

NACo Annual Report 2010 - 2011



County Government Works



NACo Annual Report 2010 –2011

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Identifying the corporation responsible for a program or service

The National Association of Counties' consolidated family is a group of corporations organized to provide services and products for county government elected officials, administrators, employees and residents.

In this report, acronyms will appear in parenthesis following information about different programs and services. The acronyms identify the corporation responsible for the program or service: National Association of Counties – NACo; National Association of Counties Research Foundation – NACoRF; NACo Financial Services Corp. – NACoFSCorp.

About NACo – The Voice of America's Counties

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.

In August 2006, NACo was named one of nine remarkable associations in the United States after a four-year study conducted by the American Society of Association Executives and The Center for Association Leadership because of its commitment to members and purpose.

With its headquarters on Capitol Hill, NACo is a full-service organization that delivers its services through its dedicated and skilled staff who comprise the following departments: Executive Office, Legislative Affairs, Public Affairs, County Services, Information Technology, Financial Service Center and Finance and Administration.



NACo Executive Committee



Hon. B. Glen Whitley
President
County Judge
Tarrant County, TX



Hon. Lenny Eliason
First Vice President
Commissioner
Athens County, OH



Hon. Christopher T. Rodgers
Second Vice President
Commissioner
Douglas County, NE



Hon. Valerie Brown
Immediate Past President
Supervisor
Sonoma County, California



Larry E. Naake
NACo Executive Director
Washington, D.C.

President's Message

NACo takes important steps to raise county awareness

Dear colleagues and friends,

Thank you so much for the opportunity to serve as your 2010-2011 NACo President. What an exciting, challenging and gratifying year. It's been extremely busy, but I wouldn't have it any other way.

When I became president in July, I made a commitment to raise awareness about county government and to bring our spirit of county cooperation and progress to the national debate in Washington.

The way I saw it, NACo could become a stronger *voice in* Washington. Its success at developing policy positions through consensus and collaboration would become a *choice for* Washington. I wanted D.C. policymakers to see that our way of doing business works. I wanted them to see that there is another way to address policy issues, without becoming overly political or too personal.



NACo President Glen Whitley

In July, I outlined an ambitious agenda focusing on six areas to strengthen NACo and benefit our country:

- ⚙️ Raise public awareness of how county government works;
- ⚙️ Push hard to always be at the table in Washington;
- ⚙️ Strengthen the partnership between counties and the federal government;
- ⚙️ Continue our work to resolve the immigration issue;
- ⚙️ Find ways to welcome home our veterans and to watch over their families while they are away; and
- ⚙️ Help the parishes and counties affected by the British Petroleum oil spill.

I'm proud of the many achievements and the tremendous progress we made on these priorities. We have taken important steps toward being a *choice for* Washington.

In May, we had an excellent five-hour meeting at the White House with President Barack Obama, Vice President Joseph Biden, five Cabinet-level Secretaries and other senior Administration officials. The next day, officials from the Large Urban County Caucus were joined by seven senators, led by Sen. Jay Rockefeller of West Virginia, in a news conference regarding turning Medicaid into a block grant program.

Over the past year, we raised public understanding about counties through our successful County Government Works Campaign. We now have an online toolkit to help county officials tell the story of the good work that

county government does every day. We are developing an online game about county government for students. There are “how-to” templates in the toolkit to assist in writing an informational fact-filled pamphlet, giving a speech about your county or even setting up a citizen university.

We have energized county officials to tell the county story and they are excited to do it. County officials from across the country are participating in the County Government Works campaign and the National Association of County Information Officers is helping. My goal is to get everybody on board.

We are advancing the cause of veterans, active-duty service members and their families through a task force that highlights the best county programs and best practices to help our heroes. They are Americans who faithfully served our country and I promise you, we will do all that we can to make their homecoming successful.

We are assisting counties affected by the BP Deepwater Horizon Oil Spill, through a NACo Gulf Counties and Parishes Oil Spill Task Force that developed NACo’s position on the cleanup and restoration of the Gulf Coast. We were successful in getting county and parish officials appointed to the federal Local Government Advisory Committee Gulf Coast Restoration Working Group to ensure the Administration heard county concerns.

In addition, NACo reached 100 percent membership earlier this year. All 3,068 counties in the country were members because a special one-year program added 724 new NACo members. Our challenge now is for these counties to rejoin next year.

On every one of these points, I used the word “we.” What we are doing and what we have achieved was a team effort with NACo leadership, county officials and



COUNTY GOVERNMENT WORKS

An Initiative to Raise Awareness and Understanding of Counties

staff all working together to reach these goals. It could not have happened any other way.

One of the highlights of my year as President was getting the chance to meet with county officials from different parts of the country. In those meetings, it was absolutely great to share ideas and information. I learned so much about the challenges counties face and the innovative solutions we develop to address them.

For me, it has been invigorating and inspirational to see the continued commitment of local government officials to public service, even in the face of the current economic challenges. Thank you for all that you do. Your efforts are what make county government a success. We are the best form of government, the closest to the people and the most responsive to their needs.

This report provides information on NACo’s accomplishments this past year. It shows how NACo – *your association* – is working for you and the residents of your county. Again, thank you for letting me serve you as NACo President. It is an experience that I will cherish forever.

Sincerely,

B. Glen Whitley
NACo President
County Judge
Tarrant County, Texas

Executive Director's Message

White House meeting highlights accomplishments

Dear NACo Member,

Thank you for your continued support and participation in NACo, which makes our association strong and more successful. During the past 12 months, we have had a number of achievements that have built on our successes.

One of the top achievements was a White House meeting in May for 90 county officials with President Barack Obama, Vice President Joe Biden, five Cabinet-level Secretaries and other Administration representatives.

Three panels of Cabinet Secretaries and Administration representatives discussed issues important to counties and answered questions posed by the officials. Vice President Biden spoke about budget and debt ceiling deliberations. President Obama closed the meeting pledging to work with county officials on the key issues facing our country.

The day after the White House meeting, NACo's Large Urban County Caucus held a news conference in the U.S. Capitol with Sen. Jay Rockefeller and six other Senators to announce opposition to changing Medicaid to a block grant program. Both the White House meeting and the news conference are examples of NACo's continuing efforts to strengthen partnerships with the Administration and Congress.

A second major achievement was NACo reaching 100 percent membership for the first time. Through a special program with support provided by CVS Caremark, our partner on the NACo Prescription Discount Card Program, we added more than 700 new member counties this year through a special one-year trial membership.



President Barack Obama spoke at a White House meeting on May 3 to 90 county officials some of whom are reflected in a glass to the left of the stage.

This brought our association to an historic milestone never before achieved. All counties in the United States were members of NACo in early 2011. A few members did not renew prior to the Annual Conference. But it was still an amazing achievement. Thank you all for making it happen. Throughout the year, NACo officers, county officials and NACo staff worked to get the new members involved and participating in their association with the hopes that they will renew next year.

Another achievement is NACo's strong financial situation and its good foundation going into the future. NACo has a diverse set of revenue sources, which has enabled it to keep dues at the same level for the past five years.

NACo is also looking to the future by carrying out a strategic plan that was approved by the Board of Directors in December 2010. The plan has eight goals with a number of action items in each. The goals are:

- ⚙ Increase Member Engagement;
- ⚙ Better Demonstrate Our Value to Members;
- ⚙ Further Engage the Corporate Community in NACo and County Programs;
- ⚙ Implement Changes and New Ideas to Improve Future NACo Conferences;
- ⚙ Transition NACo to a More Digital Organization;
- ⚙ Develop Value-Added, New Programs and Services;

- ⚙ Increase Public Awareness and Understanding About Counties; and
- ⚙ Further Stimulate Staff Engagement to Better Serve Our Members.



NACo Executive
Director
Larry E. Naake

The Board receives regular updates at its meetings on the plan's progress. A complete review of the strategic plan and its goals will be included in the 2011 - 2012 Annual Report.

NACo has a number of other achievements including legislative successes, the webinar series, a new feature of website, grant programs, special forums, money-saving programs and much more. This Annual Report provides you with information about all of these programs, how NACo is using innovation and what is planned for the future.

I hope that you find the report interesting and informative. It is an honor and a pleasure for me and the entire NACo staff to serve the hardest-working government officials in the country – county officials.

Sincerely,

A handwritten signature in black ink that reads "Larry E. Naake". The signature is written in a cursive, flowing style.

Larry E. Naake
Executive Director

Presidential Initiatives

County Government Works— A Campaign to Raise Public Awareness

“We will raise public awareness about how County Government Works.”

With those words, Tarrant County (Texas) Judge Glen Whitley launched a groundbreaking presidential initiative intended to change the relationship between county residents and their elected officials.

“We want people to know who we are and what we do,” President Whitley told the NACo annual conference at its July meeting in Washoe County, Nevada. “We want to remind Washington policymakers that county government is where the rubber meets the road. In fact, we want them to know that it is county government who usually builds the road.” There is a great need to brand our association and our counties so that everyone knows what county government does and how efficient and effective it is, he said.

Under the direction of President Whitley, county officials and NACo staff developed tools for carrying out the initiative, enabling county officials across the nation to tell the story of county government. Over the past year, at NACo conferences and state association

meetings President Whitley explained the “County Government Works” initiative. County officials were quick to embrace the idea of sharing best practices and innovative ways to reach the public.

The new County Government Works toolkit developed for the NACo website (www.naco.org) allows

county officials, for the first time, to have at their fingertips a variety of ways to reach and teach the public about counties. The tools make it easier for county officials to speak before a civic or community group, schedule a program at a school or even talk to lawmakers about unfunded mandates and how counties implement the laws they pass. The toolkit, a work in progress, includes:

- ⚙️ Brochures – A handy template counties can easily use to produce a brochure with helpful phone numbers, website links and information on programs, services, elected officials and fast facts about the county.
- ⚙️ Speaker’s Library – The library has talking points county officials can use to make a presentation to a civic or business group or even a school assembly.
- ⚙️ Programs for Students – There is information about setting up a student government day, a video project to teach students about counties and developing a middle school curriculum on county government.



- ❗ Public Service Announcements – There are video PSAs about programs and services that counties can download to their websites, use on government channels or provide to local television stations.



“Run Your Own County” is online game for students.

- ❗ Citizen Universities – There is information on how counties can set up citizen universities to inform and educate citizens about the work they do.
- ❗ County Programs – There are examples of public awareness programs that counties have used for National County Government Month.
- ❗ State Associations – There are many programs, videos and other teaching tools available from state associations that work to raise public awareness about counties.

In addition to the NACo website, NACo’s *County News* ran articles every month highlighting the tools and the county officials using them. NACo *e-News* promoted the initiative and President Whitley sent video messages to promote the initiative and National County Government Month (NCGM). NACo’s Legislative Conference encouraged county officials to participate in the initiative. A workshop and a booth with online access to the website were part of the effort at the conference.

Reaching students has always been a key component of the initiative. To make students more aware of the work that counties do and the importance of local government, NACo formed a partnership with iCivics to produce educational materials and a web-based game for the iCivics website to teach students about county government. Spearheaded by Justice Sandra Day O’Connor, iCivics is a web-based education project designed to reinvigorate civic teaching and learning (www.icivics.org). iCivics features free lesson plans, web quests, discussion forums, and games.

With these tools, iCivics strives to get the first generation of “digital natives” to become knowledgeable civic participants and leaders. The site is directed at middle and high school students. It is the first time on a national level that a web-based game on counties has ever been done. Most of the games currently

on the iCivics site focus on the federal level and the judicial branch.

The web-based county game will teach students how to run a county. It is a great opportunity to get information about counties into the classroom. In addition to developing and maintaining the website, iCivics has representatives in every state that work with school administrators and teachers to encourage them to teach civics and government.

The game will be highlighted and demonstrated at the Annual Conference in Multnomah County (Portland), Oregon. It will be ready for teachers to use in the fall.

NCGM is also an important part of the initiative. The theme for this year, “Serving Our Veterans, Armed Forces and Their Families,” tied into Whitley’s second Presidential Initiative – creating the Veterans and Military Service Task Force. As part of NCGM, county officials were urged to use the toolkit to create great activities and events that highlight county programs and services.

In addition, NACo created an awards program to recognize the top public awareness programs carried out during NCGM. Representatives from the National Association of County Information Officers (NACIO) selected winners from three population



categories. NACIO also created a special award as part of its annual awards program to recognize the top public awareness program created through a public information office. The winners will be recognized at the Annual Conference.

Veterans and Military Service Task Force

As part of a second Presidential Initiative, NACo President Glen Whitley created the “Veterans and Military Service Task Force” (VMSTF) to address issues important to veterans, members of the armed forces and military families. The task force is focusing on best practices and policies in four major subject

areas: (1) physical and mental health, substance abuse, suicide prevention; (2) housing and homelessness; (3) employment services and access to employment; and (4) justice system, including law enforcement, courts and probation.

The goal of the task force is to encourage NACo and its members to develop and highlight county best practices and policies that promote innovative programs, services and benefits for our nation’s military, veterans and their families. To meet this objective, NACo created a webpage to collect and share what counties throughout the country are doing to support our military. You can view the website at: www.naco.org/about/president/Pages/VeteransandMilitaryTaskForce.aspx.

Admiral Mike Mullen, Chairman of the Joint Chiefs of Staff, spoke at the 2011 Legislative Conference, asking county leaders to support the **Sea of Goodwill**, a framework to support service members, veterans and their families. The VMSTF supports the Sea of Goodwill vision that county leaders can motivate organizations and volunteers to direct their goodwill to the right individual and to encourage the “reintegration trinity” of education, employment and access to health care for life. The VMSTF has been working with the Department of Defense to develop model programs and resource guides to inform counties on how to establish and sustain collaborative community, state and regional Inter-Service Family Assistance Committees (ISFACs). Education, employment and healthcare are vital to the well being of the family life style and the ISFAC



guide facilitates community resources locally to empower, mentor and build resilience for members.

There are over 58,000 names on the Vietnam Veterans Memorial Wall in Washington, D.C. The VMSTF encourages all counties to support construction of an Education Center at the Wall. Once built, the Education Center will display photos of the men and women honored on the Memorial, tell stories about the brave patriots to visitors, share legacies and honor the service and sacrifice made by all veterans. County leaders can help preserve the legacies of their hometown heroes by passing county resolutions to raise awareness of the campaign to build and education center, collect photos and remembrances of the service members memorialized on the Wall, and help raise funds to build the education center. For more information, please view the Vietnam Veterans Memorial Fund website: www.vvmf.org.

Accomplishments

White House meeting with the President and Vice President

NACo experienced an historic event with a special meeting at the White House on May 3. A delegation of 90 county leaders, led by NACo President Glen Whitley, heard from President Barack Obama, Vice President Joe Biden and five Cabinet-level officials at a special White House briefing and dialogue on county issues.

The day ended with an appearance by President Obama who opened by extending his sympathies to anyone in the delegation whose county had been affected by the devastating outbreak of tornadoes a week earlier. He also spoke about Administration efforts to reduce regulatory and administrative burdens, provide flexibility for implementation of the Affordable Care Act and offer help by facilitating best practices and getting resources in the right place.



Vice President Joe Biden spoke about budget deliberations at the White House meeting.

The five-hour meeting was arranged by the White House and featured a high-level lineup of administration experts and leaders who participated in three panel sessions, and question and answer sessions. Vice President Biden spoke about the country's economy and the current deficit debate. The cabinet-level officials that participated were Homeland Security Secretary Janet Napolitano, Health and Human Services Secretary Kathleen Sebelius, Transportation Secretary Ray LaHood, Housing and Urban Development Secretary Shaun Donovan and EPA Administrator Lisa Jackson.

The topics covered during the panel discussions were "Infrastructure and Sustainable Communities," "Breaking the Cycle of Jail and Poverty," and "Health Reform Implementation and Medicaid." (NACo)

NACo reaches 100% membership

NACo added 724 new member counties this year through a special one-year trial membership bringing the association to 100 percent membership. The counties became members through a special program with support provided by CVS Caremark, NACo's partner on the Prescription Discount Card Program. A few existing members did not renew before the Annual Conference, but at the beginning of 2011, NACo reached a milestone never before achieved. All counties in the United States were members of NACo.

Early in the year, NACo began a series of actions to make the officials from these new member counties aware of the association's programs and to get them involved so that they would renew their memberships next year. Information packets

were sent to the chief elected official in every new member county in January, March and May. In addition, a mailing about NACo benefits went to all other elected board members from the initiative counties in April. Email messages promoting NACo conferences and programs were sent monthly to all officials from the new member counties. They also began receiving *County News*, NACo *e-News* and other promotional information.

In addition, a project was initiated to call all of the officials from the new member counties – the goal was to reach all 4,200 officials. A staff member was hired to work on this project full time. All of the NACo staff also assisted with the project calling approximately 40 county officials each. The calls were made to welcome them to NACo and inform



The Large Urban County Caucus held a news conference on May 4 with seven U.S. Senators to oppose changing Medicaid to a block grant program.

them about how NACo programs can help them and their counties. The officials were encouraged to get involved and join steering committees. They were made aware of the U.S. Communities cooperative purchasing program, the Prescription Discount Card Program, the Grants Clearinghouse, conferences, research assistance, webinars and much more. NACo hopes that by learning about the programs and services, these counties will become members for many years into the future. (NACo)

NACo advances legislative issues

NACo joins Senators to fight Medicaid block-granting

During NACo's Large Urban County Caucus fly-in, a news conference was held on May 4 with seven U.S. Senators, led by Senator Jay Rockefeller, to voice their opposition to the House-passed bill that would block grant the Medicaid Program. Counties were recognized by the senators as partners in this effort. The event attracted significant media attention.

Extension of 3% withholding requirement for one year

In a rare move, the IRS issued a proposed regulation in conjunction with the issuance of the final regulations on the three percent withholding law. The proposed regulation would require that all payments on contracts, whether new or existing, beginning January 1, 2014 would be subject to withholding. The final regulations provide an additional one-year extension for implementation of the requirement. Thus, payments for goods and services beginning January 1, 2013 will be subject to withholding.



NACo helped counties deal with the gulf oil crisis.

SRS and PILT in the House budget resolution

NACo successfully lobbied to keep Secure Rural Schools (SRS) and Payment In Lieu of Taxes (PILT) in the House budget resolution which has made substantial cuts in other domestic programs.

Oppose mandatory collective bargaining for public safety workers

With other coalition members, NACo continues to oppose mandatory collective bargaining for public safety workers. NACo believes any such bargaining should be at the discretion of the county.

Bills supporting D-Block spectrum reallocation to public safety

In coordination with other public interest groups and public safety organizations, NACo convinced the White House to support reallocation of the D-Block spectrum for public safety, and three bipartisan bills

have been introduced on both sides of the Hill to accomplish this reallocation. (NACo)

NACo assists Gulf counties

NACo strives to support and assist counties during national and local crises. Immediately following the BP Deepwater Horizon oil spill in April 2010, NACo began working to connect, advise, and advocate for the Gulf Coast counties and parishes affected by the spill. NACo formed an oil spill task force comprised of county and parish officials representing the affected states, facilitated a roundtable discussion about the oil spill at the 2010 NACo Annual Conference, held discussions with key federal officials (including the Administrator of the U.S. Environmental Protection Agency) regarding concerns about the federal response, and successfully advocated for a county voice on a federal panel charged with Gulf Coast restoration planning.

The NACo task force has taken a lead role in developing NACo's policy positions regarding the cleanup and restoration of the Gulf Coast. Based on their experience with the Deepwater Horizon spill, the task force also has developed recommendations to improve the federal emergency response to future oil spills under the Oil Pollution Act. (NACo)

U.S. Communities saves \$300M

The U.S. Communities program provided more than \$300 million in savings to counties and other public agencies in 2010 and will provide an equal value in 2011. The program now offers over 20 publicly solicited contracts to more than 45,000 registered public and non-profit agencies.

The newest contract, for food distribution services, offers significant savings to public institutions through a partnership with Premier, the leading cooperative providing food and equipment in the United States. The contract is delivered by U.S. Foods. Premier provides over 190 separate sourcing agreements, including locally sourced foods. View all contracts at www.uscommunities.org. (NACoFSCorp)

Rail Conference held in Du Page County, Illinois

The impact of freight and passenger rail on county, city and state governments and their communities was the focus of NACo's first rail conference, April 27 – 29 in Du Page County, Illinois.

The conference, "Moving Freight and Passengers in the 21st Century," explored the movement of freight rail in urban, suburban and rural communities and discussed funding challenges to modernize passenger and freight rail systems. The idea for the conference was generated by members of NACo's Transportation Steering Committee who have been debating and developing rail policy over the last several years.

The three-day conference began with a tour of two intermodal freight facilities, among the largest in the world, in Joliet, Illinois. The second day consisted of four panels: "The Movement of Freight Rail Today;" Passenger Rail – Present and Future Issues;" "The Next 25 Years;" and "Long Term Investment, Needs, and Impact of Freight on State and Local Government." More than 130 county, city and state officials participated in the conference. (NACo)



Webinars continue to provide high-quality information

During the first six months of the year, NACo has offered 28 of a planned 60 webinars scheduled for 2011. Webinars provide an easy-to-access, affordable (they are free to members) way to learn more about topics of interest.

The webinar series supports leadership initiatives and legislative priorities of the association, provides

skills-building how-to guidance, and trains and educates members on a wide variety of subjects. County employees who may rarely get to travel to attend training programs find webinars to be an excellent way for them to gain new skills and knowledge and can access them online.

NACo's webinar software also has been used during the year to conduct committee, task force and other meetings, saving travel costs and time for participants. (NACo/NACoRF)

NACo informs, advocates for counties as health reform advances

NACo understands the significant impact that the 2010 federal health reform law is having on counties and the uncertainties counties face regarding its implementation. As the Affordable Care Act is implemented by federal and state agencies, NACo continues to provide members with up-to-date information and to pursue opportunities for county voices to influence the details of implementing regulations.

Over the past year, NACo has reached more than 1,200 county officials through workshops at NACo and state association conferences, a webinar series, and other communications about health reform



implementation. Timelines, toolkits and other critical resources were made available on www.naco.org.

In addition to submitting comments on various proposed regulations under the Affordable Care Act, NACo members currently represent counties on three important federal committees overseeing aspects its implementation: the Advisory Group on Prevention, Health Promotion, and Integrative and Public Health; the Negotiated Rulemaking Committee on Designation of Medically Underserved Populations and Health Professional Shortage Areas; and the Health Information Technology Enrollment Workgroup. Finally, NACo initiated and has chaired

an informal coalition of organizations that represent local government, which convenes monthly to share information and strategies.

NACo will continue to work to provide county officials with the latest policy and program information about the Affordable Care Act. (NACo/NACoRF)

New approach to strategic plan

NACo has had a strategic plan in place for many years. But it has become apparent that the next three to five years will be extremely tough, financially and otherwise, for county governments in America. Even as the "Great Recession" recedes, there will be an 18 to 24 month lag for counties to recover revenues

from property and sales taxes and assistance from state and federal governments. In fact, revenues may not recover for many years to come.

In this challenging environment, the leadership and staff at NACo met last fall and asked the hard questions about the impact of what may become the “New Normal” for NACo and its ability to engage and serve members. NACo recognizes that it will become more difficult for it to engage members in these hard economic times.

Given these challenges and what opportunities might be on the horizon, the leadership and staff developed the “NACo Strategic Plan: Proposed Goals and Objectives for 2011 and Beyond.” The plan has eight goals with a number of action items in each that address these challenges. The goals are:

- ⚙ Increase Member Engagement;
- ⚙ Better Demonstrate Our Value to Members;
- ⚙ Further Engage the Corporate Community in NACo and County Programs;
- ⚙ Implement Changes and New Ideas to Improve Future NACo Conferences;
- ⚙ Transition NACo to a More Digital Organization;
- ⚙ Develop Value-Added, New Programs and Services;
- ⚙ Increase Public Awareness and Understanding About Counties; and
- ⚙ Further Stimulate Staff Engagement to Better Serve Our Members.

The NACo Board of Directors approved the plan at its meeting in December 2010. The Board received

reports on the plan’s progress at its meetings at the 2011 Legislative Conference in March and the Western Interstate Region Conference in May. Another report will be provided at the Annual Conference in July.

Like any strategic plan, it will evolve and change over time, with new questions and new objectives. A full report on the plan will be included in next year’s Annual Report. (NACo)

Deferred Compensation Program exceeds \$10 billion in assets

At the end of 2010, assets in NACo’s Deferred Compensation Program exceeded \$10 billion for the first time in its 31 year history meaning that each of the more than 360,000 county employees who participate in the NACo program will have a more comfortable retirement. The NACo program, administered by Nationwide Retirement Solutions, provides county employees the opportunity to save for their retirement using tax-deferred contributions.

Program participants benefit from NACo oversight that includes the Deferred Compensation Advisory Committee, composed of 15 county officials who are also program participants; the endorsements of 41 state associations of counties; and independent consultant studies that evaluate Program competitiveness and the financial creditworthiness of Nationwide Financial. For its sponsorship of Nationwide, NACo receives fees for the oversight and ongoing evaluation of the program that it provides. Almost half of these fees are apportioned to state associations of counties for their endorsement and sponsorship. In 2010, the total fee received by NACo was \$7.6 million. (NACoFSCorp)

Network of Care adds 50 sites

The Network of Care (NOC) is an interactive, single information internet network that develops unique county websites for behavioral health, aging and people with disabilities, developmental disabilities, children and families, domestic violence, and public health. The NOC websites allow consumers, caregivers and providers to access critical service information, support and advocacy, and communication tools. Available resources in the NOC include an easy-to-use service directory; comprehensive health library; secure, personal health record-keeping tool for consumers and caregivers; a political advocacy tool; and, links to pertinent web sites from across the nation.

In 2010- 2011, more than 50 new NOC sites were installed in approximately 40 counties in nine states. Most of the sites were installed in Oregon, where the Adjutant General implemented installation of the NOC Service Members, Veterans and Families site in each county. The Adjutant General is utilizing the site as a reintegration tool for the 5,000 service members returning to the state. (NACoFSCorp)



New initiative allows NACo to highlight Network of Care

In 2010, the U. S. Department of Health and Human Services launched a Community Health Data Initiative (CHDI) that focuses on the need for and use of health data in America. Under the leadership of Immediate Past President Valerie Brown, NACo has been an active and visible participant in the initiative.

Through the initiative, county officials have called attention to counties' uses of and need for timely and accurate health data: to develop policy, to monitor program effectiveness, to allow citizen access

to data and to help them make more intelligent decisions regarding their purchase of health care. Through meetings and forums conducted by CHDI, NACo's innovative Network of Care for Healthy Communities, offered in partnership with Trilogy Integrated Resources, has been demonstrated and showcased to a wide variety of governmental entities and community-based organizations. (NACoRF/NACoFSCorp)

Research highlights, helps counties

NACo provides ongoing analysis of issues facing America's counties, and regularly surveys, writes and reports about them. A few highlights of the past year: the publication, *Economic Status of Counties: the Recession Continues*, highlighted the lagging economy's continuing effects on counties, and was widely covered by national and local media.

A new video, *Counties 101*, designed to inform citizens and students about America's unique county form of government, was produced in June, and is available for members' viewing and use. NACo's Research Director, a member of the Census Advisory Committee, was recognized by the U. S. Department of Commerce for her effective outreach and education on Census 2010.

Counties rely on accurate and timely census data for planning purposes, for redistricting commissioner and other political districts, and for receipt of their fair share of state and federal funds where population data is used as a basis for their distribution. (NACoRF)

Public Finance Authority provides alternative financing solutions

In partnership with the Wisconsin Counties Association and the National League of Cities, NACo created the Public Finance Authority to provide alternative

financing solutions to local agencies and to private and non-profit sector groups that build health care, affordable housing and other public benefit projects.

The authority has issued more than \$50 million in bonds since September 2010 and anticipates issuing over \$500 million for projects in 2011. Projects range from charter schools to rural electrification, to affordable housing refinancing to assisted care and skilled nursing facilities. (NACoFSCorp)

Premier Corporate Members help counties and NACo

NACo's Premier Corporate Member Program continues to attract some of the largest and most innovative companies that are focused on providing solutions for county governments. NACo's 23 Premier Corporate Members contributed knowledgeable speakers for the technology summits and educational workshops to assist county elected officials understand how they can enhance citizens' quality of life, lower the cost of doing business, sustain economic development and increase their accountability.

The corporate members also actively participated on several committees, caucuses and regional meetings and contribute greatly to the financial health of NACo through their annual dues and sponsorship dollars. (NACoFSCorp)



Media coverage increases 9%

NACo saw nearly a 9 percent increase in overall media coverage in 2010- 2011. NACo received positive national media coverage for its advocacy efforts, programs and initiatives, and tracking trends and economic conditions in county government:

- ⚙️ A *Thompson-Reuters* article on the housing crisis cited data from a NACo survey and quoted President Glen Whitley. The article also appeared on the home page of ABCNews.com, FoxBusiness.com and yahoo.com.
- ⚙️ A *New York Times* article mentioned NACo support of policy requiring that all new buildings be greenhouse gas neutral by 2030.
- ⚙️ A *Wall Street Journal* article on local government pay freezes cited data from a NACo survey.
- ⚙️ A *New York Times* article on a tax cut issue on Long Island cited data from a NACo survey.
- ⚙️ An Associated Press article on county budget troubles on Long Island quoted NACo. The story appeared on NBCNews.com, ABCNews.com and CBSNews.com.
- ⚙️ A *Wall Street Journal* blog noted NACo's efforts to fight cuts to CDBG.
- ⚙️ *Governing* magazine publisher Fred Kuhn quoted President Whitley in his column following a meeting between NACo officers and the editorial board. In the same issue NACo's advocacy efforts opposing CDBG budget cuts was mentioned.



- ⚙️ An article in the Capitol Hill publication *The Hill* quoted a NACo letter to President Obama and Congressional leaders saying, “You really can’t solve the deficit by just cutting discretionary, non-defense spending.”

Election process, new Executive Committee structure implemented

During the 2010 Annual Conference in Washoe County, Nev., the election for NACo Second Vice President was the first held under new rules adopted by the Board of Directors that were designed to shorten campaign time and to curb campaign spending. The rules had the intended effect, with the cooperation of all three candidates.

An expanded NACo Executive Committee that included the NACo officers as well as four regionally-elected members, concluded its first full year of activity. Regional Executive Committee members have afforded additional perspective to policy deliberations and have augmented the association's membership marketing and retention efforts. (NACo)

Innovation

NACo, media partner highlight county energy efficiency investments

In January, 2011, NACo and its Green Government Initiative partner, EcoMedia CBS, hosted 70 NACo member county officials, corporate partners and federal agency staff in Studio City (Los Angeles County) at the 2011 County Forum on Energy Efficiency and Renewable Energy.

The forum focused on innovations in county energy efficiency programs, paying particular attention to local energy investments made as a result of the federal Energy Efficiency and Conservation Block Grant (EECBG) program. The generous support of corporate partners of the NACo Green Government Initiative enabled the association to provide a travel stipend to county officials attending the forum.

At the forum, EcoMedia CBS filmed interviews with county officials about their local energy projects. At no cost to NACo or the counties, the interviews were integrated with photographs, engineering plans and other materials into professionally produced energy success story videos for participating counties. The videos have been featured at www.naco.org, by the U.S. Department of Energy, and on county websites. (NACoRF)



Emerging strategies for justice systems being explored

NACo continues to build capacity to inform and assist counties in evaluating and reforming county criminal justice systems to save taxpayer money and improve public safety. This is being done through partnerships and grants with the U.S. Department of Justice, Council of State Governments, Pre-Trial Justice Institute and others.

The efforts include work to promote the use of federal medical benefits for individuals detained in county jails, collaboration with the National Reentry Resource Center, best practices for Criminal Justice Coordinating Councils, and continued promotion of the highly regarded Juvenile Detention Alternatives Initiative.

In addition, the NACo Research Foundation recently applied for a major new grant on the provision of indigent defense services in rural counties. (NACoRF)

Improvements coming to e-commerce capabilities

NACo's e-commerce capabilities are being enhanced to enable conference guests to register online and allow conference registrants to view and edit their badge information online. The ability for members to

create accounts will be improved, making it easier for members to pay on-line.

Improvements to the e-web site (e-commerce interface to the NACo website) will allow corporate associate memberships and County Intelligence Connection (CIC) subscriptions to be purchased online. Changes are being made to streamline and enhance the Achievement Award submission and payment process to encourage more award submissions. Finally, members will be able to submit and pay for jobs classification listings online. (NACo)

Technology adds value, flexibility and convenience to conferences

Introduced at the 2011 Legislative Conference, NACo's Online Learning Center allows conference attendees to view and listen to workshop presentations that they may have missed

during the conference, along with any PowerPoint slide shows that accompanied them. If there was a "handout" given during a workshop, a conference attendee can download that, too.

This new technology addresses a commonly-heard lament – "Officials can't attend all of the workshops that they'd like to attend." When officials get home, they can log into the Learning Center and "attend" after all. An added feature introduced for this year's Annual Conference in Multnomah County gave attendees the ability to plan their conference itinerary ahead of time and print it out at home for use while at the conference. (NACo)



The Future

Eliason to lead Healthy Counties Initiative during Presidency

With leadership and support from NACo First Vice President Lenny Eliason, the association launched a Healthy Counties Initiative in 2011 to enhance public-private partnerships in local health delivery, improve individual and community health, and further assist counties to effectively implement federal health reform. Eliason plans to emphasize healthy lifestyles and local food systems, including the topics of nutrition and physical activity, during his term as president of NACo in 2011-2012.

As of May 2011, six corporate partners have joined the NACo Healthy Counties Initiative and, in addition to providing expertise and financial support, are serving alongside county officials on the NACo Healthy Counties Advisory Board. Webinars, workshops and plans for an educational forum are underway.

NACo and our Healthy Counties Initiative partners are also exploring ways to collaborate with the federal government's Community Health Data Initiative and First Lady Michelle Obama's "Let's Move!" campaign. (NACoRF)



'My NACo' to foster communication among members

NACo is developing a social networking feature for the NACo website. This special feature, to be called "My NACo," will be a secure, password protected area of the site that will enable member county officials and staff to communicate with colleagues, and the NACo staff. My NACo will provide a forum for members of steering, standing and ad hoc committees and task forces and affiliates to get information, discuss issues and policies, and receive updates on legislation and regulations. (NACo)

Certificate in 'County Leadership' under development

Often overheard and often mentioned in NACo surveys is the belief that NACo should offer a series of adult learning programs that, upon completion of the series, would result in the awarding of a "certificate" that recognized that achievement. NACo staff has gotten the message. In consultation with members of the Programs and Services Committee, NACo staff is developing a continuing education module in county leadership.

The program is designed to offer a national perspective on leadership, and will complement, but not

supplant, state association and affiliate organization continuing education already being offered. Attending designated conference workshops and participating in online learning programs and webinars would count toward completion of the module. Stay tuned as the credential program is implemented. (NACoRF)



County News going electronic

NACo staff has begun the process of reviewing digital publishers in anticipation of offering NACo members a digital, eCountyNews within the next year. The digital version would be accessible to SmartPhone and tablet users, (iPhones, Android phones, iPads) as well as on the more traditional desktop via the Internet. Digital publications are typically more interactive and significantly less costly to distribute than traditional print publications. (NACo)

Forum for Presidential candidates to be held in Iowa

NACo is working with the Iowa State Association of Counties to hold a forum for candidates for U.S. President at the association's November 2011 meeting in Des Moines. This is part of NACo's Strengthening the Partnership campaign, an effort to build a better working partnership between the federal government and counties. Four years ago, NACo and ISAC held a similar candidates forum in which five candidates and representatives for two others candidates spoke. (NACo)

Counties to determine value of 'cloud computing'

In collaboration with the NACo Financial Services Corporation, NACo has partnered with Microsoft to conduct pilots with county governments to determine the value of "cloud computing" (obtaining services through the Internet) by moving key services (e-mail and document sharing), previously hosted on-site at the county to a commercial data center run by Microsoft. (NACo/NACoFSCorp)

NACo, Georgia institute to release county governance study

NACo's partner in the National Center for the Study of Counties, the Carl Vinson Institute of Government at the University of Georgia, is partnering with NACo to produce a report that examines changes and trends in county government structure that have occurred primarily as a result of the recession and economic

downturn. With less revenue and added responsibilities, counties across the country are looking at ways to address the delivery of services, including making fundamental changes in the way they are organized and managed. Eleven case studies are the focus of the report, which will be released next fall. (NACoRF)

NACo to convene coastal counties

NACo plans to offer an educational forum this fall for elected officials and key staff from coastal counties across the country to discuss the latest information, ideas, tools and resources for restoring coastal areas, utilizing green infrastructure in coastal communities, enhancing resiliency to storms, floods and inundation and sustaining local economies.

The forum builds on several programs and services NACo already offers coastal counties, including the Coastal Counties Restoration Initiative, the Five Star Restoration Program, the Digital Coast, and the partnership with the U.S. Forest Service's National Urban and Community Forestry Advisory Council. (NACoRF)



Financial Information

NACo ends 2010 with net operating surplus of \$1.8 million

NACo's consolidated financial operations ended the 2010 fiscal year on December 31 with a net operating surplus of \$1.8 million, a \$740,000 increase over the 2009 operating surplus. Operating revenue increased by 1.9 percent from 2009, while operating expense declined by 1.8 percent.

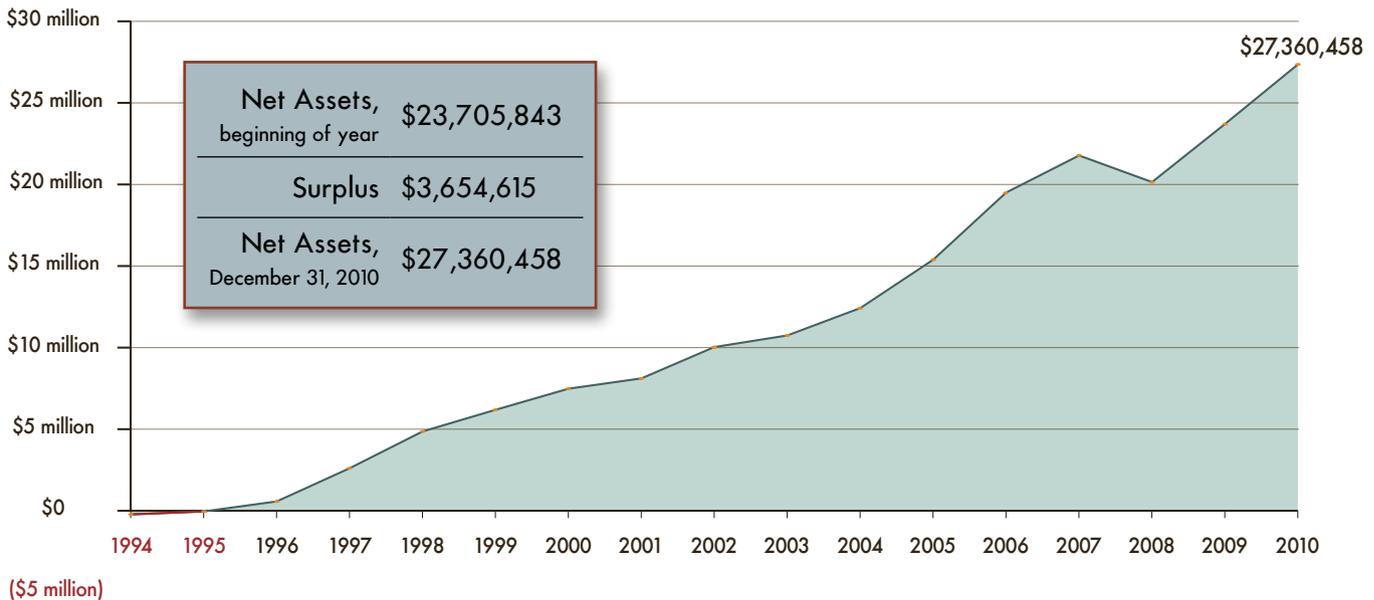
Revenue from NACo's for-profit subsidiaries increased by 8.1 percent over 2009, based on growth in the U.S. Communities cooperative purchasing program. In addition to providing valuable services to local government agencies these programs contributed almost \$7 million to the

NACo bottom line. During 2010, counties and other public agencies saved more than \$300 million on \$1.6 billion in purchases through the U.S. Communities program.

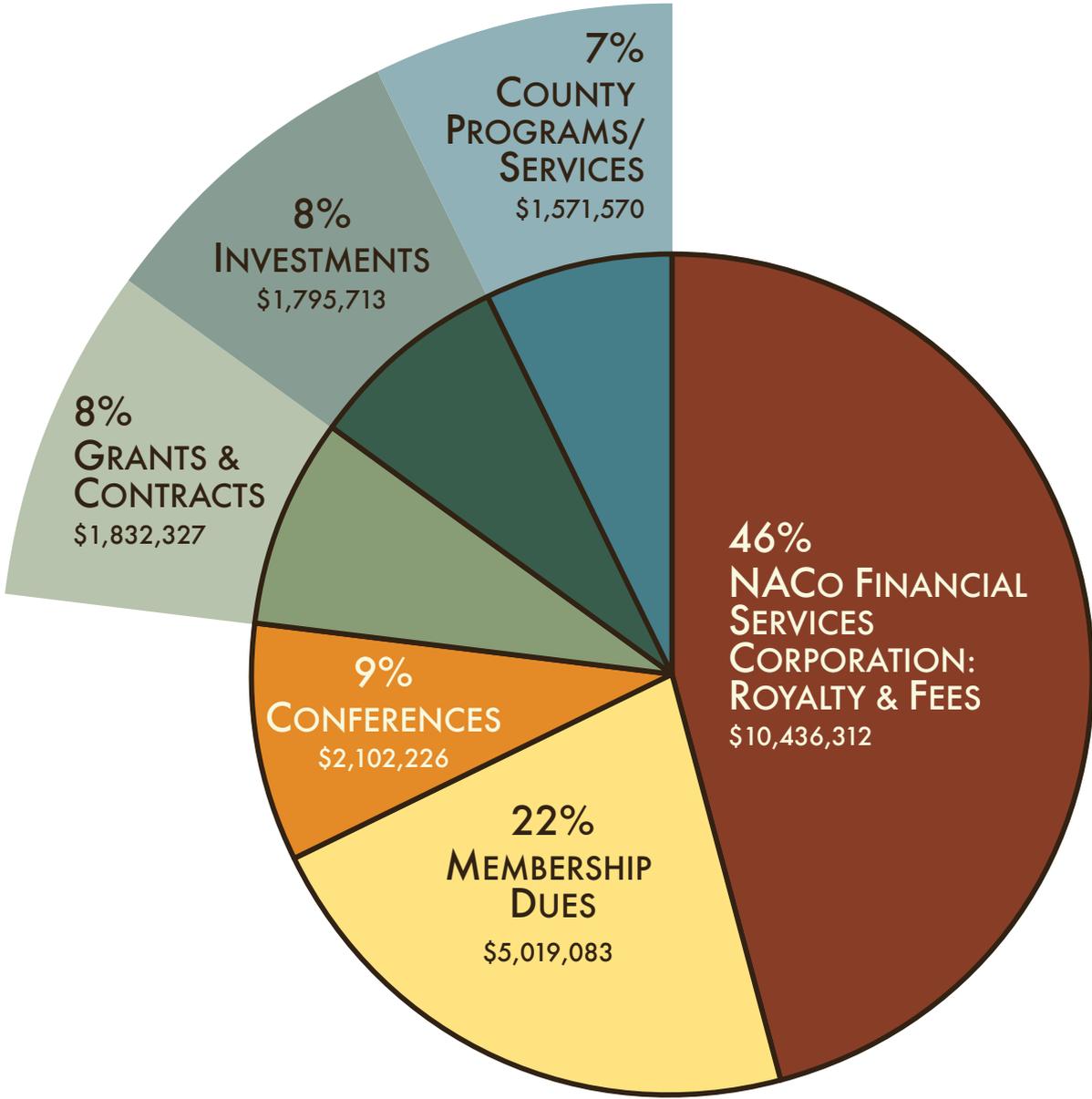
Budget constraints at the local level were reflected in lower revenues from membership dues and conference registration. Conference revenue declined 16.5 percent from 2009, while conference expenses declined by 15.5 percent. County membership revenue declined by 3.8 percent, but membership dues still contributed over \$5 million to NACo's bottom line.

Net assets increased by \$3.6 million to \$27.3 million, based on \$1.8 million in investment gains in the NACo reserve portfolio. Over the past 11 years, the reserves have more than tripled in size.

Net Assets 1994-2010

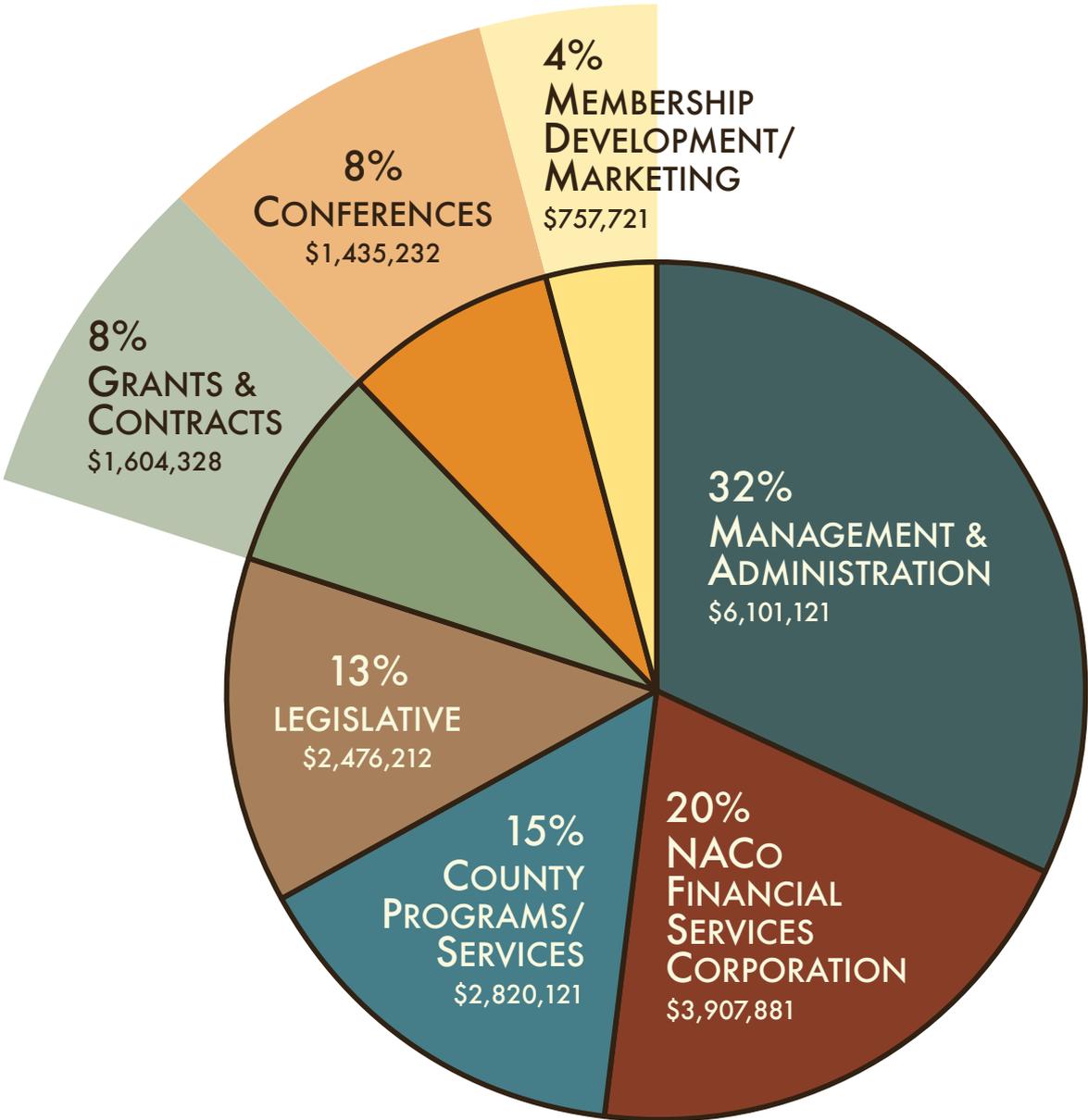


Sources of Revenue



Total Revenue - \$22,757,231

Expenditures by Program



Total Expenses – \$19,102,616



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