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CENTER FOR GOVERNMENTAL STUDIES Northern Illinois University

issue: *Too Many Governments in Illinois? What is the Impact on Townships?*

by Shannon N. Sohl and James M. Banovetz

- *Illinois has at least 35 percent more local governments than any other state in the nation and 265 percent more than the average for the six Midwestern states bordering it.*
- *Illinois' large number of governments helps make Illinois' property taxes the second highest in the nation and obscures the activities of many of those governments from public view.*
- *Township services can be provided by county and municipal governments.*
- *Township programs serving veterans, the elderly, and the young would be hard to replace.*
- *Township consolidation would ease the state's heavy property tax burden.*
- *Township consolidation would eliminate jobs in areas already suffering high unemployment and population decline.*
- *The just completed consolidation of the City and Town of Evanston is expected to save local taxpayers over \$500,000 annually.*

Editor's Note: This *Policy Profiles* provides an update on an age-old issue afflicting Illinois local governments: compared to other states, and even after major reductions in the number of school districts, there **are still too many local governments in Illinois**. But a breakthrough of sorts has occurred in Evanston. Herein is a summary of where Illinois now stands on this problem.

- Illinois has 6,963 units of local government, at least 35 percent more such governments than are found in any other state.
- Far fewer than one percent of Illinois voters can name all of the governments providing services to their residential location.
- Illinois voters have created so many local governments because they have always had a deep seated distrust of all governments.

The United States Census Bureau (6,963) and the Illinois Comptroller's Office (8,466) disagree about the number of local governments in Illinois, but it is clear that Illinois has far more units of local government than any other state in the United States.^a

The result of so many governments is chaos, at least for voters: the Village of Glenview in Cook County, for example, can be divided into more than 80 different parcels of land, each served by a different combination of local governments. In most Illinois communities, there is literally no chance that a typical voter could name all the local governments servicing that voter's personal residence.

This system literally evolved over time because of general, widespread voter distrust of the state's governments. Historically, Illinois residents have been reluctant to give broad powers of taxation to any government. When the public demand for government services in a community exceeded the community's taxing capacity, residents typically found it preferable to create new governments, with new but also very limited taxing powers, to provide the needed specific service. (See **Figure 1** on the next page.) Following this logic, over 25 percent of the state's cities and villages established special districts to deliver

^aThe Illinois Comptroller's count of local governments in Illinois as of August 2013 was 8,466 (See State of Illinois Comptroller, "Types of Local Governments in Illinois," 2013). The U.S. Census Bureau had reported similar numbers for Illinois in previous years, but changed its definition of local governments for its 2012 Census of Governments, deleting 1,396 local road and bridge districts from the Illinois total. Even that major deletion left Illinois far ahead of any other state.

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Figure 1: The History of Illinois' Distrust of Government

- Illinois' distrust of government dates back to the 1870's when Chicago began to grow exponentially as immigrants came to work in its expanding factories and stockyards. Like other big cities of the time, Chicago's government created a political machine to help assimilate immigrants and expedite its growth. Along with machine politics came enormous corruption which, in Illinois, rapidly spread to the state government and to some local governments.
- Middle class opposition to this corruption led to the formation of Chicago's suburbs which attempted to operate with a good government political culture built on reforms recommended by what was then called the National Municipal League and is now known as the National Civic League.
- The rapid spread of the council manager form of local government in Illinois after 1954 was a consequence of the distrust which Illinois residents have had of the state's more traditional, corrupted political culture. A number of Illinois counties have also adopted a version of that same form of government which is based on the use of trained, professional, non-political administrative officers.
- Despite reform efforts, Illinois is still considered by most observers to have one of the nation's most corrupt political systems. After the massive corruption uncovered in the City Treasurer's Office in Dixon in 2012, that community quickly hired a professional city manager to clean up its affairs.

library services and a similar number established separate park districts. Over 800 local communities established separate fire protection districts. In all, the number of such districts that were created in this fashion numbers in the thousands. At the time of establishment, each such district made sense locally and was supported by local leaders and citizens.

This strategy for limiting government was used over and over, not just by different communities, but often by the same communities. The result: like Glenview, most Illinois communities are governed by a crazy-quilt patchwork of local governments, many of which are almost invisible to local voters.

How excessive is Illinois' local government system?

According to the Illinois Comptroller's office, which keeps the State's official records on local governments, as of March 2013 there were 45 different types of local governments in the state of Illinois comprising **a total of 8,466 local governmental units**. Using Census Bureau numbers, **Figure 2** (on the next page) compares the number of Illinois local governments, first, with the number of governments in the other four states having the largest number of such governments, and, second, with the number of such governments in the Midwestern states bordering on Illinois. The numbers in Figure 2 show that:

1. Illinois has approximately 35 percent more units of local government than

Texas, the state with the second largest number of governments;

2. Illinois has approximately 50 percent more units of local government than the average number of such governments in the four next largest states;
3. Illinois has approximately 165 percent more units of local government than the average number in the six Midwestern states on its borders.
4. Illinois has nearly twice as many units of local government as Missouri which is the Midwestern state bordering Illinois with the second largest number of such governments.

Clearly, the number of local governments in Illinois is not only very large, but it is well beyond the number of such governments used in other states.

Is this a problem?

Opinions are mixed on whether having so many governments is a problem. The Illinois Policy Institute, a private, "Good Government" research organization, has found that:

*Illinois has the most units of local government of any state in the country... The result is higher costs for Illinoisans. Local government is primarily financed through local property taxes, and **Illinois' high number of governments contributes to the state having the second highest property tax rates in the nation.** (Emphasis added.)*

Multiple layers of government also make it harder for citizens to participate actively in the democratic process, which can lead to public corruption. Illinois is the third-most-corrupt state in the country.¹

Figure 2: Number of Local Governments by State

A. Number of Governments in the Five States with the Most Local Governments

State	Local Governments
Illinois	6,963
Texas	5,147
Pennsylvania	4,897
California	4,425
Kansas	3,826

B. Illinois Local Governments Compared to its Neighbors

Illinois	6,963
Missouri	3,768
Wisconsin	3,128
Michigan	2,875
Indiana	2,709
Iowa	1,947
Kentucky	1,338

Source: U.S. Census of Governments. Adapted from Illinois Policy Institute Research Report, November 2013

On the other hand, in a recent *Policy Profiles*, “Local Government Structure and Public Expenditures in Illinois: Does Governmental Structure Matter?” Norman Walzer and Bethany Burns examined the multiplicity of local governments in Illinois and the effects of governmental structure on financing public services.² They reported that more governments per 10,000 residents does not necessarily lead to higher per capita expenditures. Likewise, counties with more governmental decentralization did not have higher expenditure growth between 1997 and 2007.

Costs aside, critics of Illinois’ existing local governmental system have also questioned whether having so many units of local government does not result in duplication of services, failure to realize economies of scale, and inefficiencies in service delivery. Such boundary overlapping also adversely affects the accountability and transparency of the governments involved.³

Regardless, voter control of local governments is obviously impaired when there are so many local governments that the vast majority of voters are unaware of their existence. If voters are unaware of what governments are serving them, the ultimate purpose of democratic government is not being fully realized.

Can Illinois’ local government system be simplified?

Government reform groups have urged reductions in the number of local governments for years, but with very little success. For a variety of reasons, politicians like the current system. A further complication is the assignment of responsibility for the repayment of the outstanding bonded indebtedness owed by governments recommended for consolidation or elimination.

By offering counties, cities, and villages an optional home rule system with more flexible powers, the 1970 Illinois Constitution attempted to slow the creation of new governmental units. But the problems posed by the large number of local governments already in existence were not addressed in the convention.

Much progress has been made in recent years consolidating local school districts. Once numbered in the thousands, the number of school districts in Illinois had been reduced to 867 by 2013. But the school consolidation process cannot be readily applied to other kinds of local governments.

Are there other ways of reducing the number of governments?

Consolidating governments has been suggested as a means of eliminating duplication of services and moving toward leaner, more cost effective government systems. This led the Illinois General Assembly, in 2002, to create The Local Government Consolidation Commission which recommended in its 2005 report that Illinois provide incentives to local governments “to centralize and consolidate services now delivered by separate taxing bodies within a region.” Little action has been taken.

Any effort to consolidate governments or otherwise change the structure of government faces a myriad of political and technical issues. But there is new hope that some consolidation involving township governments may be on the horizon.

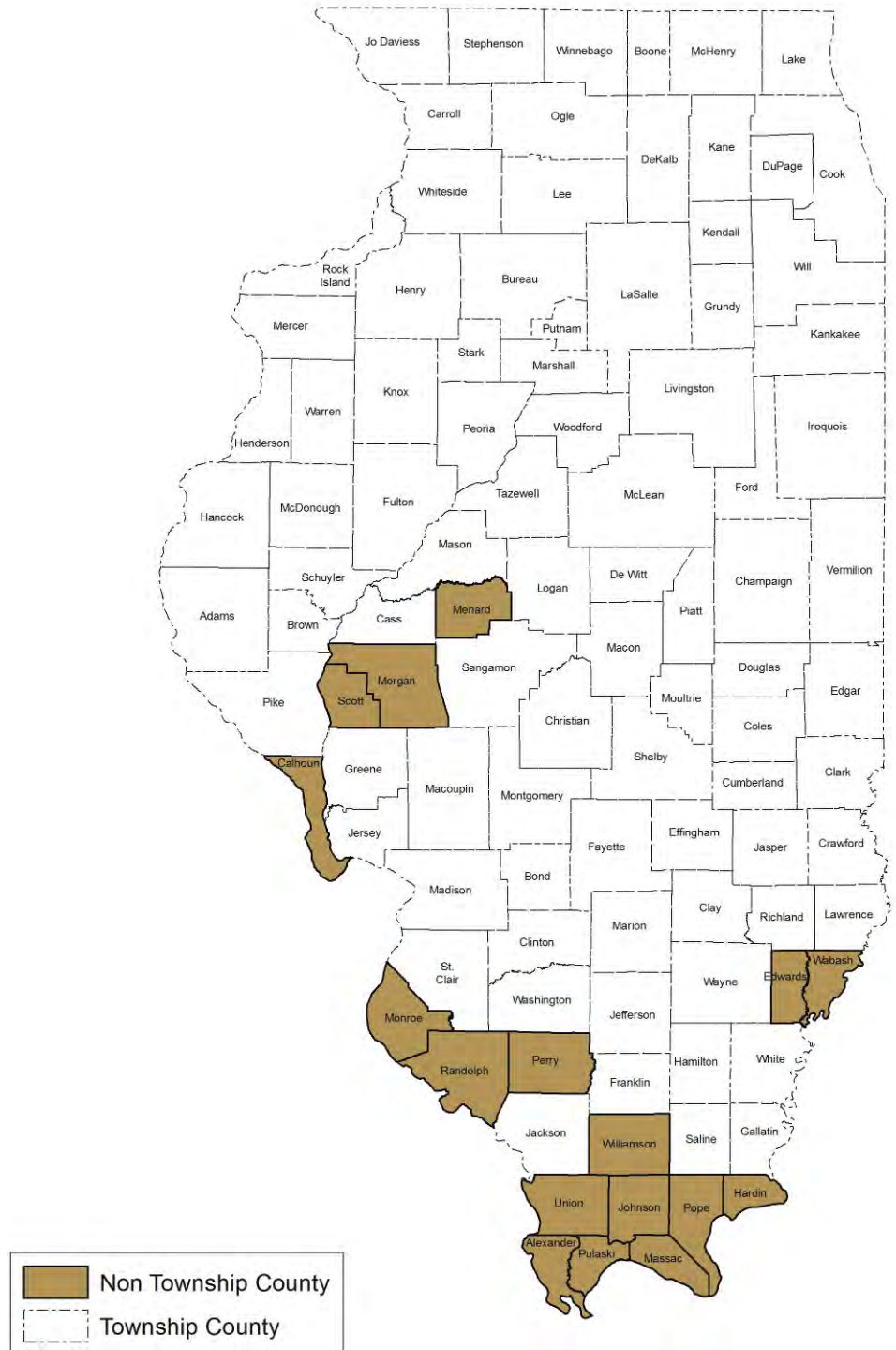
What are township governments?

Townships were formed in the 19th century to provide basic government services at the local level in rural areas.⁴ They are subdivisions of county government, giving local communities a measure of autonomy in delivering basic local services. When cities and villages were formed to provide the more intensive public services required in urban areas, they were super imposed upon townships without, in most instances, any concern for township boundaries. While some townships have boundaries coterminous with a city or village (where the boundaries of the governments involved are either the same or are nearly identical), this is not common, and many cities and villages have boundaries which include all or parts of several townships.

Today in Illinois, 85 of the state's 102 counties have the township form of government. Seventeen Illinois townships, with an average population of approximately 38,500 people, have boundaries roughly identical to those of a city or village serving the same area. Despite these large townships, the average Illinois township population is less than 10,000 people and many townships serving strictly rural areas have populations of only several hundred people.

Illinois' 85 township counties are called "township counties." Cook County is appropriately labeled a township county because townships serve all of the county located outside of the City of Chicago, but no townships exist to serve the land encompassed within Chicago's legal boundaries. No townships or township governments exist within the remaining 17 counties. **Figure 3** contains a map showing the township and non-township counties.

Figure 3: Township and Non-Township Counties



What functions do township governments perform?

Illinois townships provide three main services: (1) general assistance to the needy, (2) local roads and bridges, and (3) assessment of real estate property to be used as the basis for property taxation in all counties except Cook County.

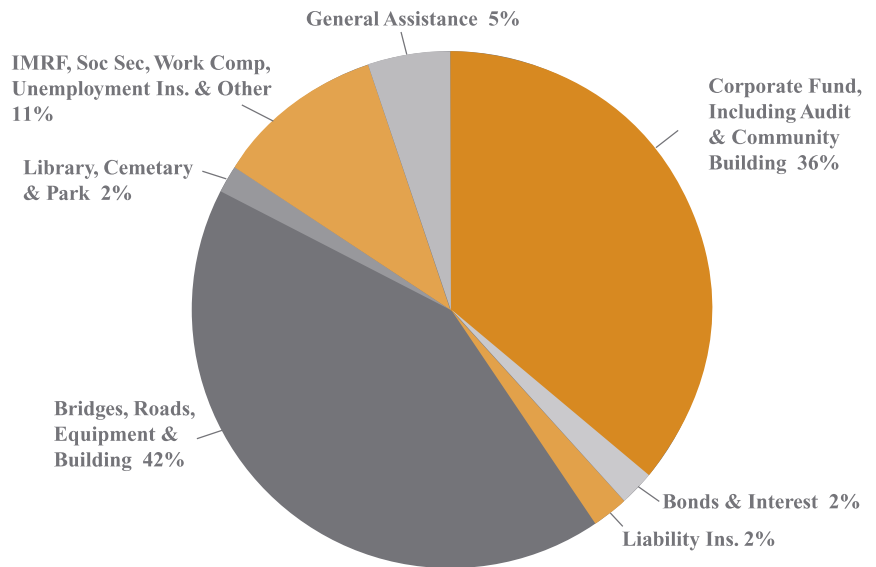
According to the Illinois State Comptroller’s Fiscal Year 2011 Fiscal Responsibility Report Card, townships receive the majority of their resources from local taxes with little to no funding from the state or federal government. Furthermore, of the approximately \$660 million in 2011 property taxes levied by townships, almost half was collected to support such building and administrative functions of the townships as the corporate fund; salaries, pensions, and other fringe benefits; unemployment insurance; audit costs; and liability insurance. (see **Figure 4**).

The principal services provided to the public through the expenditure of township tax monies are general (financial assistance) to the needy, township road and bridge construction and maintenance, property assessment for taxation purposes, and a variety of other services including programs for veterans, seniors, and youth. These are explained in more detail in the following paragraphs.

General Assistance Programs.

Townships provide General Assistance (GA) to low income people and families who are unable to support themselves and fall between the cracks of state and federal aid programs. Such aid is often referred to as the “public assistance program of last resort” and is funded entirely by state and local governments.⁵ In counties without townships, such aid is distributed at the county level.

Figure 4: How Illinois Townships Spent Their Money, 2011



Source: Calculated based on 2011 Illinois Department of Revenue Data.

Because township services are mainly funded by local property taxes, these GA programs can vary greatly from township to township. Townships establish their own standards within the broad limits of Illinois State Law using the standards set in the *Laws and Duties Handbook* published by the Township Officials of Illinois.^b

Road Maintenance.

In Illinois, townships, in conjunction with township road districts, provide coverage of nearly 71,000 miles of roads, nearly 53% of all road mileage in Illinois.⁶ The average mileage responsibility for towns and townships is 33 miles.⁷

The mileage figure of 71,000 road miles is the total of all township level roads maintained by township governments and road and bridge districts. The latter are special districts created to provide a new source of authority for property tax

funding with which to build and maintain local roads. According to the Comptroller’s 2013 figures, Illinois has 1,431 townships and 1,391 road and bridge districts. Not all townships have road districts; road and bridge districts have been created by the county boards of some non-township counties. Regardless, such districts operate at the township or sub-county level and are lumped together for statistical purposes with townships.

Townships, including those with and without road and bridge districts, are responsible for the planning, development, and maintenance of those local roads and bridges which are not a part of the federal or state highway systems. Where road and bridge districts co-exist with townships, those functions are typically coordinated.

^bThese Handbooks are sold by the Township Officials of Illinois at <https://www.toi.ord/Store/Default.aspx>

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Property Assessment.

Townships assess the value of all taxable real property within townships. Those valuations are then used by all other governments—county, city, village, school districts, and other special districts—when annual property taxes are levied.

The Township Assessor maintains records of all parcels of property within the township, finds the market value of all real property, excluding farmland, and assesses the taxable value of each parcel at one-third of the fair market value. However, in smaller townships (those under 1,000 population) it is more common to form districts and share an elected assessor.

Other Services.

Aside from the three principal services, townships provide a variety of other services and programs to veterans, seniors, and youth in the community. Some of these services include veteran programs, senior or disabled assistance, youth programs, park and recreation programs, and cemetery maintenance.

Some townships, especially in urban areas, continued some or all of their tax levies for functions, such as law enforcement, that were relocated to other units of government. With these surplus monies on hand, leaders of these townships built political support for themselves and the township government by donating surplus tax revenues to support local schools.

Why are townships singled out for elimination by reformers?

There are two reasons. First, townships and their affiliated components—road and bridge districts and multi-township assessment districts—total over 3,000 units of government. Their elimination would bring Illinois' count of local government closer to the count for other large, heavily populated states.

Second, reformers view townships as Illinois' most obsolete unit of local government. Counties, with their twin function of being (1) the local administrator of such state functions as elections, courts, and welfare, and (2) the unit of local government charged with assuring that all parts of the state have such public services as public health, welfare, and safety, are an essential component of government in a state as large and diverse as Illinois. Cities and villages exist to provide the more intensive level of public services needed in large and densely populated urban areas. School districts have long been the component of local government responsible for education.

With the advent of the automobile, however, counties no longer need township governments to provide neighborhood public services or a neighborhood center for the social activities once centered in the town hall. The functions performed by the town school and constable, for example, were long ago transferred elsewhere.

Finally and in many instances, what functions remain for townships—financial aid for the poor, roads and bridges, and property assessment—could just as easily be centralized and managed from county courthouses. In fact, strong arguments exist that counties can more effectively achieve the economies of scale needed to hold down the costs of providing such services.

Why, then, is there resistance to the elimination of townships?

There are three forces that resist township elimination in Illinois. The first is simple inertia: resistance to “changing the way we have always done things.” Just as Illinois residents' distrust government and impose all sorts of constraints on them,

so, too, do they react suspiciously to plans for change. Uppermost in their minds is the fear of government getting too big, too controlling, and too hungry for tax dollars. These *fears are maximized when the government proposed for elimination is the one over which, theoretically, they have the most personal control—the government run by their neighbors.* This feeling can be expected to be the strongest in rural townships.

The second, and perhaps most compelling, reason for resistance is that the elimination of townships would mean the elimination of the jobs of those working for the township. This affects two groups of people. The first are township employees and those whose friends and neighbors would be put out of work. This is especially painful for townships in Illinois' rural areas which are already suffering from a lack of local employment opportunities.

The second affected group of people are political leaders who are able to use township employment as a source of jobs for people who provide foot soldiers for the parties during election campaigns. Because these leaders are influential at the state level, this source of opposition usually stops township elimination efforts before they ever gain any momentum.

Finally, a third source of opposition is sometimes found among suburban city and village leaders who, while they will admit to the validity of reformers' arguments, prefer to see the townships retained because they provide important human services to veterans, the elderly, and the youth. While cities and villages could, in many cases, provide such programs, they would have a much harder time raising the tax monies

to do so since their levy and use of funds is much more heavily monitored by the press and the public at large than are the use of township funds which rarely receives meaningful public notice.

Of what importance are coterminous boundaries?

Communities with coterminous boundaries have two governmental units serving the same—or close to the same—residents (voters) and geographic area. While each government provides some different

functions—they both provide streets and bridges—they overlap each other in maintaining separate physical facilities and equipment, separate staffing, and separate administrative functions such as planning, accounting, reporting, and information technology.

This leads to the obvious key question: *Does it make sense for taxpayers to support two separate governmental entities that coexist within similar or the same geographic boundaries when one of the*

entities has the capability to provide the same services as the other?

How many municipalities have coterminous boundaries with townships?

This study lists 17 Illinois communities in which the boundaries of the city or village are coterminous with the township.^c They are listed in **Figure 5**. The Township Officials of Illinois (TOI) list 20 coterminous townships in Illinois; their list also includes Granite City

Figure 5: Illinois' Coterminous Townships^d

County	Coterminous Township ^e	Coterminous Municipality	Share Governing Body	2010 Population
Adams	Quincy Township	City of Quincy	Yes	40,633
Champaign	Cunningham Township	City of Urbana	Yes	41,250
Champaign	Champaign City Township	City of Champaign	Yes	81,055
Cook	River Forest Township	Village of River Forest	Yes	11,172
Cook	Oak Park Township	Village of Oak Park	Yes	51,878
Cook	Evanston Township	City of Evanston	Yes	74,486
Cook	Cicero	Town of Cicero	Yes	83,891
Cook	Berwyn Township	City of Berwyn	Yes	56,657
Hancock	Warsaw Township	City of Warsaw	Yes	1,607
Knox	Galesburg City Township	Galesburg City	Yes	32,195
Lake	Zion Township	Zion	Yes	24,413
Madison	Godfrey Township	Godfrey	Yes	17,982
Madison	Alton Township	Alton	Yes	27,865
McDonough	Macomb City Township	Macomb City	Yes	19,288
McLean	Bloomington City Township	Bloomington City	Yes	76,610
St. Clair	East St. Louis Township	East St. Louis	Yes	27,006
St. Clair	Belleville Township	Belleville	Yes	44,478
Stephenson	Freeport Township	Freeport	No	25,638

- Evanston City and Township were consolidated into one government in March 2014.
- Excluded Townships: Granite City Township in Madison County; Peoria City Township in Peoria County; and Capital Township in Sangamon County have close but not the same geographical boundaries.
- Freeport Township does not share the same governing body as the City, yet these two governments do share the same geographic boundaries.

^cFollowing the March 18 2014 referendum to consolidate the City and the Township of Evanston, this number has now been reduced to 17.

^dCGS applied 2013 Census TIGER/ Line shapefiles to determine coterminous status; subsequent boundary changes could require future updates to the list of coterminous townships.

^eThree more townships are very close to coterminous (Richwoods Township and Peoria City Township located in Peoria County, and Capital Township located in Sangamon County) but they are not included in the review of coterminous townships listed here. Coterminous precincts are omitted here as well.

Township in Madison County, Peoria City Township in Peoria County, and Capital Township in Sangamon County. These communities were excluded here because their boundaries did not meet the definition of coterminous set forth in the notes to Figure 5. One additional township was added to this list—Freeport Township in Stephenson County because its boundaries did meet the criteria referenced in Figure 5. Finally, the Figure 5 listing does not consider the status of the governing bodies as a factor in determining whether or not coterminous status has been achieved.

Not surprisingly, coterminous city/townships are found dispersed across the state and, with two exceptions—Warsaw City and Township, and Macomb City and Township; they are located in areas in which there are fewer townships supporting large population bases.^f

A map showing the number of townships per 10,000 population and the location of the coterminous municipal/township combinations is presented as **Figure 6** on the previous page.

How costly is it to maintain separate townships in coterminous situations?

As Table A in the Appendix illustrates, coterminous townships spent, on average, about \$33 per capita in fiscal year 2013, but reported revenues and receipts of \$30 per capita, resulting in average revenue to expenditure ratio of 91 percent. Stated differently, nine of the 17 coterminous townships (53 percent) analyzed may have funded a portion of their 2013 operations by drawing down reserves (given their expense to revenue ratio of less than 100% and their discretionary reserves decreasing from the

previous year). This is obviously a strategy that cannot be continued indefinitely.

Furthermore, approximately 37 percent of 2013's expenditures went towards salaries in coterminous townships, and more than half of the coterminous townships spent almost 60 percent of their annual budgets to finance general administrative support costs.^g Six of these 17 townships held approximately enough money in reserve funds to finance at least one year or more worth of expenditures (group average was 7 months) in unrestricted discretionary funds; East St. Louis Township actually had a significant deficit balance (\$2.5 million deficit) in discretionary reserves.

What is of equal interest is the lack of consistent themes in the way these coterminous townships cover or account for expenditures, save for rainy days, staff for services, or spend on central administrative services (i.e., financial, building, and central administration costs). For instance, Champaign City Township, Evanston Township, and Bloomington City Township varied in the amount of their revenues to expenditures ratio although they were the three largest townships with similar populations and each is a college town. Two reported too few revenues (Evanston – 83%; Bloomington City – 92%); and one with much higher revenues than expenditures (Champaign City – 114%). Champaign City and Bloomington City reserved similar levels of discretionary reserves (7 months and 5 months' worth of expenditures, respectively), yet Evanston held less than 90 days (2 months) worth of their annual expenditures in discretionary reserves.

Evanston and Bloomington City reported expenditures of approximately \$1.7 million and \$2.1 million,^h respectively, and were required to file audited financial statements. Champaign City's expenditures were approximately \$600,000; they were not required to file audited financial statements. Furthermore, Bloomington City maintained a cemetery whereas Evanston and Champaign City did not. Of the two that filed annual reports with the State Comptroller, Evanston and Bloomington City, a different basis of accounting was used by each of these entities to report their fiscal results.

The townships of Evanston and Champaign City incurred less than \$500,000 in general government expenditures, yet these general government expenditures as a percent of total expenditures varied greatly (23% in Evanston Township versus 82% in Champaign City). Bloomington City's general government expenditures were close to \$840,000 in 2013, or 39% of total expenditures. Less than a quarter (21 percent) of Evanston's expenditures went towards salaries paid, but Champaign City and Bloomington City spent close to half of their expenditures on salaries (54% and 47%, respectively). Evanston employed five full-time and three part-time workers; similarly Champaign employed seven full-time workers; whereas Bloomington had 25 full-time and 20 part-time employees in 2013.

^fThe phrase "fewer townships supporting larger population bases" is defined here as "less than six townships per 10,000 residents in the county and the county's population approaches 50,000 or more people."

^gPer the Illinois State Comptroller's Annual Financial Reporting, "General Government" includes: financial administration; general administrative buildings; central administration; and other.

^hBloomington's financial information is exclusive of its discretely presented component unit, or its cemetery.

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Evanston and Champaign City spent similar amounts on salaries and employed a similar number of employees (between 6.5 and 7 full-time equivalents), but Evanston provided over \$1.2 million in general assistance to its residents whereas Champaign City provided less than \$100,000 in general assistance. Bloomington City, the township with the most revenues and employees of the three, spent around \$805,000 on general assistance. More detailed information on the finances and employment of the coterminous townships can be found in the Appendix, Tables A and B as well as at “The Warehouse” on the Illinois State Comptroller’s website.

In short, coterminous townships can be expensive to operate, require large reserves given their lack of revenue diversification, lack consistency in general operating indicators, and have different practices for accounting and reporting fiscal results (two key accountability mechanisms). It is not surprising, then, that townships offer a unique promise as a target of opportunity for those who wish to strengthen Illinois local government by dissolving unnecessary or obsolete units of government:

Because coterminous townships have approximately the same jurisdictional boundaries as the city or village serving the same area, they could be dissolved with the least amount of difficulty and complexity by transferring their functions, outstanding debt, and taxing powers to the city or village serving the same area.

All that would be required to make such dissolutions happen would be: (1) statutory provisions establishing the methodology for making the necessary transfers possible, and (2) voter support for the dissolution as expressed by a binding referendum on the proposed change.

This is why the recent dissolution of Evanston Township is so significant. Following the initiative taken by the elected leaders of the City and Township of Evanston, these two governments were consolidated into a single government, thereby abolishing the township as an independent government. In doing so, they may have set a beginning point for the dissolution of townships in Illinois.

What happened in Evanston?

On March 18, 2014, voters in Evanston (where the City and the Township had coterminous boundaries) approved, by a margin of roughly three to two, a binding referendum providing for the termination of the Township and the folding of its functions into the City of Evanston.

From a reformer’s point of view, Evanston was a good place for such an effort to be made. It is the only community in the state in which the boundaries of the City, the Township, and the School District have been nearly identical, or, to use the technical term, coterminous. The prospect of phasing out the township government had been under discussion for nearly 20 years, many of the same people were holding elective seats simultaneously on both the City Council and the Township Board, and the Evanston city manager also was serving as the acting Evanston Township supervisor.

The impetus behind the move was financial. Estimates were that the merger of the two governments, with the elimination of the Township, would save local taxpayers \$500,000 or more per year. The Township did not maintain any roads or bridges, and all property assessment in Cook County was handled by the Cook County Assessor’s office. The Township’s primary remaining service function was the General Assistance Program.

A major effort at consolidation was launched in 2011 when the Township Board voted 5-4 to begin work to merge the two governments. In October, 2011, the City Council voted, also by a vote of 5-4, to submit the question to the voters at an advisory referendum. At the March 2012 referendum, two-thirds of the voters voted “yes” on the question of whether the Township should be abolished.

With popular support given by the referendum, local officials began assessing the challenges they would face implementing the voters’ preference for the consolidation. Two kinds of problems confronted them:

(1) changes needed in the Illinois statutes governing township dissolution and the consolidation of a township and municipal government; and (2) other considerations which would have to be addressed by township and municipal officials as preparations for the consolidation proceeded.

Changes were needed in both the Township Code and the Public Aid Code to bring the state’s statutes governing township dissolution and consolidation up-to-date.

The Township Code needed to be updated to achieve clarity in the procedural steps that must be taken:

- To dissolve the township as a unit of government, and
- To transfer township functions to the municipality.

The Public Aid Code needed to be updated to protect General Assistance (GA) programs during the transition from the township to the municipality.

Following the October 2011 advisory referendum, Evanston officials began lobbying the Illinois General Assembly to secure the statutory changes needed to implement the dissolution and consolidation. Once that was accomplished, Evanston officials proceeded to schedule the legally required binding referendum which was held and passed on March 18, 2014.

With these statutory updates completed, other township/municipal consolidations should be able to proceed with minimal, if any, need for statutory updates.

Table C in the appendix contains a checklist of other, non-statutory considerations that should be used during consideration of possible township/municipal dissolution/consolidation in other communities and then addressed as the dissolution/consolidation process is implemented.

What is the state-wide significance of Evanston's action?

Evanston's action is significant for Illinois' local government system in four ways:

- Evanston's detailed financial analyses documented the probability that such township dissolution might provide substantial cost savings in other coterminous township communities.
- It demonstrated that, at least for coterminous townships, dissolution of a township with the merger of its functions into an overlapping city (or perhaps into the county) is possible to achieve politically.
- State statutes governing township dissolution have now been updated by the General Assembly. With this accomplished, it will be much easier for future townships, and especially coterminous townships, to do the same thing.
- Evanston's success with the change may lead other coterminous township to follow its lead. If that happens, and other coterminous township dissolutions occur, momentum might be established for a consideration of dissolution in non-coterminous townships as well.

The long-term result might be a simplification of Illinois' local government system which, in turn, might very well strengthen the democratic nature of local government in Illinois.

Endnotes

¹Costin, B. (November 2013). Too much government: Illinois' thousands of local governments. *Illinois Policy Institute Research Report*.

²Walzer, N. and Bethany, B. (2012). Local Government Structure and Public Expenditures in Illinois: Does Governmental Structure Matter? *Policy Profiles*, 11(3), 1-7.

³Hamilton, D. (2008). Township Government, A Tale of One State. *National Civic Review*, 97(3), 37-49. Wiley Interscience Online. Doi: 10.1002/ncr.223.

⁴Although the names of the kinds of local governments are commonly used in different states, each state has its own unique system of local governments so a reference to a particular kind of local government—township, for example—will mean something different in different states.

⁵Illinois Department of Human Services (Date?). *General Assistance Manual*.

⁶Cox, W. (2011). *Local Democracy and the Townships of Illinois: A Report to the People*. Township Officials of Illinois.

⁷Chicoine, D., Deller, S. & Walzer, N. (1989). The size efficiency of rural governments: The case of low-volume rural roads. *Publius: The Journal of Federalism*, 19(1), 127-38.

Appendix: Financial Information on Illinois' Coterminous Townships

Table A: Illinois Coterminous Townships 2013 Financial Information

Township	Coterminous Municipality	Population	Twshp Rev Per Capita	Twshp Exp Per Capita	Rev to Exp Ratio	Salaries to Total Exp	General Govt Exp to Total Exp	Unrestricted Net Assets (Discretionary Reserves)	Number of Months' Worth of Expenses in Discretionary Reserves
Quincy	City of Quincy	40,633	\$14	\$15	91%	57%	87%	\$406,022	8
Cunningham	City of Urbana	41,250	\$29	\$33	89%	26%	39%	\$859,920	8
Champaign City	City of Champaign	81,055	\$9	\$7	114%	54%	82%	\$ 369,669	7
River Forest	Village of River Forest	11,172	\$49	\$44	112%	30%	46%	\$ 706,351	17
Oak Park	Village of Oak Park	51,878	\$110	\$118	94%	36%	12%	\$1,190,643	2
Evanston	City of Evanston	74,486	\$19	\$23	83%	21%	23%	\$ 298,808	2
Berwyn Township	City of Berwyn	56,657	\$11	\$8	133%	25%	80%	\$ 502,086	13
Warsaw Township	City of Warsaw	1,607	\$21	\$30	72%	24%	100%	\$ 72,629	18
Galesburg City ⁱ	Galesburg City	32,195	\$18	\$17	107%	58%	88%	\$688,212	15
Zion	Zion	24,413	\$61	\$63	96%	40%	61%	\$282,903	2
Godfrey	Godfrey	17,982	\$11	\$11	103%	37%	73%	\$134,882	8
Alton	Alton	27,865	\$32	\$33	96%	59%	79%	\$218,883	3
Macomb City	Macomb City	19,288	\$13	\$13	100%	37%	71%	\$307,233	14
Bloomington City	Bloomington City	76,610	\$26	\$28	92%	47%	39%	\$ 940,970	5
East St. Louis	East St. Louis	27,006	\$37	\$54	68%	37%	64%	\$(2,512,090)	-21
Belleville	Belleville	44,478	\$12	\$11	108%	27%	45%	\$597,346	15
Freeport	Freeport	25,638	\$41	\$56	74%	34%	49%	\$579,836	5
Cicero ^j	Town of Cicero	83,891	NA	NA	NA	NA	NA	NA	NA
Average		38,483	\$30	\$33	91%	37%	59%	\$332,018	7

Source: Populations obtained from 2010 Census Bureau data; 2013 financial data obtained from Illinois State Comptroller's "The Warehouse" within each township's Annual Financial Report.

ⁱGalesburg did not have its 2013 Annual Financial Report on file at the Illinois State Comptroller's portal, "The Warehouse"; 2012 financial data was used.

^jCicero is already acting as a consolidated government with the Town of Cicero; no reporting is available at "The Warehouse" for Cicero Township.

Appendix: Financial Information on Illinois' Coterminous Townships

Table B: Employment in Illinois Coterminous Townships, 2013

Township	Coterminous Municipality	2013 Full-time Township Employees	2013 Part-time Township Employees
Quincy	City of Quincy	7	20
Cunningham	City of Urbana	7	1
Champaign City	City of Champaign	7	0
River Forest	Village of River Forest	0	6
Oak Park	Village of Oak Park	33	25
Evanston	City of Evanston	5	3
Berwyn	City of Berwyn	3	9
Warsaw	City of Warsaw	0	1
Galesburg City ^k	City of Galesburg	7	11
Zion	City of Zion	10	75
Godfrey	Village of Godfrey	2	9
Alton	City of Alton	12	0
Macomb City	City of Macomb	3	0
Bloomington City	City of Bloomington	25	20
East St. Louis	City of East St. Louis	16	8
Belleville	City of Belleville	2	6
Freeport	City of Freeport	11	6
Cicero ^l	Town of Cicero	NA	NA
Average		7	6

Source: 2013 employment data obtained from Illinois State Comptroller's portal, "The Warehouse", in each township's Annual Financial Report.

^kGalesburg did not have its 2013 Annual Financial Report on file at the Illinois State Comptrollers portal, "The Warehouse", so 2012 employment data was used.

^lCicero Township is already acting as a consolidated government with the Town of Cicero; no reporting is available at "The Warehouse" for Cicero Township.

Appendix: Financial Information on Illinois' Coterminous Townships

Table C: Considerations to Be Addressed in Consolidating Townships and Municipalities

Examples of Policy Considerations and Questions to Address Before Absorbing or Consolidating Townships

Net fiscal impacts to the local governments	Which of the township's expenditures will go away entirely? Partially? How will the absorbing/consolidating entity's budget increase? How will this change impact bond ratings and ultimately future borrowing costs? How will the debt and/or fund balances be handled? Do the revenue raising powers possessed by the township automatically transfer to the recipient city? For instance, the road mileage participation in the state gasoline tax? Are there other grants/revenues other than property taxes that should be considered?
Net efficiencies or effectiveness	What will be done quicker or better? Where will there be learning curves?
Economic impacts	Will the economy be improved directly or indirectly from the new arrangement? Will any services be lost resulting in hardships for the residents? Will this give rise to any equity issues? Will any reduction of overlapping services result in reductions in taxes for the residents?
Net gain or loss in professionalism or knowledge base	Will any important institutional knowledge be lost (e.g., loss of employees with long tenure)? Will increases in professionalism take place (e.g., finances managed by a CPA)?
One-time conversion/integration costs (i.e., absorbing entity's costs to integrate data of the dissolving entity)	Are there any required changes in systems or processes to integrate the entities? Are there associated legal fees, communication expenses, consulting fees, etc.?
Political feasibility and/or equity issues	What are the taxpayers and other key stakeholders (e.g., developers, investors, adjacent communities) perceptions regarding this change? Do the residents want this change? Will there be any negative reactions from residents if service levels decrease? Are there interest groups that oppose the absorption or consolidation? Will services be delivered equitably under the new arrangement?
Democratic process and governance	Will there be any changes in the way taxpayers will be allowed to engage in the democratic process for changes in the service delivery process? If so, what are the new rules and how will changes be communicated to the taxpayers? Who will govern over specific services (e.g., assessment activities) which were once decided directly by the voters? Do townships have authority to regulate activities or perform functions that a non-Home Rule city does not? Will the delivery of the township services impose an administrative burden on the recipient city, e.g., property tax assessments?

Table C: Considerations to Be Addressed in Consolidating Townships and Municipalities, continued

<p>Technical and administrative capacity of the absorbing entity to support additional tasks on an on-going basis</p>	<p>Does the absorbing entity have the capacity to take on additional tasks or workload (added transactions – e.g., increased accounting transactions)? Are the existing systems suitable for integrating the new systems or processes on an on-going basis?</p>
<p>Legality of the consolidation/absorption transaction (i.e., State statutes, local ordinances, transfer of leases, ownership of assets, agreements in place with third parties, etc.).</p>	<p>Does this arrangement comply with federal, state, and local policies? Who is liable for debt, leased assets, etc.? Who retains ownership of assets? What existing agreements with third parties might be impacted? What other compliance related changes must be made (e.g., financial reporting changes)?</p>
<p>Sustainability of the new arrangement</p>	<p>Will this arrangement last, particularly if circumstances related to the economy or demographics were to change?</p>

Copies of other issues of Policy Profiles—including issues bearing on such topics as too many local governments, township and rural local governments in Illinois, local Illinois government financial problems with special emphasis on rural area local governments, and economic conditions and the outlook for the future of rural Illinois—can be found on line at <http://www.cgs.niu.edu/publications/index.shtml>

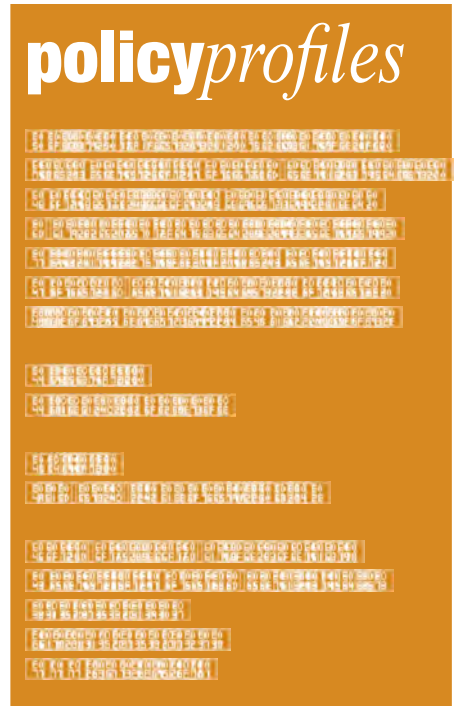
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The views expressed in this edition of *Policy Profiles* are those of the authors and do not necessarily represent the views of the Center for Governmental Studies or the officers and trustees of Northern Illinois University. For more information please contact James Banovetz at jbanovetz@niu.edu.



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