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ECONOMIC VITALITY INCENTIVE PROGRAM CITIZENS GUIDE AND DASHBOARD REQUIREMENTS

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2011-1 This Numbered Letter provides guidance to assist units of local government eligible to receive statutory revenue sharing under Public Act 140 of 1971, the Glenn Steil State Revenue Sharing Act of 1971 (PA 140), in creating both a Citizens' Guide and Performance Dashboard to meet part of the provisions of the Economic Vitality Incentive Program.

Beginning October 1, 2011, units of local government (local unit) receiving statutory revenue sharing under PA 140 will now have to meet certain requirements to be eligible to receive a percentage of the total revenue sharing appropriated. This is known as the Economic Vitality Incentive Program or EVIP. One such requirement is to make available for public viewing a Citizens' Guide to finances and a Performance Dashboard. The EVIP defines a few broad elements that should be included but recognizes each unit of local government is unique and therefore allows each local unit to identify its own set of financial and operating measures and results. The purpose of this numbered letter is to provide some guidance to assist local governments in creating these two documents.

CONTENT

Citizens' Guide

The purpose of the Citizens' Guide is to provide a more transparent understanding of local unit finances by the citizens. The intent is to provide a simple graphical presentation of the most important financial measures, in a manner that can be easily understood by the average citizen. While the local unit has flexibility regarding the contents of the Citizens' Guide, it **must** include recognition of its unfunded liabilities. The local unit has the latitude to create the guide in a manner best suited for the local unit.

Performance Dashboard

The Performance Dashboard should include those financial and operating measures that are most important to the government and its citizens. Meeting this criterion will require the local unit to report on measures such as fiscal stability, economic strength, public safety, quality of life and other measures the local unit select that are relevant to the local unit's strategic goals and objectives.

FORMAT

There is no “preferred” format. The local unit must decide how it chooses to report the information in both the Citizens’ Guide and the Performance Dashboard using the available tools. Some tools include, but are not limited to:

- Utilizing one of several websites that uses the financial data of a local unit to provide trends and comparisons. Such websites can be used for both the Guide and the Dashboard.
- Utilizing spreadsheets, templates, or other available software to create the Guide, the Dashboard, or both.
- Create a “Popular Annual Financial Report” (refer to the Government Finance Officers Association (GFOA) award program for more specifics) as the Citizens’ Guide;
- Utilizing the tools provided by the Department of Treasury, the Michigan Municipal League, and Plante & Moran, PLLC as described below under “TOOLS.”

PUBLICATION

Whatever method the local unit chooses to create the Citizens’ Guide and the Performance Dashboard, both must be made available for public viewing. At a minimum, both must be available from the clerk’s office of the local unit. However, several other options for publishing the Guide and Dashboard include, but are not limited to:

- Posting both on a website maintained by the local unit.
- Utilizing one of several websites described above to create the Guide and/or Dashboard as a means to make them public as well.
- Consider posting paper copies in public places such as the local library, post office, or town hall.

TOOLS

Citizens’ Guide

For those local units that do not yet have a start on creating its Citizens’ Guide, the Michigan Department of Treasury has worked with the Michigan Municipal League and Plante & Moran, PLLC, to update the Microsoft Excel spreadsheet originally developed by Business Leaders of Michigan, to assist in creating a Citizens’ Guide template that should be very useful for units of local government. It is not mandatory to use this template but it is available to assist local units in meeting this criterion. It can be downloaded from the Office of the Governor website at www.michigan.gov/snyder under “Special Messages--Community development and local

government reforms” or the Department of Treasury website at www.michigan.gov/treasury under Local Government Services. Other municipal organizations will have it available as well. Appendix A provides instructions for the use of this spreadsheet.

The Department of Treasury is working with Michigan State University Extension to incorporate this Excel spreadsheet into its online F-65 system so that the data from a local unit’s submitted F-65 form will pre-populate the Excel spreadsheet reducing the need for additional data entry. This capability should be available by the end of July 2011, and can be found at <http://f65.mitreasury.msu.edu/>

Performance Dashboard

For those local units that do not yet have a start on creating its Performance Dashboard, the Department of Treasury has worked with the Michigan Municipal League to create two possible options for completing the Dashboard:

1. A fillable PDF form; or
2. An Excel spreadsheet.

The advantage of the PDF file is that it is easy to use, and the graphics provides a sophisticated presentation. The advantage of the Excel tool is that it is much easier to customize to add measures that are relevant to a specific local unit. The use of either option is not mandatory but is available to assist a local unit if it so chooses. These two tools can be obtained from the Office of the Governor website at www.michigan.gov/snyder under “Special Messages--Community development and local government reforms” or the Department of Treasury website at www.michigan.gov/treasury under Local Government Services. Other municipal organizations will have it available as well. For the Performance Dashboard to be most useful, it should contain timely data. Therefore, it may mean updating the Dashboard on a quarterly or monthly basis.

FILING REQUIREMENTS

Whatever method is used to create and publicize the Citizens’ Guide and the Performance Dashboard, they must be submitted to the Department of Treasury by October 1, 2011 to receive the available distribution of revenue sharing. The Department of Treasury will provide further filing requirements in a separate announcement. This additional information can be found at www.michigan.gov/treasury.

If you have any questions, please contact our office.