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### **Michigan Townships Association: Smaller Government is More Efficient and Less Expensive**

Lansing, Mich. — The Michigan Townships Association (MTA) today released a study showing that smaller government is more efficient and saves taxpayer dollars.

While a few interest groups are advocating for the consolidation of local governments as a way to reduce the cost of government, the MTA study shows the results of such consolidations would be the exact opposite. The MTA found that creating bigger governments would not save money or improve efficiencies.

“Making smaller governments into bigger governments will most certainly drive the cost of government up, not down,” said G. Lawrence Merrill, MTA Executive Director. “Simply combining local government or local government services does not result in cost savings unless the service consolidation allows for reducing staffing levels or eliminating major capital purchases – and these opportunities cannot be assumed.”

“Making bigger governments to reduce costs is an often repeated falsehood,” added Merrill. “When you compare Michigan to other states with similar populations, density, climate and character, Michigan actually has far fewer local governments. Michigan ranks 33<sup>rd</sup> in the number of local governments per capita, and 29<sup>th</sup> in the average population per jurisdiction.”

#### **Consolidation is extraordinarily complicated**

In addition to creating inefficient government, the consolidation process is time consuming, expensive, complicated and would take five or more years to even develop. A consolidation effort would include:

- Melding different tax rates
- Connecting separate infrastructure systems
- Resolving different levels of debt
- Rectifying two or more incompatible administrative systems
- Unifying compensation systems and personnel policies
- Standardizing ordinances

### **Most efficient form of government**

Michigan's 1,240 townships, which comprise more than 96 percent of Michigan's land area and over half of the state's population, already perform very efficiently compared to local governments in other states.

One of the advantages of operating with a smaller government is the ability to provide services more efficiently with less staff. The majority of Michigan townships are managed by part time staff. Based on a 2008 MTA survey, townships reported the following:

- 30% operate full time
- 70% operate part time (40% of which have no office staff)
- 22% of townships have unions

In addition, Michigan townships continue to look for cooperative arrangements to provide more efficient services. Cooperative fire protection is provided by nearly 48 percent of townships, according to the 2008 MTA survey. Many others buy and sell fire protection for a part of their geographic areas. Michigan ranks 37 out of fifty states in per capita expenditures for fire protection. This demonstrates that Michigan townships are providing emergency services efficiently and affordably.

Of the townships that provide local law enforcement, three-quarters do so through contracts with other governmental entities.

"In these difficult times, township governments across the state continue to seize opportunities to provide and share services that provide taxpayers with smart savings," said Merrill.

The MTA advocates reform efforts in Michigan at the local government level focused on regional economic development strategies that leverage regional assets and utilize placemaking tactics to:

- Attract knowledge-based industries
- Develop regional infrastructure necessary to attract new Economy jobs
- Promote entrepreneurship and diversity
- Develop value-added agriculture using 21<sup>st</sup>-century technologies

"Michigan needs its state government to be the essential catalyst to foster more regional collaboration," said Merrill. "The most important reform involving local governments that state government could undertake that would revitalize the Michigan economy is to create regional consortiums to make Michigan attractive to New Economy employers."

To review the complete White Papers: Reforming Michigan's Local Government, please visit the MTA website at <http://www.michigantownships.org>.

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