
Report of the Committee on Government Operations

Joint Delivery of Services

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DURING THE PAST DECADE, local governments have faced increasing political and fiscal pressure to reduce spending, lower taxes, and maintain or increase services. This pressure resulted from reductions in federal aid to state and local governments, mandates from federal and state governments, a national recession that caused a slowing of income tax collections, a lowering of property tax values, and slower than usual sales tax collection. In addition, there has been a shift or reallocation of state funds away from local government programs to health care, welfare, and educational programs. Also the public perceives that local governments do not spend wisely, they are wasteful, and need greater creativity in dealing with local government problems.¹

Because of these political and fiscal pressures, local governments have begun to ask questions such as: Should local governments modify their service delivery systems? Should local governments discontinue selected services? Can local governments be more responsive to their citizens? Should local governments be restructured to reduce the cost of government? Should local governments consider mergers, consolidation, or joint powers agreements to improve their efficiency? Finally, can local governments ensure equity in the delivery of services to their citizens? These questions and many others cause appointed and elected local officials to reconsider how local services are provided to their constituents, both individually and as members of interest groups. A

1. DAVID OSBORNE & TED GAEBLER, *REINVENTING GOVERNMENT*, William Patrick Book, Addison Wesley Publishing Company, Inc., Reading, Mass. (1992).

related question considers what services citizens would be willing to pay more for, and which services citizens could do without.

In Minnesota, there are at least ten different studies examining questions related to local government efficiency, creativity, and responsiveness. These studies have focused on local governments and their delivery systems, and government attempts to answer, or at least respond, to the issues created by the political and fiscal pressures. The most expensive and lengthy study undertaken by the State of Minnesota was the Governor's Commission on Reform and Efficiency.² CORE, as it was known, examined the procedures, rules, and regulations of administrative agencies, funding of local government services, and intra-governmental relations. The primary purpose of CORE was to reduce the cost of government, consolidate services, redesign and restructure state aid to local governments, and reduce the number of agency rules and regulations imposed by state agencies. A secondary purpose for CORE was to make government more accountable to the public.

The lieutenant governor created a Commission on Local, State and Government Relations,³ whose goals were to identify unfunded state mandates, and to evaluate whether or not these mandates could be eliminated, or funded through state revenues. It also studied the possibility of developing an intergovernmental committee that encouraged agencies and local governments to work together more closely, and recommended certain service consolidations. This study developed some consensus among local governments regarding their roles and responsibilities, created a shared agenda for these local government units, and established some general criteria for state mandates. It began the development of a system for greater accountability and established some additional support from the public in regard to the role of state and local governments. When the lieutenant governor's commission completed its work, the governor responded by creating a Commission on Innovation,⁴ made up of local government representatives from Minnesota's counties, cities, townships, and school districts. This commission is beginning work by attempting to develop a specific model for

2. STATE OF MINNESOTA COMMISSION ON REFORM AND EFFICIENCY CORE, St. Paul, Minn. (Report Due 1993).

3. DEPARTMENT OF ADMINISTRATION, MANAGEMENT ANALYSIS, ST. PAUL, MINN., PARTNERS: THE DYRSTAD COMMISSION ON LOCAL AND STATE RELATIONS (1993).

4. COUNCIL ON GOVERNMENT INNOVATIONS, St. Paul, Minn. (Report Due December 1993).

local governments to use when working together and establishing priorities for local funding and resource allocation.

Several other studies undertaken during 1991 and 1992 related to economic cooperation, service, sharing, and restructuring and service delivery systems. The League of Minnesota Cities⁵ focused on existing models of cooperation among cities, and discovered a significant number of the cities in Minnesota already participate in joint service agreements, inner-governmental service contracts, intergovernmental transfers, and private contracts. These joint efforts focus on the areas of public safety, public works, and parks and recreation. In most cases, cities enter into these cooperative agreements because they achieve certain economies of scale, eliminate duplication or reduce unnecessary expenses. The League of Minnesota Cities Study also discovered that when cooperative agreements are not entered into, the primary reasons are lack of political support, lack of funding, limits on local authority, and the inability to reach agreements on cost sharing formulas. This study discovered that there are 7,000 different cooperative agreements currently operating in Minnesota. This means that each city in the state, on the average has eight-and-a-half agreements per community. A side benefit of this study was that cities now have an annotated bibliography that they can use as a reference when considering cooperating with other cities or local governments.

The Association of Metropolitan Municipalities,⁶ an organization of seventy cities in the seven county Minneapolis-St. Paul metropolitan area, participated in a study of joint service delivery agreements. It focused on services that were most frequently coordinated among cities, skills required for cooperation or collaboration with other cities, geographical limitations, if any, existing in the coordination of service delivery, and jurisdictional issues or barriers preventing additional cooperation or collaboration among cities. This survey also attempted to determine what the optimum size for various service delivery areas should be. In this regard, it concluded that each service needs to be evaluated separately and different services can function efficiently at different levels or sizes.

The Citizens' League of Minnesota⁷ also joined in studying local

5. THE POWER OF PARTNERSHIP PROGRAM OF PUBLIC ADMINISTRATION (Hamline University Graduate School, St. Paul, Minn. 1992).

6. METROPOLITAN COUNCIL AND ITS ROLE IN REGIONAL GOVERNANCE TASK FORCE, ASSOCIATION OF METROPOLITAN MUNICIPALITIES, St. Paul, Minn. (1992).

7. CITIZENS LEAGUE, MINNEAPOLIS, MINN., RESULTS FOR CITIZENS, OPTIONS FOR OFFICIALS (1992).

governance and service delivery. Its study defined the problem as to how local governments can maintain and increase their effectiveness, productivity, and responsiveness to its citizens without raising taxes. The League's study concluded that local governments could not perform their work because of misplaced incentives and motivations, lack of flexibility, lack of formal evaluation systems, and lack of opportunity for citizens to hold government accountable. The Citizens' League recommendations encouraged local governments to allow neighborhoods and interest groups to manage parts of local government budgets. The League also suggested that local governments should be allowed to develop service enterprise zones that would encourage individual local government departments to sell their services outside of their established jurisdictions. Finally, the Citizens' League suggested that local governments should be subject to performance audits, as well as financial audits, and at their option, should be able to choose results-based regulations over input-regulations if basic standards and guidelines are met by the local governmental unit.

The remainder of the studies focused their attention on the consolidation of services among cities or the mergers of local government jurisdictions. Five suburban cities⁸ developed a cooperative coalition of talent and equipment, and along with this, a functional grid, which allowed each of the five cities to determine when the special abilities or equipment provided by the individual cities could be used by the other cities. The result of this study was that at least twenty-five different pieces of equipment and thirty special talents were made available to one another among the cities through this agreement. Two cities⁹ in the metropolitan area undertook a merger study. They examined the area of service standards, service delivery requirements, the consolidation of the departments, and sharing of administration and legal services. These two cities agreed to begin a gradual integration of ordinances and policies, develop a common infrastructure and financial plans, and confront political issues jointly when possible.

Another consolidation study¹⁰ took place between Ramsey County, one of the two metro core counties, and cities and townships within the counties' jurisdiction. This study was not nearly as successful. Although

8. NORTH SUBURBAN COOPERATIVE COALITION TALENT AND SPECIAL EQUIPMENT BANK, New Brighton, Minn. (1991).

9. ORGANIZATION OF LOCAL GOVERNMENT: GOVERNMENT SERVICES, GOALS AND STRUCTURE, Roseville, Minn. (1991)

10. REPORT OF THE RAMSEY COUNTY LOCAL GOVERNMENT SERVICES STUDY COMMISSION, St. Paul, Minn. (1992).

committee members agreed that consolidation could work in the areas of library, public health, public works, legal/criminal prosecution, and police communications, they nevertheless recommended most of the consolidation efforts not be undertaken immediately. A significant majority (40 percent) of the commission, mostly the private, non-elected citizens, dissented to this report, and suggested the creation of outcome-based standards for performance and recommended that more service delivery decisions should be based more on cost-effectiveness and less on political bias. Finally, the committee recommended more availability of competitive bidding to various governmental units.

It is clear from these studies, in addition to numerous studies around the country, that local governments are being examined by a wide group of interests and organizations. Local governments have learned that they must respond to their constituents in order to maintain the credibility they have had historically. It also is clear that greater efforts are required at coordination and collaboration. Many local governments are already involved in numerous joint service delivery efforts, but greater efforts must be made by local governments to explain the collaborative efforts they are involved in, and what success, if any, these efforts have had. It also seems that local governments must continue responding to citizen demands for greater accountability, increased participation by citizen groups, and more competitive approaches to service delivery. The studies in Minnesota concluded, among other things, that local governments must begin to develop a system of prioritization that reflects the community needs. The priority setting, it would seem, needs to be undertaken by local and appointed officials and representatives of the community. If priorities cannot be established, the continuing perception of unresponsive, ineffective, expensive, and unaccountable government will continue to grow among local government jurisdictions and its citizens.

