

Consolidation: Partial or Total (Washington, D.C.: National Association of Counties, 1973).

Preface

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How effective has city-county consolidation been? This is a question frequently raised and seldom answered except in terms of raw property tax rate data and physical improvements carried out subsequent to the consolidation. Compounding the problem of measuring the effectiveness of consolidation is the possibility that many of the "accomplishments" of the consolidated government might have been achieved in the absence of consolidation.

In discussing city-county consolidation, it is important to distinguish two types - complete and partial. In the first type, a new government is formed by the amalgamation of the county and all local governments within the county. Partial consolidation may take two forms. In the first form, most county functions are merged with the central city and/or other municipalities to form a new consolidated government, but the county government continues to exist for the performance of a few functions mandated by the state constitution. A second form of partial consolidation involves the merger of several but not all municipalities with the county. Six small cities, for example, were exempted from the consolidation of Davidson County and Nashville (Tenn.) in 1962.

Any type of consolidation should be evaluated in terms of its stated goals. According to its proponents, complete city-county consolidation has the advantages of simplifying the governmental structure in the county, consolidating responsibility, eliminating duplication, mobilizing the resources of the area, promoting the orderly development of the county, solving major areawide problems, increasing popular control, and achieving economies of scale.

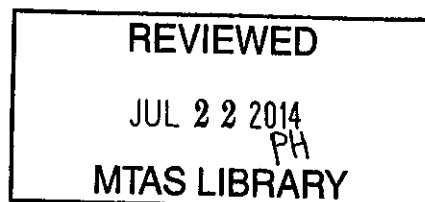
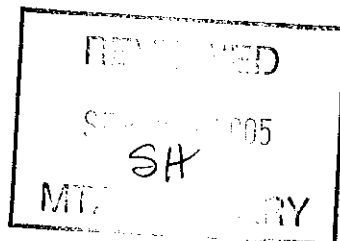
Complete consolidation by definition achieves the first four goals. Consequently, the task of evaluation is limited to measuring the extent to which the other four goals have been achieved.

Measuring the promotion of orderly development of the county is not a difficult task, as planners and others should be able to reach agreement on the criteria for determining whether growth has occurred in a more orderly manner subsequent to the merger of the local governments. Nor should it be difficult to determine whether major areawide problems have been solved.

Great problems are involved in measuring the extent to which popular control of the local governmental system within the county is achieved by complete city-county consolidation. Although all citizens will have a voice in controlling a consolidated government, residents of the former small municipalities may rightly complain that their control has been reduced since they can be outvoted on any issue. Conversely, residents of the former central city will have greater influence over governmental activities in the former small municipalities. And minorities may believe that the consolidation was motivated by the desire of whites to prevent minorities from gaining control of the central city.

Governmental officials and citizens interested in the effectiveness of city-county consolidation usually are most concerned with the achievement of economies resulting from greater scale,

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specialization, and elimination of any duplication that had existed. Unfortunately, reliable comparative statistical data are lacking. A major reason for the lack of such data is the absence of cost accounting systems in most local governments. Unless such systems existed in all the local governments prior to consolidation and in the consolidated government, it is impossible to measure with any degree of precision the achievement of economies.

Although unit costs tend to decrease with an increase in output, diseconomies of scale may be encountered as output continues to increase. Significantly, a study by the Advisory Commission on Intergovernmental Relations (ACIR) concluded that no significant economies or diseconomies of scale are associated with a city in the population range of 25,000 to 250,000. The law of diminishing returns, however, applies as size exceeds 250,000, resulting in major diseconomies of scale. The largest diseconomies in the ACIR study were associated with police protection.

The ACIR study suggests that consolidation of cities and the county to produce a new government serving a population in excess of 250,000 may not produce any economies of scale. Unit costs, of course, may be lowered somewhat by the elimination of duplication, better utilization of personnel and equipment, and mass purchasing. Furthermore, consolidation may create a "climate of change" which facilitates the introduction of modern management techniques designed to increase the efficiency of service production and distribution.

A consolidated city-county will not necessarily be parsimonious in spending public funds. Inflation obviously will continue to exert an upward pressure on spending. More importantly, capital spending is apt to increase significantly as antiquated and inadequate facilities in the former central city are replaced and additional urban type services are extended beyond its former boundaries. A common reason advanced in favor of consolidation is the making of additional resources available to meet the pressing capital needs of the central city, which often are the product of years of neglect, and the growing needs of the remainder of the county for facilities and services.

The limitations of available statistical data must be fully recognized. The use of raw tax rate data prior to and subsequent to the consolidation to measure its effectiveness should be suspect. A decline in the total property tax rate may be attributable to a number of factors, including the raising of assessments, levying of new service charges, federal revenue sharing, and increased federal and state grants-in-aid.

A low tax rate, furthermore, tells us little about the quality of the services provided or the efficiency of their provision. A low rate, for example, may mean that a community is efficiently administered or it may mean that citizens do not wish or are unable to allocate sufficient resources to support a high level of services. Conversely, a high per capita direct tax does not necessarily suggest administrative inefficiencies as high per capita costs may result from more and higher quality services.

Most consolidations in recent years have been partial — smaller municipalities and constitutional county offices have been exempted from the merger. These exemptions reflect the political compromises made to win support for the consolidation of the central city and most of the county government, and the difficulty of amending the state constitution to permit the abolition of certain county offices. Measuring the effectiveness of partial consolidations obviously is more difficult than measuring the effectiveness of complete consolidation because of the introduction of additional variables.

We conclude by stressing the difficulty of measuring with precision the effectiveness of city-county consolidation, cautioning readers not to accept "value judgments" which masquerade as "objective facts," and urging systematic analysis of the achievements of the consolidated governments created during the last eleven years.