

The Columbus Dispatch

Kasich aide preaches need for local governments to share services

By Joe Hallett - Tuesday January 21, 2014 11:24 AM

The gospel according to Randy Cole: Ohio has too much government, and it is essential for local-government entities to consolidate and share services as their budgets strain to keep up.

As one of Gov. John Kasich's top policy advisers, Cole has been anointed to spread the word to local officials that they must find more-efficient ways to use the finite resources that residents provide to finance the services they want.



Randy Cole, a top policy adviser to Gov. John Kasich, says: "Since I was born in 1967, the amount of separate government agencies has actually doubled" in Ohio. "I would argue (that) in 200 years, we haven't gotten rid of any type of government agency; we've only added to it."

A snapshot of local government, compiled by the Ohio Office of Budget and Management, is used by Cole to make his case:

- Ohio has 88 counties, 936 cities and villages, 1,308 townships and 614 school districts.
- There are 49 types of local-government entities primarily or exclusively funded by taxpayers, and a total of 6,550 local-government agencies, overseen by 20,230 elected officials, with 506,000 employees.
- Those agencies will receive more than \$50 billion in revenue this year: \$35 billion from local taxes and fees, \$13.6 billion from the state, and \$2.2 billion from the federal government.

The recession, state funding cuts and dwindling local tax revenue have forced a heightened

examination of government in Ohio after its exponential growth over the state's 211 years. As with a federal government often viewed as too big, there is widespread agreement that Ohio has too much government.

"If we were to start from scratch in Ohio, we would not have all of these government entities," said Lavea Brachman, executive director of the

Greater Ohio Policy Center, which champions urban revitalization and sustainable growth.

"We would not have as many townships and as many agencies. I think, though, that people in Ohio are very used to home rule and local control, and we need to be sensitive to that."

Larry Long, who retired in August after 40 years with the County Commissioners Association of Ohio, including 25 as executive director, agreed: “We must like local government in this state, because we’ve got one helluva lot of it. Does it make sense to have all these county elected officials? Does it make sense to have 1,300 townships? We have over 900 municipalities and thousands of taxing districts. Can we afford to do that anymore?”

Kasich thinks not, and he is using Cole to make his case. Cole, 46, has given 105 speeches to more than 8,700 local-government and school officials in nearly all of the 88 counties over the past three years.

He is not always well-received.

Some view Cole’s mission as deflecting attention from massive funding cuts the Kasich administration has made to local governments, principally by slashing the local-government fund by \$400 million and eliminating the estate tax.

Cole received a lukewarm reception last month from about 30 people — most of them mayors or city managers — at an Ohio Municipal League board of trustees meeting in Columbus, said Susan Cave, executive director of the league.

“The one thing that troubled them is that for years, cities and villages have been looking for ways to economize,” Cave said. “They have been doing things together that don’t get much publicity. Then, to hear that we haven’t done enough, which is what his tone was on the issue — well, I’ll just say that it was an interesting meeting.”

Cole recollected the meeting similarly: “There is a strong feeling that shared services is working in their communities and they are collaborating more and more, but on the other hand, they want their old (state) funding back.”

Through the 19th century, Ohio had only 11 types of government entities with their own funding streams. But over time, state legislatures and governors addressed special needs by creating new types of local agencies rather than consolidating them into existing governments.

Now, among the agencies with authority to request tax money are 450 senior centers, 54 port authorities, 69 convention bureaus, 53 mental-health and addiction services boards, 88 developmental disabilities boards, 91 water and sewer districts and 145 joint fire and ambulance districts. Just last year, the legislature created the Lake Facilities Authority to deal with the pollution of Grand Lake St. Marys — a new taxing authority that some suspect eventually will be extended to other waterways.

“Since I was born in 1967, the amount of separate government agencies has actually doubled,” Cole said. “I would argue (that) in 200 years, we haven’t gotten rid of any type of government agency; we’ve only added to it.”

Once agencies are embedded in law, they develop bureaucracies, advocates and even patronage systems that are difficult to consolidate or dismantle. Many

Asking for tax dollars

Since Ohio became a state in 1803, 49 types of local government agencies that receive taxpayer funding have been created. Ohio has 8,550 local government agencies, overseen by 20,230 elected officials, with 506,000 employees that will receive \$50 billion in revenue in fiscal 2015. The types of agencies that request tax money and the general time frames during which they were created.

<p>OHIO BECOMES A STATE 1803 County governments, townships, cities and villages, common pleas courts</p> <p>EARLY STATEHOOD 1806 Traditional school districts 1823 Public hospitals 1833 Agricultural societies (fairs) 1851 State appeals courts 1853 Library districts 1886 Veterans service commissions 1892 Boards of election</p> <p>TURN OF THE CENTURY, GREAT DEPRESSION 1910 Municipal and county courts 1914 Educational service centers 1917 Park and recreation districts and zones 1918 Airports and local health districts 1927 Community improvement 1933 Metropolitan housing authority</p> <p>POSTWAR 1942 Soil and water conservation districts 1945 Children services boards 1946 County job and family services 1953 Local planning commissions 1954 Senior centers 1956 Port authorities</p>	<p>GREAT SOCIETY 1962 Metropolitan planning organizations 1963 Joint vocational school districts; community college districts 1966 Water and sewer districts 1967 Developmental disabilities boards; council of governments; recreation technology centers; alcohol, drug and mental health boards 1972 Transit authorities; new community organizations; area agencies on aging 1976 Public-defender commissions 1979 Information-technology centers</p> <p>REGIONALISM 1980 Convention and visitors bureaus 1982 Joint fire and ambulance districts 1989 Solid-waste management authorities 1992 County family and children councils 1993 Joint economic-development districts; multi-city/county jails 1996 Transportation improvement districts 1997 Community schools 1998 Workforce investment boards</p> <p>PRESENT DAY 2000 Special and energy improvement districts 2009 Community land reutilization 2013 Lake facilities authorities</p>
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Source: Ohio Office of Budget and Management

state lawmakers initially served in local governments and have fealty to local agencies, while the two political parties use local government to groom farm teams for higher offices. Then, too, public-employee unions organize employees in the agencies and are devoted to protecting their jobs.

The now-retired Long said: “In the end, it’s awful hard to go in and reform local government and do away with some of these offices, so you’re forced to get together and do something collaboratively, and there should be a lot more of that stuff going on.”

The municipal league’s Cave finds it ironic that the legislature continually has created agencies rather than rolling their functions into existing governments, while the Kasich administration is, in her view, starving local governments to force consolidation and shared services.

Cole denied any strategy to starve local governments: “The local-government-fund cuts themselves should not deprive anyone from necessary services, but they should encourage local entities to look at their budgets and how the money is spent and apply market forces to drive change.”

Cole often cites the city of Tallmadge in Summit County as a shining example of efficient and innovative government. In 2008, when Tom Pascarella, a former economics professor at Hiram College, was hired as city administrator, a financial cloud had enveloped the Akron suburb of 17,000 residents.

The recession cost Tallmadge \$900,000 in income-tax revenue and caused property taxes to stagnate. The Kasich administration’s phaseout of estate taxes and its cut in the local-government fund only worsened the city’s financial outlook.

“When the recession began to hit, the one thing we did not ask ourselves was: ‘Should we raise taxes or cut services?’” Pascarella said. “Instead, let’s discuss how we can improve or maintain services and save money.”

Tallmadge contracted with the nearby city of Stow to take over dispatching of its police and fire departments for \$330,000 a year; the system had cost Tallmadge about \$900,000 annually to operate. Stow agreed to hire all 13 of the dispatchers working for Tallmadge.

The city also saved hundreds of thousands by abolishing its building department and farming out inspections and permits to Summit County at no cost, and by closing its income-tax department and contracting with the Regional Income Tax Agency, a quasi-governmental entity, to collect taxes.

Tallmadge ended years of annexation court battles with neighboring Brimfield Township in Portage County by creating a joint economic district in which the governments share income-tax revenue generated in the fast-developing district. The agreement is expected to yield \$1 million a year for both the city and township.

Without cutting services to its residents, Tallmadge made moves that helped to nearly triple its budget surplus, from about \$2.3 million on Dec. 31, 2008, to \$6.4 million last Dec. 31.

“We’re in a position now where we’re actually expanding some of the things we do,” Pascarella said. “Collaboration has been a financial success, and we believe that our services are equal to or better than they were.”

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