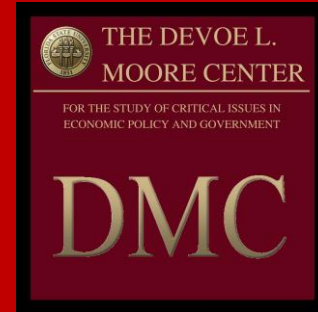


Is Bigger Better? Benefits and Pitfalls of Regionalizing Public Services

**Samuel R. Staley, Director,
The DeVoe L. Moore Center
Florida State University
January 8, 2019**



Will Local Government Consolidation Benefit Tallahassee?



White Paper

The Potential Economic Development Consequences of Tallahassee-Leon County Consolidation

Submitted by

Greater Tallahassee Chamber of Commerce
Ms. Sue Dick, President
Mr. Jay Revell, Vice President



Opinion: City-county consolidation unlikely to generate benefits for taxpayers

Samuel R. Staley, Your Turn | Published 3:00 p.m. ET Dec. 8, 2017



Local government consolidation has jumped back into the spotlight as frustrated citizens look for ways to improve local government efficiency and responsiveness. Unfortunately, based on the experience of other cities, merging Leon County and the city of Tallahassee is unlikely to achieve the results advocates hope.

The intuition behind consolidation is straightforward: Merging the two governments could reduce duplication of services, save money and improve efficiency. For example, in a consolidated government, two city managers would not be needed.

In practice, however, these consolidations rarely save money. In fact, they usually increase spending and put more distance between citizens and policymakers.

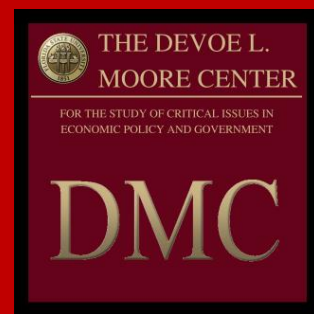
In a review of over 40 academic studies commissioned by the Indiana General Assembly, academic experts

concluded:

- Efficiency gains from public-service consolidation were unlikely;
- Citizens perceptions of public-service quality improved, but actual quality improvement was not assured;



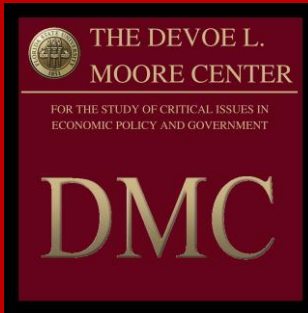
What does the evidence say?



- **Kurt Thurmaier & Suzanne M. Leland, *City-County Consolidation: Promises Made, Promises Kept* (2010)**
- **Compare 9 city-county mergers**
- **Main conclusions:**
 - **No general efficiency gains**
 - **Slight improvements in economic development**
 - **Other promises tend to be met**
 - **Prevent off annexation**
 - **Caveat: minority representation prevented**



But...



(2018) 48, 245–262



The Review of Regional Studies

The Official Journal of the Southern Regional Science Association



Regionalization and Consolidation of Municipal Taxes and Services*

Joshua C. Hall, Josh Matti, and Yang Zhou

Department of Economics, West Virginia University, USA

Abstract: The United States has a rich history of local government taxation and good provision. The last fifty years, however, have seen increasing calls for the regionalization of municipal taxes and services from policymakers. Arguments for greater regionalization emphasize improved efficiency, enhanced equity, mitigation of spillovers, and improved economic development. A number of localist scholars have responded to regionalists' concerns. This review articulates regionalists' arguments, the localists' response, and summarizes the relevant empirical literature to see which side's theories hold forth in the data.

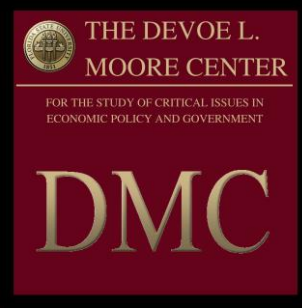
Keywords: local governments, Bloomington School, regionalism, localism

JEL Codes: H11, H70, H71, H77

- “Consolidation has typically not resulted in cost reductions...”
- Equity effects are mixed
- Effects on economic development are mixed (and tend toward no impact).



The Effects of City-County Consolidation: A Review of the Recent Academic Literature



A Report Prepared by the

Indiana Policy Review Foundation
Fort Wayne, Indiana
www.inpolicy.org

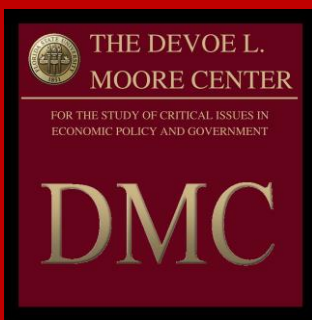
for the

Marion County Consolidation Study Commission
Indiana General Assembly

- 1. Significant gains in efficiency are unlikely**
- 2. Significant gains in perceived service quality are more likely but not assured**
- 3. Making modest changes to city governance are unlikely to have significant economic impact**
- 4. Morale problems could undermine consolidation efforts**
- 5. Context matters**



Where do we go from here?





A few closing thoughts...



- **Successful consolidations require recognized and clear community goals and expectations**
 - **Transparency in process and expected outcomes**
 - **Performance measures that are concrete and measurable**
 - **Accountability with meaningful consequences and follow through**