



Changing Connected Competitive



Opportunity Abounds

Local government collaboration can be a building block to economic competitiveness

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Northeast Ohio Government by the Numbers



Population: 4.1 million
Economy: \$170 billion
Square Miles: 6,000

Multiplicity of Governments

Counties	16
Special districts (sewer, water)	145
School districts	222
Municipalities	237
Towns	248
Total government entities	868



= 1 government for every 4,000 citizens

Rate of Growth for Local Government Spending vs. Other Economic Indicators 1992-2002

Population Growth

1%



Economic Output

25%



Inflation

29%



Local Government Spending
= 70 times more than our population growth
= 2.8 times our inflation rate
= 2.4 times more than our economic output

70%



Why Efficient Government Matters

The cost of government in Northeast Ohio is a substantial portion of our regional economy. Across our region's 16 counties, 868 different governmental entities are spending close to \$20 billion a year to run themselves. **That's more than 10 percent of our region's overall economy. Having 868 governments is the equivalent of having one government for every 4,000 citizens.**

Government costs money. Fragmented government with widespread service duplication costs even more money. Every dollar spent on duplicative services is a dollar not invested in activities to make our region globally competitive – early childhood programs, college education, updated infrastructure – or directly to job creation efforts.

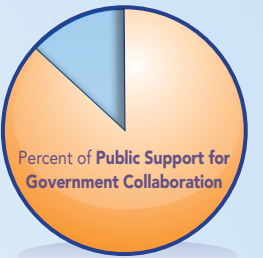
Northeast Ohio residents, through the Voices & Choices civic engagement project and subsequent public opinion polls, have made clear that more efficient, effective local government is a regional priority. In addition, the Dashboard of Economic Indicators links a region's governmental structure to its overall economic competitiveness. The economic case and the public's clear call for change are why "Government Collaboration and Efficiency" is one of the four priorities of Advance Northeast Ohio, the region's economic competitiveness agenda.

Change is possible for Northeast Ohio, and there are many reasons to be hopeful. This report highlights some of the regional efforts the Fund for Our Economic Future has supported to foster more efficient and collaborative local government.

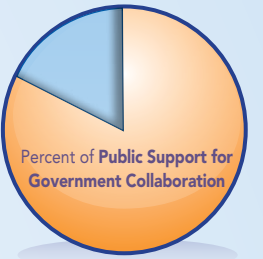
Increasingly, elected officials and community leaders recognize the connection between government efficiency and the region's economic competitiveness. **And the State of Ohio's budget pressures cannot be addressed without making local government more efficient.** For these reasons, and others, we anticipate that more of the region will join with our partners in Advance Northeast Ohio to call for more efficient, collaborative local government. We hope this report will help advance that cause.

What Are We Waiting For?

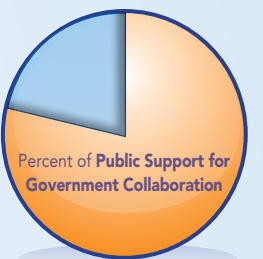
Public Support for Government Collaboration



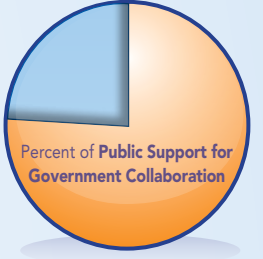
87% support collaboration on roads/sewers/highways



82% support regional coordination on land use



79% support fire/police

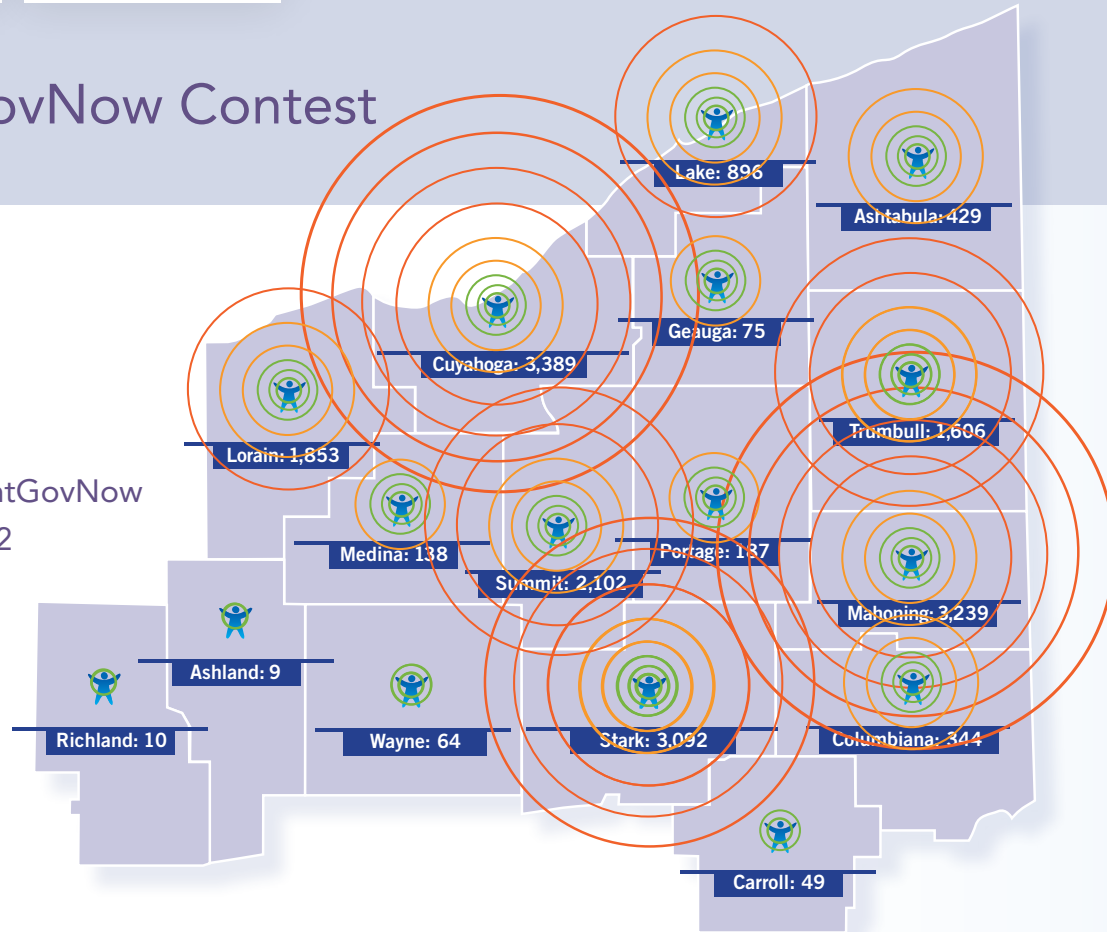


76% support public schools

Source: 2008 NEO Barometer Poll of Economic Attitudes

EfficientGovNow Contest

Number of EfficientGovNow
Ballots Cast: 17,482



Launched in 2009, EfficientGovNow is a competitive award and civic engagement program that encourages and accelerates government collaboration and efficiency by providing funds to local government collaboration projects as selected by the residents of Northeast Ohio. It was created, in part, as a response to the research co-sponsored by the Fund highlighting the duplicative nature of local government in Northeast Ohio and the high cost of delivering services.

The two rounds of EfficientGovNow sparked extraordinary energy and confirmed that opportunities for government collaboration and efficiency are everywhere. The response to the program demonstrated that the desire exists among government officials to work together more collaboratively and efficiently, and that the public wants to be engaged by efforts to make local government more efficient. **The impact of EfficientGovNow is many multiples greater than the \$608,871 amount awarded in grants.**

EfficientGovNow by the Numbers:

Total number of votes = 30,965

Total number of government
participants = 500



Collaborative Efforts by
the 20 Finalists Resulted In:

Projected first-year savings
by project finalists = \$1,844,722

Projected long-term savings
by project finalists = \$7,403,710



What's Next?

The EfficientGovNow contest infused the region with new thinking and ideas for government collaboration. The energy and momentum from the contest provide the region and the Fund with an opportunity to move forward and build a network to continue this important work. The network—comprised of government officials and employees, the public and others—will help convene, connect and share ideas and best practices about how to “right-size” government and improve Northeast Ohio. Government efficiency and collaboration will remain important themes in the region’s future and hold the key to the Fund’s continued work to change Northeast Ohio’s economic trajectory. Upfront funding will help continue the exploration of local government collaboration, and efficiency will unlock future opportunities. There also is an opportunity to apply lessons learned from the Fund and the emerging network to the State’s budgetary issues.

EfficientGovNow 2009 and 2010 Winners

Grounds for Change: Creating the First Collaborative Land Bank for the Mahoning County Region – \$61,420
The partners propose launching Mahoning County’s first regional land bank by collaborating with participating communities to strategically acquire, maintain and rehabilitate vacant properties, eliminate blight and assemble parcels for future development.

Rollin’ on the River: Mahoning River Corridor Redevelopment Project – \$57,451
The partnering communities are working to implement an interactive and comprehensive website featuring in-depth information regarding sites available for economic development in the river corridor.

Countywide 9-1-1 Dispatch Center – Stark County – \$100,000
This partnership of government entities proposes to consolidate 11 dispatch centers into a countywide 9-1-1 dispatch center that could provide an estimated savings of more than two million dollars to the area.

Westshore Regional Fire District Project – Cuyahoga and Lorain Counties – \$100,000
The Westshore Council of Governments is working toward a comprehensive regionalization of its entire fire and EMS operations, which covers more than 75 square miles and serves more than 250,000 residents.

Let the Sun Shine: The Cleveland – First Suburbs Solar Special Improvement District Pilot Program – \$100,000
Cleveland and the First Suburbs Development Council (FSDC) aim to create a Solar Special Improvement District to finance the purchase and installation of solar electricity generation projects on industrial and commercial properties within Cleveland and member municipalities of FSDC.

Mahoning-Youngstown Regional Information System (MYRIS) – \$120,000
The project partners aim to create the Mahoning/Youngstown Regional Information System to provide high speed connectivity to local governmental units.

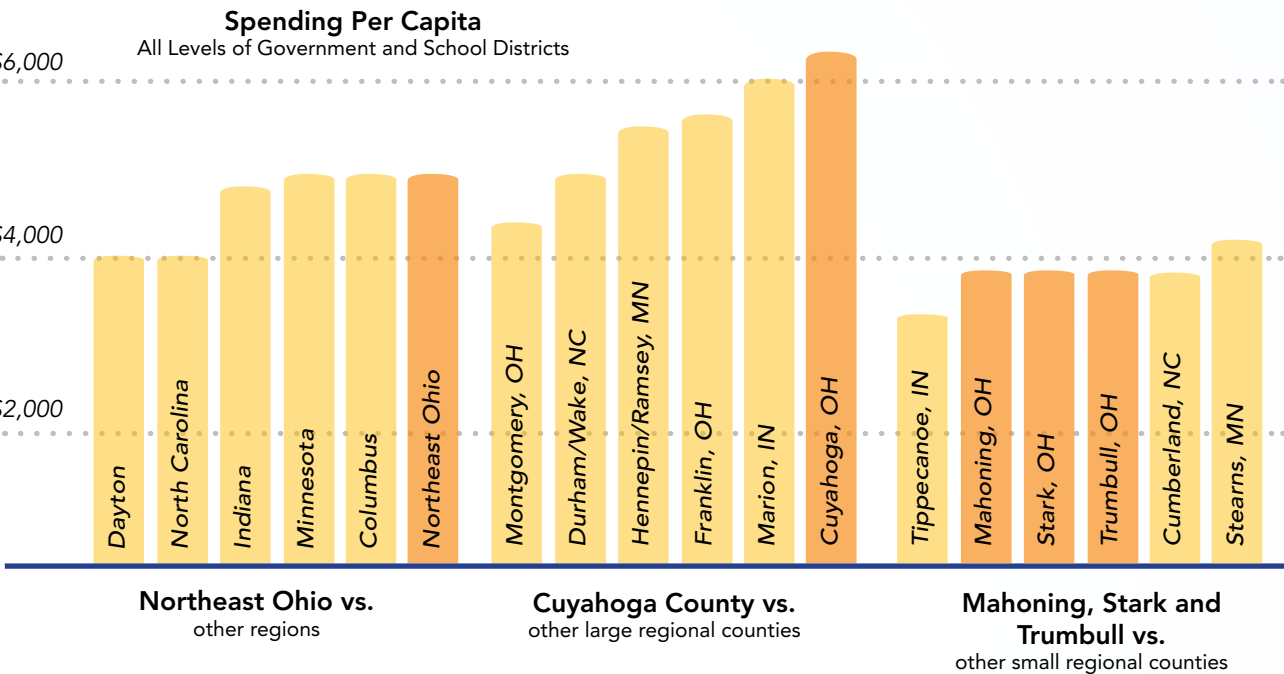
GIS Cooperative for Small Communities and Utilities – Partners within Ashtabula, Columbiana, Summit, Carroll and Lorain counties – \$100,000
The partners aim to fund a portion of the implementation of a Geographic Information System by providing a core group to begin a cooperative and obtain resources.

Cost of Local Government

What does it cost to run the governments of Northeast Ohio? That question had never been answered prior to an unprecedented study commissioned by the Fund and other business and civic leaders, including The Samuel H. and Maria Miller Foundation, The George Gund Foundation, The Greater Cleveland Partnership, The Canton Regional Chamber of Commerce and The Youngstown/Warren Regional Chamber, in 2008. The Center for Governmental Research (CGR) assessed the cost of Northeast Ohio government and compared it with the costs of peer regions across the country.

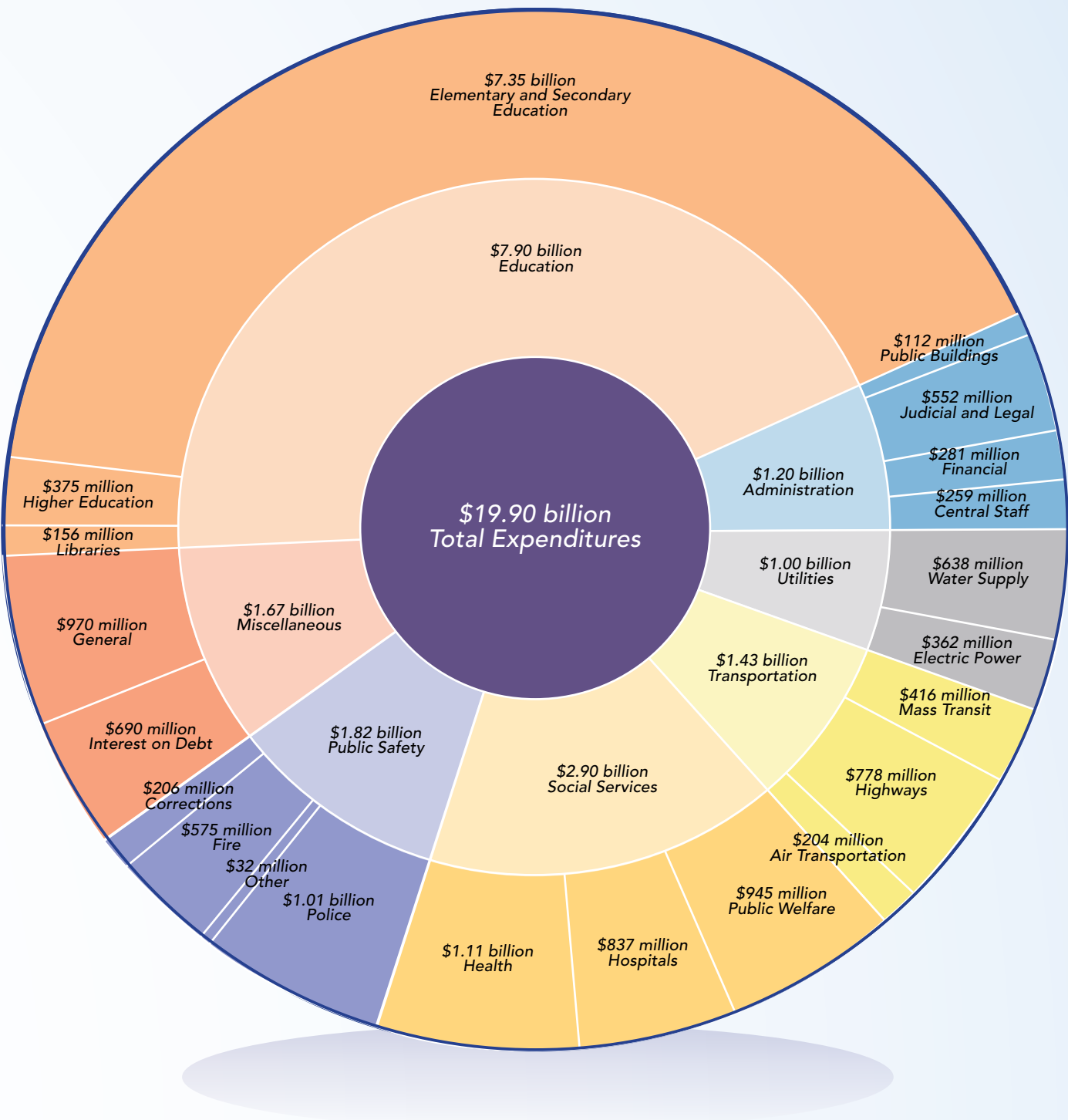
Among the startling findings – the per capita cost of government in Northeast Ohio rose nearly 70 percent between 1992 and 2002, more than twice the rate of inflation for the Midwest (29 percent). Data from the 2007 government census shows the rate of growth continuing, with close to \$20 billion, almost 15 percent of our region’s total economy, being spent on government. That’s up from \$16 billion, or 10 percent, in 2002. Of the regions studied by CGR, the two with the highest governmental expenditures – the Minneapolis - St. Paul region and Northeast Ohio – also had the greatest number of governmental units.

The cost of local government research supports the Fund and others’ call for greater government collaboration and efficiency in Northeast Ohio.



Northeast Ohio Spending

All levels of local government and school districts
Data courtesy of Govistics.com





Regional Prosperity Initiative

The Northeast Ohio Mayors & City Managers Association is leading the Regional Prosperity Initiative (RPI) by developing a framework to implement regional infrastructure planning that will accelerate economic growth and ensure that the benefits of that growth will be shared among participating communities, thereby reducing inefficient intra-regional competition and ensuring infrastructure growth does not outpace economic growth. The RPI continues to convene groups and elected officials to consider the merits of its proposals calling for specific formulas for a new tax base capacity sharing program and a framework for regional land use planning.

Growth of Infrastructure & Developed Land 60%



The Growth GAP Results In:

- Abandoned Properties
- Higher Taxes
- Environmental Costs
- Longer Commute Times
- Loss of Sense of Place

Population Growth 6%

1970

1980

1990

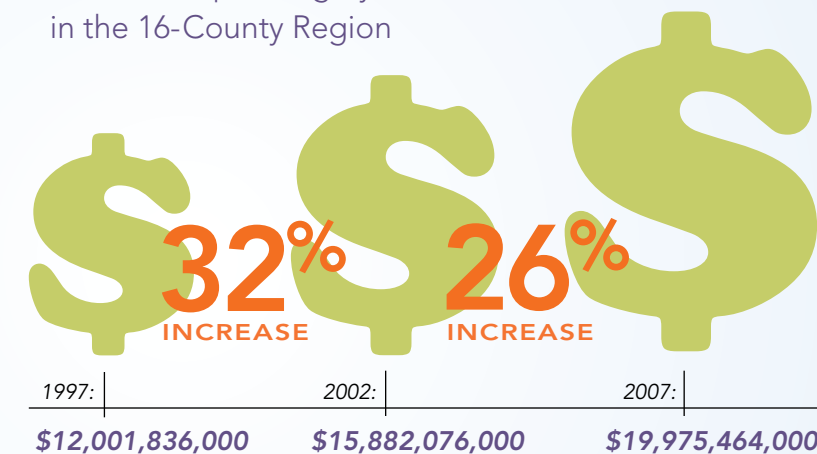
2000

Sourcing Office

Founded in 2006, the Sourcing Office is a Council of Governments that manages the sourcing and contracting process in accordance with the Ohio Revised Code. Members can save time and money in purchasing office supplies, electricity, renewable energy, print management, janitorial and safety supplies, and benefits/payroll and human resources services.

Today, the Sourcing Office has more than 200 members, in addition to approximately 50,000 entities that participate through professional/trade associations.

Growth in Spending by Local Governments in the 16-County Region



In 2010, utilization rates for Sourcing Office members include:

- 72% utilize at least one program
- 15% utilize two or more programs
- 61% increase in office supply purchases
- 68% increase in print management services
- 37% increase in electricity purchases support collaboration on roads/sewers/highways



What's Next for the Fund in Government Collaboration & Efficiency



To achieve our region's goal of being the most vibrant economic region in the country, Northeast Ohio must foster more efficient, effective local government.

Advance Northeast Ohio, the region's economic competitiveness agenda, has set four government collaboration and efficiency goals:

- Encourage transparent local government expenditures and service delivery.
- Expand local government cooperation, collaboration and sharing to efficiently deliver services and promote regional business growth.
- Implement infrastructure systems planning and investments based on integrated regional data and public engagement.
- Inform, engage and empower residents to advocate and advance more responsive, effective local government.

To help the region achieve these goals, the Fund for Our Economic Future has:

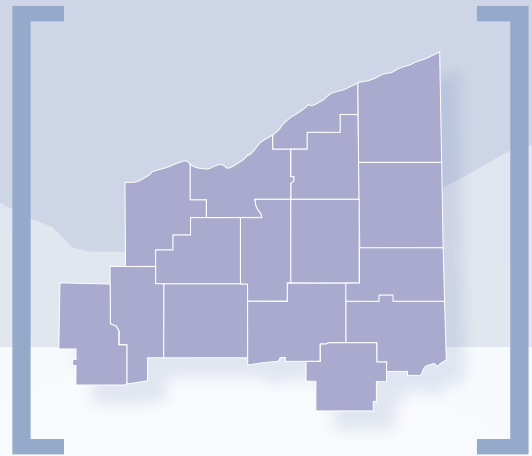
- Collaborated with partners in **Advance Northeast Ohio** on research that increased the region's understanding of the cost of local government and the opportunities for greater government collaboration.
- Supported the **Regional Prosperity Initiative**, an effort by a group of local government officials and civic leaders that advocates for greater regional planning and new tax base revenue sharing.
- Sponsored a regional government collaboration program, **EfficientGovNow**, which engaged the public in calling for more efficient, effective local government and directly supported seven government collaboration projects.
- Supported the formation and operations of the **Northeast Ohio Sustainable Communities Consortium**, which will oversee the first regional implementation of coordinated, integrated planning that addresses transportation, housing, environment and economic development.
- Nurtured a **group of government and civic leaders** committed to working together to identify opportunities to increase the efficiency and effectiveness of local government.

Other partners in Advance Northeast Ohio are pursuing other initiatives to improve government collaboration and efficiency. For example, the region's four metro chambers of commerce, in conjunction with other chambers across the state, issued "Redesigning Ohio" in December 2010 to advocate for fundamental changes in state and local government. That report recommended the following changes in how state government promotes local government efficiency:

- Push local governments to implement Budgeting for Outcomes.
- Create and implement county-led Local Government Service Coordination and Collaboration plans.
- Advance planning work through Local Government Transformation grants funded from a State Innovation Fund.
- Strategically redirect the state's Local Government Fund toward buying better results by earmarking 15 percent of the fund in 2012 and 20 percent of the fund in 2013 for local government reform demonstration projects.
- Establish a new State and Local Government Transformation Authority to provide policy and technical support to local governments.
- Reduce or cap costly real property tax roll-backs.

Moving forward, the Fund for Our Economic Future will continue to collaborate with partners in Advance Northeast Ohio to promote:

- A common financial reporting system for all local governments that will enable residents and officials transparent and accurate assessments of the relative efficiency of the delivery of government services.
- A network of local government officials and other stakeholders that will collaborate with each other to develop plans and actions that result in more shared service delivery.
- Local, regional and state-wide resources and incentives that provide financial, policy and technical assistance for local government collaboration and efficiency initiatives.



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Changing Connected Competitive

- Baldwin Wallace College Leadership and Public Policy Institute
- Cleveland State University Maxine Goodman Levin College of Urban Affairs
- Govistics
- Greater Ohio
- Kent State University Center for Public Administration & Public Policy
- Lorain County Community College Public Services Institute
- Mahoning County Metro Leaders Roundtable
- Regional Prosperity Initiative
- Sourcing Office
- Stark County 21st Century Government
- Trumbull County Roundtable
- Youngstown State University Public Service Institute
- Youngstown/Warren Regional Chamber

