

RECOMMENDATIONS REGARDING THE STATE AND LOCAL RELATIONSHIP

OVERVIEW

What follows are the observations and recommendations of The Public Strategies Group. These are not necessarily positions of the Governor, legislators, or any other Iowa officials. The contents of this document are based on our experiences over the past year working on trying to improve the state/local relationship.

Significant change needs to occur at the local level. Iowa has essentially the same service delivery mechanism in place as it had one hundred years ago. All organizations need to change to adapt to the changing environment and governments, state or local, are no different.

Much has been done over the past year to inform local governments about reform opportunities, to engage local governments in improvement initiatives, and to support continued reform at the local level. Many such initiatives are not new at the local level. They have been underway for years. However, our work with local governments has taught us something about what local reformers are up against.

Take, for example, the concept of “sharing” or “collaboration,” which offers significant opportunity for giving citizens better results for their local tax dollars. Many have noted that 28E agreements provide all the flexibility that local governments need to work together and change service delivery. While such agreements between jurisdictions are positive and there are some excellent examples of collaborations saving dollars and improving services, simply sharing services without changing the dynamics and way that services are delivered will have limited value.

The reason is that so much effort is required to make every sharing arrangement work – as well as the effort to maintain the sharing effort. Since local officials only have so much time and political capital, only so much progress will be made with this approach (see example below). Jim Erb, the Mayor of Charles City, an area known for its city, county and state collaborations, stresses that it will take one hundred years for significant change to occur if we rely solely on 28E agreements.

Many minor state limitations and a number of major state limitations create barriers to change. Consequently, much of the initial discussion about local government reform centers on the “mandate” issue. In fact, there may have been an expectation that this document would detail the “mandates” that local governments need eliminated. The drawback of focusing on “mandates” is the significant political barriers that prevent elimination of any substantive mandates – and the limited usefulness of reducing smaller mandates.

In addition, often there is not consensus among local officials regarding the burden of specific “mandates.” Too often, the effort to overcome the legislative resistance is significant compared to the small return for local governments. The “mandates” that would create a significant difference, such as collective bargaining, pension and tax changes, create such significant political hurdles that a bill containing such changes becomes a non-starter.

PRESCRIPTION: CHANGE THE STATE/LOCAL RELATIONSHIP

The key to unlocking state resistance to giving local governments freedom and local governments’ resistance to taking greater risks by boldly rethinking how they deliver services is to make a significant change in the state/local relationship. That is the single central theme of this memo.

The state should focus on legislative reforms that enable local government leaders to easily change the service delivery mechanisms and governing structures – **and then allow experimentation to happen.**

Consider this: Iowa has 99 counties, 945 cities and nearly 2000 townships. How many unique and innovative governing structures have been adopted over the last 50 years? The answer – none. No one has successfully utilized the measures built into the Iowa Code for changing governance structures. The current structure creates barriers that chase away volunteer community leaders and innovative government leaders that would otherwise be willing to push for change.

If you want change – then staying with the laws that have not produced any change does not make sense. Let’s take a couple of examples showing why the current laws do not enable change.

Several communities are interested in discussing the potential for a countywide fire protection district. A 28E agreement could be used. Let us assume that the county has nine cities and 14 townships – which would be a typical number. To make it countywide or nearly countywide you would need to work with:

14 townships with three trustees	= 42 elected officials
9 cities with at least 6 councilors and mayor	= 54 officials
3 (or 5) county supervisors	= <u>3 county officials</u>
	99 public officials

To obtain countywide fire protection, one would have to work with 99 public officials. True, the law says a simple majority is required, but the law also says a majority in each jurisdiction is necessary. For comparison, imagine a legislative bill that has 24 different subcommittees, and the bill must be approved by all 24 subcommittees in the same form if it is to take effect. Once it takes effect, a subcommittee can decide it does not like the bill so it can withdraw at any time. Further imagine this bill is as emotional and

important as fire protection. This is the challenge of the current 28E agreement system and why substantive change at the local level will not occur unless legislation is enacted that makes change easier and permanent.

Another example – a Board of Supervisors is interested in having a County Manager form of government, with the Supervisors focusing on policy and not operations and receiving a stipend as opposed to the salary that they now receive. They see the County Manager as providing professional management that can enable them to drive change throughout the County. However, current Code requires a petition signed by 25% of those who voted in the last general election. This path creates a highly prescriptive Commission, which has to approve the plan prior to it even getting to the voters. That is a lot of work for volunteers for the chance of getting a change to the voters. The result – community leaders do not even try.

During our workshops held with local officials, other examples of restrictive Code provisions were noted that prevent local governments from pushing forward changes in service delivery in a realistic manner. **Code language is designed more to prevent change than encourage it.**

While much focus gets centered on the “ninety-nine counties are too many counties” issue, the reality is that much work needs to be done within the ninety-nine counties. Much work remains to be done to change service delivery within 945 cities, 867 fire departments, 384 school districts, and 2000 townships. That is not to suggest counties don’t need to change the way they operate internally as well as across jurisdictions, because they will need to change as much or more as the other jurisdictions. However, focusing on the “99 counties issue” diverts focus from areas that can produce real change without losing local control or creating centralized bureaucracies.

The answer is to make it significantly easier for local communities to change service delivery governing structures and to become laboratories of innovation. There are many local leaders who want to lead change – they need legislators to give them a fighting chance to put significant change in front of the voters.

RECOMMENDATIONS:

Recommendation: The Governance Structure laws should be changed to allow elected government leaders to more easily submit changes to the voters to alter the governing of service delivery. A group of bipartisan interested legislators should carve out the time this fall to meet with innovative local leaders to develop laws that would enable such a change.

Recommendation: The Legislature should provide additional dollars to the Innovations Fund for the purpose of funding governance change initiatives. Local volunteers rarely have the time or resources to organize the efforts required, especially in more rural areas. Changing the law and providing grants to pursue the governing changes could further

create the laboratories of innovation. Once a couple of communities break through the current logjam, it will make it much easier for the remainder of Iowa to follow.

Recommendation: The State should work to provide greater flexibilities to local governments concurrent with the accountability of local government officials to produce better results for the tax dollar.

Recommendation: Local governments should continue their pursuit of new and better ways to serve their citizens. They should open themselves, and their citizenry, to the kinds of new approaches that are succeeding around the state and in the nation and to the new approaches to service delivery that we have highlighted in our development of model delivery systems and our collection of innovative practices.