

RURAL GOVERNMENT RESILIENCE: A PANDEMIC TO PROSPERITY WHITE PAPER

*Prepared for the Rural Development Taskforce, a Resilient Louisiana Task Force
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INTRODUCTION

Before the term “covid-19” made its way into our vocabulary, many rural parishes in Louisiana were already stressed and at-risk places. The sixteen parishes with the highest percentage of population loss between 2010 and 2020 all have populations under 50,000. Twelve of those sixteen have populations under 25,000. And of the thirty parishes experiencing the worst population loss during the decade, only one (Caddo) has a population over 50,000.

Accordingly, the small towns within rural parishes are also suffering population loss and the accompanying loss of economic vitality, entrepreneurial dynamism, and more difficult to quantify commodities such as hope. What cannot be stacked upon these challenges without catastrophic results is the essential viability of local governments: parish, community, school boards, and others. All over the nation, local governments are threatened; Louisiana is no exception. The Covid-19 crisis acts as an accelerant to these long-developing realities.

The Federal Reserve Bank of Kansas City said of the crisis on May 13, 2020, “As the coronavirus pandemic wreaks havoc on the U.S. economy, state and local governments will not be immune from the pain. In the near term, governments face liquidity challenges, as many tax deadlines have been postponed. In the longer term, governments will experience large revenue declines that may lead to significant budget cuts.” The Bank notes also that many local governments are spending at a higher level than normal to combat the pandemic itself.

The National Association of County Officials released a June 15 an analysis of the most recent Bureau of Labor Statistics monthly job report (the same report that showed an overall positive movement in jobs). “On top of more than approximately 800,000 local government jobs lost in April, local governments lost another 487,000 in May,” according to NACo. Many of the lost jobs are education-related. Others came from healthcare, social workers, law enforcement, maintenance crews, and construction workers. Each job lost from local governments has a direct negative impact on the local economy that it is part of.

It bears noting, however, that many rural communities in America are thriving. This series of White Papers describes actions that can be taken to breathe new life into rural Louisiana. This paper is dedicating to the importance of stabilizing our governmental institutions so they can be effective and viable now and into the future.

NEED

- ✓ With assistance from the Louisiana Municipal Association and the Louisiana Police Jury Association, the Task Force conducted identical surveys of small-town Mayors and Police Jury presidents regarding challenges in rural areas. The full results of the surveys are included as an addendum to this White Paper. We asked each participant to answer to rate a series of eight statements on issues considered by the Task Force. Ratings were on a scale of 1 (not important); 2 (somewhat important); 3 (important), 4 (very important) and 5 (extremely important).
- ✓ **AFFORDABLE AND ACCESSIBLE BROADBAND FOR ALL.** The participating mayors gave this a 4.1 rating while the Police Jury Presidents rated at 4.0.
- ✓ **BETTER AFFORDABLE ACCESS TO QUALITY MENTAL AND PHYSICAL HEALTH CARE.** The participating mayors gave this a 4.2 rating while the Police Jury Presidents rated it 3.6, the largest differential between the two groups.
- ✓ **GREATER FOCUS ON ECONOMIC DEVELOPMENT CHALLENGES.** The participating mayors gave this a 4.6 rating while the Police Jury Presidents rated it at 4.3.
- ✓ **MORE SUPPORT AND TRAINING FOR ENTREPRENEURS.** The participating mayors gave this a 3.5 rating while the Police Jury Presidents rated it at 3.2.
- ✓ **SAFE, RELIABLE, AND SUFFICIENT WATER SYSTEMS.** The participating mayors gave this a 4.8 rating while the Police Jury Presidents rated it at 4.3.
- ✓ **FUNDING FOR TRANSPORTATION INFRASTRUCTURE NEEDS.** The participating mayors gave this a 4.2 rating while the Police Jury Presidents rated it at 4.0.
- ✓ **STABLE REVENUES FOR PARISHES AND MUNICIPALITIES.** The participating mayors gave this a 4.7 rating and the Police Jury Presidents also rated it at 4.7.
- ✓ **AFFORDABLE AND ACCESSIBLE WORKFORCE TRAINING OPPORTUNITIES FOR ALL.** The participating mayors gave this a 4.2 rating while the Police Jury Presidents rated it at 3.7.

THESE SURVEY RESULTS demonstrate that all of these issues are important to our local governments. The lowest rating for any statement for either group was 3.2, a rating above the “very important” line. The highest ratings for Mayors was 4.8 (Water Systems) and 4.7 (Stable revenues). The highest rating was 4.7 (Stable revenues). Clearly, the need for stable revenues is a very high priority for our local government officials.

OPPORTUNITY

1. **THE OPPORTUNITY TO LEAD** – In most of the White Papers of this Task Force, the State itself is viewed as a change agent and leader in creating a truly resilient Louisiana. In no case is the need for that leadership more apparent than on the financial stability of our rural communities. As difficult as this challenge is, the State has the opportunity to be best in the nation in turning rural problems into rural successes.
2. **A BETTER, MORE PROSPEROUS LOUISIANA** Providing new and inspired kinds of support to rural communities will make major contributions to Louisiana as a place to live, work, play, and build viable futures. None of this will be possible in communities that fail financially.
3. **BUILD TO LAST** – The future has often been described as “another country” or a “foreign country.” Writer Zadie Smith said, “The future’s another country man...and I still ain’t got no passport.” The best kind of infrastructure investments we will ever make are those approached from the standpoint that we are not just building it to solve a current problem. We build it now because we need it now AND because we will continue to need it. If we are going to look at something for 100 or more years, it should be aesthetically pleasing as well as functional. A highway should serve as more than a piece of concrete to get us from here to there. It should be a thing that we are happy to have in our lives for a long time, a thing that we are pleased to see and use.
4. **INVEST IN THOSE WHO WILL ALSO INVEST** – A commenter to a New York Times story on rural challenges said, “Rural communities will be saved by the people who want to live there...Rural communities were created by people hoping to become business owners, land owners or employees of a good company. There are more people in need of those same opportunities than at any time since World War II.” Small towns don’t lack spunk, but the United States has lived a long time from the fruits of rural labor. The State can play an important role in creating viable partnerships with the small town people who want to stay there. A small town that is happy with itself is a small town that other people will want to experience.

RECOMMENDATIONS FOR STATE ACTION

1. **PROVIDE DIRECT ASSISTANCE TO SMALL TOWNS FACING FINANCIAL CRISES.** – The Governor’s Office, the Treasurer, the Division of Administration, the Legislature Auditor and others should continue their outreach to rural governments in the wake of the Covid-19 crisis. It is crucially important to monitor the financial health of our financially-strapped rural governments, provide planning and management expertise as needed, and help shore up finances through federal and other sources to assure stability and resilience.

2. EMERGENCY INFRASTRUCTURE FUNDING – The failure of a small town water system, for example, is not something that can be part of a long-term plan—it requires urgent action that is maximally effective. The State should create an Emergency Fund for municipalities that may not have the credit or planning resources to respond to life-threatening infrastructure failures.

3. FUNDSEEKING A PROPOSAL ASSISTANCE – Many small towns and even parishes do not have the resources to tap into grant funding from federal, state, and private sources. The State should organize a team of grant writers and experts that respond to this critical need without each jurisdiction having to identify, fund, and manage the grant-writing process. This small investment could lead to hundreds of millions of dollars in new municipal and parish funding over time.

4. MAJOR INFRASTRUCTURE IMPACT ASSISTANCE – Sometimes the best news for a region can turn into the worst news for a small jurisdiction. The impact of the relocation of a major highway can destroy small towns, neighborhoods, and businesses. These impacts should play a more important role in the planning process for major infrastructure projects. Funding and technical assistance should be made available to mitigate the effects.