



**TESTIMONY ON
LOCAL CAPACITY ISSUES**

Presented to the Pennsylvania Rural Population
Revitalization Commission

By
Sherene Hess, Indiana County Commissioner

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Good morning. I am Sherene Hess, Indiana County Commissioner, and I appreciate the opportunity to offer remarks today before the Rural Population Revitalization Commission. In addition to serving as an Indiana County Commissioner, I also serve as the 2025 President of the County Commissioners Association of Pennsylvania (CCAP). CCAP is a non-profit, non-partisan association representing the commonwealth's 67 counties. As a County Commissioner for Indiana County, a 6th class county in Western Pennsylvania, I appreciate your focus on addressing the challenges our rural communities face and exploring solutions to ensure a sustainable and thriving future.

Role of County Government

Pennsylvania's 67 counties provide services that positively impact the daily lives of our families and help our communities. This is especially true for our rural counties, which the Center for Rural PA notes account for 48 of the 67 counties. The reality is, all but one county of the 4th through 8th class is considered "rural" by definition. More than 3 million Pennsylvanians reside in a "rural" county, each with its own unique local conditions and needs.

For perspective of the role county governments play in the everyday lives of residents and taxpayers, consider the myriad of critical, wide-ranging functions of all counties are: judicial administration, corrections and justice related activities, community and economic development, environmental planning, public health and safety, human services (including children and youth, mental health, intellectual disabilities and drug and alcohol), emergency management, elections, mass transit, solid waste and recycling programs and real estate tax assessment.

Undoubtedly, many of the issues this commission will be looking to address will impact counties in some form or fashion given the wide range of functions counties serve.

Rural Population Revitalization Efforts

As the commission knows well, rural Pennsylvania counties are experiencing sustained population decline, which threatens our economic sustainability and ability to provide essential services. For example, between the 2010 and 2020 Census counts, Indiana County saw a population decline by nearly 4,500 residents. This decline was driven, in part, by factors such as limited economic opportunities, outmigration of younger generations, and an aging population. To reverse this trend, Pennsylvania must invest in initiatives that make our counties attractive places to live, work, and raise families.

Rural counties face a number of challenges due to population decline that directly impacts its capacity to provide critical services to its residents. These challenges include local revenue, funding, and workforce challenges. I will touch on each of these challenges today, including one that will be

Local Revenue Challenges

Rural counties operate under significant fiscal constraints, as our tax bases are often smaller and reliant on property taxes that are more limited than urban counterparts. Our ability to fund

essential services is increasingly limited, particularly as chronic underfunding from the state for services counties provide on behalf of the state persists.

Human Services Funding Challenges

This is especially true in the area of county human services. As Pennsylvania counties are the providers of various human services on behalf of the state, an issue that is directly tied to rural county challenges that contribute to outmigration is the mounting pressures on our human services agencies, particularly in the area of mental health and children and families. Our rural human services agencies face increasing demand with limited resources. Rural counties challenges are compounded by staffing shortages in key human services areas, as human services positions lead to increased stress and tend to result in burnout due to the demands of the positions. Staffing challenges often increase the barriers to accessing community-based services due to geographic constraints and lack of service providers in rural communities. Our state partners must continue to work with counties to address these issues to ensure we can meet the needs of our most vulnerable residents.

Our counties need sustainable funding solutions to meet growing needs. To that end, counties continue to seek increased state funding for mandated human services programs to reflect the true cost of service delivery. With increased resources like those for mental health services, we can start to rebuild a human service network in our rural communities that have been ravaged by staffing and funding challenges for many years. Without access to critical human services, people will continue to migrate to areas where the services they require are available and accessible.

Local Tax Options

In addition to increasing funding for programs that counties provide on behalf of the state, counties urge the Commission to consider policies that provide counties more flexibility with local taxing options to reduce over-reliance on property taxes and provide greater flexibility in how counties can generate revenue to support essential services. Giving counties the ability to leverage additional revenue options that align with the realities within their communities can reduce the over-reliance on property taxes to fund critical services, compounding the outmigration issues, especially for young professionals and families.

Grant Funding Challenges

Finally, one common issue heard frequently from rural communities is often a lack of flexibility in both federal and state grant programs, which are critical funding streams for local governments that have smaller tax bases such as those in our rural counties. Too often, grants come with excessive administrative burdens, stringent matching requirements, or short application windows that make it difficult for small rural governments to compete. We urge the state to review grant programs to local governments and identify ways to streamline grant processes, reduce local match requirements, and ensure that rural counties have equitable access to funding opportunities.

Reducing the administrative burden of applying for and obtaining grants is necessary to give rural communities a chance to compete for these crucial funding streams. Counties urge the commission to consider how state agencies can support smaller counties and local governments with more technical assistance in the grant application process to make it more accessible for small rural counties with limited administrative capacity.

County Workforce Challenges

Compounding the issue of capacity in rural county government is the on-going public-sector workforce challenges counties face. Recruiting and retaining qualified employees for county agencies remains a persistent challenge. Public sector jobs in rural Pennsylvania struggle to compete with private sector wages, and staffing shortages put additional strain on existing employees.

To address this on-going and persistent challenge, counties have to weigh raising taxes to increase wages and benefits in support recruitment and retention efforts, especially where state funding is inadequate to support these services. With limited tax bases and options, this becomes a self-fulfilling prophecy of sorts as counties are often left with the options of increasing taxes or reducing services, which in turn exacerbates the struggles rural communities face. Counties would greatly benefit from support from the state in providing tuition assistance and loan forgiveness programs for professionals in critical areas like human services, corrections, and emergency management to help recruitment and retention struggles in all counties, but especially rural counties.

Collaboration between the state and counties in addressing these on-going workforce challenges will be necessary going forward. If we cannot address the staffing capacity issues in rural counties, services diminish and people will continue to move to where the services they need are.

Policy Considerations

Counties have several recommendations we would like this commission to consider. This list is by no means complete, but rather a representation of a number of areas counties believe are key to supporting rural counties and communities. This commission will no doubt receive a number of policy prescriptions not directly under the county purview (e.g., education, healthcare). We will instead focus our recommendations on the areas that directly impact our rural county services and how we operate and offer the critical services taxpayers and residents rely on us to provide.

Recommendations:

- Adequately fund services that the state mandates counties provide, including increased state funding for chronically underfunded human services programs like county-based mental health services.
- Consider legislation to provide counties with local tax options beyond the property tax and give them the flexibility to use a mix of taxes that best fits their local conditions.

- Allocate rural development funds specifically for capacity-building programs, including shared grant-writing and planning positions that serve multiple rural counties—not just urbanized centers within rural regions. Additionally, matching fund requirements for smaller rural counties should be eliminated, minimized, or tied to size of municipal budget, as small counties and their municipalities often lack the tax base to meet these obligations.
- The Commission should push for transparent, merit-based application reviews for state grant and loan funding, with a scoring system that prioritizes economic need, long-term impact, and capacity-building potential rather than external considerations. Further, the Commission should advocate for dedicated funding allocation models whenever possible to ensure every county, regardless of size, has a baseline share of state grant funding. An example would be the LSA Statewide Program, if every county were to receive a minimum allocation of \$1 million for project review submissions equalizing the playing field across the state.
- Collaborate with counties to develop targeted recruitment and retention strategies that takes into consideration local needs options such as loan repayment programs and other incentives for highest need county positions such as children and youth caseworkers, 911 telecommunicators, and corrections officers, among others.
- Expand access to broadband internet to bridge the digital divide and enable economic development, remote work, and online education. Pennsylvania must ensure the significant investment being made by both federal and state partners can be used as effectively and as efficiently as possible to reach the most people, focusing first on the unserved communities.
- Identify opportunities to invest in affordable housing needs, taking into consideration county zoning and land use policies and how they support housing needs while balancing environmental and community standards. This should also consider how to more provide support for counties with the greatest level of need, not just focusing on population size.
- Counties believe that public transportation, including rural transportation, is critical in meeting the needs of those in need of services as well as the workforce. To that end, counties urge increased and dedicated funding for all forms of public transportation across the Commonwealth and considers how collaboration and synergy among all transportation stakeholders will improve the availability of affordable transportation options in our rural communities.

Conclusion

Revitalizing rural Pennsylvania requires a coordinated effort that prioritizes economic development, workforce sustainability, and adequate funding for essential services. Counties are on the front lines of these challenges, and we need state and federal support to ensure that our communities remain viable for generations to come. Having discussions such as these to highlight challenges and identify opportunities is a necessary first step and rural counties appreciate having a seat at the table in these on-going discussions.

Thank you for your time and attention to these pressing issues. I look forward to working together to build a stronger, more resilient rural Pennsylvania. I am happy to answer any questions you may have.