

Expenditures Illustrate Need for Government Efficiency

Few people would pay multiple electricians to fix one outlet, yet many Hoosiers are paying double for government administered services.

State Sen. Luke Kenley (R-Noblesville) explains the most glaring inefficiency in Indiana's government units is the fact that many overlap. "Some trustees are providing services covered by other units of government. In some cases, they are just buying fire services from cities they are already in," he reports.

An article in the May/June 2003 *BizVoice*® highlighted the need for government, at all levels, to provide greater efficiency and lower overall costs. The article, which drew heavily on a study titled *COMPETE* (Coalition on Monitoring Public Efficiency and Tax Expenditures Project), revealed that Indiana's local systems of government had seen little change in 150 years. Also stressed was the need for counties and cities to exert local control over the decision to consolidate services.

Since 2003, *BizVoice*® has featured numerous articles highlighting efficiency efforts of communities from Evansville and Fort Wayne to regional programs in northwest and southern Indiana. In 2004, the Indiana Chamber produced the *Indiana Project for Efficient Local Government* report. Compiled as the next generation of the 1999 *COMPETE* study, it attached projected financial savings to the earlier recommendations and served as a further call to action.

Indiana remains well above the national average in number of government units. Many of the smaller units, such as the

state's 1,008 townships, are managing duplicative services already provided at the city or county level. The 2006 *Report on Expenditures per Capita*, produced by the Indiana Department of Local Government Finance, also documents the need for reform.

Great disparity in capital spent to provide similar services is also cause for concern. The median expenditure per capita among townships in 2005 was \$29.80, according to the study, but ranged from \$1.77 to \$736.48. Similar incongruity exists among the budgets of counties and cities.

"I did expect differences, but was surprised at some of the extreme differences ... some cities have eight to nine times the cost of others in per capita expenditure to provide the same services," Kenley offers.

The 2006 report is limited to numerical data but serves as a good measure to question variations. Some differences may be justifiable, Kenley says, but the report provides a standard for legislators to conduct further investigation.

Legislation (HB 1362) was passed earlier this year to empower local government units in considering efficiency options. The legislation sets in place a formal process for local jurisdictions, which were previously required to seek state permission to consolidate on a case-by-case basis. The change is being hailed as a step toward establishing greater local control.

While consolidation of services is the best way for smaller townships and cities to save money, it is often met with resistance from some local officials. To their credit, many rural townships are offsetting at least one major expense by forming fire protection districts with neighboring communities.

Another way to create efficiency is through the examination of privatizing services. Examination alone does not mean privatization will or even should occur. Benefits can often be derived from simply weighing the costs. "Sometimes putting a service up for bid motivates (government) employees to find a way to do it themselves so they can stay in the loop," Kenley reveals.

Weighing all options, consolidating when needed and achieving maximum efficiency are tried and true practices throughout the business sector. These same principles, if correctly applied, will reduce the cost of government services in Indiana communities statewide.

To view the May/June 2003 *BizVoice*® article on local government efficiency, go to the archives section of www.bizvoicemagazine.com

To view the 2006 *Report on Expenditures per Capita*, go to www.in.gov/dlgf/rates



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Stories by Jonathan Wales

Colleges Gear Efforts Toward Motorsports

Motorsports is increasingly a big business in Indiana and across the globe. Looking at the sport in these terms – in addition to the major racing events that call our state home – is crucial to building on its Indiana roots.

The business of motorsports was previously discussed in the May/June 2005 *BizVoice*® issue. This was shortly after Gov. Daniels announced his administration's commitment to grow the industry statewide. In addition to stressing business growth, this commitment prompted several academic institutions to bring motorsports into the classroom.

Colleges and universities are designing and implementing programs with the specific goal of producing Indiana's next generation of motorsports professionals. The objectives are similar, but the programs differ in their approach.

Indiana State University (ISU), under the direction of visiting fellow Guy Faulkner, is focused on the business management aspect of motorsports with an eye toward global prospects. ISU is the first international institution to join the England-based Motorsport Knowledge Exchange (MKE). Membership in the MKE provides overseas internships and other opportunities that highlight the program's international focus. "We will eventually get to the point where Indiana will be going out and educating the world on motorsports," Faulkner declares.

Students completing the ISU program earn an internationally accredited minor in motorsports management. Working with the Indiana Economic Development Corporation to build the program helps ensure the correct knowledge and skills are being taught to advance the industry in Indiana.

Indiana University-Purdue University Indianapolis (IUPUI) has a greater focus on technical training. The motorsports engineering certificate program, launched in August, is designed to prepare students for future careers – working directly with cars and crews as part of a racing team.

Program director Pete Hylton brings 25 years of racing experience to the classroom. Under his direction, a partnership has been formed with Indianapolis' Panther Racing, which allows students to intern on its Indy Racing League (IRL) team. Panther Racing will enter an entirely student-run team

for the 2007 season of the Indy Pro Series, a developmental league for the IRL. "Lots of schools across the country are talking motorsports, but few are doing it," Hylton reports.

IUPUI's program, part of the Purdue School of Engineering & Technology, emphasizes mechanical engineering. Consideration is being given to offering the program as a bachelor's degree with additional courses in marketing, hospitality and public relations.

An increasing number of women are becoming part of the motorsports fan base. This presents new opportunities and responsibilities in both marketing and academics.

Marian College's program is offered as a minor in sport management with a motorsports concentration. Under the direction of Leigh Ann Bussel, it is well equipped to address this and other aspects of the continually expanding industry. It is 100% focused on the business management side of the industry and partners with the Indiana Motorsports Association. Regarding other programs, Bussel comments, "I don't look at others as competitors, because we are all trying to meet a state goal."

Another academic institution with a statewide motorsports initiative is Ivy Tech Community College. The college's central Indiana branch began offering multiple levels of what it refers to as an industry-driven motorsports program this fall. In contrast to other institutions, Ivy Tech provides a variety of more targeted programs to meet industry needs. Students can pursue an associate's degree with a concentration in high performance or motorsports fabrication, as well as a technical certificate in motorsports and three motorsports career development certificates.

Industry participation and a desire to move the state's motorsports initiative forward are common themes among all the academic programs. Continued efforts by government, academic and industry leaders will help secure a strong future for motorsports in Indiana.

To view the May/June 2005 *BizVoice*® article on motorsports, go to the archives section of www.bizvoicemagazine.com



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