NACo survey: Counties settling into the ‘new normal’ of revenue, staffing and service

WASHINGTON, D.C. – A new National Association of Counties (NACo) survey shows that counties large and small appear to be settling into the “new normal” of revenue, staffing and service delivery levels after years of revenue losses in a U.S. economy struggling toward recovery.

“Coping with the New Normal: An Economic Status Survey of Counties” is the seventh survey in a series of twice yearly efforts by NACo to capture information about counties as they struggle with the current fiscal situation. The new survey shows counties are continuing to make difficult budget decisions and are still scaling back or deferring certain activities to help them through their current fiscal year.

Although most financial analysts believe that the recession ended more than a year ago, local economies affecting county governments continue to struggle toward recovery. As this economic slowdown drags on, counties have made increasingly more severe – or long term in nature – budget adjustments to try to adopt balanced budgets and still maintain mandated service deliveries.

“As a result of the slow economic recovery, counties appear to be settling into the ‘new normal’ of revenue, staffing and service delivery levels,” said NACo Executive Director Larry E. Naake.

In early October, NACo surveyed all counties that have professional managers, clerks or administrators. Of these 2,000 counties, 233 responded representing 38 states. Counties of all budget sizes responded providing a good representative distribution of counties in the nation by population.

Key findings include the following:

- Only 35 percent of responding counties (69 counties) report that they adopted balanced budgets this fiscal year with no anticipated shortfalls.
- More than half of responding counties (51 percent or 107 counties) report that declining revenues from the state and federal government was the number one contributor to their shortfalls.
- Two thirds of responding counties (66 percent or 143 counties) report employing fewer
• county employees this fiscal year as compared to the number of county employees in FY2010.

The cuts are being felt by Americans all across the country since county governments are responsible for providing so many essential services important to communities. These services include maintaining roads and bridges, operating airports and other transit systems, delivering critical health care services, providing law enforcement, courtroom and jail services, funding schools, and numerous social services for seniors and families. Many counties are the first line of defense for emergency and pandemic preparedness and response.

The budget cuts and staffing adjustments, the new survey shows, have touched nearly every aspect of county government services:

• Planning, Zoning, Engineering, Surveyors, Code Enforcement (46 percent reported cuts);
• Roads, Highways, Transportation (45 percent reported cuts);
• Administration, Budget, HR (42 percent reported cuts);
• Sheriff, Police & Fire & Rescue (35 percent reported cuts);
• Human Services, Children, Seniors, Veterans (33 percent reported cuts);
• Public Works, Building & Grounds, Water, Sewer, Waste Management (31 percent reported cuts);
• Health (26 percent reported cuts); Libraries (26 percent reported cuts), and Jails and Corrections (25 percent reported cuts).

Naake said NACo leadership and members will continue to work with Congress and the Administration to address the troubled economy.

“Despite the local budget challenges, counties are ideally situated to lead the way back toward economic growth and opportunity in communities across the country,” Naake said. “We pledge to continue to work in partnership with our federal leaders to meet these great challenges in these most difficult times.”

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The National Association of Counties (NACo) is the only national organization that represents county governments in the United States. Founded in 1935, NACo provides essential services to the nation’s 3,068 counties. NACo advances issues with a unified voice before the federal government, improves the public’s understanding of county government, assists counties in finding and sharing innovative solutions through education and research, and provides value-added services to save counties and taxpayers money. For more information about NACo, visit www.naco.org.