

Book Review

Dagney Faulk and Michael Hicks, *Local Government Consolidation in the United States*. Amherst, NY: Cambria Press, 2011.

Since the beginning of the Great Recession, state and local governments have been hard hit by revenue short-falls. Among the many causes of these short-falls are declining tax bases, especially property values and earned, reported income. Such financial woes have led to predictions of wholesale defaults on municipal (tax-free) bonds at every level. Fortunately, such defaults have not in fact occurred, although there has been an up-tick in such defaults during 2010 and 2011.

In point of fact, state and local government tax revenues as a whole have been rising of late, albeit slowly, so that various financial cut-backs, including lay-offs, diminished public services, and the like, continue to be common problems.

Amidst this stubbornly sluggish economy, the issue of consolidation of various publicly-provided services has begun to receive increased attention. As if in response to this increased interest, Dagney Faulk and Michael Hicks make an effort to empirically investigate the potential effects of local government consolidation and to provide empirical estimates of consequences resulting from select forms of such consolidation in three large geographic areas of the U.S. The book is an effort to provide insights through an overview of consolidation combined with a helpful literature review and a varied set of empirical results.

The literature review clarifies the large and growing debate regarding the extent and scope of local government. The empirical analysis begins an effort to model causes of city/county consolidation over the last four decades. The analysis provides evidence of causal factors in successful consolidation referenda.

The book then attempts to estimate potential effects of consolidation, with an emphasis on the cost of services. Two basic approaches are relied upon: (1) traditional scale economies estimation and (2) modeling of the proliferation of local governments, which they refer to as G-efficiency. The novice reader might benefit from a bit of preliminary reading to fully understand these approaches and the results presented.

In an effort to estimate the impacts of consolidation, the authors begin with construction of three geographic sample areas of the U.S. having common types of local government: states of the Southeast; states of the desert Southwest; and states of the Midwest. For each of these groupings of states, the authors estimate a variety of impacts. With this as the foundation, the authors proceed to estimate aggregate and functional area effects of consolidation. The functional areas investigated include the following: police and fire services, parks and recreation, solid waste services, financial and administrative services, public health, schools, libraries, and more.

This book provides insights into the very timely topic of consolidation. It is well written and anyone seriously interested in the topic can find value in reading it.

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