

Oregon Secure Rural Schools Study-2008

**Association of Oregon Counties
Oregon State University
The Ford Family Foundation
Eastern Oregon Rural Alliance**



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July 7, 2008

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Introduction

During Spring, 2008 the Rural Studies Program at Oregon State University conducted a study of Oregon county governments to ascertain the effects of the elimination of the Secure Rural Schools Program (SRS) by the federal government. The study focused on four general areas of county government including general fiscal condition, capital budgets operating budgets, and local fiscal adjustments. County contacts—including county commissioners, judges and budget officers—were provided by the Association of Oregon Counties. In total thirty-two counties provided information concerning these four areas. Counties not providing data include Clackamas, Deschutes, Douglas, and Polk.

In this report we provide data for all thirty-two responding counties, plus data separated by O & C counties from west of the Cascade Mountains (plus Klamath County) and affected counties east of the Cascade Mountains (excluding Klamath County). Responding O & C counties include Benton, Columbia, Coos, Curry, Jackson, Josephine, Klamath, Lane Lincoln, Linn, Marion, Multnomah, Tillamook, Washington, and Yamhill. Responding affected eastern Oregon counties include Baker, Crook, Grant, Harney, Hood River, Jefferson, Lake, Malheur, Morrow, Umatilla, Union, Wallowa, Wasco and Wheeler. *Data for all responding counties (see “Total” below) include responses from Clatsop, Gilliam and Sherman counties, none of which received SRS funds. These counties are not included in the O&C and Eastern Oregon subcategories.*

Note: Results may total 99% to 101% because of rounding. Percentages that were .5% or less were rounded down.

SECTION A: General Fiscal Condition

In the first section of the study we asked counties about recent changes in the fiscal condition (excluding enterprise funds) for the three most recent fiscal years. This information can help us to understand the current financial context and actions taken to adapt to the loss of Secure Rural Schools (SRS) funds. A couple of key findings in this section include increasing service cuts, service hours and reduced FTE over the three fiscal years with 66 percent of all responding counties reporting reduced services in 2007-08 (A-2a). While service cuts were reported by a majority of counties, the number of counties increasing fees or charges to prevent service reductions also increased over this period as well (A-2b). Another key finding in this section was the increasing inability of counties to adequately maintain roads and streets as well as public buildings. Overall 23 of all responding counties (74%) reported they could not adequately maintain roads including 12 Eastern Oregon counties (86%). In regard to public building maintenance, 16 counties statewide reported they could not adequately finance maintenance with Eastern Oregon especially hard hit. Other areas of concern include bridge maintenance in Eastern Oregon (8 counties) and parks in O&C Counties (8 counties).

Another area of note is that the average number of full-time employees (excluding enterprise fund and public safety) has decreased over the three fiscal years for both O&C and Eastern Oregon counties. In addition, the average number of public safety employees has decreased in O&C counties as well.

Finally, when counties were asked what they did with their last allocation of SRS funds in 2007-08, about a third of counties (#10) spent their entire SRS allocation while 13 counties set aside some SRS funds for future use, with the average portion set aside being 54 percent of the funds received for both O&C and Eastern Oregon counties.

		2005-06		2006-07		2007-08	
		Yes	No	Yes	No	Yes	No
A-1	a. Do you have a capital project reserve fund for non-enterprise activities?						
	Total	55% N=17	45% N=14	58% N=18	42% N=13	71% N=22	29% N=9
	O&C Counties	21% N=3	79% N=11	29% N=4	71% N=10	57% N=8	43% N=6
	Eastern Oregon	86% N=12	14% N=2	86% N=12	14% N=2	86% N=12	14% N=2
b. Did you spend down your capital project reserve fund because of financial difficulties?							
	Total	12% N=3	88% N=22	11% N=3	88% N=23	15% N=4	85% N=23
	O&C Counties	0% N=0	100% N=11	0% N=0	100% N=12	8% N=1	92% N=12
	Eastern Oregon	25% N=3	75% N=9	25% N=3	75% N=9	25% N=3	75% N=9

		2005-06		2006-07		2007-08		
A-2	a. Did you make service cuts, reduce service hours or reduce FTEs?	Yes	No	Yes	No	Yes	No	
	Total	28% N=9	72% N=23	53% N=17	47% N=15	66% N=21	34% N=11	
	O&C Counties	27% N=4	73% N=11	47% N=7	53% N=8	67% N=10	33% N=5	
	Eastern Oregon	36% N=5	64% N=9	71% N=10	29% N=4	36% N=5	64% N=9	
b. Did you increase fees or charges to prevent service reductions?								
Total	32% N=10	68% N=21	47% N=15	53% N=17	53% N=17	47% N=15		
O&C Counties	29% N=4	71% N=10	47% N=7	53% N=8	40% N=6	60% N=9		
Eastern Oregon	36% N=5	64% N=9	50% N=7	50% N=7	64% N=9	36% N=5		
A-3	Were you able to adequately finance <i>maintenance</i> of the following infrastructure?							
	a. Roads and streets?							
	Total	48% N=15	52% N=16	39% N=12	61% N=19	26% N=8	74% N=23	
	O&C Counties	43% N=6	57% N=8	29% N=4	71% N=10	21% N=3	79% N=11	
	Eastern Oregon	43% N=6	57% N=8	36% N=5	64% N=9	14% N=2	86% N=12	
	b. Public buildings?							
	Total	57% N=17	43% N=13	47% N=14	53% N=16	47% N=14	53% N=16	
	O&C Counties	57% N=8	43% N=6	43% N=6	57% N=8	50% N=7	50% N=7	
	Eastern Oregon	46% N=6	54% N=7	38% N=5	61% N=8	31% N=4	69% N=9	
	c. Vehicles?							
	Total	77% N=24	23% N=7	71% N=22	29% N=9	68% N=21	32% N=10	
	O&C Counties	79% N=11	21% N=3	71% N=10	29% N=4	64% N=9	36% N=5	
	Eastern Oregon	71% N=10	29% N=4	71% N=10	29% N=4	64% N=9	36% N=5	
d. Bridges?								
Total	62% N=18	38% N=11	55% N=16	45% N=13	52% N=15	48% N=14		
O&C Counties	64% N=9	36% N=5	57% N=8	43% N=6	57% N=8	43% N=6		
Eastern Oregon	54% N=7	46% N=6	46% N=6	54% N=7	38% N=5	61% N=8		
e. Parks?								
Total	75% N=21	25% N=7	68% N=19	32% N=9	64% N=18	36% N=10		
O&C Counties	64% N=9	36% N=5	50% N=7	50% N=7	43% N=6	57% N=8		
Eastern Oregon	82% N=9	18% N=2	82% N=9	18% N=2	82% N=9	18% N=2		

	2005-06		2006-07		2007-08	
e. Technology & Information?	Yes	No	Yes	No	Yes	No
Total	73% N=22	27% N=8	70% N=21	30% N=9	73% N=22	27% N=8
O&C Counties	71% N=10	29% N=4	71% N=10	29% N=4	79% N=11	21% N=3
Eastern Oregon	61% N=8	38% N=5	61% N=8	38% N=5	61% N=8	38% N=5
A-4 a. Total number of full-time employees (excluding enterprise fund and public safety- -police, fire, sheriff, emergency medical and dispatch.)						
Total	MIN=23 MAX=3904 MEAN=367 N=30		MIN=17 MAX=3860 MEAN=359 N=30		MIN=17 MAX=3897 MEAN=356 N=31	
O&C Counties	MIN=112 MAX=3903 MEAN=682 N=14		MIN=110 MAX=3860 MEAN=666 N=14		MIN=117 MAX=3897 MEAN=643 N=15	
Eastern Oregon	MIN=25 MAX=183 MEAN=87 N=14		MIN=17 MAX=182 MEAN=87 N=14		MIN=17 MAX=181 MEAN=84 N=14	
b. Total FTE of part-time employees (excluding enterprise and public safety)						
Total	MIN=2 MAX=260 MEAN=33 N=22		MIN=2 MAX=260 MEAN=34 N=23		MIN=2 MAX=260 MEAN=39 N=30	
O&C Counties	MIN=2 MAX=113 MEAN=37 N=8		MIN=2 MAX=131 MEAN=40 N=8		MIN=2 MAX=188 MEAN=52 N=9	
Eastern Oregon	MIN=4 MAX=32 MEAN=12 N=12		MIN=4 MAX=32 MEAN=13 N=12		MIN=5 MAX=31 MEAN=13 N=12	
A-5 a. Total number of full-time public safety employees.						
Total	MIN=5 MAX=777 MEAN=121 N=30		MIN=4 MAX=783 MEAN=121 N=30		MIN=4 MAX=815 MEAN=121 N=31	
O&C Counties	MIN=42 MAX=777 MEAN=219 N=14		MIN=41 MAX=783 MEAN=219 N=14		MIN=36 MAX=815 MEAN=210 N=15	
Eastern Oregon	MIN=5 MAX=166 MEAN=36 N=14		MIN=4 MAX=167 MEAN=36 N=14		MIN=4 MAX=174 MEAN=37 N=14	

b. Total FTE of part-time public safety employees.	2005-06	2006-07	2007-08
Total	MIN=0 MAX=52 MEAN=7 N=19	MIN=0 MAX=52 MEAN=7 N=19	MIN=0 MAX=52 MEAN=8 N=20
O&C Counties	MIN=1 MAX=52 MEAN=11 N=8	MIN=1 MAX=52 MEAN=11 N=8	MIN=1 MAX=52 MEAN=12 N=9
Eastern Oregon	MIN=0 MAX=14 MEAN=4 N=10	MIN=0 MAX=14 MEAN=4 N=10	MIN=0 MAX=14 MEAN=4 N=10

A-6 What did your county do with the 2007-08 Secure Rural Schools funds?

1. Spending all of the funds.

Total	33% (N=10)
O&C Counties	40% (N=6)
Eastern Oregon	33% (N=4)

2. Set aside a portion of the funds for the future→ Approximately what percentage did you set aside?

Total	43% Set Aside (N=13) Mean Percent Set Aside=54%
O&C Counties	47% Set Aside (N=7) Mean Percent Set Aside=54%
Eastern Oregon	50% Set Aside (N=6) Mean Percent Set Aside=54%

SECTION B: Capital Budgets

The second section of the study asked counties about their 2008-09 capital budget if the SRS program was eliminated. By capital expenditures we mean general governmental capital improvements, such as buildings and facilities, etc. (not improvements made for enterprise activities, such as water and sewer improvements.). A majority of responding counties and both O&C and Eastern Oregon counties indicate that they will reduce future capital construction projects due to the elimination of the SRS program (B-1). Some projects will be deferred such as the construction of a new jail in Curry County and road projects in Land and Linn Counties. Many counties will also scale-down the size of projects including road projects in Klamath, Lake, Lane, Linn, Wasco, and Yamhill Counties. Many counties will also eliminate capital projects including road and public works projects in Crook, Curry, Harney, Lane, Linn, Marion, Wasco and Wheeler Counties.

B-1	Will your jurisdiction reduce future capital construction because of the elimination of the federal timber payments program?		
		1. YES (go to question B-2)	2. NO (go to Section C)
	Total	54% (N=15)	46% (N=13)
	O&C Counties	61% (N=8)	38% (N=5)
	Eastern Oregon	54% (N=7)	46% (N=6)
B-2	Please indicate which of the following actions will be taken (if any) concerning capital expenditures.		
	A. Deferral of new capital projects: 11 counties		
	B. Scaling down of projects: 10 counties		
	C. Elimination of projects: 9 counties		

SECTION C: Operating Budgets

In the third section of the study we asked counties about their 2008-09 general operating expenditures if the SRS program is eliminated. By operating expenditures we mean expenditures for current operations (salaries, supplies and services). The overwhelming majority of responding counties (73%) indicated that they would have to reduce service levels without SRS funds, including 87 percent (#13 counties) of O&C Counties. Many counties will reduce contracted services such as road and public works programs in Klamath, Lake, Lincoln, Marion, Wasco, Wheeler and Yamhill Counties. Fourteen affected counties will also reduce supplies and services including work crews, infrastructure maintenance, and non-essential services. Many counties have or plan to eliminate active positions in road and public works departments (e.g., Baker, Hood River, Lane, Tillamook, Wasco, Wheeler and Yamhill Counties) and in law enforcement (e.g., Coos, Jackson and Marion Counties). Nine counties indicated that they had or plan to eliminate unfilled positions. Some counties—depending on union contracts—will examine reductions in salaries and benefits.

We also asked counties to indicate the amount of planned reductions in 16 services for the 2008-09 budget if the SRS program was eliminated. The service areas most affected (i.e., 20% of counties or more planning 10% or more reductions) include general administration and finance, roads, emergency services, and sheriff departments. As expected, O&C Counties are most affected by planned reductions in general administration, parks and recreation, roads, emergency services, and sheriff departments while Eastern Oregon Counties are most affected in road services.

C-1	Will your jurisdiction reduce 2008-09 service levels if the Secure Rural Schools program is eliminated?		
		YES (go to C-2)	NO (go to Section D)
	Total	73% (N=22)	27% (N=8)
	O&C Counties	87% (N=13)	13% (N=2)
	Eastern Oregon	69% (N=9)	31% (N=4)

C-2 Please circle the number of each future action that will be taken (if any) concerning operating expenditures if the county timber payment program is eliminated.

1. Reductions in contracted services: 8 counties
2. Reductions in supplies and services: 14 counties
3. Elimination of active (filled) positions: 14 counties
4. Elimination of unfilled positions: 9 counties
5. Reductions in salaries, wages, and/or benefits: 4 counties (most counties constrained by union contracts)
6. Reduction in contribution to employee benefits package: 2 counties (most counties constrained by union contracts)

C-3 Please indicate how much you will reduce the following levels of service in 2008-09 if the Secure Rural Schools program is eliminated. Use the 2007-08 budget as a baseline unless you reduced 2007-08 service levels in anticipation of no future Secure Rural Schools funding; in this case please use 2006-07 as a baseline. Please circle the number of your response.

	No Reduction	Slightly Reduced <i>2% or less</i>	Moderately Reduced <i>3% to 9%</i>	Significantly Reduced <i>More than 10%</i>	Not Applicable
a. General Administration & Finance					
Total N=24	33%	17%	12%	21%	17%
O&C Counties N=13	46%	15%	8%	31%	0%
Eastern Oregon N=10	7%	14%	14%	7%	29%
b. Public Health Programs					
Total N=23	39%	4%	17%	9%	30%
O&C Counties N=13	46%	8%	15%	15%	15%
Eastern Oregon N=9	22%	0%	22%	0%	56%
c. Senior Citizens Programs					
Total N=22	32%	4%	0%	4%	59%
O&C Counties N=12	42%	8%	0%	0%	50%
Eastern Oregon N=9	11%	11%	0%	0%	78%

	No Reduction	Slightly Reduced 2% or less	Moderately Reduced 3% to 9%	Significantly Reduced More than 10%	Not Applicable
d. Parks & Recreation					
Total N=23	26%	9%	9%	13%	43%
O&C Counties N=12	33%	8%	8%	25%	25%
Eastern Oregon N=10	10%	10%	10%	0%	70%
e. Library					
Total N=23	30%	4%	4%	4%	56%
O&C Counties N=13	31%	8%	0%	0%	61%
Eastern Oregon N=9	22%	11%	11%	0%	56%
f. Community Mental Health					
Total N=22	45%	9%	0%	4%	41%
O&C Counties N=12	58%	17%	0%	8%	17%
Eastern Oregon N=9	22%	0%	0%	0%	78%
g. Roads					
Total N=25	12%	4%	8%	76%	0%
O&C Counties N=13	15%	0%	15%	69%	0%
Eastern Oregon N=11	0%	9%	0%	91%	0%
h. Fire Protection					
Total N=23	17%	4%	0%	4%	73%
O&C Counties N=13	23%	0%	0%	0%	77%
Eastern Oregon N=9	0%	11%	0%	11%	78%
i. Emergency Services					
Total N=24	42%	8%	8%	25%	17%
O&C Counties N=13	61%	0%	0%	38%	0%
Eastern Oregon N=10	10%	20%	20%	10%	40%

	No Reduction	Slightly Reduced 2% or less	Moderately Reduced 3% to 9%	Significantly Reduced More than 10%	Not Applicable
j. Sheriff Departments					
Total N=25	28%	20%	16%	20%	16%
O&C Counties N=13	38%	15%	8%	38%	0%
Eastern Oregon N=11	9%	27%	27%	0%	36%
k. Jail					
Total N=24	42%	17%	4%	17%	21%
O&C Counties N=13	46%	15%	8%	31%	0%
Eastern Oregon N=10	30%	20%	0%	0%	50%
l. Courts					
Total N=23	43%	4%	4%	9%	39%
O&C Counties N=13	54%	8%	0%	8%	31%
Eastern Oregon N=9	22%	0%	11%	11%	56%
m. Community Corrections					
Total N=22	45%	0%	4%	14%	33%
O&C Counties N=11	54%	0%	0%	18%	27%
Eastern Oregon N=10	30%	0%	10%	10%	50%
n. Tax Administration					
Total N=24	46%	17%	12%	8%	17%
O&C Counties N=13	54%	15%	15%	15%	0%
Eastern Oregon N=10	30%	20%	10%	0%	40%
o. Economic Development					
Total N=23	52%	9%	4%	4%	27%
O&C Counties N=12	67%	8%	0%	0%	25%
Eastern Oregon N=10	30%	10%	10%	10%	40%

		No Reduction	Slightly Reduced 2% or less	Moderately Reduced 3% to 9%	Significantly Reduced More than 10%	Not Applicable
p. Planning						
	Total N=23	43%	13%	9%	9%	26%
	O&C Counties N=12	50%	17%	0%	17%	17%
	Eastern Oregon N=10	30%	10%	20%	0%	40%

SECTION D: Local Fiscal Adjustment

Finally, we asked counties about local action for raising revenues and increasing efficiency in anticipation of the loss of Secure Rural School funds (excluding enterprise funds). A total of 8 counties indicated that they had increased or added charges, fees and taxes in 2007-08 in anticipation of the elimination of SRS funds. These include a local option levy in Benton and Linn Counties and adjustments in fees in Curry, Grant, Jackson and Wheeler Counties. Fourteen counties (47%) reported that they would consider increasing charges, fees and taxes with the demise of SRS funds. Some examples include local sales and consumption taxes and hotel and restaurant taxes.

We also asked counties about efforts to increase efficiency in the 3 years prior to FY 2007-08 and in FY 2007-08 in anticipation of losing SRS funds. Many counties reported efforts in this area including reorganization and consolidation of services (e.g., sharing of fire, emergency and public safety services with other jurisdictions), restructuring to reduce middle management, more efficient service delivery, computerization, and increasing use of volunteers.

D-1 Has your county increased/added charges, fees or taxes in FY 2007-08 in anticipation of the elimination of the Secure Rural Schools program?

	YES (go to question D-2)	NO (go to D-3)
Total	25% (N=8)	75% (N=24)
O&C Counties	33% (N=5)	67% (N=10)
Eastern Oregon	21% (N=3)	79% (N=11)

D-2 If you changed your rates for any of the following charges, fees and taxes in FY 2007-08, please indicate the change in revenue expected from each source. Check your response.

	Did Not Raise	Increased less than 2%	Increased 3-9%	Increased 10% plus	Don't have Fee/Tax
a. Franchise Taxes	N=2	N=0	N=0	N=0	N=7
b. Business Licenses and Taxes	N=2	N=0	N=0	N=0	N=9
c. Hotel/Motel Tax	N=3	N=0	N=0	N=0	N=8
d. Local Gasoline Tax	N=1	N=0	N=0	N=0	N=9
e. Licenses and Permits (construction, etc.)	N=2	N=2	N=4	N=1	N=1
f. Charges (recreation, library, etc.)	N=1	N=2	N=1	N=0	N=4
g. Local option property tax levy	N=2	N=0	N=0	N=2	N=6

D-3 **a.** Will your county consider increasing charges, fees or taxes in the future if the Secure Rural Schools program is eliminated?

	YES	NO	Don't Know
Total	47% (N=14)	13% (N=4)	40% (N=12)
O&C Counties	53% (N=8)	13% (N=2)	33% (N=5)
Eastern Oregon	46% (N=6)	8% (N=1)	46% (N=6)

D-4 What kinds of efficiency actions have you taken in the 3 years prior to FY 2007-08 and in FY 2007-08 in anticipation of the elimination of Secure Rural Schools program? Check all that apply. [% of counties taking action reported in table]

	Previous 3 years FY 2004-07	FY 2007-08
a. Reorganization/consolidation.		
Total N=32	41%	19%
O&C Counties N=15	53%	27%
Eastern Oregon N=14	36%	14%
b. Restructuring to reduce middle management.		
Total N=32	31%	25%
O&C Counties N=15	40%	27%
Eastern Oregon N=14	29%	29%

	Previous 3 years FY 2004-07	FY 2007-08
c. Intergovernmental service agreements.		
Total N=32	28%	16%
O&C Counties N=15	27%	7%
Eastern Oregon N=14	36%	29%
d. Privatization.		
Total N=32	6%	6%
O&C Counties N=15	7%	7%
Eastern Oregon N=14	7%	7%
e. Computerization.		
Total N=32	25%	25%
O&C Counties N=15	33%	33%
Eastern Oregon N=14	21%	21%
f. More efficient service delivery techniques.		
Total N=32	37%	28%
O&C Counties N=15	47%	20%
Eastern Oregon N=14	36%	43%
g. Staff training.		
Total N=32	12%	16%
O&C Counties N=15	13%	20%
Eastern Oregon N=14	14%	14%
h. Use of volunteers.		
Total N=32	22%	6%
O&C Counties N=15	33%	27%
Eastern Oregon N=14	21%	21%