

# STATE AUSTERITY AND LOCAL FISCAL STRESS: LESSONS FROM WISCONSIN, MICHIGAN & NEW YORK

Mildred Warner and Cornell University Students

Co-Sponsors: Assoc. of Town of NYS, CaRDI,  
Fiscal Policy Institute, NYCOM

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National Institute for Food and Agriculture, & the Fiscal Policy Institute

LOCAL  
FISCAL  
STRESS

State Austerity Policy  
& Creative Local Response

Dec 1<sup>st</sup> -- State Austerity & Local Fiscal Stress Conference -- Ithaca, NY

See more information at <http://www.mildredwarner.org/restructuring/fiscal-stress>

- **National and International Level**

- Prop up markets, leave localities to fend for themselves
- Pass fiscal crisis down to the local level
- Manufactured Austerity?

- **Local Level – varied response**

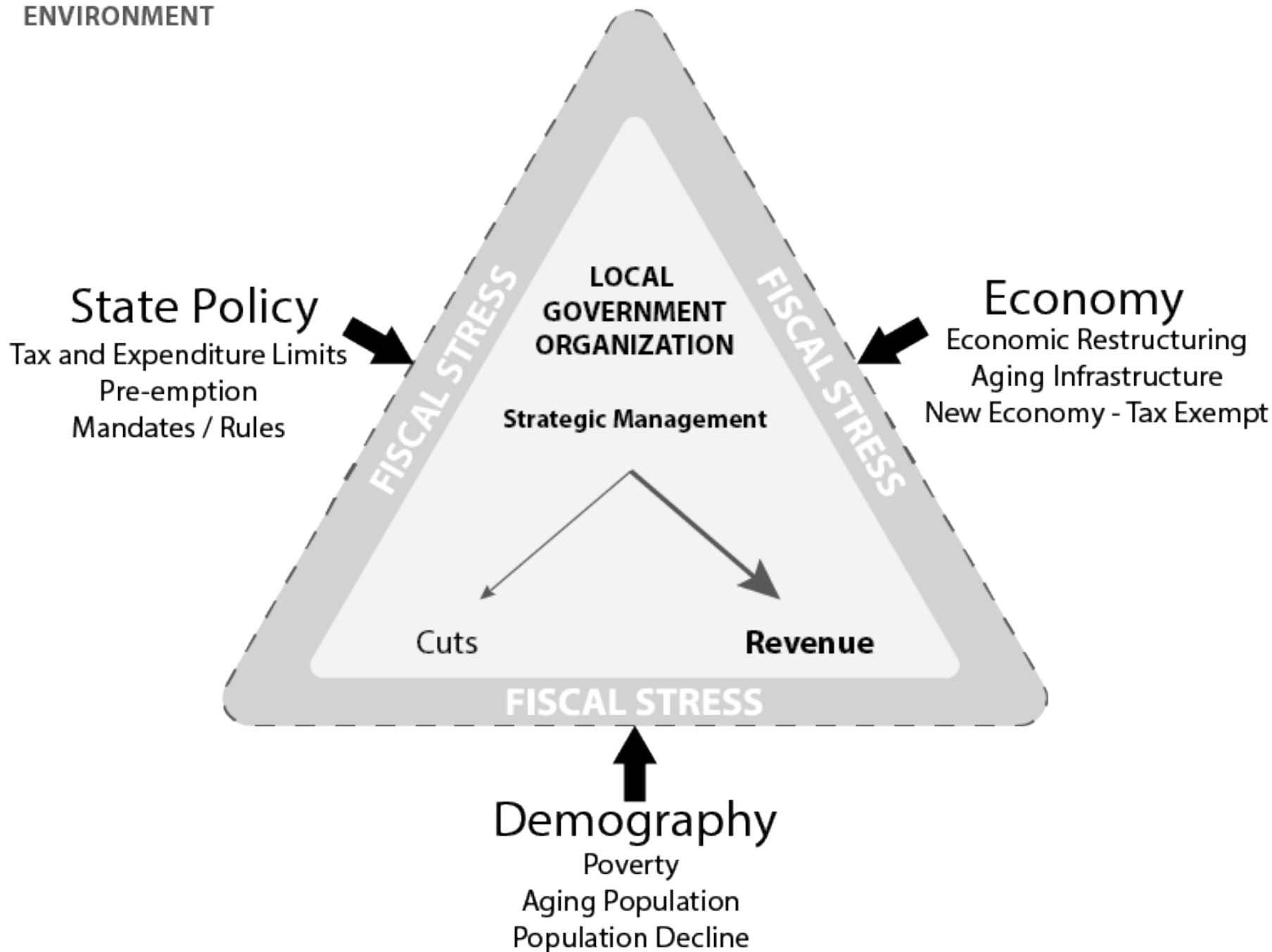
- Hollowing Out – cut services, laying off staff
- Riding the Wave – explore service delivery reforms
- Pushing Back – reassert role of public service

- **Citizen Level – anti-government response**

- US: Tea Party, American Legislative Exchange Council (ALEC)
- Europe: Occupy Movement....Nationalist Movements

Warner and Clifton (2014), Marketization, Public Services and the City...Potential for Push Back. *Cambridge J. of Regional Economics and Policy*.

## ENVIRONMENT



"You are unsustainable. You need jobs, an economy, business."

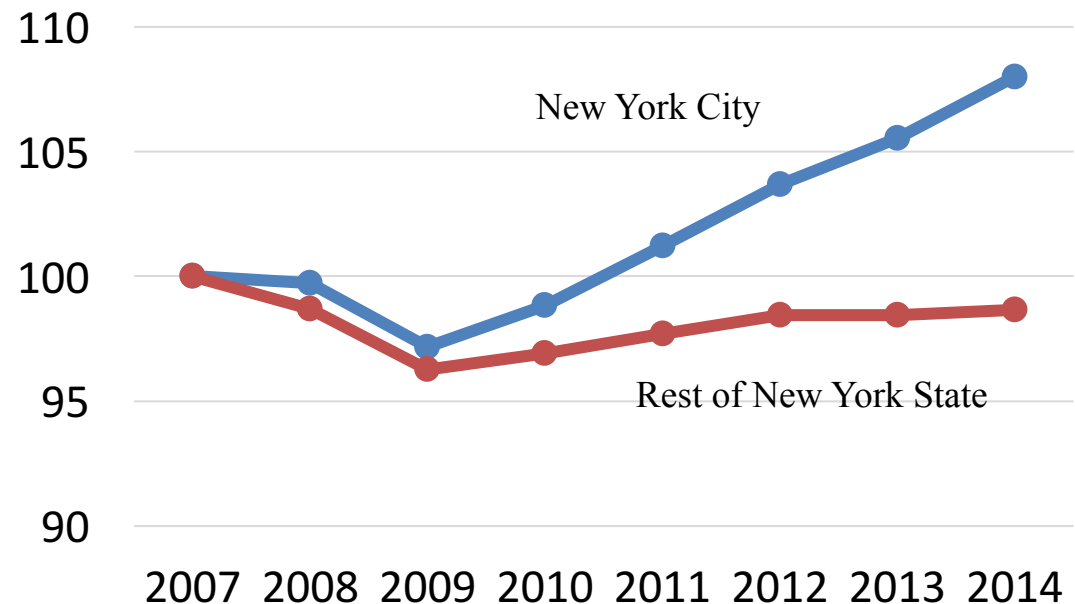
Gov. Cuomo, referring to upstate cities like Syracuse. *Syracuse Post Standard* Feb 2015

NYC is booming.

Upstate cities growth hurt by

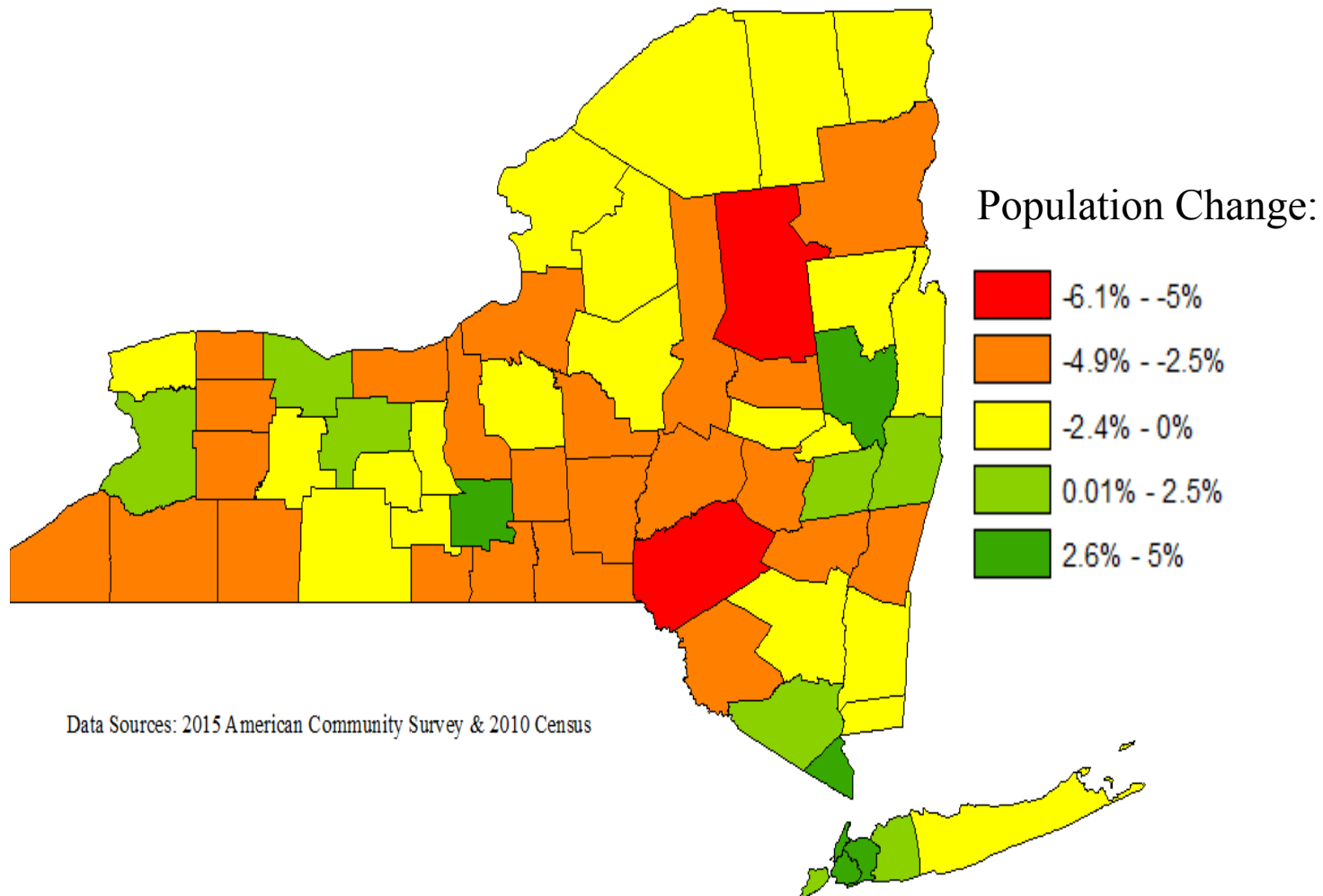
- cuts in state funding,
- Shift: manufacturing to eds and meds
- Aging population and infrastructure,
- concentrated poverty.

Indexed Non-Farm Employment (2001=100%)



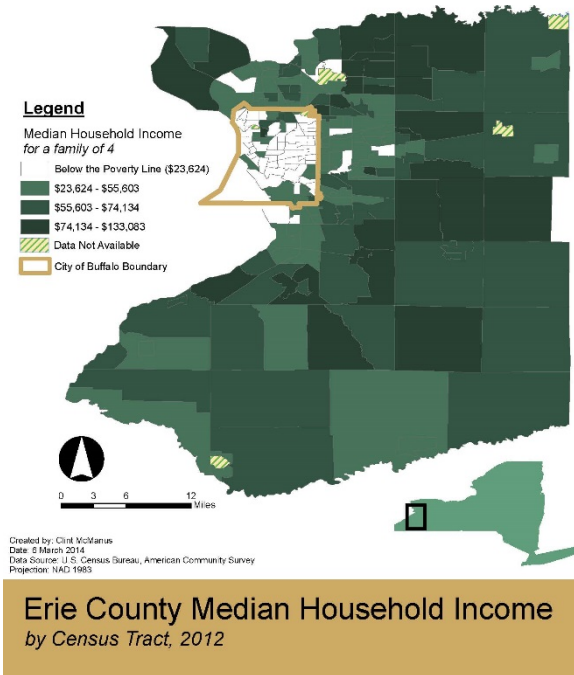
BLS, Current Employment Statistics. Analysis Floss, F. Fiscal Policy Institute and and Xu, Y. Cornell.

# Population Loss

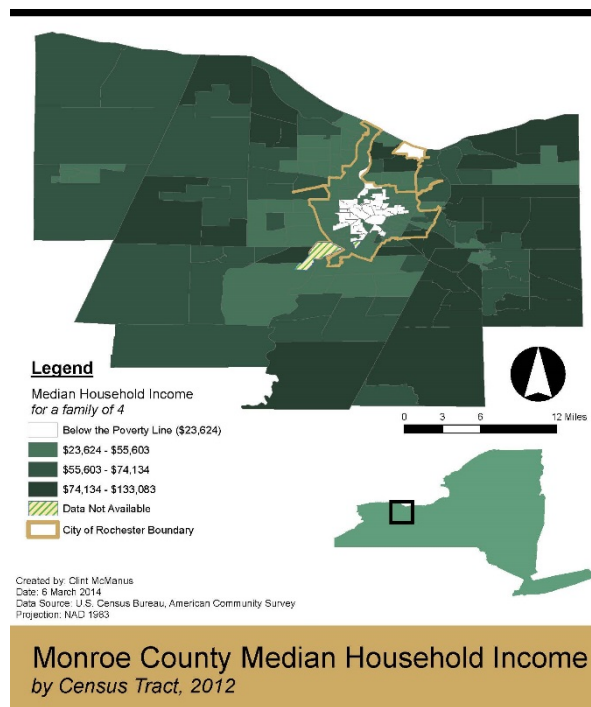


# Concentrated Poverty

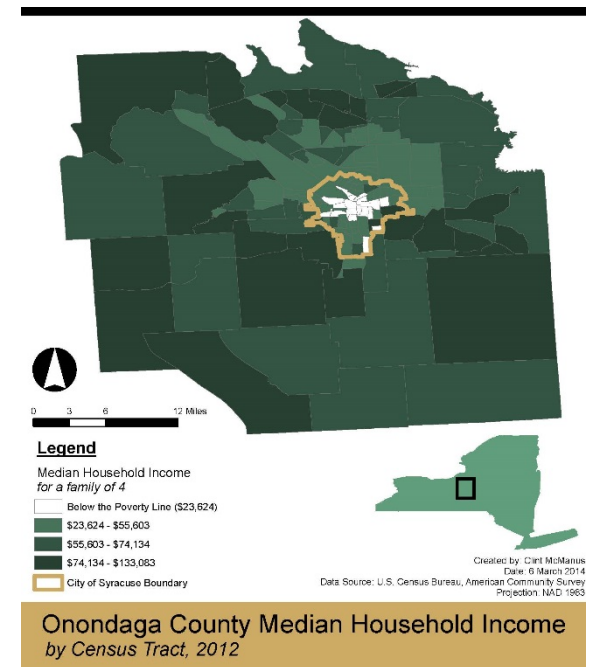
Buffalo



Rochester

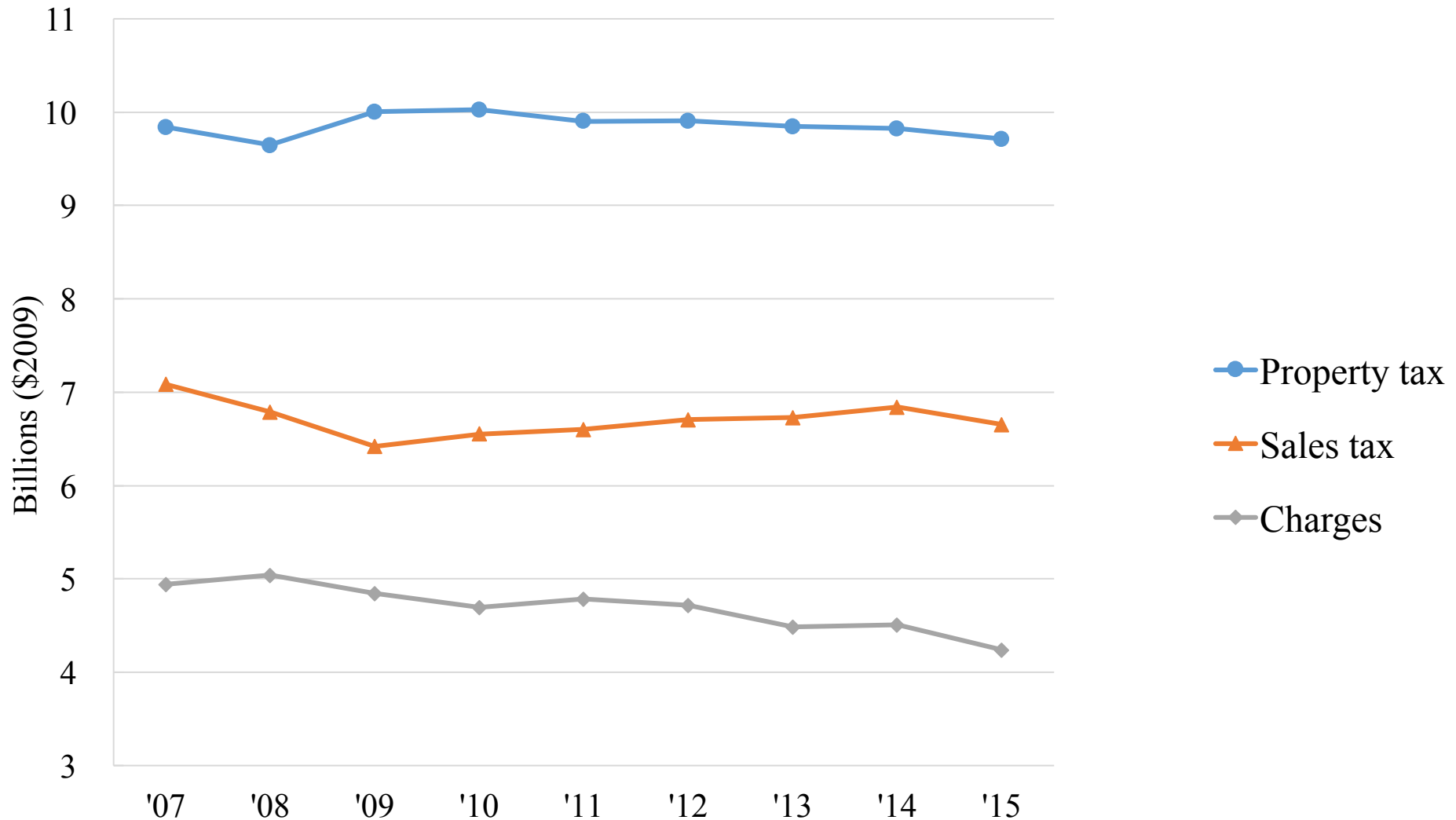


Syracuse



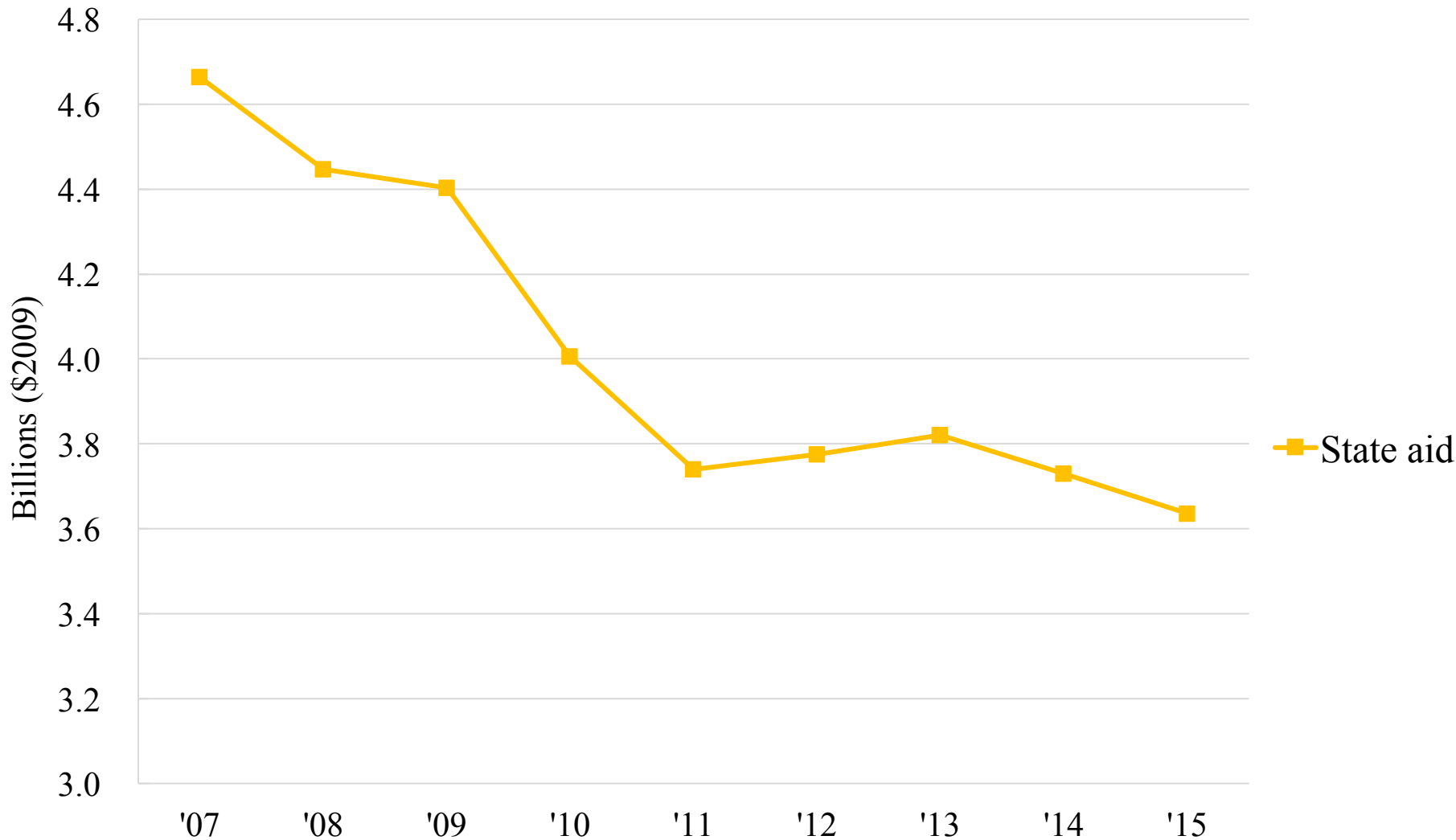
**Regional equity and service coordination needed for economic growth.**

# Own Source Revenue - Declining



**Source:** NYS Office of the State Comptroller. As cited by Kim, Yunji. 2016. PhD Dissertation, Cornell University.

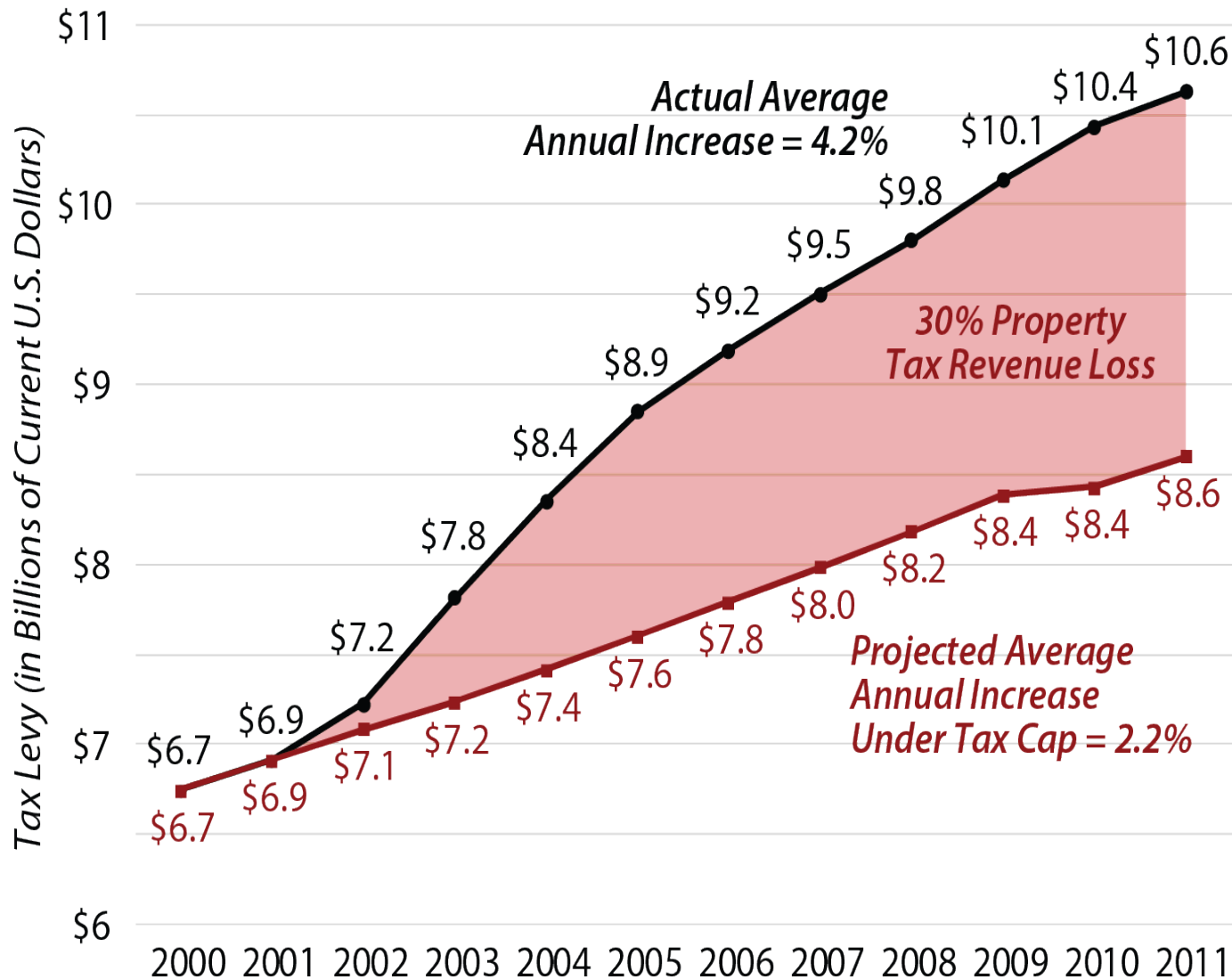
# Declining State Aid – Billion Dollar Drop



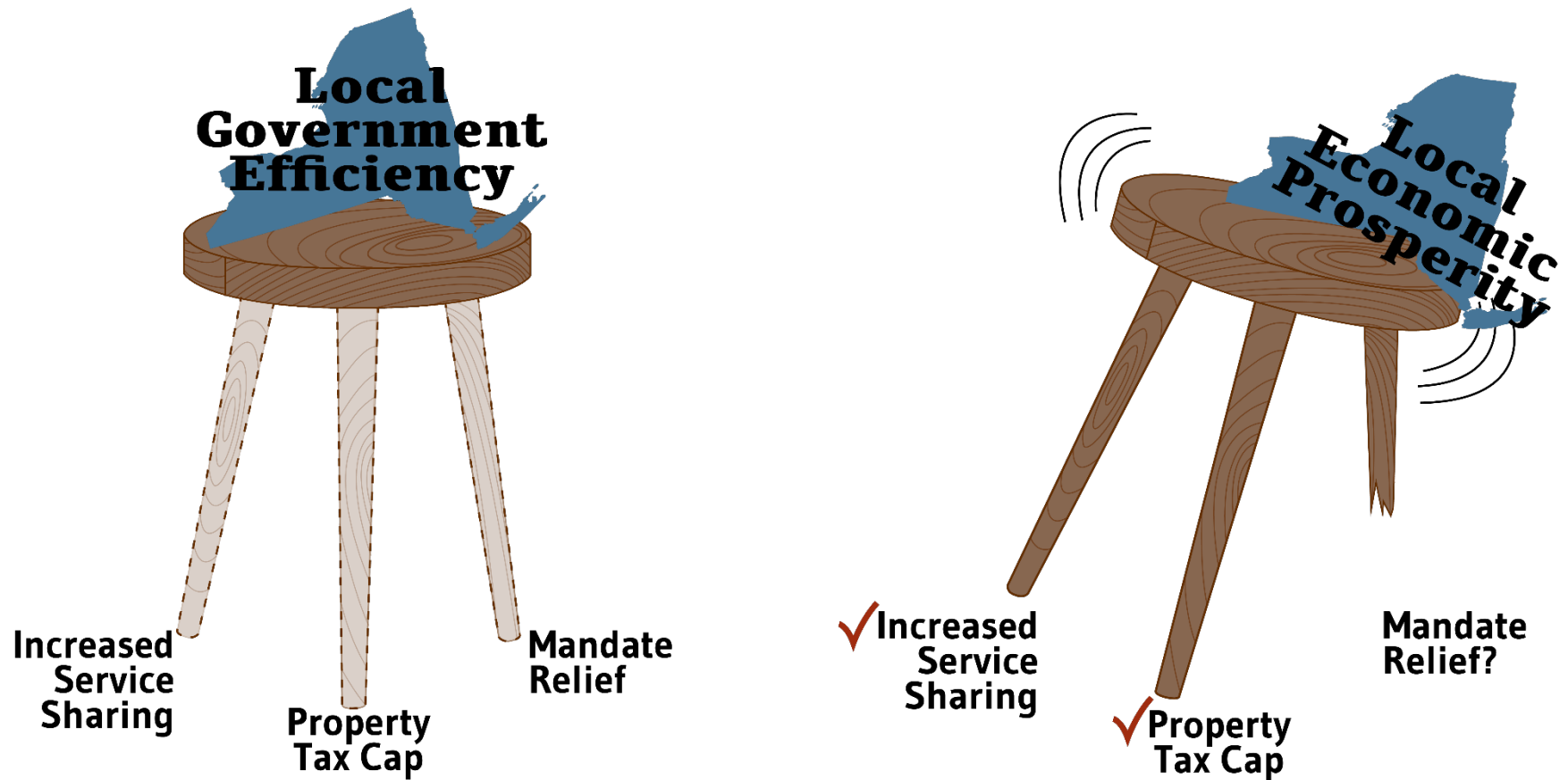
**Source:** NYS Office of the State Comptroller. As cited by Kim, Yunji. 2016. PhD Dissertation, Cornell University.



# PROPERTY TAX REVENUE SHORTFALL IF NY PROPERTY TAX CAP WERE IMPLEMENTED 10 YEARS AGO



# Solution: Is Efficiency Enough?



Local Government Needs a State Partner

# The Wind Blows from West to East



# Plan for the Day

## **Emergency Management in Michigan Cities**

Student Presentations and Discussion

**Stressed Out** – Kenneth McLaurin Jr.

## **Lunch Colloquium: Austerity, Michigan Cities, and the Future**

Yunji Kim - University of Wisconsin-Madison

Lindsey Smith - Michigan Radio

Karen Majewski - City of Hamtramck

Claire McClinton – Flint Community Organizer

## **Creative Responses in NYS and Other States**

Student Presentations and Discussion

## **Final Reaction Panel**

Barbara Van Epps - NYS Conference of Mayors

Chris Anderson - Association of Towns of the State of New York

Ron Deutsch - Fiscal Policy Institute

## **Reception**