# policyprofiles

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Center for Governmental Studies Northern Illinois University

■ *Illinois' small counties are being negatively impacted by economic trends and globalization*

■ *Seventy of Illinois' 102 counties are experiencing a loss of both population and economic activity*

■ *Illinois counties must find new and innovative ways to manage their resources and provide leadership to counter the forces of decline in their communities*

■ *Unfunded and funded but unpaid state mandates impose a major financial burden on counties*

■ *Illinois' smallest counties could soon find themselves with too little population and economic activity to be viable unless they can start delivering services at lower costs.*

## issue: *Governments in Difficulty: Evolving Trends Make Life Harder for County Governments*

*by Tatchalerm Sudhipongpracha, Norman Walzer, and Ruth Anne Tobias*

**Editor's Note:** The first of a series on Illinois county government, this *Policy Profiles* identifies the growing problems confronting county governments, and especially those experiencing long-term population declines. The second Profiles in the series will examine innovative practices used in various states to deal with these problems. This *Profiles* is a condensed version of a longer report published by the Center for Governmental Studies (CGS) at Northern Illinois University in collaboration with the Illinois Association of County Board Members and Commissioners, the Illinois Association of County Engineers, and the Illinois Farm Bureau.

The ominous fiscal difficulties facing the State of Illinois have been well-documented by the state's news media, but even more ominous and foreboding difficulties face the state's county governments – especially small, rural county governments serving residents in the state's central and southern regions.

In one of the nation's largest and historically wealthiest states, local governments, aside from the northeastern Illinois region, have not been sharing in the prosperity. The gathering crisis in the state's smaller county governments is caused by a continued loss of population and the loss of economic activity. Such trends are hard for government leaders to offset or reverse.

### How many counties are affected by such trends?

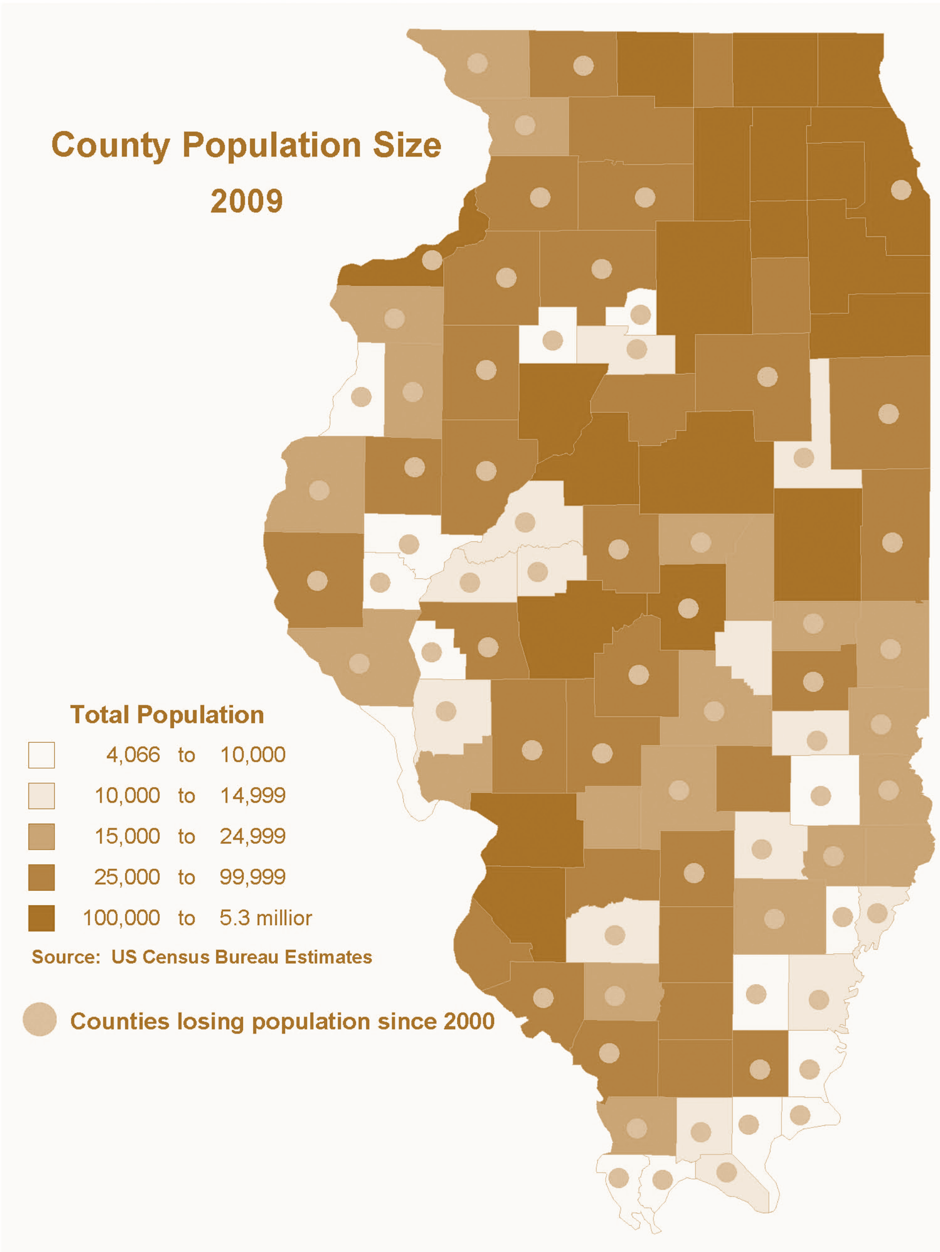
Since the 2000 Census, population losses have been endemic across Illinois, except for metropolitan pockets of growth **(See Figure 1 on the next page).** While Illinois counties vary widely in population size from Pope County with a 2009 Census estimate of 4,066 residents to Cook County with its 5,291,722 residents, nearly all of Illinois' 102 counties are small. Seventy counties are estimated to have lost population. Fifteen counties have populations of fewer than 10,000 residents. Twelve counties have between 10,000 and 15,000 residents, and another 23 counties have populations between 15,000 and 25,000.

Average county population size, excluding Cook County, which is the third largest county in the U.S., was 75,479 in 2009, but 70 percent Illinois' counties have fewer than 25,000 people. *This dual trend of declining population and loss of economic activity is having a large impact in the state.*

### Why are county governments important?

County governments finance and deliver essential state services at the local level, including state and local elections, state courts, and all state and local health and welfare programs. They deliver local services such as law enforcement, planning, zoning, waste disposal, and road construction and maintenance in rural

**figure*one*** **County Population Size and Loss**




areas. And, increasingly, they are being called upon to help provide water treatment, environmental protection, emergency medical, and broadband internet services that extend beyond municipal borders and require a coordinated delivery system.

Furthermore, small cities and villages that have experienced population declines and sluggish economies in the past have faced difficulties financing and delivering even such basic services as public safety. Partnerships with county governments have helped these small communities provide better quality services, sometimes at reduced costs. All of this increases the cost pressures on county governments, and especially on those counties experiencing shrinking revenues.

### What socio-economic changes are problems for counties?

A majority of counties (73%) responding to a recent survey[1] reported no marked change in county population since 2001, which is supported by an overall population change of only 1% for Illinois counties. *However, within Illinois, small counties often lost population while large counties gained.* Four of the smallest counties were the biggest losers, having lost between 10% and 18 % of their residents since 2000. Three of them are at the southern tip of the state.

When asked about reasons for population changes, slightly more than one in four counties reported a lack of private residential developments and problems in their manufacturing sector. *Downstate Illinois has been severely impacted by the globalization of the state's economy* and the resulting economic restructuring. Leaders in these downstate counties are dissatisfied with both the number of jobs created in recent years and their quality as measured by pay levels.

Nearly every county responding to the surveys (39 of 42 reporting) mentioned the lack of high-paying jobs. Manufacturing jobs have either been lost or replaced by jobs in lower-paying education/health services and leisure-hospitality industries. The impact of job losses, in turn, has led to another problem – the out-migration of youth who leave because of limited employment opportunities. Leaders in rural counties are especially concerned with this out-migration, especially since it suggests even greater population declines in the future.

Substantial increases in demand for public assistance were identified as important in counties of all sizes. The increases may reflect changes in population composition, either of age or ethnicity, and were reported as being especially important in large counties which may be experiencing an in-migration of relatively poor people.

**tableone** Five Most Serious Issues Facing Illinois County Governments

| Issue(s) | Number | Percent |
|---|---|---|
| Unfunded State Mandates | 37/39 | 94.9 |
| Lack of Good Paying Jobs | 39/42 | 92.9 |
| Rising Employee Health Insurance Costs | 37/40 | 92.5 |
| Unfunded Federal Mandates | 36/40 | 90.0 |
| Rising Workers' Compensation Costs | 34/40 | 85.0 |

*Source: CGS Survey 2008-2009*

## What has been the impact of such changes on county government?

The five most serious issues facing Illinois county governments are shown in **Table 1**[2]. Statewide, 94.9 % of respondents, including every respondent from a county with a population of fewer than 25,000 residents, reported serious concerns about unfunded federal and state mandates.

There are many unfunded state mandates, but those the counties find most difficult to meet include, but are not limited to: (1) mandates that counties (and other local governments) increase pension funding for employees in the Illinois Municipal Retirement Fund or the Sheriff's Law Enforcement Program (exacerbating the problem are Illinois General Assembly actions increasing pension benefits which then must be paid by county tax levies); (2) requirements regarding the care and placement of juvenile offenders; and (3) changes in the upper age limit for classifying juvenile offenders from 17 to 18 years of age. Also, the state has not been making promised payments, such as for probation officers, so counties must cover those costs.

Another very serious issue facing county officials is the rising cost of benefits for county employees. Health insurance programs, workers' compensation insurance, and pension benefits are essential in retaining county employees, but they also represent high costs that have grown substantially during the past decade. All counties with fewer than 25,000 people, and more than 90 % of the remaining counties, report employee health insurance as a serious issue. Worker compensation costs are next most serious, especially in counties with fewer than 25,000 residents.

The remaining two concerns reported by respondents are adequate revenues to provide county services, in general, and to maintain deteriorating road and bridge conditions. Both of these issues are affected by population trends because population declines typically mean reductions in numbers of taxpayers and rising costs per resident. High quality services are needed to attract and retain residents, but small populations can make the costs of providing such services prohibitive.

The emerging challenges for county governments, the over-all difficulty of financing county services and infrastructure, and the task of confronting the difficulties of providing specific county services are discussed in the remaining sections of this report.

## What are the challenges facing counties?

County budgets and services must be viewed within the governmental context in which Illinois counties operate. Illinois has more units of local government than any other state: in 2007, Illinois had 5,985 units of government serving 12.8 million residents. That represents one government for each 2,150 residents. The state with the next largest number of governments, Pennsylvania, has 4,871 governments, or one government for each 2,546 residents.

Illinois counties, in other words, operate within a system marked by large numbers of local governments serving the same residents. From another perspective, Illinois taxpayers support a large, cumbersome system of governments providing services to local communities.

Many factors may explain why Illinois has so many local governments, but the coordination of local government services is made more difficult by the presence of so many service providers. *Counties are the unit of local government best positioned to serve a coordinating role,* but such a task imposes added cost burdens. Most county governments are hard pressed to bear such costs. Other counties simply cannot afford it.

This is especially true in small, rural Illinois counties. Many such counties have had substantial long-term population declines, yet still have a local government structure designed to serve a larger population. Such counties – and, indeed all counties – are the local governments in the best position to help community governments within their jurisdiction coordinate and deliver services more efficiently. Yet, such a role ultimately requires more staff, more expertise, and more financial resources than are currently available to most county governments.

### How are county finances faring in this challenging environment?

In Fiscal Year 2007, the year upon which this study is based, county governments focused mainly on maintaining balanced budgets. Most counties sought to accomplish this by utilizing strategies designed to:

- Increase revenues by adding or increasing user fees;
- Delay replacement of equipment and vehicles; and
- Postpone capital improvement projects[3].

In general, counties did not report cutting staff hours or terminating employees. However, these figures are based on FY 2007 and the recent recession, without question, has worsened county finances, so current conditions may have changed substantially.

Between 2004 and 2007, the reported county revenues went from an average of $159.11 per capita to $192.75 per capita in current dollars (see **Table 2**[4]).When inflation has been removed, the 2007 figure is $169.08 per capita. Thus, the actual revenues increased approximately six percent during the period prior to the recession.

During the same period, county expenditures went from $152.34 per capita to $187.73 in current dollars but to only $164.68 per capita in constant dollars. Although revenues are increasing faster than expenditures, this portrays the results of the economic bubble, not necessarily long term trends. Future information will likely indicate a growing disparity of expenses over revenues during the recession and possibly beyond.

In counties with fewer than 15,000 residents, expenditures actually declined slightly in constant dollars, reflecting relatively poor economic conditions. County respondents

**table*two*** **County Fiscal Overview 2004-2007**

| Fiscal Indicator(s) | Small Counties | | Mid-size Counties | | Large Counties | | All Counties | |
|---|---|---|---|---|---|---|---|---|
| | 2004 | 2007 | 2004 | 2007 | 2004 | 2007 | 2004 | 2007 |
| Per Capita General Revenue (Current Dollars) | $177.23 | $213.24 | $155.32 | $187.66 | $161.19 | $188.68 | $159.11 | $192.75 |
| (Constant Dollars) | $177.23 | $187.05 | $155.32 | $164.62 | $161.19 | $165.51 | $159.11 | $169.08 |
| Per Capita General Expenditures (Current Dollars) | $184.03 | $206.85 | $161.65 | $181.74 | $158.52 | $184.35 | $152.34 | $187.73 |
| (Constant Dollars) | $184.03 | $181.44 | $161.6 | 5$159.42 | $158.52 | $161.71 | $152.34 | $164.68 |

Notes: 1. Not every county provides data to these reports, but the total reporting is usually 100.
2. Small counties: <25,000 population; Mid-size counties: 25,000-100,000; Large counties: >100,000

*Source: Annual Financial Reports, 2004-2007, Illinois State Comptroller, Local Government Division; Center for Governmental Studies, NIU 2009* reported revenue needs being met at that time and funds generally met the county board's plans for infrastructure. However, later discussions with county officials indicated that the condition of some infrastructure facilities had worsened.

### What is the situation with county services?

Most county services are provided using county employees for the tasks, but other counties contract with other government agencies or with private firms for the delivery of services. In Illinois, counties typically use their own employees to provide sheriff's patrols (100%), snow removal (80.6%), courthouse maintenance (83.3%), Homeland Security services (78.8%), road maintenance (86.1%), and bridge construction/maintenance (74.3%). Relatively few counties reported using intergovernmental agreements to provide major local services. Fire protection and park and recreation services are not provided by most counties, but where they are provided, it is often through cooperative agreements with other agencies.

**Public Safety.** Public safety functions include the sheriff's office, patrols, security services, emergency communications, and the jail. Also included is the court system with the Circuit Clerk's office, the judiciary, jury commissions, the state's attorney, the public defender, and court services. During the past 25 years, expenditures for all of these functions have steadily increased, but counties receive help from the state's contributions toward meeting some of the costs for the judiciary and the state's attorney.

**Table 3** provides insight into service provision stresses experienced by counties in the public safety field. Maintenance of local jails is a county function that typically strains county budgets. All but one of the county survey respondents maintains a jail, and the lone exception is a small county. More than a third of the counties reported pressure from the sheriff or staff to repair, remodel, or enlarge the existing jail and, in some instances, to build a new one. Fully a quarter of all reporting counties indicated that they sometimes had to house some of their jail inmates in other counties' jails because of a lack of adequate facilities. Half of the reporting counties sometimes are able to house inmates from other governmental jurisdictions lacking sufficient jail facilities, including federal immigration and other offenders.

More than half of respondents provide contract services to other counties. Some county respondents (15%) reported that their boards had discussed a public safety sales tax referendum within the past three years so at least some interest exists in finding revenues to address local fiscal concerns.

**table*three*** **County Public Safety Services**

| Fiscal Indicator(s) | Small Counties | | Mid-size Counties | | Large Counties | | All Counties | |
|---|---|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Maintain a jail | 13/14 | 92.9% | 18/18 | 100% | 10/10 | 100% | 41/42 | 97.6% |
| Need to build/remodel | 5/14 | 35.7% | 7/18 | 38.9% | 4/10 | 40.0% | 16/42 | 38.1% |
| House inmates from neighbors | 7/14 | 50.0% | 11/18 | 61.1% | 3/10 | 30.0% | 21/42 | 50.0% |
| Board inmates in another county | 6/13 | 46.2% | 3/17 | 17.6% | 1/10 | 10.0% | 10/40 | 25.0% |
| Allow deputies to work on city forces | 9/12 | 75.0% | 12/16 | 75.0% | 4/10 | 40.0% | 25/38 | 65.8% |
| Provide contract services for other local governments | 3/12 | 25.0% | 11/17 | 64.7% | 8/9 | 88.9% | 22/38 | 57.9% |

Note: Small counties: <25,000 population; Mid-size counties: 25,000-100,000; Large counties: >100,000

*Source: IACBM-NIU County Board Chair Survey, 2008*

**Roads and Bridges.** The cost of maintaining roads and bridges is a significant budget item for all counties. Respondents to the 2008 CGS county highway survey provided data on county road and bridge conditions and maintenance that suggests that the county roads and bridges in Illinois are deteriorating even as the volume of traffic continues to increase. According to county engineers responding to the survey:

- Traffic volumes and weights have both increased (slight or significant increase) on county roads (93% reporting); between 1990 and 2007, vehicle travel on county roads increased by 29%, or nearly two percent per year.
- Thirty-four percent of county road mileage in the responding counties is in poor or mediocre condition while only 44% of their road mileage can be rated as better than adequate assuming continued normal maintenance; 19% of miles were reported as less than barely adequate; and less than one percent is in poor enough condition that traffic operations are severely affected.
- Twenty-four percent of their road mileage had declined in condition. The highest percentage of declines was in the large counties.
- Eighteen percent of the county bridges are structurally deficient or functionally obsolete. Statewide, 31% of the bridges were reported as having declined between 2003 and 2008 with the highest percent (40%) reported in large counties.

**table*four*** **Budget Status for County Maintained Roads and Bridges**

| Status | Number | Percent |
|---|---|---|
| Inadequate for current services | 42 | 68.9% |
| Adequate for current but not future | 12 | 19.7% |
| Inadequate, planning to downgrade | 2 | 3.3% |
| Inadequate, roads downgraded | 2 | 3.3% |
| Inadequate, bridges downgraded | 2 | 3.3% |
| Adequate for current & future | 1 | 1.6% |
| **Total** | **61** | **100.0%** |

*Source: CGS/IACE Survey 2008-2009*

When county engineers' projections of anticipated spending on road and bridge work for the next several years are considered, Illinois county roads can be expected to continue deteriorating in the years ahead:

Statewide, more than two-thirds (69%) of the county engineers reported that the budgets are currently inadequate for current road and bridge maintenance needs. (See **Table 4**).

- Nearly half (49%) reported that budgets in the past three years had increased less than inflation but 29% reported a actual decrease from FY08 to FY09. The most often reported (47%) explanation for increases in amounts budgeted for road and bridge maintenance was growth in Equalized Assessed Valuation of property in the county subject to property taxation, but several counties reported increases in developer contributions as well. Given the national and state recessions, neither of these sources of revenue increases is likely to occur in the years immediately ahead.
- County engineers' survey responses revealed a need to spend an average of $52,706 per mile in each of the next five years to bring the county roads in their jurisdictions to desired condition. They also reported being able to spend an average of only $10,001 per mile, leaving an average shortfall of $42,705 per mile, statewide. The budget shortfall ranged from $13,033 per mile in small counties to $103,212 in large counties.

When county engineers were asked to report the amounts that should be spent in each of the next five years to maintain county roads and bridges properly, compared with what they expected to be able to spend based on past budget appropriations, the average shortfall reported was $803,079 per county, or a total of $49 million shortfall in the 61 counties responding. Projecting this average to all 101 counties other than Cook County, *the annual shortfall in spending for county road and bridge maintenance would amount to $81.8 million per year, or $4 billion during the next five years.*

**Public Health Services.** County health departments provide diverse services ranging from county hospitals to animal control facilities. All responding counties reported public health departments, including the eight counties served by multi-county units. County Health offices offer vaccinations and a variety of shots to protect against flu and other illnesses, and they provide programs to promote well-child care. Most departments offer the Women's Infants and Children Food program (WIC). Many county public health departments not only provide direct services through offices or clinics, but they also cooperate with large employers in their areas of service.

Events like 9-11 and Hurricane Katrina have magnified the urgency of having local plans in place to manage local response to large-scale disasters. Counties, especially those close to major population centers, play a large role in coordinating the planning, training, and, when needed, the delivery of local responses to emergency situations. County health departments are major players in emergency response efforts by developing the capacity to manage large scale distributions of medications and other health services. Funding from the Department of Homeland Security assists these efforts.

Counties provide other 'public health and well-being' activities such as long-term care centers, but these services are not necessarily offered through the health departments. Separate tax levies exist for mental health boards, developmental disability programs, tuberculosis care funding districts, and a variety of other special health-related organizations and districts.

Three of 39 counties responding to the questionnaire reported managing a county hospital, although there are 23 district hospitals in Illinois and 8 county hospitals, all established by county-wide referendum. Some of these hospitals are operated by hospital management agencies or larger health care systems with multiple facilities. County nursing homes were reported by 14 respondents.

Illinois has 28 county long-term care facilities or skilled nursing homes. Although nursing homes are funded mainly with Medicare and Medicaid dollars, they often operate with deficits which distress county fiscal resources. Running a nursing home is complex, with all the reporting and care requirements adding to the expense. Statewide, 62 percent of counties with such a county home reported that they were financially viable; 6 counties also reported needing a new facility.

**Economic Development Activities.** Counties try to stimulate local economic development, partly to increase revenues and support services using a variety of approaches. In these programs, counties most often play a supportive role with the local development initiatives led by municipal agencies. Public-private partnerships involving county government were reported by a majority (59%) of respondents followed next by programs with regional planning commissions (13%). Other arrangements for undertaking economic development efforts were also reported, but none of these are in common usage. Only two counties (5 percent) reported no county sponsored development activities.

Statewide, 35% of counties responding reported having an internal economic development unit, but such counties typically are large in population size. Statewide, 27% reported having a written development incentive policy. These counties are large (more than 25,000 population) and with more opportunities to work with businesses so a written policy is especially important. Responding county governments reported collaborations with state and federal agencies on development projects, usually on an as-needed basis. Small counties work mainly with city economic development agencies and least often with federal agencies, perhaps because of the relatively small project sizes involved.

Statewide, counties reported the most effective working relationships with city development groups, and the least effective with federal development agencies. This may be partly because many counties, especially those with small populations, may not have regular direct contact with federal agencies except in crisis situations. Presumably, this pattern of intergovernmental relations is due to the fact that federal resources are sometimes administered through state programs, and smaller counties have fewer resources and expertise to participate in such programs.

### How frequently do counties work with other governments?

Most responding counties (66%) report effective working relations with local development agencies, followed by positive relationships with state agencies (22%) and federal agencies (19%). This pattern seems reasonable because counties must work regularly with agencies active within their boundaries.

The number of counties reporting neutral working relations with state government agencies (50 percent) is of interest and may suggest opportunities for improvement. Tight fiscal conditions in recent years have meant personnel cutbacks in state agencies, which in turn may have led to less attention paid to local issues.

All of the counties with more than 100,000 residents reported effective working relations with local development agencies. Moreover, they also tend to work more effectively with agencies on other governmental levels (44% for both federal and state agencies) than small- and medium-size counties.

Only 7% of the medium-size counties reported working effectively with higher level government agencies and these figures are lower than those reported by small counties. This pattern could mean that federal and state agencies respond to two types of requests. That is, they direct resources to large counties which have much activity on-going but also to small counties which are most in need of assistance.

### Why are counties not more involved with state and federal agencies?

When asked why counties are not more involved in state and federal programs, the most common response was that the county staff is too small to pursue or administer grants, a comment often heard, especially in small rural governments. In some cases, counties work with a regional planning council that plays an important role, especially in preparing grant applications.

Somewhat unexpected is that 43% of responding counties, including those with a population larger than 100,000, reported that a lack of staff limits their ability to work with state and federal agencies.

The second most common response (two-thirds) was that counties are unfamiliar with federal programs. A small staff, or in some instances virtually no staff experienced with program administration and management, does not have access to information about available grant programs, their deadlines or requirements. More than half of the responding counties statewide reported unfamiliarity with the programs; the proportion of counties responding does not vary significantly with size.

Too much paperwork with state and federal programs is a commonly expressed issue, especially in recent times with more pressure on accountability regarding spending funds and achieving results. Once again, the ability to complete and process paperwork is related partly to size of staff. The paperwork issue was reported as "somewhat important, important, or very important" by 85% of mid-size counties—those between 25,001 and 100,000 populations.

The least often reported obstacle to involvement is that past experiences had limited results. However, limited numbers of staff with past experience, lack of overall interest in the programs, and limited previous involvement may not have generated significant results in past efforts. Lack of a positive experience, of course, could dampen enthusiasm for participation in the future.

The bottom-line is that county governments will be challenged to find new and innovative ways to manage resources. State government can be a part of these approaches by providing incentives to county boards to engage in innovative management practices that involve sharing of resources and collaborating in the delivery of service. A combination of training and technical assistance will be important to success in these efforts.

### What lessons have been learned from the survey?

As county governments become even more involved in both local and regional governance, they face several significant challenges. Some of these issues have arisen recently, while others have long challenged county government officials and staff. The county board chair survey highlighted three main challenges.

**The first challenge** has to do with the ability of counties to finance their operations, especially in the current era of shrinking revenues and increasing pressure on the property tax system. Counties are especially hard hit by taxpayer anger over rising property taxes. Even though counties typically receive only about one quarter to one-third of their revenues from property taxes, they are responsible for collecting the property taxes levied by all other local governments, including school districts, cities and villages, townships, and other special taxing districts. Forgetting who levies the taxes, angry taxpayers blame the tax collector, making it even harder for counties to finance their own operations.

Both county board chairs and engineers reported inadequate funds to provide desired services. Three-fourths of responding counties reported that their operating budgets had either declined or have not kept pace with inflation. This issue is sharpened when grouping counties by population size, economic base, or regional location within Illinois. *Small, rural county units in the central and southern part of the state with declining populations face more significant problems than do metropolitan counties that have experienced growth during the past two decades.*

**The second challenge** is closely linked to county finances. When the need for economic development activity is most acute – when population and operating budgets are declining – is also the time when it is most difficult to find resources to attract new businesses and residents.

Many respondents, especially smaller counties, reported working most effectively with their municipalities to encourage growth. Such counties may think and act locally to attract new development when they might enjoy greater success seeking help from state and federal resources. Unfortunately, such counties are typically not able to afford the staff needed to seek out new programs and grants.

Collaborative, larger regional working arrangements could be more effective in generating ways to stimulate growth. Larger counties in metropolitan areas typically have internal economic development offices and have a growing economy and location that attracts more growth.

Counties need high quality infrastructure to retain populations and support growth as well. The transportation infrastructure provided by county governments is vital to commerce and the delivery of essential services, especially in rural Illinois.

Constructing and maintaining roads and bridges represent one of the largest financial outlays by county governments. The condition of many rural roads and bridges, and the high costs to reconstruct them, will continue to hamper growth in the future. Again, as noted above, resources for infrastructure support, to say nothing of future improvements, are troublesome, especially in small, rural counties.

Unfunded mandates were reported as important by more than 90 percent of the counties participating in the survey. Not only do federal and state mandates mean a loss of local control, they are a significant cost factor for county governments. When local governments must implement actions imposed by other governments, they have less money to spend on local priorities. *Unfunded mandates can trigger higher local taxes or reduced services.*

**The third challenge** is posed by continued population trends which suggest a future increase in the number of counties with relatively small populations. These counties, especially under adverse economic conditions like the current economic climate, will encounter even more difficulty financing services. There is every indication that the small counties in sparsely populated areas will continue to face difficulties in revitalizing their economies. Of course, without high paying jobs, these counties will continue to experience difficulties retaining youth, attracting retirees, or in other ways stabilizing the population base. In many instances, the availability of access to high speed Broadband, which is essential to attracting businesses, is relatively low. While major efforts are underway to remedy this issue, the remote rural areas are likely to continue to lag behind their urban counterparts and the “state of the art” in this technology.

A strongly related issue involves access to high quality health care. Many counties in Illinois have neither a hospital nor access to medical specialties such as OB/GYN services. These counties will have major difficulties attracting the young families that are vital to revitalizing the population. Medical advancements in recent years have been possible through telehealth services and these will provide one approach to provide specialized services. At the same time, however, these services require access to high speed Broadband services.

Several novel ways have been found to provide services to remote areas. Providing dental services using a mobile van has worked in some cases as library services have for many years. Technology offers cost-sharing opportunities using central dispatching for public safety services. Small counties share a county engineer to gain access to specialized expertise at a portion of the cost. In the past, the State of Illinois provided technical assistance on management issues for small local governments as part of the outreach services offered by the former Department of Commerce and Community Affairs and previous agencies. Arrangements could be made so that several governmental agencies can obtain these services through shared staff or contractual arrangements. The State of Illinois might be well-advised to consider incentives, including financial aid, to small counties and municipalities to encourage them to acquire and use such arrangements. These are the kinds of approaches that will be needed in the future.

Small counties are already *Communicating, Cooperating, and Collaborating* in some instances. Small rural school districts have already had to take the next step to *Consolidate* delivery systems. Other states have had to take the next step, i.e. to *Centralize* some services. It is important that small units of local government explore opportunities to use technology and other innovative arrangements now to find ways to deliver high quality services and remain economically viable.

## So what does all of this mean?

In conclusion, county governments will be challenged to find new and innovative ways to manage resources. State government can be one part of these approaches by providing incentives to county boards to engage in innovative management practices that involve bolstering their fiscal capacity, sharing resources, and collaborating in the delivery of services.

Likewise, avoiding the imposition of mandated costs will help preserve local budgets. A combination of training and technical assistance will be important to success in these efforts along with helping rural counties to encourage private investment and rebuild their economies during the pending recovery period.

The next *Policy Profiles* in this series will describe innovative approaches currently used to assist local governments find a more positive financial future.

## Endnotes

[1]To understand the issues faced by county governments and how they address them, the Illinois Association of County Board Members and Commissioners (IACBMC) and the Center for Governmental Studies (CGS) at Northern Illinois University surveyed county board chairs by mail in Spring 2008. Statewide, 51 counties responded to the survey and the characteristics of the sample closely represent all counties surveyed (Because of it's size, Cook County was not included in the survey).

The results of a survey of county engineers, undertaken by CGS in association with the Illinois Association of County Engineers in summer and fall, 2008 was also used in preparing this *Profiles*. A total of 61 responses were received to this survey and, again, responses represented a strong cross-section of Illinois counties.

[2]Two other sources are used in this report to provide detailed information on conditions in Illinois counties. (1) A sample of 74 participants attending the 2009 Illinois Farm Bureau Governmental Affairs and Legislative Conference reported current issues and strategies needed in the next five years. This sample is neither random nor necessarily representative of all rural residents but does provide a broad view of the relative importance of specific issues to active rural leaders. By and large, the issues identified relate to local economic conditions. (2) The second source of information is the current county board chair survey described in endnote 1 which contained a detailed list of issues faced by local governments. The issues reported related mainly to management questions and concerns.

[3]The combined sets of information present a broad picture of county conditions and management issues.

Twenty-five of the 35 respondents to the surveys described in notes 1 and 2 utilized such a strategy. In answering the surveys, respondents could check all survey options that applied to budget strategies.

[4]Readers should be aware that per capita figures can partially distort the comparisons because population declines mean the expenditures or revenues are spread over fewer residents.

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### Forthcoming Issues:

The next issue of *Policy Profiles* will continue the discussion in this issue by focusing on the problems and uncertain future of Illinois' small rural counties which are experiencing severe losses in both population and local tax base. Following that will be an issue that will discuss services for the elderly, with special emphasis on prevention of elderly abuse. Also planned is a *Profiles* discussing issues related to the provision of health insurance to local government employees.

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