

Consolidation of Services and Government Operations through Regionalization

*Patricia E. Salkin*¹

Introduction

Thoughts of regionalization of governments or government services conjure different ideas depending upon who is sending and who is receiving the message. It may mean an additional level of government, or it may mean the replacement of several governmental units with one new one. It can be an entity given significant legislative, regulatory, and enforcement powers, or it can be advisory in nature. A regional body can be designed to deliver one or two specific services, or it can serve a broader spectrum of functions. Those who serve the regional entity can be appointed by local elected officials or be elected directly by the voters in the region. Furthermore, regionalization of services can occur by governmental mandate or decree or simply by voluntary cooperation among two or more units of government. Precision in definition is therefore important when attempting to advance a regional agenda.

Interest in regionalization of governments and government services continues to rank high on the reform agenda in the 1990s. Besides the attention regionalization has received due to the limited availability of fiscal resources and rising operational costs, regionalization

of decision making makes sound policy sense for other reasons. There is growing realization that our environmental, housing, economic development, and infrastructure problems cannot be solved at the local level alone, primarily because effects of local decision making undoubtedly cross seemingly arbitrary municipal boundaries. A more global, or regional, approach must be pursued to address these important issues. Difficult economic realities of the mid-1990s present an opportunity for experimentation with new forms of local government that can more effectively and more efficiently provide a variety of services and perform a wide array of functions.

Making the Case

From a political standpoint, balancing the need for regional coordination with public resistance to an apparent shifting of local responsibility is often the first barrier that must be overcome. The issue of local control should be addressed from the beginning and remain central to continuing discussions and eventual proposals. The benefits of a regional approach, including economies of scale; integrated, consistent planning; more efficient and effective use of taxpayer

dollars; and improved decision making resulting in greater opportunities for economic development, should be given considerable publicity.

Practically speaking, almost every citizen in a given local governmental unit does not and probably cannot exist solely within that unit. The mobilization of society demands serious consideration of regionalization. We are already witnessing regional shopping malls, cultural centers, water sources, roads, and news media. The federal government is certainly recognizing regionalization efforts with significant regional planning requirements in recent transportation and environmental legislation.

Educating government officials, the general public, and citizen groups is the key to a successful regionalization effort. The following ten-step strategy for developing successful effective regional agreements was published by the National League of Cities in 1994:

1. Determine whether the same level or a better level of service can be obtained at less cost if provided by two or more municipalities.

2. Provide public education and gather public opinion in an effort to mobilize community support.

3. Include the legislative body in discussions.

4. Involve potential cooperating entities in discussions from the beginning.

5. Appoint a joint task force from jurisdictions that might participate in the regionalization efforts to study the issues and make recommendations.

6. Involve local unions and local government employees in decision making.

7. Research and discuss all of the fiscal considerations.

8. Offer proactive leadership.

9. Re-evaluate your programs regularly to determine whether they are meeting initial goals and to assess whether the service can be delivered in a more efficient manner.

10. Start small and build upon your successes (Salkin and Heverly 1994).

Finally, the role of the media in advancing this agenda should not be underestimated. For example, as regionalization efforts got underway in the Capital District area of New York (a multi-county area including the City of Albany), the local newspaper signed on to the idea of researching and reporting upon regional government issues. After co-sponsoring an effort with the Rockefeller Institute of Government, the paper changed the name of the then "Local" section to the "Capital Region" section. This change sent a subliminal message to readers throughout the area that when we act locally we must be thinking regionally.

Brief Highlights of Selected Regional Approaches in Other States

A number of different approaches for structuring regional governments and/or services have been explored across the country. For example, since 1805, only twenty-six efforts at consolidation of two or more units of local government into one have been successful (See *The Florida Times Union*, "There's no monopoly, areas of all sizes merge," September 28, 1988). The consolidation approach has proven politically unpopular in current times and has happened only twice in the last fifteen years (City of Athens and Clarke County in Georgia in 1990 pri-

marily due to fear of metropolitan Atlanta encroachment and Lynchburg and Moore County in Tennessee in 1988). Recently, voters in Sacramento, California, rejected a consolidation plan. At a September 1991 National League of Cities meeting, the Executive Director of the Charter Commission said that it was tough to persuade voters to go from something they knew to the unknown. All the opponents had to do was raise doubts. Although Tallahassee and Leon County, Florida, are discussing a potential consolidation plan, progress is slow, and watchers are doubtful a consolidation will occur.

A second approach is the creation of special purpose agencies (SPAs) organized on a regional basis. These SPAs are formed to address single issues such as transportation (e.g., the Chicago Regional Transportation Administration and the Chicago Transit Authority, the Minneapolis/St. Paul Transportation Council, the Dallas Area Rapid Transit—a regional entity with its own sales tax, and the Southern California Rapid Transit), sewage system operations, air pollution control (e.g., Air Quality Management District in Diamond Bar, thirty miles east of Los Angeles), and other public works.

A third approach is to develop inter-local agreements and contracts, including transfer of functions and the federated government approach. The textbook example is the Lakewood Plan (Los Angeles area), in which many smaller suburban governments contracted with the central city or county to receive police and fire services and solid waste collection and disposal. Other models can be found in Pennsylvania; Ohio; Dade County, Florida; and Toronto, Ontario.

The Dade County Metropolitan Government was formed in 1957. The county was given authority over a large number of local services, and all existing municipalities remained in place (even some local services such as police protection remained "local"). The county can assume additional responsibilities upon a two-thirds vote of the governing body of the municipality ceding the power, or upon a majority vote of the voters of that municipality.

While eighteen states have statutory or constitutional provisions that authorize this voluntary transfer, only nine states allow for the transfer *without* voter approval. In New York, although charter counties have the authority to transfer many functions to the county level, onerous procedural requirements discourage such transfer. In particular, New York Constitutional Article IX § 1(h)(i) requires voter approval of the town voters as one unit and city voters as a second unit to give their approval for the transfer of functions to the county level.

A fourth approach is the regional council. These councils bring together an area's government officials to discuss, study, and adopt cooperative programs to meet common needs. Types of councils include councils of government (COGs) made up of local elected officials (they are used extensively in Pennsylvania by local elected officials to coordinate regional joint services), regional planning commissions, and local economic development districts. About 600 regional councils are across the country, and states such as Georgia, Vermont, Virginia, Kentucky, Texas, Oklahoma, Michigan, Arkansas, Missouri, Oregon, North Carolina, and South Carolina actively encourage them.

Regional Governance versus Regional Government

In California, The 2000 Partnership released a report titled "Managing growth in southern California," in which they recommended regional governance, **not** government. They distinguished the two as follows: regional *government* refers to a single regional government that makes policy in all areas, issues regulations, delivers services, taxes broadly, and abolishes existing local governments, making them administrative units of regional government.

Regional *governance* refers to a comprehensive regional planning body that

- makes policy in limited areas of regional impact,
- manages a regional planning process (does **not** issue regulations, deliver services, or tax broadly),
- allows for the continuation of existing local governments and most existing regional agencies, and
- creates new subregional structures through which local governments participate in developing and implementing the regional planning process.

This approach seems to win more political and grass-roots support in current efforts to regionalize certain operations.

Examples of Regional Governments

While numerous examples of regional governments exist across the country, the following provide insight into the differing structures that can be considered.

Metropolitan Council of the Twin Cities Area

In Minnesota, the Metropolitan Council of the Twin Cities Area was established by the state legislature in 1967 to develop a comprehensive regional strategy for a seven-county area, encompassing 3,000 square miles and more than two million people.

The regional government operates on two tiers. The Metropolitan Council sets and controls regional policies and provides administration, advice, and technical assistance. The Council works through the following four standing committees: Metropolitan and Community Development, Environmental Resources, Metropolitan Systems, and Management. The policies, or actual service deliveries, are carried out by the following five individual single-purpose regional commissions: Metropolitan Parks and Open Space Commission, Metropolitan Waste Control Commission, Metropolitan Airport Commission, Regional Transit Board, and Metropolitan Sports Facilities Commission.

Over the years, sources of funding for the Metropolitan Council have been derived from a levy on all real property in the seven counties (largest source), federal grants, chargebacks to metropolitan commissions for services provided by the Council, state appropriations, and sale of bonds. Interestingly, they share a tax base, not tax revenue. This is aimed at reducing competition for development at any cost.

Metropolitan Service District

In Portland, Oregon, the Metropolitan Service District (Metro) was created by the state legislature to serve a three-county area, and all members are elected by popular vote. Metro is the only regional authority with multiple responsibilities that is run by officials elected directly by the people.

Metro's basic functions include consolidating planning efforts, managing solid waste, monitoring air and water quality, controlling flooding, administering Portland's Washington Zoo Park; and running Tri-Met. In addition, the legislature has authorized it to seek eventual management of human services, jails, parks, libraries, and recreational and cultural facilities. Metro is statutorily empowered to enforce the containment boundary established by the Portland Region to direct growth into urban areas, control land use within its jurisdiction, and oversee transportation and sewer services. It is financed by a real property tax and fees collected at landfills. When Metro was created, it was authorized to assess local communities for the first two years. Since its creation, Metro has not eliminated one unit of local government.

Metropolitan Area Planning Council

In Boston, Massachusetts, the Metropolitan Area Planning Council (MAPC) was established by the state legislature in 1963. MAPC started with seventy-nine member communities and now includes

101 member communities. While it began as a state agency, in 1970 it became autonomous. MAPC is involved with land-use planning, environmental resource protection, economic development, housing, growth management, and transportation. It is financed by a variety of sources, including assessments from the 101 council communities, the State (through the Department of Public Works), the Coastal Zone Management Program, the Economic Opportunity and Community Development Program, Massport, MTA, and member subregions.

Cape Cod Commission

The Massachusetts legislature established the Cape Cod Commission in 1989 to anticipate, guide, and coordinate the rate and location of development with the capital facilities necessary to support it; review developments that have impacts beyond their local community and determine comparative benefits and detriments of those projects and their consistency with the regional policy plan and the local comprehensive plans; identify and protect sensitive environmental areas; promote fair and affordable housing and the expansion of employment opportunities; and implement an economic development strategy. It is financed through a levy of fees and taxes and receipt of public and private grants.

Activity in California

In 1989, twenty-nine regional governmental organizations in California addressed, among other things, air pollution;

regional planning; transportation; water supply, quality, and regulation; and bridges and ports. Fiscal support comes from service charges, licensing and permitting functions, intergovernmental aid, and contributions from member local governments (the primary funding source).

Bay Area 2020 Commission

In 1989, the Bay Area 2020 Commission was formed to examine ways in which the nine-county Bay Area, with ninety-eight cities, 721 special districts, and a population of 6 million, could address issues including land use, housing, transportation, the regional economy, revitalization of the inner cities, and environmental quality.

In a report issued in May 1991, the Commission recommended that there be a regional framework or plan for siting landfills, airports, and other regional installations on a "fair share" basis. The report also noted that while a voluntary association of local governments exists in the Bay Area, it has no authority to make binding decisions on regional issues. Therefore, the Bay Area did not have a forum where complex regional issues can be considered, decisions made, and policies carried out. The report called for state leadership to facilitate a state/regional/local policy for growth management and a new nine-county Regional Commission (by combining, at a minimum, the functions of the Bay Area Air Quality Management District, the Metropolitan Transportation Commission, the Association of Bay Area Governments, the San Francisco Bay Regional Water Quality Control Board, the Bay Conservation and Development Commis-

sion, and other single-purpose agencies). The report also recommended a regional plan that would *not* be a detailed land-use plan but would set forth standards for meeting regional needs (e.g., jobs-housing proximity, urban/open space boundaries, areas for new infill development, affordable housing targets, water supply, criteria for siting airports and solid waste landfills, etc.). The report further suggested that the Regional Commission should recommend the best and fairest means for regional sharing of tax income from commercial, industrial, and high-cost residential development.

In a 1989 report, "California 2000: Getting ahead of the curve, the future of local government in California" (prepared by the Assembly Office of Research), the following shortcomings of regional structures were noted:

- many of the regional governance organizations exist for single purposes, creating an inherent functional bias (e.g., transportation and air quality are related but are pursued in separate policy arenas);
- oftentimes, regional organizations lack authority, especially if they are voluntary in nature; and
- because regional governance is made up of elected local officials, and is not an administrative division or creation of the State, local political incentives continue to dominate the decision-making processes of existing regional agencies.

The report recommended a statewide policy on growth and regional growth management.

An article in the June 1992 issue of *Planning* discussed the failure of the

Southern California Association of Governments (SCAG) (Fulton and Newman's "When COGs collide"). The authors described the SCAG, or regional legislature, as being composed of more than sixty local officials representing 15 million people. The authors stated that because membership in the SCAG is voluntary, SCAG officials are forced to take a "lowest-common-denominator" approach in identifying and resolving issues, out of concern for not losing members. As a result, the Association has a reputation for being ineffective because it can neither achieve consensus nor police its own members.

Current Movement for Regional Governments

A national movement for more regional governance (in the guise of statewide comprehensive planning or growth management) is growing. While nine states have some form of growth management in place, seven states are currently seriously considering some form of regional and state involvement through special gubernatorial or legislative commissions. In 1994, the American Planning Association announced its "Growing Smart" initiative. This special project is currently examining regional and statewide approaches to land-use decision making. The National Growth Management Leadership Project in Oregon also was founded to educate people about the benefits of such regional planning approaches. In general, the impetus for the movement comes from a number of social problems, all of which cross municipal boundaries, e.g., economic devel-

opment, housing, environmental and natural resource protection, adequate infrastructure to meet demands of growth, and cost-effective, better planning. A number of approaches have been employed to facilitate better regional planning. These include

- consistency, which requires state, regional, and local plans to be developed consistently with one another;
- concurrency, which requires that infrastructure to serve new development must be in place or funded concurrently with the opening of new development;
- compactness, which is designed to prevent urban sprawl patterns (e.g., Oregon's use of urban growth boundaries); and
- mandatory guidelines, which place the responsibility for goals and guidelines on the state and the primary responsibility for implementation and regulation on local governments.

Will New York State Be the Next State to Offer New Approaches to Regionalization?

The notion of regional government is not new to New York. The Adirondack Park Agency, the State Commission on Tug Hill, and the Hudson River Valley Greenway Communities Council are all examples of state legislative bodies established to achieve enumerated purposes. The motivation for the establishment of each of these regional entities was to some extent crisis-driven. For example, New York was concerned that the pristine beauty of the Adirondacks would be destroyed, that the expansion of Fort

Drum warranted immediate delivery of technical assistance and services to enable municipalities to meet the imminent challenges, and that the Hudson River, an important waterway, was facing environmental problems that demanded immediate planning and development attention. Crisis-level situations present today across New York include, but are not limited to, the siting of waste facilities, including solid waste, hazardous waste, and low-level radioactive waste; water quality; air pollution; lack of affordable housing; and the need to promote economic development.

Statutorily, New York's local governments have the ability to at least experiment with some types of regionalization. Regional planning boards are authorized by General Municipal Law as are inter-governmental relations councils, but there are several problems with these programs. First, for the most part, they are voluntary programs. Combine this with the fact that there are no significant incentives to induce local governments to engage in these types of arrangements, and it is evident why we do not see more regional entities in New York. Add to this the political reality that these regional bodies, once created, have no legislative or regulatory force, and suddenly there are substantive policy and statutory changes that should be explored.

For the past five years, governments and a number of not-for-profit entities in New York have been exploring the opportunities and challenges presented by regionalizing certain government services. Beginning in 1990 with the appointment of the Governor's Blue Ribbon Commission on Consolidation of Local


Governments, New York began to examine the historical and legal framework within which local governments could restructure both governmental units and the services they deliver. In 1994, following up on both the interim and final reports of the commission, the State Comptroller held regional forums across the state to develop new directions in state/local relations with respect to achieving financial stability in the 1990s. Following the forums, his office issued a report detailing a plan for action.

In 1994, the Government Law Center of Albany Law School published a technical memorandum on intermunicipal cooperation in land-use planning that was funded by the New York Planning Federation. In February 1995, the Temporary Commission on Constitutional Revision for New York State released their final report, calling for, among other things, a panel to explore requiring periodic votes in localities to consider institutional structural changes, the creation of a state boundary commission with power to reduce government layering, and incentives and barrier removal strategies for regional or multi-jurisdictional approaches to service delivery.

Currently, the State Commission on the Capital Region, created by state legislation, is exploring opportunities for regionalizing governmental services in the Capital District Region. The Commission, staffed by the Rockefeller Institute of Government, after holding hearings in participating counties, is exploring possibilities in five functional areas: government administration, economic development, land use, solid waste management, and transportation. A final report to the governor is expected in June 1996. It is

hoped that the work of this Commission, composed of bipartisan local government officials and members of the public, will result in recommendations that will be implemented successfully across the region and will serve as a model for the rest of the state and for other governments across the country.

Conclusion

As we prepare to enter the twenty-first century, one thing is clear: the reinventing government movement is alive and well and promises to bring change to the way we currently think about and deliver governmental services. This is an exciting time for public, private, and non-profit sectors to collaborate on methods appropriate to restructure and more efficiently and effectively deliver the government services that the public expects and desires. 

Notes

¹ This article was adapted and updated from remarks made by the author to the Governor's Blue Ribbon Commission on Consolidation in 1992.

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Patricia E. Salkin is the director of the Government Law Center of Albany Law School. She has authored numerous articles and reports on various aspects of restructuring and regionalizing government services and frequently lectures and testifies on such issues across the country. She regularly writes on issues involving cooperative and regional approaches to land-use planning. She is on the adjunct faculty at Albany Law School and the State University of New York at Albany. She currently serves as a consultant to the State Commission on the Capital Region in New York.