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State offices could use some fixing, too

In December 2007, the Indiana Commission on Local Government Reform, commonly known as the Kernan-Shepard Commission, released the results of its study of local government. The governor's charge to the commission was to "develop recommendations to reform and restructure local government in Indiana in order to increase the efficiency and effectiveness of its operations and reduce its costs to Hoosier taxpayers."

The commission's 27 recommendations, which formed the basis of Senate Bill 512, introduced by Sens. Connie Lawson, R-Danville, and Phil Boots, R-Crawfordsville, in the current session of the General Assembly, focused on consolidating or eliminating governmental units and elected officials.

The commission's report highlighted the obvious deficiencies in Indiana's governing apparatus—the abundance of local units of government with taxing authority and the citizenry's inability to identify whom to hold accountable among the 10,746 local elected officials in charge. As the commission's report notes, from 1984 to 2005, the average tax-rate increase by the 2,730 local government taxing authorities totaled more than 6 percent—twice the rate of inflation and twice the rate of growth in the tax base.

Although the Kernan-Shepard report focused on local government efficiencies, it is also clear that the management



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Commentary

of Indiana's public resources and assets at the regional and state level has not kept pace with the technological and socioeconomic advances of the last century. Indiana taxpayers would be well-served by bringing greater efficiency and accountability to all levels of Indiana government.

The commission identified one area where regional governmental solutions are most effective and cost-efficient—public safety dispatch. Other regional problems include economic development, transportation, clean air and water, waste management, professional sports, and arts and cultural institutions, all of which require similarly innovative approaches to align citizen or user interests with public infrastructure and resources.

Through the Indy Partnership, the metro area has been able to realize efficiencies in economic development. However, many local economic development entities still exist. Are there additional financial and operational benefits to warrant further consolidation? The Indianapolis Metropolitan Planning Organization and Indianapolis Regional Transportation Council are generally responsible for conducting continuing, cooperative and comprehensive transportation planning. Should a regional approach to providing capital to leverage additional federal funding be developed?

Central Indiana benefits from the Indianapolis Colts, Indiana Pacers, Indianapolis Indians, the Indianapolis 500 and other races. Fans and tourists support the teams through taxes on food, beverage, hotel rooms and rental cars. But as we now know, those taxes, including the regional food and beverage

taxes permitted to support construction of Lucas Oil Stadium, do not cover the expenses of operating the facilities. Some teams use these buildings but in no way reimburse the city for the public infrastructure used in support of their games, including services like police, fire and wastewater treatment.

The Indianapolis Museum of Art, the Indianapolis Symphony Orchestra, The Children's Museum of Indianapolis, Indiana Repertory Theatre, the International Violin Competition and American Pianists Association are some examples of cultural assets that benefit the entire region. All of these assets are used to attract companies to central Indiana. How does the region support these organizations to ensure they remain nationally recognized?

On a statewide basis, the governor's creation of the Office of Management and Budget duplicates the efforts of the State Budget Agency. Indiana elects an auditor and a treasurer. Taxpayers would be well-served to consolidate these functions into a single executive, a state controller, clearly accountable to the voters.

Local government efficiency is the challenge before us and one we should address. However, the governor's charge to the commission was too narrow in scope. The General Assembly should expand the governor's directive and consider how Indiana's government could be structured to effectively address those public-policy challenges that are regional or statewide in nature. •

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