Preparing for the Modern Economy – A rural Perspective

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For the past two decades phrases such as "depopulation", "brain drain", and "lag in the rural economy" have been used to describe the rural conundrum of continued out-migration of both people and opportunity in the rural counties and cities that prior to WWII were the fabric of our nation.

We have fretted – we have wrung our hands – we have introduced new programs to stem the tide of rural decline only to reduce funding for those programs or abolish them entirely in the face of budget cuts at the state and federal levels. We have then introduced new programs, or re-fashioned old ones never completely understanding that those programs alone cannot be a catalyst for rural regeneration – and that a 70 year trend of decline cannot be reversed in the course of a 4-year political term.

Rural America – and rural Kansas – continue to be important to our nation's economy. Our rural landscapes serve as the abundant reservoir for the production of food, energy, forestry products as well as home to some of our most treasured recreational assets. However, if communities and rural areas are to maintain the population base sufficient to remain viable they will need to attract other business and industry that is less dependent on natural resources. New and existing businesses and job creators will be more enticed by well educated/well trained human resources, low-cost land and the ideal of the rural way of life.

For Kansas that means we must work to extend the life of our capacity to produce food and energy, while diversifying our rural economies to incorporate innovative, technology or service-based businesses that employ an educated workforce. Rural Kansas must take advantage of our comparatively lower land cost and cost of living and recognize that investments in quality-of-life projects such as parks, trails, recreational facilities, community appearance, cultural venues and events add distinctive qualities the next generation and new residents seek.

Simultaneously, we must admit that over the last 70 years our rural communities have stubbornly clung to the status quo regarding how our rural areas are organized and we have purposefully ignored the opportunities of inclusively developed, regional strategies that build on the existing assets of a region and chart a course for a more collaborative, vibrant future.

Sense of place and a sense of independence are important to Kansans. We identify with our hometown and our place of residence. We believe that self-reliance is critical to our existence. These deep-rooted characteristics create a sense of pride – a sense of ownership. But they can also serve as a barrier when topics of unification and shared services are broached or conversations regarding regionalism are initiated.

To position themselves competitively as a place to live, work and play, our rural communities must consider increased investment in public education and in quality-of-life amenities – and they must also prudently pursue cooperation between local units of government and regional strategic planning.

Smaller communities can no longer afford to "go it alone" in the modern environment and local leadership will need to cooperatively build economic development strategies grounded in data, research and innovative approaches to population and job growth.

The reality of diminished populations creates a reality of diminished tax revenues. The reality of diminished tax revenues means stretching local budgets beyond their inherent elasiticity in order to provide fire and safety protection, health care services, road and bridge infrasture, clean water , parks, education and economic development efforts.

A Look at the Demographics

According to the US Census in 2000, 44 counties in Kansas had reached their peak of population by or well before 1910 and they have been in steady decline for now over a century. Kansas currently has 37 counties with a population of less than 5,000 and of those, 20 counties have a population of less than 3,000. Data from the Kansas Association of Counties indicates that from 2011 to 2012 – just one year - 25 of those 37 counties lost a total population of 857. Again, from data sourced by the Kansas Association of Counties, of those 37 counties, 26 saw an increase in tax levies per capita from 2011 to 2012. This data suggests a mounting body of evidence that continued loss of population in already diminished rural counties will lead to a point where they no longer have the critical mass to support the functions of local government in the manner they are currently provided.

According to the USDA Economic Research Service, rural job growth appears very slow since the end of the recession that began in 2008 and rural population continues to decline as urban populations continue to grow.

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The ERS divides rural counties into four economic types – farm, manufacturing, recreation and other based on the predominant source of job earnings in that county. In 1950 most rural counties were farming dependent, but manufacturing and recreation have since gained importance in rural economies. ERS notes that changes in jobs and populations between 2001-2007 were consistent with historical trends rising most in recreation counties and declining in farm counties.

Natural amenities have driven rural long-term population change, no matter the economic type. In general, farm counties have relatively low amenities, manufacturing counties are in the middle and recreation counties are at the high end of the scale. Across all three industry types, higher natural amenities have meant greater population growth over recent decades – or less loss of population. ERS research also indicates that growth in high amenity counties has been led by attraction of talent and entrepreneurship, not by the recruitment of businesses to relocate from one place to another.

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Rural amenities are defined by a pleasant climate and attractive, diverse landscapes and the ERS has derived a natural amenity score to help visualize the impact of amenities on population growth. The scale (or score) is higher where:

- Januaries are warmer and sunnier
- Julys are cooler with lower humidity

- Topography is more varied
- Land is a mix of forest and open country
- Ponds, lakes and/or oceans comprise more of the county area

ERS research also indicates that rural gains and losses from migration differ by age group. Typical low-amenity counties lost nearly 40% of the cohort aged 10-14 in 2000 over the next ten years (when this age group became 20-24). And overall, low-amenity counties typically lost 4% of their population due to net out-migration in 2000-2010 – all from out-migration of young adults. High amenity counties also lose young adults, but they more than make up for it with gains in other age cohorts.

Further, competition from urban communities continues but is marked by a population return to inner urban core neighborhoods. From the 1950's through 2007, urban growth was marked by sprawl to outer suburbs. However, in 2010-2012, the most rapid growth in population occurred in urbanized, central areas of 50,000 and more population. This reversal in the geography may be a challenge for rural growth. As commuting time has increased from the outer suburban residential areas valuable family time has been sacrificed and thus walkable urban areas are an option to relocation to small towns.

Further, as each generation distances itself from the rural and agricultural way of life, the connection weakens and the marketing of the quality of life becomes more difficult because there is no intersection of experience or family tie. Data indicates Midwestern farm counties are continuing to lose population despite high farm income.

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Child poverty is a demographic and economic metric worth review because it is substantially higher in rural counties on average (26.5%) vs. urban counties (21.7%). Further, child poverty is associated with obesity and other health problems placing stress on both the educational system and the health care systems in rural counties. Statistical evidence show that the proportion of rural counties with child poverty rates of over 30% soared between 2001 and 2012 and now comprises a third of rural counties in the US. In contrast to the rural experience, only 15 percent of the urban counties had poverty rates higher than 30% in 2011.

Further, rural county incidence of high child poverty is shown to be strongly related to local workforce education or the lack thereof.

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Shared Services/Unified Government

If history and demographics are used as guideposts, it seems prudent and logical that rural areas begin to think and plan for shared services between cities and counties and also investigate use of interlocal agreements and the unification process. Recent developments in Greeley County provide a model for how to overcome negative perceptions of unification and how unification can serve the greater good of the citizens.

Greeley County was one of the first Public Square communities in Kansas. Public Square Communities identify, connect and develop community leaders who transform towns, cities, counties and regions into thriving communities which nourish youth, engage citizens and foster partnerships. Public Square engages all four sectors of the community: Business, Education, Government and Human Services.

The process of Public Square includes inclusive engagement of citizen-led Action Teams and when Greeley County began to pursue unification, members of the then City/County Government Consolidation Action Team visited the Kansas Legislature to request permission to study consolidation. This permission was required by State statute – even though consolidation or unification is a local level decision.

Senate Bill 164, introduced during the 2006 Legislative Session following the request by Greely County did the following:

http://www.kansas.gov/government/legislative/bills/2006/164.pdf):

1) Allowed for the appointment of a Commission to study and investigate the unification of city and county functions, services & operations.

2) Laid out the terms of the study and who would appoint members to the commission (1 from the City of Tribune, 1 from the City of Horace, 2 by the County Commission, and 1 selected by the other four members) and

3) Authorized (but did not mandate) public forums to discuss the issue prior to the drafting of a preliminary plan

4) Established a one-year timeline for drafting of the preliminary plan

5) Required for at least two public hearings regarding the preliminary plan (they held many more.)

6) Required dual majority approval (electors within the city limits and outside the city's borders had to each approve the Unification, in each jurisdiction).

7) Required that any proposed change to elected official positions (county clerk, treasurer, etc.) be submitted as a separate ballot issue from the question of Unification.

8) Outlined the requirements of any plan for any unified government that may be proposed and

9) Set up a number of other provisions and specifications

As the 2006 Session unfolded a follow-up bill (SB 36) was introduced and worked. SB made the following changes to state statues establishing a process for the possible city-county unification in Greeley County:

* Allow for submission of the final plan to the county's voters at any primary, general or special election. Current law required the plan be submitted at the next general election.

* Specify that the provisions under which the election is to be called and held are those required for the issuance of bonds for any purpose by most municipalities.

* Authorize the unification plan to provide for the election of governing body members from districts, in addition to the currently authorized at-large basis of electing members
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* Change the classification requirement of the unified city-county to a city of the third class. Currently, the law required the entity be a city of the first class.

The narrative above outlines the technical steps and legislative permissions and provisions that guided Greeley County's efforts to unify city and county governments. But there was adaptive work undertaken in the community to dispel misinformation, address citizen concerns and build support for the effort while the technical aspects were addressed in Topeka by the State Legislature. Many community conversations were held and regular updates were published in the Greeley County newspaper, the Greeley County Republican. The current leadership of the city councils and the county commissions made themselves available for individual questions from their constituents and the local Economic Development Director, Christy Hopkins, helped ensure an inclusive and transparent process was undertaken.

The work done by the citizen-led leadership in Greeley County could have been politically charged, divisive, controversial and vigorously opposed. But the fact that the unification recommendation came from an Action Team, credibility and trust were built early as a foundation for a successful effort.

Unified Greeley County was officially created on January 1, 2009. Its non-partisan five-member Board of Supervisors was elected from a field of 18 candidates in April of 2008 after the vote in November 2007 approving Unification had passed with 73% voter approval (79% in Tribune, 63% in the county) with 60% voter turnout. That 18 individual candidates put their names on the ballot to help implement this new governmental structure is a testament to the will of the citizens and their concern for the viability and future of their communities and counties. And that a local election elicited a 60% voter turnout in this day and age is remarkable. Further – that the measure received approval by nearly 80% of those who voted is further testament to the local process of inclusive and transparent communication.

On November 19, 2014, at the request of Public Square Communities effort in Decatur County, Mike Thon, Brock Sloan, Alan Peter (all of whom served on the Greeley County Study Commission), accompanied by Christy Hopkins, traveled to Oberlin/Decatur County to visit with their community about unification. They shared why they sought and how they accomplished unification as well as the impacts of the restructured government since implementation.

They shared thier plan (referred to in Greeley County as the "Green Papers") and answered questions from attendees and citizens of Decatur County. Time will tell if a similar effort is pursued in that county.

The Future

Current and past demographic trends do not portend reversal of population loss or significant population gain in rural Kansas communities. Adding to the complexity of outmigration one must include the issues of water availability –both quanity and quality. Further, with the new state tax policies and some recent legislation considered and/or passed – it is clear that state government is pushing more responsibility to the local level to fund state mandates and fund the functions of government without the benefit of transfers of state funds to local units of government.

If local taxing units – which include boards of education, hospitals, libraries, city and county governments – are to provide suitable public education, access to health care, public utilities including broadband, roads and bridge maintenance, etc. – they will have to work together so as not to stretch the local taxpayers beyond their ability to fund government functions.

This will require cooperation, regional strategies, partnerships and a way of doing business in the public sector that has been uncommon among our rural communities. Those lawyers who provide legal counsel – and thus public service – to city councils and county commissions – must be prepared to provide well-informed advice and direction to local leadership as they navigate the difficult decisions ahead. They must be well versed in the law but also understand the more nuanced and adaptive work of local leadership. Our rural areas are at a watershed point in their history. The decisions made in the current decade have little margin for error.