



## Ohio State Resource Network: Multi-Year Financial Planning FAQs

### What is the National Resource Network?

In the years immediately following the Great Recession, many U.S. municipalities – large and small – have struggled with serious economic challenges, as measured by poverty, unemployment, or population decline. These communities rarely face just a single obstacle to competing more effectively for the residents and businesses they need to thrive. Economic challenges are often directly related to housing, equity, downtown development, transportation, workforce development, education, and public safety issues. Frequently, local governments lack the fiscal and operational capacity needed to tackle these issues as the realities of the day often crowd out opportunities to invest in the future.

In 2013, the U.S. Department of Housing and Urban Development selected a consortium of organizations to administer the National Resource Network (the Network), supported by an initial \$10 million allocation in federal funding and subsequently supported by private foundation funding from Arnold Ventures. By drawing on the collective expertise of the consortium members, the Network takes a comprehensive approach to finding new solutions for communities. After a detailed assessment process, participating communities receive customized technical assistance from a Network team of experts.

The results have been impressive. To date, the Network has successfully partnered with 60 municipalities in 22 states. Local government leaders across the nation have credited the Network with providing one-of-a-kind assistance in supporting their different strategies for economic turnaround.

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*“Overall, NRN engagements were viewed as a success...In fact, when asked whether the work done in the engagement would have occurred in the absence of [the program], almost all respondents...indicated that they believed that their city would not have been able to accomplish the task.”*

*- Urban Institute Evaluation of the National Resource Network*

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For more information, please visit our website at [www.nationalresourcenetwork.org](http://www.nationalresourcenetwork.org).

### What is the Ohio State Resource Network?

Ohio has a concentration of communities that have struggled to regain the population and economic activity they lost during the Great Recession. A 2016 study by the Greater Ohio Policy Center showed that Ohio’s legacy cities experienced population loss, lower labor force participation, falling housing values and rising poverty in the five years *after* the Great Recession officially ended in June 2009.<sup>1</sup>

These struggles do not stop at a municipality’s borders. On average the metropolitan areas that surround Ohio’s medium and small legacy cities have lost people and jobs. This includes the suburban and rural communities that frequently rely on those cities as economic and service delivery hubs.

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<sup>1</sup> Greater Ohio Policy Center. *From Akron to Zanesville: How are Ohio’s small and mid-sized cities faring?* June 2016.



Ohio needs a program that provides fiscally and economically challenged communities with tools to address the root causes of their distress.

The Network, in cooperation with the [Greater Ohio Policy Center](#), [Arnold Ventures](#) and [the Just Transition Fund](#), is excited to announce the creation of the **Ohio State Resource Network** which brings the Network's comprehensive, tailored approach and proven tools to Ohio communities, including counties, experiencing one of the following challenges:

- Population decline of 2 percent or more from 2010 through 2017 as measured by the U.S. Census and the American Community Survey;
- A poverty rate of 20 percent or more in 2017 among those not enrolled in college/graduate school as measured by the American Community Survey; or
- An annual average unemployment rate of 6.5 percent or more as measured by the Bureau of Labor Statistics (where available)

**How do I know if my community meets the economic and demographic eligibility criteria?**

Communities may email [info@nationalresourcenetwork.org](mailto:info@nationalresourcenetwork.org) to ask whether they meet the eligibility criteria.

**What kind of technical assistance does the Network offer?**

Most of the 2019 Network funding will support multi-year financial planning engagements with integrated community and economic development strategies. Recognizing that strategic financial planning is important to a community's ability to invest in itself, the Network integrates community and economic development approaches into technical assistance engagements designed to tackle the complex root causes of financial decline.

About half of the funding has been reserved to help Ohio's coal-impacted communities build strong, resilient and diversified new economies. There is also limited funding available exclusively for coal impacted communities that could be used for technical assistance without a financial planning component. Coal-impacted communities are those in one of the 32 counties covered by the Appalachian Regional Commission. [That list is available here.](#)

The other half is available to all Ohio communities that meet the criteria above.

**What is a Multi-Year Financial Plan?**

Multi-year financial planning is a powerful tool that helps county and local government leaders chart a path to fiscal sustainability and gives their community a practical strategy to make investments that will attract and retain residents and businesses, and fulfill other community priorities. This provides a clearer picture of the government's financial challenges and guides leaders in developing a menu of options to address short-term challenges, achieve long-term structural balance and meet community priorities.

Learn more about multi-year financial planning – and see examples of plans we've created for other cities – on the Network's [website](#).

**How is this transformative for a community?**

One-year budget cycles are not an ideal way to address systemic challenges. Short-term strategies often yield limited benefits that expire or may even increase deficits in the future. Worse yet, this short-term perspective limits the public’s and elected officials’ understanding of systemic challenges – short-term budget fixes often win out over long-term investments.

*“Multi-year planning is a critical exercise. These plans will often have out-year gaps projected which allow governments to work out, in advance, the optimal way to restore fiscal balance.”*

– Standard & Poor’s

*The multi-year plan’s value is to anticipate future challenges that may be encountered due to projected revenue and expenditure imbalances. This allows executives and legislators to ‘get in front of’ potential budget stress, and take corrective action long before budgetary gaps develop into crises.”*

– Fitch Ratings

A multi-year plan demonstrates a community’s commitment to addressing the symptoms of underlying systemic challenges and moving toward a financially healthier future. Budget processes are often stressful because scarce resources lead to an “us versus them” dynamic between elected officials, department heads, labor and management, etc. A multi-year perspective changes the conversation, liberating the municipality to focus on the decisions that need to be made to ensure sustained fiscal balance, while continuing to invest in programs and services essential to economic competitiveness and quality of life. Importantly, a multi-year approach opens more options to address fiscal

challenges beyond dramatic service cuts, employee layoffs, or tax increases.

**How does the Network work with a municipality to develop a multi-year plan?**

Each project begins with interviews to engage local leadership, internal and external stakeholders, department heads and elected officials. **High levels of engagement and communication are maintained throughout the process to make sure the team and the municipality are on the same page regarding priorities.** Our team uses a variety of fiscal and economic data to generate a sophisticated baseline forecast that projects budget gaps and quantifies looming fiscal challenges. The Network then designs and determines the cost of a menu of practical initiatives based on best practice solutions from across the nation, which if implemented would change the municipality’s financial and organizational trajectory.

*Financial forecasts are at the crux of foresight. [Use] forecasts to identify the parameters within which to develop and execute strategies, rather than to try to ‘predict’ the future.”*

-- Government Finance Officers Association (GFOA)

Financial plans are more than just math. They represent important choices that go to the very core of what types and levels of services a local government will provide. While balanced budgets are essential, the hard work of governing local government is balancing the requirement for fiscal stability and sustainability with goals of increased economic competitiveness and quality of life for residents. The Network is committed to developing initiatives within the context of a community’s broader goals and priorities.



**What is the due date for submission of applications?**

Applications should be emailed to [deichenthal@nationalresourcenetwork.org](mailto:deichenthal@nationalresourcenetwork.org) no later than **August 30, 2019 at 11:59 pm.**

**What happens after application submission?**

The Network will schedule one-day on-the-ground assessments in early September to meet with government, business and community leaders. The purpose is to identify the communities where there is the best fit between the Network’s skills and tools and local leaders’ readiness and willingness to rethink local government operations, with a commitment to execution. All assessment costs will be covered by the Network. **There is no cost to a County or municipality for the assessment.**

After the assessment process is complete, the Network will select the municipalities to receive technical assistance. Communities will be notified in early October 2019 and the Network will work with selected communities to develop a customized project scope; formalize their commitment to multi-year financial planning; and execute a Memorandum of Understanding between the Network and the municipality.

**Does this technical assistance program have a match requirement?**

Thanks to support from Arnold Ventures and the Just Transition Fund, **the Network is able to cover 75% of the costs of a technical assistance project.** Once the County or municipality and the Network have reached an agreement around the scope of the proposed project, the County or municipality will be asked to sign a Memorandum of Understanding (MOU), taking responsibility for the remaining 25 percent of project costs.

Typical engagements are \$100,000 to \$150,000 so the local match would be \$25,000 to \$37,500.

Payment is due within 60 days of the execution of the MOU. The County or municipality may provide funds from its own government budget; secure funding from a third party, such as a local foundation or a coalition of community partners; or use a combination of sources.

**My community is struggling with a constrained fiscal situation. Can the Network provide any assistance or flexibility regarding this funding match requirement?**

We understand that the 25% match – especially for a significant scope of service – could be challenging to provide. It is, however, an essential means of demonstrating buy-in and commitment. In addition, the match can come from local sources other than the municipal budget (e.g. philanthropy, civic or business entities, etc.).

**Besides the match, what is expected of the county or municipality throughout the assessment and assistance process?**

Counties or municipalities selected to receive technical assistance should designate a senior official who is or reports directly to the Mayor, County Administrator, City Manager, Village Administrator or related positions to serve as the project manager. This individual is expected to provide timely cooperation to all reasonable requests by the Network for documents, data, and other information.



**I have more questions.**

Please email [info@nationalresourcenetwork.org](mailto:info@nationalresourcenetwork.org) if questions arise as you review OSRN program details and the application process.