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LOCAL GOVERNMENT FINANCE IN PENNSYLVANIA: POLICY AND MANAGEMENT EDUCATION

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Local government revenue and expenditure policy and financial management are important issues for local government officials. Most other citizens also view local finance policy as important, and many recognize the public policy significance of financial management.

Public policy educators in Penn State's Department of Agricultural Economics and Rural Sociology, working through the Pennsylvania Cooperative Extension Service, are actively involved in conducting educational programs on local government revenue and expenditure structure, tax reform proposals, real property assessment and administration, financial management techniques, community service innovations, and other issues. The audience, teaching objectives, and basic principles common to all Pennsylvania Cooperative Extension local government finance programs are outlined below. In addition, program development, delivery, and evaluation methods and educational materials used in these programs are discussed.

Institutional Setting

Pennsylvania's local government system is a complex mosaic of structure, function, and authority comprised (as of 1982) of 67 counties; 2571 cities, boroughs, and townships; 1 incorporated town; 501 school districts; and 2376 special purpose municipal authorities. These local governments vary considerably in population, rurality, economic vitality, and other socioeconomic characteristics. Their responsibilities for providing public services and facilities also vary by local government type.

Pennsylvania local governments garner revenues from numerous local tax and nontax and intergovernmental sources. Local taxing authority is broad and includes general and special purpose real property taxes and nearly a dozen non-real property taxes. Use of this taxing authority and legal tax rate limits vary greatly among and within local government types. Real property and non-real property tax re-

form is a perennial public policy issue as is real property assessment reform.

While there are generally similar budgeting, auditing, and other financial management requirements for all Pennsylvania local governments, there is also considerable variation in specific requirements and allowable practices by local government type. Further, there is considerable variation in financial management expertise and experience among local government officials.

Policy and Management Education

Regular local government finance educational offerings fit in two broad categories: policy and financial management. The policy category includes programs on revenue and expenditure structure and tax reform. Financial management programs emphasize topics such as auditing, annual and multi-year budgeting, financial statements, and cash flow analysis. Programs on real property tax assessment and administration and community service provision alternatives have both policy and management components.

Audience, specific teaching objectives, program development and delivery approaches, educational materials, and evaluation methods vary from one program to another. Across programs, however, there are important commonalities. A discussion of these follows.

Audience. The audience for Pennsylvania's local government finance extension programs includes local elected and appointed officials, citizens not serving as government officials, state legislative and executive branch officials, and extension agents and faculty. The relative importance of these groups varies by program, but overall local elected and appointed officials are the most important audience. Citizens not serving as officials are second in importance, with extension agents and faculty a close third. State officials, to date, have received little direct attention. Pennsylvania's programs have primarily a local- or community- as opposed to a state-level focus.

Teaching Objectives. While detailed teaching objectives differ for each specific local finance policy and financial management program, two general teaching objectives are common to all programs. These two objectives are to provide unbiased information and to teach tools and skills useful in analyzing local government finance policy and managing local revenues and expenditures.

Basic Principles. Several principles form the basis of Pennsylvania Extension's local government finance programming. First, both local financial management issues and local finance policy have public policy significance and are viewed as relevant public policy education topics. Financial management education becomes public policy education because financial management techniques have implications for the distribution of authority and power among a local government's

elected and appointed officials and between these officials and their constituents.

Second, program focus is defined and constantly redefined through an ongoing process of melding audience and extension staff perspectives. Audience ideas provide focus on important current problems and issues. Extension staff refine the definition of these current problems and issues and incorporate emerging issues and long-term perspectives into program offerings.

A third basic principle involves building program participant and extension staff knowledge and analytical and management capacity. Participants and staff must learn and apply decision making frameworks, analytical concepts, and specific management tools so they themselves can analyze policy and manage local revenues and expenditures. For extension staff, such an educational and experiential base fosters better access to local government officials through common understandings. It also helps make staff better analysts of educational needs as well as more informed educators.

Fourth, individual or government specific technical assistance programming is de-emphasized. Such assistance is provided only when it affords an opportunity to teach analytical and management skills, and when it is likely to foster work with larger, more diverse audiences. The fundamental principle is that local government officials, extension staff, and others should learn to "do-it-themselves."

Program Development and Delivery Procedures. Several important general operating procedures govern local government finance extension program development and delivery.

A first important operating procedure involves *identifying a niche* in the network of public and private sector providers of local finance policy and financial management technical assistance and education. This process is ongoing and requires constant redefinition of that niche as the political-legal and socioeconomic context of local finance and financial management evolves and the provider network changes. Over time, three key factors have combined to help define Pennsylvania Cooperative Extension's niche: (1) provision of informal adult education on important technical issues; (2) ability and willingness to develop and deliver programs addressed to the needs of municipalities and communities lacking resources to hire full-time managers or outside technical assistance and lacking easy access to other education providers in the state; and (3) interest and experience in focusing on farm and rural nonfarm interests in policy research and education. For effective public policy education, emphasis on farm and rural nonfarm interests must be balanced with emphasis on the interests of others in a public policy issue.

Another important operating procedure is *gaining and maintaining visibility*. Visibility is important for developing interest in, and sup-

port for all, extension programming. Gaining and maintaining visibility, like defining a programming niche, is an ongoing process. Pennsylvania Cooperative Extension staff generate visibility by: (1) providing accurate, timely, and unbiased information and analysis in meetings, workshops, publications, and individual contacts and through other outlets; (2) carrying out an active, annual schedule of teaching and publishing responsive to audience needs; and (3) interacting regularly with important audiences in their communities and at local and state local government association conventions.

Program delivery involves two key operating procedures. Programs are delivered using a variety of standard methods, the most important being *a sequence of several two- to three-hour workshops* involving presentation, discussion, and problem solving exercises. Adequate instructional time is necessary to teach and to provide experience in applying the concepts and tools useful in policy analysis and financial management. Not every program is taught using this approach, but most are.

Program delivery has been coordinated almost exclusively through county agents and regional community development agents, primarily the latter. This *regional community development agent support* has been an important element in Pennsylvania's program delivery approach. Local government finance extension programming in Pennsylvania would be considerably different in scope, content, audience, and delivery without regional agent support.

Two other general operating procedures are important. *Inservice education keyed to program offerings is regularly provided* to extension staff. Inservice education is a mechanism for fostering staff interest in programs, helping staff feel more comfortable with subject matter that is often technical, and helping staff become better educators and analysts of educational needs.

Strong research support is important for most extension programs. Research support for Pennsylvania local government finance extension programs comes primarily from *an ongoing applied research effort keyed to state issues carried out by Penn State Cooperative Extension public policy educators*. Research results from other sources within and external to Penn State are also drawn upon.

Educational Materials. Numerous educational materials are available to support local government finance policy and financial management teaching by Pennsylvania Cooperative Extension staff. These materials include workshop notebooks containing program outlines, definitions of terms, descriptions of procedures, and problem solving exercises; publications in the *Community Affairs* series; extension bulletins; and visuals including transparencies and slide sets. Continual effort is made to update, improve, and expand the array of available educational materials.

Evaluation Methods. Three purposes are emphasized in evaluation of Pennsylvania Extension's local government finance programs: program improvement and development, knowledge gain, and financial management practice change. Program improvement and development information is gathered informally through discussion with program participants as well as through simple participant surveys filled out at each meeting or workshop.

Knowledge of key concepts and tools is measured using a modified pre- post-workshop evaluation design. Immediately after each workshop, participants rate their knowledge of specified concepts and tools before and after the workshop experience. The percentage of participants who express an increase of one or more points on a five point scale is used as a measure of program effectiveness with respect to knowledge gain.

Practice change is evaluated by assessing present financial management techniques and tracking adoption of new, improved techniques and their impacts over time. This evaluation is carried out using mail surveys and "elite" interviewing techniques to determine where and why practices changed or did not change and the impacts of change, if it occurred.

Program evaluation is very important for internal as well as external accountability, but it can be disruptive to the teaching process. For local finance policy and financial management extension programs in Pennsylvania, a balance is struck between teaching and evaluation efforts by keeping evaluation simple and minimizing program participant time involvement. Particular attention is paid, however, to not unduly sacrificing scientific rigor in evaluation; otherwise, credibility regarding program effectiveness is sacrificed.

Conclusion

Local government revenue and expenditure policy and financial management are important issues for local government officials and many other citizens. These issues offer interesting and challenging opportunities for cooperative extension public policy educators: opportunities for developing and delivering educational programs that help officials and citizens deal more effectively with their policy and management concerns and opportunities for building cooperative extension service support.