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A Case Study of Cutback Management and the Great Recession in a Rural Municipality

Diana L. Menhennick
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Diana L. Menhennick

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Walden University
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Abstract

A Case Study of Cutback Management and the Great Recession in a Rural Municipality

by

Diana L. Menhennick

MA, Walden University, 2012

BS, Northern Michigan University, 2009

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Public Policy and Administration

Walden University

May 2021

Abstract

Municipalities in Michigan get their power from the state of Michigan who responded to the Great Recession with austerity policies impacting the relationship between local and state government. Evidence points toward the use of cutback management as a long-term coping tool when addressing fiscal shortages. A single case study design documented a rural city manager's experience in the Upper Peninsula of Michigan using a semistructured interview and 10 years of archived public documents (2006-2016). The participant was selected using random sampling from 11 counties. Cutback management asserts that policymakers will address budget deficits by using initiatives in the short term and interventions if the crisis continues. The municipality began to feel the effects of revenue-sharing cuts as early as 2004. Key findings illustrated the use of both assumptions (initiatives and interventions) in the early stages before the Great Recession. The fiscal outlook did not change for the better and using revenue sharing payments in the budget planning was no longer a viable option. The city manager and city commission shifted the policy-making from short-term initiatives and interventions toward the community assets' long-term investment with strategically planned economic development projects and partnerships requiring the city to take on long-term debt. Positive social change is achievable in local government or rural municipalities specific to a city manager's life cycle. The ability to balance short-term fiscal deficits with long-term organizational goals can be challenging, requiring the manager to solve problems from all angles and with all community stakeholders.

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Dedication

My love of education, writing, and reading come from my grandmother, Mary Jacques Menhennick, a teacher at Suomi College, known today as Finlandia University in Hancock, Michigan. I dedicate this dissertation to her.

Acknowledgments

Thank you to Dr. Clarence Williamson for your patience and support on this dissertation journey. Thank you to Dr. Steven A. Matarelli for your knowledge, teachings, support, and Dr. Michael Brewer for serving on my committee. Thank you to my husband John, my mother Joanne, and my friend Jay for supporting me toward achieving my dream.

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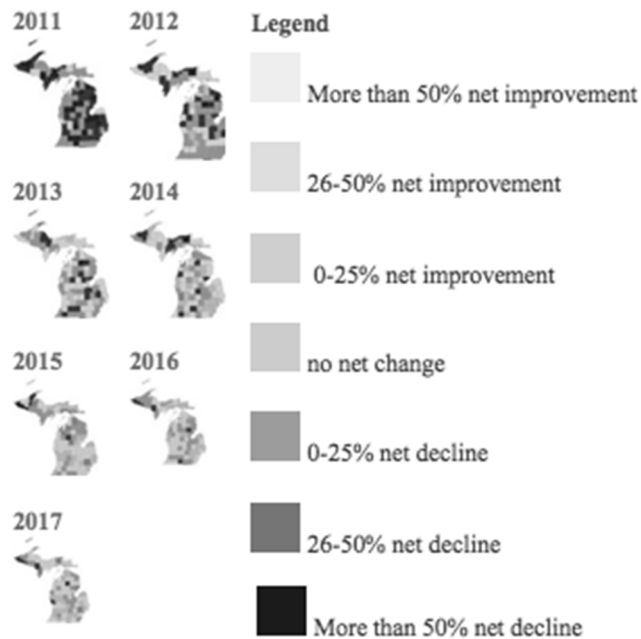
Chapter 1: Introduction to the Study

Research conducted by the Citizens Research Council (2013) showed the Great Recession of 2007-2009 was a global phenomenon. The hardest hit in the United States were Midwestern states, where manufacturing was the heart of the economy. From March 2000 to March 2010, Michigan's state lost 844,000 jobs, causing an increased need for social services spending.

One indicator of a municipal government's fiscal health is to examine financial audits (Crosby & Robbins, 2013; Esteve et al., 2017; Skidmore et al., 2010). From 2009-2011. Local governments in Michigan saw a net decline in property tax revenue of 25%-50%, or more than 50% in some cases (Kleine & Schultz, 2017). Net improvements in revenue of 0-25% were seen in three or four counties beginning in 2011 (see Figure 1). The state of Michigan found itself in a series of reoccurring recessions since early 2000 (Citizens Research Council, 2013), causing structural changes to state services through consolidation of departments and privatization of some state services previously delivered in-house.

Figure 1

Net Change in Local Government Fiscal Health, 2009-2017, by County



Note. Adapted from *Michigan Local Government Officials Report Mix of Improvement and Decline in Fiscal Health but With Overall Trend Moving Upward*, by D. Horner & I. Ivacko, 2017 (<http://closup.umich.edu/michigan-public-policy-survey/maps/fiscal-health/index.php>). Adapted and reprinted with permission.

Figure 2 is a snapshot of 15 communities in Michigan showing how much revenue sharing payments were diverted into the state general fund to address budget deficits from 2003-2013. Some of these communities have high minority populations, and emergency managers were put in place due to the fiscal crisis (Fasentest, 2019; Kasdan, 2014). The cities of Detroit and Flint, Michigan, are the most prevalent communities where the state of Michigan placed emergency managers. Cities are the

central part of the democratic process and are doing more with less. Risk shifting occurs through unfunded mandates passed down from federal or state government levels, placing municipalities in an unsafe environment due to significant reductions in property tax revenue and state reform policies, including cuts to revenue sharing (Oosting, 2014; Perlman & Benton, 2014).

Municipalities in the state of Michigan receive their power from the state, making the intergovernmental relationship even more essential for survival. As this is a valid example of power-sharing, for most if not all subunits of government within the United States, Michigan stands out. Lawmakers took austerity policy actions forcing municipalities to govern their communities without the support of the state. Figure 2 shows That while having a 25-50% or higher tax revenue net loss (Michigan Gerald R. Ford School of Public Policy Survey, 2018), there the state of Michigan has not taken over any municipality in the Upper Peninsula of Michigan.

Figure 2*Revenue Sharing Diversion 2003-2013*

Note. From *How Michigan's Revenue Sharing Billions for Local Services*, by J. Oosting, 2014, Michigan Municipal League; Michigan Department of Labor and Ed Riojas/MLive (https://www.mlive.com/lansing-news/2014/03/michigan_revenue_sharing_strug.html). Reprinted with permission.

In this case study, I examined how a rural municipality in the Upper Peninsula of Michigan faced management decisions caused by macroeconomic pressures outside the influence of local control. A management decision model developed from the data documented a rural public manager's experience in implementing Levine's (1978) cutback management theory and austerity policies on the intergovernmental relationship between a rural municipality and the State of Michigan. It was essential to study rural municipalities to understand how public managers balance the Great Recession's external forces and push austerity policies alongside local constituents' internal forces.

In this chapter, after discussing the background of the problem and the funding framework of municipalities in the state of Michigan, I communicate the problem faced by municipalities, the purpose for the research, nature of the study followed by the assumptions, scope and delimitations, limitations, the significance of cutback management theory, practitioners, and social change.

Background

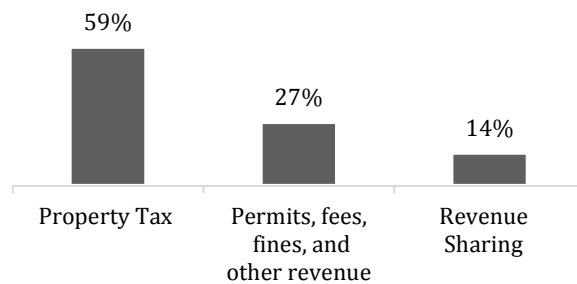
The Michigan State Extension Service determined that Michigan imposed the most severe limitations on any state's local revenue in the union (2017). From 2008 to 2012, cities' total general fund revenue declined 9.5% due to the Great Recession's impact on property taxes and revenue sharing cuts (Michigan State Extension Services, 2017). As a result, cities' taxable value fell by 18.1% from 2008 to 2012, and municipal tax rolls fell 9.1% (Great Lakes Economic Consulting, 2016, p. 10). What follows is a discussion on Michigan's local government funding.

The state applies the legal framework and regulations, supplying limited power to municipalities. In response to a series of recessions, Michigan lawmakers used policy measures that influenced local municipal governments (Clark & Gornia, 2017). The primary economic driver in Michigan has been manufacturing jobs, especially the auto industry, and the abundant natural resources that support the national economy. According to the Citizens Research Council of Michigan (2015), municipal governments in Michigan have few options for generating alternative revenue streams, making them dependent on property taxes and intergovernmental aid.

According to Great Lakes Economic Consulting (2016), revenue originates from three sources (see Figure 3). Seventy-three percent stems from two sources: (a) local property tax and (b) intergovernmental transfers of revenue sharing payments. Property taxes generate revenue through millage rates (principal or nonprincipal residence).

Figure 3

Michigan Local Government Revenue by Source



Note. Adapted from *Michigan's Great Disinvestment: How State Policies Have Forced Our Communities into Fiscal Crisis*, by Great Lakes Economic Consulting, 2016 (<http://www.savemicity.org/wp-content/uploads/2016/03/mml-glec-michigans-great-disinvestment.pdf>). Adapted and reused with permission.

Both sources of revenue have complex formulas with different outcomes for each qualifying municipality (Michigan Department of Treasury, 2017). Before discussing the problem more in depth, it is helpful to know the laws and regulations that govern property taxes and intergovernmental transfers from revenue sharing.

Municipalities and the State of Michigan

The state limits municipalities in Michigan regarding generating revenue. Two regulations are limiting and governing municipal funding, the Headlee Amendment and Proposal A.

Headlee Amendment and Proposal A

Article IX, known as the Headlee Amendment, was overwhelmingly passed by the voters in the state of Michigan in the 1970s (Citizens Research Council, 2013; State of Michigan Budget Office, n.d.). The amendment guides municipal taxation, requiring municipalities to get voter approval for property tax assessment increases and limits revenue collected to the amount the millage generates with a factor of inflation). The amendment protects property owners from increasing property tax by rolling the tax millage.

The second revenue restriction, known as Proposal A, is a constitutional amendment approved by the Michigan House, Senate, and the voters in 1993 (Harvey, 1995). Proposal A shifted public school funding responsibility from local taxpayers to Michigan, funding school district operating costs (Lockwood, 2002). In exchange for state-run public-school funding, municipalities collect part of the state's sales tax. There are two types of revenue sharing: (a) constitutional funding, 10% of state sales tax guaranteed by the state constitution, and (b) statutory aid for one seventh of sales tax revenues. The latter amount the legislature appropriates to municipalities has been the focus of cutbacks since the Great Recession. For these regulations to work within a

healthy state economy, the state must bring in enough sales tax to fully fund revenue sharing.

Municipalities felt the Great Recession's effects as property taxes plummeted, and the state of Michigan moved revenue sharing payments into their general fund to fill their budget deficit (Crosby et al., 2013; Kleine & Schulz, 2017). State policymakers implemented a series of policies that, while aimed at boosting transparency and accountability, placed restraints on municipal governments, sidestepping local government autonomy and the democratic process. The State of Michigan put incentives in place that encouraged consolidation of services laterally or at the regional level of government (Citizens Research Council of Michigan, 2017; Michigan Department of Treasury, 2017). To address fiscally strapped cities and schools, Michigan lawmakers and Governor Snyder placed emergency managers into communities close to insolvency.

State of Michigan, Austerity and Emergency Managers

When the State of Michigan has diagnosed a community as financially stressed, the governor appoints a financial review team. A series of steps occur within the legal framework of Public Act 436 of 2012, Local Fiscal Stability and Choice Act process (Michigan Department of Treasury, 2019). Yearly public audit findings are one of the trigger mechanisms that alert the state's Department of Treasury that there is a high probability that a community is nearing or in a fiscal crisis. The state financial authority may conduct a preliminary review after notifying the local government with written notification of the review. The governor then appoints members to the Emergency Loan Board to determine probable financial stress. The review team consists of the state

treasurer; the director of the Department of Technology, Management, and Budget; a nominee of the state majority leaders; a nominee of the speaker of the House of Representatives; and any other state officials or other persons with relevant experience. The superintendent of public instruction is added as an emergency loan board member if the crisis involves a school district. The committee has 60 days to determine one of two outcomes: (a) a financial emergency does not exist in the local government or the school district, or (b) a financial emergency does exist in the local government or school district.

The literature reveals evidence about the effectiveness of emergency managers in the state of Michigan. The investigation into the policy's effectiveness regarding short- and long-term fiscal sustainability shows the emergency manager intervention did nothing to correct the long-term fiscal outlook but did improve the short-term position (Clark et al., 2017; Nickels, 2016). A more major discovery showed that emergency managers are more willing to make hard fiscal decisions to remedy the budget crisis (Anderson, 2012; Clark et al., 2017; Crosby et al., 2013; Fasnfest, 2019; Loh, 2017).

It is logical to put a policy in place that looks to correct and steer a municipality toward fiscal sustainability. However, the question is whether this is a smart policy, considering the consequences for the democratic process. The emergency managers effectively fix a fiscally failing municipality because of the autonomy and power that comes with the appointment (Anderson, 2012; Fasnfest, 2019; Loh, 2017). Emergency managers have sole discretion to manage the economic environment without the influence of political interference and lack of accountability to the elected governing body, the city manager, residents, and taxpayers of the community (Clark et al., 2017;

Crosby et al., 2013). This position is only accountable to the governor and state treasurer (Public Act 436 of 2012). To understand the perspectives of local leaders in Michigan on the economic condition and outlook of their communities, from 2012 to 2017, the Gerald R. Ford School of Public Policy collected survey data on local leaders' views. Findings from 2017 showed that local governments opted for cost control measures consisting of cutback management to protect their services from cuts. Local government officials have reported a mix of outcomes, with smaller government units seeing improved ability to meet their community's budgetary needs (Horner & Ivacko, 2017).

The democratic process demands that public managers and elected officials balance competing actors, values, and strategic aims for service and budget deficits (Bowman, 2017; Kim, 2018; Nickles, 2016; Sands & Skidmore, 2014; Voet & Vermeer, 2017; Williamson, 2014). A central concern for public policy decisions and actions is the population segment that must carry the reform's burden. Public administrators must always be mindful of implementing policies based on fairness and justice. There is no one best solution for cutback management, and often, it depends on the context and length of the crisis (Levine, 1979; Spreen & Cheeck, 2016; Steinebach & Knill, 2017). Cutback management applications and outcomes are unique to that municipality.

The Great Recession supplies an opportunity to examine how a rural public manager meets stakeholders' expectations and community service needs after facing austerity cuts in intergovernmental funding and local tax base decline. A case study on the Upper Peninsula of Michigan opened an opportunity to explore how cutback

management in rural areas influences the public manager's actions when implementing policies and leading a community through the cutback process.

Problem Statement

Since the Great Recession of 2007-2009, municipal governments in the state of Michigan continued to see a slow recovery of property tax values (Citizens Research Council, 2015). Revenue sharing payments remained part of state austerity measures taken by policymakers (Doidge & Taylor, 2015; Martin et al., 2012; Sapotichne et al., 2015). A new fiscal environment for municipalities in Michigan consists of shrinking revenues, increasing costs, and state policies that cut intergovernmental revenue sharing and emergency managers with sweeping powers. The state has yet to intervene in any municipalities in the Upper Peninsula. However, urban areas in the Lower Peninsula, such as Detroit, filed for bankruptcy in 2013 (Isidore, 2013). It was unknown whether the smaller communities in the Upper Peninsula are better off than the larger urban ones in Michigan.

Researchers explored international and national urban and state governments' experiences, showing a move toward a continuous use of cutback management and depletion of rainy-day funds to achieve a balanced budget (Raulda et al., 2017; Scorsone & Plerhoples, 2010). Qualitative researchers found that local government responds to the financial crisis through a cutback management strategy that forgoes capital projects (Afonso, 2014; Clark et al., 2017; Klause, 2018; Levine, 1978; Metsma, 2014). The two most utilized strategies are across-the-board cuts or targeted cuts. The chosen strategy depends on how the policymakers view the characteristics of the crisis (Overmans &

Noordegraaf, 2014; Pandey, 2010; Ross et al., 2015; Savage & Herman, 1999).

International case studies have shown the ability of public policymakers to use the fiscal impact as an opportunity to utilize cutback management as a reforming policy tool in a pursuit to cut costs, improve efficiency through the management and budgetary modifications (Cepiku et al., 2016; Horner & Ivacko, 2017; Lovering, 2017; Raudla et al., 2017; Raudla & Kattel, 2013).

Researchers exploring the U.S. economy during the Great Recession have shown that fiscal stress has continued to induce municipalities to adopt austerity measures, compelling them to make incremental or permanent cuts of employees, services, or both (Hanson, 2014; Martin et al., 2012; Overmans et al., 2014). The state of Michigan appointed emergency managers to correct fiscally shrinking communities in larger urban areas and some public schools. These communities or school districts often served minority populations and usually depended upon services, which can become targets of the cutback management process (Cepiku et al., 2016; Hinkley, 2015; Kasdan, 2014). In 2011, the Michigan Legislature Public Act 72 of 1990 empowered the state to intervene in municipal government financial emergencies at an earlier stage (Public 436 of 2012) and expand emergency managers' power. The result is that municipal governments are near unsatisfactory levels of not supplying adequate services (Kleine & Schultz, 2017). Austerity measures taken by the state of Michigan sought to combine communities as cost-saving measures and cut redundancy (Michigan Department of Treasury, 2017).

There are essential inconsistencies in the literature. The first gap is the lack of exploration of rural communities found in the industrial states like Michigan and the use of cutback management within the new fiscal environment and austerity measures used by Midwestern states to address budget deficits brought on since the Great Recession. Survey research conducted for the Center for Local, State, and Urban Policy (2017) showed an improvement in financial outcomes and the future of municipal fiscal solvency. Although elected officials within the public sector see budgetary improvements in their current overall fiscal picture and are optimistic about the future of municipal finances, there are still some concerns about state actions regarding intergovernmental transfers of revenue sharing. The focus of research has remained on urban communities, and researchers have not investigated rural municipalities' experiences in the Upper Peninsula of Michigan.

In a state that has continued to suffer a structural decline, there has been no discussion on how rural municipal managers in the Upper Peninsula of Michigan have reacted to the Great Recession in the policy arena. Researchers have not studied whether policymakers are using cutback management to address the fiscal shortfalls or how managers react to cutback management. According to Scorsone and Plerhoples (2010), a research gap exists on the consequences of using cutback management on a permanent basis to address fiscal insufficiencies. The intergovernmental relationship put local government administrators and elected officials into a complex political environment. However, there is a lack of research on how rural municipal administrators and

policymakers approach the intergovernmental relationship with the state of Michigan's austerity policies.

These gaps are a central aspect of public administration as a discipline and to practicing city managers. In this study, I explored the gap in the research on cutback management in rural municipal government in the Upper Peninsula of Michigan. Documenting a public manager's experience brings new light to how a manager's perception shapes implementation of across-the-board cuts or strategic planning to respond to the Great Recession and to how such actions shape and impact the intergovernmental relationship.

Purpose of the Study

The purpose of this case study was to explore and gain knowledge on what cutback management looks like in a rural municipality with a population of 10,000 or less. Rural municipalities have specific features that provide identifiable features such as population and local economies, which could differ from other municipalities and change the policy response to the challenges of the Great Recession. A case study of a rural municipality in the Upper Peninsula opened doors to additional empirical research on how public managers and elected officials manage their finances and service delivery when the state of Michigan has limited revenue restrictions. This case study was aimed at providing insight into why the state of Michigan has not taken over any municipalities in the Upper Peninsula.

In my research, I examined how a rural municipality responds to state austerity policies within the Great Recession context. The fundamental concept of this research

was a rural city manager's experience through Levine's theoretical lens of cutback management and examining the management response to fiscal shortages caused by the Great Recession from 2006 to 2016.

Predicating How Rural Municipalities Will Use Cutback Management

The goal of cutback management is to reduce the cost of inputs and increase the outputs of any given budget. Inputs are considered employee costs, equipment, or operating costs, which produce the service outcome (Dunsire et al., 1989; Levine et al., 1981). Outputs are the return of investment or, in this case, increased revenue, placing the municipality in a better fiscal position (Hood & Himaz, 2018; Jung, 2012; Justice & Yang, 2018). Numbers, however, do not always reveal the whole picture. There was still a need to understand, for example, what happens to the municipality when across-the-board cuts are made equally in all departments and what structural changes occur when services are contracted out instead of delivered in-house.

Municipal governments will either use across-the-board cuts or strategic planning to realize cost savings using cutback management (Overmans et al., 2014; Ross et al., 2015; Savage & Herman, 1999). The central question of my study was designed to investigate a city manager's experiences when using either to offset the budget deficits and austerity policies in the Upper Peninsula of Michigan. The city manager's experience shed light on managing and governing rural municipalities and the challenges they face within the fiscal environment constraints put in place by the state of Michigan. In this case study, I collected data from semistructured interviews with a rural city manager to truly grasp the city managers' experiences. The narrative delves into how cutback

management policy looks within a rural area and fits into management decisions and policy actions. Empirical research on the Great Recession is quantitative within the theoretical lens of economics on international counties or urban communities in the United States (Cepiku et al., 2016; Hanson, 2014; Raudla et al., 2017; Raudla & Kattel, 2013). However, rural municipalities have not been explored or studied. Because the Upper Peninsula has an economic history based on natural resources, the case study supplied a glimpse into how rural municipalities approached the recession and restrictive state policies that impeded local autonomy and the democratic process.

Research Question

One overarching question guides the narrative's development on a city's manager's experience in the Upper Peninsula of Michigan and cutback management within the Great Recession context. What was the experience of a city manager implementing cutback management approaches in a rural municipality in the Upper Peninsula of Michigan?

Theoretical Framework

Cutback management is a broad-based theory appearing in the 1970s from the seminal works of Charles H. Levine and is the theoretical framework for the case study. The purpose was to examine the use of cutback management in a rural municipal government located in the Upper Peninsula of Michigan from a city manager who lived that experience. Using a focus of across-the-board cuts or strategic planning allowed me to examine how rural managers view their environment using cutback management.

According to Pandey (2010, p. 564), early works described cutback management as managerial initiatives or interventions in leading organization activities. The framework rests on the procedure of implementing final decisions, which cut expenditures while increasing revenues. Structural changes within the administration process can also be part of organizational activities. Savage and Herman (1999) described cutback management as accurate and perceived revenue constraints and actions taken by politicians and agency managers to cope with reductions in resources.

Preliminary research supports the assumption that cutback management becomes more of a conventional approach in both international and national public sector arenas (Clark et al., 2017; Peck, 2014; Perlman & Benton, 2014; Voet & Vermeer, 2017). The Great Recession of 2007-2009 witnessed an intensified use of cutback management for coping with fiscal budget deficits. Researchers have also found that social safety net services are often the focus of cutback management (Einstein & Glick, 2017; Labao & Lazarus, 2011; Nelson & Stenberg, 2018). Within urban communities, the result is a growing inequality gap within the class structure of society. There should be a discussion and investigation into the Great Recession on how rural municipalities in Michigan have applied across the board or strategic planning within the environment of state austerity measures and the impact of intergovernmental relationships. Scorsone and Plerhoples (2010) conveyed the lack of research on the consequences of using cutback management for an undetermined length of time.

The rural municipality's revenue and populations are small. However, they could see an increased demand for services due to the Great Recession. Rural managers and

elected officials may find themselves with very few or no innovation choices, working with a smaller tax base, workforce, and revenue sharing reductions complicating the social equity question for lower income populations if raising revenues.

Nature of the Study

A case study was the most effective approach for in-depth analysis of a public manager's decision-making processes and for evaluating how cutback management choices of across-the-board cuts or strategic planning address structural deficits and implications of those decisions in one rural Upper Peninsula municipality. Face-to-face interviews brought an opportunity to gather new data on rural municipalities. Using the qualitative software NVivo (Version 12.5) allowed for the organization and analysis of collected data. Specific questions guided the interpretation of the transcribed interview. Triangulation occurred by using member checking, interviews, and municipal audits to supply the basis for developing a narrative on the participants' experiences.

Definitions of Terms

Austerity measures: Austerity or risk shifting measures are economic policies that focus on reducing government expenditures (Hood & Himaz, 2018; Liou & Feldheim, 2018; Peck, 2014). As a measure to balance their state operating budget, the State of Michigan policymakers used budget reduction measures that impacted municipalities, the changing, or enacting new regulations or mandates that are not fully funded by the state (Bean & Kline, 2017; Citizens Research Council, 2015).

Great Recession: A term coined by the Chair of the Federal Reserve Paul Volcker, defined as a violent economic contraction occurring between December 2007 to June 2009 (Sherman, 2010, pp. 7-8).

Incorporated municipalities: Municipalities found within the State of Michigan that have a legal framework using Dillon's Home rule (Audia & Buckley, 2004). Incorporating the municipalities are those who fit the legal description and provide state-mandated services as well as local services and use the Council-Manager style of governing.

Incremental budgeting: A routine and consensual budget planning approach requiring revenue growth (Levine, 1978). A bottom-up process, incremental budgeting, is both descriptive and normative and will only work when there are budget surpluses (Behn, 1985).

Operating millage: Michigan incorporated municipalities have a specific millage rate, which is capped by the Headlee Amendment/Proposal A in generating property tax revenue for services (Marquette County Clerk, 2017; Michigan Department of Treasury, 2017).

Proposal A and the Headlee Amendment: Michigan voters approved ballot measures that require voter approval of any new tax increases, limited property tax revenue increases, and limited revenue collected to the amount the millage originally was to generate (with factor for inflation). Michigan municipalities are financed by local property tax, and property assessment is capped, and the State equalization does not increase over time until the property is sold (Skidmore et al., 2010; Walcott, 2016).

Public management: Decisions about activities involved in the running of public sector organizations and the structure and procedures (i.e., institutions) of the public sector and its organizations (Morse & Stenberg, 2018; Nickels, 2016).

Public managers: Individuals who are hired to manage public organizations through the governing process conducted by the elected manager-council governing model (Michigan Municipal League, n.d.).

Retrenchment budgeting model: The main goal is to cut spending to eliminate the deficit (Levine, 1978). Retrenchment strategies of initiatives and interventions are regulated by the length and severity of the deficit. Initiatives can be something as simple as deferring capital projects, hiring freezes, or across-the-board cuts. Interventions are more drastic and severe because of the seriousness of the deficit. Strategies of interventions can be employee lay-offs, consolidation of services, elimination of services, or even contracting with public or private partnerships. According to Levine (1979), the decremental approach can become derailed due to the social and political elements believed are untouchable or immune from expenditure cutting.

Assumptions of the Study

Assumptions are aspects of a study that cannot be verified. Due to the nature of the Great Recession and Michigan's ongoing recession, one assumption is that rural municipalities will respond with the cutback management theoretical framework. The assumption stems from my experiences serving as a city councilmember for the city of Negaunee from 2009 to 2016. Rural municipalities in the Upper Peninsula already used some form of cutback management strategies across the board cuts in the initial stages of

the fiscal deficits and moved toward strategic planning when the fiscal crisis appeared to be for an extended period. Another assumption was that each interviewed participant's answers would be honest and candid as a condition of their participation. A final assumption was that there is a lag time between when the state of Michigan began to implement austerity policies when the municipal government budgets began to feel the

These assumptions were necessary for two reasons. Rural municipalities should be running with a specific set of defined economic parameters. Small municipalities have distinctive characteristics such as demographics and economic development opportunities, influencing the operating budget's tax revenue.

Scope of the Study

This study's scope focused on a rural municipality and the response to the state's neoliberal policies within the context of the Great Recession. Specifically, an Upper Peninsula of Michigan rural community responded to and continued to operate using austerity measures enacted by the state. Using Yin's (2018) case study method, I collected data through a face-to-face interview with a rural municipal manager employed in an incorporated rural municipality with a population of 10,000 less. Additional data came from various municipal government reports, archives of municipal council meeting minutes, operational budget materials, and other state-level metrics. Specifically, the scope was the best approach to study rural municipal governments within the Great Recession context. Case study research can discover in-depth, rich narration of the experience managing rural government within a geographic area that holds only 3% of Michigan's total population. Generalizability is concerned with the validity of qualitative

research and the assurance of a regular series of steps that supply a careful analysis of the raw data collected (Yin, 2018).

Delimitations and Limitations of the Study

The recruited research participant was an employed city manager of an incorporated rural municipality with a population of 10,000 or less and located in the Upper Peninsula of Michigan. Picking incorporated communities only allowed gathering data from the council/manager form of government. The decision encompassing the case study boundaries within incorporated communities and council/member form of government-provided the study with similar characteristics and geographical boundaries. Insight from rural municipal research opened a doorway to investigating how rural municipalities operate and function in times of declining revenues and state austerity policies. There was no empirical evidence focusing on developing research on city ‘managers’ experiences from the Upper Peninsula of Michigan with cutback management and the Great Recession. There is empirical evidence on large urban areas of Michigan from research on the lack of financial sustainability of urban areas in Michigan (Crosby et al., 2013; Kokushkin & Petty, 2016) and the radical takeover of larger communities (Fasenfest, 2019; Loh, 2016). There was research on how smaller rural communities survive in this type of environment.

Limitations reflect weaknesses of case study research and existing gaps in the current research, neither of which are controllable for this study. One significant limitation of any case study design centers around researcher neutrality. I was the primary data collection tool and sole interpreter of collected data. Ethical implications exist,

requiring specific steps and actions to ensure study integrity is not compromised, such as researcher bias and replication of research by others.

Protection of a participant's identity and a limitation of gender and ethnic diversity are limitations needing consideration. The Upper Peninsula of Michigan has a primarily White population (Statistical Atlas, 2018), potentially limiting diverse experiences from city managers who are not White. Additionally, my personal experience in local government has been that city managers in the Upper Peninsula tend to be primarily men between the age of 40-60. This supposition was validated using a Google search to randomly sample 11 possible incorporated municipalities fitting study inclusion criteria (Upper Peninsula Supply Company, 2015). Results found eight male managers with at least 20 years of work experience, two managers with less than 20 years of work experience, and one female manager with at least 20 years of work service.

Significance

The Great Recession fundamentally changed the budget strategies and service delivery of the public sector and those employed in the government sector. Any unfamiliar environment requires a new set of tools, leadership, and public administrators to manage a resource scarcity public management perspective (Agramoff, 2014; Alm & Sjoquist, 2014; Durant & Rosebloom, 2017; Leon-Moreta, 2018). My research contributions to the discipline of public administration and positive social change are worthy and straightforward of empirical research. Public administration as a field of study expects public managers to ensure that public policy decisions are inclusive of the values of fairness, justice, and equity within the practice of public policy (Frederickson,

2010; Sørensen et al., 2018). My research will add to the empirical research on cutback management practices in rural communities and did not promise radical social change. Instead, it allowed for a glimpse of how rural communities address poverty and opened the door for more discussion for future research on the financing of Michigan rural municipalities.

Summary

Chapter 1 explored the Great Recession phenomena and how it changed the municipal government's path to budgeting and fiscal policy. The Midwestern states, which were home to the industrial and manufacturing era, now struggle the most in addressing the Great Recession's impact. Cutback management theory is back at the forefront for empirical research to investigate policy responses to shrinking revenues. States have used austerity policy to shore up their economy and often at local municipal governments' expense. Michigan has placed emergency managers, and cuts to intergovernmental revenue sharing were part of the cutback management strategy. A research gap existed in the exploration of rural municipal governments in the Upper Peninsula of Michigan and the impact of austerity policies on the intergovernmental relationship with the state of Michigan.

While empirical research has supported the use of cutback management in urban communities and states to address fiscal shortages, no empirical research exists on the experience of rural municipalities in Michigan. This case study on rural incorporated communities in the Upper Peninsula helped fill this gap and start the scholarly discussion for future research. In Chapter 2, I discuss how scholars have investigated cutback

management and the Great Recession. The discussion on case study protocol and methodological framework follows in Chapter 3, whereas Chapters 4 and 5 focus on the case study findings, theoretical interpretations, and future research applications.

Chapter 2: Literature Review

Since the Great Recession of 2007-2009, municipal governments in Michigan continued to see a slow recovery of property tax values (Citizens Research Council, 2015). Revenue sharing payments continue as part of state austerity measures taken by policymakers (Martin et al., 2012; Sapotichne et al., 2015). Municipalities in Michigan are witnessing a fiscal environment of shrinking revenues, increasing costs, and state policies that cut intergovernmental revenue sharing and install emergency managers with sweeping powers. Urban cities in the Lower Peninsula, specifically the City of Flint or the Detroit Public Schools, have placed emergency managers, and Detroit went through the bankruptcy process. The state has yet to intervene in any municipalities located in the Upper Peninsula of Michigan

Municipalities in Michigan obtain revenue from three sources, 50% from property taxes, 27% from permits and fines, and 14% from state revenue sharing (see Figure 3 in Chapter 1). Revenue sharing payments continue to be part of the austerity measures taken by the State of Michigan policymakers to fill budget deficits (Citizens Research Council, 2015). The new municipal budgeting environment is one of shrinking revenues, increasing costs, and risk-shifting governmental policies implemented by the Michigan legislative body. According to the Research Council (2015), Michigan's state has not fully funded revenue sharing payments, leaving municipalities with the state to fend for themselves to flounder or flourish in the new environment.

In this case study, I explored how rural municipalities implement cutback management within the context of the Great Recession and develop and analyze a local

city manager's experiences regarding policy implementation and the process of cutback management. The arrangement of this literature review is a funneled chronological format to analyze and interpret the Great Recession's growth as a topic and how scholars examined cutback management theory. Next is a description of the strategy used to gather and analyze the literature extracted for the review, examination on cutback management theory, followed by how the theory existed applied within the context of the Great Recession, and analysis of the literature chosen, followed by the summary and a conclusion.

Literature Review Structure

Reviewing the literature for case study research requires specific steps that account for how the review was conducted and what the investigation discovered. Establishing specific criteria for analysis and interpretation, including the research questions guiding the collection and analysis of the literature (Yin, 2018). What follows are the methods, standards, and criteria for the literature review process. The Great Recession was global, making it logical to gather literature that would describe what previous research had been conducted on cutback management and cutback budgeting, extracting case studies or literature reviews to learn how municipalities responded to the Great Recession. Secondly, specifically chosen literature described the current management picture of municipalities in Michigan and what case studies or literature reviews occurred during the years 2013-2018 regarding the Great Recession.

Keyword Structure and the Literature Review Process

I strategically chose specialized databases to find and collect 100 peer-reviewed articles. Specific databases consisted of World Cat, Google Scholar, Policy and Administration database from Walden University's Political Science Complete and Business Source Complete, Taylor and Francis, Advanced Search Complete, Thoreau, EBSCO, and Academic One. The exact keyword searching terms originated by extracting eight keywords from the problem statement. The identified 35 keywords extracted from the problem statement functioned as a starting point toward distinctive literature and extracting 100 articles contained within this review. Table 1 comprises a listing of the 35 keyword terms, the basis for the literature review search, with each one consisting of seven alternative terms.

Each reviewed article answered the research mentioned earlier to gather and interpret what completed research on cutback management, cutback budgeting, and the Great Recession in rural governments. A series of organized steps occurred to collect the reviewed articles. Primary tracking tools of search logs and field notes triangulated the literature's progress and interpretation found in this review. Endnote software offered the best approach for collecting, storing, and organizing the articles and developing theme headings and subject bibliographies. An audit trail of search logs allowed me to develop a clear path on the literature review process while journaling supplied a strategy to identify themes and observations. The 100 identified articles were placed into a literature matrix in alphabetical order and given a number from 1-100. The archived files were backed up with encrypted cloud services and external hard drives to protect access and the

research's integrity. Each article was assigned a record number and exported into qualitative coding software, NVivo. Auto coding provided analysis of reappearing themes discussed later in this chapter.

Criteria for Keyword Structure and the Literature Review

The exact keyword search terms came from extracting eight keywords from the problem statement. Each of these keywords gave seven alternative terms creating 53 keywords to select the 100 articles. Table 1 shows the listing of these 35 keywords. Search logs and field notes functioned as the primary tool for tracking progress, selection, and literature interpretation.

Table 1

Beginning Keyword Structure

Austerity	Experience	State of Michigan	Rural City Managers	Budget Deficits	Cutback Management	Great Recession	Rural Municipalities
Austerity Measures	Practice	Upper Peninsula of Michigan	Public Managers	Shortfalls	Interventions Incentives	Recessions	Cities Communities
Fiscal Austerity	Knowledge	Lower Peninsula	Administrator	Revenue Expenditures	Fiscal Policy	Economy	Ruralism Non-rural Country
Enforced Extreme Economy	Understanding	Michigan	Municipal Managers	Deficit Shortage	Across the Board Cuts	2007-2009	Communities
Fiscal Squeeze	Reasoning	Politics	Appointed official	Resources	Fiscal Squeeze	Global Crisis	Governing Body

Note. The top row is keywords extracted from the problem statement followed by alternative keywords for literature review search.

Arrangement of Literature Review Analysis

The literature review arrangement is both a funneled and chronological format, allowing the investigation of the Great Recession progression and how scholars examine cutback management theory. The outcome will provide a connection between using the theory as a policy response, resource scarcity, and learning how and why the public policy sector utilized cutback management within the Great Recession context. The discussion now moves on to the theoretical framework on cutback management theory.

Cutback Management Theoretical Framework

Resource scarcity is at the center of a massive empirical drive for attention on the public sector's fiscal environment. Seminal research conducted by Levine in the 1970s and 1980s focused on the lack of discussion on the future of public budgeting and fiscal policy. Recessions would continue to affect public sector governments' revenue, and the usual incremental budgeting strategies would no longer work when faced with scarce resources. The outcome was the beginning framework of cutback management. The growth of cutback management continued with a focus on government reform. Primary research conducted by Hood (1993, 2017) moved government reform research forward by examining Great Britain's austerity policies during the Thatcher reign in the 1980s (Dunshire et al., 1989; Hood et al., 2018). Hood's research served as the foundation of managing public organizations through a budgetary policy based on efficiency and organizational effectiveness based on a higher rate of return. At about the same time, Osborne and Gaebler (1992) explored the entrepreneurial element of new public

management in the United States with research on utilizing the private sector to deliver public goods and services when the public sector failed to deliver a profitable return.

Reforming of management and delivery of public services begins with the outsourcing of services instead of in-house delivery. The pivotal works of Hood (Dunsire et al., 1992) and Osborn and Gaebler (1992) helped carve cutback management theory from new public management (Miller & Hokenstad, 2014; Scorsone & Plerphoples, 2010). Cutback management theory is highly researched in conjunction with economic theories embedded in qualitative and mixed methods case studies with an international focus (Berman et al., 2017; Boin et al., 2013; Roberge, 2014). Due to the severity of the Great Recession, pragmatic researchers perceived another opportunity to examine national fiscal reform and explore whether cutback management theory might shed light on reform policy actions and directions taken by the public sector governments.

Theoretical Assumptions of Cutback Management

Ideally, an organization would have the ability to operate with fewer resources to increase effectiveness or efficiency through other avenues or alternatives to reach a stage of less input and higher output. When applied in the government arena, private sector practices can have different outcomes than those of the private sector. Slack resources build coalitions of political support (Levine et al., 1981, p. 7). When there are constraints on economic instability, managers and public policy leaders change their behavior, reflecting the environmental constraints necessary to deal with the slack resources, or in the case of the Great Recession, declining revenues and increasing expenditures influencing the operating budget of service delivery ability.

It is important to note here that cutback management is not necessarily a reform but a process implementing economic or budgetary decisions to cut public expenditures and involve management reforms within the organization and restructure service delivery. Each case of cutback management is unique to that public entity using it and the actors and stakeholders involved in the process. For this study, reform refers to any government's policy actions to reduce expenditures through "across the board cuts" or "strategic planning" as a reaction to declining revenues due in part to the Great Recession. The main goal is to develop a narrative around the policy actions taken and tell the story from the city manager's viewpoint.

The Rationale for Cutback Management Theory

A vital circumstance of the Great Recession is that it was out of the ability of local government control. Municipal governments are not part of the national economy, so they cannot control a macroeconomic impact. When the Great Recession began, the impact was immediate and prolonged. State and local governments found themselves in a situation of no slack resources, an increased need for services, and limited access or restrictions in establishing new revenue lines. Previous studies (Desari, 2018; Esteve et al., 2017; Lamothe & Lamothe, 2016; Park, 2017; Reddick & Demir, 2014) have examined the impact of the Great Recession on the public sector from various perspectives based on reorganization or downsizing of government when facing a financial shortage without slack resources.

Some scholars have researched how and why cutback management occurs (Giblin & Nowacki, 2017; Justice & Yank, 2018; Kersbergen et al., 2014;). These researchers

emphasized the theory's theoretical components that occur due to the overall fiscal environment. Environmental factors include centralization, retrenchment, and austerity management from the decremental and incremental budgeting models. Public management utilizes budgeting as a vital tool in fiscal policies and administrative reform. The current literature on cutback management does not appear to investigate or examine how public managers and elected officials prioritize, manage, and choose fiscal or managerial reforms within rural municipal governments.

Cutback management theory within a case study method offers insight into this literature gap. Research shows a narrow focus of application on urban areas both internationally, within the United States, and in the state of Michigan. The Great Recession brought macroeconomic pressures to both the state of Michigan and their municipal governments. However, no one is exploring how rural municipal managers in Michigan prioritize managing and choosing fiscal or administrative reforms without slacking resources.

The case study research on Michigan rural municipal governments built upon cutback management theory in a couple of different ways. First, rural municipalities within a geographical boundary holding just 3% of the entire state population needed to be examined. Secondly, the post political environment within the public sector is highly divided. Cutback management theory assessed through the exploration of the Great Recession in a postcrisis response is important. The state of Michigan places regulations limiting how rural municipalities can increase revenue streams and place emergency managers into fiscally distressed communities with unlimited power over the democratic

process. An important question, which is central to this discussion, is what related case study exist on cutback management and the Great Recession?

Related Literature on Cutback Management Theory

Case studies are a common theme within the literature. Many of them mixed methods or quantitative studies, and there is extraordinarily little qualitative research on cutback management theory, the Great Recession, or the rural municipal government's manager's experience. Analyzing the group of case study research revealed several studies on cutback management. One common thread between these case studies was a standard reference to the empirical research conducted by Cepiku et al. (2016).

The study investigated local governments managing austerity, seeking an answer to one overarching question, what determined the choice of one approach over another under specific crisis management approaches, and what factors determine the choice of crisis management approaches at the local level of government.

Researchers constructed a preliminary conceptual framework on the determinants of austerity management decisions. Variables consisted of most comparable to the unique case study design. Data for this case study included six Italian local governments between the years 2007-2015. Findings conclude the Great Recession reduced resources available to Italian local governments (Desai, 2018; DiMascio & Natalini, 2014). Local government's austerity measures consisted of across-the-board cuts, incentivizing less efficient municipalities, undermining investments and future competencies. Governments did not take a long-term strategic approach unless there are good relationships between highly-skilled political and management leaders within solid community relations.

Researchers in the Netherlands turned their attention toward how management control within governmental departments faced austerity measures impact agencies looking at agency and stewardship theory through enhancing the understanding of human behavior (Van der Kolk et al. 2015). Van der Kolk et al. cutback management study findings suggested that improved service quality and efficiency in public sector activities occur through accounting and management control. Current research shows that municipalities will have distinct roles when reducing government debts and budget deficits in times of austerity. The case study focused on four departmental level cases embedded into two municipalities facing austerity to compare similarities and differences among case characteristics of age, work experience, and gender. Findings are consistent with the view of human behavior, which underlines new public management. However, there are crucial differences between the ideas and austerity measures taken. The underlying decisions are decentralized first from the central government to municipalities and down to the department level.

Assumptions drawn here are "decentralized," which can mean "across the board cuts" are at the center of policies to address fiscal shortages. A recent line of research used a case study format to examine the several types of state balancing budget strategies and comparing three specific states to close budget shortfalls during and after the Great Recession. Yu Shi (2016) examined New York, Texas, and Washington. Conclusions show the three states used other revenue policies and expenditure strategies other than rainy day funds when addressing budget shortfalls. Like municipalities, states have regulations and constrictions they must follow. However, municipalities are much more

likely to face barriers or policy regulations that might prevent them from transferring funds into a general fund. Further research should explore the policies that apply severe expenditure cutting and reduced services and lay-offs.

Case Study Research and Seminal Works of Levine

Many scholars have conducted case study research on the Great Recession from the seminal theoretical framework by Levine. This review provided an overview of the research. In the literature, there seems to be general agreement on how they define cutback management. "Managing organizational change toward a lower level of resource consumption and organization activities" (Giblin et al., 2017; Guo & Neshkova, 2018; Rutherford & Van der Voet, 2018; Schmidt et al., 2017; Schmidt et al., 2018).

Collectively, these researchers investigate 'Levine's organizational decline within the backdrop of the Great Recession. While Giblin et al. (2017) conclude local governments follow patterns from the administrative model, actions vary with revenue increase and expenditure cutting. Rutherford et al. (2018) discover managers will attempt to lower costs by implementing adjustments in terms of personnel rather than changes in strategies or organizational processes. Another stream of literature (Schmidt et al., 2017; Van der Voet et al., 2018) looked at manager autonomy on decision-making and the impact of political interference with cutbacks and manager motivation. Findings show that political interference and autonomy are strongly correlated with job satisfaction.

In another study, Rutherford and Van der Voet (2018) examined how public managers responded to declining and turbulent financial resources using cutback management in higher education in the United States from 1998-2013. When facing

scarce resources, managers face balancing short-term financial targets within the long-term organizational goals. Theoretically, managers will attempt to lower costs by implementing personnel adjustments rather than changes in strategy or organizational process due to strategic or. Procedural changes can be more disruptive and costly for the organization.

The previous discussion on relevant literature and method provided insight into the literature review question 4, which asks: Are there any case studies or literature reviews conducted on the Great Recession and cutback management from 2013-2018. Most of the research conducted was before 2014. The conclusion drawn from this reflects the possibility that researchers sought to utilize cutback management to apply the Great Recession phenomenon framework. Case studies focused on managing austerity and local governments used across the board cuts, incentivizing less efficient municipalities, undermining investment and future competencies. Another study pointed out that new public management improves service quality and efficiency and grapples with the importance of budgeting, central to effective management and governing. The most insightful aspect of the relevant literature uses a standard definition of cutback management theory based on 'Levine's seminal works. What merits further research is the conflicting goals municipalities face when reducing debt and budget deficits and how public managers navigate the conflicting goals and multiple stakeholders.

Review Analysis of Selected Literature

Cutback management theory is examined in many quantitative and mixed methods case studies, which show the Great Recession as a massive phenomenon suitable

for case study research. The public sector experience with the Great Recession is viewed and examined from a vast array of viewpoints. Experiences in managing and governing the recession brought a host of approaches and the idea that public organizations must now look at working from a strategic perspective. The Great Recession challenges the public policy response of incrementalism within a neoliberalism political environment that moves away from increasing revenues and toward private-sector practices such as outsourcing, consolidation of departments and public-private partnerships, risk shifting, and socialization of financial risk.

What follows is a discussion on five streams of literature extracted from the literature analysis. Management of the Great Recession includes budgeting actions, reforms, leadership in the fiscal crisis, politics, and public management. The research analysis focused on cutback management to manage and budget the financial stress caused by the Great Recession. The management decision also answers two main questions: (a) how have scholars examined cutback management and cutback budgeting, and (b) in what manner have municipalities responded to the Great Recession?

Management of the Great Recession

The first stream looks at the managing of the Great Recession. A recent line of research focuses on budgeting, reform, and the Great Recession. Within the Slovenian public sector, cutback management (see Pevcin, 2014) describes a bundle of managerial interventions that cause organizational change within lower levels of resource availability and use. Alam and Manzurul (2015) investigated the local government reforms on budgeting and service design in New Zealand within the confines of the New Zealand

Government Amendment Act of 2002. Classifying the budget into public, merit, and private goods provided management with valuable data to evaluate budgeting priorities in identifying core and non-core activities. Blom, Baekgaard, and Serritzlew (2014) examined municipalities in Denmark. Tax and expenditure limitations were limited in reducing the size of the government. Denmark engaged in more intergovernmental sharing, while the United States municipalities created service charges or user-based fees to generate revenue. An important conclusion from this study is the negative aspect of tax and limitation expenditures and their cost as they reduce local autonomy and influence local accountability. The process of bringing together two or more local governments to create a shared service delivery arrangement, as described in the literature, is a coordination problem. The cost of negotiating can be high and create a disincentive for local public officials to enter into service agreements, especially if joint gains are unclear (Carr & Hawkins, 2013).

The realities of merging the group's service delivery goals and addressing their diverse populations can be challenging. An example is the attempt to combine law enforcement agencies between the cities of Negaunee and Ishpeming located in Marquette County, Upper Peninsula of Michigan. The elected 'officials' goal in Negaunee and Ishpeming was to reign in public safety expenditures within the municipal police department. A committee created consisted of elected officials, police chiefs, union officers, and law enforcement officers of each police department from both communities. Identified obstacles ranged from which city was to house a new consolidated police department, how to address differing union wage and benefit

packages, and which the consolidation would eliminate the police chief position.

Bargaining requires a careful outlining of terms and conditions to ensure creditability of commitment and fairness perspective from all stakeholders and actors involved in the process. In the case of Negaunee and Ishpeming, the committee could not agree on the obstacles. The smaller city (Negaunee) would have been giving up a police chief position and its police force and the location, which would relocate to the other larger city (Ishpeming).

Measuring the quality of services is a perplexing task. An example of this is comparing the quality of water and sewer services vs. library services. While water and sewer service goals and outcomes are, quantified, public library goals and services often are uncertain outcomes. Transaction costs can inhibit shared service delivery, and local governments construct institutional structures to mitigate these barriers through agreements that fit the context. Scholars question if cutback management brings the effectiveness and promised return for cutting and spending. Furthermore, are there consequences from a decrease in public sector employment along with decreased wages.

The state of Wisconsin responded to the Great Recession like the state of Michigan by using political affiliation policies, curtailing organized 'labor's ability to engage in collective bargaining. Ford and Ihrke (2018) explored the basic framework which guided the research to understand how partisan politics the critical factor in the success or failure of Act 10. In the state of Michigan, the state legislature passed PA 436, placing emergency managers into fiscally distressed communities. Hawthorne (2017) investigated the impact on the voting rights act due to the state intervention of eight cities

and three schools under emergency managers. Kasdan (2014) developed a narrative on emergency ‘managers’ experiences, and the outcome does change the democratic process. The fiscal correction policies which correct the fiscal challenges are often at the expense of in-house services.

Police departments are the costliest for municipal governments and feared by elected officials as untouchable for cutback management tactics. Giblin and Norwacki (2017) discovered that when police departments are part of the cutback management strategies, they deal with organization decline and fiscal stress. The combination creates an organization of competition between the local economy, crime statistics, and the ability to recruit and maintain high-quality talent. Farver et al. (2014) discovered that the most vital critical factors on elected ‘mayors’ minds ranged from jobs, the economy, fiscal priorities, and public safety. Findings conclude that communities with less than 50,000 were the most concerned with public safety, economic development, and budget/finance.

Municipal leaders are also affected by the ability to create a policy that reflects their constituents. Einstein and Kogan (2016) theorized policy choices are limited. Due to the external forces out of their control, cities are not buffered by horizontal and vertical checks from state and federal governments. It is thereby affecting democratic representation. This group of research appears to speak loudly about the emergence of neoliberalism policies within the Great Recession context. Flew (2014) argued that the idea of what neoliberalism means depends on the philosophical perspective of where knowledge stems. As a form of governmentality hegemony or a dominant ideology of

global capitalism, associating the concepts of neoliberalism is explained as a more merged definition from Foucault and Weber's psychological underpinning (Durant & Rosenbloom, 2017; Flew, 2014).

Another group of researchers looked at cutback management strategies and the political decision-making process, which follows a progression pattern from simple measures toward more severe cutbacks. Simple measures consisted of hiring or pay freezes moving toward more political priority measures of targeted cuts (Bullock et al., 2019; Connolly, 2017; Kickert et al., 2015) in European countries within the political environment. Krueger et al. (2011) examined what type of outsourcing of services in urban municipalities across the United States. Again, state governments' external forces on the local government influence which service become outsourced. The outcome is the concept of those states with revenue generation limitations alters what service is outsourced compared to those without revenue generation limitations. States have powerful tools that can and do impact the local fiscal and environmental levels of the organization.

Budgeting and Reform in the Great Recession

A subtopic stream of literature on managing is the focus on the management of budgeting and reform. Budgeting and reform are a common aspect of cutback budgeting within the grouping of literature. Evidence in this stream of literature draws a picture of how risk-shifting might occur and how other local units of government outside and outside the United States respond to revenue shortages (Alam, 2015; Bloom-Hansen, Backgaard, & Serritzlew, 2014). There is a growing body of research on the relationship

between state restrictions on subunits of government (Bloom-Hanse et al., 2014). Another body of research explores budget policies and innovative solutions to a long-term public policy of deficit spending (Caperchion et al., 2014; Carr & Hawkins, 2013, Krause et al., 2016; Leon-Moreta, 2018). Innovative solutions paired with strategic management or budgeting policies apply values based on culture and public participation. Findings conclude that incremental cutback management responses such as cutting across the board are no longer practical in the post-Great Recession environment. Policy behaviors are central to addressing how the public sector responds to budget deficits.

The local fiscal realities consist of a budgeting environment with high accountability of public tax dollars. Delivering high-quality services within this new budgeting environment presents obstacles for traditional service provision. A common occurrence within the hierarchy of the public sector is the duplication of services. Establishing shared delivery arrangements is one strategy that addresses duplication and cost savings to the taxpayer. Past studies have demonstrated the concept of innovations as part of the new public management literature (Carr, 2014; Einstein et al., 2016; Kiewiet & McCubbins, 2014; Moseley & McCubbins, 2014). However, austerity measures can impede on cutback management strategies used to address budget shortages. Research conducted on municipalities in New York State shows austerity pressures can compound the anti-tax environment, placing municipalities unable to maintain services without adequate revenues leading to what Kim (2018) referred to as secular dumping.

Tax and expenditure limitations (TEL) also can be used as part of a cutback management strategy. Jimenez (2017) studied how they shape municipal governments'

fiscal behavior in the United States in populations of 50,000 or less. Study findings conclude that more cities choose to make across-the-board cuts rather than targeting specific departments or services in states where TEL's exist. Jimenez (2017) also argued that this behavior could radically change the relationship between the municipality, employees, and residents if the policymakers cut too deep into cutting employees or furloughs. Einstein et al. (2016) posited municipalities facing fiscal austerity might not be able to respond to voter preferences. Conclusions drawn here indicate those policy choices are varied and help explain why specific actions occur when facing budget deficits.

Public-Public partnerships are one strategy for municipalities to save money and eliminate redundancy with service provisions. Wastewater services often occur as cost-saving measures using case studies (Hora & Schreiber, 2018). Outsourcing municipal services is another avenue for cost savings and efficiency. In-house services occur with contracting the service with another nonprofit, for-profit, or government entity. A case study conducted by Geys and Sorenson (2016) explored revenue scarcity as an indicator of stress, which induces outsourcing in Norwegian municipal governments within 1992-2012. Findings conclude policymakers use outsourcing when they perceive decreased revenues.

Leadership and Fiscal Crisis

The second group of literature research is on the leadership of the Great Recession and the fiscal crisis. Managing a community in a fiscal crisis requires leadership skills and traits that allow for managing the daily operation, seeking other

options to meet fiscal obligations while networking horizontally, vertically, or both (Ospina, 2017).

Blair and Starke (2017) examine the implications and challenges of policy shift placing local governments with more leadership roles as deregulating policy responsibilities continues a downward shift. This responsibility shifting requires state and local governments to take on more responsibility within a leadership role to deliver programs and services outside their standard focus. Mayors act as policy leaders, and city managers work between political and administrative realms. Vertical leadership requires the city manager to bring all stakeholders to the table when developing policies and actions and can include a shared network structure. The conclusion creates challenges to the local wisdom being government policymaking within two distinct and dichotomous realms, administrative and political.

Fairholm (2018) explored a gap within the literature on the differing ideas of leadership as being misunderstood within specific literature streams and looking at how the government could be improved just by improving its management. New public management, defined as “reforming” ideology and a set of practices and movements, and scholars should not think of it as one clear and specific approach. Heald and Steel (2017) described new public management as a permanent part of the United Kingdom’s governing landscape. The attraction is that the reform is the idea that the public sector practices produced a much more displaced model to focus on efficiency and accountability. The main goal was to determine if the UK government reforms were ideological in nature or a necessary fiscal consolidation after the 2008 Great Recession.

Implementation of new public management resulted in reduced autonomy, and both management vertical and horizontal found conflicts among stakeholders.

Clark et al. (2014) argued that market-based approaches rely on self-interest among providers. New public management lacks a trust-based approach in the public sector, which is critical to better model development. A relational approach to management and leadership informs managers that there can be no “one size fits all.” Leadership requires an emphasis on trust, improving relationships with stakeholders, and recognizing that organizations’ practices and forms are themselves relational and impact relationships. Haddon et al.(2015) conducted survey research on what employees want from leaders when facing a crisis. Employee’s expectations include acting quickly and connect with employees about the crisis.

Further research on leadership models from different contexts is needed to understand outcomes. For this research, a transformational leadership style does not appear to fit within a crisis context. A significant aspect of leading a crisis is handling planning and engaging in wise and critical decisions during the crisis’s initial stages (Boin et al., 2016). From a leadership perspective, the process of facing and controlling both routine and a significant crisis includes an array of talents and characteristics. Karim (2016) stated that leadership is one person using influence over another in which the leader steers, offers formation and simplest activities, and improves contacts within the group.

Conclusions drawn from this research show there are characteristics, skills, and styles required during a crisis and a differing perception of what valuable leadership

characteristics, skills, and styles are necessary for leading in a crisis. Charismatic leadership traits are valuable when looking to get stakeholders to follow in a crisis. Reviewing the literature on leadership indicates the difficulty of managing others horizontally and vertically while simultaneously communicating critical decisions and information on the crisis. Trust is a central element within public management. Leaders manage within the new public management perspective, which challenges public managers and policymakers to reform when facing fiscal shortages and communicate the policy response to stakeholders and maintain trust.

Politics and Public Management

The third stream of literature discussed looks at the politics and public management of the Great Recession. With the shifting of responsibilities down to the local level of government, public managers are more involved in the policy process and the implementation. Leadership becomes a challenge when policymaking occurs within two distinct and dichotomous realms, administrative and political. How does politics drive public management decisions? Municipalities responded to the Great Recession with cutback management policies. These actions increased the risk of shifting from a neoclassical political philosophy. Risk shifting occurs when policymakers implement reform without input from the public (Esteve et al., 2017; Giblin et al., 2017; House et al., 2017; Justice & Yang, 2018; Klase, 2018; Loiu & Fjeldheim, 2108; Pevcin, 2014). Desari (2018) examined local governments in the state of New Mexico, exploring the behavior of local governments and the impact of state cutbacks and the role of politics on strategic planning, policy research, and the extent to which stakeholders participated in the

decision-making process. The Great Recession imposed declining revenues and elevated levels of fiscal stress for municipalities. A multiple case study developed a narrative on how local management perceived fiscal shocks and the related coping strategies adopted in Italian municipalities (Berbera et al., 2016).

The municipalities adopted new public management when facing a fiscal crisis, showing a decision-making process as centralized. Economic theories focused on a case study in Georgia to learn how cutback management strategies are chosen (Bourdeaux, 2018). Politics plays a crucial role in the decision-making process, as policymakers want to avoid political conflict creating a bias against types of cuts. The Great Recession has brought municipal governments closer to the end of developing more sustainable fiscal solutions (Caperchione et al., 2014) instead of continuing to engage in fiscal behavior, which places cutback management as the principal fiscal balancing tool. Conclusions are drawn from this research push mindfulness when making budget decisions, and leadership must consider future consequences when making budget decisions. (Bourdeaux, 2018; Caperchione et al., 2014; Esteve, Albardea & Losanda, 2017; Ibrahim, 2017; Metsma, 2014).

The examination of American federalism research occurs within the confines of the Great Recession and the fiscal impact. A vital part within this realm is the use of unfunded mandates at the state level, then passed down to municipal governments (Geys & Sorensen, 2016; Hansen et al., 2017). There is little attention to how these mandates change the relationship between state and local government. Einstein et al. (2017) researched through surveys to learn the perceptions, attitudes, and state politics from city

mayors across the United States. The analysis showed the mayors are not happy when the states cut intergovernmental revenue sharing or issuing unfunded mandates.

The Great Recession's fiscal impact is the focus of a qualitative research study conducted by the National League of Cities (Farver et al., 2014). Speeches between Jan 1 and March 31, 2014 were examined with transcripts found online. The geographic region analysis on the data came from the data broken down into topics. For small municipalities with populations, less than 50,000 speeches focused on public safety (police and fire), while mayors with 100,000 to 300,000 focused on guns, prisons, and violence. The population of the city determines which issues are most pertinent.

Political philosophy is another element worthy of discussion when looking at politics and public management research. Neoliberalism explored to seek a more ordered and consistent use of this term within the literature. Flew (2014) defined neoliberalism as a political ideology associated with economic globalization and the rise of financial capitalism. The central argument on the idea that most persuasive accounts are those who identify it as a form of market capitalism, combined with concrete proposals for institutional reform that would move societies toward preferred outcomes.

A common strategy in Midwestern states governed within the neoclassical philosophy strategized cutback management policies that opposed the public unions. Bargaining unit reforms occurred both in Michigan and in Wisconsin (Ford & Ihrke, 2018). Wisconsin implemented Act 10 of the 2011 Budget Repair Act in response to the Great Recession (Briggs & Richwine, 2012). Regulations increased public employee contributions to pensions and health care and limited union powers on collective

bargaining and dues collection. Ford and Ihrke (2018) concluded that research was necessary to determine if the long-term efficacy of Act 10 translated and refined the public employee and manager relationship to increased public sector performance. Logically, would Act 10 be successful if the local government boards and the individuals on these boards embrace increased performance regardless of personal political preferences. Conclusions drawn from the analysis show more conservative individuals see Public Act 10 as positively influencing the public sector.

Michigan chose a package of regulations to reign in the public sector unions, for which the emergency manager is the most controversial policy of the Great Recession in Michigan. The last stream of literature discusses the state of Michigan and its neoclassical philosophy. Cutback management is not always one event or policy but a series of policies, which can be temporary with gradual evolving into more drastic cutbacks arriving at targeted cuts and political priority setting. Internationally, the cutback management process followed similar patterns within the context of fiscal consolidation (Steinback & Knill, 2017). Analysis confirms that the decision-making of fiscal consolidation and cutback management measures consist of a series of stages. Radical, swift cutback decisions were the exception rather than the rule. Politics matters in fiscal consolidation and had critical political effects.

New public management theory advocates outsourcing as one way for local governments to address resource constraints. Constrained resources mean more than just local economic conditions and politics and state mandates and regulations. When states impose rules on cities' ability to raise or use resources, does this change outsourcing

decisions? Krueger et al. (2011) suggested adding state-imposed property tax revenue limitations; large revenue cities should opt for more service provision outsourcing. However, findings conclude that state-level rules interact with local environments to alter local leaders' observed service delivery choices.

This stream of literature examined the role of politics within the public policy realm of budgeting and public management. Scholars researching the Great Recession are finding abundant new public management ideologies at the state level. Public sector government leaders' actions and perceptions based upon political philosophy set policy actions to address fiscal shortages caused by the Great Recession. The final stream of literature in this review provides a view on the state of Michigan and its response to the Great Recession.

The Michigan Response to the Great Recession

The final stream of literature analysis concludes that the Great Recession experience has been challenging to manage the fiscal revenue decline and balancing the increased need for social services and the massive employment loss. The final stream will investigate Michigan's experience, and the analysis will supply a discussion on the last literature review research question, "what is the current picture of Michigan municipalities"?

The state of Michigan is the focus of analysis on the financial framework of municipal governments. Austerity measures taken by state policymakers counterbalanced budget deficits due in part to the Great Recession. Structural changes were part of the policy response. Strategies of cutback management include the consolidation of

individual agencies into one massive department. In 2010, Michigan merged three agencies into one; Technology, Management, and Budget. This type of restructuring does not address short-term fiscal shortages like furloughs and layoffs, but a restructuring does save dollars over the long haul. The Great Recession challenged municipalities in Michigan in several ways. The macro-economic impact due to the state of Michigan recovery, the legality of local autonomy, and the state legislator's politics. Limitations on revenue generation adopted by the voters, Proposal A and the Headlee Amendment are the 19th-century industrial model. The Great Recession and its fiscal impact were central to politics, which required municipalities to jump through hoops to access intergovernmental revenue sharing payments.

The funding framework of municipalities in Michigan stems from two sources: (a) property tax and (b) revenue sharing payments. Revenue sources fall short when the state's economy declines, missing the mark on providing sufficient revenues to remain stable and sustainable (Clark et al., 2017; Citizens Research Council, 2018; Constantelos, 2014; Crosby et al., 2013; Hawthorne, 2017; Kasdan 2014; Kleine & Bean, 2016; Kleine & Schultz, 2017; Nickels, 2016). Crosby et al. (2013) examined the process for which the state of Michigan watches municipalities' fiscal health and challenging the scorecard method, which is the current process for determining municipal fiscal health. Michigan passed the Public Act 436 (PA 436) Local Financial Sustainability Act, to place emergency managers into fiscally unsustainable communities to stabilize structural and fiscal imbalances. Kasdan (2014) explored the impact of Public Act 436 and emergency managers. Findings show how risk-shifting occurs through the placement of emergency

managers sweeping powers, which allow cutback management actions without input from the stakeholders and the governing body. A second conclusion from the research shows that while Public Act 436 may bring relief to short-term structural and fiscal issues, it does nothing to help with long-term holistic solutions, which add to the building blocks of sustainability. According to Ammons et al. (2012, p. 67S) quoting Kasdan (2014, p. 868):

A radical change occurs when municipalities are facing fiscal stress. Local governments across the nation will respond to fiscal severe fiscal financial distress by imposing on themselves fundamentally, and permeant changes in their services and structures or will have such changes forced on them by their states. These changes will be lasting to ensure not only survival from the immediate crisis but also avoidance of distress from a similar cause in the future.

There is a lack of agreement on the changes becoming lasting; however, the argument of having local governments forced by states into the public policy, which does cause fundamental change both fiscal and structurally as in the state of Michigan with emergency managers. The Great Recession crushed taxable values of cities in the state of Michigan by 18.1% between the years of 2008-2012 and argued it would take until the year 3025 to recoup the values from 2008. The current situation. According to Crosby et al. (2013) Proposal A, which caps property tax values, is causing municipalities toward structural instability, which is why there are so many cities and schools under emergency managers' control (Crosby et al., 2013, p. 5). In other words, the local government's ability to provide the level and quality of services for general and welfare of the

community is compromised and not able to provide service-level solvency; the government's ability to provide the level and quality of services required for the general and welfare of a community. Klein and Bean (2016) maintained that municipalities are dependent upon property taxes and revenue sharing to fund service operations, making them dependent upon the state. The state of Michigan has not fully funded revenue sharing since 1998.

More so, Michigan lawmakers cut revenue dollars from 1999-2016 by \$5.538 billion. The state of Michigan places many restrictions on local governments, limiting their ability to generate and distribute revenues to balance municipal budgets. States like Michigan place strict limits on local generation and, at the same time, enables municipal finance distress due to revenue sharing cuts and service obligations. Nickels (2016) compared Michigan and New Jersey inventions laws and home rule protection. The main argument examined in this case study is to look if municipal takeovers are a paradox on local-state level relations, and intensive government interventions suspend and restructured local governments, and these governments need financial support. The analysis is based on a discussion where these intervention policies undermine democracy. Findings conclude that home rule and local autonomy are limited in practice, and intensive investigations should continue.

Ohio and Michigan were the focus on analysis on the effects of financial stress within the context of the Great Recession. Thompson (2017) used variables in the study, including municipal government behavior, crime, and housing from 1999-2012. The primary purpose was to examine how local governments in Ohio react to budget

problems. Interestingly, municipal behaviors are the policy actions taken while looking at fiscal stress and how that shaped crime and housing practices. The findings conclude that municipalities will reduce expenditures but not raise revenues when faced with revenue shortages, consistent with cutback management theory. Thompson (2017) made a key point about reducing expenditures on a regular basis was the possible harm to public service quality. Scorsone and Pherlopes (2010) asked the same question. They recommended that more research is necessary for the extended use of cutback management practices as a frequent regular practice in budgeting strategies.

The largest bankruptcy in municipal government history occurred in Detroit, Michigan. Sands and Skidmore (2014) explored the fiscal crisis within the context of the Great Recession. They developed a comparative focus on the financial framework, which the city of Detroit received from the state, and how the revenue contributed to the fiscal crisis of the Great Recession and impeded the city's ability to recover and rebound. How do Michigan's property tax laws limit property tax revenue potential? What factors contributed to the erosion of Detroit's property tax based? These questions are the center of analysis within the theoretical lens of horizontal equity theory. Horizontal equity is an economic theory that treats every property on the tax rolls in municipal government the same if they fall into the income or asset level, and state is an undeveloped line of research within the context of the state of Michigan and the literature on the Great Recession.

Municipal distress is not just a local-level problem but how state lawmakers act on these influences varies from state to state. According to Sapotichne et al. (2016), while

some states nurture financial stress while others drive up spending pressures on cities, curtail their ability to raise critical revenue. The latter is the case in the state of Michigan, where policy incubates financial distress among its local governments. There is no single model for state intervention or prevention of local fiscal stress.

The state of Michigan incubates the municipal government's financial aspect and compounds its structural aspect when the focus moves to the emergency managers. These managers have the authority to make drastic cuts and rearrangement of the public process and services. Loh (2016) explored the public planning process as a substitute for public participation in the democratic process. Planning appears useful as an alternative to public participation. However, implementing the plans is problematic due to cutback management strategies, and this type of planning does nothing to address or solve structural problems, which led to financial distress.

Hawthorne's (2017) case study explored the social-political and economic factors of Public Act 436 within minority communities in Michigan. Emergency managers within communities with large minority populations such as Detroit, Flint, Benton Harbor, and Pontiac. Emergency managers governed 52% of Michigan's African American population in 2013. Tragic events such as the Flint water crisis and the bankruptcy of the city of Detroit place social equity in question. Hawthorne's (2017) research illustrated no research on how emergency managers equate social equity even though they have sweeping powers and will make difficult political decisions when placed into financially strapped communities.

The political environment within Michigan is the neo-liberalization of public policy with radical restructuring without regard for the economic and social costs. Koskushkin et al. (2015) demonstrated this analysis in a study of the actions taken by Flint School District when the state took it over and the use of new public management theory of privatization of transportation, custodial, maintenance, grounds keeping, waste removal, and pest control. These jobs were unionized positions, and the central argument was that the outsourcing of these 200 positions would save the district millions of dollars. The literature research on Michigan supports a prodigious example of how the Great Recession pushed the reappearance of neoliberalism policies occurring through reformed and new fiscal disciplined policies. Shock therapy reforms employed the process set, in motion, the lack of social equity within the public policy process and created structural changes regardless of whether the reforms' goals show the predicted savings.

Conclusion

Krueger et al.(2011) argued that municipal governments with revenue generation restrictions rely more on intergovernmental funding than those without restrictions. Because local governments are not part of the state's economies, state policies can be detrimental to local governments. In Michigan's case, policymakers diverted revenue sharing from local governments to the state's general fund to generate more revenue for state budget shortages. Policymakers also overhauled some of the revenue-sharing programs to get municipalities to consolidate services (Kleine & Bean, 2016; Kleine & Schultz, 2017). More importantly, Michigan has long continued to regain traction from being called the one-state recession without increasing revenue sharing. Michigan's

public policy responses of risk shifting to the Great Recession aided to produce a volatile operating environment for municipalities across the state. Findings from Sapotichne et al. (2015) painted a very vivid picture:

Michigan incubates financial stress among its local governments. Michigan's mix of severe limitations on local revenue and its low level of financial assistance to cities, coupled with spending pressures stemming from spiking local service burdens and increased labor costs, creates conditions that drive up the potential for local fiscal pain. (p. 3)

Bean and Klein (2017) discovered local service reductions across Michigan, excluding Detroit, reduced their fund expenditures by 7.4% between 2008-2012. Only two municipalities from the Upper Peninsula were part of the research, with populations larger than 10,000. Are rural municipal managers in the Upper Peninsula of a different mindset to manage and govern the fiscal challenges to appear from the Great Recession than urban managers? What is not known, especially regarding municipalities, both national and local levels, is municipal managers and their strategy in dealing with the Great Recession's financial stress, balancing the priorities of stakeholders and the politics of their intergovernmental relations with the states.

A case study focusing on rural municipal managers' narrative would begin understanding and filling the literature gap. Using the Upper Peninsula of Michigan as a case study boundary will inform how cutback management theory is applied in the rural municipal arena when facing state risk shifting in cash-strapped communities. The

narrative of rural public managers would lend insight into how social equity and cutback management arise within the public policy process.

The problem investigated in this literature review was the public sector's experiences and cutback management strategic response to address the lack of slack resources. Empirical research captures the use of cutback management with budgetary strategies of incremental budgeting and retrenchment responses and with external political regulations that impede the public sector's ability to survive in what is considered a new fiscal environment in a post-Great Recession period (Caperchione et al., 2014; Ibrahim, 2017; Kersbergen et al., 2014; Klase, 2018; Martin et al., 2012).

Chapter 2 supplied the sequenced steps for collecting and analyzing the reviewed literature on cutback management and the Great Recession. Earlier in the chapter, the public sector faced a defined problem since the Great Recession of 2007 was discussed. Responses are varied, and cutback management is again at the forefront of empirical researchers. Public managers used budgeting strategies, which are the dominant instrument for fiscal policies and distributed funds for services.

The literature review did not supply the discovery of how public managers prioritize and manage the fiscal or administrative reforms of cutback management due to the Great Recession. What is unknown is the situation and narrative of rural municipal government and municipal managers' experiences in the Upper Peninsula of Michigan. The research aimed to develop a narrative on cutback management based on managers' experience of incorporated municipalities. Chapter 3 provides a more in-depth analysis of

how I intend to explore and develop a local municipal manager's narrative by describing the methodological approach.

Chapter 3: Research Method

The purpose of this case study was to examine cutback management in rural municipal governments within the context of the Great Recession's effect on rural municipalities in Michigan's Upper Peninsula. I intended to develop a management model based on data collection from an experienced city manager and archival sources that can be an assessment tool for other similar municipalities seeking self-assessment and positive social change opportunities. Chapter 3 presents the research method used to examine cutback management, including data collection and analysis procedures, participant selection process, researcher role, and measures to protect participants.

Research Design

Yin's (2018) case study design was selected to examine cutback management from the perspective of a public manager working in a rural municipality in the Upper Peninsula of Michigan. The research question was as follows: What was a city manager's experience implementing cutback management approaches in a rural municipality in the Upper Peninsula of Michigan?

Case studies are the most effective approach when the researcher intends to study a phenomenon within a specific time. This qualitative research study aligned with Yin's (2018) case study characteristics to examine multiple evidence streams surrounding cuts in rural municipalities. I examined how a rural municipality approached cutback management when faced with declining revenues within the context of the Great Recession. Empirical researchers discovered austerity policies implemented by the state of Michigan between 2001-2015 had cut \$6 million from state revenue sharing payments

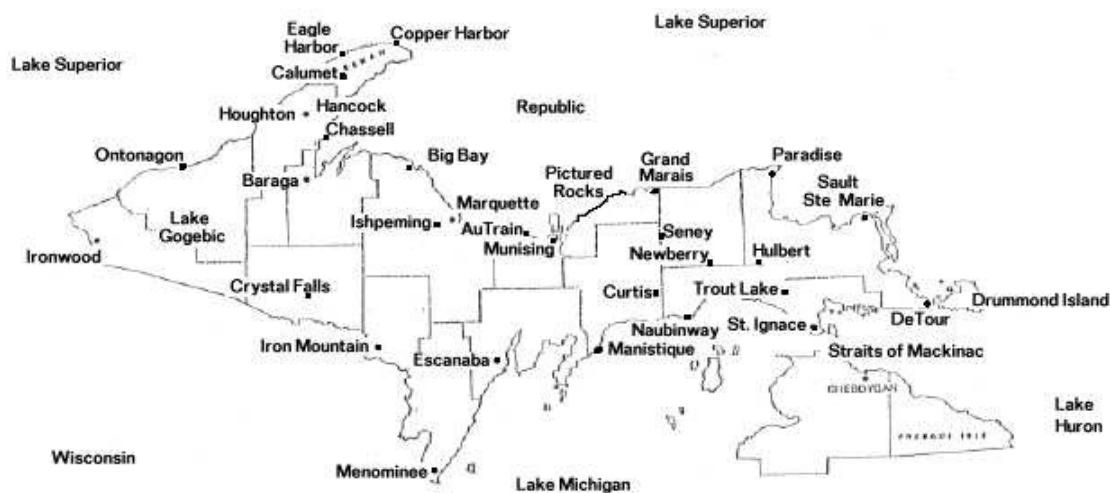
(Citizens Research Council, 2013; Kleine et al., 2016; Sapotichne et al., 2015). This case study was designed to explore what cutback management looks like in rural communities in a state with the most stringent regulations governing municipal revenue generation and how this alters the intergovernmental relationship.

Central Concept or Phenomenon of the Case Study

Michigan's Upper Peninsula (see Figure 4) is the central phenomenon and the case boundary. There were several logical reasons for choosing this remote rural area, connected to Lower Michigan by the Straits of Mackinac.

Figure 4

Map of Case Boundary



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<http://www.exploringthenorth.com/index.html>

The Upper Peninsula of Michigan is a rural area consisting of 16,377 square miles and a population of 311,361, just 3% of Michigan's entire population. Economic activity is primary mining, logging, and tourism (Great Lakes Economic Consultants, 2016). Michigan is well known for using controversial emergency managers in fiscally stressed urban communities. There is empirical evidence examining the experiences of individuals assigned as emergency managers (Hawthorne, 2017; Kasdan, 2014; Wang, 2016) in urban minority communities of Benton Harbor, Flint, and Detroit. However, there have been no emergency managers or state interventions in the Upper Peninsula.

Research Methodology

Using a case study method to explain how rural municipalities use cutback management was critical to understand how managers perceive and deal with financial disasters like the Great Recession. Traditional qualitative research brings assumptions and beliefs that knowledge is not objective truth but produced intersubjectivity (Marshall & Rossman, 2014), and society is rationally structured, orderly, and foreseeable. Interpretation of collected data came from induction analysis. Researchers use a qualitative method of content analysis to find themes through examining documents, recordings, and other printed and verbal material. The deductive content analysis relies on deductive reasoning in which themes appear from the raw data through repeated examination and comparison (Yin, 2018). Answering the research question focusing on a city manager's experiences with implementing cutback management opens the door to inferences and conclusions for future research analysis from random sampling. The case study method entails a complete set of procedures, designing the case study, collecting

and analyzing the data, presenting and reporting the results. These procedures and a specific protocol act as a blueprint so others can replicate the research.

Role of the Researcher

Case study research uses the researcher as the primary data collection and analysis tool, and I will be the main research instrument for this study. Bias is a common concern with qualitative research. Conflicts were possible because I was both the primary data collector and interpreter of data findings. Because I served two, 3-year terms as a city council member for the city of Negaunee, Michigan, from 2009 to 2015, this city and county were eliminated from consideration for the study. To account for personal bias Yin (2018) recommended using reflexivity, which requires the researcher to use journal writing throughout the research process. Journals were maintained to develop writings about emerging theories or reflective thinking using the field note template in NVivo version 12.5 software.

Setting, Participants, and Sample

The case study's boundary encompassed the Upper Peninsula of Michigan. The participant, a rural city manager, was chosen using random sampling. The unit of analysis consisted of 11 counties meeting the study inclusion criteria. Of the identified counties, four did not make the random sample criteria. Three did not meet the criteria of being an incorporated municipality, and the potential for researcher bias excluded the final county from the randomized sample. For the random sampling process, I used an Excel data spreadsheet, which allowed the data to be randomized for participant invitation and having only to run the sample once. If the first randomized municipality city manager did

not agree to participate, the following selection would be from the second randomized name in the column until a willing participant was located and consented to participation.

Data Collection Procedures

Data collection occurred within a specific set of procedures and processes that protected the research's integrity and validity. First, I gathered data from a face-to-face interview with the city manager identified and selected from the above-described selection procedures. Secondly, data were collected from available archival records, consisting of city budget documents, city board meeting minutes, available census data, and other publicly available metrics from the selected municipality and the state of Michigan. I sent the invitation letter to the municipality via U.S. Postal Service mail. The open window to agree to participate was 10 business days from receipt of the participant invitation.

As the main data tool, I contacted the participant to set a date and time for the interview and travel to the identified community. If travel was not an option due to weather, interviews would occur using Zoom or similar web-based conferencing applications. Semistructured interviews based on predefined questions arranged by topics for the interview setting were to last up to 60 minutes. An interview was recorded using a personal laptop with encrypted audio recording capabilities. If the participant did not agree to have the interview recorded, I was prepared to take field notes. Audio recorded interview data were exported into NVivo (Version 12.5) qualitative analysis software for transcription and analyses. Using a member checking technique, the participant had the opportunity to review transcript content, and any corrections, additions, or deletions will

be amended. Upon completion of member checking, thematic coding commenced.

Thematic coding allows identification and interrelated connection between raw data and codes to uncover themes (Miles et al., 2019). Coding the themes and collecting other primary documents allowed me to create a composite audit trail toward developing a decision-making model (Miles, et al., 2014).

The second data collection process included other identified data sources for triangulation. These data sources included city commission and planning commission meeting minutes, and state financial audits obtained through publicly available resources or using a freedom of information request process. Yin (2018) recommended developing a working database to store collected data, journals, field notes, and research protocols for interviewing and data analyses and the interview protocol. The second data collection helped develop the management decision model and provide analysis to discuss what cutback management looks like in a rural municipality. The capture of any archival and secondary data sources coincided with the interview schedule.

Trustworthiness

A critical part of case study research is trustworthiness. Four components determine the rigor of empirical case study research: (a) dependability, (b) creditability, (c) transferability, and (d) confirmability (Morse et al., 2008). Yin (2018) identified specific actions and steps to address rigor when doing case study research. The recommendations are discussed as part of the four components in the following subsections.

Dependability

Researchers need to be clear about how they address dependability, which is a part of the research dealing with the stability of findings over time. Both Yin (2018) and Anney (2014) recommended developing an audit trail and thematic coding of data. I used both strategies and the audit trail within triangulation, and thematic coding occurred. After the first data collection procedure, I exported the raw interview recording data were exported into NVivo and mechanically transcribed using inbuilt NVivo software. The transcript output was visually inspected for content clarity and then sent to the interviewed participant for member checking. Any content areas questioned by the participant was resolved using consensus. Secondary data were collected from public archives and thematic coded, where applicable, using NVivo.

Creditability

Creditability helps establish the validity and reliability of research findings and requires specific strategies to address the study's integrity. The following strategies ensure the authenticity of the study findings. Construct validity uses multiple sources of data to ensure a chain of evidence. Yin (2018) referred to this as triangulation of several data types and explanations on findings or conclusions. Extracted data from local municipal audits, minutes of council meetings, and the state of Michigan website help triangulate findings. The interview protocol guided the interviewing process; field notes and reflective journals provided documentation. Internal validity is concerned with the internal consistency of the case design (Yin, 2018). The use of both pattern matching and explanation building occurred when analyzing emerging data themes. Member checking

ensured that the transcribed interview data exhibits the participant's experience. External validity rests with the ability of other researchers to replicate the research (Yin, 2018). Following a blueprint, a case study protocol detailed all systematic steps and actions taken throughout the entire study to support replication steps for future research using a case study database housed in a password-protected NVivo data file.

Transferability

Using the case study protocol and the development of the case study database safeguarded transferability. The study does not seek to generalize but adds new information to other contexts or settings. The intended narrative and constructed interview script will drive in-depth and rich descriptions of the city manager's experiences with the cutback management process within their municipality.

Confirmability

Case study research does not seek generalizability but does require the researcher to ensure that the investigative interpretation accurately reflects the phenomenon extracted from the actual data. Using thematic coding alongside member checking and reflexive journaling ensured that the interpreted outcome is a truthful reflection of the city manager's experience using cutback management within the context of the Great Recession for their municipality.

Protection of Participant Rights/Ethical Procedures

Each participant was given and required to complete an informed consent form before participation in the study occurred. The study's explanations and steps included in the consent form explained how the participant's privacy was protected and any moral

rights and procedures. The participant's identity is confidential and identified by a constructed pseudonym when describing interview responses. Ethically, the participant had the right to drop out of the study at any point in the research process. Additionally, I anticipated no harm other than general life stressors to be associated with the research. Research data was kept on an external hard drive with an encrypted password to access. These included files related to NVivo software, Access® database, field notes, journals, and any other electronically secured data for information such as content available from public websites. As required by Walden's Institutional Review Board (IRB) policy, data will be kept for 5 years and destroyed using software that encrypts and erases data stored on hard drives. A final observation is that I, as the researcher, have served as an elected official in one of the communities eligible for study inclusion based on selected parameters. This county has been intentionally removed from eligibility selection, addressing any potential bias. There is no conflict of interest or power differentials, and there are no incentives to be part of this study.

Presentation of Results

The use of thematic coding and pattern matching illustrated the city manager's role in the cutback management process. I created a cutback management rural municipal decision model for results presentation recommended by Miles et al. (2018). The model provided the best approach for presenting the data to show what cutback management looks like in a rural municipality. A chronological matrix displayed the analysis extracted from the secondary sources, and the results of the coding analysis are displayed with tables and charts as needed. While this study did not seek to expand on the impact of

prolonged use of cutback management by local governments in Michigan (Scorsone & Plerhoples, 2010), there could be an insight into why Michigan's state has not intervened in any municipality in the Upper Peninsula of Michigan.

Conclusion

This case study intended to explore rural municipal managers' experiences who have lived that experience of managing the Great Recession. By employing Yin's (2018) case study method framework and deductive reasoning, my case study's goal was to examine and appreciate how Upper Peninsula of Michigan rural managers use cutback management within constraints of state austerity policies. Face-to-face interviews with open-ended questions served as the primary data gathering tool. Identified secondary sources of municipal audits and other public documents helped establish the management decision-making model. The case study database organized the collected data from one municipality. Qualitative research software, NVivo, allowed for data analysis and interpretation to occur through matching and thematic coding. Chapter 4 discusses the analysis process, findings, and conclusions.

Chapter 4: Data Collection, Analysis, and Results

Chapter 4 contains the findings from the study. The purpose was to investigate local government to gain knowledge and insight into what cutback management looks like in a rural municipality from the city manager's perspective. The Great Recession of 2007-2009 changed the economic environment of how municipalities respond to a fiscal crisis. It is essential to understand how municipal governments within the Upper Peninsula responded to the great recession. The phenomenon, the Upper Peninsula was examined through cutback management's theoretical lens (Levine, 1978, 1979). I examined how a rural municipality in the Upper Peninsula of Michigan coped with management decisions caused by the microeconomic pressures from outside the influence of local control. Chapter 4 describes the study's case setting, the participant, and data collection and analyses. It also includes the findings and a summary using the research question as a framework to align the data with the study's purpose.

Setting, Participants, and Data Collection

The case study involved a practicing city manager who worked for an incorporated municipality with a population of 10,000 or less. The Upper Peninsula of Michigan provided the case study boundary. The random sampling process occurred using Excel's random function, returning a sample size of seven possible municipalities from 11 counties. Sample criteria of a population limit, an incorporated community within the study boundary, and manager-commission/council form of government allowed the study to stay within a single case study framework. Before any data could be collected, I proceeded with the IRB process, obtaining the approval number 10-20-

0133419. The participating city manager and the municipality's identity are referred to by the pseudonyms Landon North and the City of Noir Lake, Michigan, to protect anonymity.

Data Collection Process

Qualitative case studies call for the researcher to create a blueprint of the research project. Following the guidance of Yin (2018), I established a database with the qualitative software NVivo (Version 12.5) and stored it on an external hard drive using a desktop computer. A second drive contained the backups, both with encrypted passwords. Microsoft Word templates were developed and used as analytical memos and fieldnotes placed in searchable folders. Using Microsoft Word allowed for the development of tags, permitting easy searchability. A project activity timeline documented the entire process. Primary data came from both the participant and the text analyses of archival data consisting of 10 years of archived City Commission minutes, financial audits, and city planning minutes.

The interview process occurred first, followed by the identification and collection of the archival data. The initial letter of approach went out to the first participant identified by the random sampling process and the municipality's website. The archival data was then identified, confirmed, and extracted into the case study database. After approximately 7 days, I sent a follow-up email Participant 1 with the consent form attached. This process took place for each of the six potential participants approached. The outcome was as follows: Decline = 1; No Response = 3; Interested = 2. Of the interested respondents, one was not available, and the other sent the consent form back

already signed. A welcome packet went via email to this participant containing a welcome letter, the interview questions, the signed consent form, along with several appointment time options for the face-to-face semistructured interview. Upon a mutual agreement, the interview took place and lasted 35 minutes. Using member checking, the participant agreed with their transcribed interview, and no changes were necessary. Archival data collected consisted of City Commission minutes and fiscal audits ranging from 2006 to 2016.

Primary and Archival Data Collection Adjustments

Several issues occurred, requiring some adjustments to the data collection process. Because of COVID-19 in-person restrictions, an interview through Zoom video platform with audio-only occurred instead of a face-to-face interview. Following the interview protocol, an audio recording was captured instead of a video. Secondly, the interview was cut short due to a time limit on free access to Zoom. The final question was not part of the interview. The interview transcription did not occur in the NVivo software due to technical difficulties. I completed a line-by-line manual transcription using Microsoft Word and then exported it into NVivo for coding.

Archival data of City Commission minutes from 2006-2012 were not available online. Instead, the participant agreed to scan and email them. All the financial audits were collected; however, there was no access to the planning commission minutes. The planning commission minutes would not have added any extra insight for the analyses. While the intent was to collect 10 years (2006-2016) worth of archival data after I began reviewing the City Commission minutes and the financial audits and several consistent

patterns began to occur, so accessing the 2003-2005 and 2017-2019 of the archival data provided more in-depth insight into when the patterns began to occur. Special attention was given to the city manager's comments at the end of each City Commission meeting minutes while the financial audits provided supporting evidence. This process occurred to connect the interview analyses with the archival data, allowing for a more intuitive picture for examining the city manager's experience and the city commission's policy actions.

Data Analysis

For this single case study, the phenomenon consisted of the Upper Peninsula of Michigan. The unit of analysis was the municipality; the study's research question provided applicable criteria for collecting and discussing the findings. Raw data came from two collection instruments: a personal interview with the city manager and archival documents of the participating municipality. After the participant approved the interview transcript, the coding process occurred in NVivo. A codebook was developed based on the interview questions' key terms. Each code contained a description, the application, an example, analysis, and an area for notes, which contained the coding unit of data from the interview transcript.

The implicit interview and the codebook analysis consisted of extending the codebook's shortcodes and writing a brief deductively analyzed profile. The archival data were not coded but used as the supporting evidence to triangulate the interview analysis with the archival data, allowing verification of interview question responses with the archival data and the writing of the analysis and conclusions with the main research

question. A data triangulation matrix was developed with the interview questions to connect primary coded data with the supporting archival evidence. The deductive coding outcome resulted in the city manager's experience narrative and the City Commission's actions. Thematic analysis and pattern matching are common forms of qualitative data analysis. I used this strategy to identify and interpret meaning from the raw data. The stages of code development began with selecting terms based on the interview questions. The short terms were coded directly to the interview transcript then developed into more extended codes with definitions. Connections developed between the coded interview and the supporting archival data. A common approach of qualitative coding and analysis is developing a deep rich descriptive narrative. I developed the following terms, extending them to more extended codes to document the experience from the city manager's perspective.

The code "growth" appeared to be the significant identifier and the basis of the analytical process. It appeared as a thematic pattern when coded with several other shortcodes within the realm of cutback management strategies. Although this initially appeared unusual, it seemed logical as I investigated how rural municipalities deal with budget deficits. While conducting the interview coding analyses, it became clear that growth, strategic planning, and economic development themes were emerging critical strategic responses. As the analysis began moving between Theme 1 and 2 budgeting models, a different direction began to emerge toward economic development, fiscal slack, and resilience.

The initial findings were unexpected. Following the analysis cycle, I developed a management decision model: Revenue Decline-Budget Deficits = Cutback Management Strategy, which cycles around creating a deficit pattern and no growth. Initiatives appeared first, followed by interventions if the deficit appears to be long term. However, the result was a completely different cycle: Growth = Strategic Planning + Economic Development = Fiscal Slack and Resilience. Figures 5 and 6 show the short coding list, which developed into more extended codes with definitions.

Figure 5

Short Code Listing

Perception	A way of regarding, understanding, or interpreting something, a mental impression.
Notion	A conception of a belief about something.
Reason	A process of thinking of something before making a decision.
Experience	Process of gaining knowledge or skill from doing seeing or feeling things.
Growth	Controlled growth without a plan.

Note. Shortcodes developed from NVivo Interview Transcript extended to a codebook.

Figure 6

Codebook – NVivo Coding and Analysis of Collected Data

Code Tag Name	Operational Definition	Primary or Archival Evidence
Across the Board cuts	A policy or situation that applies across the board cuts effects everything or anyone in a situation or group.	Secondary Evidence – City Commission minutes
Capital Projects	A project which maintains or improves an asset is often called infrastructure. It is new construction, expansion, or rehabilitation.	Primary Evidence – Interview Secondary Evidence -City Commission Minutes and Financial Audits.
Debt	Bonds or loans which are outstanding in the Fiscal Audits for Capital Projects.	Archival Evidence – Financial Audits
Economic Development	A strategic planning process through partnerships between local government with other stakeholders (governmental units), the public, private sector, or nonprofit agencies.	Primary Evidence – Interview Secondary Evidence –City Commission Minutes and Financial Audits.
Economic Development as a Revenue Tool	Harnessing of community assets for development with grants and partnerships for growth and innovation.	Primary Evidence – Interview
Experience	Process of learning the knowledge or skill from doing, seeing, or feeling things.	Primary Evidence – Interview Secondary Evidence – City Commission minutes and Financial Audits.
Growth	Controlled growth with a plan	Primary Evidence - Interview
Historical Condition	Prevailing context influences the performances or the outcome of a process (circumstance, context, setting).	Secondary Evidence – City Commission minutes and Financial Audits.
Leadership	Trust faith or confidence in something or someone.	Primary Evidence – Interview
Management Style	A conception of or belief about something.	Primary Evidence – Interview
Notion	A way of regarding, understanding, or interpreting something, a mental impression.	Primary Evidence – Interview
Perception	The process of drawing logical inferences.	Primary Evidence - Interview
Reason	Local units of government in Michigan are regulated and controlled by the state.	Primary Evidence – Interview Archival Evidence -City Commission Minutes and Financial Audits.
Relationship with the State	The main goal is to cut spending to eliminate the deficit (Levine, 1978), contends the deficit's length and severity regulate retrenchment strategies of initiatives and interventions. Initiatives can be something as simple as deferring capital projects, hiring freezes, or across-the-board cuts. Strategies of Interventions can be employee layoffs, consolidation of services, elimination of services, or even contracting with public or private partnerships.	Archival Evidence-City Commission and Financial Audits.
Retrenchment Budgeting Model (Levine, 1978, 1979).	Revenue sharing consists of 2 components: Constitutional (required) and Statutory (discretionary allocation). The state of Michigan changed the revenue sharing program beginning in the 2011-2012 fiscal year. The EVIP utilized the statutory component, which is not constitutionally mandated.	Primary Evidence – Interview Secondary Evidence –City Commission Minutes and Financial Audits.
Revenue Sharing Payments	A deliberate, disciplined effort to produce fundamental decisions and actions that shape and guide what an organization (or other entity) is, what it does and why it does it.	Archival Evidence – Commission minutes and financial audits.
**Strategic Planning (Nelson & Stenberg, 2018, p. 210).		

Note. Shortcodes extended into codebook format for coding of data.

The Case Setting

What follows is the participant's experience: Landon North and the municipality, city of Noir Lake, Michigan and describe the city's journey responding to the Great Recession and provide in-depth analysis from the cutback management theory lens. The narrative comes from the interview with the current manager and the previous manager's interpretation extracted from the manager's comments in City Commission minutes. Because the current manager came into the picture in 2014, earlier and later audits and commission minutes were reviewed as needed for clarification and to gain historical knowledge, facilitating a clear picture of what occurred in the municipality regarding the Great Recession and state austerity policies.

Trustworthiness and Integrity of Data

A critical part of case study research is to provide reasonable options to protect the research's integrity. There was no pilot study. Instead, triangulation with other sources protected the study's integrity. I incorporated specific strategies to address integrity, dependability, creditability, transferability, and confirmability. As recommended by Yin (2018), I established an audit trail of the entire research process and thematic coding of the raw data to address dependability.

Creditability strategies consisted of using multiple data sources and establishing a chain of evidence with triangulation and explanations on findings or conclusions. Pattern matching and explanation-building strategies help address creditability while analyzing the data themes and member checking occurred directly after transcribing the interview. Transferability was addressed by establishing a case study database and adding new

information to other contexts or settings. The use of thematic coding, member checking, and reflexive journaling confirmed that the interpreted outcome was a true reflection of the city manager's experience using cutback management within the context of the recession.

The Case of the City of Noir Lake, Michigan

Noir Lake Michigan is located within the case study boundary and has 10,000 or fewer inhabitants. As with most communities in the Upper Peninsula of Michigan, the city has many community assets that supply city revenue from the solid tourism base 12 months of the year. North has been the city manager since the retirement of the previous manager in 2013. The city's current fiscal picture is not what most would assume a rural municipality would be facing—especially when reviewing the literature on the Great Recession's impact. According to the city manager, the city's most current critical issue is controlling growth with a plan.

Historically, Noir Lake continues to deal with a population decline like many other rural municipalities in the Upper Peninsula. The city manager conveys that while the population total is not changing, the population's demographics are. More young families are moving back into the city, and before COVID-19, working remotely from home was already an option for this population demographic. The downtown district continues to evolve from small mom and pop shops to the birth of outside development of new projects revitalizing old city buildings and other abandoned properties turning over into private hands. Funded by grants, the city sees restaurants, breweries, and other specialty shops supported by a strong tourism base. The Great Recession and state

austerity policies have impacted the city finances. Remarkably, between tourism and economic development, Noir Lake has been able to keep fiscal deficits to a minimum. However, this has not come without fiscal and leadership challenges to the city manager, the city commission, and the employee base.

The city has limited strategies to generate alternative revenue streams due to state tax and expenditure limitations, Proposal A, and the Headlee Amendment. By the end of the 2016 fiscal year, the city carried \$18,200,350 of debt consisting of unmatured principal bonds, warrants, notes, and other forms of debt obligations (Michigan Department of Treasury, Financial Audit of 2016, p. 12). While the Great Recession did challenge the city's fiscal situation, archival data shows state austerity policies caused much more fiscal stress, which appeared well before 2006. The state has not fully funded revenue sharing since early 2000 (Citizens Research Council, 2015; Great Lakes Economic Consulting, 2016; Michigan Municipal League, 2015.). These policies have caused some distrust in the intergovernmental relationship between the municipalities and the state. The current manager perceives the state has balanced its operating budget off the backs of the municipalities.

Before 2006, the previous city manager and the City Commission began a journey of investing in its community assets by reinvesting in its Downtown Development Authority, a TIF district, an industrial park, and a Brownfield Development Authority. Financial audits of 2005 and commission minutes of 2004 show the previous manager and City Commission sought to lower taxes to attract development. Financing these economic development strategies was accomplished through strategically based grant

partnerships allowing for the small upgrades of city infrastructure, leading to the solid tourism base and the selling bonds; in 2015, voters approved a Headlee override of the ad valorem property tax mills. The previous city manager and city commission's strategic planning and visionary leadership, seeing a declining population and continuing revenue sharing cuts, utilized community assets with slack resources to build support for growth and sustainability. By harnessing their community assets through partnerships with or at various government levels, community leaders foster economic development as the primary revenue tool. The harnessing of community assets continues under the current manager and commission. North. City Commission minutes show at one point in time; the participant city manager working with nine engineering firms on six projects.

According to the current city manager, the city reached a fiscal crisis point and had to do something. In 2009, the City Commission passed intervention measures. This decision was corroborated by the archival evidence. In June 2009, the City Commission laid off six employees as an alternative to a furlough option after the previous manager had already made across-the-board cuts. When facing scarce resources, managers face a challenge balancing short-term financial aims with long-term organizational goals. Theoretically, managers will attempt to lower costs by implementing adjustments in terms of employees rather than a change in strategy or organizational process. These can be more disruptive and costly for the organization (Leon-Moreta, 2018; Liou & Feldheim, 2018; Rutherford & Van der Voet, 2018).

Findings From the Research Question

There was one overarching question guiding the development of the narrative on the experience of a rural municipal city manager and cutback management within the context of the Great Recession and state austerity policies: What is the experience of a city manager implementing cutback management approaches in a rural municipality in the Upper Peninsula of Michigan? Basing the findings' analysis and interpretations is best explained by discussing what I assumed, learned, and discovered from the interview and archival data and how it answers the cutback management assumptions.

A city manager's experience implementing cutback management approaches in a rural municipality will deal with declining revenue streams, increasing expenditures, an aging infrastructure, small staffing with no support or leadership from the State of Michigan. I expected to find a city manager with a short time of managing, an ever-changing turnover in elected officials due to election cycles, and a constant struggle to manage a declining community with few options for increasing revenue and challenging choices for cutting expenses. I expected to find that the Headlee Amendment and Proposal A continue to erode the ad valorem tax base. Revenue sharing cuts by the state have pushed the municipality into ongoing fiscal distress, forcing them to cut expenditures with across-the-board cuts in the early stages of crisis and later looking for ways to cut expenditures deeper and seek ways to generate revenue. Appendix D reflects this fiscal crisis cycle moving between cutting and aligning the operating budget with declining revenues. The first management model (see Appendix D) shows a municipality will cycle through a series of stages when managing a fiscal crisis:

1. Revenue streams usually will consist of property taxes and revenue sharing payments.
2. The expenditure stage sees increasing costs every fiscal year, while the revenue stage decreases each fiscal year.
3. The manager will take action with policies that will take the path of least resistance following a fiscal goal of bringing the expenditures down enough to stretch the shrinking revenues.

Phase 3 brings one of two choices. Suppose the manager chooses choice one as the action to bring expenditures down enough to stretch the revenues. In that case, the fiscal crisis will cycle between smoothing the cuts in the short term or making deeper cuts that reorganize the administration or city service delivery. Suppose the manager chooses choice two as the action to bring expenditures down enough to stretch the revenues. In that case, the fiscal crisis decisions are strategically made cuts with specific focus meaning some departments lose more than others.

Instead, I found a cutback management decision model that leads the analysis to economic development as a revenue tool and slack resources, not political but organizational. This new hybrid-model is a mix of traditional cutback management choices 1 and 2 harnessing fiscal slack. The model shows a cycle of economic growth with priorities and goals for the fiscal year, leading to cutback management of one initiative and choice two interventions cycling through to outcome and evaluation, leading to the budget adjustments. I was not expecting to encounter a rural municipality that would achieve resilience, especially when looking at how much revenue sharing the

city of Noir Lake lost between 2006 to 2016 According to the data extracted from SaveMIcity.org, the state of Michigan cut imposed \$1,221,360 of statutory revenue reductions over 10 years. The city manager believes that the city could have done a lot of infrastructure work with the statutory revenue reductions.

Conclusion

The Noir Lake Michigan case comes from the city manager's experience in a semi-structured interview and ten years' worth of archival data. What does cutback management look like in a rural community with 10,000 or fewer people? The city of Noir Lake has diversified revenue streams. When harnessed with slack resources and economic development planning as a revenue tool, it engaged in partnerships and projects with the federal, county, and other government subunits. The city has found a path that has excelled them to a place of resilience. State austerity policies have been challenging on the budgeting planning process and have had to go to the voters for millage override increases. What does this tell us about a city manager's experience implementing cutback management strategies in a rural municipality? Chapter 5 will explore that question.

Chapter 5: Discussion, Conclusion Recommendations

The study's purpose was to learn what cutback management looks like in a rural municipality in the Upper Peninsula of Michigan. I conducted a case study of Noir Lake Michigan and developed the narrative from the manager's experience, city manager North. The cutback management experience is much different than expected. Findings revealed that although the city experienced fiscal deficits and impact from the Great Recession, state austerity policies caused more of a significant fiscal crisis well before 2007. In Chapter 5, I discuss my interpretation of the findings and the research question, the limitations, recommendations, and implications, ending with a conclusion.

Interpretation of Findings

Noir Lake has utilized initiatives and interventions at some point within the 10 years. North was not the manager when providing insight into how fiscal deficits were corrected. Archival documentation does show the use of initiatives (i.e., across-the-board cuts) and interventions (i.e., employee layoffs and cutting positions through attrition). A key inference from the analysis shows that although the city experienced fiscal deficits and impact from the Great Recession, state austerity policies caused a more significant fiscal crisis well before 2007.

Findings do not disconfirm or confirm theoretical assumptions of cutback management. However, it adds knowledge to the public administration discipline and public economic policy and how rural municipalities coped with the Great Recession's fiscal impact while coping with state austerity policies, which caused distrust between local government and state policymakers. The austerity policies could have forced Noir

Lake to impose difficult choices in budgeting policies. Michigan does place regulations that limit how municipalities generate revenue when facing budget deficits.

Several themes appeared from the analysis of the collected data. Noir Lake, Michigan, appears to have a trend of city managers who stay for prolonged periods. Archival documents show that the previous manager served for 10 years, and the current manager is at 7 years of service. There were few changes in the governing body due to the election cycle. One individual served in the capacity of mayor for over 20 years. Examination of the city charter shows Noir Lake does not have term limits for the city commission. Finally, the lag time was much shorter than anticipated. When public policy occurs at the higher levels of government, the lag time of impact is usually about 12 months. In the case of Noir Lake, it appears the time is limited in scope to 6 months.

Cutback Management Theory Conclusions

An organization would have the ability to operate with fewer resources to increase effectiveness or efficiency through other avenues or alternatives to reach a stage of less input and higher output. When applied to the public sector, slack resources build coalitions of political support. When there are economic constraints, city managers' and policy leaders' behavior changes reflect the environmental constraints necessary to deal with the slack resources or, in the case of the Great Recession, declining revenues and increasing expenditures influencing the operating budget service delivery ability. Cutback management is not always about government reform but implementing economic budgetary decisions to cut expenditures and involve management reforms within the organization, restructure service delivery. Noir Lake's experience using cutback

management is unique to the community and the actors and stakeholders involved in the process.

A review of the literature in Chapter 2 showed the Great Recession challenged the public policy response of incrementalism. A neoliberal policy environment continually shifts from increasing revenues and private sector practices such as outsourcing, consolidation of departments, and public-private partnerships, risking shifting and socialization of financial risk. A conclusion provides a clear glimpse of this occurring at the state level in general but especially in the economic reform policies put in place for municipal government. Noir Lake utilized partnerships at numerous levels of government, both public and private options. The analysis shows some aspects of both initiatives and interventions used to respond to the Great Recession, with the full impact between 2009 and 2012. The state revenues declined in 2009-2010, and the city's revenue-sharing payments became significantly reduced. It is not clear which initiative or intervention dominated.

A common assumption of cutback management is that managers will attempt to lower costs by implementing adjustments in terms of personnel rather than changes in strategies or organizational processes (Rutherford & Van der Voet, 2018). In Noir Lake in 2011, the previous city manager and city commission laid off six employees as a coping mechanism for cost-saving measures to address budget deficits. What is not clear is whether this assumption impacted organizations with small staffing.

The first cutback management model assumed that management cycles through revenues and administrative or service expenditures being either Choice 1 of initiatives

and interventions or Choice 2 of strategic planning and moving back to revenues. The analysis does not seem to follow either of the assumptions of cutback management in full but rather a mix of “reducing costs” as a response to economic difficulty using a centralized incremental budgeting policy consisting of a bottom-up process that is descriptive and normative using economic development opportunities.

The city manager’s experience in implementing cutback management strategies in a rural municipality comes from the interpretations of several themes discussed earlier in the Interpretation of Findings.

Noir Lake was emerging out of the Great Recession when North took over the city manager position in 2014. The previous manager and City Commission had already implemented strategic planning based on growth and diversifying its revenue streams. The strategic planning and growth began around 2004. They provided the leadership and managing framework for a more stabilized tax base and a growing population, a diversified revenue stream that grew from the harnessing of community assets and strategically planned partnerships. In other words, North was already managing a thriving community that was close to reaching the point of resiliency. The city still had to raise more revenue by asking for a Headlee override in 2015. According to the city manager, the fund balance has grown a fiscal cushion that will help keep the city functioning should there be an emergency. The archival data was central in the development of the cutback management decision model. The management model is a hybrid model, a mix of both initiatives and long-term strategic planning. The model cycles from economic development. Priorities and goals for each fiscal year, and a path toward using cutback

management choices, initiatives of across-the-board cuts or interventions of layoffs and targeted cuts if needed. Strategic planning is the basis of outcome and evaluation, leading to the budget adjustments and changes for each fiscal year. Resilience is a theme discussed earlier in Chapter 4.

Limitations of the Study

There are several limitations of this case study. The data collection process required adjustments. The interview was cut short because of time limits on free accounts with Zoom, resulting in the elimination of the interview's final question. I assume the question could have brought more clarity to what cutback management strategy dominated the decision-making process. Overall, it is not clearly evident if the assumptions of cutback management occurred. Additionally, it is uncertain how this impacted the outcome of the analyses.

Interviewing only one city manager limited the study's analyses and drawn conclusions. The current city manager had limited historical institutional knowledge about what occurred from 2006 to 2013. Examining the city commission, it is not clear how politics impacted the cutback management strategy. As previously stated, the city charter provides unlimited term limits for individuals to serve as elected officials. Archival records show little turnover in the election cycle.

Recommendations

One assertion of cutback management theory is that the chosen strategies and outcomes are unique to the entity utilizing them. Other rural municipalities in the Upper Peninsula have similar community assets and tourism bases. More research should be

done to explore other rural municipalities like Noir Lake to see if any other municipalities have utilized economic development as a revenue tool with slack resources and learn the outcome. Interviewing more than one participant would allow for more investigation into commonalities and differences in managing and leadership styles in city manager research. When possible, it would be useful to conduct interviews with the former city managers comparing the similarities and differences between the interpretation of the experience on budget deficits crisis with deductive reasoning. The question remains whether rural municipalities, employing long-term managers, are better equipped to lead and manage the community out of a fiscal crisis toward growth and property.

Kasdan (2014) indicated that local governments will respond to fiscal distress by imposing fundamental and permanent changes in their services and structures. If these changes are not voluntary, then changes will be forced on them by their state. In the case of Noir Lake, an argument could stand for both. The former city manager began the economic development as a revenue tool as far back as 2003, and state austerity policies still impacted the operating budget revenues. More research is needed to explore whether the fundamental or permanent changes occurred and whether they were self-imposed or state-mandated.

The research enhances public administration discipline by the recommended research. Further, it explores the hybrid management decision model that investigates the application of fiscal slack and economic development as a revenue tool from the city manager's perspective. Insight from this research study shows that the city

administrator's active role is changing toward a project manager. How is this changing the role of city administrator?

Implications for Social Change

My research did not promise radical social change. Instead, it provided a glimpse of how rural municipalities approach the competing goals and community needs ensuring that the public policies are consistent with fairness, justice, and equity. In Noir Lake's case, the values could not be identifiable through the analyses. However, at the individual level of positive change, this study can open a discussion between local governments and state policymakers regarding the status of revenue sharing and municipal government funding in the state of Michigan.

This study may have positive social change implications at the local level of government. The life cycle of a city manager can be as short as the next election cycle, and most municipalities have term limits in the city charter. City managers face conflicting goals when reducing budget deficits. The conflict of balancing short-term financial deficits with long-term organizational goals can be a challenging fine line requiring the ability to see all given crisis angles and the best path forward. Noir Lake can serve as a "best practices" example for other managers and communities to share cutback management strategies in difficult times of budget deficits. A municipal manager employed in a rural municipality with high autonomy and minimal political interference by the elected body and stakeholders brings high job satisfaction levels (Schmidt, 2017; Van der Voet, 2018).

At the societal level, the city managers involved in their communities can promote equality in the public policies developed and instituted by elected officials. Managers with the ability to have input in policy decisions made by the elected body could better understand how any given public policy could impact the vulnerable in the community. City managers are critical to lead, advise and carry out public policy in ways that address equity and fairness.

Conclusion

A gap in the literature review on cutback management illustrated the lack of investigation or examination on how public managers and elected officials prioritize, manage, and choose fiscal or managerial reforms within municipal government. The analysis from this case study appears to show that the city manager and elected officials choose revenue generation and growth as both fiscal and managerial reforms.

Archived data provided a chain of evidence that clearly shows that as far back as 2004, the previous manager and the City Commission understood the fiscal policy needed to reflect the declining population and property tax base. Furthermore, the management cycle of cutting expenditures and drawing down the fund balance would not move the city away from a constant fiscal crisis caused by the state of Michigan's austerity policies. The state of Michigan and its municipal governments should collaborate and establish policies that focus on the funding issue. The local government funding framework is no longer applicable in meeting the revenue needs for the mandated services or for the growth of revenue needs in cities without the necessary community assets to engage in economic development. Austerity policies have only led to distrust

between the local government and state policymakers. More importantly, this becomes even more crucial due to the Covid-19 public health crisis lockdown and the impact on the tourism base for Noir Lake and the entire Upper Peninsula of Michigan.

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Appendix A: Permission Statements

Figure 1: Thomas Ivacko. Center for Local, State, and Urban Policy.

Net Change in Michigan Local Government Fiscal Health, 2009-2017, by County
<http://closup.umich.edu/michigan-public-policy-survey/maps/fiscal-health/index.php>
Adapted and Reprinted with permission.

[REDACTED]
Sent: Thursday, July 2, 2020 8:50 AM

[REDACTED]
Subject: Re: Permission Reuse Statement

Hello, [REDACTED]

Thanks for reaching out, and for making use of the MPPS survey data. We're happy to approve your request, and we're looking forward to reading your research. We're increasingly interested in analysis along the rural-urban continuum, so your work will be of great interest to us.

Best wishes,

[REDACTED]

Figure 2: Michigan Municipal League; Michigan Department of Labor; Ed Riojas/MLive.

Figure 2 Revenue Sharing Diversion 2003-2013 - Oosting, Jonathan. How Michigan's Revenue Sharing billions for local services. March 30, 2014. : Michigan Municipal League; Michigan Department of Labor and Ed Riojas/MLive. Reprinted with permission.

[REDACTED]
Sent: Monday, July 6, 2020 8:15 AM

[REDACTED]
Subject: FW: Permission Reuse Statement

[REDACTED]

Thank you for your licensing request regarding a 2014 Ed Riojas graphic.

Generally, charts and graphics aren't subject to copyright protection because they do not meet the first requirement for copyright protection, that is, they are not "original works of authorship," under the definitions in the Act as the data was accessible to the public as it came from a government agency. In this case the Michigan Municipal League via the Michigan Department of Labor.

I guess you could claim this as "Fair Use" and I wouldn't have a problem with you using that information for your dissertation with the use of the source and graphic artist's name on the credit (as depicted in that link).

Here is a useful site on 'fair use' and copyrights. <https://www.dmlp.org/legal-guide/fair-use>

Sort of a complicated response to your simple question but you should be able to use it as fair use without having to pay us a licensing fee and with proper credit: [REDACTED]

Have a wonderful day and good luck with your dissertation.

Figure 3: Mitch Bean, Robert Kleine. Great Lakes Economic Consulting.

Figure 3 Adapted from Great Lakes Economic Consulting (2016, April 2016).

Michigan's Great Disinvestment. How State Policies Have Forced Our Communities into Fiscal Crisis. Retrieved from <http://www.savemicity.org/wp-content/uploads/2016/03/mml-glec-michigans-great-disinvestment.pdf>. Adapted and Reprinted with Permission.

[REDACTED]
Sent: Friday, July 3, 2020 9:20 AM

Subject: Re: Sounds interesting. Will check

Okay to use. I'm interested in reading your paper when it's appropriate.

Figure 4: Vivian Wood. Exploringthenorth.com

Figure 4 Map of Case Boundary. Permission for reuse. Copyright 2000 by Vivian Wood, webmaster <http://www.exploringthenorth.com/index.html>

Email sent 7/8/2020 2nd request Pending.

7/8/2020 10:54 AM

Hello,

My name is Diana Menhennick. I am a doctoral candidate in the school of public policy and administration with Walden University. My committee members are Dr. Chuck Williamson and Dr. Steven Maratelli. The title of my dissertation project is called: An examination on rural municipal government. A case study on Cutback Management and the Great Recession. I hope to have this published in 2021.

I would like to ask permission to use an image from your website as part of my dissertation. The image is titled: Map of the Upper Peninsula of Michigan showing major towns and points of interest

[REDACTED]

I would like to use this figure as part of my project. My intent is to use it in its current state as a graphic to reflect my study boundary which is the Upper Peninsula of Michigan. My dissertation will be published with ProQuest publishing services. The permission information as the copyright holder will be displayed as follows:

[REDACTED]

I hope you will authorize me to use this content in my research. I eagerly await to hear from you.

Respectfully,

[REDACTED]

Appendix B: Interview and Transcript

Date		
Time		
Location		
Interviewee		
Interviewer		
Release Form Signed.	Yes	No
Recorded	Yes	No

Notes to the Interviewee:

Thank you for your participation. I believe your input is valuable to my research on how a rural municipal manager utilized cutback management strategies due to the great recession and revenue sharing cuts. The interview will be audio recorded with your permission and your identity is confidential. There are three topics with questions with 12 questions and a timeframe of 30-60 minutes. After the interview is complete, I will be transcribing it in its entirety. You should receive a copy for your review via email within four days. At that time, any changes or concerns will be discussed via phone. The main objective is to make sure the transcribed document reflects your experience. In this interview, I look forward to documenting your experience on managing and leading a rural municipality and how the fiscal policy actions are established and carried out.

Methods for disseminating results: Triangulation, Member checking, and Case study protocol.

In this interview, I am looking to document your experience on managing a municipality through the Great Recession and revenue sharing cuts.

Note: Questions reflect the assumptions of cutback management and the main overarching question.

Closure:

Thank You to the interviewee
Reassure confidentiality.

Verify member checking to follow up with transcribed responses to the interview for feedback on accuracy and any added reflection to the record.

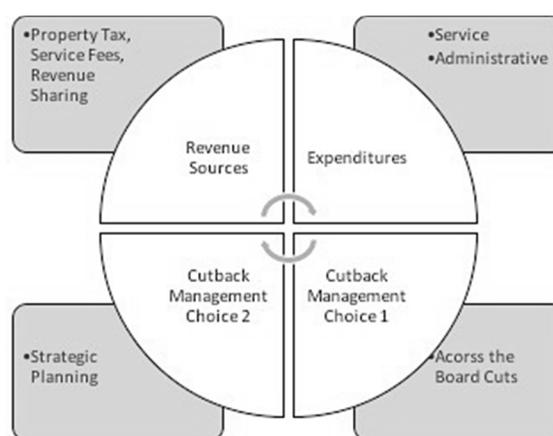
Interview Questions

Topic	What Information I am looking for	Type of Question	Cutback Management Choice 1 - Decentralized Retrenchment	Cutback Management Choice 2 - Centralized Retrenchment
Background on municipality and the manager				
Q1 How long have you been the city manager of this community?	Knowledge and experience	Indirect		
Q2 Describe for me how you have seen your community grow and change in this time period.	Experience	Indirect		
Q3 Describe for me what you see as the biggest issue facing your community	Knowledge, experience	Indirect		
Q4 Describe your management and leadership style with the elected body	Knowledge, experience and opinion	Indirect		
Q5 Describe your management and leadership style with the city employees	Behavior, opinion, belief, knowledge	Indirect		
Q6 Describe your relationship with the community in general.	Behavior, Beliefs	Indirect		
Q7 I'd like to move on to the next topic of municipal finances	Behavior	Structured		
Municipal Revenues and Expenditures				
Q1 Explain for me how cuts to revenue sharing impacted finances of the city.	Knowledge, Opinion and Belief	Probing		
Q2 Describe for me the decision making process used for balancing revenues with expenditures and service delivery, due to the revenue sharing cuts.	Knowledge, experience	indirect		
Q3 Based on your response to Q2 did you cut across the board or use a strategic plan to balance the deficit	Knowledge, experience, Beliefs	Probing		
Q4 From your view, what is the nature of your relationship with the state of Michigan?	knowledge opinion, beliefs	indirect		
Q5 What is the city's fiscal policy and was this part of the decision making process when facing revenue sharing cuts	knowledge experience	Probing		
Cutback Management Choice #1				
Q1 You have provided me with important information on your leadership and management style earlier in the interview. Based on your response, is it fair to say that when the tax base revenues declined and revenue sharing cuts were made at the state level, to balance the budget you decided to use an across the board cuts.	Knowledge, experience, opinion and Beliefs	Interpreting	Specifically, as the beginning of the crisis they will use a decentralized retrenchment budget policy consisting of initiatives with the idea that the economic difficulty is short term.	
Cutback Management Choice #2				
Q1 You have provided me with important information on your leadership and management style earlier in the interview. Based on your response, is it fair to say that when the tax base revenues declined and revenue sharing cuts were made at the state level, to balance the budget you took a more strategic approach?	Knowledge, experience, opinion and Beliefs	Interpreting	Specifically, as the crisis depends they will use a centralized retrenchment budgeting model with policies that reflect intervention that have the potential to reorganize the in-house service delivery and employees via strategic fiscal planning.	
Final Question and Closing				
Thank you for sharing your knowledge, experience and responses to my questions today, is there anything else you'd like to add before we end?	Opinions and beliefs	Direct		

Appendix C: Data Analysis and Decision-Making Model

The analysis of collected archival data was completed using a deductive interpretation process toward the development of a decision-making model (see Miles et al., 2018) and allowed me to learn how and why a rural municipality uses and implements cutback management strategies as a policy response to property tax decline caused by the Great Recession and state cuts to revenue sharing.

Proposed Cutback Management in a Rural Municipality – Decision Model



Graphic Adapted from Miles, B., Huberman, A., Saldana, J. *Qualitative Data Analysis: A methods sourcebook*. 2018. 4th ed. p202-203. New York, NY. Sage Publications.

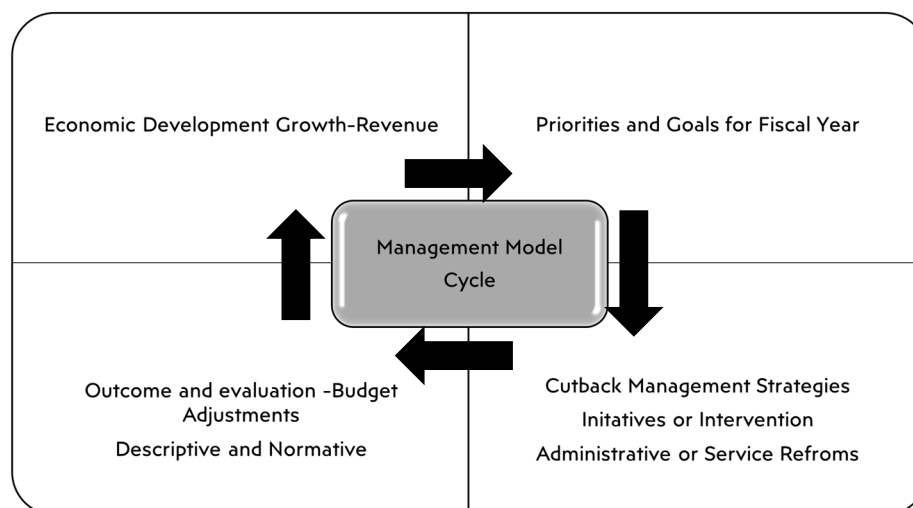
Levine's seminal works (1978; 1979) on cutback management theory assume that organizations will respond to budget deficits in specific ways. The following two hypothetical assumptions will be examined from the interview and secondary data collection, developing the narrative in the city manager's perceptions and experiences with cutback management in rural communities.

Theoretical Assumptions on Cutback Management

Rural municipalities with a manager-council/commission governing framework will reduce costs as a response to economic difficulty. Specifically, as the beginning of the fiscal crisis, they will use a decentralized retrenchment budget policy consisting of initiatives that argue that the economic difficulty is short term. According to Kasdan (2014), “local governments across the nation will respond to fiscal financial distress by imposing fundamental and permanent changes in their services and structure or these changes will be forced on them by their states” (p. 8). Rural municipalities with a manager-council/commission governing framework will reduce expenditures at a much deeper level if the economic difficulty continues. Specifically, as the crisis deepens, they will use a centralized retrenchment budgeting model with policies that reflect intervention that can reorganize the in-house service delivery and employees. Rural municipalities with a manager-council/commission governing framework will reduce costs due to economic difficulty and use a centralized incremental budgeting policy consisting of a bottom-up process that is descriptive and normative using economic development opportunities.

City of Noir Lake Management Decision Model

Cutback Management Decision Hybrid Model with Economic Development as a Revenue Tool



Rural municipalities with a manager-council governing framework will reduce costs due to economic difficulty and use a centralized incremental budgeting policy consisting of a bottom-up process that is descriptive and normative using economic development opportunities. The city of Noir Lake utilizes the above management model to plan and manage a fiscal crisis. Using community assets allows the manager not to use revenue sharing as part of the financial planning.

Appendix D: Project Memo and Field Note Index

PHASE	SUBJECT	ID NUMBER/Tags	DATE
Set Up	Transition to NVivo Primary Data Interview Questions	Memo	9/5/2020
Set Up	Sampling population	Memo 2	9/12/2020
Set Up	Sampling Group	Field Note 1	9/13/2020
	Random Selection Process	Field Note 2	9/15/2020
		Field note 3	9/15/2020
	Sampling population	Email	September 14 2020
Set Up	Sampling population	Memo 1	September 8 2020
		Memo 3	9/15/2020
		Field Note 4	9/16/2020
Set Up		Field Note 5	9/18/2020
Data Collection -Primary	Letter - Request to participate	Case Study Participant 1 Primary Data Collection	10/21/2020
Data Collection - Primary	Memo Letter of Approach	Memo #1 Letter of Approach	10/21/2020
Project Data	Project Backup		10/21/2020
Data Collection - Secondary	Collection dates of 2009-2016. Years of 2006-2008 are not online.	Collected Archival Data 2009-2016	October 22, 2020
Data Collection - Secondary		Collected Archival Data 2009-2017	October 22, 2021
Data Collection - Secondary		Collected Archival Data 2009-2018	October 23, 2022
Data Collection - Primary	Project Backup to external Hard drives, D & F.		10/23/2020
Data Collection	Developing Analytic Memo's City Manager Policy Roles; Governing Strategies; Social Change	Memo 1	10/26/2020
Data Collection	Letter of approach 2nd attempt		October 27, 2020
Data Collection	Case Participant 2 Letter of Approach	Memo 1	October 27, 2020
Data Collection	Case Participant 2 Letter of Approach	Memo 2	10/27/2020
Data Collection	Recruitment of Participants	Random Memo 1	10/27/2020

Data Collection Primary	Recruitment of Participants	Email committee	10/27/2020
Data Collection	Reading Research		10/28/2020
Data Collection	Reading Research		10/29/2020
Data Collection	Follow Up Email	Participant 2 Primary	11/2/2020
Data Collection Primary	Letter of Approach Participant 3	Memo 1 Participant 3	November 2 2020
Data Collection Secondary	Secondary Data Collection available online	Fieldnote 1 Participant 3	November 2 2020
Data Collection Secondary	Secondary Data Collection available online	Fieldnote 1 Participant 3	November 2 2020
Data Collection Secondary	Secondary Data Collection available online	Fieldnote 1 Participant 3	November 3 2020
Data Collection Secondary	Secondary Data Collection available online	Fieldnote 1 Participant 3	November 3 2021
Project Data	Project Backup		11/3/2020
Data Collection	Data Collection Process thus far	Random Memo 2 11042020	November 4, 2020
Data Collection Primary	Letter of Approach Participant 3	Letter of Approach 11052020	11/5/2020
Data Collection		Fieldnote 1 Participant 3	November 14 2020
Data Collection		Project Memo	11/15/2020
Data Collection	Letter of Approach	Memo 1 Participant 4	11/16/2020
Data Collection Secondary	Secondary Data Collection available online	Fieldnote 1 Participant 4	November 3 2021
Project Data	Project Backup	Backup 11152020	11/15/2020
Project Data	Project Backup	Backup 11182020	11/18/2020
Data Collection	Data Collection Process thus far	Random Memo 2	November 19, 2020 updated
Project Proposal	Proposal Backup	Backup 11 19 2020	November 19 2020
Data Collection	Participant 5	Letter of Approach Participant 5 11 20 2020	11/20/2020
Data Collection	Participant 6	Letter of Approach Participant 6 11 22 2020	11/22/2020
Data Collection Archival	Data Collection Process thus far	Random Memo 2 11042020	11/20/2020
Data Collection	Participant 4 follow	Email Follow up	11/20/2020
Data Collection	Export into NVivo	Participant 5 Primary	11/20/2020
Project Data	Backup of Secondary Data Collection available online	Backup 11 22 2020	11/21/2020
Data Collection	Participant 6	Participant 6 Archival	November 24, 2020
Data Collection		Email Follow up	11/24/2020
Data Collection		Backup 11 24 2020	11/24/2020
Data Collection	random Sample Process	11252020 Sample Pool #2	11/25/2020
Data Collection	random Sample Process	11252020 Sample Pool #2	11/26/2020
Data Collection	Response to email participant 6	Email Participant 6 11262020 0	11/26/2020

Data Collection	Participation Packet Process	Memo1 11272020 Packet	11/27/2020
Data Collection	Outlining Chapter 4		November 29, 2020
Data Collection Archival	Participant 6 Archival Data	# 11292020 Participate 6 Location Description	11/29/2020
Data Collection	Data Collection and Analysis connecting findings to the literature review.	Random Memo 3 11302020	11/30/2020
Data Collection	Participant 5 Interview setting up	Memo # 12042020 Packet and Interview	12/4/2020
Data Collection	Interview Checklist and Interview Protocol	12042020 Participant 5	12/5/2020
Project Data			12/6/2020
Data Collection Primary	Development of Interview outline Participant 5	Memo # 12062020 Interview Outline and Notes	12/6/2020
Data Collection Archival	Participant 5 Revenue Sharing	Memo #12072020 Revenue Sharing 10-year period	12/7/2020
Project Data		Back-Up 12 07 2020	December 7, 2020
Data Collection Archival	Community Financial Dashboard	Memo #12082020	12/8/2020
Data Collection Archival	Community Financial Dashboard		12/9/2020
Data Collection Primary	Describing the case with Disassociating Sensitive Information	Memo #12092020 Outlining	12/9/2020
Data Collection Primary	Emails recruiting P5	P5 Email	12/10/2020
Data Collection Primary	Zoom Interview Rescheduled	Memo#12112020	12/11/2020
Data Collection Primary	Preparing for audio Interview with Zoom PC5	Memo #12142020 Interview Preparation	12/14/2020
Data Collection Primary	Conducting Participant 5 Interview		12/15/2020
Data Collection Primary	Transcription of Interview Participant 5	PC5 transcript	12/16/2020
Data Collection Primary	Imported interview files		12/15/2020
Data Collection Archival	PC5 revenues and expenditures 2006- 2021	City Rev - Ex 06-20.x.lsx	12/15/2020
Data Collection Primary	Interview Transcript first draft	Transcript of Interview Draft #1 December 16, 2020	12/17/2020
Data Collection Archival	City Commission Minutes 2006-2012 PC5		12/17/2020
Data Collection Analysis	Code descriptions	Memo # 12202020 Code Names and Description	December 20, 2020
Data Collection Analysis	Hand coding of PC5 Transcript	Memo #122020 1st coding of transcript PC5	12/20/2020
Data Collection Analysis	Coding Sheets with Description	Memo #122020	12/21/2020
Project Data			12/21/2020
Project Backup			Jan 12 2021
Project Backup			1/25/2021
Data Analysis	Revised Cutback Management Decision Model	Memo # 01262021 Revised Decision Model	January 26, 2021

Data Analysis	New Proposed Cutback Management THEMES 1 AND 2	Memo #01272021 Theme 2	January 27, 2021
Data Analysis	Revised Cutback Management Decision Model	Memo # 01262021 Economic as a Revenue Tool	January 26, 2021
Writing Outline	Dissertation Chapter 4 and 5	Memo # 01072021 Outline	January 7, 2021 updated Jan 11, 21, and 25th of 2021.
Archival Data Analysis	Participant 5 Municipal	Memo # 01252021 2006-2016 Demographic and Statistics Sheets	January 21, 2021 Updated Jan 26, 2021
Data Analysis	Analysis of Research Question	Memo # 01212021 Research Question and Cutback Management Assumptions	January 21, 2021
Data Analysis Insight	Archival Data Analysis - Audits	Memo #1212021 Primary Government Net Change	January 21, 2021
Writing	Fictitious Names	Memo # 012102021 Fictitious Names for PC5 manager and municipality	January 21, 2021
Data Analysis	Analysis of Archival Data	Memo # 01122021 Development of Themes for NVivo	January 21 2021
Data Analysis	Connecting Fiscal Slack with Resilience	Memo # 01192021 Fiscal Slack and Resilience	1/19/2021
Data Analysis	Coding and Analysis of Collected data	Memo # 01132021 Insight after coding and analysis of primary and archival data	1/13/2021
Writing Chapter 4 and 5	Assumptions and/or Expectations and Conclusion	Random Memo #5 01092021 Insight #1	1/9/2021
Data Analysis	Approach Process for coding prime data from transcript	Memo #12182020	December 18, 2020
Data Analysis	Coding and Analysis of Collected data	Memo # 011420201 Insights after coding and analysis of primary and secondary data	
Data Analysis Prep	Synthesis of Archival and Primary Data to Cutback Management Theory	Memo #01062021 Analytical Memo	January 1, 2021
Data Analysis Archival	Analysis of Archival City Commission Minutes	Memo #01032021 Overview of City Commission Minutes for PC5	January 3, 2021
Data Analysis Archival	Analysis of Archival Financial Audits	Memo #01022021 Analysis of Financial Data	January 2, 2021
Data Analysis	Synthesizing on Cutback Management Literature with Interview and Archival Data	Memo # 01012021 Cutback Management Analytical Memo 1/23/2021	January 1, 2021
Data Analysis	Overview of Archival Data City Commission Mins	Memo # 01032021 Overview of city commission minutes	12/31/2020
Data Collection Primary	Coding Sheets with Description	Memo #12222020 Code Names and Description	12/20/2020
Project Backup			2/3/2021
Data Analysis	Reference Listing for Archival Sources	02/7/2021 Financial Audits	2/7/2021
Data Analysis	Reference Listing for Archival Sources	02/7/2021 Financial Audits	2/7/2021
Data Analysis	Reference Listing for Interview	02072021 Personal Interview Reference	2/7/2021