ANNOTATED BIBLIOGRAPHY ON SPECIAL DISTRICTS IN THE UNITED STATES

EXECUTIVE SUMMARY

Completed For
Illinois Association of Park Districts

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According to the United States Census Bureau, special district governments are independent, special purpose government units that have been primarily established to perform a single function. In 2002, there were approximately 35,356 special districts in the United States (Illinois has 3,145 special districts) (Turk, 2004). Special districts administer a variety of local services including, drainage and flood control, fire protection, health, natural resources, parks and recreation, and soil and water conservation. Categorized as special districts, there are 356 park districts in the State of Illinois.

Despite the prominence of park district governments in the United States, it has been over twenty-five years since a thorough review of special district governments has been conducted. Therefore, in response to this need for an updated review and at the request of the Illinois Association of Park Districts, the Office of Recreation and Park Resources at the University of Illinois completed the *Annotated Bibliography on Special Districts in the United States*.

The focus of the bibliography is to review the current state of literature and research on special districts and the consolidation of special districts with other government entities in the United States. In its completed form, the annotated bibliography provides a list of citations to books, journal articles, and manuscripts relevant to special districts and consolidation in the United States. Each citation has been followed by a brief (approximately 100-150 words) descriptive paragraph that highlights the article’s key thoughts and findings. Taken together, the annotations provide an overview of the current research findings and trends facing special districts and efforts to consolidate special districts with other governmental entities in the United States.
Researchers sifted through more than nine million volumes, +90,000 serial titles, and over six million manuscripts and microforms housed within the University of Illinois library facilities to find literature related to special districts. Researchers also electronically combed the ILLINET online system, which links to more than 40 academic libraries in Illinois, and the national online system, OCLC. The exhaustive search yielded forty-seven current and seminal items for the bibliography. Based on an in-depth review of these books, articles, and reports a series of findings emerged.

**Finding #1: There has been an Increase in the Number of Special Districts**

Since 1952, the number of special districts in the United States has almost tripled, from 12,340 to 35,356, with over 90% of the districts performing a single function (Turk, 2004; Zimmerman, 1993). Special districts have primarily increased in response to the increased demands for local governmental services (Foster, 1996). These demands have been largely attributed to the evolving needs of local residents and the reductions in public service delivery by local governments (Foster, 1996). In addition, various state policies have also led to an increase in the creation of special districts. In particular, the following state policies have been found to contribute to special district creation:

- State limits on cities’ and counties’ fiscal authority in the form of tax and expenditure limits.
- State specifications for which general-purpose governments can incur debt.
- State limits on cities’ ability to annex lands (McCabe, 2000).

Despite the increase of special districts, a “leveling off” of special district formation has also occurred in recent years. In fact, the number of special districts has increased 184% since 1952, but has only increased 1% between 1997 and 2002 (Turk, 2004).
Regardless of this leveling off, special districts continue to increase while other units of local government such as school districts, towns/townships and county governments decrease in number (Turk, 2004).

When examining the impact of increases in special districts on local taxes, the findings are surprising. Although the numbers of special districts have increased, the increase in special district taxes has been substantially smaller than the growth of state-level taxes (Downes & Figlio, 1999). One possible explanation for this disparity in the growth of state-level and special district tax rates is the increased reliance on alternative sources of revenue by special districts. For example, in an effort to avoid excessive tax burdens on local residents special districts regularly use such alternative sources of revenue as user fees and partnerships.

Within the local landscape, the increase in special districts has not increased political fragmentation. An examination of the role of special districts since Proposition 13 in 1978 found little to no change in the complexity of the local political structure (Lewis, 2000). Special districts do not add additional layers to the structure of local government, but operate as autonomous governmental units.

These findings also suggest that the current local government structures, such as special district governments, are likely more stable and responsive to change than previously thought. Confronted with sweeping social, economic, and political change, special districts have maintained their resiliency as providers of local government services.
Finding #2: Several Positive Benefits have been Found to be Associated with Special District Governments

Primarily because special districts have a limited, but important, subject area of authority and operating within smaller populations, they provide great opportunities for community engagement. Involvement with special district government provides great developmental opportunities for individuals who have limited experience with the democratic process (Card, 2004). Specifically, special districts have enabled residents to acquire the skills and attitudes necessary to become more informed policy makers and have acquainted them with the methods of the democratic processes of government.

Special districts have also played a significant role in the local development and the quality of services delivered in communities (Carruthers, 2003; Falconer, 1989). As local, general-purpose governments have been confronted with budget limitations that have reduced public services, the services that special districts provide play a significant role in addressing quality of life issues for local residents. It appears that special districts are up to the challenge, as research indicates the quality and quantity of special district services have been higher and more cost-effective than general purpose governments (Foster, 1997). Other studies found that communities with special district governments provided citizens with a wider range of service providers and made stronger contributions to a community’s quality of life than communities without special districts (Boyne, 1992).

Finding #3: Local Consolidation Efforts have Re-emerged since 1997

Local, city-city and city-county, consolidation efforts have increased. Thought by many as one of the catalysts, the successful consolidation between Wyandotte County
and Kansas City in 1997 re-ignited an interest in consolidation throughout the United States (Leland & Thurmaier, 2004). That successful consolidation witnessed the seven member city council and three member county commissioners board replaced with an 11-member board of commissioners (eight were elected by the district, two by the county, and the mayor took the eleventh seat). In response to this successful merger, consolidation efforts began appearing throughout the United States (Leland & Thurmaier, 2004).

According to the research, financial problems were the primary reason for consolidation campaigns (Halter, 1993). A closer look at the financial motivation for consolidation found that perceived cost savings and the increased financial efficiency of local government were the most commonly identified reasons for consolidation efforts (Halter, 1993). Supporters of consolidation efforts have advocated for the long-term monetary savings of consolidation and the need to address the government inefficiencies associated with duplicating services (Halter, 1993). In general, these supporters have argued that consolidation addresses these issues by providing citizens with a clearer understanding of jurisdictional control. Consolidation with local government would also establish the city as the primary legal authority for the community (Leland & Thurmaier, 2004).

Finding #4: Results of Local Consolidation have been Mixed

Despite the increase in the numbers of consolidation campaigns, research has found a lack of substantial evidence that consolidation increases accountability, efficiency, equity, or effectiveness of local service delivery (Leland & Thurmaier, 2004). In a summative review of city-county consolidation campaigns in the United States since
1990, McCabe (2004) found that despite the potential benefits of consolidation, several consolidated governments actually witnessed higher expenses and reduced service quality. Furthermore, consolidated governments have not led to reduced tax rates or to a reduction of personnel (Porter, 1994).

Consolidated government has also been found to reduce the perceived value of the units (e.g., parks and recreation, soil and water, conservation, library, etc.) within local government (McCabe, 2004). This problem has been attributed to jeopardizing the existing structure and oversimplifying the local government system while reducing previous levels of service. The consolidation of the governmental units leads to a reduction of the specialized physical, financial, and human resources within each of the previously independent service areas in response to the broader service scope of the newly consolidated unit. For example, research has found that consolidated governments are likely to have personnel who are responsible for providing a variety of services, requiring a more general and less specialized knowledge base compared to special district governments (McCabe, 2004). Research further suggests that consolidation that reduces the number of government units leads to diminished service quality within each of the previously independent units (McCabe, 2004).

Finding #5: A Majority of Consolidation Efforts have Failed

Despite the increased attention, few consolidation efforts have been successful. In fact, only 32 of the hundreds of city-county consolidation efforts have been successfully implemented since 1805 (Leland & Thurmaier, 2004). Furthermore, multiple consolidation attempts have typically been necessary before a successful consolidation occurred within a community (Leland & Thurmaier, 2004).
Researchers have found a variety of reasons to explain the high failure rate of local consolidation. One is the demographic characteristics of the community. Research suggests that multiple units of local government provide greater opportunity for minority group representation and voice in the local democratic process compared to a consolidated local government (Alesina, Baqir, & Hoxby, 2004). Consolidation attempts that fail to preserve diversity in local government are at risk of failing altogether. In addition, consolidation efforts focusing on the equity that will be gained by redistributing revenues from the suburbs to central cities were found to lead to failed consolidation efforts (Leland & Thurmaier, 2005). Many of these consolidation campaigns were driven by the desire to improve the efficiency of local government, but failed to identify the benefits of consolidation for the entire community, not just the elites. Several other reasons contributing to the lack of consolidation success have been found, including the public’s fear of higher taxes, distrust of downtown business elites, contentment with status quo, and resistance to a more urbanized lifestyle by the residents (Lyons & Scheb, 1998).

The community’s emotional attachment to special districts has also affected local consolidation efforts. Through their services, special districts have been found to bring a community together in a prideful and positive manner (Babcock & Larsen, 1990). The special district’s ability to promote the knitting together of community members with various interests has created a challenging environment for consolidation campaigns. This community support for special district governments is evident in studies that have found special districts are not likely to dissolve once they have been established due to
the community’s emotional attachment towards the governmental unit (Babcock & Larsen, 1990).

Conclusion

The bibliographical review concerning consolidation of special districts revealed an increase in the number of special district units since 1952. Largely attributed to state policies and the public’s increased demand for services, the number of special districts has tripled in the last 50 years. A review of the literature also points out a number of positive benefits that are a direct result of special districts. From opportunities for community engagement to improved quantity and quality of local services, special districts have made significant contributions to quality of life issues within a community.

The review also indicates a rise in the number of consolidation efforts due to financial problems facing local governments. Despite the renewed interest, the success rate of consolidation efforts remains low. In fact, only 32 of the hundreds of consolidation efforts in the United States have been successfully implemented.

Finally, the review indicates the long-term effects of the successful consolidation campaigns have been unclear. In general, consolidation has failed to improve the efficiency and effectiveness of local service delivery while reducing the public’s perceived value of the previously independent units.

Taken together, these findings highlight the prominence and value of special district governments within the local landscape while suggesting the effects of consolidation are ambiguous at best, with questionable cost savings.
Works Cited and Consulted


