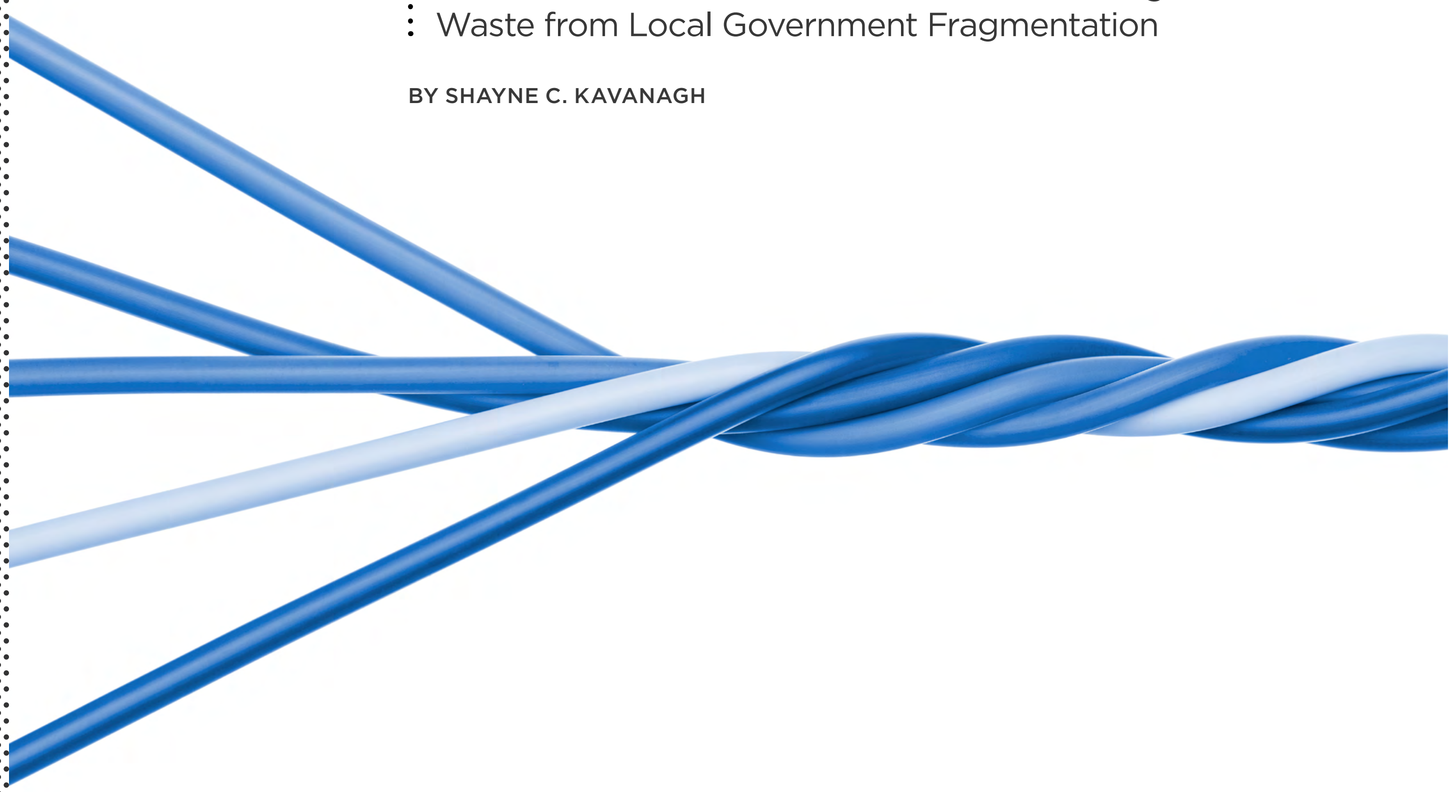
DOES CONSOLIDATING LOCAL GOVERNMENTS WORK?

PART 1 in a Four-Part Series About Improving Local Government Coordination and Reducing Waste from Local Government Fragmentation

BY SHAYNE C. KAVANAGH



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ABOUT GFOA

The Government Finance Officers Association (GFOA) represents approximately 20,000 public finance officers throughout the United States and Canada. GFOA's mission is to promote excellence in state and local government financial management. GFOA views its role as a resource, educator, facilitator, and advocate for both its members and the governments they serve and provides best practice guidance, leadership, professional development, resources and tools, networking opportunities, award programs, and advisory services.

ABOUT FINANCIAL FOUNDATIONS FOR THRIVING COMMUNITIES

Created by GFOA, the Financial Foundations Framework helps facilitate collaboration and support for public policies and programs. Organized into five pillars, the Framework shows you how to improve your financial position now and create a strong foundation for a thriving community over the long-term.

Each pillar includes different leadership strategies and/or institutional design principles. Understanding that local governments cannot order people to collaborate, leadership strategies help inspire pride and public support for a strong financial foundation. Institutional design principles, meanwhile, are the "rules of the road." They provide the context for leadership strategies and ensure continuity of good financial practices through changes in leadership.

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Local governments spent about $1.9 trillion in 2017, collectively.[i] This was more than all 50 states together when we remove money passed through to local governments.[ii] While this might seem surprising, it might be less surprising when you consider that there are over 90,000 units of local government in the United States[iii] providing services such as education, public safety, public health, utilities, transportation, recreational opportunities, vital record keeping, natural resource conservation, and more.

Given the vast sums of money and the number of governments involved, it is reasonable to ask: Is there too much **fragmentation** in local government? Could public funds be better used if there was less fragmentation? Fragmentation refers to the number of local governments and how power is diffused among them.

In this four-part report series, we'll look for solutions for this problem through the lens of GFOA's *Financial Foundations for Thriving Communities*. This framework is based on the Nobel Prize-winning body of work about how to solve shared resource problems, like local government budgets.[iv] One of the insights from this work is that, in general, the local users of a commonly owned resource will be in the best position to decide how to allocate the responsibilities for maintaining and then allocating the resource among the users of that resource. This is because local users have a sense of what their needs are and who is best positioned to take on the responsibilities to meet those needs. This implies that because local government is closest to the citizen, it will be positioned to allocate public resources with the greatest efficiency, accountability, and responsiveness. (Though, this doesn't imply it is easy.) This will be especially true when there are local differences in citizens' demand for public services and the willingness to pay for them.

This insight is sometimes called the "principle of subsidiary." It suggests that strategies like centralizing services with a larger central government, for example, would not provide better outcomes. However, *Financial Foundations for Thriving Communities* does not call for atomization either. It shows that there are substantial gains available from wide-scale cooperation and, in fact, coordination is needed for the best use of shared resources.

Is there too much fragmentation in local government? Could public funds be better used if there was less fragmentation?

In this series, we will explore the following models for improving coordination of resources ***between***[1] local governments:

Consolidation. Combining multiple local governments into a single, larger unit.

Networked enterprises. Creating formal and informal relationships between public, private, and nonprofit organizations to better coordinate resources across the entire community.

Government as a platform. Traditional government is a bureaucracy, where the departments of government are service providers. Government as a platform is about defining what the community needs and then "plugging in" the most effective service provider, regardless of whether it is private, nonprofit, or another public organization.

Tax base sharing. A fragmented local government system can result in certain local governments having a larger share of the tax base relative to their share of the population in the region, while other local governments have a smaller share relative to their population (and the consequent need to provide services). These fiscal disparities between local governments lead to disparate capacities to provide equitable public services. Tax base sharing seeks to correct that.

To examine these models, we need to define the goals of our examination. If we are interested in using these models to improve the use of resources, that improvement could happen along three dimensions:

- **Economize:** Less money is spent in total (assuming that too much was being spent before).
- **Efficiency:** The "per unit" cost of public services declines.
- **Value:** The benefit created by each dollar of public money spent goes up.

These are not exclusive, but it is useful to understand the differences between them because each model may perform better or worse in each dimension.

In this first of our four-part series, we will examine the potential of local government consolidation. Given the similarity in services offered by different local governments in the same region, consolidating those governments into larger units could result in a better use of resources. We will explore what the research says about the effects of consolidation. We will close by summarizing the potential for consolidation to economize spending, improve efficiency and/or increase value. Readers with limited time can skip to the end of this report for a summary of our conclusions.

[1] Coordination of resources within local governments is beyond the scope of this series. That topic is addressed in detail in GFOA's book *Financial Foundations for Thriving Communities*.

Consolidation is intended as a direct solution to government fragmentation. However, there are two types of fragmentation, each of which might respond differently to consolidation:

- **Horizontal fragmentation:** This is when multiple governments in the same region provide a similar service. An example of this is when a region has multiple, separate municipal governments. This implies that horizontally fragmented governments do not usually occupy the same geographic space; however, this is not always the case. Cities and their overlapping county government sometimes provide similar services.
- **Vertical fragmentation:** This refers to local governments providing different services. An example is when several special districts serve the same community (e.g., library district, park district, etc.) as well as a general purpose municipal government. Vertical fragmentation implies some overlap in jurisdictional boundaries.

Let's examine the implications of each type of fragmentation for local government consolidation.

HORIZONTAL FRAGMENTATION

The impacts of local government horizontal fragmentation have been well researched by academics. A key finding of this research is: "Increased horizontal fragmentation, particularly among general purpose local governments, is associated with decreased per capita public spending and public revenues."[v] This implies that the consolidation of horizontally fragmented governments could be counterproductive.

Some people may find this surprising, yet there is evidence that horizontal fragmentation ***economizes*** public spending. Unfortunately, the research is not as clear on why horizontal fragmentation decreases public spending and tax levels, but there are several plausible explanations. We will focus on two that have the best support in the research: Economies of scale are realized at a relatively small scale; and regional norms hold costs down.

Economies of Scale Realized at a Relatively Small Scale

Economies of scale can be achieved by relatively small governments. For example, in the United States, studies by the Advisory Commission on intergovernmental relations in the 1970s concluded that as the population of a city goes up, per capita costs generally fall for municipalities with populations of up to 25,000, remain fairly constant for those cities with more than 25,000 but less than 250,000, but then rise significantly.[vi] However, these studies did not take into account the structure of production or the responsibilities of the local governments. A 2002 review of the research into economies of scale in local government concluded that:[vii]

- Only **8 percent** of studies found economies of scale.
- **39 percent** found no relationship size and cost.
- **29 percent** found U-shaped cost curves (cost declines with size for a time, but then increases).
- **24 percent** found evidence of diseconomies of scale.

There is evidence that horizontal fragmentation economizes public spending.

On the whole, research has found that there seem to be few economies of scale for most (but not all) services, past municipalities with a population of 20,000 to 40,000 people.[viii] This would mean that local governments don't have much potential for efficiency gains from scale past a relatively small population.

To understand why economies of scale do not offer much potential for realizing savings from consolidating local governments, let's consider some sources of savings from economies of scale in the private sector:

1. **Spread fixed costs over a larger production volume.** The classic example of a fixed cost is a capital asset. For instance, a machine that can be used to produce 100 units or 1,000 units will have a lower per unit cost if it produces 1,000.

2. **Bulk purchasing.** More favorable prices can be negotiated with suppliers when purchasing in volume.

3. **Greater ability to specialize labor.** Employees can specialize in tasks that add value and a competitive advantage for the business.

4. **Branding and marketing.** For instance, it is easier to stand out in a global and hypercompetitive marketplace with a recognized name. Larger companies tend to be more widely recognized.

Many advantages that private sector firms can realize from scale don't translate well to local government for a few reasons.

Reason #1: Local government services are often labor intensive. Local government services are delivered mainly by people (public employees or contractors). The role of fixed costs (e.g., capital assets, like machinery) is less important than in many private industries. This works against economies of scale in two ways.

First, in local government, labor is often a variable cost that scales upward with the amount of service provided.[ix] Fixed costs are less important in many government services, so there is less benefit from spreading the fixed costs over a larger population. For example, imagine two neighboring cities of 40,000 people, and each is merged to create one larger city of 80,000. The new, larger police department would have to patrol all the same area. There might be opportunity to make adjustments in patrol routes, but the new department would probably need the same number of officers, cars, etc., as before. The new department would need only one police chief, but the cost of a chief would be a fraction of the total department. Further, perhaps the salary of the new chief would need to be higher to attract applicants of higher skill to manage the larger, more complex department. Also, maybe a deputy chief or middle managers would need to be added where none existed before. Perhaps only one police headquarters building would be needed, but it would need to be larger and/or need substations to supplement the headquarters.

Compare our hypothetical police department with the exemplars of economies of scale in our modern economy: big technology companies like Amazon, Google, or Facebook. The low cost of adding a customer for these companies is close to zero.[x] By contrast, the low cost of serving more residents is nowhere near zero for municipal governments.

The second way in which the labor-intensive nature of local government is resistant to economies of scale is that purchased supplies are not as important to the local government production process as they are for many private sector activities. For example, there are few "raw materials" associated with police or fire protection, the two largest areas of spending for most municipal governments. Hence, driving down the cost of purchasing supplies would have more limited financial benefit than for a large industrial manufacturer or large retailer, like Amazon or Walmart.

Reason #2: There is greater potential for cooperation between local governments. The day-to-day operations of local government are often characterized by significant cooperation between neighboring entities. For example, the State of Iowa requires local governments to file formal agreements for intergovernmental cooperation with the state. There are just under 2,000 units of local government in Iowa, and there were over 10,000 agreements filed in 10 service categories between 1993 and 2007!

This proclivity for cooperation is a significant difference from the private sector. For example, it would be unusual for local firms in a similar line of business to collectively negotiate prices with suppliers. However, this is commonplace in local government for products as diverse as office supplies, road salt, and insurance policies. This allows local governments to achieve the purchasing power of scale without consolidating.

Local cooperation between governments can achieve some benefits of specialization that are associated with scale. Local governments often set up agreements to share specialized public works or firefighting equipment or to cooperate on technical services like 911 dispatch.

This proclivity for cooperation may reduce or eliminate the value of specialization. In the private sector, specialization often confers a competitive advantage or differentiator from other firms. For example, venture capitalist Peter Thiel describes proprietary technology as "the most substantive advantage a company can have."[xi] Local governments, however, have no trade secrets to protect and gain little or nothing from having differentiated work processes or technologies from other local governments. For instance, in *The Nation City: Why Mayors Are Now Running the World*, former Chicago Mayor Rahm Emanuel describes how he and other mayors regularly shared their most innovative ideas with mayors of other cities.[xii]

This willingness to share and the absence of benefit from trade secrets means local governments can outsource specialized technical tasks to a contractor without worrying about the implications for competitive advantage. Many consultants work for several local governments at the same time. Hence, the consultant becomes the specialist, and each local government buys the consultant's services in the amount needed. Collectively, all local governments form a market large enough for consultants to develop expertise that local governments find valuable and large enough to sustain competition between consultants, thereby keeping prices down.

Reason #3: Local governments are local monopolies. Local governments are basically monopolies within their own borders. This means marketing and branding are not as important as they would be for private firms. This also means differentiation from potential competitors is not as important, further reducing the benefits of gaining a distinctive specialization.

Regional Norms Hold Costs Down

Earlier, we described local governments as local monopolies. "Monopolies" are typically not associated with lower prices or improved service. However, while horizontally fragmented local governments are *local* monopolies, they are not monopolies within their region. Though local governments do not "compete" with others in the region in the same sense that private firms do, there are other forces in play that serve to hold down the price of government.[xiii]

It is commonly accepted by members of the public and elected officials that higher taxes are, in general, undesirable. Public approval is often a key motivator for elected officials. Elected officials can show that they are being responsible with taxpayer money by keeping tax rates and spending in their community in line with other local governments in the region. The willingness of local governments to cooperate with each other and legal standards for transparency in public finance means that local governments are able to access information about the taxes, fees, and service levels in nearby communities. The average levels of taxing and spending across local governments in the region may then create a "norm" that local officials are hesitant to stray from. The power of shared norms to enforce standards is associated with the Nobel Prize-winning work on which GFOA's *Financial Foundations for Thriving Communities* is based.[xiv] A larger, consolidated local government might start to become a regional monopoly as well as a local monopoly. In this case, norms to keep taxes in line with other nearby local governments may start to lose their power.[xv]

VERTICAL FRAGMENTATION

The research on vertical fragmentation is not as rich as that on horizontal fragmentation, so the conclusions we can reach are not as strong. Nevertheless, the balance of evidence suggests that vertical fragmentation leads to greater inefficiency in local government.[xvi] Again, because the research is not as rich on this topic, it is harder to say why this might be. However, there are some plausible explanations.

First, earlier we discussed the role of regional norms around taxes and service levels for holding down the cost of local government. It could be that these norms arise more easily and are stronger among general purpose local governments (e.g., cities), which are more closely associated with horizontal fragmentation. For example, the public thinks of the mayor as "in charge" of the city and thinks of city hall as the seat of local government. Thus, municipal officials can expect to get more attention from the public. And, therefore, we might expect municipal officials to be more interested in benchmarking their taxes, fees, and service levels against other municipalities to avoid getting out of line with their neighbors.

Special districts are more closely associated with vertical fragmentation. Special districts are usually not subject to the same level of public scrutiny as municipal governments. For instance, if we were to compare citizens' knowledge of their city government with their special districts, it is a safe bet that far fewer citizens know who the lead officials are for the special district(s) or where the district's main offices are. It would probably not be a bad bet that many citizens wouldn't know the district is a separate legal entity from city government. Because the operations of special districts get less attention, we can probably assume officials in special districts would take less interest in benchmarking taxes and fees and be less concerned with keeping taxes and fees in line with other districts, on average. This is also consistent with research that suggests that special purpose governments are more easily dominated by special interest groups, which leads to cost increases that benefit the special interest at the expense of the general public.[xvii]

[2] In our example, police/fire would still have to be weighed against public works, community development, and other services the general government may offer.

A second explanation might be found in how local government services are budgeted. By definition, special districts offer one type of service. Thus, this service does not need to compete with any other service in the budget process. For example, imagine that a community is served by a city government, a special district for recreation, and a special district for libraries, where each has its own tax rate. At no point during the normal budgeting process would the public have the chance to give input into how much library versus recreation versus police/fire service they want. Rather, the amounts of money dedicated to recreation, the library, and the city government are largely treated as a given.[2] If a member of the public wanted their voice heard on the budget for local services, they would need to participate in three separate budget processes. This kind of fragmentation would work against public influence on the budget and the public ability to decide to spend less on one service versus another.[xviii] This explanation aligns with the aforementioned research that special purpose governments are more easily dominated by special interest groups.

Finally, we saw earlier that economies of scale may not hold as much potential for local governments as they do for private sector firms. The same limitations of scale are probably not much different for vertically fragmented governments (e.g., special districts). Nevertheless, there could be some costs such as duplication of "back office" services like payroll, accounting, etc. Also, it could be that special districts are less motivated to participate in local agreements that duplicate the benefits of scale, perhaps because of the lesser motivations to hold down costs.

These explanations concerned ***efficiency*** but not ***economization***. There is evidence that vertical fragmentation increases total local government spending;[xix] *however*, if the services provided by special districts are demanded by the public, then it would be hard to say that public spending is too high. There is some evidence that special districts proliferate when municipal governments with functional autonomy have their fiscal autonomy limited by the state.[xx] Local political actors may encourage the formation of special districts to get around the restrictions!

What We Can Say About the Effect of Consolidation on Public Finance

To conclude, let's summarize the effects of consolidation as a model for positively influencing efficiency, economies, and value in local government.

Consolidation of horizontally fragmented governments probably offers little net economization or efficiency benefits. The research suggests that consolidation of horizontally fragmented local governments has little potential to reduce costs. Horizontally fragmented governments are associated with lower total spending (economization). We also saw that the benefits of economies of scale are probably achieved at a relatively small size for local government, so there is little opportunity to reduce costs per unit (increase efficiency) with consolidation.

To illustrate, consider city-county consolidations. Cities and counties offer similar services but also serve the same geographic area. One might think that this would offer potential for efficiencies from consolidation. One study examined the history of city-county consolidations and all prior studies on the subject. The study found little support for the argument that these consolidations improved efficiency and found that gains fell short of the initial promises.[xxi]

When considering the potential for consolidation, one must consider the costs. The technical costs to perform a consolidation are considerable. For example, there are legal fees and the time required of public managers to merge organizational structures and practices. Also, some research suggests that the wage scales of public employees in merged organizations tend to be at the higher wage scales from old organizations (no one wants a pay cut).[xxii]

The research suggests that consolidation of horizontally fragmented local governments has little potential to reduce costs.

PHOTO: PAUL BARKER HEMINGS

The political and opportunity costs might be even greater than the technical costs. Consolidations are often controversial. Local residents are often not willing to give up local control, the distinction of having their own community, etc. For example, the City of Toronto, in Ontario, was amalgamated from six smaller cities in 1997. The effort was contentious and resisted "tooth and nail" by groups from across the region[xxiii] who saw the move as potentially anti-democratic. One might question if the political capital used to push through a consolidation could be better spent on opportunities to make local government more cost effective (which we will describe in the subsequent parts of this series). In fact, Toronto was part of a larger effort of local government consolidation in Ontario. A study by the Fraser Institute suggests that these consolidations, in general, created higher local government costs, higher property taxes, and deeper debt loads.[xxiv]

Finally, we should note that our research should not be interpreted as consolidation never has efficiency or economization benefits. For example, very small governments might realize gains from consolidation because they would be below the threshold for economies of scale for many services. Or a government might simply face a unique set of conditions where consolidation could deliver benefits in that particular case.

The effect of consolidation on value is not clear. The research has no clear answers on whether consolidation produces more benefit per dollar. Working against value is that a larger, consolidated government might be less responsive to the needs of the communities within its borders. For example, special interest groups are more likely to dominate public participation in larger governments.[xxv] In favor of value is that larger, consolidated governments might be able to provide more equitable services to the different populations within its borders. For example, if governments are consolidated, then a small local government couldn't capture a relatively "lucrative" commercial land use in its border and use the revenues to subsidize public services for its residents while the costs of commerce (traffic, etc.) impact the wider region.[3] The bottom line is that there is no conclusive evidence that improved ***value*** would be a persuasive argument in favor of consolidation.

[3] This problem is referred to as "fiscal disparities" and is discussed in more detail in Part 4 of this series.

Accentuate what works in horizontal fragmentation. Earlier, we reviewed the reasons why horizontal fragmentation holds down costs. Rather than incurring the costs of horizontal consolidation for dubious gains, policymakers would be better off accentuating the conditions associated with horizontal fragmentation that help hold down costs. For example, we have seen that local governments commonly develop local agreements to share resources. There is a lot more potential for local governments to engage in this kind of service sharing. We will examine this potential in the next sections of this paper.

Beware of the real cost of horizontal fragmentation. Horizontal fragmentation is not an unalloyed good thing for public finances. A real cost is urban sprawl. Urban planning policies are beyond the scope of this paper, but policymakers should recognize that by spreading population out over a wider area, the cost of public services is increased.[xxvi]

Remove the conditions that encourage vertical fragmentation. Though vertical fragmentation seems to be inefficient, it is difficult to recommend the consolidation of vertically fragmented governments as a cost-beneficial strategy. This is because there is not much research on the effects of this kind of consolidation. This is not to say that it could not work, but the research is not conclusive. It seems safe to say that increasing numbers of vertically fragmented governments is not good for the overall efficiency of local government.

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However, local officials are often *encouraged* to create special districts to meet local demand for public services that can't be met by the municipal government. This is because taxing, spending, or debt limitations imposed by state government inspire municipal officials to encourage the creation of special districts to get around the limitations. Hence, these state limits merely have the effect of shifting spending to vertically fragmented local governments that are not subject to the same forces that favor restraint in spending in municipal governments.[xxvii] These one-size-fits-all taxing and/or spending limitations are, in many ways, contrary to GFOA's *Financial Foundations for Thriving Communities* recommendation that local communities have sufficient autonomy to determine the tax and spending strategies that best fit local conditions.

END NOTES

[i] Source: U.S. Census Bureau. 2000, updated annually. Annual Survey of State and Local Government Finances, 1977–2017. Compiled by the State and Local Finance Data Query System. Washington, DC: Urban-Brookings Tax Policy Center. Data set accessed 28-Feb-20 02:08 PM at https://slfdqs.taxpolicycenter.org. This figure includes all sub-state governments, such as cities, counties, school districts, and special districts.

[ii] This figure includes direct expenditures only and not money passed through to local governments. Same source as the footnote above.

[iii] https://www.census.gov/data/tables/2017/econ/gus/2017-governments.html

[iv] Shayne Kavanagh and Vincent Reitano. *Financial Foundations for Thriving Communities*. Government Finance Officers Association: Chicago, Illinois. 2019.

[v] Goodman, Christopher B. "Local Government Fragmentation: What Do We Know?" *State and Local Government Review*. 51 (2): 134–144.

[vi] Advisory Commission on Intergovernmental Relations. 1974. The Challenge of Local Government Reorganization. Washington D.C.: Advisory Commission on Intergovernmental Relations.

[vii] Joel Byrnes and Brian Dollery. "Do economies of scale exist in Australian local government? A review of the research evidence." Urban Policy and Research 20(4): 391–414. 2002.

[viii] Enid Slack and Richard Bird. "Merging Municipalities: Is Bigger Better?" Part of IMFG series of papers on municipal finance and governance, co-published with the Munk School of Global Affairs. No 14, 2003. Examples of services where economies of scale continue to exist at higher population include water supply and certain types of public works and transportation services.

[ix] Labor is a variable cost, at least in the long term. In the short term, government may have less flexible labor costs.

[x] The distinctive advantages of technology companies in realizing scale are described well in: Peter Thiel. *Zero to One: Notes on Startups, or How to Build the Future*. Crown Business: New York. 2014.

[xi] Peter Thiel. Zero to One: Notes on Startups, or How to Build the Future. Crown Business: New York. 2014.

[xii] Rahm Emanuel. *The Nation City: Why Mayors Are Now Running the World*. Alfred. A. Knopf. 2020.

[xiii] It has been theorized that local governments actually do compete with each other in a manner akin to private firms, where the "perfectly mobile consumer voter" will choose the municipality that best matches his or her preferences for taxes and services. This argument is called "Tiebout competition" and was first articulated in the 1950s. However, we have chosen to omit this argument because more recent, evidence-based economic research renders the assumption of "perfect mobility" implausible. For example, one of the primary arguments made by 2019 Nobel Prize winners Abhijit Banerjee and Esther Duflo is that economies are "sticky" and that labor, capital, etc., are not very mobile.

[xiv] 2019 Nobel Prize winners Abhijit Banerjee and Esther Duflo give a modern take on this phenomena and relates it to Ostrom's work in: Abhijit V. Banerjee and Esther Duflo. *Good Economics for Hard Times*. Public Affairs: New York. 2019. An Ostrom-inspired perspective on this issue in local government is available in: Spencer T. Brien. "Strategic Interaction Among Overlapping Local Jurisdictions." *American Review of Public Administration*. Vol 48 (6). 584–595.

[xv] Note that this is a hypothesis drawn from the foregoing research and has not been the subject of study.

[xvi] Goodman, Christopher B. "Local Government Fragmentation: What Do We Know?" *State and Local Government Review*. 51 (2): 134–144.

[xvii] Christopher R. Berry. *Imperfect Union: Representation and Taxation in Multilevel Governments*. New York: Cambridge University Press. 2009

[xviii] Ibid

[xix] Ibid

[xx] Christopher B. Goodman and Suzanne M. Leland. "Do Cities and Counties Attempt to Circumvent Changes in the Autonomy by Creating Special Districts?" *American Review of Public Administration*. 2018.

[xxi] Lawrence L. Martin and Jeannie Hock Schiff. "City-County Consolidations: Promise Versus Performance." *State and Local Government Review.* Vol 43, No 2 (August 2011). Pp 1637-177.

[xxii] Enid Slack and Richard Bird. "Merging Municipalities: Is Bigger Better?" Part of IMFG series of papers on municipal finance and governance, co-published with the Munk School of Global Affairs.

[xxiii] Mike Lapointe. "Sizing Up Amalgamation, 20 Years On." Torontist. January 2, 2018.

[xxiv] Lydia Miljan and Zachary Spicer. "Municipal Amalgamation in Ontario." Fraser Institute. May 2015.

[xxv] Robert Bish. "Local Government Amalgamations: Discredited 19th Century Ideals Alive in the 21st." Toronto: C.D. Howe Institute. 2001.

[xxvi] Goodman, Christopher B. "The Fiscal Impacts of Urban Sprawl: Evidence from U.S. County Areas." *Public Budgeting and Finance*. Summer 2019.

[xxvii] Note the research suggests that proliferation of special districts is related to fiscal constraints imposed on functionally autonomous city government, but not county government. See: Christopher B. Goodman and Suzanne M. Leland. "Do Cities and Counties Attempt to Circumvent Changes in the Autonomy by Creating Special Districts?" *American Review of Public Administration*. 2018.

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