

HB 487 & HB 509: Local Government

Ohio's leaders must constantly strive to make state government smaller, more efficient and more effective. With these goals in mind, Gov. John R. Kasich worked with the General Assembly in 2011 to enact a budget that cut taxes, streamlined regulations, and reformed government. The result? Ohio went from being almost dead-last in job creation to one of the nation's top job-creators, our unemployment rate has decreased 50 percent faster than the nation's and responsible fiscal management has earned Ohio a "stable" credit outlook from all three rating agencies.

To continue this rapid pace of much-needed progress, Kasich vowed not to wait until the FY2014-15 budget process to seek additional needed changes but instead to unveil another major reform package in 2012. True to his word, his Administration conducted a top-to-bottom review of state government operations referred to as the Mid-Biennium Review (MBR). The product of this effort was a 3,400-page package of reforms building on last year's success and furthering efforts to create a jobs-friendly climate in Ohio by, among other things, boosting education and workforce training programs, streamlining and improving management of government agencies and establishing a first-of-its-kind state energy policy.

NEW COST-SAVING TOOLS FOR LOCAL GOVERNMENTS AND SCHOOLS

Over the past several months, local government officials were encouraged to offer their ideas to improve government efficiency and identify areas for cost savings. Several items proposed through the Management Efficiency Plan (MEP) and passed through House Bill 487 and House Bill 509 act on many of these suggested solutions. These additional tools will allow Ohio's local governments and schools to continue the historic transformation of the way they provide services which began last year in the governor's Jobs Budget.

BREAKING DOWN BARRIERS TO LOCAL SHARED SERVICES

The Jobs Budget clarified and expanded state laws governing the ways local governments can engage in—and save their taxpayers' money through—shared services. The MEP continues to challenge the status quo by providing additional tools for local governments and schools and further removing barriers that stand in the way of saving Ohioans' tax dollars through collaboration between local governments. Highlights include:

House Bill 487

- The state will provide an online clearinghouse of information, sample materials and tools for shared services. Through the use of this portal, local officials will have one stop access to the latest information about how they can increase their savings through collaboration.
- Ohio will create a new online portal through which schools and local governments can engage in joint purchasing in order to lower their costs for many services and products that they currently must pay for individually.
- The restriction limiting mergers and consolidations of County Jobs and Family Service Departments is removed so any county can pursue this potential cost saving measure.

House Bill 509

- Local health departments will be able to go outside their traditional borders to share or contract with staff. (HB 509)
- County auditors will be permitted to serve as fiscal agents for other offices. (HB 509)

ELIMINATING MANDATES AND INCREASING FLEXIBILITY TO REDUCE COSTS AND IMPROVE SERVICES

Multiple layers of state-imposed rules and regulations that have been allowed to build up overtime without careful scrutiny—and which are now often obsolete, redundant or counterproductive—drive up the cost of local government, most often without benefit to taxpayers. Working with local government officials, the governor's staff identified reforms to help reduce or eliminate many of these wasteful mandates, freeing local governments and schools to operate more efficiently and with lower costs. Highlights include:

House Bill 509

- Competitive bid limits for counties, cities, villages, parks, regional water and sewer districts and municipal hospitals will be increased to \$50,000 so they can more readily support businesses in their own communities.
- Clarified the flexibility for Counties and townships to participate in regional health care pooling or maintain their own programs.
- Township trustees can serve on other non-elected governing bodies and elected officials can serve on regional water and sewer district governing boards.

USING 21ST CENTURY TECHNOLOGY TO STREAMLINE LOCAL GOVERNMENT PROGRAMS

While e-commerce and new methods of transmitting and sharing information have transformed businesses worldwide, Ohio's local governments have too often been restricted from using these same technologies and instead are burdened with decades-old processes. The MEP allows local governments to use internet tools and other 21st century technologies to provide immediate savings and benefits for taxpayers. Highlights include:

House Bill 487

- The use of more internet publishing to replace or augment traditional printing.
- The authority for local governments to use a new cost-saving, statewide public notice website is clarified.

House Bill 509

- A new a Public Defender Information Network will be created. The new network will increase efficiencies in assigning, evaluating and paying public defenders saving local government time and money.
- An Emergency Services Internet Protocol Network Steering Committee is established to evaluate the state's existing 9-11 system and make recommendations to the Governor and Legislature by November 15, 2012.

BOTTOM LINE: Community leaders in Ohio, spurred by economic recession and technological advances, increasingly see the value of shared services and resources as a way of reducing costs, improving services and increasing efficiencies. Expanding on tools provided to local governments and schools by his ground-breaking Jobs Budget in 2011, Governor Kasich's MBR offers local leaders new and enhanced opportunities for cost-saving collaboration across traditional boundaries.

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