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
Total Employment Change
2000 to 2012

Data Source: Employment estimates from the REIS Data Base, Bureau of Economic Analysis.
Population Change
2000 to 2012

Data Source: Population estimates from U.S. Census Bureau.
Population Change
2010 to 2012

Data Source: Population estimates from U.S. Census Bureau.
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

Publications

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

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

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