



State Government versus Local Governments: Creative Tension or Inherent Conflict?

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State Government versus Local Governments

✧ INTRODUCTION:

✧ Basic Premises:

- ✧ Tension between the legal nature of our local governments and their political-cultural nature.
- ✧ This tension has created two diametrically opposed foundational principles on which local government in the United States is organized.
 - ✧ From a legal and administrative perspective, one foundational principle asserts that local governments cannot be sovereign; they are *creatures of the state*.
 - ✧ From a political-cultural perspective, local governments represent a citizen's constitutional right to freedom of association; local governments, no less than the states, are *creatures of the citizen*.

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- ✦ The halting pattern of political and institutional reform at the local level is a result of the tension between these two traditions.
- ✦ These foundational principles need to be first acknowledged as legitimate and important and then addressed in a set of policies that manage the tension and conflict between those two competing principles.
- ✦ The purpose of this paper is to further the dialogue on the foundation principles by exploring how those principles are manifest in state approaches to regional governance and in particular how they seem to thwart such efforts.

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✦ FIFTY STATES, FIFTY DIFFERENT SYSTEMS

- ✦ The tension between state and local governments has and is being played out in fifty different ways.
- ✦ A fundamental question in the relationship between a state and its local governments is the level the direct expenditures made by each government in support of its own services.
- ✦ Three broad approaches exist to the basic state-local relationship; state dominant, neither dominant and local-dominant.

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- ✦ Most states depend on local governments to a greater or lesser degree to deliver services, and in particular social services.
- ✦ There is a growing perception that all local governments, especially cities, are becoming more constrained in the exercise of discretion and thus control over “local” affairs (Bowman and Kearney 2012).
 - ✦ The loss of local control may extend to the reality that the state not only defines the policy parameters within which the local government employees work, but even the revenues for their paycheck. It is difficult to think in “partnership” or relational terms for such activities. In all but name, these are state employees, performing tasks through regional offices that happen to be cities or, more likely, counties.
- ✦ In other settings, such as law enforcement, transportation and most regulatory settings, there is a dominant partner, who carries most of the burden of financing the endeavor.
 - ✦ In transportation and higher education the dominant partner is the state.
 - ✦ In law enforcement, as well as in water and sewer distribution and mitigation, the primary partner is local government.
- ✦ There is a third category of programs for which the dominant partner may no longer be the primary funder of the activity, but for political and historic reasons the public continues to see them as the dominant partners. Americans persist in defining primary and secondary education as “local” even though most states provide somewhere between 50 and 70 percent of the funding.

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- ✦ The states play a potentially significant role in fostering the development of local government partnerships through the authorization of a variety of service-sharing approaches
 - ✦ ...such as interlocal agreements, cross-jurisdictional arrangements, cross-jurisdictional reorganization, two-tiered governments, multijurisdictional organizations, annexation, and the consolidation of services through the merger of departments or governments.
 - ✦ While some service-sharing practices are possible without the consent or involvement of state governments, the state may have a role, and inevitably schemes for consolidation of governments require the active concurrence of the state.

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- ✦ THROUGH THE GLASS DARKLY: STATE-LOCAL FISCAL RELATIONSHIPS.
- ✦ Until World War II it could be argued that there were essentially only two fiscally important levels of government:
 - ✦ first local governments and then, after World War I, the federal government.
- ✦ Dillon's Rule may have affirmed the constitutional importance of the states in governance and intergovernmental relations, but few states had an impact on the policy agenda of the nation.

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- ✦ Bolstered by districting systems that favored rural community interests, state governments would remain a “sideshow” until almost the last quarter of the twentieth century.
- ✦ The period spanning the 1960s and 1970s was one of the only times in our political history when a large number of state legislators and governments came together to affirm a central role in policy making for the states.
 - ✦ These initiatives came on the heels of political changes that reflected the growing urbanization of most states.
 - ✦ By the 1970s, state legislature began to reflect the predominantly urban character of the states.
- ✦ This confluence of court-mandated redistricting and an urban and progressive political agenda brought the states into the discussion about policy and governance.

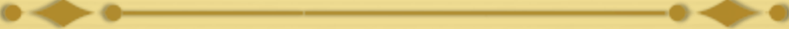
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- ✦ The 1960s and 1970s was the, albeit short-lived, “golden era” for regional and metropolitan government.
- ✦ According to information generated by Hall (2009), of the 24 successful city-county consolidation efforts between 1947 and 1996, half were approved in the decade from 1967 to 1977.

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- ✦ The 1980s is the start of a period in which the public concluded that state and local taxes were in general too high.
- ✦ Beginning with Proposition 13 in California and Proposition 2.5 in Massachusetts, the capacity of states and local governments to increase taxes was limited by statute and/or constitutional amendment.
- ✦ The target was the perceived extravagance of state governments, yet the effect of these laws was to limit *local* sources of revenue.
- ✦ “Reform” became synonymous with program and tax cuts

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- ✦ By the middle of the first decade of this century the intergovernmental fiscal house of cards had collapsed.
- ✦ The expenditures of both state and local governments could not be balanced against revenues without significant funding from the federal government or the states, every cut to balance the budget at one level created an imbalance at another.
- ✦ This was not a system in equilibrium, but one in which spending outstripped revenues at all levels.
- ✦ This arrangement was fragile; it depended on the funding sources (the federal government and states) to continue, jointly or independently, to maintain the funding stream.
- ✦ Each level of government operated as though their fiscal policy decisions had no consequences for other governments.
- ✦ Most devastating for recipient governments was that these cuts occurred in programs that were most visibly their responsibility—schools, roads, and public safety. The displeasure of members of the public was felt by those closest to them—local governments.

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✧ THE DISCOURAGING SIGNS

- ✧ Metropolitan governance is not on the political radar of most states. It is not clear whether the states simply don't care, don't want to, or don't know how to create metropolitan decision making. Perhaps such regional efforts are simply too far down the priority list to get on the agenda.
- ✧ Even in states that have created general statutory authority for regionalizing activities, it is not clear whether or not permission to exercise authority will be allowed.

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- ✦ *The Era of Declining Resources from the State is Likely to Continue*
- ✦ The changing (and declining) funding by the states for local governments is the backstory of the fiscal havoc caused by the Great Recession. In reality, the rules of the game had already changed. Long before that recession, the states were reducing support for local governments; often to support state-level tax cuts. While the recession has been the political excuse/explanation for the last few years, the pattern of cuts began during much better economic times.

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- ✦ *The Political Supremacy of Consumership Over Citizenship*
 - ✦ Market-driven approaches have dominated both academic and political discourse for the better part of three decades (Miller and Cox, 2011; Miller and Cox, forthcoming).
 - ✦ The dominant perspective supported by market-driven approaches is distinctly anti-metropolitan.
 - ✦ The flaw in this perspective is that it treats each individual local government as a fully independent and self-supporting island without need of an urban core.
 - ✦ Even the Great Recession, which hit many suburbs as hard as it did cities, did not dissuade those who sought refuge in those suburbs from the illusion of social and economic independence.

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- ✦ *Prevailing Notions of How Local Government Works are Deeply Embedded*
 - ✦ The simple reality is that few outside the cities are interested in metropolitan solutions. Even the most optimistic among students of metropolitan governance recognize that except in very few cities, where the city is the center economically and in population, public opinion is against broad activities such as mergers and consolidations.
 - ✦ Also, it must be noted that even service sharing is problematic.
 - ✦ When done in the administrative shadows as an extension of technical expertise, the public is supportive, especially if the linking of services can produce cost savings.
 - ✦ The informal network of mostly appointed officials is active and often successful. However, when service sharing extends to domains in which the public has a strong viewpoint, even service sharing is difficult.

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- ✦ There is a well-known saying in public administration, called Miles' Law, "Where you stand depends on where you sit."
- ✦ The dynamic of intergovernmental relations within metropolitan regions is very much at play here.
 - ✦ Public officials, both elected and appointed, in central cities see the necessity of developing metropolitan solutions to a range of regional issues.
 - ✦ Fewer, but still many in the alsoUrbs (Miller and Cox, forthcoming), see the same necessity.
 - ✦ Once you get outside that narrow orbit, the world looks quite different. The relative success and wealth of the suburbs creates an air of invincibility in which the suburbs believe they can survive without a center city (Savitch and Vogel 2004). From where they "sit" the only threat to a comfortable way of life is to be pulled into the fiscal quagmire of the city.
- ✦ The logic often extends to other suburbs. At the core is a value that is akin to hyper-individualism. The expectation is that others should respect your individualism and that discourse challenging your beliefs is to be avoided. Public discourse is simply an opportunity to announce a position, not to deliberate.

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✧ *Conceptual Tools to Build Metropolitan Governance Are Still Nascent*

- ✧ While it is not easy to explain how we got into this mess, the emphasis on protection of individual identity and perspective is rooted in how we educate and train public administration professionals. Theme of David's paper....
- ✧ The emphasis on managers as the ultimate decision makers, the ideal of the city manager as the professional analyst who applies the precepts of the economics to reach rational decisions void of political overtones, and a bias toward "business" models of the market (the three legs of the New Public Management) create an organizational culture that emphasizes "them versus us" calculations and a narrow vision of the unit of analysis (never broader than the municipality).
- ✧ Cooperative ventures are accepted only if there is "advantage" to do so.
- ✧ Narrow technical solutions are best because they keep the problem "simple."
- ✧ Finally, most managers are recognized for what they do for "their" local government, not what they do for the greater good of the metropolitan region. City managers often find themselves at odds with metropolitan governance frameworks because it requires giving up a measure of control.

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✦ THE IMPACT

- ✦ The long list of political and sociological problems confronting advocates of metropolitan governance is disheartening. The consequences for attempts to introduce metropolitan governance models into practice are numerous.

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✧ *Intergovernmental Partnerships*

- ✧ One of the preferred mechanisms for interorganizational service agreements is through intergovernmental partnerships.
- ✧ While today most states offer general statutory authority to undertake such partnerships, often these partnerships are initiated by local governments.
- ✧ The states play catch-up by first enacting special laws to approve such a partnership and then later creating a general statutory framework (Miller and Cox, forthcoming).

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✧ *Annexation*

- ✧ Walker (1987) classifies annexation as “middling” in difficulty, but depending upon the perspective and goal this may belie the political hazards implicit in efforts of core cities to annex. The annexation process is fairly straightforward.
- ✧ Annexation serves the purposes of the suburb by bringing into their governance orbit like-minded residence at the fringe of the metropolitan area.
- ✧ Under such circumstances annexation rules become a buffer *from* the city, not a means to join the inner city.
 - ✧ The rules in most states are designed to facilitate the incorporation of relatively small parcels of property in unincorporated areas into small, incorporated, governments. Such annexation practices effectively fence in the urban core cities, which are no longer adjacent to unincorporated lands.

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✧ *Urban Counties and Independent Cities*

- ✧ Virginia, while far from the most urban state in the country, nevertheless took aggressive action to address issues related to metropolitan governance in the 1950s and 1960s. The good news is that these models exist, but the bad news is that other legislatures have not used the two models of urban counties or independent cities as the basis for metropolitan reform in their own states.
- ✧ From a national and metropolitan perspective basing metropolitan governance on the county rather than the city seems to make more sense. Yet, there is little interest in promoting this version of the models.
- ✧ Despite the longstanding use of the county as the basis for public services, the independent city arrangement, which often leads to the abolition (technically a merger) of a county, seems preferable to the state.
- ✧ While not a totally accurate characterization of the situation, the end result of these companion models is that the independent city model is seen as “reforming” a weak government type (county government), not as a metropolitan governance initiative.

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✧ *Formal Multijurisdictional Purposive and Governing Structures*

- ✧ Much of state policy with regard to local governments has been to encourage the growth of special districts.
- ✧ Both the state and local governments in the region in which the special districts operate display some ambiguity about the role of special districts as distinct units of government.
 - ✧ The general legal authority to create small, functionally specific districts exists, and to some extent there continues to be support at both the local and the state levels to create these districts as responses to immediate and *localized* need.
 - ✧ However, there seems to be much less interest at the state level in the kind of large regional efforts
 - ✧ The more narrowly defined, functionally and geographically, the greater the support at the state level.

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✧ *City-County Partnerships*

- ✧ While it would seem that the states would have little stake in city-county partnerships, even city-county consolidation, the reality is that legislatures are reluctant to sanction such efforts.
- ✧ As the National Association of Counties (NACo) found in a study of city-county consolidation for its annual report in 2012 (Sanford et al. 2012), most such efforts fail except in small, political homogenous, semirural counties fail because of opposition from the suburbs.

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✧ CONCLUDING THOUGHTS

- ✧ The urban agendas of the states and metropolitan areas infrequently intersect. When Hall (2009) suggests a “third wave” cycle of interest in metropolitan governance, he discusses the new leadership of the large cities and the possibility of a more aggressive and positive *federal* agenda.
- ✧ The time when an “urban” agenda was a major part of the legislative agenda is in the past...
- ✧ The stance in most states is one of indifference, not hostility. Can the politics of the urban areas be altered? The simple answer is yes, but ... The “small is better” agenda fits the prevailing politics of the market approach.

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- ✦ Even in states in which an urban agenda is politically feasible, the politics of that state government will leave that agenda at the margin.
- ✦ Not interfering with a pro-urban, pro-regional agenda is the best outcome.
 - ✦ a stance of non-interference means that “half-measures” such as inter-local service sharing, continued proliferation of special districts, and department-level city-county consolidation, not broader government cooperation and consolidation, will be the norm.