

# Fragmentation in Local & State Policymaking

Christopher B. Goodman 

cgoodman@niu.edu

School of Public & Global Affairs  
Northern Illinois University

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Northern Illinois  
University

**Who do local governments serve?**

# Two opposing views

## Creatures of the state

- Legally defined
- Corporate rights
- Top down

## Creatures of the public

- Culturally defined
- Associational rights
- Bottom up

Which side you come down on has implications for both how you view local government and how you view state intervention in local affairs.

# Before we proceed...

## A few definitions

### **Fragmentation**

The number of distinct units of local government within a given area.

### **Concentration**

The distribution of service delivery and/or revenue generation responsibilities.

### **Decentralization**

The degree to which the state has delegated authority to local governments. One end of a spectrum with centralization.

# Additionally

Fragmentation or concentration may be *horizontal* or *vertical*

- Horizontal: the number of units within the same tier of local government (e.g., the number of municipalities in a particular area)
- Vertical: the number of tiers of local government

It is possible to have a high degree of fragmentation and a high degree of concentration at the same time

- Or any other combination

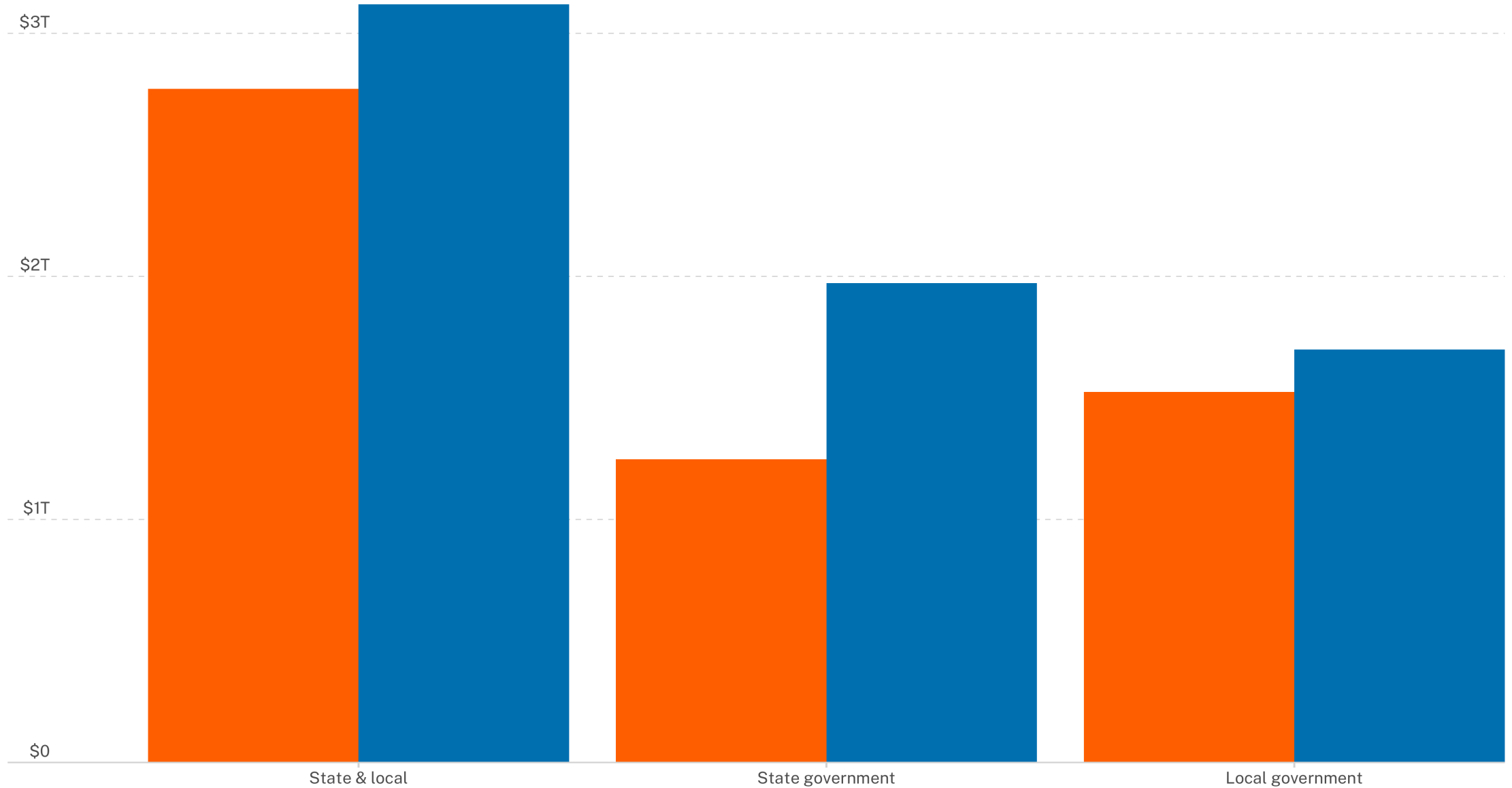
# Implications

- Much research has been conducted on the horizontal elements
  - Institutional reform vs. Public choice
- Much less work on the vertical arrangements
  - Separation of production from provision

# Centralization v. Decentralization

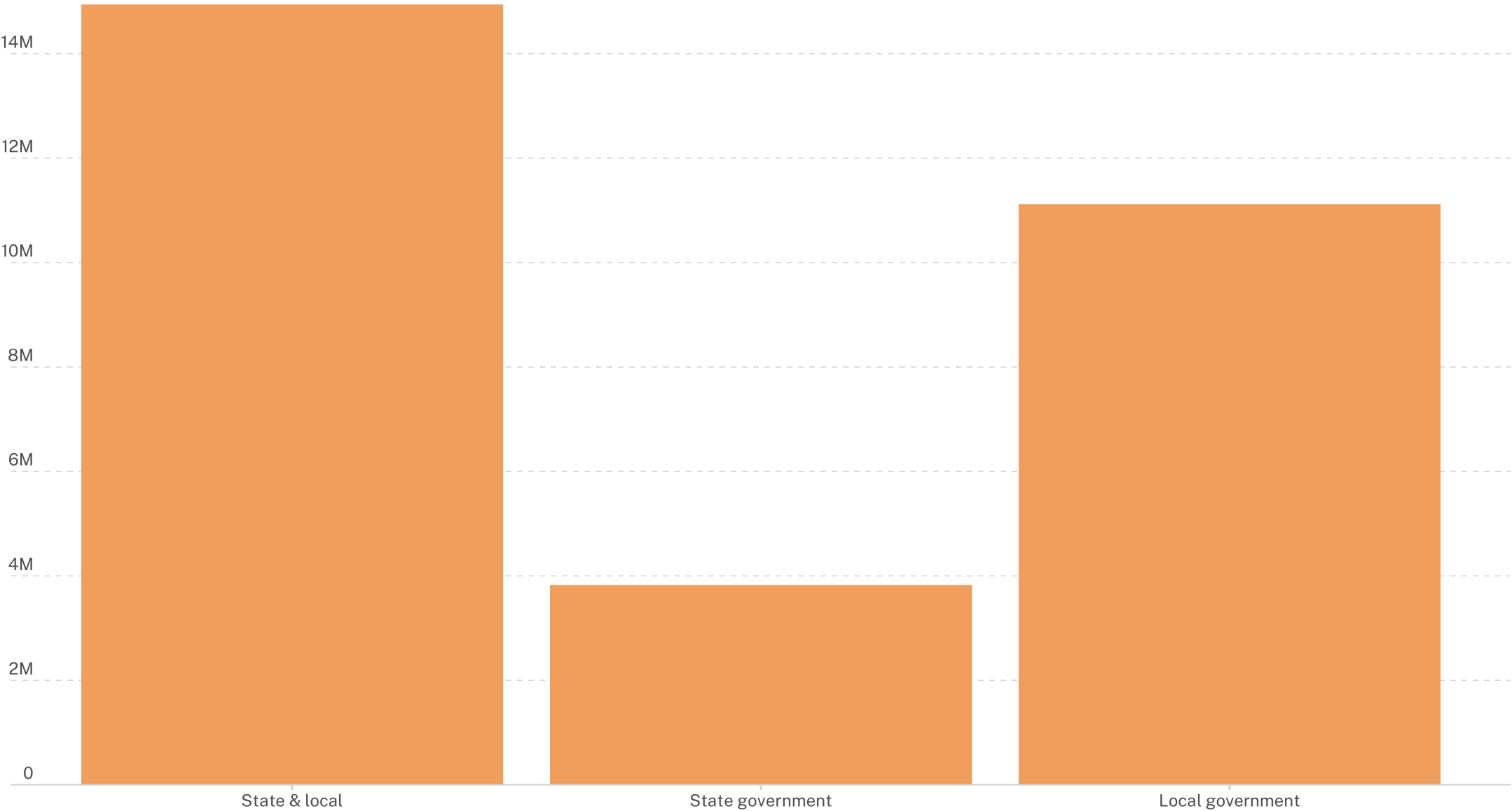
- A trend toward state centralization over time
  - Some empirical work documenting this but it varies considerably by state
  - Local practitioners report a trend toward centralization
- How does this manifest?

## Spending for current operations and general revenue by type of government, 2017

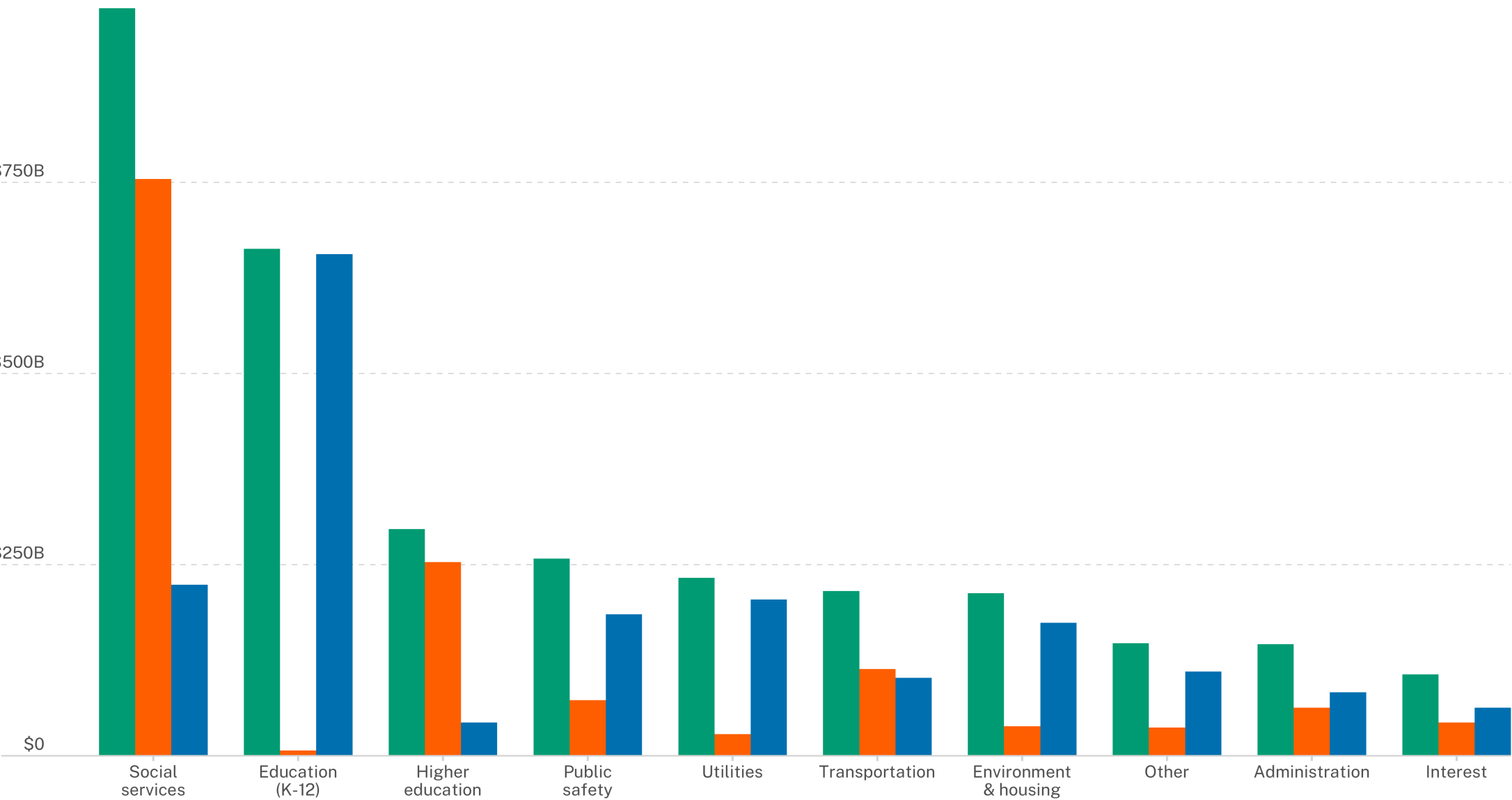




# Full-time equivalent public employment, 2022



# Expenditure categories for state & local, state and local governments, 2017



# If not in the relative size, what then?

- Regulatory space
  - States are not necessarily supplanting local service provision
  - Rather, they are regulating what can and cannot be done at the local level

## Preemption

*The use of coercive methods to substitute state priorities for local policymaking (Goodman, Hatch, and McDonald III 2021)*

# Preemption examples

- Minimum wage
- Fair scheduling
- Project labor agreements
- Prevailing wage
- Paid sick leave

*Note:* none of these are about the balance of service delivery or revenue generation between state and local governments.

# Why is this happening?

- Plenty of empirical evidence
  - Some policy domain specific explanations
  - Politics
- On a normative level, we are seeing conflict over who local governments serve
  - For many decades, the creatures of the people view prevailed
  - Now, some states are reasserting their view that local governments are creatures of the state

# Implications of preemption for local governments

- Loss of autonomy
  - Local governments exist to implement state delegated authority
  - States have the right to re-evaluate that authority at any time
  - Importantly, this is service delivery/revenue authority **and** regulatory authority
- Difficulty responding to resident demands
- Complexity in delivering services when policy implementation is full of compliance checks

# Implications of preemption for local government research

- How do we think about the previous literature on local government fragmentation and concentration when (some) states preempt away meaningful differences between local governments?
  - What value is there in a fragmented metropolis if all local governments are doing the same thing?
  - How would we identify any differentiation?

**Questions?**



# References

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