PARTNERSHIPS: Government Partnerships

Category: Miscellaneous
Jurisdiction:
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Government Partnerships

Over the years federal, state and local governments have used partnerships as a way to plan and implement programs and deliver services. Partnerships have been formed between various levels of government, different agencies at the same level of government as well as between government and private for-profit and non-profit organizations. As economic resources began to declined in the 1980s, governments% use of partnerships began to increase and become more innovative. Partnerships have been formed for a variety of reasons including: sharing valuable resources such as money, manpower, energy and other natural resources; taking advantage of others' expertise and/or technology; sharing and/or reducing the level of risk and liability; and avoiding duplication of effort.

Successful partnerships have been formed at all levels of government, for almost every purpose. Examples are discussed below.

PUBLIC-PRIVATE PARTNERSHIPS

Partnerships between government agencies and private for-profit and non-profit organizations have proven to be an effective tool for planning and implementing programs. Public-private partnerships have been working effectively for many years. Susan and Norma Fainstein in their research of "Public-Private Partnerships for Urban (Re) Development in the United States" note that the original federal urban renewal legislation in 1949 provided for locally operated redevelopment authorities (public agencies) to acquire land using powers of eminent domain and then to sell the land at a reduced price to private corporations for development.

As economic growth has slowed and government resources have become more limited, public-private partnerships have formed to undertake projects that had previously been funded by the federal government. The Fainsteins% research indicates that during the years when Ronald Reagan was president, the federal government began a policy of decentralization and deregulation. Funding for many categorical entitlement urban development and social service programs was eliminated and block grants were provided to states and localities to be used at their discretion. At that time, the Fainsteins report, the use of public-private partnerships changed in nature. Private for-profit and not-for profit corporations began to negotiate partnerships undertaking economic development and affordable housing rehabilitation and construction projects in exchange for tax incentives, subsidies, or future profits.

With the end of War on Poverty programs such as the Comprehensive Employment Training Act (CETA), for-profit and non-profit organizations began to work with local governments not only on infrastructure, economic development and housing projects, but also on social service, health, crime prevention and job training projects.

Corporations have established foundations and made corporate donations as a way of projecting a caring, community-spirited image. This serves as an advertizing tool, often softening a harsher public image of the industry, at the same time it achieves a public good. For example, in the early 1990s, the alcoholic beverage industry, in response to charges that they were directly responsible and possibly could be held liable for the deaths caused by drunk drivers, joined with organizations like the National League of Cities to fund the development and implementation of multi-media campaigns to warn against driving under the influence of alcohol. Through the Century Council, a consortium of alcoholic beverage producers, the industry worked with local elected officials supplying educational literature, filming public service announcements and publicizing local drunk driving initiatives.

In Toledo, Ohio, the city sought the expertise of private for-profit energy equipment companies. The companies installed energy saving devices at their own expense in government facilities. The government, in exchange, shared the energy cost savings realized by the government as a result of the new technology. The private companies accepted the risk of any increase in energy costs in exchange for being able to test and showcase their products in a real-life situation. The government program saved the city

$19 million dollars between 1985 and 1994. The companies not only earned their share of the energy cost savings but also learned valuable information that helped in development and marketing of new technologies.

The tax revolts of the 1980s led state and local governments to look for other ways of funding public projects, especially those mechanisms that do not require increasing public debt. In 1989, the California Department of Transportation (CALTRANS) invited private companies to bid on building and operating toll roads in heavily traveled areas of the state. Four consortia negotiated 35-year build-transfer-operate franchises. In exchange for the opportunity to earn a profit from income from the tolls and air rights, the private companies agreed to accept the financial risks associated with assembling the real estate, building and operating the toll roads.

INTERGOVERNMENTAL PARTNERSHIPS

Examples of partnerships between government agencies are abundant. The federal Environmental Protection Agency and the corresponding Texas state office are working together to allow flexible application of federal pesticide regulations. Local farmers benefit from having regulations developed specifically for their locality, that do not require costly and unnecessary actions not applicable to local conditions.

Partnerships between various agencies within the same level of government have reduced duplication of effort and streamlined processes for consumers. One example is the Fairfax County, Virginia, Child Sexual Assault Response Team. A partnership between the Child Protective Services division of Social Services, the Commonwealth%s Attorney%s Office and Fairfax County Hospital provides for team investigation of child sexual abuse cases. The partnership has increased the thoroughness of investigations thereby reducing the number of appeals and associated court costs. In addition, the single investigation by the Response Team in a child friendly environment reduces the trauma for the abused child.

INTERGOVERNMENTAL -- REGIONAL PARTNERSHIPS

Regional partnerships have been developed among state and local governments to provide services jointly, transfer functions from one level of local government to another, (i.e., town to city or county), purchase services or natural resources, protect the environment, or otherwise accomplish mutually beneficial goals in a collaborative manner.

In 1983, the state governments of Virginia, Maryland, and Pennsylvania, the District of

Columbia and the federal Environmental Protection Agency signed an agreement to plan and implement strategies to protect the Chesapeake Bay from pollution. The members of the agreement work together reviewing proposed development, manufacturing, waste disposal, water use, fishing, agricultural, and recreational activities from each locality to determine their potential impact on the Bay. This coordinated effort consistently keeps the participants aware how the activities of one locality along the Bay impact others so that when necessary, alternative solutions may be developed before pollution occurs.

In Connecticut after a person drowned in the Farmington River, police departments in six towns recognized the need for a scuba-diving team to improve safety on the local waterways. Rather than starting six separate teams, the police departments pooled their resources, contributing $1,000 for the purchase of equipment and training for thirteen officers from each towns police force. Another $9,000 was contributed by the Northeast Utility Company which owns land along the Farmington River. In addition to the regional scuba-diving team, the towns of Bloomfield, Avon, Canton, Granby, Simsbury and Windsor have a regional SWAT team and narcotics squad.

INTERGOVERNMENTAL -- INTERLOCAL REVENUE SHARING

Local governments are continually searching for new ways to pay for service delivery without raising tax rates. One mechanism used is "revenue sharing" between two or more local governments. Roger S. Richman and W.H. Wilkinson with the Virginia Commission on Local Government have worked closely on the negotiation of interlocal revenue sharing agreements in Virginia and have studied similar agreements in other states. In the "Interlocal Revenue Sharing" issue of "Issues & Options", Richman and Wilkinson discuss the agreement that exists between the City of Charlottesville and Albemarle County. The city of Charlottesville, Virginia is the location of the University of Virginia. In the 1980s Albemarle County which surrounds the city was experiencing substantial population growth in the areas directly adjacent to the City while the city was declining in population growth and real property value. Charlottesville officials were considering annexing those flourishing sections of the County in an effort to regain the tax base necessary for maintaining the quality of its public services. In order to avoid annexation the county negotiated an agreement to share tax revenues in exchange for Charlottesville agreeing to waive its authority to initiate annexation proceedings against the County. Each jurisdiction contributes annually to a fund the amount equivalent to $.37 per $100 of assessed value of all taxable real property. A formula that considers the relative populations and tax efforts of the jurisdiction is used to determine annual disbursements of the funds. In the years following the agreement the city has benefitted from increased revenue due to the growth of the county. In addition, the county has not been constrained from approving new development near the city borders because it no longer fears annexation.

Research by Richman and Wilkinson on other revenue sharing agreements in the United States includes information on the state in Minnesota whose legislation passed the Fiscal Disparities Act in 1971. Using this authorizing legislation, the Minnesota Metropolitan Revenue Distribution Act was enacted which established a tax base sharing system by which the jurisdictions in the seven-county area around Minneapolis-St Paul area agreed to share in the collective growth of commercial and industrial property values experienced by the jurisdictions. The agreement has reduced the disparity in fiscal resources of the jurisdictions in the region.

Entries in the database provide further information on cases cited above and additional partnership examples. Contact information is included with each example.

For further information see:

- **Case Studies**
- **Annotated Bibliography**

This introduction was prepared by Gail Jackson, consultant. Jackson served as manager of the National League of Cities' Municipal Reference Service and Managing Editor of "Issues and Options: Practical Ideas for Local Government Leaders" from 1991-1994.

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