

THE PLAIN DEALER

Gov. John Kasich's administration releases study to help local governments share services

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Marvin Fong, The Plain Dealer Gov. John
Kasich

COLUMBUS, Ohio -- Gov. John
Kasich's administration on Thursday
released a report to municipal groups
encouraging them to move more
toward sharing resources instead of
raising local taxes or waiting for more
state funding help.

Call it a nudge or more of a shove, but Kasich policy adviser Randy Cole bluntly warned a small group in Columbus that embracing a shared-services approach might be local governments' only saving grace if they want to stay solvent.

"My plea to you is don't just fight the cuts, fight for the reform," said Cole, president of the State Controlling Board and adviser for the Office of Budget and Management. "The budget, the resources allotted are what they are. We need to move in this direction."

The local-government fund took a beating in Kasich's first two-year budget, passed last summer.

The Republican leader and GOP-controlled legislature approved a budget that slashed local-government aid by 34 percent and cut a pot of their funding from utility taxes nearly in half. The same

budget in 2013 will take away an estate tax that funnels 80 percent of its revenue to local governments.

Many mayors accused the governor of a calculated move to save his own political hide by swearing off raising taxes at the state level but in turn squeezing local governments and public schools so much that they have to raise taxes at their level.

Kasich responded by imploring them to share services in a regionalism approach to keep municipal costs down. The administration sent a survey to 5,867 local-government and school leaders to take an inventory on how much collaborating is already occurring and to find best practices to encourage others to do the same.

The results were a report titled "Beyond Boundaries" released by Cole on Thursday. It contains statistics and 10 recommendations for areas in which governments and schools can share services and save money.

Still, South Euclid Mayor Georgine Welo, president of the Cuyahoga County Mayors and Managers Association, said the report won't tell Northeast Ohio elected leaders anything they don't already know. She said the area already has a track record of sharing services. The report backs her up.

According to the administration's report, Cuyahoga County leaders reported 1,286 examples of shared service projects, the highest tally in the state. Second was Stark County with 1,178 and then Hamilton County, where Cincinnati is located, with 1,040.

The problem, Welo says, is that Kasich cut off the funding spigots too abruptly, which has curtailed some sharing deals in the works as locals turned to other fiscal worries.

"Instead of saying we are going to roll out a very successful, sustainable program, they cut off our funding," said Welo, a Democrat, who added that South Euclid has at least four shared-service agreements but saw another recent deal fall through because of funding concerns.

"What they forced us to do was say, OK, now instead of spending all your time on regionalism, now you are looking at who do you trust enough to work with, who is going to be around to be able to make an agreement," Welo said. "Because these communities are losing so much money so fast . . . I don't know how they are going to take care of basic services."

Cole argues it can be done. He pointed to the city of Green, which straddles the Summit and Stark county line. He said it has saved almost 8 percent of its nearly \$25 million budget in recent years thanks to several agreements with surrounding townships and Stark County.

"I don't think it is unrealistic to think that everybody has that same kind of potential for real savings if they really look across their facilities, their equipment, their staffing and work across some of these recommendations," Cole said after Thursday's meeting. "We saw that work in Green."

Cole said it is impossible to know exactly how much money local governments can save with shared services because some are already doing it, making it tougher to quantify. But the report suggests the local governments and schools are already saving about \$1 billion annually through collaborative projects.

The survey concluded that Ohio has 3,962 units of local government and school systems, with 20,232 elected officials at the helm and more than 780,000 employees. And while the state's population remained relatively unchanged from 1993 to 2009, government spending in that same period more than doubled, according to the report.

The recommendations call for local governments and schools to take advantage of a recent legislative rule change that makes it easier for political subdivisions to enter sharing agreements with one another.

Another recommendation suggests regionalizing the state's 55 educational service centers so that there are fewer of them. And another suggests that an award system be created to reward creative collaboration ideas.

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