

choices

IDEAS FOR SHARED PROSPERITY

FEBRUARY 17, 2005 VOLUME XI NUMBER 2

Regional Councils Should Take the Lead

Kenneth Young

Regionalism seems to be the next big thing. The governor and most legislators have plans for regionalism. Municipal officials, at whom most everyone else's plans for regionalism are targeted, have a plan as well. Every non-profit organization or public-private partnership worth its salt has an "interest" and/or a "stake", real or imagined, in regionalism.

Many organizations serve the multitude of regions that crisscross Maine from north to south, east to west. If you are a new-to-the-scene non-profit or partnership, providing services regionally is seen as the key to vision, mission, and funding. If there is a niche unfilled, there is an organization with a regional delivery strategy waiting in the wings. In fact, even if the niche is filled, there is some organization convinced that it can do a better job of capturing existing clients and existing funding.

Regionalism is a form of non-profit capitalism. In Maine today, the stage is set for another Oklahoma land rush to regionalism. If you have any doubts, the new \$1,000,000 Regionalism Grant program established by the legislature

in the last session should help convince you (PL 2003, c.20, Sec W-2).

Regionalism is not a new idea

In the current Maine political context, regionalism means, almost exclusively, that municipalities and school systems should become more efficient in the economic sense, i.e. regionalism means producing more units of local government services for the same cost or less.

Regionalism in Maine is in motion.

Do local governments and schools practice regionalism today? Absolutely. The current system of regional school systems is the direct result of a wave of state sponsored consolidation beginning in the early 1960s. Most any municipal manager or elected official can recite a long list of regional endeavors including public safety mutual aid agreements, solid waste disposal, purchasing

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cooperatives, or membership in Regional Councils. Most of these arrangements preserve local control while delivering enhanced value gained through more efficient organization and delivery of services by and to the participating municipalities.

Is local control a barrier to regionalism?

Many see local control as the bane of Maine's existence, an impediment to progress. In fact, local control has a long and honorable history in Maine. Beginning with the depredations visited on Maine by the early proprietors and the moneyed interests in control of Massachusetts, Mainers have found that it pays to be resilient and self-reliant.

Local control also reflects the strong desire of individuals to live with other people whom they see as most like themselves. Residents throughout Maine joke that they would rather be Bull Dogs than Bobcats, Tigers than Rams. Up to now, Mainers seem to prefer what many describe as expensive local governments they control to a possibly less expensive model farther removed and with less control.

Charles Tiebout in his "A Pure Theory of Local Public Expenditures" suggests that because citizens can move relatively easily among municipalities in search of the right mix of services, each citizen will choose

the community that best satisfies his or her own particular demands. Individuals effectively reveal their preferences by "voting with their feet." Citizens with high demands for public goods will concentrate in communities with high levels of public services and high taxes, while those with low demands will choose other communities with low levels of public services and low taxes.

...It is not clear that "ordinary" people really want more regionalism.

Competition among jurisdictions results in homogeneous communities, with residents that value public services similarly. In equilibrium, no individual can be made better off by moving, and the market is efficient. In this context, it does not require a political solution, like consolidation, to provide the optimal level of public goods.

If regionalism is such a good idea, why isn't there more of it?

The vast majority of municipal and school officials are firmly committed to being regional in their pursuit of more efficient service delivery. Most are strong advocates of doing more with the same or less.

Many believe that the next significant step is to go beyond simply working harder to cooperate and collaborate to designing new mechanisms, even to the extent of consolidating smaller units into larger ones.

There are several challenges. It is not clear that "ordinary" people really want more regionalism. It is not clear that more regionalism is, in fact, more efficient. It is not clear that more regionalism offers any significant advantages in terms of lower costs.

In practice, more regionalism often bumps up against the notion of disparate impact. People who perceive themselves as losing in a move to consolidate their police or fire service or their municipality react strongly and seek to impose a veto on change. Recent examples include the proposal by MaineGeneral Health to construct a new regional hospital, Bill Haggett's draft plan to regionalize health care delivery, and the University of Maine System's merger plan. Last year Governor Baldacci proposed a plan for "municipal service units" to take over administrative tasks now performed locally.

While residents want lower taxes, there is no apparent support among the populace for going much beyond the current focus on expansion of cooperation and collaboration. Consolidation into fewer, larger units of governments is a topic of conversation among the policy elite but appears to

have no legs among those who they think would benefit most.

Another difficulty is that information about costs and benefits and who wins and who loses is very hard to get. The comparative lack of useful quantitative models and data to compare consolidation to the alternatives is a very serious problem. This lack of believable data leaves us to be seduced by qualitative arguments that consolidation just plainly has to be better. Proponents invite us to believe that bigger systems are better and ask us to venture boldly without analysis or support for the transition.

Lastly, people expect the cost of government to go up. They are skeptical of claims that new and improved initiatives will lower costs, improve services, or be more efficient.

Are incentives needed?

Regionalism is about inertia. Inertia is the tendency of things at rest to stay at rest and of things moving to stay in motion. Regionalism in Maine is in motion. Many people want to increase the speed of change to reduce, in theory, costs at the municipal level. Some, but by no means all, focus on the difficulties discussed above. Can these be overcome?

Municipal officials will need financial and technical support for data collection and analysis of various schemes. The development of several models, borrowed from places where

Statutory Basis for Supporting Regional Councils

30-A MRSA Sec 2301 et seq.

Sec. 2301. Declaration of Policy.

“The Legislature recognizes that a high level of cooperation and understanding between the State and its local governments is necessary to achieve common public goals and that coordination through regional councils is a way to achieve improved state and local cooperation. The Legislature further recognizes that regional councils are uniquely qualified to assist in the development of technical capacities of local governments; to develop regional policies, services and solutions to meet local needs; and to serve as a vital link between local governments and the State.”

consolidation works and adapted to our political environment, will be very welcome. Substantial and ongoing support for implementation will be necessary. Charles Colgan suggests that potential savings from consolidation are in the range of \$100,000,000 annually. That is certainly significant but not a panacea in terms of significantly lowering the cost of government overall.

Looking for leadership; building on Regional Councils, a working model of regionalism.

Maine’s Regional Councils are ideally suited to lead in this effort. Most municipalities banded together 35 or more years ago and formed Regional Councils, known in the vernacular as RPC’s and COG’s, to take advantage of economies of scale. The municipal members own and

operate their respective Regional Councils (30-A MRSA Sec 2301). About 80% of cities and towns belong.

Today Regional Councils provide a wide range of planning, community development, joint purchasing, economic development, business counseling, and business financing services while pulling down millions of dollars of state and federal aid for municipalities and their citizens. There are six major Regional Councils today: Northern Maine, Eastern Maine, Greater Portland-Southern Maine, Androscoggin, Kennebec, and Lincoln-Sagadahoc.

Regional Councils are the principal means of delivering expert economic development services, training, technical support, and economic development funding to municipalities and businesses in Maine through their partnerships with federal, state, and

local governments. Regional Councils are the crucial and operative link at the municipal, regional, and state level between land use, environmental, capital improvement, infrastructure investment, and transportation planning and economic development in Maine.

The six Regional Councils have at least 416 municipal and county members. The Regional Councils deploy 143 staff. Thirty-one (31) staff work on economic development activities. In the last year, the Regional Councils worked with over

1,500 business clients and lent \$9,457,000 to Maine businesses who invested that money in plant, equipment, and new jobs. This investment leveraged an additional \$19,387,000 in public and private investment helping to save and or create 3,430 jobs. In FY 2004, these five Regional Councils brought over \$26,500,000 million in new federal money to Maine.

Regional Councils are the natural vehicles for a new state investment in regionalism. Regional Councils are positioned uniquely to serve as

conveners, facilitators, mediators, and consultants to the municipalities that want to move ahead with regionalism. With support from the state, Regional Councils can build new models of regionalism fitted to Maine's situation and capable of producing real savings in a timely fashion. The new Regionalism Grant program arrived at the right time to support the move to regionalism.

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