

REPORT SNAPSHOT

Local Government:

- Efficient and effective
- Popular (elected officials have high ratings)
- Low labor costs
- Quality core services

Expenditures Per Capita:

- Smaller governments spend and borrow less
- Smaller forms of government are more cost efficient providing more services at a reduced cost
- Intergovernment agreements and cooperation

Local government in Illinois rely less on state funding and pay for themselves to a greater degree than in 38 other states.

Positive Public Official Ratings:

- 88% Townships
- 42% State
- 27% Federal

Citizen complaints far more likely to be attended to by the elected official

Labor/Benefit Costs:

Local townships employ a larger share of part time employees and have lower benefit costs

Services:

Myth: Combining services will save money and offer greater efficiencies. As well, the claimed “duplication of services” virtually never exists. Local governments have specific geographical areas of responsibilities.

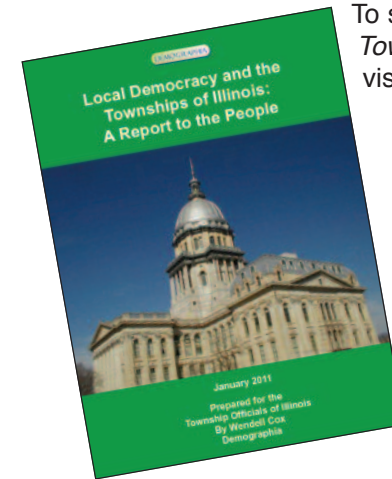
Pervasive Evidence:

Thus, the evidence is pervasive, both at the national and local level. The smaller local governments that typify local democracy are generally more efficient and they are better positioned to provide quality public services to their residents. The history and performance of local democracy is witness to its enduring value.



About the Report Author

Wendell Cox is principal of Wendell Cox Consultancy, an international public policy firm headquartered in the St. Louis, Missouri-Illinois metropolitan area. He has published research on local and regional governance issues in Toronto, Pennsylvania, New York, Indiana and Michigan and spoken widely on the subject. He is a visiting professor at the Conservatoire National des Arts et Metiers in Paris (a national university) and has a BA in Government from California State University, Los Angeles and an MBA from Pepperdine University.



To see the entire report, *Local Democracy and the Townships of Illinois: A Report to the People*, visit our website at www.toi.org.

About the Township Official of Illinois

Township government in Illinois today is a vital community link in the Illinois local government system. More than 8 million people are served by township government, which provides important quality-of-life services. Our townships often provide service at little or no cost to taxpayers. Because townships in Illinois are local in nature, they are able to identify specific community needs and respond to them with creative programs and services.

Townships in Illinois are better able to respond to local needs than larger forms of government because our proximity to our constituents keeps us in touch. Townships provide services without government bureaucracy. In addition to providing the three mandated functions of general assistance, property assessment and road and bridge maintenance, townships also provide a long laundry list of permissive functions. These include cemetery and park maintenance, programs for senior citizens, young people, the disabled and many others. All these programs are designed to fit the needs of specific communities.

The Township Officials of Illinois was organized in 1907 and has been helping build strong townships for over 104 years.

The Township Officials of Illinois offices are located at 3217 Northfield Drive, Springfield, Illinois, 62702. Our telephone number is 217/744-2212 and our fax is 217/744-7419. Call toll free 866/897-4688 or visit www.toi.org.



Report Summary

Local Democracy and the Townships of Illinois: A Report to the People



REPORT SUMMARY LOCAL DEMOCRACY AND THE TOWNSHIPS OF ILLINOIS

America's small local governments provide quality services at low costs to taxpayers. One half of the local governments in the United States have 1,000 or fewer residents. These smaller governments are well positioned to respond to the present public budget challenges.

Local Democracy in Illinois

Illinois relies on local democracy. The average local government serves 1,800 people in Illinois, compared to the national median (middle) of 2,850 people.

As in the rest of the nation, smaller governments (municipalities) in Illinois tend to spend and borrow less.

The smallest local governments had expenditures per capita that were generally one-half those of local governments with from 10,000 to 250,000 population.

Expenditures per capita in the smallest local governments were approximately one-fourth or less that of the city of Chicago.

Most of the reporting local governments with less than 2,500 population had no bonded indebtedness. In the population categories above 25,000, bonded indebtedness per capita ranged from over \$500 to nearly \$5,000 in the largest local government, Chicago.

Superior Efficiency for Townships

Townships and township road districts are an integral element of local democracy in Illinois. They build and maintain most of the road mileage in the state (through township road districts), administer relief to low income households, discover, list and determine fair cash value of the properties in the jurisdiction and provide a variety of additional services. Consistent with the lower costs of local democracy, townships have achieved superior efficiency.

Township expenditures have grown at a lower rate than those of any other level of government in Illinois since 1992.

Townships have the lowest labor costs, and employ a larger share of part time employees.

This is particularly important, since the largest component of local government expenditures is labor costs.

More Efficient and Effective

The success of small local governments, such as townships, results from various factors:

- Local elected officials in smaller governments are able to take a more direct role in administering government finances and services.

- Individual citizens have more influence in smaller governments.

- In smaller governments, including townships, interest groups have less influence, because individual citizens have more influence.

Local government abolitions and consolidations are effectively irrevocable and it can be virtually impossible for discontented citizens to restore smaller units of government. On the other hand, cooperative agreements allow governments to work together to periodically evaluate such arrangements to ensure that they continue to be in the public interest.

Thus, the "bigger governments spend less" theory is not indicated by the actual experience.

The larger local governments that result from consolidation are likely to lead to higher rather than lower taxes and spending per capita. Also importantly, the remoteness of such governments from the electorate can dilute citizen influence more challenging and public service quality can suffer.

Enduring Value of Small Local Government

The smaller township governments that typify local democracy are generally more efficient and they are better positioned to provide quality public services to their residents. The history and performance of local democracy is witness to its enduring value.

This preference for township government can be traced back centuries, to sources like the New England town meetings. The local democracy inherent in smaller local governments has proven to be timeless, by providing among the most efficient and highest services. Efficiency was defined as follows by governance expert Robert Bish:

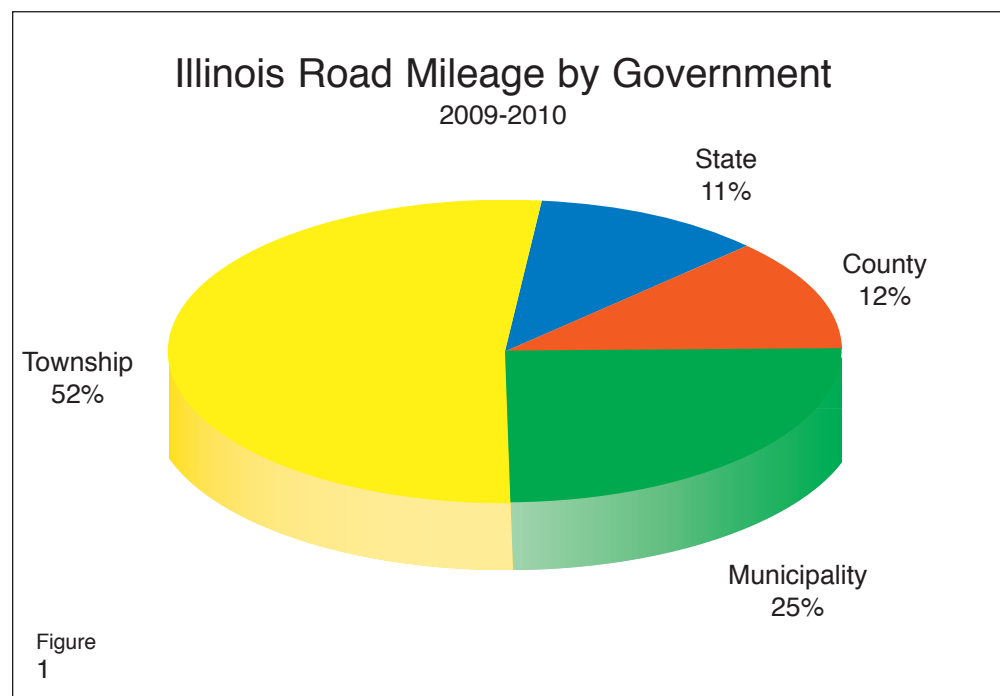
The ultimate measure of local government efficiency is not a count of jurisdictions or taxing districts, but rather their relative expenditures per capita for quality public services.

These attributes are particularly important in today's challenging public finance environment. Smaller, more manageable local governments are well positioned to provide value for taxpayer funding.

Generally, national data indicates that smaller local governments spend and borrow less per capita than larger local governments.

Illinois Relies on Local Democracy

This "smaller governments are more efficient" pattern extends to Illinois. Illinois relies substantially on local democracy. For the most part, local governments tend to be small, which increases the access of citizens to their elected officials and other public administrators.



Some local governments, such as townships provide multiple services, while school districts specialize, providing a single public service, education (and ancillary services such as school transportation). Special districts generally provide specialized services over a larger geographical area, especially where it would be less efficient to provide services at the municipal level. The Illinois approach to local governance is consistent with the concept of "fiscal federalism," which holds that public services should be administered as close to the people as feasible.

Townships Epitomize Advantages

The townships of Illinois epitomize the advantages of local democracy. Townships, together with township road districts provide local government services in 85 of the state's 102 counties. In parts of the nation where there are no township or township road district equivalent governments (whether in Illinois or in the non-township states), citizens outside incorporated local governments are dependent upon county governments for local services.

Townships provide important services in Illinois. Township road districts build and maintain the township road systems. These systems comprise more than one-half of the road mileage in the state. These roads are crucial to residents who live outside incorporated municipalities, but also to the state's economy, especially its large agricultural industry.

One of the substantial advantages of township road districts is their ability to ensure a high level of maintenance and snow clearance because their facilities tend to be located closer to the roads they administer. (Figure 1)

Township Expenditure Trends

The comparative efficiency of townships is illustrated by expenditure trends. From 1992 to 2007, total township expenditures increased 17 percent, after adjustment for inflation. In contrast, state government expenditures rose nearly three times as much, at 51 percent. The rise in municipal expenditures was 50 percent, also nearly three times that of townships. County expenditures rose 66 percent, nearly four times the increase in township expenditures. (Figure 2)

Personnel expenditures and practices also indicate the relative efficiency of township governments in Illinois. Like the most efficient municipal governments in Illinois,

... townships tend to be smaller governments, with small staffs.

The average township staff is approximately equal to the average for villages in the state with a population of less than 1,600.

Employee compensation represents the largest element of local government expenditure.

Township wages and salaries levels per employees are the lowest among the various government types in the state of Illinois.

(Figure 3)

Further, townships rely to a large degree on part time employees. (Figure 4) This not only reduces wage and salary expense, but also reduces employer paid fringe benefits.

Similarly, the wages and salaries of township road employees is well below those of road employees of state and municipal governments. (Figure 5) Employer paid benefits would be less as well.

