

July 8, 2008

The Honorable Mitchell E. Daniels, Jr.  
Republican Candidate for Governor  
47 S. Meridian Street, 2<sup>nd</sup> Floor  
Indianapolis, IN 46204

The Honorable Jill Long Thompson  
Democratic Candidate for Governor  
804 N. Delaware Street  
Indianapolis, IN 46204

Dear Governor Daniels / Dear Ms. Thompson:

***Your Charge With Local Government Reform***

No thriving company relies on a 157-year-old business model. Neither can government. If Indiana wants to be a place of prosperity for its citizens (we can certainly all agree that it does), our outdated local government structure cannot continue to be an impediment. The costly inefficiencies of too many local government units were well-documented by the Indiana Commission on Local Government Reform (the Kernan-Shepard report). The next governor and General Assembly must reshape local government for the benefit of all Hoosiers by enacting Kernan-Shepard's common-sense recommendations.

Some sadly familiar stories:

Public safety. Last winter, the first responders on the scene of a van in a Hamilton County retention pond weren't a critically needed dive team. Instead, it reportedly took three 911 calls for that emergency crew to arrive. Tragically, four people lost their lives when public safety improvements *might* have made all the difference.

How did this happen? Because the current system does not foster cooperation among dispatch centers within counties. What happened in Hamilton County could happen virtually anywhere in the state where police, fire and emergency services are not coordinated. Hoosiers daily put their faith in the notion that help will be there when they need it. But unless the state's 1,150 public safety agencies get connected, the sobering fact is it may not.

Library services. For at least nine months of the year, students at various education levels throughout the state are required to perform research projects. While the Internet has become the resource of choice for many, the value and importance of the local public library cannot be overlooked.

Unfortunately, some students are at a severe disadvantage. There are 400,000 Hoosiers without access to local public library services, many of them young people without home computers who would benefit the most from the world that is opened up to them by the local library. Indiana has more than enough library districts – 239 – but an antiquated structure unnecessarily prevents all residents from being served.

Business and job growth. Whether offering products or services, more Indiana companies are seeking to reach their customers from a variety of locations. This expansion of already successful businesses should be strongly supported and encouraged. But unfortunately in zoning and

permitting requirements – just like politics in the old saying – everything is local. A company with a thriving location and productive, well-paid employees in one county may be prevented by the maze of local government hurdles from opening a similar facility (and employing even more Hoosiers) in another Indiana community.

These stories are familiar because they aren't isolated. Local government structure is a daily impediment for virtually all Hoosiers.

The next governor must be a visionary champion for implementation of the Kernan-Shepard recommendations, thoroughly and thoughtfully explaining its advantages to our residents and working with our legislators to enact the necessary changes.

What needs to take place under your leadership?

- Eliminate townships and township government
- Provide clearer accountability at the county level – not possible with three county commissioners sharing executive powers and nine other separately elected county officials
- Better coordinate public safety services
- Establish school districts that operate more effectively and put as many dollars as possible into classrooms for the benefit of students
- Reform library districts so that no Hoosiers go without this basic service
- Increase efficiency and effectiveness at all local levels through organizational reform and advanced management techniques and technology (just as in business and industry)

Since Indiana's current system of local government was created in 1851, it has structurally remained much the same. Indiana has too many units of local government tied to a needlessly complex and costly structure that simply doesn't work. Recommendations from the Kernan-Shepard report – with the telling subtitle "*We've Got to STOP Governing Like This*" – provide answers for a better system of local government and require action. Former Indiana Gov. Joe Kernan said it best upon release of the commission's recommendations, "If not now, when?"

If anyone doubts that Indiana is suffering from government overload, consider the following:

- At the time of the Kernan-Shepard report, there were more than 10,700 local elected officials – more than states two or three times our size. Even with this out-of-whack number of local elected officials, many spending decisions are delegated to appointed boards and commissions where taxpayers have no voice or vote
- Indiana has more than 3,200 local units of government – including 1,008 townships and 886 "special" districts
- There are 293 school districts and 239 library districts – neither able to provide all the services needed by their constituents, the citizens of our state

We have a system that fosters inefficiency, does not allow for coordination or teamwork and, by its sheer size and structure, dilutes decision-making and ultimate accountability. It makes no sense. It costs too much. Reorganization is required.

Although the 2008 session of the Indiana Legislature focused on property taxes, true relief for all taxpayers will come only with local government reform. Dr. Michael Hicks, a Ball State University economist, reports savings in the hundreds of millions of dollars per year if the Kernan-Shepard reforms are implemented.

As the state's next governor, you and the General Assembly have the ball in your court. Only one recommendation – that which transfers the duties of certain elected county offices (including the auditor, treasurer, recorder, surveyor, sheriff and coroner) to the county executive and makes those positions appointed – requires a change to the Indiana Constitution.

The crux of many recommended reforms is simple: Those officials who levy taxes should be elected. Those who don't levy taxes should be appointed. If the president of the United States, governors of our 50 states and mayors throughout the country can appoint and supervise key administrative positions, a county executive can do the same.

Townships served our state well in 1851 and for years after that. Today, they are a relic of the past with many documented abuses (especially among township trustees) ranging from nepotism to the hoarding of public assets to excessive administrative costs.

We know you will hear from many in township government who are turf-conscious and insist they are the level of government "closest to the people." Yet, an Indiana Chamber survey of registered voters across the state confirmed that two-thirds of Hoosiers do not know their township officials and a similar percentage have never utilized their services. How can you be "closest to the people" when the people don't know who you are, don't know what you do and don't use your services? Their argument falls flat.

It's up to you and your fellow state leaders to put in place a system that benefits all. It is within your power to make the common sense reforms taxpayers demand. Indeed, it is your duty to those taxpayers and all Indiana citizens.

We must make it easier for emergency personnel to protect the lives of our citizens; for all students and citizens to be able to visit their local library; for small businesses to expand, invest and provide more jobs; and for all Hoosiers to benefit from local government that operates more effectively and makes the best use of taxpayers' dollars.

The blueprint has been established by the Kernan-Shepard citizen panel. Now we're counting on you. While every government official shares in the duty to make government most effective, some will need to be moved by your leadership. If not now, then when?

Sincerely,

The 125 members of the Board of Directors of the Indiana Chamber of Commerce, representing 4,800-plus member companies employing approximately 800,000 Hoosier workers.