

Is One Government for Each Person Enough in Colorado?

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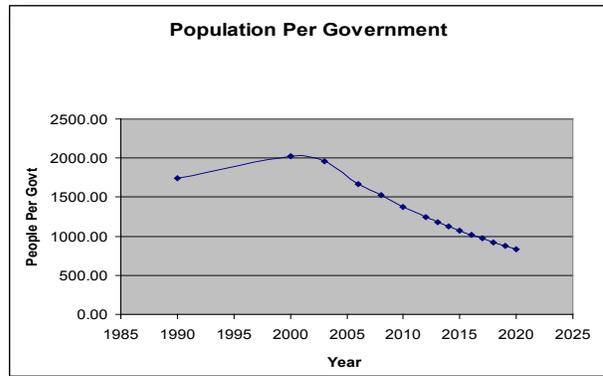
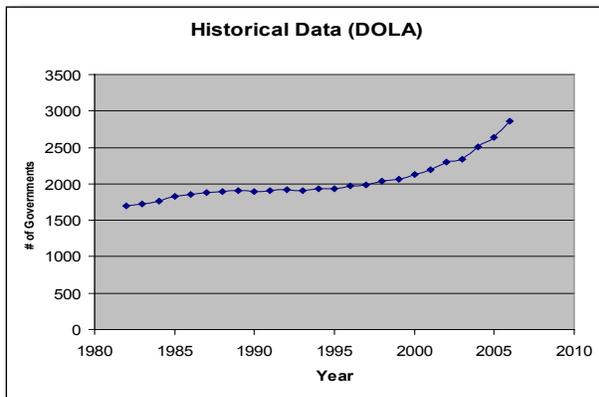
Summary

This Issue Backgrounder describes the increase in the number of governments in Colorado. It uses historical data to outline the increased rate of growth, and paints a picture of where Colorado is headed if this growth continues. Colorado is compared to other states and their growth rates using population per government as a common measure. Because the rate of growth in Colorado governments has outpaced population since 1998, Colorado has found itself adding governments at a rate faster than most other states. This is the first in a series of Backgrounders that will deal with governmental growth. The subsequent papers will explore the how and the why Colorado has experienced this increase.

The Issue

Before the end of 2007, Colorado will have over 3,000 governments. That is 3,000 entities with independent decision making on public policy and tax authority. This figure is significant in that the state eclipsed 2,000 governments in 1998. A growth rate of 40% in eight years is significant enough to raise concern about the direction of government. According to the latest information secured from the Colorado Department of Local Affairs (DOLA), growth in the number of local governments has been even more rapid. The following chart and graph represents DOLA supplied data.

| Year | # of Gov'ts | % Change |
|------|-------------|----------|
| 1982 | 1694 | NA |
| 1983 | 1729 | 2.07 |
| 1984 | 1764 | 2.02 |
| 1985 | 1829 | 3.68 |
| 1986 | 1849 | 1.09 |
| 1987 | 1875 | 1.41 |
| 1988 | 1889 | 0.75 |
| 1989 | 1903 | 0.74 |
| 1990 | 1895 | -0.42 |
| 1991 | 1902 | 0.37 |
| 1992 | 1914 | 0.63 |
| 1993 | 1909 | -0.26 |
| 1994 | 1930 | 1.10 |
| 1995 | 1930 | 0.00 |
| 1996 | 1968 | 1.97 |
| 1997 | 1986 | 0.91 |
| 1998 | 2043 | 2.87 |
| 1999 | 2069 | 1.27 |
| 2000 | 2131 | 3.00 |
| 2001 | 2195 | 3.00 |
| 2002 | 2298 | 4.69 |
| 2003 | 2340 | 1.83 |
| 2004 | 2510 | 7.26 |
| 2005 | 2640 | 5.18 |
| 2006 | 2860 | 8.33 |

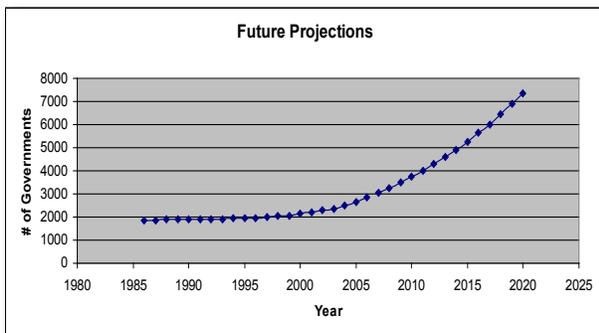


Types of Government

According to DOLA, there are now 78 types¹ of government in Colorado. These include general purpose and special purpose governments. There are two general purpose governments: city and county government. The rest are special purpose governments, which include airport authorities, fire protection districts, school districts, and others that perform specific functions.

What Does the Future Hold?

With an average growth rate of over 6.9% for the last three years, the following graph estimates how many governments Colorado is likely to have. It extrapolates the data beyond 2006, using a growth rate of 7% from 2007 to 2020 to project future growth in number of governments.



Population per Government²

The number of governments is growing faster than Colorado's population. Thus the population available to pay for each government is declining. The following graph shows the number of people per government from 1990 to a projected 2020. The information is a combination of DOLA and U.S. Census Bureau population data.

Landmark Dates

Unless the growth rate changes, 2016 is the year in which the number of governments will grow by an average of one per day. Colorado will crack 100,000 governments in 2059 and one million in 2093. At this rate, in 2161 Colorado will have as many governments as it has people.³

How Does Colorado Compare?⁴

So where does Colorado stand in relation to the rest of the country in terms of population per government? Hawaii has the most people per government with 62,245 people for each government. In contrast, North Dakota has the least, at 232 people per government. Colorado comes in 19 spots above North Dakota with 2,336 people per government as of 2002.⁵

1997 – 2002

The release of the Census of Governments in five year intervals allows a state-to-state comparison for the years between 1997 and 2002. It is important to note the trend in the number of governments each state has either created or has dispensed with in those five years. For example, 24 states decreased their number of local governments from 1997 to 2002. The most significant reduction took place in Maryland, which reduced its count of local governments by over 36%. Of the 26 states that added governments, only ten added more governments than Colorado on a percentage basis.

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Where is Colorado Headed?

Because of the increasing number of governments, Colorado's population per government has been in decline since 2002. In 2006 it stood at 1,662 people per government. According to the projection, that number will drop below 1,000 by 2017. Therefore, when the new census of government's statistics comes out in 2007, Colorado will most likely fall closer to North Dakota than Hawaii.

How Many is Enough?

There are two opposing arguments that help frame this debate. The argument for more, smaller governments are:

1. They can focus better on a more narrowly defined charge.
2. They are closer to the people.
3. They are more accountable.

Whether these three claims for smaller governments are true merits debate, but are beyond the scope of this analysis. The argument for large more encompassing government is fragmentation. Large numbers of small governments find it difficult to engender cooperation. That is, some problems, like air pollution, transcend governmental boundaries and intergovernmental cooperation may be nearly impossible to achieve voluntarily.

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Why the Growth?

Colorado must figure out how many governments is the right number for Colorado. Part of this

process should involve looking at "sunset" statutes; to find out how more of its governments can be "sunsetted," or their functions merged into other governments, or divested to private suppliers to capture economic efficiencies in services supplied. In addition, the incentives behind forming local governments must be analyzed. It is possible that the incentives are skewed in a manner that encourages the formation of government by existing business.

Conclusion

The issue appears to be one of incentives. There must be a reason why, since 1998, Colorado has

seen a growth in government that outpaces population. Most other states have not only grown government at a slower pace, but in some cases, actually reduced the amount of government. Yes, local government is a good thing. However, when the number of governments becomes overbearing, it is possible to have too much of a good thing.

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Endnotes

¹ http://www.dola.colorado.gov/dlg/local_governments/lgtypes.html

² Data can be found here: <http://cwcb.state.co.us/IWMD/pdf-Docs/Report/AppendixA.pdf>

³ With an estimated population growth rate of 2% and a governmental growth rate of 7%, the year 2161 marks where the two rates intersect.

⁴ The U.S. Census Bureau released the Census of Governments in 1997 and 2002. State comparisons come from their 2002 report along with their 2002 population statistics. The 2007 edition is not available for this paper.

⁵ The U.S. Census Bureau counting does not include every type of government, as does DOLA. For example, the DOLA count for 2002 is 2,298, whereas the Census Bureau counted 1,929. U.S. Census data is used for all state comparisons. Projections use DOLA data.