



NEWS RELEASE

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State Owes Local Governments; Surplus Will Fund Owed Debt

LANSING, Mich. –With nearly a 1 billion dollar surplus projected, counties see this as the perfect time for the state to make good on its promise to pay back local units of government for their sacrifices to the state’s budget over the last decade.

The state has balanced the budget on the backs of local government by siphoning off more than \$6 billion from revenue sharing to local units over the last decade. Counties in particular, have been a selfless partner, saving the state more than a billion dollars since 2005. This budgetary concession was made in an effort to help the state with its budget problems, with the understanding that the state would honor their funding obligations in the future. This promise has not been fully honored and the state continues to short counties by more than 20% each year.

Ignoring the statutory commitment to fund counties at the level required has become a habitual practice for the state. Counties are already stretched to their financial limit, making it difficult for them to pay for the multitude of state mandated services. County services may not be flashy, but they are critical for safe and functional communities. These state mandated services include courts, jails, 911, foster care, sheriffs, elections and the public health system.

“The tide has turned for state revenues and we are thrilled Michigan is turning around,” said the Michigan Association of Counties (M.A.C.) Board of Directors President Shelley Pinkelman. “Unfortunately, local governments are at a disadvantage. Our ability to recover from the recent recession is disproportionately slower than it is for state government and without the state honoring their financial obligations to local units, we will continue to struggle to provide the most basic of local services. It is critical that the legislature recognizes this and honors their statutory obligation to fund local government services.”

The legislature could allocate a mere \$40 million to make counties whole in FY 2014.

The current model of mandating counties to deliver services on behalf of the state government without paying for those services is unsustainable. After nearly a decade of the state shirking their financial responsibility to local governments, the time to repay is now.

The Michigan Association of Counties (M.A.C.) founded on February 1, 1898, is the only statewide organization dedicated to the representation of all county commissioners in Michigan. M.A.C. is a non-partisan, non-profit organization which advances education, communication and cooperation among county government officials in the state of Michigan. M.A.C. is the counties’ voice at the State Capitol, providing legislative support on key issues affecting counties.

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