Tools for Local Government
Efficiency and Effectiveness

IACIR
December 1, 2015
Government Modernization Statute (IC 36-1.5)

• Passed in 2006
  – Proposed by Daniels Administration
  – Allows voluntary consolidation of units and services
  – Was intended to provide maximum flexibility

• In late 2007, Kernan-Shepard recommended the expansion of voluntary coordination and consolidation of gov’t units and services. Strengthen the power of voters to compel consolidation.
Government Modernization Statute (IC 36-1.5)

- IACIR studies in Fall 2008
  - At that point, only one consolidation had occurred. Several additional were being considered.
Government Modernization Statute (IC 36-1.5) – IACIR Conclusions

• An unlimited set of government structures could be difficult for citizens to understand and state and local govt to manage
• Statute didn’t allow consolidation of townships across county lines
• Consolidation is inherently difficult. Statutory process was onerous
• Statute allows setting of super majorities to pass
Government Modernization Statute (IC 36-1.5) – IACIR Conclusions

- Local legislative body could stop process started by citizens
- Local official could appoint persons hostile to consolidation to reorg committee
- The statutory and legal limits to structural and service flexibility are unclear
- Issues when consolidating units are of different types, creates conflict with non-participating units
Government Modernization Statute (IC 36-1.5) – IACIR Conclusions

• Limited detail about the ability to set differential service districts and tax rates
• Potential loss of fiscal resources could be a deterrent
• Unclear how new fused units fit into state systems, i.e., tax distribution etc.
• Suggested creating explicit incentives
• Uncertainty associated with upcoming Kernan-Shepard reforms
Government Modernization Statute (IC 36-1.5) – 2010 Amendments

• HB 1086; PL 113
  – Technical adjustment of Zionsville effective date
  – Require posting reorg plan on website
  – Include in plan a statement about whether a fiscal plan had been prepared and made available to the public
  – Public question prohibited in primary elections
  – County-municipal consolidations must appear in a general election
Government Modernization Statute (IC 36-1.5) – 2011 and 2012 Amendments

• 2011 (SB 26; PL 58)
  – Clarifies the savings local governments could keep and declining schedule.

• 2012 (HB 1058; PL 26)
  – Adjusted publishing schedule for budgeting for a consolidated school district (merger of Rockville and Turkey Run school districts)
Government Modernization Statute (IC 36-1.5) – 2013 Amendments- BIG YEAR

• SB 459; PL 255
  – Must put savings in reorg plan
  – Allows fire territory to continue upon merger, allows an equipment replacement funds
  – Allows a merger to become effective less than a year after passed
Government Modernization Statute (IC 36-1.5) – 2013 Amendments- BIG YEAR

• SB 343; PL 202
  – Eliminated the reorganization committee
  – Require reorganization plan to include a fiscal analysis with particular elements
  – Fiscal impact analysis must estimate the effects on affected external units.
  – Fiscal plan submitted to the DLGF
  – Tasked County Election Board with developing the public question language, which must include a brief description of the reorganized political subdivision.
Government Modernization Statute (IC 36-1.5) – 2013 Amendments- BIG YEAR

• SB 343; PL 202 (cont.)
  – Public question language submitted to DLGF
  – Requires an approval threshold for a municipal-township and county-municipal reorgs for pieces and total included area.
  – Limits approval thresholds to 55%
  – Provides a process for rescinding a reorg plan
  – Enables varied service districts and tax rates
Government Modernization Statute (IC 36-1.5) – 2013 Amendments- BIG YEAR

- SB 343;PL 202 (cont.)
  - Enables parks board and planning commission and establish boards with additional membership
  - Adoption of reorg plan freezes ability to of other unis to annex, establish a fire territory or service district, extend water and sewer, and extend 2-mile fringe
  - Units cannot use public resources to promote a position on the public question.
  - Local governments can maintain the characteristics of any of the reorganizing units
Government Modernization Statute (IC 36-1.5) – 2013 (and 2015) Amendments - BIG YEAR

- SB 518; PL 194
- HB 1157; PL 219
  - Additional updates to public question processes
- 2015 (HB 1139; PL 216)
  - Small change to public question process
Government Modernization Statute (IC 36-1.5) – Summary

• Many IACIR “conclusion” addressed
• Other updates address transparency and fairness
Government Modernization Statute (IC 36-1.5) – Successes

- Town of Zionsville/Eagle Twp/Union Twp (effective Jan 1, 2010)
- Rockville and Turkey Run school districts merged to form North Central Parke Community Schools (effective Jan 1, 2013)
- Yorktown and Mt. Pleasant Twp (effective Jan 1, 2013)
Government Modernization Statute (IC 36-1.5) – Failures

- Fishers/Fall Creek Twp
- Evansville/Vanderburgh County
- Muncie/Delaware County
- Whitestown/Worth Twp
- 2 sets of three township in Howard County
- Brownsburg/Brown and Lincoln Twps
- Greenwood/White River Twp
Government Modernization Statute (IC 36-1.5) – Failures (cont.)

- Eastern Allen County communities (municipalities and twps.)
- Ft. Wayne/Allen County
- Several Marion County twp fire departments
- Avon/Washington Twp
Government Modernization Statute (IC 36-1.5) – Conclusions

- No successful consolidations since 2013 “fixes.”
- Still very difficult process
- Consolidating representation is difficult; consolidating services easier
- Flexibility can create challenges
- Limited the natural incentive: retain savings to use on other priorities
- Still issues for non-participating units.