



# USDA Rural Development

Patty Clark  
State Director

2015 Kansas Economic Policy Conference



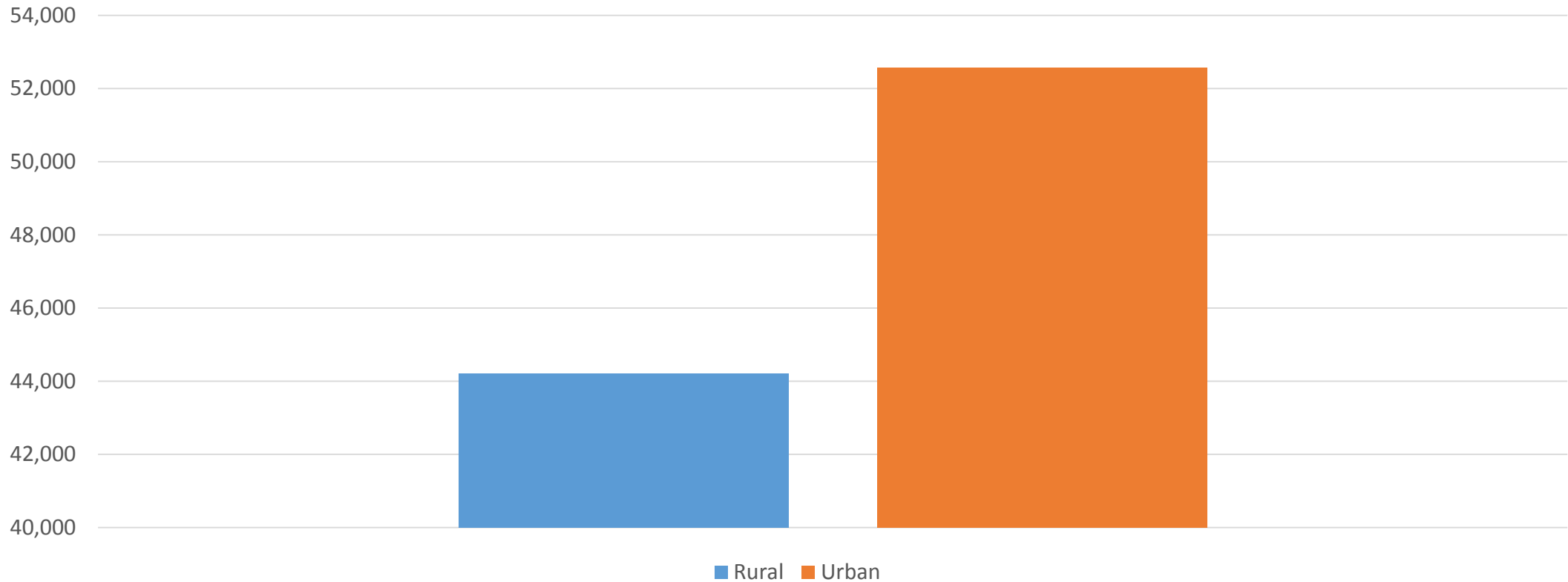
# Kansas Population, Rural Vs. Urban

Year	Rural	Urban	State Total
1980	1,001,534	1,362,702	2,364,236
1990	961,591	1,515,997	2,477,588
2000	979,103	1,709,822	2,688,925
2010	956,489	1,896,643	2,853,132
2014	949,608	1,954,413	2,904,021

*Reference. USDA ERS. 2015*

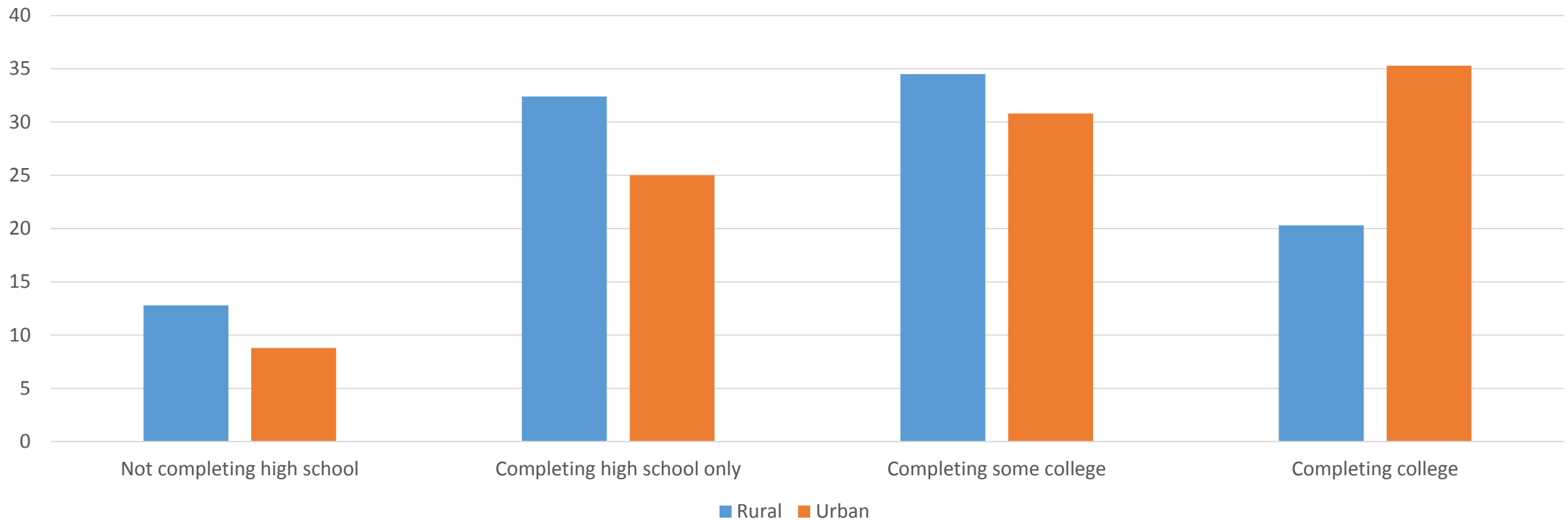


# Kansas Income Earnings Per Job, Rural Vs. Urban

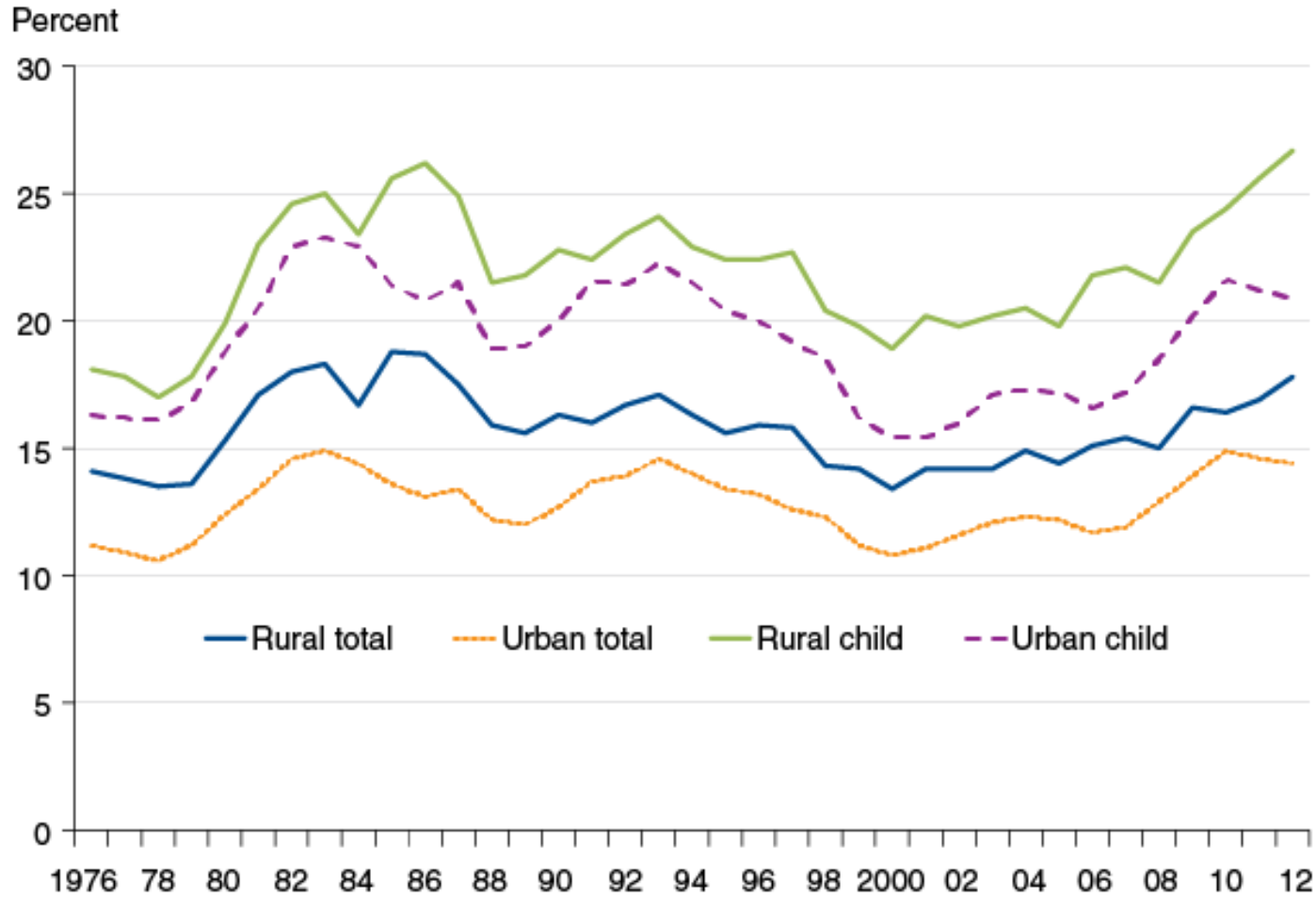




# Kansas Educational Achievement, Rural Vs. Urban



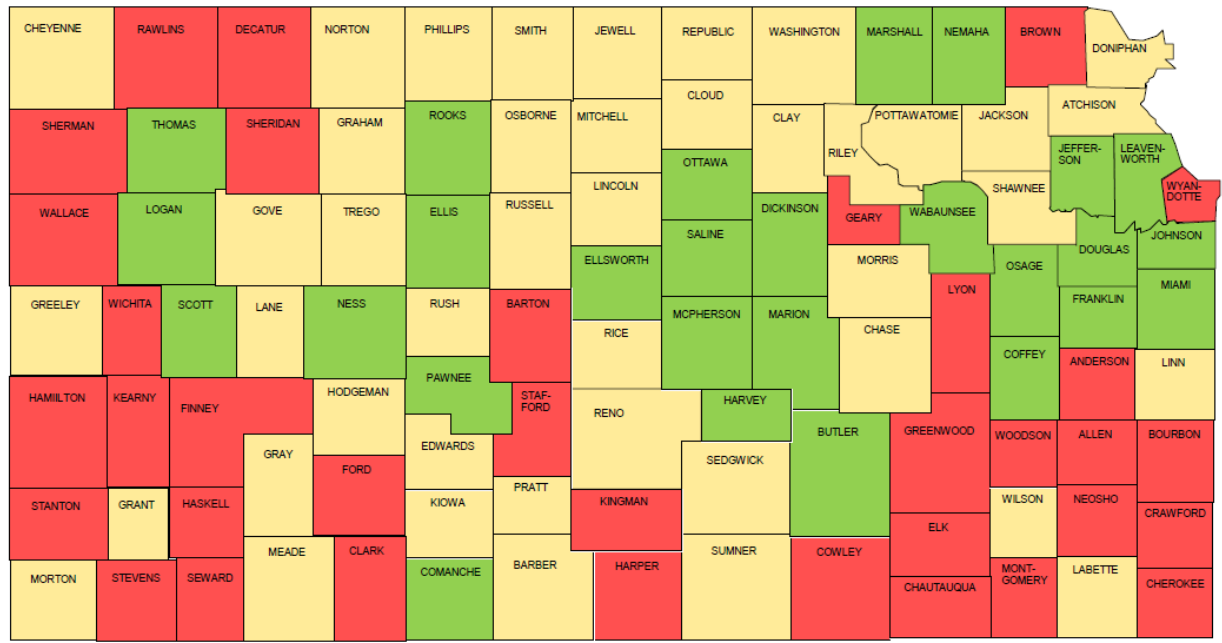
# Rural Child Poverty Has Increased the Most Since 2008



Note: Rural and urban are defined by metropolitan area definitions.

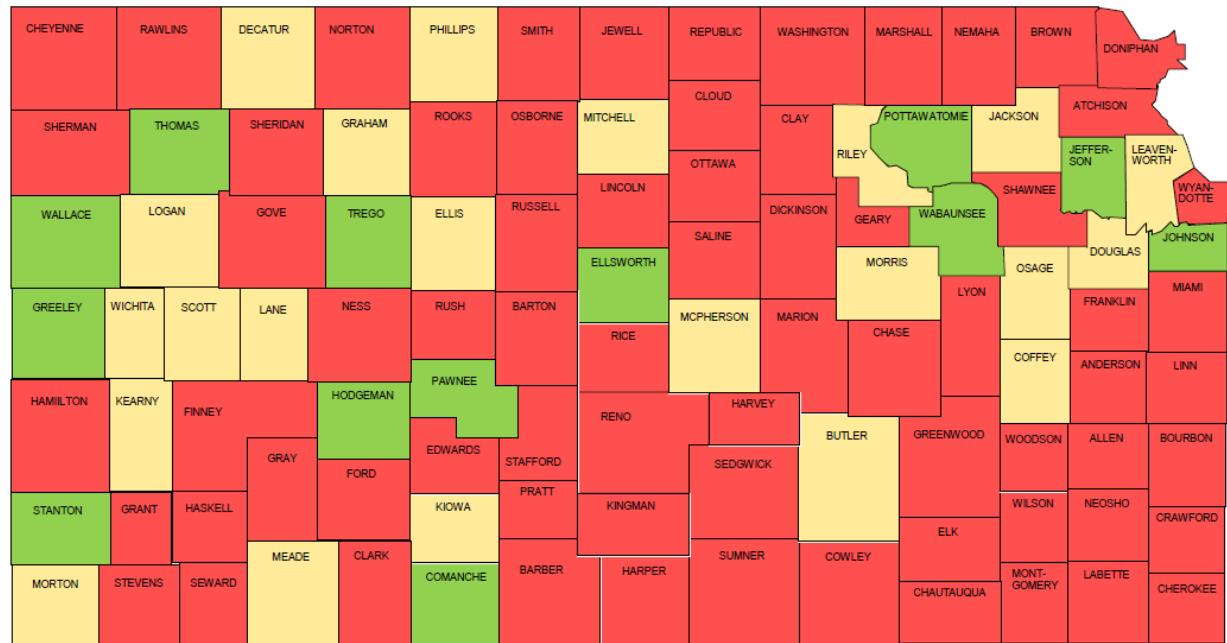
Source: USDA, Economic Research Service using Current Population Survey Data.





Children's Poverty Rate  
by County, *Census 2000*

Red - 15% and greater  
Yellow - 10% to 15%  
Green - Below 10%



Children's Poverty Rate  
by County, *ACS 2013*



# Rural/Urban Disparity

- From 2010-2013
  - 71 rural counties increased property taxes of 10% or more
  - 45 counties increased property taxes 15% or more
  - 28 counties increased property taxes of 20% or more
  - Property taxes in rural counties increased three times faster than in the five largest urban counties
  - Property taxes for schools grew more than five times faster in rural counties



# Rural/Urban Disparity

- Educational resources for early childhood development are stressed
  - Since 2012/2013 Head Start Programs have closed or decreased services in the following cities:
    - Pratt
    - Kingman
    - Stafford
    - Troy
    - Oskaloosa
    - Sabetha
    - Wamego





# Rural/Urban Disparity

- Hospital Closures
  - Independence
- Other Possible Rural Hospital Closures or Mergers
  - Ft. Scott
  - Harper/Anthony
- Since January 2013, 55 rural hospitals have closed and nearly 300 more are on the brink of closing
  - More rural hospitals have closed since 2013, than in the previous 10 years combined



# Additional Challenges

- Homeownership in Kansas is at its lowest level in more than 30 years despite low mortgage interest rates
  - Property taxes are rising
  - Sales taxes are eating into low/moderate income
  - Homeowner Insurance premiums are pegged to credit scores
- Teacher shortage
  - In 2011 - 399 teachers left Kansas for other states
  - In 2014 - 654 teachers left Kansas for other states
  - Implications for Rural Opportunity Zones



# Water Quality/Quantity Concerns

- Communities that source water from High Plains Aquifer face costly treatment options
- Decreased water availability requires collaboration between users
- Conservation at the community level may actually decrease city revenues at a time when increased revenues are critical



## Other Factors

- Moody's Investors Service issued a "credit negative" [warning](#) for Kansas school districts in early October
  - Rural schools have aged facilities and equipment
  - Investment in IT will be critical for students to be competitive
  - Pre-school and programs such as Head Start need physical space and continuity
  - After school programs are essential because of lack of day care





## Consumption Tax Conundrum

- Currently more than 60% of sales tax collections come from five counties
  - Johnson, Wyandotte, Douglas, Shawnee and Sedgwick
  - Those five counties represent well over half the Kansas population
  - The next three highest include Saline, Reno and Riley
    - Collectively contribute 6.36% and represent nearly 200,000 population

At what point will sales tax distributions follow sales tax collections to pay for state government expenditures?





# Policy Considerations

- County resolutions for the Rural Opportunity Zones begin expiring July 1, 2016 – the state needs to do a deep dive into results and consider additional/different incentives
- Incentives/innovative partnerships to increase home construction/homeownership in rural communities
- Re-visit the Water Vision conservation targets outlined for municipalities/rural water districts



# Policy Considerations

- Invest in education/healthcare/nutrition for children
- Thoroughly analyze long-term impact of consumptive tax on rural areas
- Comprehensively address housing/job creation/childhood nutrition/water issues because they are inter-related



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