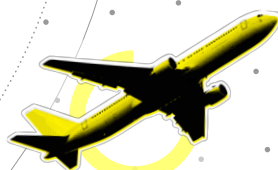
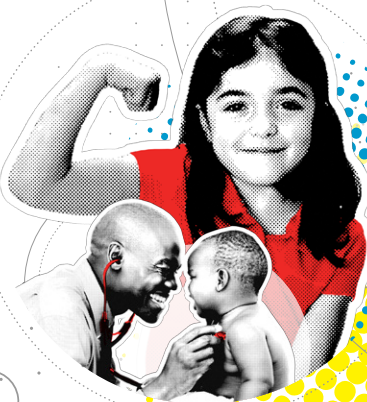
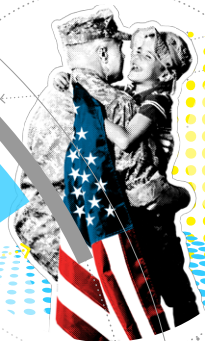


PRIORITIES IN AMERICA'S COUNTIES 2016

A SURVEY OF COUNTY OFFICIALS





ACKNOWLEDGMENTS

The author would like to thank the 154 NACo policy steering committee members who responded to the 2016 NACo survey. Within NACo, the author thanks Paul Beddoe, Mike Belarmino, Brian Bowden, Matt Chase, Deborah Cox, Daria Daniel, Maeghan Gilmore, Emilia Istrate, David Jackson, Chris Marklund, Brian Namey, Kathy Nothstine, Hadi Sadigh, Arthur Scott, Jacob Terrell and Julie Ufner for their suggestions and contributions to the research. The author extends her appreciation to Yessenia Gonzales and Jonathan Harris for helping with the survey, to Emily Star for creating the graphic design of the report and to Coleman Davis for designing the website that accompanies the research.

ABOUT NACo

The National Association of Counties (NACo) unites America's 3,069 county governments. Founded in 1935, NACo brings county officials together to advocate with a collective voice on national policy, exchange ideas and build new leadership skills, pursue transformational county solutions, enrich the public's understanding of county government, and exercise exemplary leadership in public service.

There are 3,069 county governments in the United States that provide front line support for the health, safety and prosperity of our local communities — and our nation. Whether by providing water and sewage services, generating economic opportunities for job seekers and local businesses, administering elections or supporting libraries and arts programs, we play an essential role in the everyday lives of residents and workers across the country.

No two county governments are alike in their structure and delivery of services, but we are united in our commitment to serving the public. To better understand what issues affect and matter most to us, the National Association of Counties (NACo) conducted a survey in April 2016 of elected and appointed officials (the 2016 NACo survey) who serve on NACo's policy steering committees (see the Methodology section for more information on the sample). The survey collected opinions and perceptions of the top issues in our counties. The analysis of the survey results describes challenges and priorities perceived by county policymakers in seven areas: the fiscal environment, economic development, infrastructure, health and human services, poverty, public safety and the impact of federal and state policymaking.

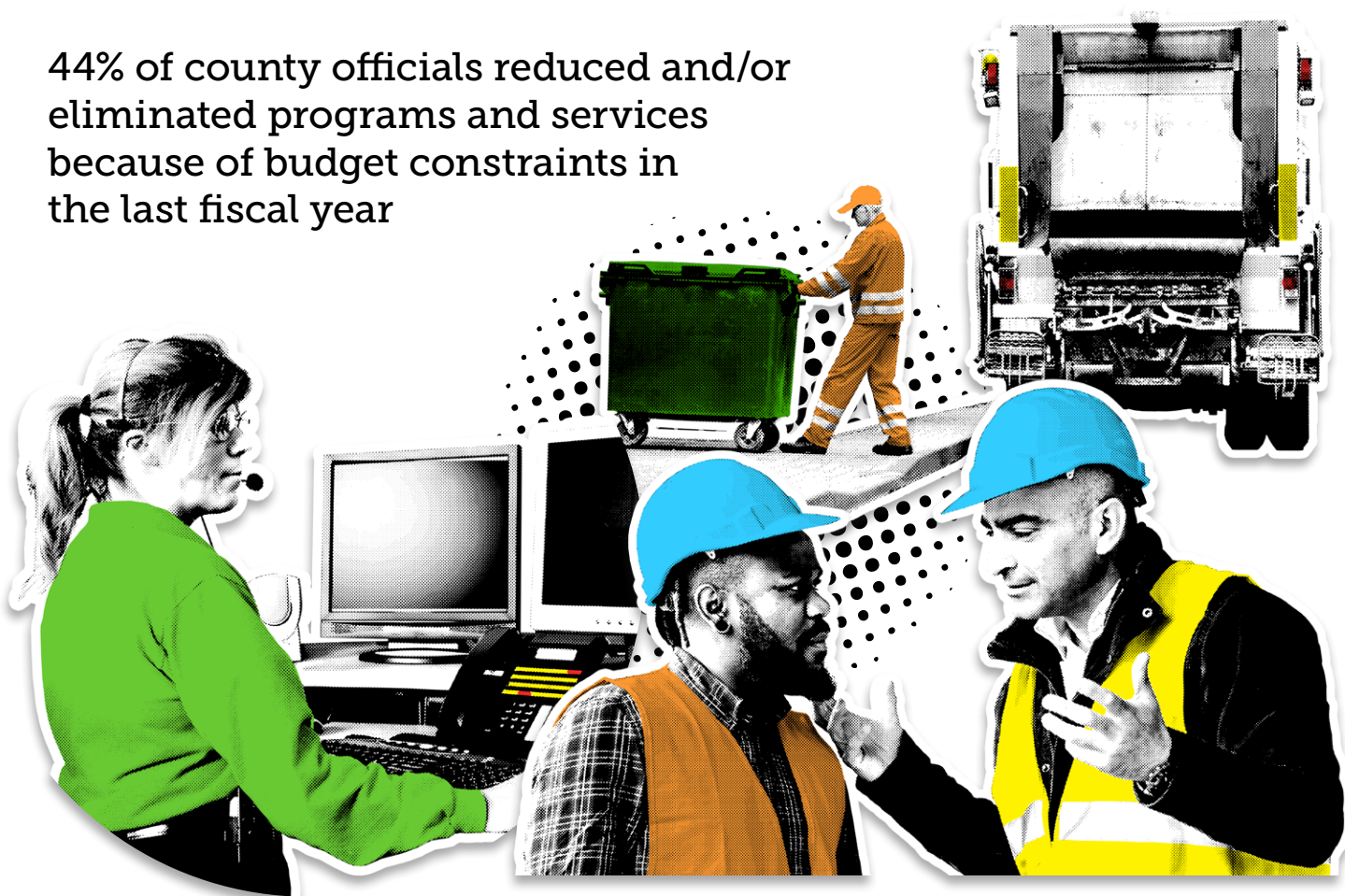


A CONSTRAINED FISCAL ENVIRONMENT CONTINUES TO AFFECT COUNTY PROGRAMS, SERVICES AND RESIDENTS

County governments devote more than \$550 billion annually to provide services to over 310 million people.¹ Providing consistent levels of funding for programs and services while budgets are under pressure is a significant and persistent challenge facing county governments, especially since most states require local governments to operate under a balanced budget.² Significantly, most county economies have not recovered to pre-recession levels, including on measures like median home prices and number of jobs.³ Over one-third (38 percent) of county officials responding to the 2016 NACo survey indicated a reduction in the capacity of a county program or service because of budget constraints in the past fiscal year. An additional 13 percent of responding county officials reported that they had eliminated a program or service.

Fiscally constrained county government inhibits the capacity of the county safety net to meet the basic social, physical and health needs of vulnerable community members, especially low-income families and individuals. Our safety net also provides emergency services to meet the needs of the unemployed and underemployed. Protecting our revenue sources and growing our budgets is critical to the strength of the county safety net to assist disadvantaged families and individuals who struggle financially to meet their basic needs. Forty (40) percent of respondents to the NACo survey expressed a high level of concern over the effect of budget constraints on the strength and future of the county safety net. Reductions in services affect the most at-risk populations who have the greatest need for additional services, including families with children living in poverty, the working poor and older adults.

44% of county officials reduced and/or eliminated programs and services because of budget constraints in the last fiscal year



Adapting to our fiscal environment, we are exploring partnerships and cooperative agreements with other entities to maintain the broad array of programs and services traditionally provided by county governments. Shared services allow us to collaborate with other local governments, non-profit organizations and businesses or industries to manage costs, improve efficiency and provide quality services. Local government partnerships can leverage valuable resources that sustain innovative and impactful policies, programs and services. Most 2016 NACo survey respondents — 91 percent — formalized a relationship to deliver services with another local government or a non-government entity within the past fiscal year. Shared service arrangements formalized in the past fiscal year most often involve other counties — 66 percent of responding county officials reported that they formalized a relationship with one or more counties. More than half (56 percent) of respondents indicated that they formalized a relationship with cities.

COUNTY ECONOMIC DEVELOPMENT DEPENDS ON HOUSING, SKILLED WORKERS AND INFRASTRUCTURE INVESTMENT

Counties invest close to \$11 billion in housing and community development annually.⁴ Economic development creates opportunities and builds the future of our communities and residents. Close to half (42 percent) of respondents to the 2016 NACo survey indicated that affordable housing is the biggest challenge facing county economic development. High housing costs can dislocate individuals and families, who take their job skills elsewhere when they leave the county. Counties also grapple with a shortage of workers who have the skills desired by current and prospective businesses and employers, as reported by 32 percent of responding county officials.

Technology and the need to access data and information quickly and efficiently is an opportunity, but also a challenge to some counties. For more than one quarter (27 percent) of survey respondents, inadequate or unavailable broadband internet service is a significant challenge to economic development.

71% of county officials indicate additional investments in roads and bridges would have the greatest positive impact on county economic development



72% of county officials would prioritize repairing county-owned roads with more funding for surface transportation



INFRASTRUCTURE INVESTMENTS SUPPORT STRONG COUNTY ECONOMIES

Counties invest more than \$122 billion in building and maintaining infrastructure and operating public works annually.⁵ Modern, well-maintained infrastructure is essential for creating jobs, sustaining economic growth and improving the quality of life for residents in every corner of the country. Seventy-one (71) percent of county officials responding to the 2016 NACo survey reported that additional investments in roads and bridges would have the greatest positive impact on county economic development. About half (49 percent) of survey respondents identified broadband internet as another type of infrastructure that would have a positive effect on county economic growth and opportunities with extra investments. About one-third (32 percent) of respondents pointed to larger investments in public transit systems as a way to improve county economic development.

Counties own and maintain 46 percent of America's roads and 40 percent of its bridges, critical components of the country's surface transportation system.⁶ This explains why we and other local governments supported the passage of the Fixing America's Surface Transportation (FAST) Act, which was enacted in 2015. The FAST Act provides five years of funding to plan, fund and deliver transformative transportation projects. Implementation of the FAST Act will help counties address gaps in funding for surface transportation projects. This federal funding comes at a critical time — 20 percent of county officials responding to the 2016 NACo survey reported a decrease in the current fiscal year's surface transportation budget compared to the past fiscal year.

Additional funding for surface transportation would allow counties to ramp up deferred road and bridge maintenance and construction projects and connect communities. A large share — 72 percent — of respondents to the 2016 survey indicated that they would prioritize repairing county-owned roads with additional funding for surface transportation projects. More than half (57 percent) of respondents reported that more surface transportation funding would allow them to prioritize the improvement of existing travel routes of county-owned roads, including paving dirt roads that would expand school bus routes. Over one-third (35 percent) of respondents said that they would prioritize replacing county-owned bridges if they had extra money to complete the project. Money for these types of projects is fundamental to a safe surface transportation system.

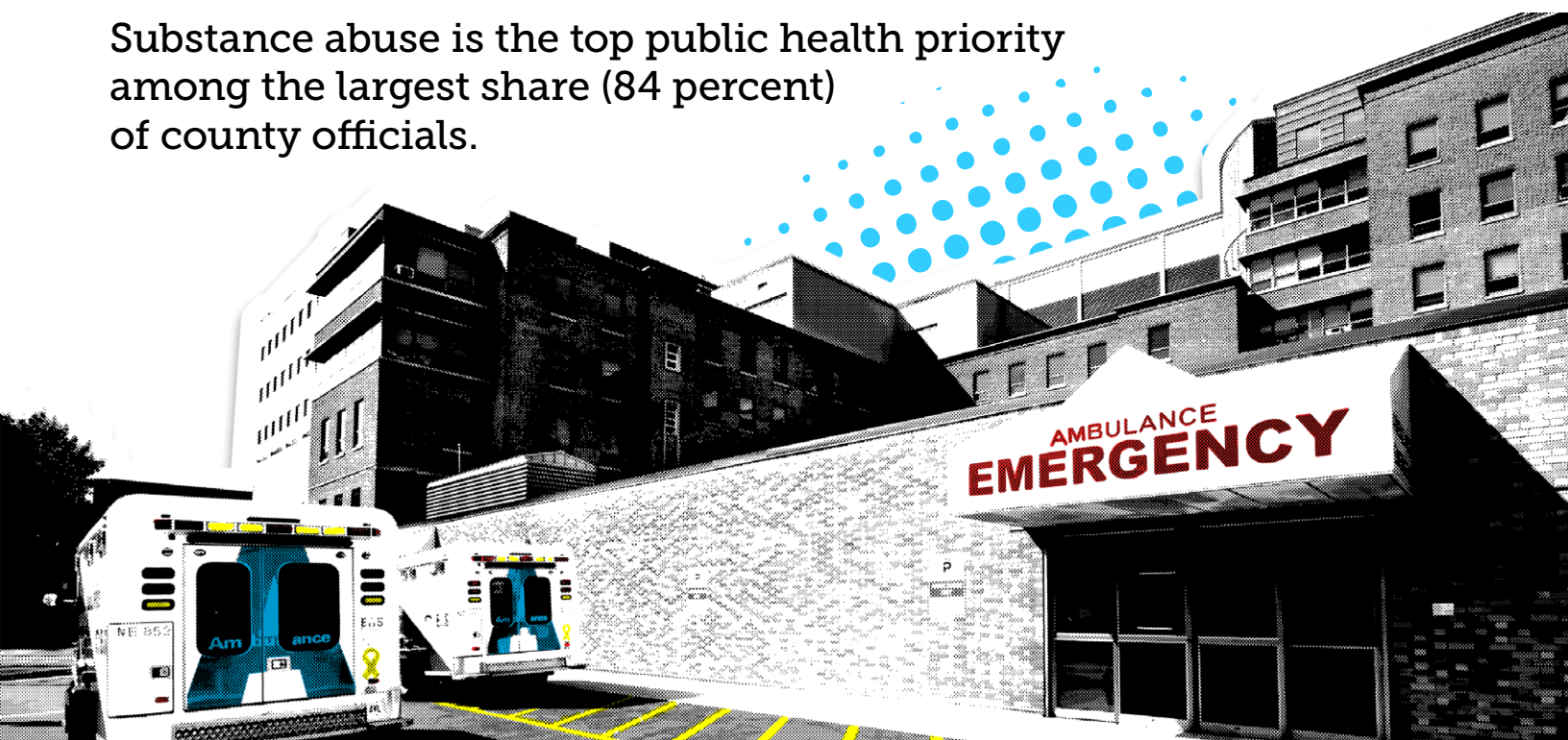
ACCESS TO HEALTH CARE, CHRONIC DISEASES, SOCIAL DETERMINANTS OF HEALTH AND SUBSTANCE ABUSE TOP THE HEALTH ISSUES AFFECTING COUNTIES

At the most basic level, county officials are elected to protect the health and welfare of their constituents. County governments strive to provide healthy communities where residents and their families can thrive. To do this, we invest about \$83 billion in community health and hospitals and promote public health through our county and local health departments.⁷

Mental health and substance abuse are two of the most pressing health issues facing counties in 2016. Substance abuse is the top public health priority among the largest share (84 percent) of county officials responding to the 2016 NACo survey. More than half (59 percent) of respondents identified chronic diseases, such as heart disease and diabetes and their risk factors like obesity, as another important public health priority. An additional 38 percent of respondents considered the social and environmental factors that affect health — such as where people live, school conditions and the quality of water, food and air — as a high priority.

Access to quality health care affects quality of life. Almost two thirds (65 percent) of county officials reported that a shortage of mental health providers is the greatest issue affecting access to health care. A shortage of providers only adds to the challenge of ensuring residents have access to health services. Additionally, approximately half (49 percent) of respondents to the 2016 NACo survey indicated that having health insurance, including having sufficient health insurance coverage, is one of the most important issues affecting access to health care. The high cost of prescription medication to alleviate and treat the symptoms of medical conditions is another significant issue affecting access to health care in counties. Over one-third (39 percent) of respondents identified the affordability of prescription medication, regardless of insurance coverage, as a challenge to healthy counties.

Substance abuse is the top public health priority among the largest share (84 percent) of county officials.





70% of county officials pointed to early childhood development programs as a solution to break the cycle of poverty

COUNTIES ARE WORKING TO CREATE PATHWAYS OUT OF POVERTY AND TO CARE FOR OLDER ADULTS

Counties invest more than \$58 billion in human services annually.⁸ This investment supports education, job training, childcare and housing, among many other programs that reach all residents, from children and teenagers to young and older adults. Many county governments are engaged in indigent care and the social safety net, including roles and responsibilities set by state laws and federal programs.

Counties are home to America's aging population. There were 44.6 million older adults — individuals 65 years or older — living in counties in 2014.⁹ We help deliver the necessary and effective services for an older population, including community-based and long-term care services. In April 2016, President Obama signed the reauthorization of the Older Americans Act (OAA), which provides an important source of funding for supportive services assisting senior citizens. OAA directs funding to the states that are then required to pass funding on to local area agencies on aging (AAAs). AAAs coordinate programs and services for older adults at the local level. Nearly 30 percent of the 622 AAAs nationwide operate within a county government. More than one-third (36 percent) of county officials responding to the NACo survey identified older adults as a population that is in need of additional services.

COUNTY GOVERNMENTS HELP PAVE PATHWAYS OUT OF POVERTY

Too many families do not share in our nation's economic growth. In 2014, there were 46.7 million people in poverty.¹⁰ Poverty is an important and serious issue facing county governments as we work to create thriving communities. We bring together a broad array of services and resources for disadvantaged residents. This collaboration among counties and providers supports opportunity and facilitates pathways out of poverty. According to over half (53 percent) of respondents to the 2016 NACo survey, families with children living below the poverty line have the greatest need for additional services among at-risk populations in counties. An additional 44 percent of respondents identified low-wage workers and the working poor as an at-risk population with a high need for additional services.

In over 760 counties, more than half of the children live in high poverty areas.¹¹ The places where children grow up have a significant impact on their future opportunities.¹² Early childhood development programs are one way we support children's health and well-being, helping position them to succeed socially and economically as they advance throughout childhood and life. By focusing on children's health, learning abilities and their language, social and emotional skills, early childhood development programs ready young county residents for school and academic success. Seventy (70) percent of county officials pointed to early childhood development programs as a solution to break the cycle of poverty in counties.

Nutrition assistance programs are a second resource counties use to address the fundamental needs of impoverished families. Proper nutrition supports health and prevents disease in adults and children. Good nutrition and food support improves children's learning and promotes healthy social development. The federal government's Supplemental Nutrition Assistance Program benefits over 13.8 million households in counties.¹³ Close to three quarters (72 percent) of respondents to the NACo survey identified this program and others, such as food banks and community gardens, as part of the strategy to help low-income families and individuals.

Nearly three quarters (73 percent) of county officials use the local workforce development system to assist individuals with training and finding employment, leading to better paying jobs, higher wages and greater economic opportunity. Counties are involved in the operation of 90 percent of the nation's local workforce development boards, which leverage the funding provided under the Workforce Innovation and Opportunity Act (WIOA).¹⁴ WIOA is the federal statute that funds a public workforce system. WIOA helps counties alleviate the employment and training challenges facing low-income individuals.

73% of county officials use the local workforce development system to assist and support residents with finding better paying jobs, higher wages and greater economic opportunity



Counties have various roles in the operation of programs and services that address poverty. Approximately one quarter (26 percent) of county officials responding to the 2016 NACo survey indicated that workforce development programs were the most effective social service that counties operate to address poverty. Through our roles in the education system, affordable and supportive housing programs and health care, counties provide critical social support systems that reduce poverty, according to survey respondents. We look at all the ways we impact the lives of our residents, including the criminal justice system, and the ways we can pave a path out of chronic poverty. Some respondents identified pretrial release and jail reentry programs in the county justice system as part of the way to reduce poverty. We are involved in many of the services that provide ways for families and individuals to achieve self-sufficiency. The mix of programs we support is essential for creating pathways out of poverty.

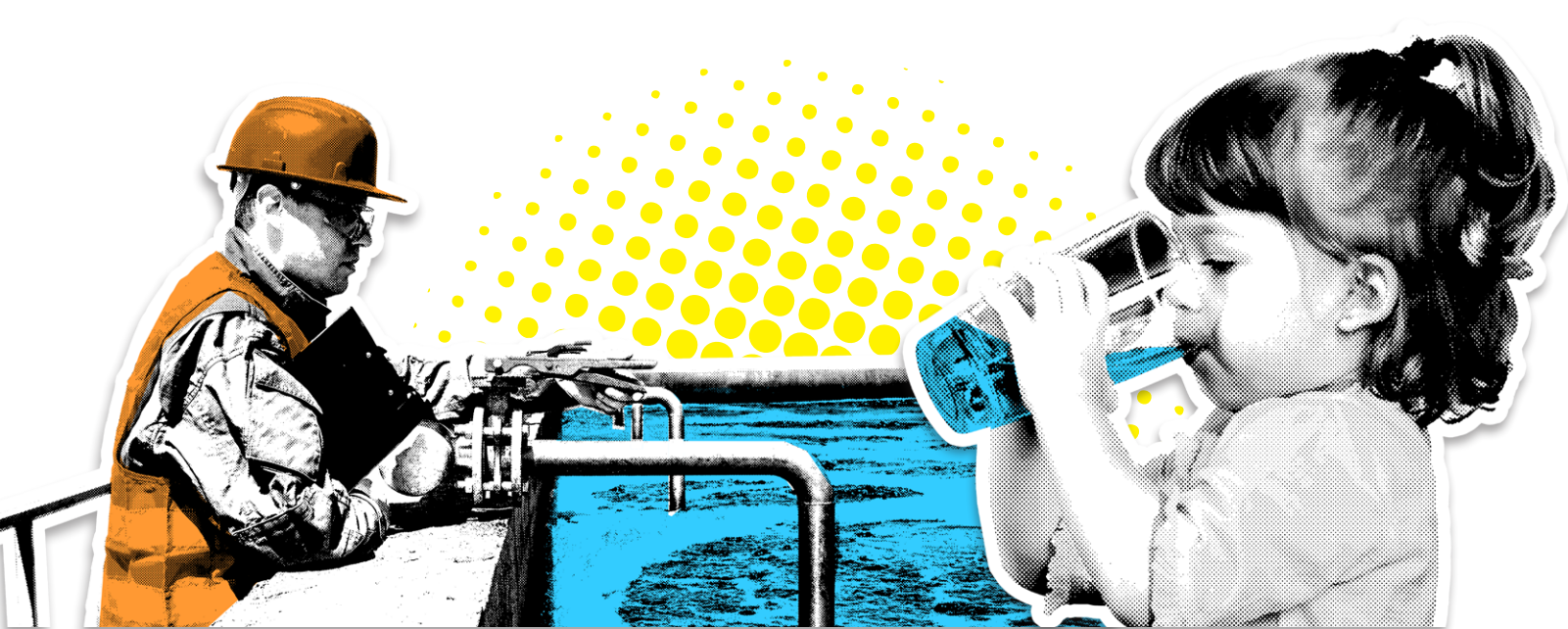
COUNTIES ARE ON THE FRONT LINES OF THE NATION'S DRUG EPIDEMIC

Counties are the entry point to the criminal justice system, providing police services, supporting the court system and playing a big role in the corrections system. We invest almost \$93 billion in justice and public safety services.¹⁵ Over 3,000 counties invest in police and sheriff's departments, allocating \$35.7 billion on law enforcement.¹⁶ To support state and local court systems, we devote \$18.7 billion to county courts and legal services annually.¹⁷ In addition, counties spend \$25.8 billion on correctional facilities by way of operating 91 percent of all local jails.¹⁸ Over 11 million people were admitted to county and other local jails in 2014.¹⁹

Ensuring public safety is a top priority among county officials. Almost three quarters (72 percent) of county officials responding to the 2016 NACo survey identified substance abuse as the greatest threat to public safety. To address this important issue, 62 percent of survey respondents said that they would focus additional resources for substance abuse on the capacity of behavioral health programs, including substance abuse programs that can treat drug abuse and lead to recovery. In addition to treatment, nearly half (49 percent) of respondents would use additional funding to develop alternatives to arrest for personal drug possession, demonstrating our effort to provide an effective response to

72% of county officials identified substance abuse as the greatest threat to public safety





substance abuse without over-relying on local jails and the criminal justice system. Preventing drug use that can lead to abuse and addiction is one way we address the threat drugs pose to public safety. With more funding, 41 percent of county officials would implement evidence-based substance abuse prevention and education programs in schools. These programs can address risk factors for drug abuse, such as aggressive behavior and academic difficulties, as well as provide students with age-appropriate skills to resist drug use.

Counties are committed to focusing criminal justice resources on high-risk offenders who pose the greatest threat to public safety. Coinciding with the effect of substance use on public safety, more than half (53 percent) of county officials responding to the 2016 NACo survey cited drug dealing and trafficking as one of the greatest threats to public safety. We want to proactively address the problem of narcotics in our communities, identifying a comprehensive strategy that can address drug supply and demand.

COUNTIES DEVOTE SIGNIFICANT RESOURCES TO COMPLY WITH COSTLY UNFUNDED MANDATES

Strong county government is an essential partner in the effective operation of federal-state-local government activities. Federal and state policies directly impact the operation of county governments.

One impact of federal and state policies on county governments is unfunded mandates. The 2016 NACo survey found that all survey respondents allocate resources to comply with unfunded mandates. Over one-third (36 percent) of county officials reported that complying with the Clean Water Act, including meeting wastewater treatment standards and discharge requirements, is among the most costly federal policies.


An additional 36 percent of respondents to the 2016 NACo survey indicated that providing hospital care for individuals without any health insurance or ability to pay is one of the most expensive unfunded mandates created by states. In a majority of states, counties are required to provide health care for low-income, uninsured or underinsured residents.

Counties support safeguarding our nation's wildlife, fish and plants, but meeting the requirements set forth in the Endangered Species Act (ESA) ranks as one of the most expensive regulations that counties comply with. Just about one-third (32 percent) of county officials responding to the 2016 NACo survey identified the ESA as one of the costliest unfunded mandates. All of the nation's counties (99 percent) have at least one endangered or threatened species within their boundaries.²⁰

IMPROVING THE IMPACT OF POLICIES ON COUNTY GOVERNMENT INNOVATION AND SERVICES SHOULD BE TOP FEDERAL AND STATE PRIORITIES

Counties are the local arm of the state; however, they are much more than that. Local governments are accountable to the local citizenry and, as such, they are often best equipped to deliver services and administer programs. Strong local authority is central to the concept of federalism and vital to federal, state and local relations.

Federal and state policies have a direct, and sometimes counterproductive, impact on county governments, posing a significant challenge to the efficiency of county administration, the breadth of our innovation and the goals of our services and programs. Close to half (48 percent) of county officials responding to the 2016 NACo survey reported that they do not believe that the current direction of federal policies and programs are helping counties to pursue innovation in operations. A slightly smaller share (44 percent) of respondents expressed the same disagreement with the current direction of state policies and programs helping counties to pursue innovation. Many county officials responding to the 2016 NACo survey indicated that they do not think that federal and state governments are supporting



Over half of county officials expressed significant levels of concerns that negative public sentiments toward the federal government have resulted in residents losing trust in county government.

the objectives of county programs and services. Approximately half (49 percent) of county officials reported that they do not believe that the direction of federal policies and programs are helping achieve county program and service goals. Forty-two (42) percent of survey respondents perceived the direction of state policies and programs as unhelpful to the goals of county programs and services.

We believe local-state-federal partnerships are instrumental to our ability to effectively and successfully address our top priorities.

Political gridlock in the nation's capital affects our operations as well as our relationships with constituents. Over half (55 percent) of elected and appointed county officials responding to the 2016 NACo survey expressed significant levels of concern that negative public sentiments toward the federal government have resulted in residents losing trust in county government.

With the 2016 general election in November, county officials are looking forward to working with a new Congress and administration to address the national issues that matter to counties. Seventy (70) percent of elected and appointed county officials responding to the NACo survey are likely to participate in NACo's outreach and engagement with the new administration.

COUNTIES ON THE FRONT LINES, LOOKING AHEAD

We work directly with people across the country, providing essential services, like clean water and safe roads, which help promote a high quality of life. From the role of infrastructure in economic development to the threat of drug abuse to public safety and health, the 2016 NACo survey identified a number of issues that affect and matter most to county governments.

The fiscal environment shapes how we respond to the most pressing issues facing local government and our residents. Between a slow recovery from the recession and unfunded state and federal mandates, we face significant challenges to our budgets and the financial resources we need to support transformational policies and programs. Additional capital would allow us to invest in infrastructure that would grow and strengthen our local economies, including safe roads and bridges to help safely transport goods and connect counties and America.

Providing safe and healthy places to live, work and grow is at the heart of what we do. From a public health and safety perspective, the opioid epidemic, and substance abuse generally, is one of the top issues facing counties. The drug abuse crisis has put a spotlight on our role in behavioral health and the need to allocate additional resources that will support health and well-being in our communities. Increasing investments in the behavioral health system will position us to tackle drug abuse and end the havoc it wreaks in counties of all sizes, in all regions of the country.

We believe local-state-federal partnerships are instrumental to our ability to effectively and successfully address our top priorities. We are focused on the future and committed to exercising exemplary leadership in public service. America is stronger with stronger counties.

METHODOLOGY

This report is based on an analysis of survey data collected by the National Association of Counties (NACo) from members of its policy steering committees. The survey was designed to complement NACo's Counties Matter campaign by identifying the most pressing priorities, issues, and challenges facing county governments and the essential services they provide.

NACo has 10 policy steering committees that cover a full array of domestic policy issues that impact county governments and local communities. These policy steering committees include:

- Agriculture and Rural Affairs
- Community, Economic and Workforce Development
- Environment, Energy and Land Use
- Finance, Pensions and Intergovernmental Affairs
- Health
- Human Services and Education
- Justice and Public Safety
- Public Lands
- Telecommunications and Technology
- Transportation

Each policy steering committee meets at least twice each year to review and make recommendations on public policy issues and legislation. The policy development process initiated by the steering committees is the foundation for NACo's American County Platform, which is used to deliver the county government message to the administration, Congress and the American public. Policy steering committee members are appointed by the state associations of counties and serve a one year term on the committee. The chairs and vice chairs of policy steering committees are appointed by the NACo president. In total, NACo's policy steering committees include 1,047 unique individuals who represent over 545 county governments.

In April 2016, NACo emailed the survey to all policy steering committee members. Sixteen members could not be successfully reached via email despite numerous attempts. NACo sent three reminders to non-respondents to encourage their completion of the survey. Individuals receiving the survey were told that completing the survey would enter them into a drawing for a complimentary conference registration.

Overall, 154 of the 1,031 steering committee members responded to the NACo survey for a response rate of 15 percent. The 154 respondents represent elected and appointed officials in 139 counties. This study only reports survey data for the total number of valid respondents for each survey question. The analysis adjusts for non-responses and, where applicable, "don't know" responses.

ENDNOTES

1. NACo analysis of data from the U.S. Census Bureau, *2012 Census of Governments, Government Finances* (Department of Commerce, 2016). Expenditures of county-city consolidations and independent cities that are considered county governments under state law are included in the total for counties. NACo analysis of U.S. Census Bureau, 2015 data from the U.S. Census Bureau, Population Estimates Program.
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3. Emilia Istrate and Brian Knudsen, "County Economies 2015: Opportunities and Challenges," (Washington, DC: National Association of Counties, 2016), available at http://www.naco.org/sites/default/files/documents/2016%20CET-report_01.08.pdf.
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5. Ibid.
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10. U.S. Census Bureau, "Income and Poverty in the United States: 2014," (Department of Commerce, 2015), available at <http://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf>.
11. NACo analysis of data from the U.S. Census Bureau, American Community Survey 2010-2014 5-year Estimates. The U.S. Census Bureau designates a census tract with a poverty rate of 20 percent or more as a high poverty area.
12. Raj Chetty and Nathaniel Hendren, "The Impacts of Neighborhoods on intergenerational Mobility: Childhood Exposure Effects and County-Level Estimates." Working Paper (Harvard University, The Equality of Opportunity Project, 2015), available from http://www.equality-of-opportunity.org/images/nbhds_paper.pdf.
13. NACo analysis of 2014 data from the U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates.
14. NACo analysis of 2014 U.S. Department of Labor Workforce Development Board data available at www.servicelocator.org/workforcecontacts.
15. NACo analysis of data from the *2012 Census of Governments, Government Finances*.
16. Ibid.
17. Ibid.
18. Ibid; NACo analysis of data from the U.S. Bureau of Justice Statistics, 2013 Census of Jails (Department of Justice, 2016).
19. U.S. Bureau of Justice Statistics, "Jail Inmates at Midyear 2014," (Department of Justice, 2015), available at <http://www.bjs.gov/content/pub/pdf/jim14.pdf>.
20. NACo analysis of 2015 data from the U.S. Fish and Wildlife Service.



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