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# Regional Governance Institutions and Inter-local Cooperation for Service Delivery

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*Fragmentation of authority defines a first-order problem by creating economies of scale and positive and negative externalities in the provision of local public services. Resolving first-order problems leads to the second-order collective action problem of developing regional institutions that alter the first-order problem in a manner that improves joint outcomes. This paper investigates how regional councils of governments facilitate service cooperation by reducing transaction costs in interlocal service contracting. I focus on the role of the regional governance organizations, the characteristics of services, and political institutions while controlling for service markets and community characteristics. The results suggest that local governments in metropolitan areas can take advantage of regional governance institutions to overcome the barriers to intergovernmental service cooperation. This analysis also reports that interlocal contracting is an important service delivery arrangement for asset specific and difficult to measure services and for council manager cities and mayor council cities with a professional manager position. After discussing the limitations of these analyses, I describe follow-up work focusing on Florida metropolitan cities that address these issues.*

## Regional Governance Organizations and Inter-local Cooperation for Local Service Delivery

The idea of metropolis has confounded the study and practice of vertical federalism in the U.S. because general purpose governments do not correspond to the boundaries of metropolitan areas. Nevertheless metro areas are the units that best correspond to local economies and are also the unit best able to capture positive and negative externalities in the provision of public goods and services. Metropolitan areas have experienced higher increases in population in comparison with the nation: Between the 1950s and the mid-1990s, the population living in those areas increased from 56 percent to 80 percent; the population increase in metropolitan areas (165 percent) was more than twice that of the nation (73 percent) (Stephens and Wikstrom 2000). Accordingly, political science has turned increasing attention to the study of governments in metropolitan areas. Fragmentation of authority and the lack of regional governments have led this work to focus on issues of governance rather than governments. Issues of both intergovernmental competition and cooperation inform this inquiry.

Among the many issues linked to metropolitan governance, service delivery has captured the most scholarly attention. Much research has focused on service delivery mechanisms and contracting with external service providers, such as for-profit and nonprofits firms or other governmental authorities (Stein 1993; Greene 1996a; Lamothe and Lamothe 2006). Transaction cost explanations have been widely used to predict local governments' service delivery choices. Some scholars have focused on the relationships between service delivery choices and the transaction characteristics of local services (Brown and Potoski 2003a; Feiock, Lamothe, and Lamothe 2004; Ferris and Graddy

1986; 1994). Others have applied this approach to explain how political aspect of local governments, such as political risks and stakeholders' attitudes regarding contracting, influence the political or economic costs of specific production choices (Clingermayer and Feiock 2001; Clingermayer, Feiock, and Stream 2003; Hefetz and Warner 2004).

Much less attention has been paid to intergovernmental service delivery arrangements and the potential role of metropolitan and regional institutions in shaping the service production decisions of local units. When local governments confront common regional problems, they can pursue benefits of coordination with other local entities through regional governance organizations such as regional councils of governments or regional partnerships. The analysis reported here investigates how those regional governance organizations influence interlocal service cooperation by reducing transaction costs in interlocal service contracting. I focus on the role of the regional governance organizations, the characteristics of services, and political institutions while controlling for service markets and community characteristics.

### **Regional Governance Organizations as Regional Institutions**

Two contrasting perspectives dominate efforts to address regional problems in metropolitan areas: vertical and horizontal. The first approach argues that consolidation or centralization of authority through metropolitan or regional general purpose governments can more effectively coordinating the provision of public goods and services in metropolitan areas. This vertical approach views metropolitan governments with substantial powers as necessary to achieve efficiency, equity, and accountability within metropolitan regions (DeHoog, Lowery, and Lyons 1990; Downs 1994). These

scholars promote consolidation of existing units or state establishment of regional districts with land use powers as the most efficacious mechanisms to address regional issues (Lowery 2000).

A second approach emphasizes horizontal rather than vertical federalism, in which regional problems are addressed through intergovernmental relations among local government units and other local actors. Advocates of this approach argue that creating a unitary and centralized government in a metropolitan area may impair efficiency (Oakerson 1999; 2004; Ostrom, Tiebout, and Warren 1961). Ostrom (1990) argues in *Governing the Commons*, self-governing institutions that are adapted to specific local circumstances may provide more effective solution in coordinating action and resolving collective problems than central intervention in many circumstances.

A third approach integrates these perspectives by focusing on institutional collective action (ICA) among local government units. Local governments in metropolitan areas create regional institutions to address regional problems while maintaining their independence. These institutions, which are not governments themselves, facilitate regional governance and self governance among the underlying units. Regional governance organizations include regionally-based organizations that are comprised of local governments, such as regional councils (RCs), councils of governments (COGs), and metropolitan planning organizations (MPOs), and regional partnership organizations (Wikstrom 1977). Without being consolidated under a unitary government, local government can manage problems across jurisdictions through regional institutions. These institutions are voluntary in the sense that members participate at will and must approve the council's activities. The organization generally

has limited authority to force members to do what they do not want to do. Thus even though a formal institution has been created, its operation is heavily reliant on self organizing. The specific policy actions that regional councils take are the product of bargaining and the available mechanisms of collective choice (Gerber and Gibson 2005).

There are currently more than five hundred RCs, which are members of the National Association of Regional Councils, operating in the United States (Gerber and Gibson 2005; NARC web site). However, counting non-NARC members, there may be over 670 RCs or COGs in the U.S. (Benton-Franklin Council of Governments in Washington, <http://www.benton-franklin.cog.wa.us/about.html>). According to Beckman (1964), regional councils are “voluntary associations of elected public officials from most or all of the governments of a metropolitan area, formed to develop a consensus regarding metropolitan needs and actions to be taken in solving their problems” (in Wikstrom 1977, 16). Thus, they are multipurpose, multi-jurisdictional, and public organizations. Most were created by local governments to respond to federal and state programs, especially transportation programs, supported by grants, most of them have now been diminished or eliminated (Stephens and Wikstrom 2000). The programs focuses on issues which require regional coordination or cooperation in planning and service delivery, inclusive transportation, air and water quality, economic development, inter-community disparities, job training, housing, disaster services, and technical support ([www.narc.org](http://www.narc.org)).

### **Regional Councils and Institutional Collective Action**

Fragmentation of authority defines a first-order problem by creating economies of scale and positive and negative externalities in the provision of local public services.

Resolving these first-order problems leads to the second-order collective problem of developing regional institutions that alter the first-order problem in a manner that improves joint outcomes. Regional institutions can be mandated through consolidations or creation of regional districts by higher level governments. Regional institutions can also be the product of collective action among local government units. Voluntary second-order institutions such as regional councils provide considerable flexibility to the local authorities, which in turn permit self-organizing mechanisms such as interlocal agreements among member governments to emerge within the context imposed by the regional institution.

The service delivery choices that city governments in metropolitan areas make reflect efforts to manage the transaction costs in provision and production. Like private firms, cities can choose their own mechanisms for service provision within a range of mechanisms. They can provide services in-house; they can use external service producers such as for-profit firms or not-for-profit organizations; they also can create mixed modes such as joint contracting between them and non-governmental contractors. Another option which, despite its widespread use, has received little attention is delivery through intergovernmental contracts or interlocal agreements with other government units in the region.

Recent empirical investigations suggest that the structure of interlocal service networks influence transaction costs related to using various service delivery mechanisms (Andrew 2005; Shrestha and Feiock 2006). A missing element piece in this work is the role of regional organizations. Case studies suggest this is a significant omission. Thurmaier and Wood's (2002) study of interlocal cooperation in the Kansas City area

found that the metropolitan council of governments played the most critical role in fostering service cooperation among member governments. In other policy areas higher level institutions have been demonstrated to be important. For example, Lubell and his colleagues (2002) found collective water management efforts were more successful in estuaries included in the National Estuary Program. Within the ICA framework network relationships are important to explain contracting relations among regional governance organizations and local governments in metro areas. My research extends this framework to shed light on the network brokerage role of RCs as regional level institutions that may facilitate cooperation for service delivery among local governments in metropolitan areas.

Based on this framework the next sections examine how three factors influence the transaction costs of interlocal service agreements for delivering services in metropolitan areas: Regional governance structures and organizations, service characteristics, and political system institutions. While the last two have been gained recent attention, there has been no systematic comparative examination of the influence of regional governance and regional organizations.

### **Regional Organizations and Intergovernmental Service Contracting**

Scholz and Feiock (2007) describe interlocal service contracting and regional councils of governments as second order institutional choices that provide at least some elements of self organizing governance. We know very little about how alternative governance mechanisms interact with each other. Mullin (2007) reports that water districts substitute rather than compliment interlocal contracting for water supply. Districts with the ability to expand boundaries crowd out voluntary agreements among

local governments.

I anticipate that the governance mechanism of regional councils will complement the self organizing mechanism of interlocal service agreements because it provides critical resources that reduce the transaction costs in interlocal contracting such as information, brokerage, and social capital. Information results from interactions among members of regional organizations. Membership in a regional governance organization means members have access to similar information. If a city is a member of a RC which covers the metropolitan area where the city is located, its local officials have greater opportunity to meet and interact with officials of member governments than non-member governments.

RCs might also increase service contracting among local governments by playing the role of network brokers. This role is crucial in interorganizational network management in complex and uncertain environments. As networks develop, a role of broker to work for collective interests becomes more important (Thurmaier and Wood 2002, Provan and Milward 2001). According to Mandell (1984) and Lawless and Moore (1989), a network broker acts as an intermediary to manage sensitive interdependencies among organizations and performs many important managerial functions in networks. According to Provan and Milward (2001), the network broker is designated as a network administrative organization, and its key roles are to allocate funds, to administer networks, and to coordinate works of networks. Other important roles of the broker are to mediate and resolve conflict between or among organizations (Lawress and Moore 1989, 1177) and to mobilize member organizations to obtain a common goal while keeping the network together (Mandell 1984).

The brokerage role of regional governance organizations helps reduce transaction costs and uncertainty in contracting with another government. RCs are able to connect members with each other by assisting with transactions among them and providing resources such as funds or information (Provan and Milward 2001; Thurmaier and Wood 2002). By connecting member local governments, regional governance organizations help their member governments cooperate with reduced transaction costs.

Member cities share risk, information and resources. While maintaining repeated relationships, they can build social trust with other member local governments, which reduces uncertainty and transaction costs. As local governments establish reputations among other local governments, they are better able to select partners they can trust to share the benefits from joint agreements (Ostrom 1998). By preserving the autonomy of the actors, self-governing institutions avoid political conflicts and require consent of their members. To the extent that RCs contribute to local social capital, they provide the basis for resolving unrelated service issues among member governments. Thus I expect that *membership in regional council will increase the likelihood a local government will contract with another government for service delivery.*

It is important to separate out the influence of regional organizations from effects due primarily to geographic proximity. Local governments in a metro area may have shared interests and repeated interactions resulting from proximity even where no regional institutions exist. Cities' adoption of a service delivery mechanism of contracting with another government is likely to be influenced by the geographical density of local governments because a large number of local governments in close proximity creates opportunities for repeated interaction (Feiock, Tao and Johnson 2004; Post 2004). A large

number of governments in the region also means there are more potential local government contractors for service provision. Geographic concentrations of local governments increase the likelihood that local officials will repeatedly interact and have less concern about the risk of opportunism of other governments (Post 2004, 73). I expect that *greater geographic density of governments in the metro areas will increase the likelihood a local government will contract with another government for service delivery.*

### **Service Characteristics**

Based on the ICA framework, my explanation of interlocal service cooperation needs to account for differences in the transaction characteristics of services as well as the characteristics and political structures of institutional actors. Any exchange activity includes transaction costs (Coase 1937; Williamson 1975; 1981). Thus, a fundamental decision for all organizations is their governance structure. Williamson posits that under the limitations of bounded rationality and opportunism of human actors, organizations' select governance structures from among alternative modes – market, hybrid, and hierarchy – in order to minimize transaction costs and uncertainty (Williamson 1985; 1996). This choice will depend on characteristics of the transaction, particularly whether it involves transaction specific assets or the problems of measuring outcomes. Although this approach was developed to explain private firms' production mechanisms, it has been applied to government organizations' decision about their service production arrangements.

In deciding whether or not to cooperate with other local government for service delivery, a metropolitan city would consider characteristics of the service. If city officials

believe a service has characteristics that are not favorable for contracting with other governments, they may provide it in-house or contract with private sector organizations. The service characteristics I focus on are asset specificity and measurability. Asset specificity is a concept developed by Williamson and refers to “whether specific investments are specialized to a particular transaction” (1981: 555). In local service delivery, asset specificity is related to whether specialized investments are necessary to produce the service. According to Williamson’s transaction cost approach, it is generally assumed that local governments try to internally provide services that are highly asset-specific because there is a risk that private vendors would opportunistically exploit service contracting. At the same time, however, investments for internal provision of asset-specific services may cause inefficiency problem if local governments should spend high fixed costs at the beginning stage (Brown and Potoski, 2003a: 444). To solve both problems, cities in metropolitan areas may take advantage of neighboring governments that are believed to have less opportunistic incentives than private sector providers and have obtained more efficient service delivery facilities or experiences. Accordingly, I hypothesize that *as the asset specificity of local services increases, metropolitan cities are more likely to depend on another government in the area for service delivery.*

Service measurability also influences an organization’s decision regarding its governance structure (Williamson 1985, 1996). Service measurability refers to “how difficult it is for the contracting organization to measure the outcomes of the service, to monitor the activities required to deliver the service, or both of these” (Brown and Potoski, 2003a: 444). A service that is not easily measured might cause problems that performance of the service is not easily measured or evaluated and that a private

contractor would opportunistically exploit the contracting (Brown and Potoski, 2003a: 445). Thus, a city may prefer providing the service through internal provision to choosing contracting out. However, a city may hesitate to internally provide services that are difficult to be measured because it is also difficult for the city to know how much citizens are satisfied. In this situation, like the case of high asset-specific services, a city in a metropolitan area may simply use multiple neighboring governments that are believed to have expertise or experiences on provision of services that are difficult to measure. The hypothesis regarding service measurability is: *The degree of difficulty of measuring service outcomes will increase the likelihood a local government will contract with another government for service delivery.*

### **Political Institutions**

Form of government has been linked to local government decisions to cooperation with other local governments and decisions to engage in service contracts in which a neighboring government is the contractor. In examining economic development joint ventures, the political incentives of elected mayors led to more cooperative agreements. This is in contrast to the service agreement literature which finds cities with council-manager form of government more open to interlocal agreements for two reasons. First, under the council-manager form of government there are fewer high power political incentives to produce in-house or reward campaign supporters with service contracts (Clingermayer and Feiock 2001; Feiock, Jeong, and Kim 2003; Frant 1996). Second, city managers who are professionals in city administration are more likely to be interested in reinvention or innovation of city services and are more likely to try to provide services

through non traditional alternatives such as contracting with other governments. Based on these arguments I hypothesized that *Council-manager form of government will increase the likelihood a local government will contract with another government for service delivery.*

In communities with other government forms (primarily the mayor council form of government) some rely entirely on elected executive leaders, while others employ an appointed professional manager. The “conciliated” form of government, in which a professional manager works side by side with a strong elected mayor, has gained increased favor (Frederickson and Johnson 2001). When non-council manager governments employ professional managers, the resulting combination of political and managerial incentives for interlocal cooperation may lead to increased use of intergovernmental service contracts. I hypothesize *that non council manager form of government with an appointed manager position will increase the likelihood a local government will contract with another government for service delivery.*

Although focused primarily on regional governance organizations, service characteristics, and political institutions, the analysis also accounts for competition in service markets and community characteristics. I include the number of nonprofit organizations and private firms in areas where each metropolitan city is located. I also account for economic and demographic characteristics of a city including revenue, income level, population, and homogeneity that have been linked to ICA (Feiock 2007).

## **Data and Method**

Information on interlocal service contracting was derived from the 1997 and 2002

surveys “Profile of Local Government Service Delivery Choices” conducted by the International City and County Management Association (ICMA). These sources provide data about service delivery mechanisms for 65 and 67 services by individual local governments, respectively. I rely on the 2000 Census to acquire community characteristics data and the number of private firms. The data for the form of government and the chief appointed manager system are taken from the ICMA’s 2002 local service delivery survey and the 1996 and 2001 Municipal Form of Government Surveys supplemented by online searches. The number of nonprofit organizations is drawn from the National Center for Charitable Statistics (NCCS). Information on membership in regional councils was taken from web sites of the NARC as well as each member council. While regional level data, such as operation of RCs at the state level and land area of each RC, are drawn from the NARC web site’s clearinghouse section based on March 2006, specific information for RCs is obtained from each regional council’s web site.<sup>1</sup>

This paper includes in the analysis the 364 metropolitan cities among the 545 local governments which responded to both 1997 and 2002 ICMA local service delivery surveys. It also examines the 64 services that are surveyed in both years. Accordingly, the unit of analysis in this research is a service for each city. I identified all the services that were newly provided in 2002 to examine whether above mentioned factors influence the adoption of cooperative intergovernmental delivery arrangements. In five states (CT, DE, MA, ME, NH), the NARC does not provide systematic information on regional councils and their memberships, and, thus observations in these state can not be included.<sup>2</sup>

My hypotheses are tested with two steps of analysis. First, I conduct logistic

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<sup>1</sup> The NARC is currently updating its web site and the information section is not available as of 6/15/07.

<sup>2</sup> The final possible number of metropolitan city services included is 1,683.

regression analysis. The dependent variable is the adoption of interlocal contracting between 1997 and 2002. If a service not provided in 1997 was delivered intergovernmentally in 2002, it is coded one. Otherwise, it is given the value of zero. Second, multinomial logit analysis is also conducted to capture the comparative influence of independent variables mentioned below on the adoption of interlocal contracting. In this analysis, I focus on three groups of service delivery mechanisms, the exclusive in-house provision, the use of private sector providers of for-profit and not-for-profit organizations, and the use of another government while excluding mixed production arrangements.<sup>3</sup> In both analyses, standard errors are clustered by cities.

To examine the relationship between regional councils and service delivery I measure whether or not a city is a member of a regional council. With regard to the membership variable, when a RC's web sites provide a specific list of local member governments, the dummy values are easily acquired. In some instances only the county member are listed, in these cases cities within the counties' jurisdictions are considered as RCs' member governments because in these cases counties are supposed to serve their whole area. When cities are members of RCs, "1" is coded for this variable. For the non-member cities, "0" is given.

Geographic proximity is measured by the number of member local governments per 1000 square miles of land area. The number of member governments is acquired by dividing the total number of member local governments by land area per 1000 square miles. When a city is not member of a RC, it has the value of 0.

For service characteristics, Brown and Potoski's (2003a) average asset specificity

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<sup>3</sup> Among all the possible observations, 1,044 services were newly provided through one of these three categories. Specifically, the numbers of services provided through exclusive in-house, another government, and nonprofits/for-profits are 512, 281, and 251, respectively.

and service measurability ratings, which have values scaled from 1 to 5, are used. To measure these service characteristics, they acquired the average ratings through surveying seventy-five city managers and mayors randomly selected across the country. Higher values show that the service has characteristics more asset specific or more difficult to measure (Brown and Potoski 2003a). Among 64 local service categories surveyed in both years, asset specificity and measurability values of 63 service types are provided by Brown and Potoski.

This paper distinguishes between three forms of government. Council manager form of government, non-council manager (primarily mayor council) with out a manager and non council manager forms with an appointed manager. Two dummy variables are included for council manager form of government and mayor for with an appointed manager. The omitted base category is non council manager government without an appointed manager.

To control for service market characteristics, the numbers of nonprofit organizations as well as private firms are acquired at the county level because city-based data for them are not available. Natural log is taken on the total number of those nonprofits and for-profits. For community characteristic variables, the population, the proportion of revenue from own sources, the proportion of non-Hispanic white residents, and the median household income of citizens a city are used for the analysis. Population and median household income have natural logged values. Table 1 shows the descriptive statistics for dependent and all independent variables for the logit analysis.

(Table 1 here)

## **Results of the Analyses**

Table 2 reports the results of the logit analysis of the impact of regional governance organizations on metropolitan cities' use of interlocal cooperation for local service delivery. I report strong support for the relationship between regional institutions and interlocal contracting. Consistent with my hypothesis, membership of RCs increases the likelihood that metropolitan cities cooperate with other local governments to provide their local services. This influence of regional councils is present even controlling for the geographic proximity of member governments. The number of governments does not have statistically significant impact on interlocal contracting. This suggests that the strong relationship between the density of governments and interlocal agreements reported in the literature may be due to regional organizations, not proximity (Post 2004).

(Table 2 here)

The positively significant relationships between service characteristics and interlocal contracting support my hypothesis that services which are not easily managed are more likely to be provided through interlocal cooperation. For local services that are asset specific and difficult to measure, cities in metropolitan areas tend to use other governments' expertise and experiences.

With regard to political institutions, the relationship between the council-manager form of government and interlocal contracting is not statistically significant. However, consistent with my hypothesis, interlocal service contracting is more likely adopted in nonreformed with an appointed chief administrator. This result suggests that the presence of appointed managers, including chief administrative managers in mayor-council

government enhance cooperation. Interlocal agreements are most likely in communities in which mayors and managers share executive power.

A service market variable does not have statistically significant relationships with the use of interlocal contracting for local service delivery. This result indicates that when metropolitan cities enter into cooperation with other local governments for service delivery, they are less likely to be influenced by private sector organizations. Whether or not they have many potential private providers, the cities seem to less critically consider the numbers of those organizations in their county areas when they enter into interlocal contracting.

Two economic characteristics of each metropolitan city, median household income and proportion of revenue from own sources, do not influence the decisions on cooperation with other local governments for service delivery. However, two demographic characteristics, population and proportion of white residents, decrease the likelihood that other governments are selected as service providers in the city. These results indicate that larger cities may have alternatives to provide local services besides cooperating with other local governments and that more homogeneous cities may not have diverse citizen demands for services that are likely to be better addressed by other jurisdictions.

The results of the multinomial logit analysis are shown in Table 3. This table indicates the relative likelihood of interlocal cooperation versus exclusive in-house and private providers excluding any mixed mode of service delivery among them as well as between one of the three and any other mechanisms that are not included into this research. The positive and significant coefficients of RC membership in both columns

again provides strong support that interlocal cooperation is preferred to exclusive in-house provision and contracting with private sector organizations in metropolitan cities that are members of RCs. The number of member local governments is again not significant.

(Table 3 here)

While service measurability does not make significant differences in two comparisons, for more asset specific services interlocal contracting is preferred to exclusive internal provision and use of private service providers such as nonprofit organizations and profit firms. Even though both service characteristics are important when metropolitan cities adopt a mechanism of contracting with another government, asset specificity tends to be more importantly considered when the cities compare interlocal contracting and two other alternatives.

The insignificant political institution variables suggest that both council-manager and chief appointed manager systems do not influence city governments' preference among three service delivery mechanisms.

The service market characteristic measured through the number of private firms and nonprofit organizations shows different influences in both comparisons. The number of potential non-governmental service providers is not significant in the comparison between use of another government and in-house production. When metropolitan cities compare between two alternatives of another government and private sector, cities with larger private service market are likely to prefer nonprofit organizations or private firms to another government.

Whereas economic variables of metropolitan cities, median household income and

the proportion of revenue from own sources, are not significant in both columns, population and demographic homogeneity increase the likelihood that cities prefer exclusive in-house provision and contracting with the private sector to interlocal contracting. Larger cities may have incentives to use their own service delivery capacity and private providers within their jurisdictions rather than other local governments. Cities with higher homogeneity seem to consider exclusive internal provision and using private organizations in their jurisdictions are more favorable than interlocal contracting in satisfying relatively homogeneous service demands.

## **Discussion**

Governance of the metropolis presents challenges for both vertical and horizontal federalism. I argue that institutional collective action (ICA) integrates these perspectives by explaining the complimentary roles of regional governance institutions such as RCs and intergovernmental contracting among local government units.

While local service delivery has been of main interest of scholars of metropolitan governance, less attention has been paid to the influence of regional institutional arrangements on local governments' decisions on local service provision. This paper shows that regional level institutions may play a crucial role in that they enable local governments to cooperate with each other by reducing transaction costs and uncertainty in addressing regional issues by facilitating cooperation among local governments in metro areas. In this paper, I investigated how regional governance organizations as regional institutions influence interlocal cooperation for local service delivery through logit and multinomial logit analyses.

RC members actively use interlocal cooperation for their local service provision and prefer interlocal contracting to exclusive internal provision and contracting with private sector providers. RCs provide their member cities with the action arena or policy space where those cities come together, communicate their preferences, and engage in joint actions. The brokerage role of RCs helps local governments make continuous relationships with other local governments possible and build mutual trust and reputation among them. Based on these processes, governance capacity is enhanced and coordinated across the metropolitan area.

In addition to regional governance organizations, service characteristics are also important. Services that are more asset specific and more difficult to measure tend to be provided through interlocal cooperation in metro areas. Among control variables, population size and the proportion of non-Hispanic white residents decrease the use of interlocal contracting.

The finding that RCs' play of an important role in facilitating interlocal service cooperation has potentially important implications. Additional regional organization research is being undertaken to address several limitations of this analysis. First, there may be measurement error in the coding of cities as RC members based on county membership. Second, a simple indicator of membership does not capture variation in the level of participation by local governments. Third, this analysis does not take into account variation in the scope of activity among regional organizations. Although local governments are assumed to be able to collectively address a variety of issues based on their meeting with other local governments, they are likely to more cooperate for issues where their regional organizations are more involved. Fourth, interlocal cooperation for

solving regional problems is likely to be influenced by multiple types of regional organizations. While RCs are assumed to be the most general and popular regional level collective action institution, there are other types of regional organizations, such as metropolitan planning organizations, and regional partnerships, with their own focal areas. The influence of those different regional organizations on interlocal cooperation needs to be analyzed collectively as well as individually.

The next step in my research extends this framework to examine a broader set of regional organizations in Florida. The first project will investigate relationships between the presence and activities of various types of regional organizations and interlocal service contracting/interlocal agreements. For this analysis, I focus on Regional Planning Councils, Metropolitan Planning Organizations, Water Management Districts, and Regional Partnerships in Florida metropolitan areas.

The next project investigates interlocal cooperation in growth management and land use decisions. A recently completed survey of cities and counties in Florida provides data on interlocal cooperation in land use and site review for development permitting. The key regional actor on growth issues in Florida are regional planning councils (RPCs). For both projects, surveys will be implanted to obtain specific data on each regional organization's activities and resources and the level of participation by member governments. Three separate indicators of interlocal cooperation among Florida cities will be used in these studies: intergovernmental contracts reported in the 2002 Government Census; a measure of interlocal cooperation in land use permitting derived from 2006 survey conducted by the DeVoe Moore Center at Florida State University, and interlocal agreements data reported to the Florida Department of Community Affairs.

These projects should provide more systematic evidence regarding the role of regional organization in fostering regional cooperation.

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Table 1. Descriptive Statistics

Variable	Mean	Std. Dev.	Min	Max
Adoption of contracting with another government	.262	.440	0	1
Membership	.897	.303	0	1
Number of member governments (per 1000 square miles)	18.449	24.309	0	88.765
Asset specificity	3.131	.641	1.75	4.22
Measurability	2.690	.559	1.53	4.29
Council-manager form	.809	.392	0	1
Non council manager form with appointed manager	.104	.305	0	1
Number of nonprofits and private firms (county level, ln)	9.978	1.451	6.759	12.327
Population (ln)	10.782	1.338	8.631	15.122
Proportion of revenue from own sources	.852	.094	.523	1
Median household income (ln)	10.748	.361	9.753	11.919
Proportion of white residents	.645	.236	.092	.986

Note: N = 1220.

Table 2. Adoption of Contracting with another Government: Logit Analysis

Variables	Coefficient	Robust Standard Error
Membership	1.494***	.436
Number of member governments	-.003	.006
Asset specificity	.856***	.145
Service measurability	.303**	.129
Council-manager form	1.495**	.634
Non council manager form with appointed manager	2.048***	.701
Number of nonprofits and private firms	-.029	.106
Proportion of revenue from own sources	-1.194	1.266
Median household income	-.142	.530
Population	-.429***	.136
Proportion of white residents	-1.553***	.533
Constant	.958	5.220
N	1220	
$\chi^2$	105.80	
Pseudo R <sup>2</sup>	0.15***	
Log Likelihood	-598.752	

Note: \*p<.1, \*\*p<.05, \*\*\*p<.01. Results are obtained through z statistics based on robust standard errors, clustered by city.

Table 3. Comparisons among Service Delivery Mechanisms: Multinomial Logit Analysis

Variables	Another government vs. In-house		Another government vs. Private sector	
	Coefficient	Robust Std. Err.	Coefficient	Robust Std. Err.
Membership	1.392**	.578	1.618***	.503
Number of member governments	-.001	.006	-.007	.005
Asset specificity	1.242***	.206	.871***	.232
Service measurability	.026	.205	-.018	.275
Council-manager form	1.311	.858	.480	.819
Non council manager form with appointed manager	1.336	.940	.879	.838
Number of nonprofits and private firms	-.130	.126	-.260***	.091
Proportion of revenue from own sources	.275	1.452	-.022	1.150
Median household income	-.128	.571	.023	.421
Population	-.673***	.174	-.207*	.124
Proportion of white residents	-2.345***	.623	-1.653***	.515
Constant	3.900	6.010	.840	4.421
N	742			
$\chi^2$	133.27			
Pseudo R <sup>2</sup>	.129***			
Log Likelihood	-681.347			

Note: \*p<.1, \*\*p<.05, \*\*\*p<.01. Results are obtained through z statistics based on robust standard errors, clustered by city.