Regional cooperation has been a long-standing conversation in Dane County, as in many parts of Wisconsin and the U.S. And yet, despite the “logic” for regionalism – local boundaries are artificial lines on a map, local governments might have made sense 150+ years ago but, the world has changed, and many issues are regional in nature (watersheds for example) – few good and functional examples exist. Why?

One answer goes to the American tradition of local control and town meetings that date back to our country’s founding. As a people we are skeptical of centralized government, and for many, regionalism represents a loss of local control and a growth of centralized authority. While this is a valid explanation, there is also more to it than this.

Over thirty years ago (in 1976) Harvey Molotch, a political sociologist, published a groundbreaking article titled “The City as a Growth Machine.” In this article, Molotch offers another set of reasons why “cities” (his shorthand for local governing units – cities, towns, villages, etc.) find it so hard to cooperate with one another.

According to Molotch, two equally old aspects of the American governance structure (and where we differ from most other countries) discourage cooperation: (1) local governments decide the mix of local services that will be provided, and (2) local services are paid for through the local property tax. Decentralizing local services traditionally results in variety across communities in services such as schools, libraries, police and fire protection, etc. Every year, these services get more expensive. Why? Because the principal component of local services is people – teachers, librarians, road truck drivers. And like most of us, (in normal economic times) local employees expect a pay raise if they do a good job.

But given local budgets come from local property taxes, local officials face a choice when they need more money: either they can raise taxes on property owners, or they can bring in more (high end) growth to raise property values. (This presentation greatly simplifies many things – such as the effect of intergovernmental aids and whether growth actually pays for itself, and it assumes that local government will not decide to cut local services, but rather keep them steady or expand them.)

Thus a governance system with a high degree of local control means that communities are compelled to grow and to compete with one another for growth. And assuming only a certain level of growth in a region, one community’s gain is another community’s loss. Given the starting point – local communities, local governance, local service decisions, local property taxation – regionalism appears not to make much local fiscal sense.

Is there a way to break the (il)logic of the existing system? Yes, though not without substantial legislative reform. The Twin Cities region in Minnesota is a national example of tax-base sharing. When non-residential growth occurs locally, its benefits (tax dollars) are shared (based on a formula) regionally. This recognizes that local growth has regional impacts – on roads, on housing, on schools. Has this stopped local competition within the region? Not completely, but more so than in many other regions of the U.S.

Given the proud American tradition of local control, regionalism is always difficult. Link this tradition to the “cold logic” of needing ever increasing local funds to pay for local services, and regionalism in Dane County is fighting an uphill battle that has little to do with local elected officials intentions or political affiliation, and more to do with how we (as a society) pay for local services.