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Developing Tools and Programs to Assist Local Governments Provide Needed Services

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Question to Address

- How can the University of Arkansas / Community & Economic Development best assist County Officials in dealing with fiscal stress?

Presentation / Discussion

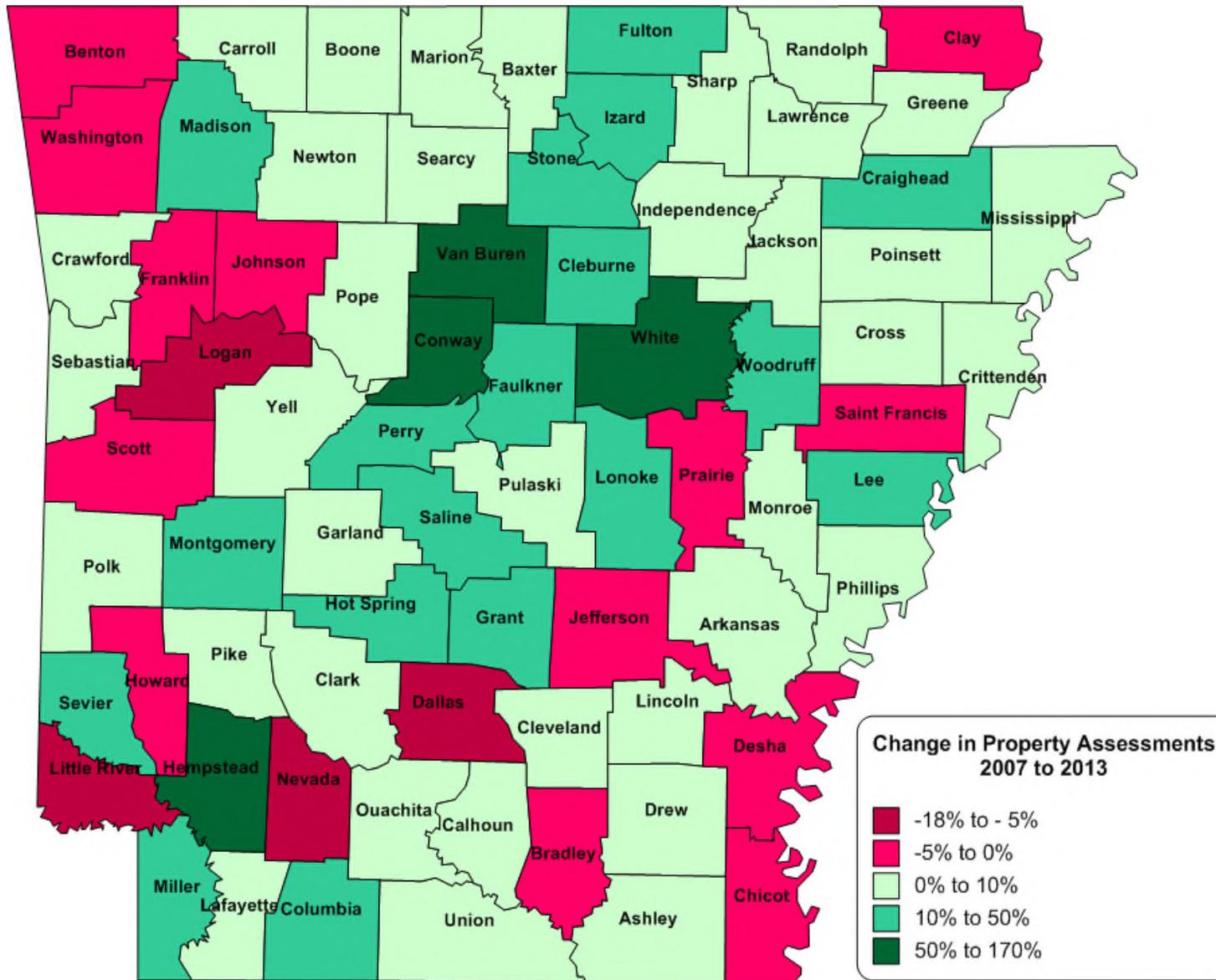
- Provide Background to Fiscal Issues of Arkansas County Governments
- Arkansas County Government Program
 - Call to Action
 - Resource Materials
 - Training / Outreach
- Some Obstacles
- How Best to Assist Agents & County Officials?



County Government Fiscal Issues

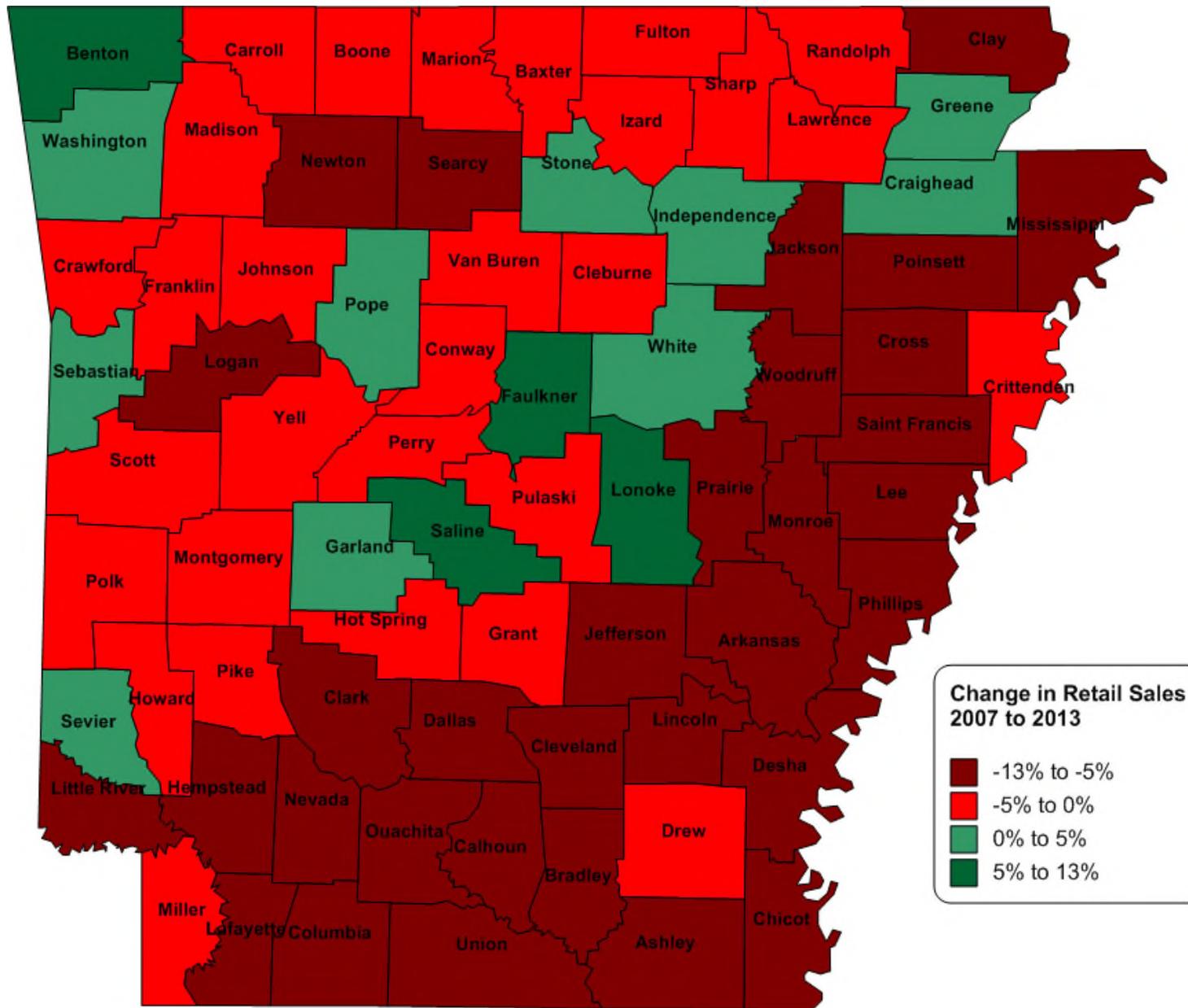
- Local Tax Base / Revenue Declining
- Infrastructure Deteriorating / Not Built
- Public Safety Costs Rising

Change in Property Assessments: 2007-2013



Data Sources: Property assessments from the Arkansas Assessment Coordination Department.

Change in Retail Sales: 2007-2013



Data Sources: Retail Sales from Woods & Poole.

Infrastructure Deteriorating

- American Society of Civil Engineers gave Arkansas:
 - D+ for overall Infrastructure
 - D+ for Roads and Bridges
 - D+ for Drinking Water
 - C+ for Waste Water
- High Speed Broadband Access is Rural Areas Limited



Increasing Cost of Services

- Public Safety Costs Increasing
- Cost per resident

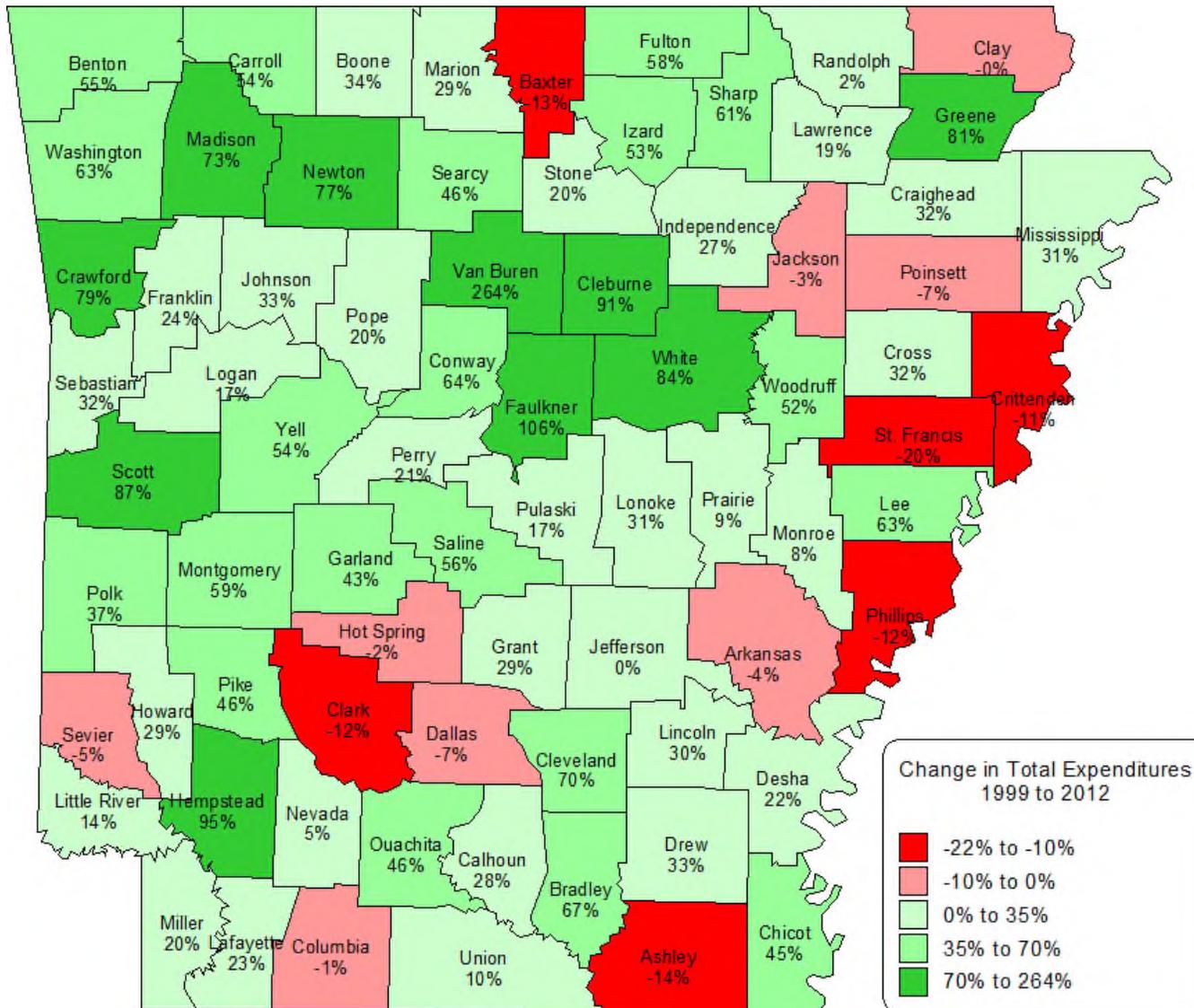
So What??



Motivation & Political Will

- Counties lack funds to pay salaries and maintain roads
- CES Programs lose funding / eliminated

Change in Total Expenditures 1999 to 2012



Data Sources: Expenditure data from Revenue and Expenditure statements, Arkansas Legislative Audit; CPI from Bureau of Labor Statistics.
*Scott County values updated through 2011.

Develop Local Government Program

- Work with counties struggling to pay for infrastructure and services to find alternative solutions
- Develop resource materials and training for county agents
- Provide resources and assistance to county officials and the public



Questions to Address

- Management Issues
- What factors and trends are impacting county services and funding sources?
- Which of these can the county control or influence
 - In the short-run?
 - In the long-run?
- What are anticipated changes that might affect the county's fiscal health?
- What might the county do to eliminate or minimize the impact of anticipated changes?



Resources Developed

- County Financial Database (1999-2012)
- County PowerPoint
 - Trends & Comparisons among counties and State Average
- Publications

County PowerPoint

- Employment / Population trends
- Revenue & Spending by category
- Capacity/Effort to generate local revenue
 - Property Tax
 - Sales Tax
- <http://www.uaex.edu/business-communities/government-policy/local-government-finance.aspx>



Publications

- Statewide trends in county government revenue and spending
- Property Tax
- Interlocal Agreements



- <http://www.uaex.edu/business-communities/government-policy/local-government-finance.aspx>



County Agent Training

- In-Service Workshops (2001 – Present)
 - Introduction to County Government
 - Budgeting Process
 - Critical Issues
 - County Government Finance
 - Developing Local Government Educational Programs
- Online Course (2015)

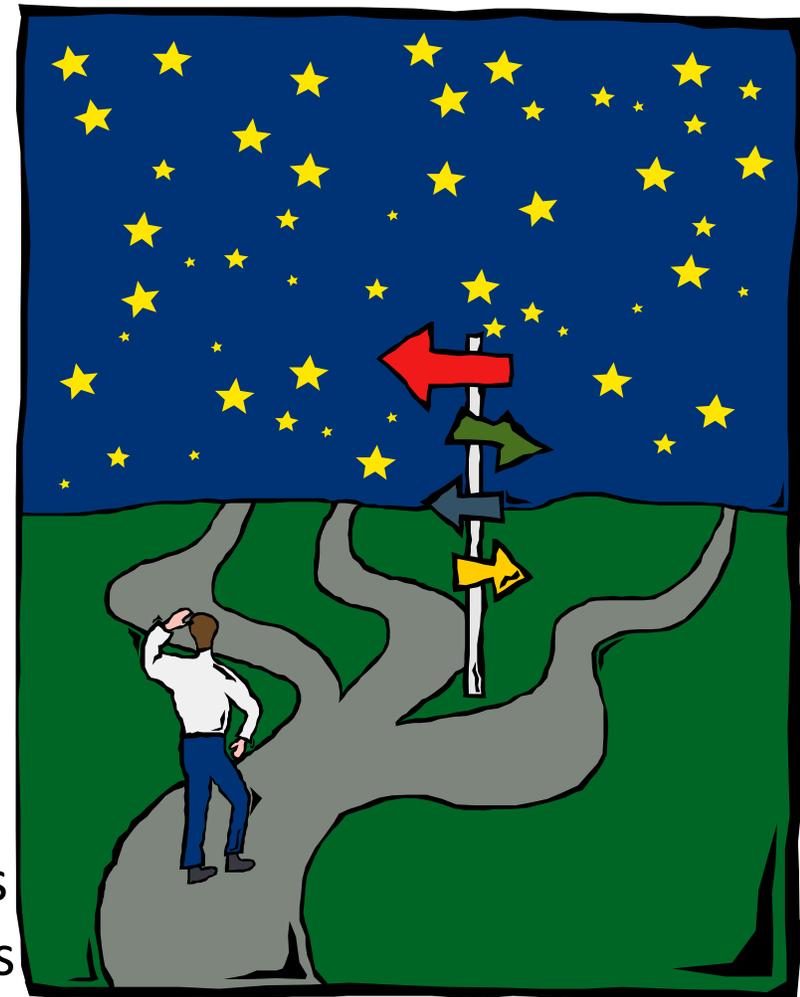
Program Outreach

- Association of Arkansas Counties
- Arkansas Economic Development Commission



Options for Providing Services to Arkansas County Residents

- Reduce Services
- Increase revenue
 - Alternative (new) revenue sources
 - User charges,
 - shift tax burden to non-residents
 - Expand the tax base
 - Increase tax rates
- Increase cost effectiveness
 - Improve management and productivity
 - Explore possibility of privatizing services
 - Consider intergovernmental agreements



Program Opportunities

- Share resources / work with county officials
- Develop educational program for citizens
 - With support of county officials
- Promote Interlocal Agreements



Engaging Agents, Officials & Public

- Agents numerous demands
 - Less funding – fewer agents
- Agents mostly Ag & FCS training
- County officials
 - Difficult to Change / want to keep status quo
 - Look to other sources for assistance
 - Not sure trust CES in new role



Program Opportunities

- What has worked for you?
- How to engage county agents?
- How to engage local officials?
- Options for rural communities?

Resources Available

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<http://www.uaex.edu/business-communities/government-policy/local-government-finance.aspx>

“Strength does not come from physical capacity. It comes from an indomitable will.” - Mahatma Gandhi

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