Local Government in the 21st Century

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County Service Delivery Collaboration

Costs

- Constituent Services: Closing county courthouses and service centers can pose inconveniences for citizens who need to travel further for services and may also make it more difficult to be responsive.
- Legal Costs: Efforts to oversee consolidation of service delivery projects create costs to governments (i.e., mediation, front-end).
- Unintended Consequences: Taking the wrong steps to collaboration could hinder results and cost savings may only appear in the long term creating lack of support in the near term.
- Political Costs: Local elected officials and local government employees may feel that their jobs are being threatened through the process creating policy changes that are difficult and slow.

Benefits

- Cost Savings and Economic Development: Service delivery collaboration not only benefits long-term budgets, but also has economic development benefits as a result of regional governments being more collaborative.
- Best Practices: Service delivery collaboration provides a model to ensure best outcomes.
- Improving the Quality of Services: Higher quality services through local government collaboration allows for more professional and specific task-oriented services – benefiting rural areas in particular.
- Common Sense: Service collaboration and consolidation is a realistic measure with a survey finding 88.8% of counties in North Carolina could identify two or more services to consolidate.

Case Studies

Georgia

- Implemented service delivery regions with the intention of improving delivery quality.
- Service delivery regions originated from Great Society Programs.
- 55 counties operate under 12 service delivery regions.
- Instituted reforms in 1990s: local government strategies and regional facilitation to be “most efficient, effective, and responsive.”
- In 2007, balanced region populations for better governance and funding structures.

North Dakota

- Proposal to consolidate 53 counties to 13 would result in cost savings of 3%
- Road and highway expenditures would be reduced by 13%
- General government expenditures would be reduced by 10%
- Health and welfare services expenditures would be reduced by 15%
- Public safety expenditures would increase by 25%

Empirical Analysis

Cost Savings

<table>
<thead>
<tr>
<th>Target of</th>
<th>Savings</th>
<th>Savings without Road Expenditures</th>
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</thead>
<tbody>
<tr>
<td>50,000 Residents</td>
<td>$318,658,119</td>
<td>$215,615,388</td>
</tr>
<tr>
<td>75,000 Residents</td>
<td>$423,951,650</td>
<td>$244,237,856</td>
</tr>
<tr>
<td>100,000 Residents</td>
<td>$514,620,465</td>
<td>$260,227,740</td>
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</tbody>
</table>

Public School Consolidation in Iowa

Costs

- Community and Local Economy: Rural communities lose local schools along with other social and economic components during school district mergers, thus a loss of a community identity.
- Educational Quality: Larger school districts are not the answer to improving educational quality with diminishing marginal returns from increasing enrollment. "Small” school districts have equal, if not more, academic achievement.
- Fiscal Costs: Efficient administrative efficiencies can be realized through consolidating small school districts, there is a threshold applicable nationwide for school district consolidation (500 to 1000 students).
- Transportation Costs: Increased ride time is one of the most contentious issues facing students living in rural areas to spend significant time on a bus.

Benefits

- Fiscal Savings: In New York, for every 100 students added to a school district with less than 1,000 students the per pupil costs would be reduced by $700.
- Improved Quality of Education: Providing AP courses can be achieved in “larger” schools where access high. In 2005-2006, 44 percent (165 out of 376) of Iowa public school districts offered at least one AP course.
- Increase in Teacher Effectiveness and Incentives: Consolidation in rural areas would allow teachers to teach fewer types of courses allowing for more preparation and focus.
- Property Values: School districts with greater than 1,700 students see little impact to property values, but gains in districts with less than 1,700 students.

School Districts in Iowa Historically

- A 93% drop in the number of school districts since 1950.
- The reduction trend in the 1950s and 1960s was a part of a state and national effort moving away from a one-teacher school (or one-room school house) to the current format that is found today in most modern school districts.
- Iowa school districts are financed by a complex per pupil cost formula with state aid paying for more of a district’s expenditures if it is a poor property tax school district.

School District Data in Iowa

<table>
<thead>
<tr>
<th>Parameter</th>
<th>School Districts Count</th>
<th>School Districts</th>
<th>Graduation Rate</th>
<th>Daily Attendance Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>X = 50,000</td>
<td>7</td>
<td>21%</td>
<td>79.9%</td>
<td>94.1%</td>
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<td>X = 5,000</td>
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<td>4%</td>
<td>86.4%</td>
<td>95.8%</td>
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<td>18%</td>
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<td>34%</td>
<td>93.3%</td>
<td>95.3%</td>
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<tr>
<td>X = 500</td>
<td>227</td>
<td>63%</td>
<td>91.1%</td>
<td>95.4%</td>
</tr>
<tr>
<td>X = 250</td>
<td>318</td>
<td>88%</td>
<td>93.8%</td>
<td>95.5%</td>
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</tbody>
</table>

School District Population Density

- 16% of Iowa students attend school districts with less than 1,000 students.
- 68% of Iowa school districts have more than 1,000 students.
- Iowa’s median average of school district size is 500-999 students while the national average is 2,900 – 2,999.
- Iowa’s border states (Nebraska, Illinois, Minnesota, Missouri, South Dakota, and Wisconsin) all have a median school district enrollment of 500 – 999.

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