



Greater Ohio Policy Center

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Greater Ohio Policy Center Releases 2012-3 State Budget Response

***New Legislative tools, policies, and procedures
needed for successful statewide governance reform and economic regrowth***

COLUMBUS – Greater Ohio Policy Center, a longtime advocate of governance reform in Ohio, today released an analysis of Gov. John Kasich’s 2012-13 state budget, applauding its bold proposals to reduce local government statewide to pave the way for greater future competitiveness, but calling for additional measures to ensure transition to a more efficient system and prosperity for the state.

“We are encouraged by the governor’s commitment to foster an attractive business climate and position Ohio to competitively lead the country into the 21st century. However in streamlining governmental operations to save costs, the state and localities must be armed with new tools to make strategic investments; otherwise, local governments will be hard-pressed to quickly and successfully navigate the post-budget environment, and we will undercut our own competitiveness,” said Lavea Brachman, Greater Ohio executive director and a non-resident senior fellow at the Brookings Institution.

“We suggest several ways that the state can proactively provide tools for local governments to adapt to new ways of doing business -- including collaboration, shared services, and mergers -- that take advantage of assets-in-place and empower metro regions to secure Ohio’s place in the next economy,” she said.

Greater Ohio recommends legislative modifications, new legislation and the creation of new state programs and policies to replace the antiquated local government structure in Ohio with a modernized one to compete in the global economy.

Specifically, Greater Ohio recommends the following additions be made to the governor’s budget bill:

- Create a permanent Governance Reform Commission to oversee modernization of Ohio’s local governments by collecting data to set efficiency standards and provide technical assistance for mergers.
- Develop a structure for collecting data on local governments’ costs and level of services, like the Cupp report for education, so that the Governance Reform Commission can create efficiency standards, evaluate the performance of local governments, and develop other indicators of performance.
- Eliminate all legal and constitutional barriers to mergers, consolidation, shared services, and alternative governance structures.
- Create a framework for robust regional economic development by establishing the necessary legal pathway and using the potential phase-out of the estate tax to seed regionally shared revenue pools.

A complete list of policy tools recommended by Greater Ohio to assist in successful governance reform and the entire analysis can be found at <http://www.greaterohio.org/files/pdf/greater-ohio-budget-response.pdf>.

Without these initiatives to help local government leaders manage reforms, the result will likely be attempts to further raise taxes when faced with state funding cuts, thus undercutting the goals of reform, according to the analysis. Cities and townships may also struggle to provide basic services and make much-needed investments for growth. Hardest hit will be those communities already struggling in the down economy.

“Many of the Governor’s proposals will start an avalanche of long awaited change, and the result could be to the benefit of the taxpayer and generally improving our business climate. But, because of the pent up need for change, the state will need to carefully manage the transition. Many of our suggestions center around a process to aid and assist in managing the change,” said Gene Krebs, Greater Ohio senior director of government affairs and policy.

In its *Restoring Prosperity: Transforming Ohio’s Communities for the Next Economy* report (http://www.greaterohio.org/restoring_prosperity/report) published last year with the Brookings Institution, Greater Ohio specifically advocated local governance reform as a critical strategy to bring economic vitality back to the state based upon the following statistics:

- 86 percent of states have fewer governments per square mile than Ohio.
- Ohio has 41.3 local governments per county while the national average is 27.9 local governments per county.

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- Ohio has moved from 9th highest in local tax burden to 6th highest among the 50 states, while the state burden has stayed stable at 33rd.
- Ohio ranks 22nd nationally in instructional payroll spending, but its non-instructional payroll is 8th highest nationally (as a percentage of personal income).

By reducing and eliminating duplication in services, Ohio can make strategic investments in assets to grow our economy. Fixing congested freeway interchanges, seeding venture capital investments or supporting “anchor” institutions have significant multiplier effects that will allow Ohio to realize the Governor’s vision of competing anywhere in the world.

Examples of cost savings that can be achieved by collaboration include the Orville-Rittman School District Administrative Compact, where two districts maintained two separate school systems, but merged administrative functions and shared some teachers. The partnership generated savings of \$270,000 in its second year of operations.

Greater Ohio Policy Center (www.greaterohio.org) is the state’s “smart growth” organization. We promote public policy to grow Ohio’s economy and improve Ohioans’ quality of life through sustainable land use and growth. Through research, public education and grassroots advocacy, Greater Ohio works to advance policies and programs that revitalize Ohio’s urban cores and regions, strengthen regional cooperation and protect Ohio’s open space, natural resources and farmland. Based in Columbus, Greater Ohio is a non-partisan, non-profit, and foundation-funded organization. For more information, please go to www.greaterohio.org.

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