



Consolidation of Local Governments

Project Description

July 2011

BACKGROUND

The Minnesota Constitution grants the Legislature authority to create, organize, consolidate, and dissolve local government units and their functions.¹ Currently, Minnesota relies on 87 counties, 854 cities, 1,785 townships, and numerous special and regional districts to coordinate and deliver services locally.

Local governments can use various administrative tools to improve the cost-effectiveness and availability of services. Multi-jurisdictional arrangements—such as joint powers agreements—can be used to provide services. More extensive changes can be achieved by changing boundaries or fully consolidating jurisdictions.

State law lays out processes for consolidating local governments and grants governing officials and residents a say in the final outcome. The Office of Administrative Hearings Municipal Boundary Adjustments Office oversees proposed annexations, consolidations, and detachments of cities and townships.² These proceedings generally require considerable planning and may be initiated by the local governing body, resident voters, or the state's chief administrative law judge. Changes must be approved through either a board resolution or local referendum in the affected jurisdictions. Since 1959, only 34 cases have been initiated to fully consolidate two or more cities or townships. Counties may combine through different planning and referendum processes, although this has never occurred.³

POSSIBLE EVALUATION ISSUES

1. To what extent have Minnesota townships, cities, and counties pursued consolidation? How has consolidation affected the costs and services of merged jurisdictions?

2. What factors facilitate or inhibit consolidation? Should the state create incentives for consolidation? If so, what approach should the state use?
3. To what extent have local governments used cooperative agreements to streamline services and reduce costs?

DISCUSSION

Several years of poor economic conditions and fiscal stress have prompted state and local officials to seek ways to deliver public services in a more cost-effective way. Numerous state and local initiatives have explored innovative methods for reconfiguring public services—including removing obstacles to more collaboration—and looked at improving the state's annexation and consolidation processes.⁴ Proposed 2011 legislation encourages collaboration and consolidation among local jurisdictions and provides grant incentives for doing so.

OLA's evaluation will not duplicate the efforts of previous work groups that examined joint service delivery. Rather, our evaluation will focus on full consolidation of counties, cities, and townships. We will conduct case studies of past consolidation efforts and review the extent to which the mergers achieved the anticipated outcomes. We will survey and interview local officials about their experiences with consolidation. We will also identify the advantages and disadvantages of consolidation, in part through a review of the national literature. Finally, we will look at the extent to which local governments use interlocal agreements in lieu of consolidation.

We plan to issue a report in February 2012. Questions regarding this evaluation should be directed to Valerie Bombach, evaluation manager, at 651/296-1803 or valerie.bombach@state.mn.us.

¹ *Minnesota Constitution*, art. XII, sec. 3.

² *Minnesota Statutes* 2010, 414.01-414.12.

³ *Minnesota Statutes* 2010, 371; 465.81-465.86.

⁴ For example, see *Municipal Boundary Adjustment Task Force, Final Report* (St. Paul, 2009).