

Looking at Regional Governance Institutions in Other Countries as a Possible Model for U.S. Metropolitan Areas: An Examination of Multipurpose Regional Service Delivery Districts in British Columbia

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Abstract

General purpose or multipurpose governments at the metropolitan level have proven extremely difficult to create and sustain in the United States. In their absence, a range of institutions have evolved to address problems of regional fragmentation and to promote interlocal cooperation and collaboration. These include single-purpose regional special districts, interlocal contracts and agreements, and voluntary regional organizations of local governments such as councils of government. However, several countries make use of another institutional form, multipurpose special districts, rather than or in addition to single-purpose special districts, as a mechanism for facilitating regional governance and intermunicipal collaboration. This essay examines one example of such an institution: regional districts in British Columbia. It

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analyzes what accounts for their successful creation and institutionalization and considers whether such an institutional model is potentially adoptable in the United States. It focuses particularly on the perceived reduction in transaction cost for achieving intermunicipal agreements.

Keywords

special districts, regionalism, learning from foreign countries

Introduction

Local governments abound in the United States. The large number of governments in metropolitan areas leads to what has been termed *fragmentation*. Problems presumably resulting from fragmentation are widely recognized; indeed, the urban and metropolitan literature has been concerned with them for nearly a century. Critics suggest that fragmentation leads to problems of efficiency, including (1) difficulties in addressing problems crossing local borders, (2) problems of coordination and duplication of effort, (3) inability to take advantage of economies of scale, and (4) when local governments raise a significant share of their revenues through a local property or sales tax, costly and zero-sum competition among local governments for tax base.¹ In addition, in a fiscal system where local governments raise a significant share of their revenue through local sources, but where there is no or a very weak system of equalizing grants from higher levels of government, fragmentation can also result in severe equity problems.

During much of that time, the standard prescription for dealing with these problems has been the creation of a regional government institution or consolidation (see Norris 2015 and Savitch and Adhikari 2016, for excellent reviews of the history of this literature, both with respect to the way in which problems have been conceived and of solutions to them). However, regardless of whether it is desirable or not, general purpose regional government institutions have not proven adoptable in the United States. The main purpose of this essay is to explore whether there are regional institutions in other countries that might serve to mitigate some of the problems resulting from fragmentation. The focus is on multipurpose special districts (MPSDs) and particularly such regional districts (RDs) in British Columbia. The essay argues that multipurpose RDs adapted from the British Columbia model should be seriously considered as institutional innovations in U.S. metropolitan areas.

The lack of a regional government does not imply that metropolitan regions are ungoverned. It is now quite common to distinguish between *regional government* (the existence of a formal general purpose regional

government institution) and *regional governance* (the process by which intentional decisions are made by public and private actors that guide development and deliver services to the entire region or to parts of it beyond individual local governments). The primary means through which these regional governance processes occur in the United States are (1) regional and subregional single-purpose special district institutions that engage in planning, investments, and service delivery and which are common institutional features of metropolitan areas; (2) interlocal collaboration, both formal and informal, among individual local governments (see Oakerson 2004; Ostrom, Tiebout, and Warren 1961; Parks and Oakerson 1989; and others who make a distinction between metropolitan government and metropolitan governance); and (3) the existence of voluntary region-wide councils of governments (COGs) and metropolitan planning organizations (MPOs), which serve as venues for discussion of common problems and area-wide data collection and research. Central city annexation of surrounding areas, where permitted by state law, and, much more rarely, amalgamation of cities or city-county consolidations are also means of achieving some degree of regional governance.

Regional single-purpose special districts are common institutional features of metropolitan areas, and interlocal agreements, though difficult to enumerate, are clearly widespread. Richard Feiock and his colleagues term these agreements and the process of putting them in place *institutional collective action*, and have set forth the conditions under which they are likely to occur (see Feiock 2007, 2009, 2013). COGs and/or MPOs exist in virtually all metropolitan areas.

Nonetheless, despite these regional governance arrangements, interlocal collaboration problems persist. Single-purpose special districts are criticized on several grounds. They make coordination across service functions difficult, as each special district is responsible for only the single service it provides (the silo effect). Single-purpose districts distort spending priorities by preventing comparisons of local services at the margin, that is, is it more important to spend this dollar on service A or on service B. There are also accountability and transparency problems: Although the majority of special district boards are elected, elections are often held off-cycle (rather than coincidental with general elections), with consequent low—sometimes very low—turnout, even compared with elections for general purpose local government² (Berry 2009). The operations of single-purpose special districts are rarely subject to media coverage, and they are nearly invisible to the public.

In addition, the literature suggests that single-purpose special districts are costly. Compared with delivery by general purpose local governments, empirical research is nearly unanimous that service delivery by special

districts results in *higher* total government expenditures. Foster (1997, p. 32ff) contended that this results partly from the fact that the single-purpose special district's governing body "is apt to become an official lobby for the activity it oversees." She also observed, "Unlike most municipal departments, moreover, districts typically enjoy a dedicated revenue stream for operations, thereby avoiding the need to share revenues for more pressing government needs." Berry's research suggests that these higher costs appear to occur without any improvement of quality (Berry 2009).

Interlocal collaboration, for its part, will not simply occur because two or more municipalities will each benefit from it. As Feiock (2007, 2013) and others who engage in institutional collective action analysis have stressed, collaboration will occur only when benefits exceed costs, the most important of which are transaction costs. Empirical research suggests that transaction costs can be reduced (and collaborative activity made more likely) in institutional settings in which information is more readily available and is more trusted. This situation is more likely to exist when jurisdictions share borders, share policy preferences (both among jurisdictions and within each individual jurisdiction), share demographic characteristics, have a manager-council form of government (due to professional training and career ambitions, both of which promote a concern for efficiency gains), engage in repeated interactions with each other or have strong regional norms favoring reciprocity, are within a metropolitan area that has a high geographic density of local governments per square mile (because information on local government willingness to collaborate is more readily available), are in a less fragmented metropolitan area, and are in a state that has permissive laws with respect to authorizing interlocal agreements (Bel and Warner 2013, 2015; Carr, LeRoux, and Shrestha 2009; Feiock 2007, 2009; Lee, Feiock and Lee 2012; Hawkins 2010; Post 2004; Qian and Warner 2016).

Regional COGs, though they have proven useful as vehicles for convening members of local governments to discuss regional problems and to engage in data collection and research at the regional level, are voluntary organizations that lack the power to raise revenues or deliver services. They do not have political "clout" in the regional arena.

Problems of fragmentation are not unique to the United States. Data reported by Sellers and Hoffman-Martinot (United Cities and Local Governments and the World Bank 2008) indicates that though U.S. metropolitan areas are at the high end of various government fragmentation indexes, they are at approximately the same level of fragmentation as are metropolitan areas in Germany, Switzerland, and France. The international literature indicates that concern with fragmentation is increasing (see Organization for Economic Cooperation and Development [OECD] 2015; also Hulst and van Montfort 2007, and Lidstrom 2016) as are efforts to cope

with problems that result from fragmentation. In every country, metropolitan regions have some set of governance arrangements, informal and formal, that permit them to respond to problems that affect all or a portion of the area that extends beyond the boundary of single local jurisdictions.

Are there regional institutional arrangements in use in other countries but not the United States that might (1) make regional governance and interlocal cooperation easier to pursue than current institutional arrangements in the United States and (2) might be transferable, with appropriate adaptation, to the U.S. institutional and political environment? To explore these questions, we examined institutional mechanisms used in other countries to address the problems of fragmentation (Wolman 2016).³ The most promising is the *multipurpose* regional special district, a common institutional mechanism for achieving intermunicipal collaboration in service delivery in several countries. Although such institutions do exist in the United States, they are relatively rare and the largest number of these consist mostly of some combination of water, sewer, and natural resource districts.^{4,5}

Our interest is in MPSDs that operate at a regional level or that cut across local government boundaries within a region, even though they are not regionwide. Examples of these multipurpose districts include RDs in British Columbia, Canada; mancomunidades in Spain; intercomunalities in Italy, including both *Unioni di comuni* (unions of municipalities) and *convenzioni* (conventions); *sivom* and *communitautés urbaines*, *communitautés agglomérations*, and *communitautés communes* in France; *plusregios* (regional corporations) in the Netherlands; subregional contracts and councils in Finland; regional associations in Germany (particularly the Stuttgart Regional Association); and *intercommunales* in Belgium. These multipurpose regional special districts differ with respect to a variety of characteristics: manner of creation, services provided, geographic scope, membership and voting rights, governing board powers, staff resources, and financing.

Creation and Participation (Mandatory or Voluntary)

The creation of MPSDs, like that of any governmental institution, is a political act that occurs within an intergovernmental structure. In every case, a higher level of government first authorizes the setting up of MPSDs. Although there are many historical examples of national governments not only authorizing intermunicipal cooperation but also making participation of municipalities in MPSDs mandatory, nearly all current MPSD systems rely on voluntary participation of local governments. In some cases (e.g., France; Italy), national and/or regional governments offer incentives to encourage voluntary participation.

Services

The defining characteristic of multipurpose service districts is that they are responsible for two or more services. But which services and how is the decision made? Services delivered by MPSDs vary by country. For example, though the tasks performed by any single mancomunidad in Spain varies, the range includes water provision, waste disposal, fire, social work, town planning, public transport, environment, tourism, economic development, and information technology. The number of services delivered by a mancomunidad ranges from two to 30, and the average is five. In a few cases (France, the Netherlands, until 2013), once an association is voluntarily set up under the relevant national law, the association *must* offer a set of services specified by the national government (Ahrend and Schuman 2014). In British Columbia, the RDs must deliver a small number of environmental services (solid and liquid waste management), but can also deliver any other services that it wishes to.

Geographic Scope

Conceptually, the geography that the region covers can either be defined through authorizing legislation enacted by a higher level of government or through negotiation among local governments that perceive they have interconnected interests. In nearly all cases, it has been authorizing legislation that has been the main determinant of geographic scope.

Membership, Representation, and Voting

Because they affect calculations about how much influence each participant will have and whether it is in its self-interest to join (particularly for “voluntary” MPSDs), membership, representation, and voting procedures are key characteristics of MPSD design. Members can consist of municipalities in the region, municipalities and other local governments, or local governments and other quasipublic or private entities. In most cases, the governing board is composed of members appointed or elected by the participating local governments, although in a few cases the board must reflect the political composition of the local government members. In a small number of cases (e.g., the Stuttgart Regional Association, French *communautés urbaines* as of 2014), the governing board is directly elected. Usually the MPSD representation and voting mechanism is one local government member, one vote, but sometimes voting is weighted by population size (mancomunidades in Spain as well as RDs in British Columbia).

Governing Board Powers

With respect to governing board authority, in some countries, MPSD board members operate as agents of the local government that appoints them, carrying out their wishes and requiring their approval for actions (Belgium, Finland, Germany). In other cases, the districts, once created and the board appointed, operate as corporate entities independent of their local government members (e.g., French *communautés urbaines*, Spanish *mancomunidades*, British Columbia RDs, although in this last case members can be recalled by their local councils at will).

MPSD Staff and Financing

Does the MPSD have its own staff and administrative structure or is it simply a vehicle through which local government participants share and coordinate services provided by individual local governments? If the former, how is the MPSD financed? Multipurpose district revenue sources range from contributions from member governments, to fees and charges, grants from higher levels of government, and, in rare cases, taxing authority. French *Communautés urbaines* formed since 1999 are permitted to levy a precept on local taxes and *must* levy a single business tax. In many cases multipurpose districts are dependent primarily upon contributions from their members. In the case of *mancomunidades*, Spanish law stipulates that member governments that do not fulfill their financial obligations to the district will risk withdrawal of grants from the central and provincial government.

Multipurpose Regional Special Districts in British Columbia: What Are They and How Do They Work?

In this essay, I focus on RDs in British Columbia, Canada, in exploring the possibility of the relevance of MPSDs for the United States. I do so because of not only the relative longevity and stability of RDs as institutions (they have existed now for more than 50 years), but also their existence in a reasonably similar context (a subnational government in a federal system with a strong local government system) and their accessibility, both geographic and linguistic, to the United States. I focus on two research questions: the effective institutionalization of RDs in British Columbia and whether RDs are an institution that, with suitable adaptation, are potentially transferable to the United States.

British Columbia RDs are entities set up under a 1965 provincial law that provides for the voluntary establishment of districts comprising municipalities

and unincorporated areas in the region (Cashaback 2001). An RD is a vehicle for delivering services to some or all of the region. The RD board (which consists of members appointed by the member municipal councils and directly elected members from the unincorporated areas, with representation and voting rights determined on a population-weighted basis) determines which services to deliver and to which geographic areas.

Participation is voluntary. Individual municipalities can determine whether they wish to be a member of the RD (in fact all municipalities have agreed to do so, partly as a result of encouragement by the provincial government, but presumably mostly as a result of their calculation that the benefits of membership far outweigh the cost). Once a member of the RD, individual municipalities can also choose to opt in or opt out⁶ of each service. This is the major feature that assures municipalities that they retain control of their own destinies and serve their municipality's interests.

By 1968, there were 28 RDs, a number that has remained more or less constant since then. The two largest RDs are the Greater Vancouver RD (now called *Metro Vancouver*), covering the city of Vancouver and its surrounding suburbs, with a population of nearly 2.5 million in 2014, and the Capital RD, covering the capital of the province, Victoria, and its surroundings, with a 2014 population of 372,000. The other districts range in size from slightly over a population of 3,000 to 250,000 and include districts that are largely rural as well as those that are a combination of medium- or small-sized towns and rural areas.

Services

The RD legislation when enacted in 1965 did not specify what services should be included, nor at the beginning, were any mandated. In 1970, the province amended the legislation to require that RDs be responsible for regional planning (Chadwick 2002, p. 51). This resulted in substantial political conflict among the region's municipalities and between the RDs and the Province.⁷ The mandatory regional planning requirement was removed in 1983 and later replaced with a voluntary process. More recently, two other mandatory service responsibilities have been placed upon RDs: solid and liquid waste management planning and emergency planning.

In all other cases, RD services are voluntarily adopted. Voluntary adoption (opt-in) or change of mind (opt-out) constitute the key feature, observers agree, that makes the institution politically viable. However, the original provincial legislation does provide rules for *how* services are to be adopted. In essence, new services must be approved not only by the RD board, but also by municipalities that are to receive them. A municipality can decline to

participate in a service, and a participating municipality can decide to opt out after having participated.⁸

Although there is no centralized account of services provided, Robert Bish (professor emeritus, Univ. of Victoria, British Columbia, personal communication, November 5, 2015) estimates that the 27 RDs in aggregate provide over 1,000 services. The Local Government Department of the British Columbia Ministry of Community, Sport, and Cultural Development lists some of the more common services provided: water supply, sewers, fire protection, parks and recreation, solid and liquid waste management, economic development, regional and emergency planning, animal control, public housing, libraries, E-911, airports, and television re-broadcasting.⁹

Most services¹⁰ that RDs deliver are physical, environmental, or protective. There are very few cases of RDs agreeing to deliver services that are social in nature or that are overtly redistributive, services more likely to involve interjurisdictional political conflict.¹¹ Indeed, in 2014, expenditure for health, social services, and housing accounted for only 1.3% of total RD spending in the 26 RDs other than the Greater Vancouver RD, where it accounted for 7.3% (Bish and McDavid 2016). (However, it is worth pointing out that social service provision in British Columbia is largely a function of the provincial government rather than municipalities.) Also, there is no mechanism for explicit fiscal redistribution among local governments in the region.

Despite the existence of RDs, a majority of spending on services continues to occur through individual municipalities rather than through RDs. For example, in 2014, municipalities still accounted for 65% of local service spending in the Capital region, with the Capital RD accounting for 18%, and the remainder from four single-purpose regional entities. Like municipal governments, RDs may provide the service directly, may contract it out to private contractors, or may contract it to one of the member municipalities to provide to other members.

The service areas within a region may differ from service to service, that is, they do not have to encompass the entire region, although some services do so. Even for these regional services, there have been very few instances of individual municipalities opting out. Interviews with Brian Walisser and Gary Paget, both with substantial experience in the British Columbia ministry responsible for local government and close observers of RDs, suggest this has not been a major problem because an ethos of cooperation has been developed through RD membership and continual interaction among the members. In short, long-term association and constant negotiation have apparently constructed a norm of cooperation among members. RDs are, thus, institutional examples of what Ostrom, Tiebout, and Warren (1961)

referred to as polycentrism and Parks and Oakerson (1989) termed metropolitan governance through complex metropolitan organization.

Finance and Budget

Each RD service has its own operating and capital budget. Each service is separately funded, and the full cost (including a portion of general overhead) must be paid for each year. Operating budget deficits are not permitted, and revenues from one service fund cannot be shifted to pay for a deficit in another. Individual services provided by the RD are financed through user costs¹² and, where that is not possible, through a property tax, with the tax set, to the extent possible, so that it fully incorporates (but does not exceed) the benefits received by residents of the individual municipalities and rural unincorporated areas (fiscal equivalence). The tax is not actually imposed by the RD, but the amount is requisitioned from the municipality¹³ and sent to the RD. Revenues also cover the administrative costs of the RD staff. For services that are regional public goods in nature or that cover the general overhead and staff costs of the RD, the cost is covered by imposing a tax rate that is necessary to cover the full cost.

However, when there are situations where benefits may be greater in some local jurisdictions than in others (or when there is contention over the allocation of benefits relative to costs), *custom agreements* can be negotiated that set cost sharing to better reflect the incidence of benefits and, sometimes, to reflect political forces. Although most services are financed through the default mechanisms described above, custom agreements permit flexibility through negotiation (see Bish 2006, p. 36).

Membership, Governing Structure, and Voting Rights

For British Columbia RDs, all municipalities within the region are potential members. In addition, unincorporated rural areas, represented through electoral districts, can also be members.¹⁴ For finance measures, each municipality receives a number of votes in proportion to its population. Every municipality and rural district receives at least one vote. For more populous municipalities, a board member casts multiple votes, but no member can cast more than five. If a municipality is entitled to more than five votes based on its proportion of the population, an additional member (or members) is appointed, each of whom also has up to five votes.

According to Bish (2002), the average size of an RD board is 20 board members (called directors). The Board of Directors selects one of its members to serve as chair for an annual term. RD board members representing municipalities are

appointed by the municipal council to serve a nominal four-year term. However, despite this, the appointed municipal members serve at the pleasure of the municipal council and, thus, can be removed at any time.

RD board decision making is a more complicated matter. For issues having a direct and immediate financial impact on all members (e.g., adopting a budget, contracting debt), decisions are made using population-weighted voting. For other issues affecting all members, votes are decided using the one vote per director rule (e.g., establishing a new service, general administrative services, and regional growth strategies). For services where not all municipalities or rural electoral areas are participants, referred to as a “stakeholder vote,” only Board members from participating areas vote and all such voting is on a population-weighted basis. Where population-weighted votes are used, the number of votes due a large member of the RD is divided equally among each of its multiple board members. However, Smith (interview) observed that RD decision making is highly collaborative in nature, much more so than is the case with municipal councils. Votes are more often a formality to ratify decisions already arrived at through discussion.

Governing Board Powers

British Columbia RD boards are decision-making institutions. Although their board members are appointed by municipalities (and, in the case of unincorporated areas, directly elected), the Board is an independent entity. Once service responsibility is assigned to it through agreement of the member municipalities, a committee is appointed consisting of the board members (directors) from the municipalities and electoral districts participating in that service. That committee becomes in effect the governing body for the service. There are, thus, as many RD committees as there are services, and a single director will sit on a variety of committees. As R. Bish (pers. comm.) pointed out, this serves as a counterforce to the silo effect that is a common criticism of separate single-purpose special districts. The RD board is able to make decisions about service delivery and capital investment. However, the potential for political conflict is much mitigated by the opt-in and opt-out provisions.

Governing Board Structure and Staffing

The RD Board of Directors is headed by a chair, elected by the Board, to serve as chief executive officer of the RD. In addition to the Board members, each RD has a professional staff, including a chief administrative officer (CAO) who is responsible for administration and for implementing the

Board's policies and who also serves as the Board's chief policy advisor. Department heads and other professional and administrative staff report to the CAO. RD staff sizes vary widely. Of the 19 RDs that responded to a recent survey (see www.civicinfo.bc.ca), total employment in 2010 ranged from 15 to 1,445, with the average RD having a staff size of 243. The two largest, Greater Vancouver and Victoria, had employment levels of 1,445 and 910, respectively. In 2014, both of these RDs spent 7.5% of their total expenditures on general government (administrative) cost; for the average RD, general government accounted for 13.3% of RD expenditure.

Assessment of RDs by Participants and Observers

Although there has been no rigorous evaluation of RDs, they are widely viewed by participants and observers as having been successful. Those interviewed (and the admittedly nonrigorous assessments that appear in the literature) were nearly unanimous in their perceptions that RDs were effective in terms of their goals of encouraging and maintaining intermunicipal collaboration that these result in both economic and the administrative efficiencies. In particular, RDs are perceived to have made intermunicipal collaboration easier to occur through the establishment of a template for intermunicipal agreements that serves to reduce transaction costs. Bish (1999) wrote that

a major advantage of the regional district system . . . has been that regional districts provide a political forum that reduces the cost of negotiating benefitting area agreements, partly because voting rules were fixed and a default financing rule based on converted assessed values was provided.

As a result, Walisser, Paget, and Dann (2013, p. 162ff) contended, "RDs have resolved hundreds of inter-local servicing problems. This is a singular achievement in that, while often encouraged in local government systems worldwide, successful implementation of joint servicing schemes is comparatively rare."

RDs are also perceived to have improved coordination across services (Walisser, Paget, and Dann 2013). Bish and McDavid (2016, p. 40) argued that "local government service relationships are much more integrated than generally recognized, with committees, boards and commissions established at the locus of decision-making and with the flexibility to adjust to the different scales at which local services are produced."

With respect to efficiency, Fahim (2009) wrote, "There is no denying that local governments in British Columbia achieve the benefits of larger scale while preserving those of local autonomy and control." And Patrick Smith (interview) observed that "Regional districts have worked very well on the

efficiency side—particularly with engineering services rather than social services.”

In his review of metropolitan institutions in Canada, Sancton (2005, p. 325) concluded of RDs that

it is hard to imagine a mechanism that could better combine local self-government through established municipalities with the existence of an institution at the metropolitan level that can both provide a degree of consensual metropolitan leadership . . . and a framework within which municipalities can voluntarily cooperate with one another.

However, RDs are not seen to be without problems. The most commonly mentioned of these is system complexity. Not only is the system complex, it is also demanding in terms of decision-making time and intensity. Bish (2002, p. 10), for example, wrote, “There is no question that regional districts can become rather complicated organizations.” Walisser and Paget (2011 presentation) echoed this, observing that there are two views of RDs. The first is of flexible and effective service delivery. The second is of difficult governance issues, noting that RD governance is “inherently complex (with) seemingly endless decision-making processes.”

Bish (2016) also noted that there are limits to that success in regional service provision. First, there are instances where a service would provide widespread benefits to the region, but where costs would be heavily concentrated on citizens within one municipality. In these circumstances, the municipality bearing the disproportionate costs would likely decide not to opt into the service, thereby depriving the entire region of the benefits. There are other situations where municipalities might be tempted to free ride, receiving the benefits of a regionally provided service, even though they have decided not to opt in to participation. These instances may be minimized through the development of cooperative norms, as discussed above, but they nonetheless exist.

In terms of actual accomplishments, Paget (interview) observed that though RDs have been remarkably successful in terms of much of what they were set up to do,

they have been unable to tackle the really tough issues. These are the issues that create winners and losers. These are issues that are the most intractable. Sometimes the decisions don't get made. Sometimes they get made, but with a lot of political fallout. (Bish, pers. comm. and Smith, interview)

Both point to the location of undesirable regionally required facilities as an example, noting the location of a sewage treatment plant that was set for Esquimalt. Esquimalt resisted and refused to rezone for the plant.

Paget and Walisser (interview) observed that economic development competition also makes regional development decisions difficult, particularly for those RDs that have voluntarily decided to take on regional planning as an RD function. They noted,

In British Columbia locals sometimes prefer more parochial economic development strategies. Municipalities seek economic development because it brings local taxation benefits. In the absence of incentives like tax or revenue sharing schemes they are generally not interested in supporting regional economic development schemes largely because the benefits accrue to other taxing jurisdictions. It is this contest between the regional and the local that makes this a tough nut to crack.

The problem of accountability is a particular concern. When public decision-making bodies are not chosen through direct elections, the question of accountability inevitably arises. RD board members are not directly elected, except for those in nonmunicipal areas. Instead, board members are members of the elected municipal councils who are appointed by the council to the RD board. They are thus, at best, indirectly accountable. In these circumstances, there are obvious principal-agent concerns. The question of accountability is twofold. First, how accountable are RD board members to the general public, and, second, how accountable are they to the municipal councils that appoint them?

It seems clear that RD policy making and politics are not highly visible to the public. Indeed, one of the problems noted in a 1999 review of RDs commissioned by the British Columbia ministry responsible for local government was that the citizenry did not have a good understanding of what RDs were and how they functioned and that this was recognized by the RD administrators. Bish (2002) observed that though residents of rural areas seem to understand what their (directly elected) RD board members do, "citizens in municipal areas, however, seem to have greater difficulty. Most do not seem to realize that their municipal council is appointing one or more representatives to the regional district board to represent the interests of the municipality." In an interview, Ken Cameron, a former planner for the Greater Vancouver RD, observed that "RDs are a blip on the public consciousness. They fly under the radar." Patrick Smith, a professor of political science at Simon Fraser University, was equally emphatic: "The public has virtually no idea what regional districts do. I've never had a single councilor, much less a citizen, ask me about a regional district, despite the fact that I've written a lot about them."

In a formal sense, of course, RD board members (with the exception of directly elected rural members) are accountable to the public only indirectly

through municipal councils. In a behavioral sense, this kind of accountability mechanism will work only if municipal councils pay some attention to the actions taken by their appointees to the RD board and exercise some ability to influence how their appointed members behave as RD decision makers. As Walisser (interview) noted, “while the public is unlikely to notice a vote by an RD board director on a controversial issue, the members of the municipal council the director represents will certainly do so.” Presumably a council-appointed member will reflect the interests of the municipal council that appointed the member on issues that are important to it, and, if that does not occur, he or she faces the possibility of removal or not being re-appointed.

What Explains RDs’ Institutional Creation and Persistence?

Created more than 50 years ago, RDs as institutions have survived, with a variety of relatively modest adaptations, for more than 50 years. They have not experienced a significant threat to their existence, either from the public or from local or provincial government. What accounts for their relative permanence, particularly in view of Sancton’s (2005) observation that two-tier metropolitan governments in other major Canadian metropolitan regions—Toronto (1954–1997), Winnipeg (1960–1970), and Ottawa (1969–2000)—have all proven unpopular and/or ineffective and have been replaced?

To answer this question, it is useful to return to how they were created. The concept emerged from the office of the Ministry of Municipal Affairs in the British Columbia provincial government rather than from local governments themselves.¹⁵ The ministry was responding to two concerns (Cameron 1999 and interview) growing urbanization and resulting fragmentation, and problems that crossed municipal boundaries and (2) the fact that service delivery to rural unincorporated areas in the province was widely viewed to be ineffective.¹⁶ Although a variety of single-purpose special districts existed, particularly in the large metropolitan areas of Vancouver¹⁷ and Victoria, the ministry felt that these were not adequately responding to regional problems. Previous efforts aimed at creating a more comprehensive regional government through amalgamation or other means had been discussed, but were vigorously opposed by existing local governments.¹⁸ In fact, a plan to create a single-tier metropolitan government for the Vancouver region had been voted down in the early 1960s (Barnes 1970).

Partly as a reaction to the threat of a single-tier metropolitan government, individual municipalities, and the Union of British Columbia Municipalities (UBCM) supported the ministry in developing a plan for the creation of RDs.

The proposal was put together in 1964 and presented to the provincial legislature. In 1965, the legislature passed legislation¹⁹ that authorized, but did not mandate, the creation of a system of RDs throughout the province.²⁰ The legislation permitted institutions delivering joint services to be created throughout the region without special enabling legislation for each. To some extent, their creation thus reflected a protective approach to regionalism, that is, an RD system was seen as much more preferable than a metropolitan government.

By the end of 1966, 12 RDs had been formed (Brown 1968). The expansion of the RDs system to all eligible areas was promoted by the ministry through legislation in 1967 that created regional hospital districts (RHDs) for financing hospital construction. Municipal membership in these districts was mandatory. The RHDs were designed to have the same geographic boundaries as RDs and the board membership was to be the same as that of the RD. The enactment of that legislation provided the strong incentive for any recalcitrant municipalities to join the RD in their area, as they would have to be members of the concurrent RHD in any case. After the enactment of RHDs, an additional 15 RDs were created in 1967–1968 as dual RDs and RHDs.

The narrative that accompanied the creation of the institution of RDs is undoubtedly a factor critical to the system's success. RDs were described—and have continued to be described—as not another level of government,²¹ but as “forums to reduce the transaction costs of inter-local cooperation for mutual benefit in service delivery” (Walisser, Paget, and Dann 2013) or as a regional federation of autonomous partners. Bish (1999), for example, wrote that

they are part of the municipal system, not a separate level of government. The legislation and subsequent regulations provided the geographic framework for possible RDs but little else. There were no mandated services; they were, on the day they were set up, “empty vessels.”

Walisser, Paget, and Dann (2013) noted that “through a series of intergovernmental negotiations in the late 1960s, each region was set up with local consent.”

Most RDs began by initiating a small number of services and have added to them as they perceived the need to do so over time. In many cases, such as in Vancouver, some of the previously existing special districts have been gradually merged into the RD (Cameron 1999). Tennant and Zirnheld (1973) termed the establishment of the RD system as characterized by “the strategy of gentle imposition.”

An obvious factor in their institutionalization is that, as previously noted, RDs are perceived by local political actors as either having been successful at promoting intermunicipal collaboration and at achieving efficiencies or, at

worst, as having small effect but at little or no fiscal or political cost. In general, municipalities do not perceive RDs as threats to their important interests or to their autonomy. The opt-in, opt-out provision is seen as an important safety valve. If a local government believes that it is not in its interest to participate in the provision of a particular RD service, it does not have to do so. In addition, political support by the municipalities and their association, the UBCM, is sustained by the founding narrative that RDs are *not* a form of metropolitan government or a separate level of government, but an extension of local government. This narrative is reinforced by the fact that municipal councilors serve as directors for each RD.

The support of local governments appears to be premised on the fact that there is no or little visible redistribution among local governments that results through the provision and financing of RD services. To some extent this is a product of a financing sleight of hand. Services not financed through user fees are financed through a requisition from local governments. The amount of the requisition is determined by calculating the cost of the service as a percentage of the total RD property tax base. That rate is then applied as an addition to the tax rate of each municipality.²² Thus, the tax yields different amounts per capita from different RD members: A 0.5% tax rate increment will raise more per capita from a community with high per capita assessed property value than it will from a community with a low per capita assessed value (thus providing a redistributive effect on a per capita basis). In addition, RDs have not usually taken up issues where there are clear winners and losers such as the location of undesirable facilities.

Finally, the RD system has served to some extent as a buffer against intrusion by the provincial government. Chadwick (2002, p. 50) observed, "Regional districts were to be a vehicle for advancing political interests for the region [with respect to the provincial government]." As Mayor Corrigan (interview) made clear, municipal government officials certainly believe that this has been the case.

The RD system seems protected from resident opposition by the fact that RDs remain fairly invisible to the general public (despite specific lines on residential property tax bills specifying the tax rate a resident is paying to support RDs and RD services). Surveys suggest that though residents support services that the RD provides, they have only a vague sense of RDs as institutions. There does not seem to be either a lot of support or opposition from the citizenry.

Of course, RDs, as state authorized institutions, could also be eliminated or seriously altered through provincial action. Yet, though provincial government attitudes toward RDs and their usefulness and effectiveness have varied across time, they have persisted despite government turnovers at the provincial level. They have not been at risk and do not seem to be.

Transferability to the United States

RDs have become institutionalized as a mechanism for delivering multiple services in British Columbia. Are they a suitable institution for adoption in the United States, and, if so, what kinds of adaptations would be required? And what more do we need to know to answer these questions more confidently?

As has been argued elsewhere,²³ efforts to transfer policies or mechanisms from one setting to another require careful examination and analysis. There are many pitfalls. Policy transfer efforts (1) frequently suffer from the curse of some "best practice" literature (i.e., says who? and based on what?); (2) often involve analysis that is not based on deep understanding of the local government system of the foreign country; (3) frequently do not consider important differences in the political, institutional, or cultural settings between the foreign country and the United States; and (4) ignore what kinds of changes in local practice or institutional arrangements that might be necessary to make these practices viable for local governments in the United States.

The analysis will proceed along the lines suggested by Mossberger and Wolman (2003) and Wolman (1992, 1993) in their discussion of assessment methods for policy transfer. The assessment will, thus, consist of (1) an examination of whether the problems and objectives the policy or institution is addressing in the originating country are similar to those of the borrowing country; (2) an analysis of the effectiveness of the practice in its home setting, drawn primarily from the existing literature and interviews with participants; and (3) consideration of the appropriateness for transfer to U.S. local governments, given differences in the institutional, cultural, and political setting of local governments in the two countries.

Are Problems to Which RDs Addressed and Their Goals Similar to Those in the United States?

This element of the analysis can be dispensed with fairly quickly. RDs are explicitly directed toward problems of inefficiency (inability to take advantage of economies of scale, duplication of efforts), lack of coordination across service functions, and ineffectiveness (inability to address policies toward some cross-jurisdictional problems), all of which are perceived to result from fragmentation. These problems and the way they are defined are quite similar in both the Canadian and the U.S. contexts. However, RDs are not meant, nor are they designed, to deal with problems of fiscal disparities that result from fragmented local government in U.S. metropolitan areas. These problems are dealt with through equalization grants from the province in British Columbia. Thus, if the concern is with addressing fiscal disparities in metropolitan areas in the United States, RDs are not the place to look.

Have RDs Been Successful in British Columbia?

If sustained persistence (institutionalization) is an indication of success, RDs have certainly “worked.” Created in the mid-1960s, they continue to perform much as they were envisioned to the present day.

Have they been successful in achieving the objectives for which the institutions were set up, that is, increasing interlocal cooperation and mitigating problems associated with fragmentation? The answer to this question is not straightforward. There is near unanimous agreement in both the literature and among the individuals interviewed that RDs are perceived to have been successful in increasing intermunicipal collaboration and that the resulting increase has resulted in greater efficiency and effectiveness. However, there is also a near total lack of rigorous analytical research on whether and the extent to which efficiency has actually been affected, not only with respect to RDs, but also with respect to MPSDs in other countries.

In the absence of such rigorous evaluation efforts, we can only rely on informed speculation on the counterfactual: What would British Columbia regions have looked like in terms of extent of efficiency, amount of spillover, service coordination, and so forth in the absence of RDs? Although the near unanimity of informed observers that RDs have been successful in achieving their objectives should carry some weight in any assessment, more rigorous evaluation research would certainly be helpful.

The perceived success of RDs, however, does not come without recognition of some limitations and problems. As noted above, RDs are not likely to solve highly contentious issues that are zero-sum or redistributive in nature. In addition, they are susceptible to free-rider problems for services provided at the regional level. Reviews of RDs have also pointed to problems of complexity, transparency, and related problems of accountability that are frequently associated with indirect representation. Despite these concerns, my overall evaluation is that RDs have been effective in achieving their objectives.

Do Differences in Context Between British Columbia and U.S. States Make Adoption in the United States Difficult or Impossible?

There are four different sets of contextual differences that are relevant.

Differences in institutional and legal context. Prior to the creation of RDs, the local government institutional structure in British Columbia consisted of municipalities and, in Vancouver and Victoria, several regional special purpose districts. There were (and are) no county-level governments, and areas not incorporated as municipalities received services directly from the

province or from other ad hoc local arrangements. In contrast, the typical region in the United States has not only municipal governments, but also a county or counties, and, in many states, townships, all of which serve as general purpose local governments. It also has a variety of single-purpose special districts. What difference, if any do these differences in institutional structure make in considering the feasibility of introducing the institution of RDs?

Special districts. The presence of many single-purpose special districts is of particular importance, for RDs would, in effect, serve as a partial substitute for, or at least substantially supplement, this system of single-purpose districts.²⁴ This changes the nature of our inquiry with respect to whether RDs or their equivalent would be seen to be effective in improving interlocal collaboration in the U.S. context. The counterfactual in the British Columbia context, is whether RDs are effective relative to what would have occurred had the pre-existing system of many municipal governments and a relatively small number (compared with the typical metropolitan area in the United States) of single-purpose regional special districts remained in place. In the U.S. context, the counterfactual is the existing situation that consists of many municipalities (as well as other general purpose local governments such as counties and townships in some areas) *and* a large number of single-purpose special districts. Would a region with an MPSD likely have better outcomes in terms of interlocal cooperation and collaboration than would a region with many single-purpose special districts?

Counties and townships. In British Columbia, RD members consist of municipalities and the nonmunicipal territory surrounding municipalities. But in the United States, counties are also an important unit of general purpose government. Indeed, in many cases, counties play an overarching role that not only provides some important regional or subregional services but also serves as a means for facilitating agreements among some of its municipalities. It seems clear that, given their role, counties (or at least counties in multicounty regions) should be eligible for membership in a U.S. version of an RD.

Multiplicity of local governments. In total, there are 162 municipalities in British Columbia, and the average number of municipalities in an RD is slightly less than six, although some are substantially larger. In U.S. metropolitan areas, by contrast, the number of local governments has a much broader range, and in some areas can be very numerous indeed. The average number of general purpose local governments per metropolitan area was 102 in 2012. This poses a problem for transposing the idea of RDs to the

United States. If each municipality in the average U.S. metropolitan area, for example, had membership on the board as in the case with RDs, the number of board members and the size of the Board, would be unwieldy. Although population-weighted voting and fractional votes might solve the voting problem, the board itself would be more like a legislative assembly than a city or county council. Some solution that meets both technical and political requirements (and may well differ from region to region) would be necessary. One possibility might be a general assembly with an executive committee to act on its behalf and made up of 20 to 25 members. The Executive Committee could be based on a United Nations (UN) model, with some permanent members—the largest cities and counties—and other members elected to the board by the general assembly at periodic intervals.

Legal authority. The British Columbia provincial government enacted legislation authorizing the creation of RDs. State governments in the United States would have to permit the creation of MPSDs, either through existing home rule provisions, through legislation that already authorizes the creation of such districts, or through enactment of new legislation. As this suggests, in many states, MPSDs are likely to already be legally permitted. In others, however, authority will have to be provided through new legislation. It is unclear how many states would require new legislation, but RDs or their equivalent are likely to be much more feasible in the short term where new legislation is not needed. Research on the existence and nature of state legislation with respect to MPSDs is an essential first step in assessing initial prospects for transferability.

Differences in political and policy context

Potential opposition from general purpose local governments. There are many reasons why efforts to bring about regional service delivery and interlocal cooperation beyond interlocal agreements and single-purpose districts have been traditionally opposed by local governments in the United States. Regional government, whether through imposing a new layer of government above the existing set of local governments or through city–county consolidation, is seen as an affront to the American tradition of localism. In particular, it raises the specter of individual local governments having to subordinate their interests and those of their residents to external forces. This may be a particularly intense concern in regions where there is substantial rivalry and distrust between central cities and suburbs. In more extreme forms, efforts to establish regional-type governments might eliminate existing political offices, both elective and appointive, and rearrange the electoral landscape so that groups that control offices and resources in a subsection of a region might

no longer do so if the electorate were enlarged to include the entire region or a larger portion of the region. An example would be a central city with a predominantly African-American or Hispanic population that has elected minority political officeholders but would be much less likely to do so if the electorate encompassed the entire region where these groups were a minority. White upper-middle-class suburbs, of course, might have a similar fear.

RDs address some of these concerns easily. No local governments are eliminated and no officeholders lose their jobs. It can be argued that localism continues as the dominant feature of the local government system. In British Columbia, the seemingly successful narrative is that RDs are not a new level of government at all, but simply an extension of local government that allows members to achieve greater collaboration.

The major innovation that RDs bring to regionalist efforts in the United States is the opt-in, opt-out provision. An individual local government would have the ability to decide whether to be a participant, not only in the RD itself, as membership is voluntary, but, should it decide to be an RD member, in each of the services the RD provides. In addition, once having agreed to participate, it could later opt out. This provision would allow a local government to act in accordance with its own interests, protecting it against participation when it feels its interests are threatened, but enabling it to participate when it feels it can benefit. The critical question is whether this arrangement is sufficient to overcome the fear of a local government that it is somehow losing a degree of its local autonomy and compromising its own interests.

Potential opposition from existing single-purpose regional special districts. The existence of other actors on the local government scene, particularly single-purpose special districts, poses another political concern. Would existing single-purpose special districts oppose the creation of an MPSD and, if so, how successful would they be? One approach might be to just add an RD to the array of single-purpose special districts already in existence and then proceed with a “strategy of gentle imposition” over time. Another might be to build an RD on the base of an existing single-purpose special district. If that district were one of the most politically potent ones, political opposition of at least that single-purpose special district might be diminished and might even turn into political support. Another option would be to simply merge existing special districts into a single federated organization as the basis for an RD. An even grander strategy would be to merge existing special districts into a federation under the auspices of the existing COG.²⁵

Representation and voting. Differences in the Canadian and U.S. constitutional and institutional context have important implications for representation

and voting. The question of how voting rights are assigned would certainly have to be sorted out. COGs, organizations that do not have taxing power and do not usually deliver services, generally operate on a one-jurisdiction–one-vote basis. However, a 1990 federal court decision, *Cunningham v. the Municipality of Metropolitan Seattle*, made clear that when an entity is engaged in a government-like activity and its members are elected, it must operate on a one-person, one-vote basis. The decision does not affect COGs, as its members are not elected. However, the decision is potentially relevant to the RD model, as Metro Seattle, an elected body, was one of the small number of examples of multipurpose regional special district service delivery entities in the United States. The question here is whether a multipurpose district whose governing body consists of members who are *indirectly* elected (i.e., consists of elected members of local councils who are appointed by councils to the MPSD governing board) would be considered an elected government entity subject to the one-person, one-vote rule.

Population-weighted representation and/or voting would serve to assuage concerns of large cities that their interests were not being sufficiently represented, but it would simultaneously raise concerns among smaller municipalities and suburbs. Would the opt-in, opt-out provision reduce the fears of the latter municipalities?

There is also the problem, both technical and political, of county government representation and voting. In a population-weighted system, would county governments be given representation and voting rights based on their total population, thus, in effect double-counting the representation of county residents who also lived in an incorporated municipality within the county and who would also have voting representation through their municipal representation? Alternatively, county representation and voting rights could be based only on the county population living in unincorporated areas. But would counties oppose this as a diminution of their political influence?

Tax and expenditure limitations. In many states, local governments are constrained by tax and expenditure limitations, either imposed by the state government or self-imposed. What would be the status of revenues and expenditure of a multipurpose RD whose members consist of local governments in these circumstances? Would the RD be considered a new entity, or would its revenues and expenditures have to be allocated to individual member units and count against their limitations? The former approach would almost certainly increase the political prospects of creating a multipurpose regional special district as it would effectively render some prior local government revenues and expenditures “off-budget.”

Differences in historical context. Is it possible that the circumstances in British Columbia that have led to the adoption and sustainability of RDs are unique to its circumstances and context? The fact that, with the exception of New Brunswick in 2013, no other Canadian province has adopted the RD system, despite its widespread praise and perceived success, does perhaps raise a warning flag. In addition, the support of rural unincorporated areas, areas that intuitively might seem to be most opposed to entering into a regional arrangement with their more urban neighbors, does appear to be unique. Rural support resulted from the lack of counties in British Columbia and the effective lack of local government in unincorporated areas, where, prior to the creation of RDs, local services were delivered by the provincial government. This resulted in a source of political support for RDs that might well be lacking in most U.S. regions.

In addition, Taylor (2016) noted that RDs had, at least in the Vancouver region, important antecedents that paved the way for their acceptance as legitimate entities. In 1913, as a result of the failure of the original sewer system, the region's municipalities came together to create the Greater Vancouver Sewerage and Drainage District. After the sewer system's construction, its management structure was set up as a federation of the region's municipalities. Similarly, after World War II a regional planning board was created, again as a federation of municipalities. In both of these cases, regional entities interacted closely with municipal politicians and officials. Taylor (2016, p. 10) argued, "Through this constructive engagement, local politicians and their staff came to see regional institutions and their activities as legitimate." The implication is that RDs were built upon a prehistory of collaboration through regional institutions structured as federations.

Finally, it is important to note that historical accounts (Brown 1968; Tennant and Zirnhelt 1973) indicate that the idea for RDs, the drafting of the proposal, and the major efforts to bring the system into being were not the product of local government officials or of the conjunction of external forces, but rather of a very small number of provincial government officials in the British Columbia ministry responsible for local government. This suggests the possibility that the creation of RDs is a product of the right people in the right place, a set of circumstances that might not be easily replicable elsewhere.

Recognition of the historical circumstances for adoption in British Columbia does not necessarily suggest adoption is unlikely in the United States. It does draw attention to the possibility that adoption in the United States may be a more complex political act than was the case in British Columbia. It also suggests that collaboration does not spring easily from a situation of noncollaboration, but is more likely to occur through an organic

evolution where interaction and trust are established over a period of time. Research on the politics of adoption of MPSDs in other countries would also be informative.

Differences in political culture and demography. Is Canadian, or at least British Columbian, local political culture simply less contentious than is the case in the United States, placing a greater value on cooperation and making regional and interlocal agreements easier to achieve and regional organizations less controversial? Louis Hartz has argued that important differences in political culture between the United States and Canada stem from the founding experience of the two countries. The United States was founded as an act of revolution, whereas Canada remained loyalist. As a consequence, Americans have long been more suspicious of government and Canadians are more deferential to authority. There may be other elements of political culture related to settlement patterns, the frontier experience and terrain that distinguish the way in which British Columbia residents approach politics compared with U.S. residents. Whether these political culture differences continue to exist and whether they might affect the potential for success of RDs in the United States is simply speculation at this point. The only way to know is to make an effort to put such an institution in place in one or more areas in the United States. If there is a regional element to British Columbian political culture that predisposes it to be more accepting of the kind of cooperative solutions that RDs offer, then it may be that efforts to adapt and adopt them for use in the United States should focus first on states in the Pacific Northwest, particularly those that border Canada.

Differences in demography may also be important. If metropolitan regions in the United States are more demographically diverse in terms of racial and ethnic background than is the case in Canada, then it is possible that, regardless of political culture, political contestation will be greater in U.S. regions than in Canadian ones and, thus, RDs will be less likely to flourish. Indeed, it is true that most of the RDs in British Columbia are very homogeneous in nature, consisting primarily of White Canadians, albeit of various immigrant backgrounds. However, Vancouver, the largest RD, is extremely heterogeneous. As of 2014, Greater Vancouver (the geographic area of the Vancouver RD) was 52.5% Caucasian, 29.7% East and Southeast Asian (predominantly Chinese), 11.1% South Asian (predominantly East Indian), 2.3% aboriginal, 2.1% Middle Eastern, and 1.3% Latin-American, and 1% African. Yet, the Vancouver RD appears to be quite successful. It is possible, of course, that Canadian ethnic groups are not as segregated into specific municipalities to the extent is the case in the United States (e.g., predominantly Black or Latino central cities, Black or Latino suburbs, etc.) and that ethnic interests are

therefore not as coincidental with municipalities, thus rendering differences based on ethnicity less of a barrier to municipal cooperation and regional activity in Canada.

Assessment of the Possible Transfer of RDs to the United States

Are RDs an institutional model that might be adoptable, with appropriate changes, for some or all regions in the United States? The first question is whether they are likely to produce better outcomes, or at least more interlocal cooperation and collaboration. More formally put, would a U.S. region with an MPSD (in addition to, at least in the initial stages, some single-purpose special districts) have better outcomes and greater interlocal collaboration than would a region with many single-purpose special districts and with intermunicipal agreements negotiated on a bi- or multilateral basis, but *without* an MPSD, that is, the present system?

Compared with a system of many single-purpose districts, a multipurpose district, designed along the lines of the British Columbia RDs, has the potential to deliver substantial improvements over the current system that is heavily dependent upon single-purpose special districts and individually negotiated intermunicipal agreements. In particular, such a system would serve to reduce the existing transaction costs of engaging in case by case interlocal agreements. Canadian actors and researchers with an understanding of the U.S. context particularly stress the importance of the first of these. Brian Walisser, in an email to the author, wrote,

A few years back, Gary and I were invited to a symposium on regionalization convened by civic leaders in the Lewiston-Auburn metro area (that BC's regionalization scheme was voluntary was of great interest to them). At the time, they were actively exploring the expansion of inter-local sharing. One thing that was very clear to Gary and me was that sharing agreements for the Mainers, and they only had a couple, were very tough to conclude. This was because in each and every case, they DID start with a blank page—negotiating service sharing in a very legalistic fashion. Tough work, we thought! If there was no standard template in BC, it is pretty well a certainty that a region like the one I happen to live in would never have succeeded in establishing upwards of 200 individual urban and rural services of varying scales and involving different partners. It simply wouldn't have happened. The transaction costs would have been crushing.

An RD system or its equivalent would provide the potential for better coordination across the multiple service functions which it delivers, thus addressing the “silo” problem resulting from a proliferation of single-purpose

special districts. Although this was not a major objective of the British Columbia RD, Bish and Walisser both separately observed that this does occur, primarily through overlapping committee membership.

As far as costs are concerned, RD boards comprise members elected to their local municipal council and then appointed by their councils to the RD board. They are, thus, less likely to be advocates for the expansion of a specific service than are the politically isolated boards of single-purpose regional special districts in the United States. In addition, RDs do not have access to their own revenue source independent of that of general purpose local governments. Although RDs “requisition” revenues from municipalities to cover the cost of services, RD board members (“directors”) are nonetheless accountable to their municipal council and its members (they can be removed at will) and the council members are accountable to the electorate (if municipal taxes are too high, they can be voted out of office). In addition, compared with many special districts, a multiservice district would provide cost saving through the centralization of administrative and overhead functions.

A multiple-purpose service delivery institution designed along the lines of RDs would probably *not* be an improvement compared with the current system of single-purpose districts in terms of transparency and visibility. As noted, the operations of RDs, like those of current single-purpose special districts, are not very visible to the public; they receive little media coverage and are not part and parcel of the ongoing public debate and discussion. In terms of accountability, the RD design appears to have an advantage over single-purpose special districts. It is true that RDs do not have formal accountability to the public through direct election as do many single-purpose special districts. However, the lack of visibility and extremely low (and selective) voter turnout indicate that the effective accountability to residents through direct election is severely attenuated. And, unlike single-purpose special districts, RDs *are*, at least to some extent, held politically accountable by municipal councils, and, indirectly through them, by the electorate.

Conclusions and Future Research

MPSDs, such as RDs in British Columbia, provide a possible institutional model for adoption as a means of improving local governance in the United States. British Columbia RDs provide a particularly attractive model.

Compared with the present U.S. system, which is dependent largely on single-purpose special districts and on negotiated interlocal agreements to address concerns that cross-jurisdictional boundaries, MPSDs, such as RDs, have the potential to achieve greater interlocal cooperation and collaboration as well as cost savings and improved coordination across functional silos.

They could prove particularly useful in facilitating more negotiated agreements among subsets of jurisdictions in the region and in increasing regional service delivery where all (or nearly all) local governments agree that the benefits to them of regional services exceed the cost.

Importantly, they have been, in British Columbia, a politically viable and sustainable institution, whose lynchpin makes them particularly attractive for use in the United States. The major political barrier to greater interlocal and regional cooperation in U.S. regions is the fear of local governments that institutions set up to achieve such cooperation will result in a significant loss of their local autonomy and a reduced ability to pursue their interests. The RD model should greatly reduce this concern because membership is voluntary and an individual member jurisdiction can opt in or opt out of any service the RD delivers.

The discussion in this essay highlights the need for future research. Such research surely includes more rigorous evaluation studies of the actual effects of British Columbia RDs—and of multipurpose RDs elsewhere—on achieving greater efficiency and coordination and on reducing negative spillovers. In addition, case studies on the kinds of issues existing multipurpose RDs have proven capable of resolving and those that they have not would provide information on their likely effects. And, as how to bring such districts into being in the United States has been identified as a critical potential problem for transferability, case studies of the politics of initiating multipurpose regional special districts in places other than British Columbia would be instructive.

Some U.S.-based research would be useful as well. As noted above, there is no information currently available on which state governments have laws permitting multipurpose RDs and with what kinds of provisions and which states do not, nor is there any research on the politics of putting such laws into place. Finally, we have noted that multipurpose RDs are rare in the United States; some do exist, although the largest number of these are water, sewer, and natural resource districts and, of the remainder, 58% are in just three states. Virtually nothing is known about these MPSDs. More research on how they were put into place, what they do, how they are governed, and the politics and political relationship of these to other government units would surely be useful, and might throw important light on how some adaptation of MPSDs on the British Columbia model might work in the United States.

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Notes

1. The text presents the standard critique of “fragmentation.” It should be noted, however, that there are arguments made in support of fragmentation as well. These relate primarily to competition among local governments that results in lower service costs, the ability of a system of fragmented local governments to better reflect the views of their residents than would be the case through a less fragmented and smaller number of local governments, and the ability of many of the so-called problems resulting from fragmentation (e.g., spillovers, economies of scale, coordination) to be dealt with through mechanisms such as regionwide special districts and intermunicipal agreements.
2. Berry (2009, p. 65ff) also noted that single-purpose special district electorates are not representative of the general electorate, but tend instead to consist disproportionately of voters who have a special interest in increasing the special district service.
3. The study was funded by the Local Governance Research Collaborative (LGRC) of the Alliance for Innovation. The author would like to thank the LGRC for its support.
4. Seattle, Portland, and the Twin Cities (Minneapolis–St. Paul) are important exceptions. Seattle’s Metro is responsible for water, sewer, and transportation. Portland’s METRO includes several functions including solid waste disposal, parks, the area’s stadium and zoo, and land-use and transportation planning. The Twin Cities Metropolitan Council performs several functions, including metro transit, wastewater collection and treatment, land-use planning, housing planning, and regional parks. (See Norris 2015.) Although The Port Authority of New York, set up in 1921 through an Interstate Compact, is sometimes cited as a multipurpose special district (MPSD), it is primarily concerned with a range of transportation services and facilities throughout the New York City region.
5. According to the 2012 Census of Governments, there were 51,146 special districts in the United States, inclusive of school districts. Of these, only 5,235 were MPSDs, of which the largest number, nearly 1,500, were water and sewer districts. Of the remaining 3,700 MPSDs, more than half are in three states—Colorado, Texas, and Nebraska (U.S. Census, American Fact Finder, accessed at <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>).
6. The opt-out provision was not initially part of the regional district (RD) legislation. It was adopted in 2000 as a means of reducing the risk to municipalities of entering into service agreements (Bish 2016).
7. For a discussion of this, see Chadwick (2002, chap. 3).

8. There are a few exceptions. Municipalities may not opt out of general administrative functions, regulatory functions, mandatory functions (such as liquid waste management and solid waste and recyclable materials) as well as a few services such as emergency telephone and regional parks.
9. As examples, the Greater Victoria Capital RD is responsible for delivering 32 services to two or more local governments or to the entire region, including GIS, community health services, traffic safety, regional parks, a regional housing trust fund, solid waste disposal, stormwater quality management, regional emergency program, fire dispatching, arts grants, and water supply. The average number of participants per service is 8.7 municipalities out of a total of 13 in the region (Bish and McDavid 2016).
10. It is important to note that in many cases the transfers to the RDs are not of entire functions, but of activities. Thus, Robert Bish (professor emeritus, Univ. of Victoria, British Columbia, personal communication) observes that in the Capital RD, "Parks are provided by both municipalities and the RD—but the municipalities do small neighborhood ones and the RD does the large ones that attract users from a broader area." Similarly, the reservoir for water is operated by the RD, whereas some trunk lines are subregional and the distribution is a municipal responsibility.
11. This is consistent with the classic distinction made 45 years ago by Oliver Williams (1971) between systems maintenance issues, which local governments are willing to cooperate on, and lifestyle issues, which they are much less likely to do so.
12. In the Greater Victoria CRD, about two thirds of the revenue is raised through nonmunicipal sources, mostly through user charges (Bish and McDavid 2016).
13. Or, for rural areas, the amount is requisitioned from the province, which increases the provincial property tax rate for these areas by a sufficient amount to cover the costs.
14. In British Columbia, municipalities are the only local governments; there is no equivalent of a county-level government that provides services to unincorporated areas. Prior to the incorporation of the RDs in the mid- to late 1960s, services, such as policing and streets/roads, were provided directly to residents of rural unincorporated areas by the provincial government and financed by a small property tax paid by rural residents to the provincial government.
15. Tennant and Zirnhelt (1973, p. 127) observed,

The policy was not a response to immediate problems or to pressure from outside of the Department; rather, rather it was created by civil servants who sought to provide a framework for orderly development of local government in the future.

16. Prior to the development of RDs, service delivery in rural areas was the direct responsibility of the provincial government since local government institutions, such as counties, do not exist in British Columbia.
17. See Smith and Oberlander (1998) for a discussion of the single-purpose special districts that preceded RDs.

18. See Brown (1968).
19. Tennant and Zirnhelt (1973) provided an interesting discussion of the politics of the provincial legislation setting up RDs
20. Interestingly, Collier (1972) noted that part of the background work for the RD proposal included a study of single-purpose special districts in the United States. These were judged as structurally unable to cope with the problems they faced.
21. The claim that, unlike regional government, RDs do not constitute another level of government between local and provincial government appears to be a major and continuing feature of the politics of gaining and retaining support for RDs. The success of this narrative is reflected in Mayor Corrigan's (interview) comment that "We view regional cooperation as good, but we are not for a fourth level of government. That would adversely affect the competitive nature of individual local governments." However, Collier (1972, p. 34) observed,

It is difficult to argue that in actual fact they do not operate as a fourth level of government. They pass by-laws, they requisition funds (an indirect form of taxation), and they assist in the financing of certain selected services in all or portions of the region. All of these activities are directed by elected representatives and implemented by administrative staff.

22. In unincorporated areas, the province essentially sends a property tax bill to residents that imposes the tax rate on the value of their property.
23. See Mossberger and Wolman (2003), and Wolman (1992, 1993).
24. Other than school districts, which even in British Columbia continue to serve as special districts and are not part of RDs.
25. It should be noted that any effort to merge existing one or more single-purpose special districts into or with an MPSD would face both technical and political problems of how to allocate existing pension fund and debt responsibilities.

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