

# MODERNIZING DELIVERY OF LOCAL PUBLIC SERVICES: LEAP INTO THE FUTURE

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*This article examines the role of the Local Efficiency Assessment Plan (LEAP) tool designed to help public officials and the general public evaluate their county's governmental structures while taking into account likely population changes through 2025. It provides insights into probable changes in costs, property taxes, and other fiscal issues as a result of population changes projected by the Illinois Department of Public Health (IDPH) using the cohort survival method. The results show that more elderly residents, fewer residents of working age, and fewer youth in some counties will force serious decisions about the type and quality of services provided, as well as the most appropriate and efficient way to deliver them.*

## INTRODUCTION

Changing demographics in Illinois and other Midwestern states pose significant issues for many counties, especially those in sparsely populated rural areas. Significant increases in the number of elderly residents and possible shrinkage in working age groups may present a very different scenario for providing local public services in the not-so-distant future. Increased elderly-friendly services will be needed, while tax bases might be smaller. If accessibility to high-quality public services is not maintained, elderly residents will have more incentive to migrate to other areas to live with or near family or improve their access to needed services.

Many rural counties in Illinois have been decreasing in population for a century or longer. In fact, 47 counties in Illinois peaked in population in 1900. This has made governmental arrangements for delivering local services no longer well suited for community needs, resulting in higher property taxes than necessary. Technological advances offer new ways to communicate with residents as well as provide essential services, such as health care. These changes provide opportunities for governmental agencies to collaborate for more cost-effective and better quality services.

Illinois has experienced rising out-migration in recent years, which has seriously affected rural counties. Between 2010 and 2017, nearly all counties had a net population loss, primarily due to out-migration (U.S. Census Bureau, 2018). In fact, only five counties (Champaign, Johnson, Kendall, Monroe, and Williamson) had a net inflow of residents (i.e., more people moving into a county than moving out). Nine other counties have gained population since 2010, despite experiencing net out-migration, due to births outnumbering deaths and people leaving the county. Out-migration after 2015 might not be fully reflected in the population projections.

Adjusting the local public service delivery system to reflect changed service needs is not easy for several reasons. First, residents might be comfortable with current services and accept the status quo, rather than push to make changes. Lack of information or uncertainty about cost savings and quality of services means that residents are less aware of the potential for improvement. Assessments of quality and quantity of services are usually not readily available.

Second, measuring the quality of a service, public or private, is difficult when it involves preventing unknown events. Although it is relatively straightforward to compare quality of streets or bridges, it is harder to determine the number of crimes deterred or the damage prevented due to fires, disease, and other issues. Without hard numbers, residents have difficulty assessing the need or potential for changes in service delivery arrangements.

Third, although realigning services may provide equivalent or higher quality outcomes at the same or less cost to taxpayers, the marginal cost savings per person might be perceived as less than the hassle or trouble to fight for changes. The current delivery system includes agencies and personnel in place for many years that might deliver an acceptable level of service. Changes in population, technology, and other forces slowly change the environment, so there is no immediate shock to the system that triggers changes.

Finally, local governments and service delivery systems are governed by state statutes that have not always kept pace with changing technology or the needs of residents. Thus, even when a needed change is relatively obvious, statutory changes might be necessary for it to take effect. These changes involve a complicated legislative process with input from many groups having a vested interest, so statutory revisions come slowly.

Other states, including New York, Ohio, Indiana, and Wisconsin, recognized the need to empower and encourage local governments to modernize their approaches to delivering services and have taken steps toward these ends. Illinois has already moved in this direction with the Government Consolidation and Unfunded Mandates Task Force recommendations (Task Force on Local Government Consolidation and Unfunded Mandates, 2015). These recommendations encourage local leaders to explore opportunities for greater efficiency in service delivery. Recommendations by the task force have also led to changes in state statutes, providing more latitude in shaping arrangements to meet future service needs.

This article examines projected population changes through 2025 and current governmental structures, especially in rural counties, to estimate the future regarding costs, property taxes, and other fiscal issues. Discussion then shifts to a Local Efficiency Assessment Plan (LEAP) tool that officials and the public can use in comparing their experiences with those in other governmental agencies. These comparisons can illustrate ways in which local government agencies could collaborate, share expertise and specialized equipment, and cooperate in other ways to reduce the overall costs of providing desired levels of services. In some cases, technology advances will require fewer stand-alone agencies if current governments absorb additional services in a realignment with suitable adjustments in revenue-raising powers. The LEAP approach can assist local leaders in implementing recent statutory changes that allow these changes.

## **PROJECTED POPULATION CHANGES**

Projecting populations, especially in rural counties, is complicated by events such as a business opening or closing that significantly affects the population. Likewise, many Illinois residents commute outside of their home county to work. As a result, economic events impacting one county can spill over to others.

Discussions in this article rely on population projections made in 2015 by IDPH using the cohort survival method. The number of residents in each age cohort in a base year is adjusted for fertility rates, life expectancy, and migration rates with the number of residents then placed in the next age cohort in the subsequent period.



Projected county populations in 2025 and changes from 2010 show significant declines by county size, with the highest average (7.4%) in the non-metro counties with populations less than 10,000 (Figure 1). This trend compares with a possible increase of 4.3% in metropolitan counties as a group. It is likely that some losses in rural counties reflect migration to neighboring metro areas or neighboring states.

Among the smallest counties, Pulaski (-17.6%) and Jasper (-14.4%) stand out as potentially having some of the largest declines. Expected population declines by age suggest even more pressing issues. For instance, Pope County could have a decrease of 45.2% in population below 20 years of age. Pulaski County (-29.0%) and Brown County (-24.5%) are also notable in this respect.

These projections are only estimates and subject to error, especially in counties with small populations. Nevertheless, they should alert local officials that new approaches to service delivery may be needed, especially in public education. A quick comparison of the counties reveals that in 2025, five counties could have 5,100 or fewer residents. Because at one time these counties were larger, the system for delivering local public services might be somewhat dated.

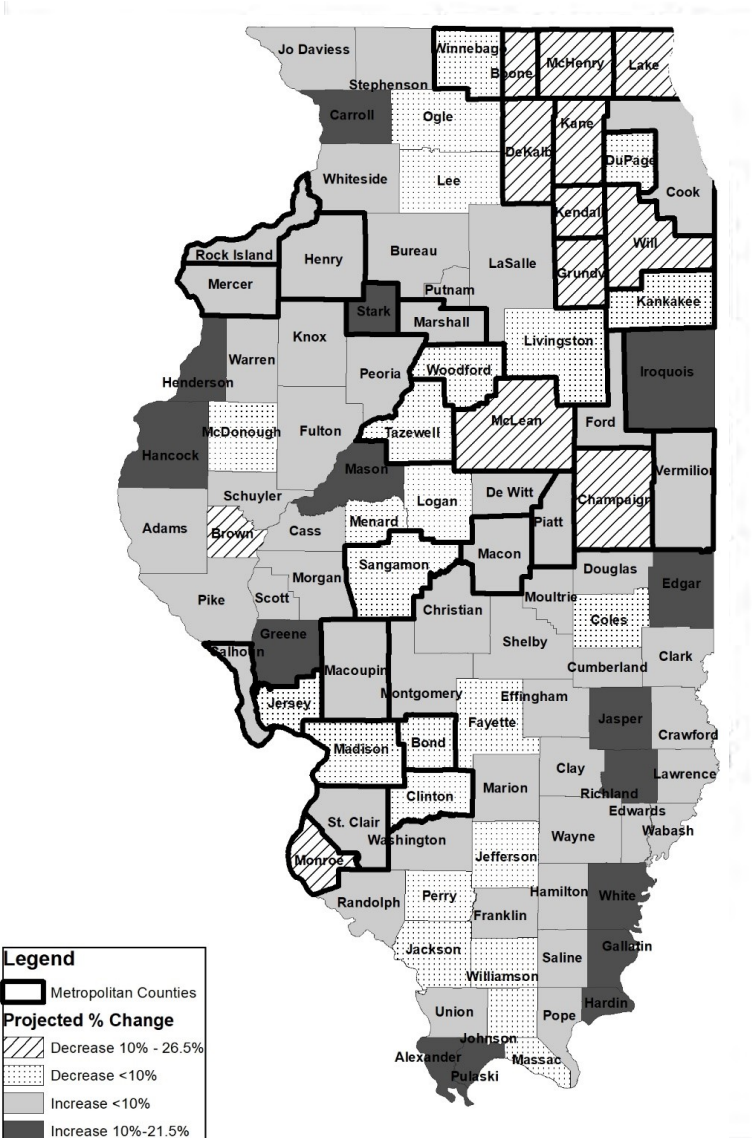
Also of significance is the expected growth in elderly populations in Putnam (56.5%), Jasper (40.2%), Edwards (39.8%), and Schuyler (36.0%) counties. If these projections materialize, there will probably be a need for more elder care and health facilities. In addition, as these residents age, they might choose to migrate to other locations with better services, family ties, or warmer climates. If the 2025 projections hold true, the elderly population in metro counties will increase by 58.9%. Some of these residents will likely be in-migrants from more lightly populated counties nearby, but a sizeable proportion will be due to residents aging in place.

Substantial population declines are not limited to the smallest counties, however. Mason (-17.7%), Hancock (-13.2%), Edgar (-13.1%), White (-12.3%), and Carroll (-11.6%) might also face serious population fluctuations that could warrant changes in both services and delivery systems. In many of these counties, the growth will involve elderly populations, and in some cases, declines in working age populations. This trend could mean the costs for additional services for the elderly who might qualify for homestead exemptions and other tax benefits will fall on the working age populations which, in some counties, will likely decline. This situation will squeeze local tax bases and could push property tax rates higher without a more efficient public service delivery

system. Local tax bases are likely to come under more pressure; the current structure for delivering local public services is described next (see Figure 2).

**FIGURE 2**

**PROJECTED CHANGE IN EXPENDITURES PER RESIDENT, 2012–2025\***



\*2012 total expenditures divided by projected total population in 2025

## LOCAL GOVERNMENT SYSTEM

Counties in Illinois differ in both types and numbers of government units, depending partly on settlement patterns. Seventeen counties, mainly in southern Illinois, reflect preferences for a more regional approach to governance and were formed as commission counties without the township form of government. Instead, the county government or a road district provides services provided by townships in other counties. Other counties were settled from the northeast, which is known for a more decentralized town style of government with townships that typically assess property, build and maintain roads and bridges, and provide a modest assistance program.

In 1972, the federal General Revenue Sharing program stated that recipient governments could spend federal funds only for purposes for which they had authority to spend local funds. Thus, the authority of townships to provide services was significantly broadened to enable them to spend General Revenue Sharing funds. Illinois townships now provide a broad assortment of programs for the elderly, youth, and other groups.

Following the Great Depression, the State of Illinois imposed a fairly restrictive tax rate and bond debt limits on local governments to maintain financial soundness. It also allowed local governments to create additional taxing districts to meet perceived local needs. The outcome is that when local officials perceive a need for additional services but have already reached the tax rate limits, they can create another taxing district with a new set of rate limits.

The result over the years has been a maze of governmental units that provide relatively uncoordinated services and sometimes are not large enough to use sophisticated management approaches. Because these special districts rely heavily on property taxes for revenues, counties with a larger number of governments have higher *effective* property taxes (property taxes as a percent of house value), as noted in analyses by Walzer and Blanke (2018b).

Important to note is that additional governmental units do not necessarily increase aggregate spending at the county level. Many special districts serve small geographic areas that spend more on specific services. However, because these costs are paid only by residents in that area, they might not significantly affect total countywide expenditures. At the same time, because special districts often do not have access to other revenue sources, financing these services requires higher property taxes. If a similar service were provided by a

general purpose government, it might be financed with a combination of sales taxes, income tax sharing, and even fees for services. Figure 3 shows several indicators pertaining to government structure in each county, grouped by population size.

**FIGURE 3**

**PROJECTED COUNTY POPULATIONS, AGE COMPOSITION, AND GOVERNMENT STRUCTURE**

COUNTY & POPULATION SIZE GROUP	2010 POPULATION	PROJECTED POP. IN 2025	% AGES 65+ IN 2025	2012 GOVTS PER 1,000	2025 GOVTS PER 1,000*	EFFECTIVE PROPERTY TAX RATE, 2015	PROJECTED SPENDING PER RESIDENT IN 2025*
<b>Non-metro Counties</b>							
<b>Non-metro, &lt;10,000</b>	<b>0.7% of IL</b>	<b>0.6% of IL</b>	<b>24.6%</b>	<b>3.28</b>	<b>3.54</b>	<b>1.4%</b>	<b>\$3,977</b>
Alexander	8,238	7,307	20.5%	3.03	3.42	1.3%	\$4,226
Brown	6,937	7,845	12.4%	3.32	2.93	1.6%	\$2,111
Edwards	6,721	6,249	26.6%	2.83	3.04	1.4%	\$2,312
Gallatin	5,589	4,650	25.2%	5.37	6.45	1.2%	\$4,223
Hamilton	8,457	8,316	23.4%	3.19	3.25	1.2%	\$4,810
Hardin	4,320	3,762	27.7%	1.85	2.13	0.8%	\$5,709
Henderson	7,331	6,526	29.2%	4.09	4.60	1.6%	\$3,621
Jasper	9,698	8,304	28.5%	3.20	3.73	1.4%	\$4,059
Pope	4,470	4,314	24.3%	2.46	2.55	1.2%	\$2,257
Pulaski	6,161	5,079	25.4%	2.43	2.95	1.1%	\$4,229
Putnam	6,006	5,977	28.0%	3.50	3.51	1.7%	\$3,685
Schuyler	7,544	7,042	27.0%	3.71	3.98	1.8%	\$6,801
Scott	5,355	5,072	25.2%	3.17	3.35	1.5%	\$3,632
<b>Non-metro, 10 K–24,999</b>	<b>3.8% of IL</b>	<b>3.5% of IL</b>	<b>24.3%</b>	<b>2.62</b>	<b>2.77</b>	<b>1.8%</b>	<b>\$3,900</b>
Carroll	15,387	13,601	30.1%	2.53	2.87	2.0%	\$2,637
Cass	13,642	12,739	20.5%	2.71	2.90	1.9%	\$4,146



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Clark	16,335	14,976	25.7%	2.20	2.40	1.9%	\$4,109
Clay	13,815	12,929	22.3%	2.17	2.32	1.5%	\$6,098
Crawford	19,817	18,887	22.1%	1.92	2.01	1.6%	\$5,508
Cumberland	11,048	10,670	24.3%	2.44	2.53	1.6%	\$2,616
De Witt	11,048	10,670	34.4%	3.02	3.23	1.8%	\$4,868
Douglas	19,980	19,709	21.8%	4.40	4.46	2.0%	\$2,967
Edgar	18,576	16,138	27.3%	3.93	4.52	1.6%	\$3,315
Fayette	22,140	23,130	20.0%	2.44	2.33	1.6%	\$2,383
Greene	13,886	12,429	23.4%	2.81	3.14	1.5%	\$3,372
Hancock	19,104	16,579	30.7%	3.72	4.28	1.7%	\$3,486
Jo Daviess	22,678	21,805	32.0%	2.65	2.75	1.8%	\$3,981
Johnson	12,582	13,889	18.7%	1.51	1.37	1.4%	\$2,083
Lawrence	16,833	16,368	20.1%	2.73	2.81	1.4%	\$3,279
Mason	14,666	12,074	26.5%	4.36	5.30	2.1%	\$6,099
Massac	15,429	15,438	24.8%	0.91	0.91	1.6%	\$4,942
Moultrie	14,846	14,706	22.4%	3.30	3.33	2.0%	\$3,146
Perry	22,350	22,560	19.3%	0.89	0.89	1.7%	\$4,275
Pike	16,430	15,299	23.2%	4.02	4.31	1.7%	\$3,480
Richland	16,233	14,548	27.4%	1.54	1.72	1.6%	\$5,304
Saline	24,913	23,300	24.1%	1.69	1.80	1.6%	\$4,299
Shelby	22,363	21,118	25.1%	3.00	3.17	1.9%	\$2,243
Union	17,808	17,130	25.3%	1.35	1.40	1.4%	\$3,818
Wabash	11,947	10,966	23.0%	2.26	2.46	1.6%	\$5,570
Warren	17,707	17,069	19.9%	1.92	1.99	1.8%	\$3,387
Washington	14,716	14,150	25.0%	3.33	3.46	1.9%	\$5,452
Wayne	16,760	15,439	24.4%	3.10	3.37	1.0%	\$3,847
White	14,665	12,855	27.6%	2.45	2.80	1.3%	\$4,523

<b>COUNTY &amp; POPULATION SIZE GROUP</b>	<b>2010 POPULATION</b>	<b>PROJECTED POP. IN 2025</b>	<b>% AGES 65+ IN 2025</b>	<b>2012 GOVTS PER 1,000</b>	<b>2025 GOVTS PER 1,000*</b>	<b>EFFECTIVE PROPERTY TAX RATE, 2015</b>	<b>PROJECTED SPENDING PER RESIDENT IN 2025*</b>
<b>Non-metro, 25 K-49,999</b>	<b>4.5% of IL</b>	<b>4.2% of IL</b>	<b>22.0%</b>	<b>2.13</b>	<b>2.20</b>	<b>1.9%</b>	<b>\$3,793</b>
Bureau	34,978	33,144	25.8%	3.06	3.23	2.0%	\$4,825
Christian	34,800	32,345	23.2%	3.25	3.49	1.7%	\$3,140
Effingham	34,242	33,179	22.3%	1.40	1.45	1.5%	\$3,545
Franklin	39,561	37,958	23.6%	1.39	1.45	1.3%	\$3,542
Fulton	37,069	35,221	20.8%	3.05	3.21	2.0%	\$3,713
Iroquois	29,718	26,816	25.8%	5.35	5.93	2.2%	\$3,482
Jefferson	38,827	39,331	20.9%	1.39	1.37	1.5%	\$3,789
Lee	36,031	36,119	21.3%	1.92	1.91	2.2%	\$3,174
Livingston	38,950	39,596	19.8%	2.46	2.42	2.4%	\$4,191
Logan	30,305	30,441	19.2%	2.34	2.33	1.9%	\$2,377
McDonough	32,612	34,565	14.7%	1.63	1.53	1.8%	\$4,855
Marion	39,437	36,283	23.3%	1.55	1.68	1.7%	\$5,107
Montgomery	30,104	29,313	22.2%	3.02	3.10	1.8%	\$3,046
Morgan	35,547	35,134	21.6%	0.90	0.91	1.9%	\$2,844
Randolph	33,476	32,093	21.2%	1.19	1.25	1.5%	\$4,592
Stephenson	47,711	45,589	26.2%	1.30	1.36	2.6%	\$4,036
<b>Non-metro, 50,000+</b>	<b>4.1% of IL</b>	<b>4.0% of IL</b>	<b>21.1%</b>	<b>1.19</b>	<b>1.19</b>	<b>2.0%</b>	<b>\$4,313</b>
Adams	67,103	63,924	22.3%	1.16	1.22	1.7%	\$3,220
Coles	53,873	58,405	15.4%	1.45	1.34	2.0%	\$3,640
Jackson	60,218	62,818	15.6%	0.95	0.91	1.9%	\$3,001
Knox	52,919	49,329	23.5%	1.28	1.38	2.0%	\$3,872
LaSalle	113,924	112,034	22.2%	1.22	1.24	2.2%	\$4,398
Ogle	53,497	54,837	23.1%	1.46	1.42	2.2%	\$5,382
Whiteside	58,498	53,922	24.8%	1.47	1.59	2.3%	\$7,403
Williamson	66,357	69,246	21.4%	0.63	0.61	1.5%	\$4,004

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Metropolitan Counties	86.9% of IL	87.8% of IL	18.1%	0.32	0.31	2.2%	\$5,221
Bond	17,768	18,689	18.1%	1.63	1.55	1.7%	\$2,559
Boone	54,165	65,315	17.9%	0.57	0.47	2.6%	\$2,350
Calhoun	5,089	4,856	25.6%	3.34	3.50	1.5%	\$2,412
Champaign	201,081	225,626	14.3%	0.90	0.80	2.1%	\$3,879
Clinton	37,762	39,130	21.0%	1.96	1.89	1.9%	\$2,399
Cook	5,194,675	5,078,297	17.8%	0.10	0.11	2.1%	\$6,745
DeKalb	105,160	126,927	12.3%	0.76	0.63	2.8%	\$3,613
DuPage	916,924	950,948	21.3%	0.19	0.18	2.3%	\$4,656
Ford	14,081	13,244	21.5%	3.83	4.08	2.2%	\$3,274
Grundy	50,063	58,944	16.6%	1.18	1.00	2.2%	\$3,854
Henry	50,486	47,250	24.1%	1.98	2.12	2.0%	\$4,543
Jersey	22,985	23,885	21.7%	1.26	1.21	1.7%	\$3,734
Kane	515,269	619,296	16.0%	0.21	0.18	2.7%	\$4,487
Kankakee	113,449	119,073	19.2%	0.94	0.90	2.3%	\$3,666
Kendall	114,736	156,190	12.6%	0.35	0.26	3.0%	\$2,640
Lake	703,462	794,076	18.1%	0.27	0.24	2.8%	\$4,448
McHenry	308,760	363,311	17.7%	0.34	0.29	2.9%	\$3,244
McLean	169,572	197,855	13.8%	0.80	0.69	2.3%	\$3,167
Macon	110,768	103,126	21.4%	0.85	0.91	2.1%	\$4,217
Macoupin	47,765	45,162	24.5%	1.78	1.88	1.6%	\$2,762
Madison	269,282	272,987	19.9%	0.53	0.52	2.0%	\$3,693
Marshall	12,640	11,589	26.6%	3.01	3.28	2.3%	\$2,374
Menard	12,705	12,913	24.4%	1.89	1.86	1.9%	\$3,745
Mercer	16,434	15,652	25.5%	2.98	3.13	2.1%	\$4,006
Monroe	32,957	38,053	21.7%	0.82	0.71	1.8%	\$3,162
Peoria	186,494	182,671	19.4%	0.48	0.49	2.2%	\$4,319

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Piatt	16,729	16,000	25.0%	4.48	4.69	1.9%	\$4,144
Rock Island	147,546	141,317	23.3%	0.55	0.57	2.2%	\$4,681
St. Clair	270,056	266,648	18.1%	0.49	0.50	2.2%	\$4,665
Sangamon	197,465	207,194	21.8%	0.55	0.53	2.0%	\$7,386
Stark	5,994	5,439	24.3%	4.34	4.78	2.0%	\$3,703
Tazewell	135,394	136,436	21.7%	0.80	0.79	2.0%	\$4,093
Vermilion	81,625	76,441	21.5%	1.46	1.56	1.8%	\$4,024
Will	677,560	853,596	15.2%	0.24	0.19	2.7%	\$3,030
Winnebago	295,266	306,088	20.2%	0.25	0.24	2.9%	\$3,876
Woodford	38,664	41,360	21.5%	1.71	1.60	2.0%	\$2,769

\*Assuming no change in total number of governments countywide since 2012.

\*\*Calculated by adjusting 2012 expenditures for change in population. Likely to understate because it does not adjust for inflation.

In those counties projected to lose population through 2025, if total spending remains at current levels, the cost of services *per resident* will increase. By this argument, total expenditures *per resident* could increase by more than 10% in 15 counties. For example, if countywide expenditures in Mason County remained at 2012 levels, they would increase 21.5% on a per resident basis by 2025. In Stark County, per resident expenditures would increase by 10.2%, and in Edgar County, they would increase by 15.1%, not adjusted for inflation (Figure 3).

Relative to home values, Illinois has among the highest effective property tax rates in the nation—approximately 2%, depending on the source—but tax rates also vary considerably within the state (TaxRates.org, 2019). For example, the effective countywide property tax rate in Hardin County (population 4,320) is 0.8%, whereas in some metropolitan counties, the effective tax rate is nearly 3%. Higher tax rates in Illinois present a challenge for communities trying to attract residents, especially because housing costs affect relocation decisions.

Expected population trends noted earlier, along with concerns about Illinois' rank among states in terms of effective property taxes, indicate a need to streamline or modernize the framework for delivering local public services in Illinois. The current system was created in a different environment of transportation, telecommunications, and technology. Although the delivery system was effective when first implemented, telecommunications and population changes in some cases have rendered it obsolete now, leading to higher property taxes than necessary under different arrangements.

## **LOCAL EFFICIENCY ASSESSMENT PLAN**

The Governor's Task Force on Government Consolidation and Unfunded Mandates (2015) provided recommendations for changes in state statutes that allow local officials and residents to update their service delivery systems. No mandates were included; instead, the recommendations enabled local groups to review current conditions and decide if and how changes might improve the financial situation. With recent legislative changes, local officials can sometimes realign service delivery arrangements to reduce costs and taxes.

Local officials and residents wanting to make changes are hampered by the absence of easily available data to evaluate alternatives. The most complete source of annual data on expenditures and revenues is The Warehouse in the Illinois Office of the Comptroller. While valuable as a management tool, the data is provided in a complicated format that is not completely comparable among government agencies. For small rural county areas that have many small governments and less experienced staff, it is difficult to analyze the existing data and mount an effort to consider reasonable alternatives.

A more readily available data source is the U.S. Census Bureau's Census of Governments. Gathered every five years, expenditure and revenue data for virtually all local governments are included in this source and presented in an easily comparable format. The downside, however, is that the 2017 data is just now becoming available, and, again, comparing one governmental unit to another in a comprehensive way requires considerable effort.

The LEAP database includes information from both the Census of Governments and the Comptroller's Warehouse, where appropriate, but suggests that users start with data generated locally. The Census of Governments is used for countywide information on government structures in 2017, whereas more recent financial information for all individual units of government is provided

using the 2016 Comptroller's Warehouse data. In this way, practitioners have access to a comprehensive overview of the local service delivery with more recent and detailed information by specific jurisdictions such as fire protection districts, road districts, and police/firefighter pension funds.

In 2017, the Governor's Rural Affairs Council commissioned the Northern Illinois University Center for Governmental Studies to explore ways to help local governments with long-term population declines and similar future trends to organize a local initiative to consider alternative governmental arrangements for providing services. The Center for Governmental Studies prepared a LEAP guidebook that leads local officials through an inexpensive and straightforward process to evaluate viable options and strategies (Walzer & Blanke, 2018a).

The guidebook does not provide standards for local governments to meet because both preferences for quality of services and frameworks for delivering services differ by area. Instead, the LEAP guidebook contains six main steps that a representative group of residents and public officials can follow. It has a database that provides electronic access to population trends and financial data for various types of governmental units to compare their operations and outcomes.

The process also uses local information generated by agency heads and managers regarding current operations. Although the LEAP system was designed mainly with rural areas in mind, due to their substantial long-term population declines, it is equally suited for use in larger metro areas using the same procedures. The LEAP process helps examine expected population changes through 2025 and then selects ways to update or adjust the delivery framework for services needed by that population. There is no set procedure to be followed; LEAP was designed only to find ways to use local resources effectively. Suggested steps in the process are shown next.

## FORM A LEAP TEAM

The LEAP process begins by charging a group of taxpayers, business leaders, residents, local officials, agency heads, and others with finding ways to deliver public services as efficiently as possible. The size and composition of the group can vary as needed. What is important is that participants are committed to determining the services needed and then working with existing governmental units to find ways to collaborate in delivering them. The LEAP process does not start with the goal of eliminating governmental agencies or reducing quality of

services to lower costs. Instead, the intent is to find cost savings for the levels of services needed or desired in the future.

Equally important is that key decision makers in the delivery system are engaged and that they make the process completely transparent. For instance, agency managers understand the current operations, so they are in an excellent position to know how the same or better services could be delivered in different ways by using technology better or by collaborating with other agencies to avoid duplication. Decision makers of affected agencies have an opportunity to find and evaluate various approaches. The LEAP process depends on having no hidden agendas or pre-planned actions.

### EXAMINE DEMOGRAPHICS AND SERVICE ADJUSTMENTS

The LEAP team examines population projections and current services provided. As noted previously (Figure 1), many Illinois counties can expect population declines, as well as a substantial increase in the number of elderly residents. These trends will affect the types and levels of service provided in the future. The LEAP database contains IDPH population projections to start the process (Center for Governmental Studies at Northern Illinois University, n.d.). The U.S. Census Bureau and private agencies also have information on population trends and projections, but the 2020 Census data will not be available for several years. In some instances, multiple data sources can help the LEAP team better understand and anticipate future changes.

The LEAP team can ask managers of governmental agencies how the services need to change to meet the needs of the projected populations. Discussions should include not only the estimated services needed but also their costs. Changes in delivery approaches cannot occur immediately, which is why the analyses and discussions involve 2025 or a suitable planning horizon. Facilities might have to be remodeled, equipment purchased, or number of employees changed, all of which affects future budgets. Much of the information on staffing requirements will come from local agencies or professional groups.

In this step, the LEAP team can also examine the services and changes needed by neighboring governments facing similar trends. Adjacent governments might be able to collaborate to meet future service requirements. These comparisons of projections and estimated regional service needs can help in later decisions. The LEAP database facilitates comparisons of spending and revenues for neighboring governments.

## IDENTIFY REVENUE POTENTIAL

After estimates of future service demands and potential cost adjustments have been made, the next step involves determining the adequacy of potential revenue sources. Overall population declines with growth in elderly populations can adversely affect future revenues, such as state shared income taxes or motor fuel taxes. Fewer residents could mean less in the way of sales taxes, and elderly residents might qualify for homestead exemptions from property taxes, for instance.

Information on local revenues is best obtained from agency heads, financial officers, or other groups. The LEAP database provides information from the Comptroller's Warehouse, which, in turn, is obtained from audits and local government's Comprehensive Annual Financial Reports submitted annually.

More detailed information can be provided by local agency personnel in a position to estimate changes by 2025 in the property tax base or other sources. If more sophisticated revenue estimates are needed, private sources, such as Forecast5 Analytics or similar agencies that regularly work with local governments on financial issues, can help. Whatever the source, the LEAP team needs realistic estimates of revenues available to finance the identified service needs.

## EVALUATE BUDGET ALTERNATIVES AND STRATEGIES

Based on information about expenditure needs and revenues expected in 2025 and beyond, the LEAP team can identify approaches to bring the budget into balance, which in some instances will require adjustments in expenditures involving collaboration among agencies. This step in the process will provide long-term benefits if the LEAP team can work with local agencies to better use human resources and technology. Specialized expertise can sometimes be used more efficiently when shared by several agencies. For instance, participating agencies can share a common human resource department or finance agency in a small county. Questions to ask include the following: Can dispatching of emergency vehicles be centralized along the lines of 911 serving several agencies? Can vehicle maintenance or financial management systems be combined? These and other alternative strategies are evaluated during this phase of the LEAP process to find the most viable and suitable arrangements to reduce costs.



Discussions with agency personnel are especially important at this time because local managers can best identify potential collaborations or other cost-saving approaches. The important point is that the LEAP team works with agency managers, residents, and other groups to seriously evaluate options for improving efficiency in operations for several years in the future. These discussions should also include other governmental units when appropriate. For example, a neighboring government might provide similar or complementary services. Collaborations benefit both agencies. Communities, such as Algonquin and Cary, discussed ways to share police training facilities. St. Charles, Batavia, and Geneva deliver 911 services by sharing specialized resources and personnel. Schools have consolidated in many areas following population decreases. Other examples of collaborations should be considered in this evaluation process.

Budget-balancing strategies will identify potential options that work best for expected populations. They can position the community to make adjustments in an orderly way without undue pressures to balance a pending budget shortfall. The intended outcome is a list of potential strategies to lower costs. Some strategies might take several years to implement, and others, on closer evaluation and based on input from residents and voters, might not be viable. Nevertheless, local officials have an array of possible actions evaluated by residents, public officials, agency managers, and community leaders.

### CREATE PLAN OF ACTION BASED ON POTENTIAL STRATEGIES

The most important, but also most difficult, step in the LEAP process involves deciding on a viable plan of action using strategies identified in the budget-balancing process. The LEAP process, *per se*, is informative and useful in making people aware of pending issues, but unless it results in a viable action plan that is implemented, much, if not most, of its potential value will be lost. The previous procedure of examining potential strategies requires an open process in which the views of residents and groups are vented. It is key to create an action plan acceptable to taxpayers, because some actions might require a referendum or otherwise require public support.

The action plan results from the LEAP team selecting strategies proposed in the previous step with new or alternative ways to deliver the desired levels of service. Some strategies take advantage of technological advances and innovative ways to deliver new and existing services. They might also involve

scaling back services that are no longer needed, perhaps by merging or consolidating agencies, or by sharing commonly used resources and expertise.

Most important is that during discussions of options, agency representatives review current operations for duplicity, redundancy, and potential for sharing resources. These are hard decisions when jobs are at stake, but they are necessary for the process to succeed. An advantage of the LEAP process is that it anticipates issues, looks forward with the best data available, and is implemented in a reasoned way over several years, rather than under immediate budgetary pressures.

## VERIFY LEGALITY OF PLANNED APPROACHES

Statutory changes recommended by the Task Force on Governmental Consolidation and Unfunded Mandates expanded options for revising how services are delivered. Thus, the action plan must verify the legality of proposed actions and whether recently passed legislation offers other alternatives. The LEAP guidebook has an up-to-date synopsis of the requirements for changing governmental structure with references to the statutes. In using the guidebook, however, it is always advisable to have legal counsel when proposing changes.

## SUMMARY

Demographic changes in the next decade or so will affect many governments regarding services needed and available revenues. The presence of more elderly residents, fewer residents of working age, and fewer youth in some counties will force serious decisions about the types and quality of services and the most appropriate or efficient framework to provide them. In small counties expecting serious population declines, these trends could make the existing delivery system unaffordable, so collaborations, mergers, and even consolidations might be necessary to balance future budgets.

LEAP is a tool to help small governments with limited staff work through a planning process leading to an action plan to meet expected service demands in 2025. It is not a manual or a guaranteed plan for success, but it provides an organized approach to evaluating ways to provide existing or more appropriate services with current resources. The plan will not meet with complete agreement by the public, but if an open and transparent process involving a cross-section of the public is used, it has the potential to guide the area through the transitional period.

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