		\$47,091	
1981	\$2,608,932	\$2,336,413	\$522,973		\$1,631,469	\$5,588			\$77,954	\$81,151		\$17,280	
1982	\$2,399,144	\$2,544,852	\$44,338		\$2,268,060				\$84,604	\$95,332		\$52,518	
1983	\$2,429,131	\$2,942,400			\$2,453,330	\$168,989			\$153,069	\$95,839	\$1,888	\$69,285	
1984	\$2,520,443	\$2,220,935	\$41,203		\$712,980				\$1,351,712	\$101,884		\$13,166	
1985	\$2,663,488	\$2,206,555	\$45,228		\$783,885				\$1,351,085			\$26,357	
1986	\$1,649,782	\$2,186,289			\$773,398				\$1,340,055			\$72,836	
1987	\$22,108	\$218,613							\$95,300		\$103,228	\$20,085	
1988	\$11,050	\$170,506							\$153,266			\$17,240	
TOTAL	\$36,979,302	\$37,515,558	\$16,191,838	\$9,492,992	\$1,402,972	\$914,050	\$4,607,045	\$2,125,681	\$330,872	\$2,450,108			

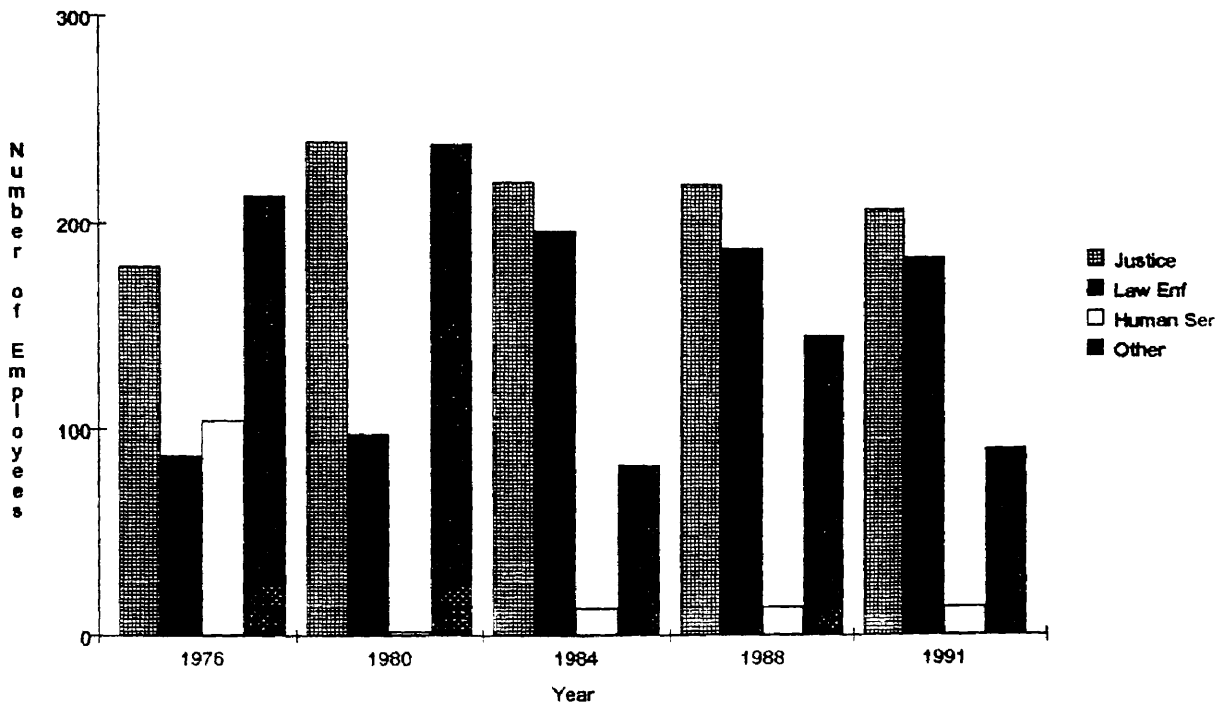
*IT APPEARS THAT AN ADDITIONAL \$1,500,000 WAS APPROPRIATED TO THIS ACCOUNT TO MAKE UP FOR A DEFICIT

Source: Genesee County Comprehensive Annual Financial Reports 1973-1988. Combining Statement of Revenues, Expenditures and Changes in Fund Balances- Special Revenue Fun

APPENDIX E: EMPLOYEES BY FUNDING SOURCE



APPENDIX F: GENERAL FUND EMPLOYEES BY TYPE



APPENDIX G: GENESEE COUNTY LONG TERM DEBT

YEAR	SPECIAL ASSESSMENT FUND	DELINQUENT PROPERTY TAX NOTES	INTERNAL SERVICE FUNDS	GEN CO BUILDING AUTHORITY	GEN CO ROAD COMMISSION	GEN CO PARKS & REC COMMISSION	ENTERPRISE FUNDS	G.M. TAX SETTLEMENTS	OTHER	TOTAL
1973		\$3,700,000		\$5,720,000	\$9,404,495	\$221,494				\$19,045,989
1974		\$6,200,000		\$5,590,000	\$10,090,412	\$132,371				\$22,012,783
1975		\$10,335,000		\$5,450,000	\$9,650,412	\$54,270	\$3,715,000			\$29,204,682
1976		\$11,835,000		\$5,300,000	\$11,090,000	\$21,360	\$3,715,000			\$31,961,360
1977	\$125,977	\$14,835,000	\$1,864,636	\$5,140,000	\$11,650,000		\$3,715,000			\$37,330,613
1978	\$125,977	\$15,300,000	\$1,777,663	\$4,970,000	\$12,840,000		\$3,728,093		\$78,000	\$38,819,733
1979	\$103,000	\$18,400,000	\$1,318,165	\$4,780,000	\$11,820,000		\$3,725,680		\$89,290	\$40,236,135
1980	\$125,288	\$21,850,000	\$1,444,194	\$4,520,000	\$10,820,000		\$3,662,903		\$115,584	\$42,537,929
1981*	\$89,845		\$39,013,446	\$4,260,000	\$9,760,000		\$3,599,760		\$104,570	\$56,827,621
1982	\$54,922		\$50,556,803	\$3,990,000	\$9,000,000		\$3,535,000		\$96,783	\$67,233,508
1983	\$20,000		\$56,866,888	\$3,700,000	\$11,056,640		\$3,475,000		\$84,513	\$75,203,041
1984			\$51,157,532	\$3,390,000	\$11,228,024		\$3,375,000		\$61,800	\$69,212,356
1985			\$54,590,334	\$17,560,000	\$11,496,076		\$3,275,000		\$115,015	\$87,036,425
1986			\$41,070,000	\$16,915,000	\$10,600,656		\$3,125,000		\$1,537,720	\$73,248,376
1987	\$3,087,580		\$34,750,382	\$16,240,000	\$9,989,912		\$2,975,000		\$2,033,757	\$69,086,631
1988	\$4,068,011		\$30,733,422	\$17,150,000	\$8,816,968		\$2,775,000		\$1,548,133	\$65,082,534
1989	\$3,214,244		\$26,450,331	\$16,825,000	\$7,965,768		\$2,575,000		\$1,569,245	\$60,599,588
1990	\$3,320,925		\$30,145,862	\$28,800,000	\$7,220,328		\$2,375,000		\$384,044	\$72,246,159
1991	\$2,916,841		\$34,327,108	\$30,500,000	\$6,609,568		\$2,150,000	\$3,507,443	\$1,042,647	\$81,053,607
1992	\$1,992,360		\$35,900,972	\$29,550,000	\$6,012,432		\$1,925,000	\$4,044,869	\$910,560	\$80,336,193

*IN 1981, THE DELINQUENT TAX NOTES WERE TRANSFERRED TO AN INTERNAL SERVICE FUND

Source: Genesee County Comprehensive Annual Financial Reports 1973-1992. General Purpose Financial Statements, Notes to Financial Statements, Note E.

GENESEE COUNTY EXPENDITURES

APPENDIX H:

FISCAL YEAR	LAW										TOTAL
	LEGISLATIVE	MANAGEMENT AND PLANNING	ADMINISTRATION OF JUSTICE	ENFORCEMENT AND COMMUNITY PROTECTION	HUMAN SERVICES	ENRICHMENT AND DEVELOPMENT	GENERAL SUPPORT	OTHER	CAPITAL OUTLAY	DEBT SERVICE*	
1973	\$297,208	\$2,013,537	\$4,713,896	\$3,309,085	\$11,499,576	\$14,581,142	\$2,245,014	\$1,250,029	\$2,247,997	\$2,417,164	\$44,574,648
1974	\$473,149	\$3,069,192	\$5,883,672	\$4,763,730	\$14,234,503	\$14,527,694	\$1,276,523	\$1,163,099	\$2,340,707	\$3,705,195	\$51,437,464
1975	\$475,803	\$3,068,977	\$6,997,155	\$5,810,458	\$19,383,897	\$15,865,741	\$1,376,324	\$8,497,864	\$1,361,700	\$5,287,520	\$68,125,439
1976	\$472,971	\$2,935,642	\$7,149,863	\$5,389,203	\$19,012,156	\$16,056,846	\$99,589	\$6,210,994	\$672,006	\$7,924,227	\$65,923,497
1977	\$441,144	\$3,572,099	\$9,431,761	\$4,840,507	\$20,704,557	\$17,036,745	\$707,548	\$2,680,706	\$1,216,973	\$8,072,446	\$68,704,486
1978	\$591,812	\$4,166,566	\$10,322,249	\$5,658,549	\$24,191,419	\$20,433,710	\$805,089	\$4,424,712	\$1,015,222	\$9,961,508	\$81,570,836
1979	\$671,605	\$4,521,953	\$11,007,944	\$7,172,612	\$24,275,134	\$22,734,803	\$744,516	\$3,940,407	\$1,733,025	\$10,377,897	\$87,179,896
1980	\$672,348	\$5,103,574	\$11,585,926	\$7,569,626	\$25,379,329	\$22,194,638	\$734,253	\$6,146,935	\$1,700,826	\$2,101,927	\$93,189,382
1981	\$720,058	\$6,007,528	\$12,985,528	\$12,130,631	\$26,215,610	\$20,466,769	\$568,441	\$3,976,910	\$1,049,042	\$2,101,128	\$86,221,645
1982	\$727,993	\$6,544,892	\$14,141,402	\$13,556,199	\$26,941,005	\$18,723,199	\$244,042	\$1,907,887	\$516,803	\$2,024,835	\$85,328,257
1983	\$639,627	\$5,941,181	\$14,841,225	\$13,340,434	\$29,211,373	\$21,831,997	\$211,089	\$794,457	\$635,671	\$1,996,566	\$89,443,620
1984	\$563,116	\$6,078,108	\$15,632,374	\$14,791,086	\$38,928,512	\$20,108,050	\$123,304	\$1,232,271	\$521,763	\$2,385,182	\$100,363,766
1985	\$675,992	\$5,936,167	\$16,644,915	\$15,838,240	\$41,973,714	\$25,449,259	\$140,625	\$870,297	\$1,040,209	\$3,092,304	\$111,661,722
1986	\$644,549	\$6,049,256	\$17,162,010	\$16,437,689	\$57,616,040	\$25,987,931	\$148,195	\$1,225,802	\$897,583	\$4,379,298	\$130,543,353
1987	\$623,016	\$7,076,595	\$18,168,979	\$18,086,220	\$64,706,830	\$26,435,681	\$164,966	\$1,838,645	\$991,426	\$5,151,741	\$143,244,099
1988	\$671,332	\$7,404,672	\$19,708,483	\$20,598,435	\$65,003,580	\$37,357,065	\$165,262	\$2,075,825	\$1,057,488	\$6,133,486	\$160,176,628
1989	\$653,506	\$7,014,974	\$19,546,823	\$20,724,244	\$70,617,005	\$30,786,724	\$161,073	\$1,746,876	\$1,470,911	\$6,112,269	\$158,834,405
1990	\$650,788	\$6,759,527	\$19,012,917	\$19,922,250	\$79,685,468	\$26,524,174	\$137,749	\$2,168,519	\$2,114,836	\$6,418,436	\$163,394,664
1991	\$657,920	\$6,474,858	\$20,170,245	\$22,159,515	\$83,809,488	\$32,080,075	\$260,932	\$3,634,010	\$1,313,933	\$6,924,871	\$177,485,847
1992	\$783,827	\$7,007,166	\$21,186,161	\$24,443,842	\$82,058,248	\$27,533,655	\$213,339	\$2,204,503	\$844,439	\$7,159,775	\$173,434,951

*As of January 1, 1980, Delinquent Tax Revolving is not included in Debt Service

Sources: Genesee Comprehensive Annual Financial Reports 1973-1992, General Governmental Expenditures By Function- Table 1

APPENDIX I: GENESEE COUNTY GENERAL FUND EXPENDITURES 1973-1992

YEAR	Management Administration and			Law Enforcement and Community		Community Enrichment and Development		General Support Services		Capital Outlay		Appropriations & Transfers		Total
	Legislative	Planning	Justice	Protection	Human Service	Development	Support Services	Other	Outlay	Transfers				
1973	\$297,208	\$3,053,570	\$2,279,844	\$200,683	\$482,651	\$6,220,542	\$17,436,074							
1974	\$473,148	\$4,029,487	\$2,785,899	\$148,844	\$84,857	\$6,671,893	\$18,637,977							
1975	\$888,669	\$4,649,655	\$2,729,172	\$163,956	\$401,034	\$9,730,736	\$23,339,641							
1976	\$682,868	\$5,267,037	\$2,578,537	\$172,630	\$336,732	\$10,341,960	\$22,877,515							
1977	\$562,621	\$5,744,862	\$1,551,565	\$166,558	\$101,845	\$10,722,067	\$23,065,481							
1978	\$691,812	\$8,011,999	\$3,073,136	\$859,627	\$439,625	\$9,988,374	\$26,712,522							
1979	\$871,605	\$9,260,964	\$3,820,963	\$739,891	\$285,996	\$9,566,855	\$28,418,522							
1980	\$681,229	\$4,075,083	\$10,099,101	\$4,985,864	\$1,143,365	\$164,769	\$31,317,155							
1981	\$720,058	\$4,799,607	\$9,666,059	\$7,798,040	\$1,411,263	\$134,100	\$34,765,639							
1982	\$727,993	\$6,378,911	\$10,110,021	\$9,902,863	\$1,380,779	\$165,678	\$39,233,610							
1983	\$639,627	\$4,733,521	\$10,516,855	\$9,627,054	\$1,470,823	\$213,701	\$39,737,892							
1984	\$563,110	\$3,826,849	\$12,756,454	\$9,629,618	\$1,765,800	\$260,868	\$45,102,592							
1985	\$675,992	\$3,513,593	\$13,540,165	\$10,148,412	\$1,475,982	\$333,787	\$41,873,731							
1986	\$844,549	\$3,680,735	\$13,736,736	\$10,511,768	\$1,497,373	\$290,136	\$43,897,782							
1987	\$623,016	\$5,370,004	\$16,617,517	\$11,489,431	\$1,673,763	\$469,422	\$50,497,081							
1988	\$871,332	\$5,465,700	\$16,009,506	\$13,357,028	\$2,194,842	\$217,606	\$51,706,625							
1989	\$653,506	\$5,203,114	\$15,689,192	\$13,520,483	\$1,815,369	\$281,322	\$54,208,767							
1990	\$650,788	\$5,244,670	\$15,094,968	\$13,159,816	\$1,818,689	\$580,287	\$55,055,918							
1991	\$667,920	\$5,116,984	\$15,737,579	\$13,907,501	\$2,784,599	\$265,704	\$56,418,935							
1992	\$783,827	\$5,705,721	\$16,512,496	\$14,242,611	\$1,794,919	\$250,351	\$55,917,934							

NOTE: Prior to 1978 Budget Categories were different, making comparisons with expenditures occurring after 1978 difficult.

Source: Genesee County Comprehensive Annual Financial Reports 1973-1992. Statement of Expenditures and Appropriations, General Fund, Exhibit B-2

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