



PRESS RELEASE

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GOVERNMENT CONSOLIDATION WILL SAVE MONEY IF COMPENSATION PACKAGES ARE TACKLED

COLUMBUS - The Buckeye Institute for Public Policy Solutions today released "Joining Forces: Consolidation Will Help Ohio's Local Governments if Compensation Package Costs are Properly Managed."

Ohio's state tax burden has been improving in recent years, yet its local tax burden remains high at 5.1 percent as a percentage of personal income. This burden makes Ohio the sixth worst local tax state in the nation. With recent cuts to local governments, there is a looming possibility that those rates could skyrocket and decrease Ohio's attractiveness as a place to establish a business and create jobs. Something must be done to contain those costs.

This has led to a serious discussion on sharing services among local governments and whether consolidation of some local governments might make sense.

The new report attempts to shed light on how consolidations of local governments can work by using Marion County as a case study. Key findings include:

- * The voter approved merger of the county health department with the City of Marion health department represents an example of how costs can be contained by dealing with the issue of merging union and non-union workforces.

- * Savings can be achieved in school districts by eliminating administrative staff, consolidating administrative buildings, and rationalizing transportation expenses. Closing of actual school buildings may not be necessary.
- * Consolidation of various fire departments, especially volunteer fire departments can allow for a more rational allocation of equipment.
- * Consolidation of dispatch services will assure a more seamless, countywide ability to respond to emergency situations.
- * A countywide Sheriff's department can meaningfully take on the responsibilities of many smaller township and village police departments, thus saving money.
- * The need for greater transparency in all levels of government spending was reinforced through the onerous process of acquiring relevant cost data.
- * Though many smaller townships and villages do not spend a lot of money on their services, their often limited functionality raises real questions as to their viability.
- * A pivotal factor in determining if a consolidation makes sense is the willingness of local government officials to tackle compensation costs at the local level. A failure to do this may actually lead to higher costs than leaving entities separate.

Greg R. Lawson, Buckeye Institute Policy Analyst, stated: "Real savings can be achieved through consolidation, but such efforts must be carefully planned and deal with compensation costs for government workers."

The report can be viewed by <http://buckeyeinstitute.org/uploads/files/10-31-11-Rethinking-Ohios-Government-Structure-Final%20for%20Release.pdf>.