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Inside



# A short history on long-standing service to Michiganders



Mark Skidmore

*Mark Skidmore, Michigan State University Department of Agricultural, Food, and Resource Economics*

For more than 60 years, Michigan State University has been improving the quality of life for Michigan residents through its Extension State and Local Government Program. At its heart, the program provides local governments with education and information they need to make better fiscal and management decisions.

Delivered statewide through a campus-based team, specialist educators and district leadership, the program has progressed through the decades from foundational public administration, to legal and fiscal codification, operational governance, centralized data and policy infrastructure, and contemporary governance leadership systems.

Today's program is best understood as a century long extension of MSU's land grant mission to strengthen democratic governance at the local level across Michigan.

## Integrated extension

MSU Extension programming now uses a hybrid model that combines extension education, applied research, and policy analysis, while maintaining the program's lineage to its genesis in 1965. State and local government programming operates across several integrated extension units that include good governance, fiscally ready communities, Center for Local Government Finance & Policy, and the Institute of Public Utilities.

Our core campus-based team includes Erika Rosebrook, Director, Center for Local Government Finance & Policy (CLGFP); Sarah Klammer, Academic Specialist, CLGFP; Mark Skidmore, Morris Chair and Resident Fellow, CLGFP; and Eric Walcott, Extension Specialist.

This special issue is dedicated to our work and highlights some of the recent partnerships and projects we've been working on.

## Thanks to you, Lynn

Lynn R. Harvey, along with Alvin House and Kenneth Verburg, was the principal architect and long term leader of MSU Extension's state and local government programming from the late 1960s until his retirement in 2007. His career defined Extension's role in public finance education, local government training, and governance capacity building across Michigan and beyond. During his 39 year-career, Harvey worked directly with public officials and was the longest serving and most experienced extension specialist in state and local government, and was nationally recognized for his work.

# Building a partnership for fiscal stability

*Eric Walcott, Michigan State University Extension, Center for Local Government Finance & Policy*



**Eric Walcott**

MSU and the Michigan Department of Treasury have forged a valuable partnership to strengthen financial stability across the state. About 20 years ago, this unique partnership modernized the way local governments could submit financial data to the Department of Treasury, and it continues to streamline data management.

MSU's State and Local Government Program and the Morris Chair joined forces with the Michigan Department of Treasury and the Lincoln Institute of Land Policy to create a web-based system designed for local governments. The portal, developed between 2007 and 2017, became an effective tool to improve accessibility and transparency of government information for citizens of Michigan.

While MSU contributed the initial investment to develop the system, the Department of Treasury expanded the system with its own resources. The outcome has been an effective tool to build capacity for Michigan local governments to improve fiscal sustainability.

Former Center for Local Government Finance & Policy Director Eric Scorsone also played a pivotal role in forging a lasting partnership between MSU Extension and the Department of Treasury. While working as Center Director, Scorsone spent time as Deputy Treasurer with the Department, as well as contributing expertise and research to support local governments' post-recession fiscal sustainability.

*The Fiscally Ready Communities program supports local governments across Michigan in making the shift from reactive budgeting to proactive, transparent, and long-term financial management.*

### Fiscally Ready Communities

Due to various budget pressures including unfunded mandates, and limited revenue options, Michigan local governments face difficult decisions each year and are often unable to fund competing priorities at adequate levels. The Fiscally Ready Communities program was developed in 2019 to provide communities across the state with more frequent training on budget and finance issues to help better prepare them to face these challenges.

Through a partnership between MSU Extension and the Michigan Department of Treasury, the program has been helping local governments work towards fiscal health by sharing best practices in fiscal sustainability. The webinar-based training helps governments handle fiscal crises during uncertain times so their communities can thrive.

Over a four-year period (2021-2025), the program has trained more than 5,000 participants through a series of training webinars.

- From Fundamentals to Best Practices
- Budgeting for Fiscal Sustainability
- Capital Asset Management and Training
- Managing Internal Controls
- Nuts and Bolts: Fees, Fines, Purchasing, and Receipting
- Getting Grant Ready

Local governments that have participated in the program are significantly more likely to adopt financial best practices than their counterparts. Participants report on concrete changes that have helped revise financial policies, improve capital planning, and use data to make better decisions.

### Making a difference

Participants who complete the Fiscally Ready Communities program report:

- increased knowledge of financial best practices
- greater confidence to suggest new/improved financial rules and procedures

Local governments that participate in the program are adopting changes that include:

- reviewing and revising financial policies
- adopting new financial policies
- engaging more staff in the budgeting process
- connecting financial decisions more closely with strategic planning goals

# Focus on Flint: partnership supports stronger communities

*Erika Rosebrook, Michigan State University Extension, Center for Local Government Finance & Policy*



**Erika Rosebrook**

For more than 10 years, the C.S. Mott Foundation has been a key partner with Michigan State University and the Center for Local Government Finance & Policy (CLGFP). Much of the work has centered around specific challenges facing the city of Flint, as well as how statewide systemic issues have contributed to the city's fiscal challenges over time.

In addition to the water crisis, Flint has dealt with a variety of fiscal difficulties since the early 2000s, and our partnership with the Mott Foundation has supported research on local and systemic factors that connect to those difficulties.

The Mott-supported work centers around two main themes – emergency management and fiscal sustainability, including ongoing work on water infrastructure. By looking at Flint's challenges in a larger policy, political, and economic context, the Center's work has provided insightful information for policymakers and academics. On a practical level, our work has been cited in many foundational texts and articles, and has informed Michigan's policies on emergency management and water infrastructure.

## Beyond state takeovers

With support from the Mott Foundation, the Center engaged in a multi-pronged research program to the crucial, often overlooked, role of state governments in shaping how cities respond to financial difficulties. Our work delivered several key findings.

- Municipal fiscal distress is not simply a local problem.
- The way state lawmakers act on their influence varies from state to state, and over time.
- Some states incubate local financial stress by driving up spending pressures on cities while curtailing their capacity to raise critical revenue.
- Michigan incubates financial stress among its local governments.
- There is no single model policy for state intervention in distressed cities or to prevent local fiscal distress.

The practical recommendations from this work were aimed at assisting the Mott Foundation, state and local officials, and Michigan residents in identifying a more effective policy and legal approach to local fiscal crises. These included creating a state agency to coordinate services to local government, and raising awareness among citizens and state decision makers that the causes of fiscal distress do not solely lie at the local level.

## Staying afloat

The Center's ongoing work in the post-Flint water crisis era has focused on fiscal sustainability of local water systems in Michigan, and the tools available to local governments to ensure residents have access to affordable clean water.

Michigan's 731 municipally owned and operated water systems provide water to 7.5 million Michigan's residents. These systems serve three-quarters of Michigan's population and are a core public service, foundational to the health and economic well-being of Michiganders.

*Our partnership with the Mott Foundation, grounded in Flint, has supported research on local and systemic factors that may help or hinder healthy cities.*

The Mott Foundation support has allowed the Center to collect fiscal data from 250 municipally owned and operated water systems in Michigan that included 132 cities, 56 villages, and 62 townships serving at least 1,000 residents. We wanted to gain a better understanding of the fiscal condition, debt burden and other factors that may contribute to system stress – like income, age, and property value. The research also included case studies to compare Flint with other cities across the country that have faced water crises and challenges.

To solidify the health of water systems – by identifying signs of distress and targeting support more specifically to community needs – our research suggests a need to:

- support accountability and transparent, accessible information on water systems
- evaluate incentives for partnerships/consolidation that support fiscal management stability and public accountability

The MSU Extension Center for Local Government Finance & Policy (CLGFP) at Michigan State University – a partnership between the MSU Department of Agricultural, Food, and Resource Economics and MSU Extension – was founded in 2015 to support communities in their efforts to efficiently deliver critical public services that promote health, safety, and well-being. The Center works to enhance decision-making for public officials in communities of all sizes through research, partnership, and education.

# Lincoln Institute of Land Policy helps ease distress in Detroit

*Mark Skidmore, Michigan State University Extension, Center for Local Government Finance & Policy*



**Mark Skidmore**

The Lincoln Institute of Land Policy (Lincoln Institute) has a strong history with MSU and became critically important when the financial crisis hit the city of Detroit.

As an early collaborative partner, the Lincoln Institute and MSU Extension's State and Local Government Program worked on creating a better system for the State of Michigan Department of Treasury to manage local government financial data. The Lincoln Institute was also a steadfast partner when the city of Detroit collapsed financially. Working with the City of Detroit, we looked at how property tax should work in a struggling urban environment.

Over the last 14-16 years, this partnership has supported Detroit-focused work that has helped shape and elevate policy debates around fiscal recovery, land reuse, and property tax reform during and after Detroit's bankruptcy period.

Detroit provided an unfortunate yet effective backdrop on how to build more resilient financial systems. Some of the peer-reviewed and policy papers resulting from this work include:

- Will a greenbelt help shrink Detroit's wasteland?
- Making ends meet: Options for property tax reform in Detroit.
- Tax base erosion and inequity from Michigan's assessment growth limit: The case of Detroit.
- Assessment inequality in a declining housing market: The case of Detroit.
- The land value gradient in a (nearly) collapsed urban real estate market.
- The net benefit of demolishing dilapidated housing: The case of Detroit.

## Research fuels reforms

This array of research and Lincoln Institute working papers fueled local and national discussions on how to move fiscally distressed cities beyond short-term fixes toward structural reforms that improve equity, stabilize revenues, and align land use with demographic reality.

Working together, we have shown how over-assessment of property, high statutory tax rates, weak service provisions, and limited enforcement have contributed to a breakdown of the localized social contract in cities like Detroit. These insights are informing a broader look at whether conventional property taxation is viable in legacy cities without structural reform.

The results of this partnership have been extended to reach policymakers and practitioners through Lincoln Institute publications and public interviews. We've also contributed to discussions on Detroit's reform on property taxation, vacant land governance, and post-bankruptcy urban recovery. Our work has influenced academic debates, informed policy discussions at state and local levels, and provided an empirical foundation for rethinking what fiscal recovery strategies look like in distressed cities.

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## Improving quality of life

Since 2007, the MSU State and Local Government Program has been a valued partner of the Lincoln Institute of Land Policy in research and outreach with the goal of improving local government fiscal systems in Michigan.

"This long-running collaboration has worked to create more effective local government fiscal reporting tools and to support improvements in Detroit property tax administration. It has allowed both organizations to help strengthen local government fiscal systems and improve the quality of life for residents," says Joan Youngman, Executive Director, Land and Fiscal Systems, Lincoln Institute of Land Policy.

The Lincoln Institute seeks to improve quality of life through the effective use, taxation, and stewardship of land. A nonprofit, private operating foundation whose origins date to 1946, the Lincoln Institute researches and recommends creative, nonpartisan approaches to land as a solution to economic, social, and environmental challenges.

# Partnership helps resolve long-standing Detroit bankruptcy case

*Sarah Klammer, Michigan State University Extension, Center for Economic Analysis*



**Sarah Klammer**

In 2019, Michigan's top three public research universities joined forces to arm the city of Detroit with access to better data for making strategic decisions that would ultimately improve the quality of life for Detroiters.

The City of Detroit University Economic Analysis Partnership – comprised of MSU's Center for Local Government Finance & Policy, the University of Michigan, and Wayne State University – was set up to provide Detroit-specific economic data analyses and forecasting services to the state's largest city.

## Building a fiscal recovery plan

The partnership was designed to help the city with post-bankruptcy recovery – an important step for residents, investors, business leaders, and the credit market. The premise was to help the city move forward to support strong fiscal management with economic forecasting.

Three main tasks were established for the partnership to accomplish.

- Build an econometric forecasting model for Detroit's economy and its major tax revenues.
- Develop local economic indicators, indices and reports, including estimates of gross city product.
- Present the city's economic forecast each year.

The partnership was led by the Research Seminar in Quantitative Economics (RSQE) at the University of Michigan. To kick off development, Wayne State University's Department of Economics provided locally relevant data, and housing and property tax modeling, while MSU's Center for Local Government Finance & Policy contributed revenue modeling and forecasting. These models were enriched by the first-hand experience of city employees to directly cater to Detroit-specific revenue mechanisms.

## Drawing on a big data bank

Most public economic data is at the county or state level. By accessing Detroit-specific data, this collaborative partnership helped city government and community stakeholders quantify local economic conditions to be able to plan, design, finance, and evaluate programs to improve economic opportunities for Detroiters.

Public data was used from the Bureau of Labor Statistics, American Community Survey, Quarterly Census of Employment and Wages, County Business Patterns, Internal Revenue Service, Bureau of Economic Analysis, and the Federal Housing Finance Agency. Data was also used from the City of Detroit, Data Driven Detroit, Detroit Economic Growth Corp., and Detroit Future City.

The research team also combined the city's internal data with publicly available data to contrast Detroit-specific estimates of building activity, measures of activity in residential and commercial real estate, total commerce, and tourism activity.

## Forecasting a stronger future

The initial five-year agreement between the three state universities wrapped up in 2024 and has been extended for another five years. It's no coincidence that by May 2026, after more than 13 years of court supervision, the bankruptcy case for the city of Detroit was closed.

The closure marks the end of a transformative journey that began in July 2013 when the city filed for bankruptcy with a state-appointed emergency manager.

The core forecasting model created through this unique collaboration is now available for city staff to use to change forecast assumptions and produce their own forecasts or to perform a scenario analysis.

> "The University Economic Partnership (UEP) has brought invaluable insight into the City of Detroit's revenue forecasting and economic analysis space. Through the UEP, the city has been able to generate a quarterly economic indicator report that discusses current events and how they impact Detroit residents and stakeholders. The work of this group continues to have a meaningful impact and betters our understanding of the city's economic status."
>
> Erika Mooney, Economist
> City of Detroit

# A trusted partner to build leadership capacity

*Eric Walcott, Michigan State University Extension, Center for Local Government Finance & Policy*



MSU Extension has partnered with numerous state agencies on multiple initiatives to benefit Michigan communities. Many of these projects have centered on building capacity for greater community leaders to address the wide range of issues facing local communities and governments.

**Eric Walcott**

The Center for Local Government Finance & Policy, and the Government and Community Vitality (GCV) team have developed strong relationships with various state agencies and together are viewed as trusted partners to facilitate community work. Here are two program initiatives we have recently led and implemented.

## Transforming housing access

### The challenge

Michigan faces a huge housing challenge. Nearly 50% of Michigan renters and 20% of homeowners pay too much for housing – more than 30% of their incomes. Homeownership and homelessness show significant disparities along racial lines. Shortages in affordable housing and workforce housing also lead to unfilled employment vacancies, declining school enrollment and overall population declines.

### The approach

Knowing a new path was needed, the Michigan State Housing Development Authority (MSHDA) turned to MSU Extension in 2023. The task was to develop partnerships to implement a Statewide Housing Plan to ensure crucial housing goals would be met throughout Michigan.

Public input was critical and gathered through six facilitated listening sessions with about 670 residents sharing their housing needs and stories. More than 500 community leaders and local housing agencies were also consulted to identify regional needs and define what a successful housing partnership would look like in each region.

Another set of facilitated meetings with stakeholders brought a wide range of perspectives on housing to weave together housing education, and local and regional needs that would lay the foundation for long-term change through a collective impact approach.

### The results

Every region taking part in the housing plan project successfully met its deadline for developing a regional housing plan.

- Eighteen regional housing agencies received $175,000 each from MSHDA to further develop their collective impact partnership.
- Regions have also secured $65 million in initial funding to support housing development that will help transform Michigan's housing ecosystem by addressing housing stock shortages, reducing racial disparities, and preventing homelessness.

By facilitating a process using the collective impact model, MSU has helped set regional partnerships up for sustained success, building a foundation to outlast the lifespan of one-time initiatives.

## Training future rural leaders

A new leadership training program is taking a unique approach to improve recruitment and retention of rural leaders across the state. The Leading Rural Michigan program combines leadership, civic education, and network building to increase engagement and collaboration for rural community leaders.

Created as a partnership between the MSU Extension and the Michigan Department of Labor and Opportunity (LEO) Office of Rural Prosperity (ORP), the program welcomed its inaugural cohort of 31 emerging leaders at the end of 2025. Participants in the 12-month program pay a nominal fee, meet online monthly and attend several in person events. The goal is to provide an innovative, customized training program so participants learn how to maximize their talents, bring people together, and accomplish community goals.

### In their words: Leading Rural Michigan participants

"I feel more prepared and able to ask quality questions of my team and board which will help me mature into my role and as a member of the community."

"I now have an entire network of rural to connect with."

"I feel more comfortable to not always carry the burden of knowing the answer, and am able to sit and pause without expectation."

"I want, need and aspire to be a leader and trusted servant to my community."

# Towards stronger, thriving communities

*Eric Walcott, Michigan State University Extension, Center for Local Government Finance & Policy*



MSU Extension's Government and Community Vitality (GCV) team's longstanding work with local and tribal governments across Michigan is helping communities become more resilient, effective and better prepared to meet existing and new challenges.

**Eric Walcott**

With the overarching goal to equip individuals, governments, and build capacity, the GCV team programs focus on governance and finance, land use, and tourism. The programs support elected officials, staff and community leaders in making informed decisions, stewarding public resources, and planning for the future. The ultimate aim is offering strategic and forward-looking approaches to local leadership.

## Good governance and finance

A key part of this program is the New Commissioner School (NCS) that's been preparing newly elected county commissioners since 1968, when county commissioner became an elected office. Driven by high turnover rates in the county commissioner role, the program has been held every two years in November and December, following the general election, in partnership with the Michigan Association of Counties. The NCS typically attracts 70-80% of first-time commissioners.

Some new commissioners come up through public service ranks – school, city or township boards – but many are new to the governance process. The NCS provides an introduction to county structure, commissioner roles, as well as the opportunity to learn from seasoned commissioners. For some, our training is the first introduction to county operations and their role in operating an efficient county government.

## Land use

The Citizen Planner (CP) program has been offering practical land use education for decision makers throughout Michigan for more than 20 years. Built around the fictional community of Spartyville, participants grow their knowledge, skills, and confidence in fulfilling their community roles.

Each CP session has a train-the-trainer recording and detailed instructor guide for the Spartyville activities to orient new trainers at any time. The program is managed and organized to involve other MSU staff and outside experts to deliver content. The reviews on this style of collaboration have helped expand the program's relevance to including topics on water quality protection and food systems planning.

CP has been at the forefront with new approaches to reach land use decision makers throughout the state and beyond, and is an example of effective extension programming, with more than 5,000 participants.

## Tourism

Each year communities across Michigan participate in the First Impressions Tourism (FIT) assessment program as part of unique partnerships with state agencies and local organizations. The program is designed to identify strengths and weaknesses for providing a new perspective in a community by first-time visitors.

Building from a successful partnership since 2021, MSU Extension and the Michigan Economic Development Corporation (MEDC) continued to offer the award-winning program, providing FIT assessments for select cities. MEDC has been funding two FITs per year, offering technical expertise to help communities better understand themselves and their assets.

FIT assessments cover a wide range of assets and are intended to help communities push their boundaries to explore simple and free things to offer visitors to the community. The suggestions generated from an assessment are designed to enhance the quality of life for community members and improve the experience of future visitors, providing suggestions to guide future community tourism.

When a sample of past FIT participants was surveyed, 92% stated "yes" when asked if FIT can help Michigan communities interested in developing tourism.

# What's next for how we support Michigan's public leaders?

*Erika Rosebrook, Michigan State University Extension, Center for Local Government Finance & Policy*



**Erika Rosebrook**

I spent the first 10 years of my career in state and local government, and whenever I needed research, data, or a knowledgeable partner, MSU was my first stop. Whether I needed to know which county officials were responsible for filling a vacancy, how other governments were evaluating their services, or who should be at the table for a discussion, MSU and MSU Extension always had what I needed to better serve my community. On the rare occasions that MSU didn't have the information…it meant no one did.

After years of relying on MSU for research and partnership, I'm delighted to now provide that support to others.

This issue details MSU's legacy of state and local policy work and how we've adapted as the needs of local government have changed. As our reach has grown, so have the demands of governing and services. When you factor in fewer resources, challenging demographic trends, and declining trust from the public, state and local officials are facing different, more complex challenges, and we're evolving along with them.

We have three priorities as we enter the next era of supporting Michigan's public leaders through research, partnership, and outreach.

## Resource delivery

We will continue to reconsider how we deliver resources and do our work. Our traditional model of written reports, in-person training, and site visits was upended by the pandemic when we shifted to online programming. We now offer a mix of online and in-person opportunities to connect with communities. There are additional informal learning opportunities like the monthly Local Government Policy and Practice webinar series, a lunch and learn format on current issues, research, and resources.

## Community connections

We're also continuing to build connections between communities and campus. MSU is present in every county in the state of Michigan, and we want to be the front door to campus when communities need more. The Center for Local Government Finance & Policy, Extension's Government and Community Vitality Team, Center for Economic Analysis, Institute of Public Utilities, and Morris Chair in State and Local Government Finance are all connected to faculty and resources across campus that address a variety of community needs.

## Stronger links

Strengthening the links within our teams and centers remains a key priority. We share staff, connect resources to projects, and always look for opportunities to collaborate. This approach serves as a strong foundation for the next 60 years of serving public leaders and communities. Our interconnectedness allows us to pull together the right research, partnership, and outreach team for different situations and projects.

At a time when funding and priorities shift quickly, our team is proud to continue MSU's legacy of working with communities as they face the challenges and demands of modern governing.

**Find out more about our full team at**

https://www.canr.msu.edu/center_for_local_government_finance_and_policy/

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