Exploring the “Paradox” of Local Social Welfare Spending: Modeling Variations in Responsiveness to Municipal-Level Ideology

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Exploring the “Paradox” of Local Social Welfare Spending:
Modeling Variations in Responsiveness to Municipal-Level Ideology

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A Thesis in the Field of Government for the Degree of Master of Liberal Arts

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Abstract

Local government spending on social welfare activities, such as public health and hospitals, public welfare, education subsidies, and affordable housing, often is characterized in the scholarly literature as “paradoxical,” as it departs from the predictions of the seminal perspective on the financial activities of local governments, the economically based theory of public choice. The theory claims that the prospect of resident mobility should act as a constraint on the “redistribution” of revenue from affluent taxpayers to the needy, who consume more in public services than they pay in taxes. According to public choice, affluent residents should leave cities and towns when they do not benefit from the taxes they pay, specifically, when local governments use tax funds to provide services to other, less-advantaged residents.

However, the empirics of local social welfare activity depart from the model’s predictions in two important ways: firstly, local governments do offer social welfare services, spending $193.1 billion in 2007, the focal year of this analysis, on public health, welfare, and housing and community development alone, which may indicate public support for such efforts rather than the unitary opposition posited in the public choice view. Secondly, though public choice depicts municipalities as the sole providers of local services, local governance is more fragmented in actuality: municipal governments, county governments, special-purpose districts, and school districts all may provide
services in a given city or town, including social welfare programs. Due to these two phenomena, explanations of the local social welfare role remain incomplete.

To explore the possibility that public preferences might explain the existence of local social welfare spending and to allow for variations in the scope of local service provision, two unique contributions to the literature, I employ both newly available measures of city-level ideology tabulated by political scientists Chris Tausanovich and Christopher Warshaw and data on the combined expenditures of all local governments that serve the residents of 112 U.S. cities compiled by researchers at the Lincoln Institute of Land Policy. In preliminary (“baseline”) linear regression models, I find that local governments that serve more liberal residents spend more on social welfare than do more conservative communities. However, the results of expanded regression models, which control for a greater number of demographic covariates, are less definitive, potentially indicating that local expenditures may be affected not only by local resident ideology but by state and federal influences when higher levels of government provide cities and towns with social welfare aid. The local social welfare role clearly is more complex than the parsimonious public choice theory can explain, necessitating future research on a larger sample of communities and theoretical perspectives that extend beyond economic models to examine how resident preferences, variations in the scope of local governance, and the division of responsibility between federal, state, and local governments interact to shape local policy.
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Chapter I

Examining the “Paradox” of Local Government Social Welfare Spending

“Local governments are the primary level of democratic self-government, the places where the ideals of citizenship meet the realities of place, the families, homes, and neighborhood where democracy does or does not reside.”

Local government spending on social welfare often is depicted in political science scholarship as “paradoxical.” The seminal theory in the study of local public finance, the “public choice” perspective introduced by Charles Tiebout in “A Pure Theory of Local Expenditures” (1956) and expanded most notably by Paul Peterson in City Limits (1981), asserts that the possibility of resident exit should function as a constraint on the redistribution of resources by local governments, namely municipalities, to the needy, and, thus, any expenditures on social welfare programs and services. Public choice conceives of cities and towns as akin to markets: citizens choose their location of residence based on the “bundle” of governmental services that corresponds to the “price” they are willing to pay in taxes. Those who pay, benefit, and so local governments’ transfer of revenues by spending on the needy, who do not pay for the services they receive, should prompt more advantaged residents and firms to depart, as they pay taxes for benefits that they do not, themselves, receive.

Though the normative assumptions that undergird public choice, particularly that individuals have equal capacity to move and to find communities that suit their needs, frequently have been criticized by scholars, public choice also may falter empirically:
while the theory endeavors to describe what local governments should do, it less adequately explains what they actually do.\textsuperscript{6} Local governments spend non-trivial amounts on social welfare programs and services, including education, hospitals, public health, public welfare and housing and community development.\textsuperscript{7} For example, in 2007, the focal year of the analysis that follows, local government spending on health, hospitals, housing and community development and public welfare alone totaled $193.1 billion.\textsuperscript{8} Uses of these funds included public education and supportive services, preventative health care services, operation of government-owned hospitals and payments to private hospitals for the care of needy individuals, and affordable housing programs.\textsuperscript{9} There is substantive variation in local governments’ social welfare spending, as well, which appears challenging to reconcile with the public choice assertion that they experience common fiscal incentives to minimize expenditures in this area.\textsuperscript{10}

Scholarly work on the local social welfare role has struggled to reconcile this empirical evidence and the predictions of public choice: if the constraints on local governments’ spending are as binding, and as generally applicable as Tiebout and Peterson suggest, local social welfare expenditures should not vary, and, in fact, should not occur at all.\textsuperscript{11} In framing the need to maximize the local tax and economic base as in a community’s “unitary interest,” Peterson, in particular, assumes that local governments have equivalent disinclination toward social welfare spending.\textsuperscript{12} However, if residents’ preferences for taxes and spending vary, their preferences for social welfare expenditures might as well: some individuals and communities may have greater willingness to support the needy than do others.\textsuperscript{13} As Gillette observes, “different individuals might have different preferences for redistribution, just as they might have different preferences
for…public parks, high density-living, proximity to shopping or green space, or any of the other items in the basket of services that localities aggregate.\textsuperscript{14} If cities and towns are bundles of resident tastes and preferences, those preferences should be expected to influence what local governments do, including the extent to which they spend funds on social welfare provision.\textsuperscript{15} The empirics of local social welfare spending may be paradoxical, or the theory may be at least partially flawed.\textsuperscript{16}

Until recently, it has been challenging to test directly the influence resident views might have on variations in local spending, largely because little information exists concerning those views, or on the extent to which citizens articulate their preferences through political action.\textsuperscript{17} Some scholarship in the public choice vein even goes so far as to suggest that local government is not a particularly politicized sphere: because local elections often are nonpartisan, local politics have been characterized as neutral or non-ideological, a longstanding assumption that many recent studies have questioned.\textsuperscript{18} Though local officials may not run for election based on party affiliation, this does not preclude them from holding ideologically-based views or articulating issue positions that might be recognized as reflecting a particular partisan or ideological orientation.\textsuperscript{19} As noted by Berry, Oliver and Ha “have shown that voters often name party affiliation as an important driver of vote choice even in nonpartisan elections.”\textsuperscript{20} Nonetheless, there is limited national, generalizable data on measures of participation in local government, including voting in local elections or contacting local officials, ways other than mobility by which residents might communicate their views to their local governments.\textsuperscript{21} Research that has been conducted on local participation indicates that it is low.\textsuperscript{22} As a result, researchers studying local government have opted to employ proxy measures, such
as demographics or voter turnout in presidential elections, to infer what residents’ political preferences might be, or to conduct case studies of single, or a few, communities.23

This lack of data has hindered local government scholarship’s ability to present alternative empirical evidence and to develop theoretical alternatives to the public choice paradigm.24 For example, Trounstine observes that, due to data limitations, “very little work at the local level analyzes responsiveness from an ideological standpoint.”25 By utilizing newly-available data on municipal ideology compiled by political scientists Chris Tausanovich and Christopher Warshaw, I offer one of the first direct tests of the influence of residents’ liberal-conservative ideology on the social welfare expenditure of the local governments that serve them. In doing so, my work moves beyond the narrow conceptualization of local preferences depicted in public choice to examine how variations in those views, rather than an assumed common interest, shape local spending.

Much of the literature on local social welfare provision refers generally to the behavior of local governments or employs the terms “local” and “municipal” government interchangeably; however, “local governments” is a broad concept that encompasses a multiplicity of governmental units, including both general-purpose entities, namely municipalities and counties, that assume a variety of governmental functions, and those that are more narrowly focused, primarily school districts and special-purpose district governments, limited, independent governmental bodies that administer only one or two services (e.g. transportation, fire services, or public utilities).26 Municipal governments, the focus of much of public choice scholarship, often are depicted as sole, independent actors responsible for local tax and service administration, yet they are not the only local
governments that provide services to municipal residents. As Frederickson and O’Leary write: “Almost every resident of a city is also a resident of a county and of a school district- three distinct jurisdictions, each with their own policies, elections, taxes, statutes, and regulations.” Accordingly, some have criticized public choice theories for assuming that residents only are served by general purpose or municipal governments and for failing to incorporate the variations in governmental responsibility for service provision that exist in fact. Municipal governments’ functional responsibilities themselves are not uniform, but vary significantly across and within states: functions that may be the responsibility of the municipality in one state or region may be tasked to counties or special districts in another. In addition, much of the social welfare spending that occurs at the local level is not provided by municipalities or even by general-purpose governments at all, a fact that little recent work acknowledges. For example, most public education is delivered not by municipal governments but by independent school districts. Public health and public welfare functions, including those provided to municipal residents, primarily are administered by county governments, not by municipalities. Though municipalities assume greater responsibility than counties for housing and community development, the majority of such spending falls to neither municipal or county governments but to independent public housing authorities.

Consequently, attempting to test public choice theories, which typically focus on municipalities alone, with empirical data that shows considerable fragmentation in the scope of local social welfare responsibility, presents substantial challenges. The majority of studies that seek to do so, or to study local spending generally, tend to use data on only one of these entities, typically municipal governments or counties, yet
simultaneously attempt to make broad inferences as to the behaviors of all local governments: scholars effectively assume that the narrower terms, municipalities and counties, are equivalent to the more expansive one, local governments, a conceptual slip that has substantive implications, in that it assumes municipal or county functions are more centralized in municipal or county government than they are in actuality. When fragmentation is incorporated into scholarly work, it generally refers not to differences in the scope of service provision but to the number of local governments that serve a region, often a simple count, irrespective of function, or by aggregating expenditures to the state or county level, in the expectation that doing so will account for variation in governments’ scope of responsibilities. However, this limits scholars’ ability to study individual local government units, to test directly the assumptions of public choice. The scholarly challenges posed by fragmentation are longstanding ones and not even the seminal work on the spending of local government “redistribution” could overcome them: as Lowry notes, “although Peterson formulated his theory in terms of local government, he tested it with data on combined state and local government spending.”

In addition to such methodological difficulties, neglecting to acknowledge or to model this variation in functional responsibility may lead to potentially problematic conceptualizations, namely that any municipal funds are spent, or eschewed, because the municipal government chooses to do so rather than because another unit of government has assumed primary responsibility for overseeing the function: some work falsely may be attributing variation to preferences, demographics or party affiliation that correctly “belongs,” at least in part, to functional responsibility. For instance, municipal governments may spend little on public health or welfare not because their residents do
not support or benefit from those programs but because county government is primarily responsible for delivering them to municipal residents. Oversights of this nature especially may be problematic with regard to education: modeling variations in education spending, or in social welfare analyses that include education expenditure, without accounting for school districts may provide a less-than-substantive basis for inference.

To address this complexity, I utilize data compiled by the Lincoln Institute of Land Policy which combines the spending of all local governments, including municipal and county governments, school districts, and special district governments, which serve individuals living within the municipal boundaries of each of 112 U.S. cities to create a “fiscally standardized” expenditure amount, or FiSC, for each community.42 By using data that accounts for the functional variation in local service provision, I can be more confident that the relationships I find are due to the influence of ideology rather than to bias, specifically to the failure to incorporate all the local governmental units that actually are responsible for social welfare spending in a given municipality.43

In basic bivariate statistical analyses, I do find that local governments’ social welfare expenditures correspond to the ideological preferences of the residents they serve: city-level liberalism has a positive relationship with the social welfare spending of local governments that serve those cities. However, in more complex statistical analyses, this relationship is not present. Ideology is not statistically significant when a greater number of covariates are incorporated into the regression models: controls for intergovernmental factors, namely whether the municipal government directly administers public schools and state government delegation of TANF (public welfare) administrative functions to counties, have the most consistent relationship with local
social welfare expenditure. These results reflect the challenges of attempting to control for the diverse variety of factors that might contribute to local governments’ social welfare activities, namely variations in the extent to which states assign responsibility to local governments and demographic characteristics that may be correlated both with ideology and with the factors that determine intergovernmental grants that local governments receive to spend on social welfare.\(^44\) Distinguishing between the effects of the “pull” of local ideological preferences and the push of federal and state policy on the amounts local governments have to spend on social welfare efforts and the shape their policies take remains an important step for future scholarship on the local social welfare role. Intergovernmental factors may complicate the extent to which public choice, or any theory that focuses solely on local governments, truly explains the forces that bear on social policy at the local level.\(^45\)
Chapter II
Public Choice and Social Welfare: A Review

“It is at the local level where policies and programs are implemented, where the routines build policy, and where the enduring challenges of promoting economies, eliminating poverty, integrating immigrants, and building democracy take place.”

For decades, public choice theory has been the predominant theoretical framework for studying the spending of local governments, including on social welfare provision. The theory, formulated by Charles Teibout (1956) in “A Pure Theory of Public Expenditures” and applied to the scholarship of federalism by Paul Peterson in City Limits (1981), depicts local communities as markets in which residents convey their tax and service preferences through mobility (“voting with their feet”) rather than by contacting local officials or other forms of political activity. According to Tiebout (1956), individuals select the communities in which they live based on the amount of taxes they are willing to pay for the services they desire to receive, and will be inclined to leave if they pay taxes without an equivalent personal benefit. In the public choice framing, this potential for resident departure acts as a constraint on local governments’ ability to redistribute resources to those in need, to provide social welfare services such as affordable housing, health and hospital care, and public welfare assistance to the disadvantaged.

In 1981’s seminal City Limits, Paul Peterson extended the public choice framework beyond the local level to the study of federalism, arguing that the federal government, not local governments, should be responsible for social welfare provision, as
advantaged citizens are less likely to exit the nation than their local community if government redistributes their tax revenue to provide social welfare assistance to the needy.\textsuperscript{51} Following Richard Musgrave’s prior typology, Peterson classified governmental responsibilities as belonging to three functional categories, “developmental” policies designed to attract firms and to maximize a community’s economic base, “allocational” or housekeeping functions such as road maintenance and police protection, and “redistributive” social welfare efforts, so labeled because they are thought to transfer resources from the advantaged to the poor.\textsuperscript{52} Peterson characterized local politics as the “limited politics” of economic development, asserting that municipal leaders’ efforts to strengthen their city’s economic position are in the community’s (and thus all residents’) “unitary” interest and suggesting the mid-twentieth century expansion of the federal role in social welfare provision supported his claim that it, rather than states and local governments, is the level most suited to the redistributive function.\textsuperscript{53}

However, which level of government is better assigned to oversee a given policy domain is a normative question, and governments may not act as theory suggests they should.\textsuperscript{54} In the years since the publication of \textit{City Limits}, scholars have endeavored, perhaps even struggled, to reconcile the existence of continued local government social welfare expenditure with the theoretical claims of public choice.\textsuperscript{55} Contrary to the theory’s predictions, local governments, including municipal governments, counties, school districts, and special-purpose district governments assume a sizeable social welfare role: education, which most studies categorize as a form of social welfare, is the largest single category of local government expenditure.\textsuperscript{56} In 2007 alone, the year of the analysis that follows, local governments’ collective direct expenditures, not including
transfers made to other local governments, included $37.2 billion on housing and community development efforts, $48.2 billion on public welfare programs, and $107.7 billion to support health and hospital functions.\(^{57}\) Researchers also have documented the presence of sizeable variation in local social welfare spending, a phenomenon that seems challenging to reconcile with the public choice claim that local governments share an equal disincentive to minimize their expenditures in this area.\(^{58}\) If local governments, municipalities in particular, face similar incentives to attract advantaged residents, to strengthen their tax bases, and to minimize their role in assisting the needy, why might local government social welfare spending persist and, why does it vary?

The aforementioned examples illustrate the challenges scholars have faced in reconciling public choice’s decades-old predictions and contemporary data that appears not to conform to its expectations. Tiebout, in particular, depicts cities and towns as autonomous entities solely responsible for the taxing and spending that occurs within their boundaries.\(^{59}\) However, local government service provision in practice tends to be more fragmented than his classical formulation of public choice suggests: services within the boundaries of a given municipality may be delivered not only by municipal governments but also by counties, special districts, and school districts, many of which assume a sizeable social welfare role.\(^{60}\) A key source of this variation in local service provision is that states differ in the powers that they grant to municipalities and counties.\(^{61}\) Municipal governments’ taxing and spending powers are facilitated, either enabled or constrained, by state law, while counties were designed to function as administrative arms of state government, gradually, and variably, receiving autonomous authority over time.\(^{62}\) In some states, municipal governments directly oversee the
majority of services provided within their boundaries, while in others, municipalities share responsibilities with other local government bodies, whose boundaries may not overlap with the municipality’s, such as counties, independent, state, or county-administered school districts, or special-purpose districts.\textsuperscript{63}

County governments are similarly varied in the services they provide and the extent to which they have substantive responsibilities for policy and for service provision.\textsuperscript{64} In unincorporated areas which do not “belong” to a city government, county governments often are responsible for providing “urban-type services that only incorporated place governments provide in many other states.”\textsuperscript{65} County government authority also differs regionally: in Southern and Western states, counties act as comprehensive service providers, while in the Northeast their duties are much more restricted.\textsuperscript{66} In Connecticut and Rhode Island, for example, counties are geographic entities only, with no formal governing responsibilities.\textsuperscript{67} In addition, municipal and county governments function as a single unit, referred to as consolidated cities, in several large cities, including Anchorage, Denver, Jacksonville (Florida), Louisville (Kentucky), Nashville, New York City, Philadelphia, and San Francisco.\textsuperscript{68} However, no studies appear to have examined the extent to which consolidation affects local governments’ social welfare spending, such as the appearance of greater “city” spending on public health and welfare in municipalities that have merged their functions with county governments.

Due to these distinctions, one cannot assume that a given unit of local government, municipality, county, or special district, has equivalent ability to raise revenue or is responsible for similar functions across or even within states, including in social welfare: social welfare functions that are directly administered by the state government in one
state may be delegated by states to counties in another. For example, public welfare functions are administered by counties in 13 states, by workforce development boards in 7 other states and by state governments in the remaining 30 states. Responsibility for public education is particularly varied: schools may be administered by the municipal government, the county government, independent school districts, or states, and district boundaries may or may not overlap with municipal boundaries. While municipal governments do operate public schools in 12 states, they do not do so alone: the extent to which they do differs by city or town, and in no state is the municipal government solely responsible for public schooling. The dominant arrangement for providing public education in the United States is actually through independent school districts, separate from any other governmental unit: 30 states provide public education solely through independent districts, an arrangement that, per the U.S. Census Bureau, is “practically universal in the West.” In contrast, in 4 states, Alaska, Hawaii, Maryland, and North Carolina, there are no independent school districts, but only those that are administered by other levels of government, principally states or counties. Though special districts assume a significant role in the administration of public housing, 8 states, Arizona, Hawaii, Louisiana, Michigan, New Jersey, New York, Virginia, and Wyoming, contain no fully independent housing districts. Responsibility for public health provision is similarly varied: Salinsky finds that 60% of local public health departments serve county areas and 18% serve “cities, towns, or townships.”

Hajnal and Trounstine, the authors of one of the few studies to acknowledge the existence of functional variation in local governance, report that many cities may not be responsible for many types of spending, and that studies that focus only on municipal
governments eliminate the third of local government spending that falls to special districts, 29 percent of which is spent on social welfare functions.\textsuperscript{77} For example, in a 2006 data set summarizing the municipal expenditures of the nation’s 35 largest cities, the U.S. Census Bureau reports no education spending for 22 municipalities, including Los Angeles and Houston, the second and fourth largest U.S. cities, respectively, and no public welfare for nearly half (16 cities).\textsuperscript{78} A cursory reading of this data would lead those unfamiliar with variations in the landscape of local governance to conclude erroneously that municipal residents are not receiving such services, when they are in fact: the municipal government just is not responsible for providing them.

Local social welfare responsibility clearly is not limited to municipalities alone but delegated to a multiplicity of local governments, including cities, towns, counties, and special districts, and a full analysis must consider the actions of all of these entities.\textsuperscript{79} Failing to account for these variations has implications not only for the soundness of researchers’ empirical methods, but for the conclusions they draw. Neglecting to do so partly may explain the inconclusive findings of previous work.\textsuperscript{80} As Tausanovich and Warshaw assert, moving beyond controlling for the population and the “size” of the economy to substantively incorporate variations in the scope of municipal responsibility might be an important step for future scholarship.\textsuperscript{81}

Local fragmentation also complicates the notion that residents choose only one governmental service provider when they locate in a particular municipality: in actuality, by choosing to reside in a particular city or town, they implicitly select not only a single municipal government but an additional package of county, school district, and special district tax and service combinations.\textsuperscript{82} Individuals cannot simply “unbundle” the
variations in tax and service administration that come with residing in a particular city or town: for example, to choose to have their water provided either by the municipal government or a public utility, or public education administered by the city or an independent school district.83

In addition, local governments are no longer restricted to the property tax as their sole source of revenue, as the Tiebout model suggests, but also may rely on income or sales taxes, fees and charges, and grants from state and federal government to fund service provision.84 The percentage of revenues local governments, including municipalities, derive from property taxes has declined substantially since the 1960s, as well.85 Benton writes that the share of revenue municipal, county, school district, and special district governments received from the property taxes was “cut in half” between 1962 and 2002.86 This shift in local governments’ revenue base, from reliance on the property tax to a much more diversified combination of property, sales, and income taxes, fees, user charges, and intergovernmental grants, complicates the public choice notion of a simple equation of property tax payments for personal services and its accordant assumption that municipal governments must finance the services they provide solely from taxes on housing.87 In commenting on the contemporary diversity of municipal financing, Pagano asserts that “the property tax city…is no longer the model for cities today.”88 Consequently, public choice, a decades-old theory, simply may not explain the behavior of present-day local governments very well.89

Some scholars also have argued that the economically-based public choice theory, with its restrictive assumptions of residents’ “perfect information” on local tax and service packages and their unconstrained, equally-attained mobility, simply is too
narrowly-focused to explain the multiple factors that bear on local governments.\textsuperscript{90} Though few dispute that local officials are responsible for the fiscal health of their governments, as Weir notes, maximizing the tax base may not be their only concern, nor do all municipalities have equal capacity to do so.\textsuperscript{91} Some research also indicates that local residents may not be as unilaterally supportive of economic development efforts as public choice theorists, particularly Peterson, claim: for example, Sharp finds evidence of citizen resistance to business development subsidies, framed as “corporate welfare” by opponents, for failing to produce substantive community benefits.\textsuperscript{92} As a result, many authors suggest that the framing of local governance as limited entities pursuing singular economic development efforts and apolitical functions such as road maintenance is, in itself, limited.\textsuperscript{93}

Moving beyond the local level, Pagano asserts that relationships with higher levels of government, including the legal constraints placed on municipalities by states, citizens’ demands and preferences, and even differences in political culture shape municipal leaders’ tax and spending decisions.\textsuperscript{94} Similarly, Davidson notes that the activities of local governments are clearly less separable from, and more intertwined with, the federal government than Peterson claims, and that relationships between local and federal actors, including in the implementation of social welfare programs, result in the expansion of the “range of policy choices available at the local level to include more issues of national importance.”\textsuperscript{95} At the heart of Peterson’s application of public choice to federalism is the implication that policy areas, including social welfare, are only local or national, yet such neat divisions may not reflect contemporary local governance accurately.\textsuperscript{96} Both the interconnectedness of federal, state and local government activity
and the fragmentation of local governing responsibilities clearly complicate efforts to employ public choice as the narrative thread for the local social welfare “story.”

A considerable amount of the research on local public finance, including in social welfare policy, has focused on the influence of municipal governments’ structural aspects, such as whether they operate under a mayor-and-council or a council/manager system, whether city councils are elected by district or “at large” elections, and whether cities have direct democracy provisions, finding contradictory relationships and often none at all. Part of the explanation for this ambiguity also may lie in the fragmentation of social welfare service provision: if education is operated by an independent school district, public welfare administered by county government, or affordable housing provision offered by an independent housing authority, the channel through which municipal government participation or institutions might influence this spending is less clear than the notion of a direct line connecting structure and expenditure might suggest. Given that multiple local government bodies, including school districts, special district governments, and counties, provide social welfare functions to residents of a given municipality, municipal government spending is not the only target of citizen preference communication: because individuals living within the boundaries of a municipality do not articulate their views to, nor receive services from, municipal governments alone, municipal leaders cannot be expected to respond if their jurisdiction is not responsible for the relevant policy area. For example, residents’ preferences for spending on public schooling will be heard by the school district if the municipal government does not oversee education. Similarly, if the county government, not the municipal government, is responsible for providing public health services to residents of
the municipality, the county government will be the recipient jurisdiction for resident preference communication.

In spite of their inconclusive findings, studies that examine municipal structures nonetheless represent substantive efforts to reintroduce political variables into studies of local government spending. Due in part to the dominance of public choice theory, including its equation of local communities with economic markets and portrayal of local government as an “apolitical” domain characterized by nonpartisan elections, as well as the unavailability of data on measures of local participation, relatively little is known about the influence of residents’ political views on local policy, including on spending.\textsuperscript{100} This lack of data may help to maintain the theoretical primacy of the public choice perspective, inasmuch as it is difficult to challenge the perception of local government as apolitical if there is little available data on local politics or preferences.\textsuperscript{101}

To address the lack of generalizable data on local politics, including on residents’ political preferences, ideology, or partisanship, researchers have tended to conduct case studies of a single policy domain or a limited number of communities, or to model relationships quantitatively utilizing proxy measures, typically demographics, partisan turnout in presidential elections or national party affiliation.\textsuperscript{102} However, employing proxy measures may be problematic in several ways. First, ideology and party affiliation may not be equivalent terms, particularly when measuring relationships over time, given mid-20\textsuperscript{th} century changes in the composition of the Democratic and Republican electorates, particularly the movement of the Republican Party to the ideological right.\textsuperscript{103} Tausanovich and Warshaw also claim that the party vote share in any single presidential
election may be the result of short term forces rather than an enduring measure of citizens’ views.\textsuperscript{104}

The use of demographics such as race, median income, or the percentage of the population living in poverty to proxy for resident preferences also poses challenges, particularly inferential ones. In addition to being indirect measures of people’s views, the predicted influence of demographic factors may differ depending on whether the researcher characterizes them as direct measures or as preference proxies, rendering them difficult to interpret. For example, studies that employ the percentage of residents who are racial minorities as a proxy for liberal preferences typically hypothesize a positive relationship with social welfare expenditure based on previous research that suggests members of minority groups are more likely to vote Democratic and to support such efforts.\textsuperscript{105} Other researchers conclude the percentage of racial minorities in cities and negative views of minorities, specifically racial bias and the belief that minorities may disproportionately benefit from social welfare, may diminish public support for public welfare assistance, and reduce the amount of spending, including local spending, on such functions.\textsuperscript{106} The percentage of minority residents, therefore, leads to contradictory expectations when utilized directly, to model a community’s demographic composition, and when employed as a proxy measure of preferences.

Other proxies can be similarly challenging to predict and to interpret: while low income individuals may be more likely to vote Democratic and to support social welfare expenditure, seemingly leading to greater spending, a larger percentage of poor residents may result in a given local government having less available revenue to fund public services.\textsuperscript{107} Conversely, higher income individuals may contribute to a more robust tax
base, as Peterson claims, but, if their interests are viewed through a public choice lens, affluent residents should not be expected to support their local governments’ use of funds to pay for social welfare, given that they would not benefit from such efforts, a fact that few studies seem to acknowledge in utilizing income as a proxy indicator. Some studies also indicate that more educated individuals have greater demands for public services, including education, despite its inclusion as “social welfare” in most studies, while others suggest that more educated individuals are less likely to support social welfare spending overall. Children and older Americans also may have greater need for Medicaid or other public health services or for public welfare, presumably leading to greater expenditures, yet some previous research has concluded that older Americans are less supportive of some forms of social welfare effort, including education spending. Consequently, modeling demographics directly or as proxies to infer residents’ views leads to contradictory, or opposite, predictions in many cases. Although employing proxy measures is a pragmatic and reasonable accommodation to data limitations, doing so complicates inference in non-trivial ways.

Recent work has attempted to address these limitations, and to challenge the framing of local government as a non-ideological or neutral domain. A few researchers have employed surveys of residents’ self-reported liberal-conservative orientation to investigate the relationship between ideological-self-identification and local spending on liberal policy areas, including social welfare, finding positive relationships. In addition, Chris Tausanovich of UCLA and MIT’s Christopher Warshaw have developed municipal-level ideological “scores” for every city and town with a population of 20,000 or greater, and which are used in the analysis that follows. In constructing these
measures and testing them in subsequent research, Tausanovich and Warshaw find evidence both of variation in municipal ideology and of a positive relationship between liberal ideology and policy, concluding that more liberal municipalities do have more liberal policies and higher per-capita total expenditures. In reporting on the significance of their findings, they assert that “despite the supposition in the literature that municipal politics are non-ideological, we find that the policies across a range of areas correspond with the liberal-conservative positions of their citizens.”

Though public choice is based on the notion that local residents do have distinct preferences, such preferences are narrowly construed in the theory’s original formulation, as a simple calculus of taxes paid for personal benefits, and broadened only slightly by Peterson to include economic development interests. However, if local government is a more ideological domain than previously has been thought, residents may have preferences that extend beyond a seemingly-universal approval of low taxes and economic growth, and such preferences may explain the persistence of local social welfare expenditures in the face of theoretical predictions that argue for their absence. For example, while public choice theorists depict social welfare in negative terms, as a drain on local resources, some individuals may view services such as the provision of affordable housing, public health, and hospital care, more positively, in terms of the benefits they provide to low income residents, such as improving their health and their quality of life, and thus their ability to contribute to a more stable and productive community. Less benignly, local residents may favor assistance to the poor to make their own communities more visually appealing, supporting expenditures such as homeless shelters so that they do not have to witness individuals sleeping on the
streets. Some scholars also suggest that some programs often characterized as social welfare assistance, such as education and job training, can be perceived as economically beneficial, enhancing a locality’s skilled workforce or its stock of “human capital,” a view that complicates the framing of such efforts as only detracting from a locality’s economic base. As Gillette asserts, public choice “predicts that local redistribution at best constitutes a pure wealth transfer and at worst induces exit by net subsidizers and attracts more individuals who require subsidy. It would turn the theory on its head to provide to propose that local redistribution instead produces positive economic returns. Nevertheless, the literature of local economic growth suggests just such a possibility.”

In framing economic efficiency as local governments’ dominant, even singular, imperative, public choice theorists simply overlook the possibility that residents and policymakers may be influenced by other concerns or values, including altruism and the promotion of social equity. Members of the public may have multiple reasons to support local social welfare efforts, rather than to uniformly oppose them. If residents’ interests are less singular than public choice suggests, the theory’s assumption of an equivalent public disinclination toward local social welfare spending may not hold. Local governments may spend funds on social welfare provision, not in violation of residents’ preferences, but, at least in part, because of them.
Chapter III
Rethinking the History of Local Social Welfare Provision

From the Colonial period onward, governments—first local governments—played a crucial role in relief. The amelioration of poverty and dependence, in this story, required increased attention by public authorities, first by state, then by national governments.¹²²

Much recent political science research frames the devolution of responsibility for the administration of Temporary Aid to Needy Families (TANF), the nation’s primary public welfare program, as a departure both from the history of American social welfare provision, including the role of local governments, and from the public choice expectation that the federal government should administer most redistributive functions.¹²³ Historical and political institutionalist scholarship offers a different perspective, documenting that the local role in American social welfare provision has deep roots, actually preceding the federal role.¹²⁴ Accordingly, some have critiqued the public choice perspective as “ahistorical” for its insufficient grasp of American social welfare history.¹²⁵ Work that frames social welfare spending by local governments as paradoxical fails to acknowledge that cities, towns, and counties may be engaging in such spending because they have a history of doing so: devolution may be less a departure than the continuation of a longstanding local responsibility.¹²⁶

Scholars of the American welfare state, including both political scientists and historians, have traced the role of local communities in administering social welfare to the 18th century, if not earlier, suggesting that the New Deal programs that often are cited
as the commencement of American social welfare provision were not, in themselves novel, but simply introduced the federal government into an area of service provision traditionally dominated by local governments and private charitable organizations.127 Pimpare documents that local governments developed the earliest welfare programs, including “work relief,” health care, and widows’ benefits, the foundation for the welfare programs Aid to Families with Dependent Children and its successor, TANF, and that state and federal governments later followed local action.128 Cities and towns assumed early roles in the provision of public assistance, or relief, though counties also shared this task.129 Public choice and other scholarly accounts that trace the origins of American social welfare provision to the adoption of New Deal federal programs, framing them as the natural providers of social welfare services, typically overlook the fact that federal responsibility may be the departure from the historical trend and, accordingly, that local governments’ role may be less “illogical” than it might seem on face.130

Far from being separable policy domains, federal, state, and local social welfare policies often were “layered,” with state policies building on local initiatives; for example, during the New Deal, the federal government delegated the administration of some programs, namely unemployment insurance and Aid to Dependent Children, to the states while keeping others such as Social Security within its direct control.131 Some states further devolved responsibility for welfare, and later, health programs, to county governments.132 Weir asserts that, rather than the manifestation of a “New Deal order, the United States appears as a layered polity in which federal initiatives were overlaid on state political systems that operated with different administrative capacities and political
logics. American social welfare policy never has been as neatly divided among vertical tiers of government as much contemporary work suggests.

In addition to local provision itself, ideological and cultural views of the poor, often traced to the stigma of “welfare” in recent scholarship, have a substantial history: Craw observes that “under pre-New Deal American social welfare policy, local governments went to great lengths to minimize their responsibilities in caring for the poor, particularly those poor who were not native to the community,” while others suggest that the stereotype of the poor as trying to avoid work and exploit government largesse dates back even further, to the 19th century local poorhouses, which aimed to “aid the destitute without fostering dependence and idleness” and to the city settlement houses of the same period, which endeavored to regulate the moral conduct of their beneficiaries and which often excluded racial minorities from receiving services. Weir writes that the aforementioned delegation of New Deal program responsibility reflected this division, as states were tasked with administering programs targeted to “undeserving” citizens, such as the unemployed, disabled, and non-working adults with children, while universal programs serving the elderly remained under federal control. The moralizing elements and racial bias that frequently have been described as characteristic of contemporary welfare policy are less a departure than recent political science scholarship intimates: far from being introduced by devolution, the influence of cultural constructions, racial biases, and classification of assistance claimants as deserving or undeserving seem characteristic of American social welfare history.

New Deal and subsequent Great Society social welfare efforts did mark a key development in the American welfare state: the expansion of funding from the federal
government to state and local governments, including for social welfare. Federal grants for public welfare programs, housing, and education expanded, particularly in the 1960s and 1970s, and cities often were direct recipients, including of aid specifically targeted to address urban challenges. If local governments, including but not only cities, were not necessarily assuming new types of responsibility, they were receiving substantial new intergovernmental assistance in order to continue and even expand those duties. As a result, the public choice assertion that local governments can be expected to fund their functions, including social welfare spending, entirely from their own revenues may not be a reasonable one in recent decades. Some scholars even go so far as to claim that the expansion of the federal and state social welfare efforts has rendered it implausible to consider local social welfare provision as completely independent from other levels of government. Nonetheless, as Volden observes, the precise nature of this relationship has fluctuated over time, reflecting the interdependence between federal, state, and local governments characteristic of a federal system.

Direct federal aid to cities, including for some social programs, began to decline in the early 1980s, while some state governments required local governments to assume greater responsibility for the administration and, in some cases, funding for many federal and state social welfare programs, including Aid to Families with Dependent Children, education aid for disadvantaged and disabled students, and housing assistance. In an effort to curtail federal spending and to devolve greater responsibility for social welfare to states and local governments, the Reagan and George H.W. Bush administrations dramatically reduced funding for many federal grant programs, including the Community Development Block Grant, the Social Services Block Grant, and job training assistance,
at the same time that expenditures for other programs, namely public welfare and Medicaid, grew, due to an increase in the number of eligible individuals, in the case of the former, and growing medical costs, in the latter: while local governments funding sources declined, their responsibilities did not.\textsuperscript{145}

The decline in federal aid in the 1980s arrived on the heels of the “property tax revolt,” of the 1970s, when citizens began to protest rising taxes in the face of growing inflation.\textsuperscript{146} Some scholars suggest that the combination of inflation and tax increases led working and middle-class Americans to begin to turn away from their support for some aspects of the New Deal welfare state.\textsuperscript{147} Michelmore reports that many did not view themselves as benefitting from any “welfare programs,” but, rather, as victims “of the tax-and-spend liberal state.”\textsuperscript{148} Americans generally seemed to perceive only the “burdens” of the expanded welfare state, not the benefits that they themselves received, such as G.I. Bill aid to veterans, Social Security benefits that gave elderly Americans access to a secure retirement, and Federal Housing Administration loans that enabled many working and middle class Americans to become homeowners.\textsuperscript{149} Morgan attributes this unawareness to the distinct construction of tax and spending policies in the post-New Deal era, writing that “the American tax and transfers system that emerged by mid-century combined a relatively visible, and potentially unpopular, tax system with a modestly sized and oft obscured welfare state.”\textsuperscript{150} Little in this state of affairs seems to have changed in recent years: Mettler and Koch find that many individuals, particularly those who receive benefits delivered through the tax code, fail to identify themselves as the recipients of any governmental assistance.\textsuperscript{151}
Some scholars of the tax revolt also have concluded that Americans’ desire to limit their tax burdens was not necessarily accompanied by a clear understanding of the impact such actions would have on public services they supported, such as health care and education: referring to California’s Proposition 13, which limited property tax rate increases in that state, Michelmore writes that “polls found that most Americans believed that tax limitation measures modeled on the California plan would not result in any substantial cuts to social services.”

It may be that restrictions on property taxes and opposition to social welfare programs are less connected in Americans’ minds than is generally believed. While Americans want to pay fewer taxes, it is unclear that they expect fewer services for the taxes they do pay, and may even believe that tax cuts and continued spending on their favored programs can coexist. Contrary to the expectations of public choice, residents actually may want more services than they are willing to pay for in taxes.

Popular expectations notwithstanding, the decline in federal aid and the property tax revolt had substantive consequences, diminishing the revenue base of cities, in particular those with high levels of poverty, which had to address pressing social needs with much less assistance to aid their efforts throughout the 1980s and 1990s. As a result of this combination of macroeconomic forces, decreasing aid, and citizen tax opposition, yet seemingly no decline in need for public services, states and localities began to reduce their spending in some areas of social welfare, including public hospital funding and, most notably their own-funded public assistance to the needy, or General Assistance. Public welfare recipients now receive little cash assistance of any form, whether through General Assistance or TANF funds. Thus, by the time the Aid to Families with
Dependent Children program was converted to TANF in 1996 and 1997, local communities were struggling to meet responsibilities delegated from federal and state governments with decreased levels of funding from prior years.\textsuperscript{159}

Variation in the degree of delegation from states to local governments, including for welfare provision, also was firmly in place by the 1980s and 1990s, despite some scholars’ claims that it began with TANF.\textsuperscript{160} Kim and Fording and Sharp document that, under AFDC, fifteen states had devolved some degree of administrative responsibility to local governments, principally counties.\textsuperscript{161} Therefore, as Hacker suggests, welfare state policies remain durable, with policy adaptation or “conversion” more likely than substantive change.\textsuperscript{162} Policy areas, once entrenched, may become an expected part of government’s scope of responsibility and modifications in program structure may be more likely than elimination of functions altogether: local social welfare may exist because it \textit{persists}, because it represents a continuation of, rather than a radical departure from, local governments’ historic role.\textsuperscript{163} TANF’s adoption did include one extremely substantive policy change in ending the entitlement to cash assistance: however, this, and not the devolution of its administration, was the aspect of the program that deviated from the trend.\textsuperscript{164}

This alternative interpretation of devolution’s life cycle might be little more than an intriguing historical footnote but for its substantive implications for empirical investigations of local social welfare policy: understanding which level of government, local or state, may be expected to assume responsibility for social welfare functions in a given state, and which form of local government, municipal, county, school district, or special-purpose district, is the likely target of state-to-local devolution is critical to
determining the most plausible unit to analyze in any given area of social welfare policy.\textsuperscript{165} For example, devolved public health and welfare functions, two of the more decentralized areas of social welfare, often fall to county governments, as arms of state government, rather than to municipalities.\textsuperscript{166} Though those in need of public welfare aid historically have lived in cities, it is counties, not cities, that have assumed the primary local governmental role in public welfare program implementation: cities were given “no formal role” in the administration of TANF, the primary source of public welfare funding after the decline in state and local general assistance.\textsuperscript{167}

Devolution, literally the transfer of governmental functions from one level of government to another, can come in two forms: “first order,” the transfer of functions from federal to state government, or “second order,” from state to local governments.\textsuperscript{168} The degree of second order devolution varies by state: for example, in the TANF program, the most-studied area of recent social welfare devolution, 13 states have devolved direct administrative authority for TANF, as opposed to simply the delegation of tasks or developing guidelines for policy implementation, to county governments, with counties in more urban states being most likely to be charged with this responsibility.\textsuperscript{169} Seven additional states delegate some responsibility to local boards that administer state workforce development initiatives, as well.\textsuperscript{170}

Devolution has substantive impacts not only on local governments’ scope of responsibility, but on the funding they receive to fulfill those responsibilities: as noted earlier, the expanded federal role in funding social welfare efforts has meant that, in many policy areas, such as public welfare, health, and hospital provision, much of the funding that local governments presently spend on social welfare actually is provided to
them by a higher level of government.\textsuperscript{171} Gais, Dadayan, and Bae report that in 2007, the year of the empirical analysis that follows, “most of the dollars spent by state and local governments on social welfare functions came from revenues raised by the federal government, which typically passed the money down to state and local public agencies through intergovernmental grants, such as Medicaid, Temporary Assistance to Needy Families (TANF) or the Child Care and Development Block Grant (CCDBG). Of total social welfare spending in 2007, 62.8 percent ($235.8 billion) came from federal sources. State and local governments funded the remaining 37.2 percent ($129.5 billion) out of their own revenue sources.”\textsuperscript{172} The local tax base is no longer the only source from which local governments can draw to fund their social welfare activities, as public choice claims, and local governments that appear to spend more simply may be delegated funding that is a state responsibility elsewhere.\textsuperscript{173} The primary recipients of state aid in recent years have been school districts, which receive more than half (55\%) of their revenue from state and federal government.\textsuperscript{174} The depiction of local, state, and federal funding as separable may be a perceptual error, a narrow reading of the historical record, rather than an accurate portrayal of the ways in which local governments support the services they deliver, particularly in the social welfare arena.\textsuperscript{175}

In addition to continued devolution, the ending decades of the twentieth century also were characterized by changes in the extent of local government fragmentation. Perhaps most significant has been the increase in the number of special-purpose districts, independent local governmental bodies that assume a limited number of government functions and whose boundaries often cross, rather than ending at, municipalities’.\textsuperscript{176} Special district governments have expanded both in number, increasing at a greater rate
than general purpose governments, and in the scope of services they provide: from 1992 to 2007 alone, the number of special districts increased by 13%, most often in more urban states.\textsuperscript{177} As of 2007, there were nearly as many special districts (37,381) as there were general purpose local governments (39,044), including municipalities, counties, and towns, in the United States.\textsuperscript{178} According to McCabe, special districts increasingly have come “to offer the kinds of services that cities once provided” through their municipal governments, including social welfare services such as hospital care, public health, and housing and community development.\textsuperscript{179} Public housing authorities date back even longer, to 1937.\textsuperscript{180} This fragmentation of local social welfare provision among municipalities, counties, school districts, and special districts for scholars challenges the notion that simply focusing on one entity, such as the municipal or county government, can explain the whole of the local social welfare role.\textsuperscript{181}
Chapter IV

Ideology, Responsiveness, and Social Welfare

The United States is characterized by a mosaic of philosophical and ideological orientations toward the appropriate role for government as service provider and these views set parameters for the operations and revenue-raising capabilities of all levels of governments.\(^{182}\)

Part of the rationale for the social policy devolution of the 1980s and 1990s was the claim that it might bring government “closer to the people,” thereby increasing policy responsiveness to public preferences and, accordingly, implying the existence of some local preference divergence on social welfare issues.\(^{183}\) Proponents of devolution also asserted that local policymakers’ greater knowledge of their communities would enable programs to address local needs more adequately.\(^{184}\) Some scholars even suggest that devolution can promote democratic processes, inasmuch as it offers the potential for previously-centralized policies to be managed, and influenced, locally.\(^{185}\) Other proponents assert that devolution provides an opportunity for historically marginalized groups to influence policy: “devolution, usually favored by conservatives, can be used to promote liberal policies in the states if lower- and middle-class groups have more power there.”\(^{186}\)

The history of state and local social welfare provision indicates that such assertions might be optimistic. Enhancing responsiveness to public preferences may not be a unilateral good, in that it can provide an opening for local biases or prejudices about the recipients of social welfare assistance, not only local needs, to influence local
governments’ commitment to those policies and the success of such efforts in aiding the poor.\textsuperscript{187} For example, scholars of state-level welfare policy, informed by the public choice perspective, suggest that state governments may try to lower the benefits they provide to public assistance recipients based on the belief that more generous benefits could attract “undesirable” low-income residents.\textsuperscript{188} While the existence of such welfare-oriented migration has received variable empirical support, Kim and Fording observe that “the fear of welfare migration can still impact policy decisions” even in the absence of evidence that it occurs.\textsuperscript{189} At the local level, public choice theorists assert that cities and towns should spend little on social welfare because doing so would encourage the in-migration of less “desirable” residents from a tax perspective, as well as the departure of the affluent.\textsuperscript{190} Normative views concerning the work efforts and morals of poor residents and racial prejudice toward minorities, not economic concerns alone, also may lead local residents to disapprove of local government spending on behalf of disadvantaged individuals who already reside in the community. Thus, while variation in social welfare spending across states may be evidence that policymakers have “tailored” their spending according to local needs, it also may reflect local biases.\textsuperscript{191} The contention that being “closer to the people” is an unqualified good, and, accordingly, that the responsiveness-enhancing potential of devolution only can result in superior outcomes for local residents may be more an ideal than a reality.
Conceptualizing Ideology

In the political science literature at large, ideology most commonly is conceptualized as identification on a singular left-right, liberal-conservative continuum, which, some scholars suggest, is a “reasonably” good predictor of individuals’ political views and behavior. This assertion is based on findings indicating that individuals’ issue positions tend to correspond or to “move together,” that is, if one has liberal views on one issue, he or she is likely to be liberal on others. Others claim that this uni-dimensional, “liberal-conservative,” framing reflects only that an individual is liberal or conservative on both economic and social issues. However, individuals might be conservative (liberal) on economic issues and liberal (conservative) on social issues, which single-dimension indices may not measure as well. These multi-dimensional conceptions of ideology are centered on the notion that ideology consists of both an economic dimension, which consists of preferences for taxing and spending, including “assistance to the poor,” and a social dimension, which concerns individuals’ views on moral and values issues.

A concept similar to economic ideology is Stimson’s “policy mood,” typically defined as a measure of public preferences on “scope of government issues,” such as whether government should be “doing” or spending more or less on a particular policy activity. More formally, the “policy mood” construct measures both the underlying structure of and changes in the public’s policy preferences concerning the size of the federal government, including its role in managing the economy and redistributing wealth. Policy mood, like ideology in general, is conceptualized as aligning on a liberal-
conservative dimension, with preferences for a more active government corresponding to a liberal position, and support for less governmental intervention characterized as conservative.\textsuperscript{197}

Many studies investigating the role of ideology in political life do so by asking survey respondents to place themselves on the uni-dimensional spectrum, to identify themselves as varying degrees of conservative or liberal: such self-placement often is described as “symbolic ideology,” in that it documents only the symbolic meaning individuals attach to the labels liberal and conservative, without reference to specific policy domains.\textsuperscript{198} In contrast, others seek to measure “operational ideology,” which views ideology less as a matter of self-identification, but as based on the specific attitudes and issue positions that individuals hold.\textsuperscript{199} Some scholars claim that individuals struggle to connect ideological “labels” to their substantive views on issues and that operational ideology is a more accurate gauge of people’s issue preferences.\textsuperscript{200} Other researchers suggest that individuals’ “symbolic” self-identification, the ideological “labels” they assign themselves, may not align with their operational ideology, or views on specific issues, not because of a failure to connect the two but because their views on policy may be more practical than their symbolic placements indicate, giving rise to the proposition that Americans, in general, tend to be simultaneously symbolically “ideologically conservative” and operationally, or “pragmatically,” liberal.\textsuperscript{201} Research has produced varying explanations of whether demographic factors such as gender, age race, income, or education level influence one’s ideology. For example, much recent work on the “demographic-ideology relationship” focuses on the influence of income, namely whether the operational ideology of high, middle, and low-income individuals differs,
generally concluding that, while differences do exist, they are relatively small or “modest.”

Until recently, relatively little scholarship has explored how ideology functions at the local level. Some research that focuses on the local dimensions of national ideology indicates that individuals use local context as the basis for their positions on national issues, such as the state of the economy, and that individuals formulate their issue positions, their operational ideology, through interactions with those living around them. Others have focused on ideology not as an individual construct but as a dimension of America’s “political geography,” how ideology varies systematically at the level of states and counties. Some authors conclude that, short-term variations notwithstanding, the nation’s political geography is relatively stable. For example, Glaeser and Ward find that the ideological “affiliation” of counties has remained “reasonably consistent” in recent decades. Perhaps, in some fashion, at the local level, preferences are reinforcing, particularly if political processes reinforce them: if liberal or conservative candidates typically govern a city or town, that tendency may become the community’s “default” political identity. At the local level, liberalism may beget liberalism, and conservative identification may be similarly self-perpetuating. Residing in the same community also may lead residents and local officials to share political preferences. For example, cities may be known as bastions of the Democratic or Republican Party, despite the existence of non-partisan local elections frequently noted in studies of local government.

However, Glaeser and Ward, like other scholars of the relationship between ideology and policy, conflate liberal-conservative ideology and Democratic-Republican party
affiliation, a potentially problematic assertion given that, as Shapiro documents, the relationship between party and ideology has changed over time: nationally, Democratic Party affiliates are more consistently liberal than they were in the mid-twentieth century when more conservative Southern states, and individuals residing in those states, affiliated Democratic.210 Similarly, contemporary Republicans tend to be conservative and less liberal or even moderate, at the national level than they once were.211 Work that attempts to equate party and ideology, particularly longitudinal work, therefore risks making problematic inferences.212

In addition, a body of recent work on the ideological and partisan dimensions of local life challenges the notion that American political geography truly is stable.213 In The Big Sort, perhaps the most well-known publication in this vein of scholarship, Bill Bishop claims that American communities are becoming more ideologically homogenous, asserting that individuals increasingly have chosen to reside among “co-partisans,” those who share their political views.214 However, if individuals are residing in more ideologically sorted communities, it may not be because they are choosing their residence based on political preferences but on factors that are correlated with those views, such as a desire for a more dense residential environment or to live among diverse neighbors, which in turn produces the appearance of ideologically-based sorting at the local level.215 Recent scholarship in the field of political geography finds that when individuals do move, the desire to live among neighbors who share their politics, while not inconsequential, is subordinate to a number of other factors: the decision to move is more often influenced by employment and family concerns, while safety and residential affordability more typically determine specific neighborhood choice.216 While
individuals may be living in more politically divergent localities, a still-debated phenomenon, the extent to which political or factors are creating it is unclear. In addition: the majority of scholarship on the politics of residential sorting examines party affiliation or federal election returns at the county or Congressional district level, not local political activities, such as mayoral elections, attendance at public meetings, or involvement in community organizations: if political or ideologically based sorting does exist, its effects on local politics and policy are unknown at present.

The Operational Ideology of Social Welfare (or “Public Preferences for Social Welfare”)

Studies of the history of American social welfare provision have found that the issue long has had a normative tenor. Similar to research on ideology in general, scholarship on public attitudes toward social welfare, most often situated within the body of scholarship on Americans’ “scope of government” views, has examined whether Americans’ ideological views “move together” and if their social welfare preferences are stable over time. Shaw writes that polling data appear to support the notion that Americans are operational liberals in their overall social welfare policy views, writing that “solid majorities of Americans routinely report their willingness to support increased federal spending on a variety of redistributive programs.” Ellis and Faricy also note that “social programs…are quite popular with the American electorate” and that “when faced with the basic question of whether government” should spend more on such programs “…substantial majorities say government should spend and do more.” Shaw and Wlezien conclude that public preferences for spending on various forms of social welfare generally do tend to “move together,” rather than independently by policy.
Nonetheless, research that explores the details, not only the general contours, of Americans’ views on social welfare does reveal differences. For instance, one of the most common findings in survey research on public attitudes toward social welfare is that individuals are more likely to support “assistance to the poor,” then they are to support “welfare,” which appears to produce particularly negative images in the public mind. Recent data also provides evidence that Americans’ overall support for social welfare spending continues to have a few exceptions- or perhaps only one, aid to African-Americans and to programs thought predominantly to serve them. A 2010 study based on results from the 2008 General Social Survey found that while Americans were supportive of social welfare efforts overall, spending in three areas received less public approval: less than half of respondents supported increasing federal welfare spending, assistance to large cities, and efforts targeted toward improving the circumstances of African-Americans. Racial bias against African-Americans may diminish support for assistance to them as individuals, to the places where they may disproportionately reside, and to programs thought, albeit erroneously, largely to serve them. Studies based on the notion that the percent of community residents who are racial minorities can reliably proxy for liberal preferences seem to overlook the analytical complexity this trend poses. Increases in the percentage of minority residents in a city or town may lead to less spending on social welfare programs if racial biases influence spending, save, perhaps, in communities in which racial minorities are the majority of the population.

Recent research also indicates a partisan division on support for social welfare spending. Surveys conducted in 2007, prior to the recent recession, and in 2013 document partisan divides of 59% and 35%, respectively, between Democrats’ and
Republicans’ support for redistributive policies, including “the government’s responsibility to care for the poor” in general, whether the government should guarantee all citizens a place to sleep and food to eat, and whether government should assist more needy individuals even if doing so would increase the national debt.\textsuperscript{231} The 2013 poll also found that “Republicans are about twice as likely as Democrats to support cuts in federal funding for programs that help low income people.”\textsuperscript{232} Some work indicates that the source of this divergence can be traced to changes in Republican support, suggesting that while Democrats’ attitudes have remained stable over time, Republicans have become more ideologically conservative on social welfare issues in recent decades.\textsuperscript{233} While the relationship between party and social welfare support appears to be consistent for Democrats, the relationship between Republican Party identification and conservative views, is more complex historically.\textsuperscript{234}

Research finds evidence of an ideological divide in addition to a partisan one, indicating that those who identify themselves as conservative are less likely to support redistribution to low income individuals.\textsuperscript{235} This ideological divide, unlike the partisan one, does not appear to be recent. Margalit writes that studies of long-term public opinion trends reveal “marked and persistent differences” across ideological lines concerning social welfare policy, with voters who identify as being on the ideological left being more supportive of expanding social welfare efforts than are those on the right.\textsuperscript{236} Consequently, it seems critical to distinguish between ideology and party affiliation, particularly for scholars who conduct historical analyses of the relationship between preferences and social welfare provision: while Democratic identification may serve as a
more reliable proxy for liberal views on social welfare, Republican affiliation may not always have reflected deeply conservative beliefs.237

The Ideological Responsiveness of Local Social Welfare Spending

The majority of the research on the responsiveness of policy to Americans’ preferences focuses on national politics: as the public is more likely to participate in national than in local politics, some suggest that it at the federal level that responsiveness best can be expected.238 Studies largely do indicate aggregate responsiveness from policymakers at the national level, though less so on specific policy domains.239 With regard to social welfare specifically, researchers also find evidence of federal policy responsiveness, concluding that the preferences of voters (as opposed to citizens at large) influence governments’ welfare policy decisions, and that as the public becomes more liberal on social welfare policy and spending, the federal government undertakes more “redistributive” activity.240 However, given that low-income individuals tend to participate less in politics than do the affluent, policy may not be responding to their interests in particular, potentially a key issue on welfare policy, as low-income citizens’ preferences have been found in some work to diverge from the public’s at large.241

While scholarly inquiry concerning the relationship between national ideology and policy, including in social welfare, has a decades-long history, work on the relationship between local ideology and policy is relatively recent, due in part to a lack of generalizable data on preferences and political activity across communities and to the tendency of scholarship on local government to depict it as an non-ideological or non-partisan domain.242 Until the last decade, much of the limited research on the relationship
between ideology and social welfare policy at the local level focused on the second order
devolution of TANF from state governments to counties. While most of this work
focuses not on variations in spending but on the extent to which devolution allows for
 stricter policy design elements, including “sanctioning” non-compliant TANF clients, it
does indicate that devolution to local governments allows for notions regarding the
deservingness of clients and racial biases against TANF recipients to influence the extent
to which devolved policies address community needs.

In addition to limiting researchers’ ability to examine how ideologically
responsive local officials might be, the lack of local-level data on resident ideology also
has made it difficult for scholars to disentangle the contributions of race, income, and
political/ideological orientation. Several recent studies have documented relationships
between proxy measures of resident preferences, including demographics and
(Democratic) party affiliation, and local spending, including on social welfare: Choi, Bae,
Kwon, and Feiock conclude that the Democratic presidential and gubernatorial vote
share, measured at the county level, is associated with higher levels of county
government spending, including on social welfare efforts; similarly, Hajnal and
Trounstine document that county-level Democratic Presidential vote share and
Democratic control of state governments are associated with considerably greater social
welfare spending at the municipal level. Craw also finds evidence of a positive
relationship between the percentage of county residents who are racial minorities and
spending on housing, health, and public welfare and concludes that municipalities with
larger percentages of black and Latino residents are more likely to seek
intergovernmental grants for social welfare provision. However, the use of proxy
measures of resident preferences, a common accommodation to data limitations, effectively collapses or combines demographic and political identities, rendering it challenging to assess the competing policy influences of each.\textsuperscript{248} As Hajnal and Trounstine assert, “because most local analyses of responsiveness do not account for respondent ideology or partisanship, it is difficult to know the degree to which demographic divisions are actually driven by other identities.”\textsuperscript{249} In work that seeks to address these limitations, Hajnal and Trounstine document that black and white residents differ in their specific policy preferences, a divide that has significant implications for the perceived responsiveness of local governments to residents’ interests.\textsuperscript{250} They conclude that black residents tend to prefer that local government invest resources in social welfare programs, including public welfare, health, and housing, while white residents tend to favor spending on development projects.\textsuperscript{251} As a result, when local governments “shift resources” to spend more on social welfare, black residents appear to become more supportive of their city or local government than whites, and (they) also perceive government as more responsive to their interests.\textsuperscript{252}

In another effort to move beyond proxy measures, in 2006, Christine Palus (formerly Kelleher) conducted the first in a recent line of studies using local level measures of ideology.\textsuperscript{253} In her 2006 work, and a subsequent (2010) study, Palus finds evidence of a relationship between self-reported ideology and policy at the local level, concluding that more liberal communities spend more on characteristically liberal policy domains, including social welfare, as she anticipates.\textsuperscript{254} However, the policy areas she examines are not limited to social welfare alone, but include issues she frames as being more likely to receive support from liberal residents, including “culture, the arts, and
recreation,” environmental programs, and transportation. Though her research provides a substantial contribution to local social policy scholarship, it, and studies that have followed, is limited in two important ways. First, though she attempts to connect ideology to specific policy areas, Palus’ data measures citizens’ self-reported symbolic ideology and is not based on residents’ actual issue positions, or their operational ideology. Secondly, though she characterizes her work as measuring responsiveness, Palus does not describe how policymakers might be responding, suggesting only that, “somehow,” citizen preferences “are being transmitted to elected officials.” The limited availability of data on local participatory processes continues to be an obstacle to moving beyond evidence of a relationship between resident ideology and local governments’ spending to a more thorough examination of the mechanisms by which responsiveness occurs.

In addition, as previously noted, scholars frequently employ the term “local governments” in conceptually imprecise ways, often using terms such as “localities” to interchangeably reference municipalities, counties, and local governments in general. In doing so, researchers fail to acknowledge the ways in which local officials differ in their responsive capacity: for example, municipal officials may have lesser influence over education policy, and certainly no immediate responsibility for spending, if public schooling is administered by independent school districts and not by the municipal government itself. Studies that therefore attempt to link municipal attributes, including the structural characteristics of governments and turnout in mayoral or council elections, and social welfare may assume control over spending where little exists, or where municipal leaders’ influence may not be direct. The channels through which
preferences “affect” spending may be imprecisely, perhaps even incorrectly, specified in studies of local government social welfare provision if researchers do not verify whether the governmental units they study actually are responsible for the policies and spending they (scholars) attribute to them. For example, if municipal leaders do not directly control expenditures in a particular policy area, their responsiveness to resident preferences may be indirect: municipal officials may act principally as conveyers of preferences to the relevant policymakers, such as county officials, school board members, and special district leadership, effectively advocating or lobbying for their constituents when they are unable to oversee spending themselves.\textsuperscript{261}

As so little of the research on the local social welfare role fails to acknowledge the fragmentation of local governance, including the ways in which general purpose governments’ responsibilities may be limited, research that specifically focuses on special district governments, is, perhaps, the body of work most relevant to explore local governments’ differential capacity or inclination to respond to public preferences. Special districts often have been criticized for “undemocratic” governance structures and processes that seemingly insulate them from public accountability, such as limiting voting eligibility to property owners within the district’s service area, the appointment, rather than public election, of some boards’ members, and little public visibility in their actions.\textsuperscript{262} Bauroth depicts districts as “the only form of local government in the United States in which representative democracy is optional.”\textsuperscript{263} Turnout in special district elections tends to be even lower than in municipal elections, as these elections tend to be held throughout the year, not coincident with other local government elections, and residents may not be aware of those that occur.\textsuperscript{264} While local residents may be at least
broadly familiar with their municipal governments, they may be less cognizant of the presence of special districts in their community or of how policy responsibilities may be divided between special districts and general purpose governments. Such fragmentation in local governmental responsibilities may pose a substantive informational barrier to residents’ ability to identify those responsible for providing particular services and to hold policymakers accountable. Some critics also charge that political participation can become “balkanized” when responsibility for service provision is divided among more than one governmental entity: in cases where municipal governments do not directly administer most social welfare services, but share more responsibilities with county governments, school districts, and special districts, residents may only participate or engage with policymakers when the policy area is relevant, or particularly salient, to their interests.

However, it is not clear how applicable the research on special districts, which tends not to distinguish districts by type or, when narrowed, to focus on public utility districts, which provide more seemingly apolitical “allocational,” services, is to districts that administer social welfare functions, namely housing and community development, the third most common type of special district, and health and hospitals. It is not immediately evident that the neutral politics of water, which seem to align more with the types of “ideologically neutral” functions emphasized in much of local government scholarship, are analogous to the more ideological realm of social welfare policy. In addition, while the leadership of some districts that administer social welfare functions, such as hospital districts may be elected, in others, such as public housing authorities, board members may be appointed: Bauroth finds that 47% of hospital districts, 44.5% of
public health districts, and 20% of districts responsible for public welfare functions have at least one publically-elected official, yet only 5% of housing and community development districts do. Consequently, the criticisms of special district elections found in the literature on special districts in general may not be directly germane to districts operating in the social welfare arena. Lewis and Hamilton also note that, at present, there is no valid means for measuring the authority of special districts in economic or social policy,” a non-trivial limitation in examining their role. Surprisingly little also is known about the policy outcomes special districts achieve, specifically whether the decisions of special district policymakers are less responsive to public preferences, in fact, as critics have asserted they are. Scutelnicu writes that “empirical evidence of the responsiveness of special-purpose governments is almost non-existent.”

More information clearly is necessary to advance both empirical inquiry and theoretical explanations of the factors that might contribute to variations in the functional allocation of responsibility for providing public services and how the fragmentation of local government service provision might affect social welfare spending, including the challenges to political participation and ideological communication that such fragmentation might pose. Future inquiries concerning the impact of fragmentation on social welfare responsiveness might disaggregate the spending data by type of local government; for example, to examine whether social welfare services are more or less responsive to public preferences when more local governments are responsible for its provision, or, as critics suggest, if social welfare efforts are less responsive when more spending is administered by special districts.
Chapter V
Research Question and Hypothesis

Scholars investigating the political factors thought to influence local government social welfare activity frequently have foregrounded municipalities’ structural attributes, including the occurrence of partisan elections, ward or district based city council systems, and direct democracy provisions, rather than the political characteristics of residents, such as their party affiliation or ideology, with inconclusive results.276 The “need hypothesis,” the suggestion that the presence of more needy residents should prompt greater local social welfare spending, also has met with “mixed support.”277 Consequently, the factors that explain local governments’ social welfare activity remain less than clear.

Due to the limited available data on local participation and preferences, researchers frequently have utilized demographics and party affiliation to proxy for local residents’ views, suggesting that racial/ethnic minorities and those who are registered Democrats or vote Democrat in presidential elections are more liberal and, therefore, more likely to support social welfare expenditures at the local level.278 In the analysis that follows, I examine whether the relationship between liberalism and greater local social welfare spending proxied in previous work holds when modeled using direct measures of municipal resident ideology, controlling for the impact of demographic covariates that previous researchers have utilized to proxy for citizen preferences. I
expect that it will, consistent with recent studies that have found a relationship between self-identified liberal resident ideology and greater local government expenditures on liberal policy areas. Because increases in ideology equate to more conservative identification in the data I employ, the hypothesized relationship actually is negative: as cities become more conservative, their governments will spend less on social welfare. More formally, my hypothesis is as follows: as municipal residents become more liberal, the local governments that serve them will spend more on social welfare (specifically, on the combined total of public health, hospitals, public welfare, housing and community development, and education expenditure).

This analysis is the first to employ direct measures of local residents’ operational ideology and to account for variations in the scope of local governments’ service responsibilities in modeling municipal-area expenditures, two developments that, it is hoped, will further understanding of the influence of public preferences on the activities of local governments.
Chapter VI
Data and Methods

Data employed in this project comes from three sources: measures of municipal-level ideology compiled by political scientists Chris Tausanovich of the University of California, Los Angeles, and Christopher Warshaw of the Massachusetts Institute of Technology; data on the spending of local governments in 112 U.S. cities tabulated by researchers at the Lincoln Institute of Land Policy based on U.S. Census of State and Local Governments data; and demographic data from the U.S. Census and the American Community Survey.

Measuring City-Level Ideology

In 2013, Professors Tausanovich and Warshaw developed composite measures of ideology, or ideology “scores,” which measure the average “policy conservatism” of residents in every American town or city with a population of 20,000 or greater. I refer to these in text interchangeably, as ideology “measures,” “scores,” or “indices.” Tausanovich and Warshaw created these municipal-level measures by aggregating the individual-level responses of residents to seven public opinion polls, ranging in time from the 2000 Annenberg National Election Survey to the 2011 Cooperative Congressional Election Survey, resulting in a composite score or value for each city, aligned on a $-1$ to $1$ continuum, with positive values indicating more conservative ideology. Aggregating
individual poll responses reduces the “noise” in the data, the idiosyncratic or random factors that may affect individual survey responses.\textsuperscript{284}

Poll questions address both national and local-level policy issues, and include both social and economic policy dimensions: the scores may be viewed as akin to unidimensional measures of operational ideology.\textsuperscript{285} These measures are an improvement upon the liberal-conservative self-placement, or symbolic ideology, assessed in previous studies of local social welfare policy.\textsuperscript{286} Though the policy topics examined in poll questions include social welfare issues, questions are not restricted to social welfare policies alone. Consequently, the indices are best perceived as municipal-level measures of aggregate ideology, akin to measures of “policy mood,” rather than precise indicators of municipal residents’ social welfare policy preferences.\textsuperscript{287} The primary distinction between mood and the Tausanovich and Warshaw measures is that the former is a relative construct that assesses whether government should be doing “more or less than it is,” while, per the authors, the latter constitute an “absolute” measure of policy preferences.\textsuperscript{288} As the included polls span years, the values best might be considered a measure of ideology over the past decade rather than longitudinal measures, in that there is only one total score, not one value in each year.

Each municipality’s score includes combined questions that identify residents’ ideological preferences on both municipal and federal policy issues, rather than separate indicators for each policy dimension: in short, the ideology indices are aggregate measures of local and national preferences on both social and economic topics. Tausanovich and Warshaw assert that they do not find any evidence that respondents’ local and national preferences diverge, suggesting that respondents who report liberal or
conservative views on federal policy tend to do so with regard to local policy and that “people who are municipal liberals and federal conservatives are very rare,” at least, as they note, on the policy issues in their data set. Nonetheless, as Tausanovich and Warshaw themselves concede, they did not include survey questions about zoning or land use policies, which are particularly salient at the local level and which can be used as a way to exclude low income residents from towns and neighborhoods. In addition, individuals’ views regarding zoning might be an important mediator of their overall support for social welfare in that general support for city-level policy may not equate to the approval of particular uses of social welfare spending, such homeless shelters or substance abuse treatment centers, being zoned in their neighborhoods. However, Wolman writes that very little political science research explores the topic of land use policy at all, a seemingly crucial gap in scholarship on local governance.

Tausanovich and Warshaw also report that their indices more precisely measure ideology in large cities, as opposed to smaller cities or towns, rendering them particularly suitable for the analysis that follows, which is based on data from 112 cities. Nonetheless, it must be acknowledged that cities, and their political contexts, may not be representative of the universe of American municipalities. Though this can be considered an analytical limitation, analyses of the Tiebout model, which implicitly privileges small, homogenous communities as more able to “contain” common preferences, also have been criticized for failing to incorporate the unique dimensions of city contexts, for suggesting that communities of all sizes are contextually equal in the constraints and opportunities they face and for assuming that individuals’ lived experiences are similar in cities and (small) towns. The ideological scores for
particular cities conform to what one might expect based on “common knowledge” of a city’s political culture: San Francisco, Washington, DC, and Seattle are the nation’s most liberal cities, while Mesa (Arizona), Oklahoma City, and Virginia Beach are its most conservative.\textsuperscript{296} San Francisco receives the maximum possible liberalism “score,” —1. The cities included in this analysis tend to be on the liberal side of the ideological spectrum, consistent with scholarly claims that cities may be more liberal than smaller towns.\textsuperscript{297} Nevertheless, the cities included in this analysis are not ideologically invariant: San Francisco, at —1, is as ideologically liberal as it is possible to be using Tausanovich and Warshaw’s index. Mesa, the most conservative city, at .41, is not at as extremely conservative as it is possible to be, though it still is conservative.\textsuperscript{298} Therefore, it is not clear that large cities should be expected to “adopt more liberal policies irrespective of preferences,” as Tausanovich and Warshaw write- unless one assumes that size should make city policymakers less responsive, to the point where they ignore residents’ views.\textsuperscript{299} While cities’ ideological orientations might be less diverse than municipalities’ at large, they still do vary and so one might expect their social welfare spending to vary, as well.\textsuperscript{300}
Fig. 1. Chris Tausanovich and Christopher Warshaw. *Measures of municipal ideology*. 2014. Figure 1 (“Mean policy conservatism of large cities”) in “Representation in Municipal Government,” *American Political Science Review*, 609.
Standardized Measures of City-Area Spending: Fiscally Standardized Cities

Previous analyses of the local social welfare role have neglected to account for variation in the scope of functional responsibility across general-purpose local governments, specifically that any given unit of municipal government, either municipal or county, may assume different responsibilities across states or even within a state.\textsuperscript{301}

In focusing on general purpose governments, research on social welfare spending also typically excludes independent public school districts and special district governments that provide social welfare functions, such as hospital districts and public housing authorities.\textsuperscript{302} As a result, studies that seek to make inferences based on the spending of only one type of general-purpose local government may be biased, in that a municipality or county may not be assuming a given function, or spending little on it, not because of the decisions of that government itself, or the preferences of its constituents, but because another unit, or even level, of government, assumes the role.\textsuperscript{303}

In a substantive contribution to scholarship on public finance, researchers affiliated with the Lincoln Institute of Land Policy have incorporated these variations in the scope of local governments’ functional responsibilities into a database of Fiscally Standardized Cities, or FiSCs, estimates of the revenues and expenditures of all local governments that serve each of 112 U.S. cities, which serve as the sample for this analysis. Describing the FiSCs and the procedure used to create them, Langley writes that “FiSCs allow for comparisons of local government finances across the nation’s largest cities by accounting for differences in the structure of local government. The construction of FiSCs involves adding together revenues for the city (municipal)
government plus an appropriate share from overlying counties, school districts, and special districts. The allocations are based on a city’s share of county population, the percentage of students in each school district that live in the central city, and the city’s share of the estimated population served by each special district. FiSCs provide a full picture of revenues raised from city residents and business and spending on their behalf, whether done by the city government or a separate overlying government.”

All cities included in the FiSC database have either 2007 population of 200,000 residents or greater or 1980 populations over 150,000, the earliest year in the FiSC database. Data in the analysis that follows is from the year 2007, as detailed below. The FiSC data set includes all of the largest 35 American cities with the exception of Honolulu and “covers” all regions of the country, though less urbanized regions, namely the Mountain West and Plains regions, and New England, where cities are smaller, are relatively underrepresented. A complete list of the cities in included in this analysis can be found in the appendix.

It is important to note here that the FiSCs and the Tausanovich and Warshaw ideology data measure the same units; that is to say, the municipal geographic boundaries of the cities included in the Tausanovich and Warshaw ideology data and those of the FiSCs are the same. However, because FiSCs include data from all local governments that provide services within the municipal area, references to “cities” or “municipalities” herein do not refer to their municipal governments only but to their territorial boundaries (or their “city limits,” as commonly phrased). As they are comprised of the financial data from multiple local governments, the FiSCs cannot be viewed as governmental units in and of themselves: though the FiSCs are geographically coterminous with municipal
boundaries, the policies of, and spending in, the FiSCs are not conducted by municipal governments alone. Consequently, this data cannot be used to test the impact of the structural factors of any one unit of government, such as whether municipal ward or at-large city council structures, partisan elections, or weak vs. strong mayoral systems are associated with FiSC expenditures, as doing so would attribute all of FiSC spending to only one of its included governments, the municipal government, for example, and erroneously infer that that entity is responsible for the spending of all the other governments included in the FiSCs.

In addition, because the expenditures of all local governments are combined in each FiSC, rather than being decomposed by percentage of spending from each included government (e.g. the percentage of public health spending from the municipal government, county, and independent authorities), this analysis cannot assess the relative “contributions” of each included government, how policymakers from different local governments interact, or how the extent to which social welfare responsibilities are divided between multiple governmental units influences FiSC spending. Future research might explore these issues, though the challenges in gathering data on the structural characteristics of all governmental units that operate within a given municipality’s boundaries, such as whether school and special district boards are elected or appointed or the structures of county boards of commissioners, might be formidable, particularly in small communities. As employed here, the aggregate FiSC data simply provide(s) a way to incorporate the fact that policy and spending responsibilities vary across and within states, and, in so doing, to minimize the potential for downwardly biased estimates that
could result from failing to include the expenditures of all local governments that provide social welfare services within a given municipality.\textsuperscript{311}

The FiSCs are based on the aforementioned Census of State and Local Governments data, which, in its original form, classifies municipal governments, county governments, special districts, and school districts as separate data fields.\textsuperscript{312} Expenditures included in the FiSC data includes all local government direct expenditures, with the exception of intergovernmental expenditures to (not revenue received from) other local governments, as including the latter could induce “double counting” of funds (for example, transfers between city and county governments whose territory includes the city).\textsuperscript{313}

The 112 cities included in the Lincoln Institute FiSC data show striking variation in the entities charged with their social welfare service provision. For example, only 18 of the 112 have “city dependent” school districts, where public education is provided directly by the municipal government. In slightly less than half of FiSCs (54 of 112), public education is administered by “one or more independent school districts whose boundaries extend beyond the city’s,” serving both children living both in the city itself and in neighboring areas.\textsuperscript{314} While school districts’ extraterritorial expenditures- those that extend beyond the city boundaries and do not serve city residents- are not included in the FiSCs, a simple analysis of municipal education expenditures in these 54 cities would find none, while analyzing school district spending alone could include expenditure on residents of multiple municipalities and overestimate the amount spent on children living in the city. Similarly, in 13 states whose cities are included in the FiSC database (Arkansas, California, Colorado, Florida, Maryland, Michigan, New York, North
Carolina, Ohio, Tennessee, Texas, Utah, and Wisconsin) the state government has devolved responsibilities for public welfare (TANF) to the county level. Lastly, in 27 of the FiSCs, including in Atlanta, Austin, Baltimore, Philadelphia, Pittsburgh, Raleigh, Salt Lake City, and St. Louis, there are no hospital expenditures, which may be due to the closure or privatization of public hospitals and the shift to vendor payments to private hospitals, including through Medicaid, which often is classified as public welfare rather than hospital spending, for the healthcare of those in need.

The social welfare expenditure data used in this analysis comes from the 2007 FiSCs, for the reason that the Census of State and Local Governments, is, in actuality, only a Census for state governments, and not local governments, in most years. In all years save those ending in “2,” and “7,” only a sample of local governments is surveyed: full Census years, in which an effort is made to survey all local governments, thus are preferable. 2007 was chosen as it overlaps with the time period of the polls used to construct city-level ideology measures, the 2012 Census of Governments being one year later than the latest year included in the ideology measures. In addition, 2007 is the last year of pre-recession era spending, and 2012 expenditures may be anomalous, inasmuch as local government spending was affected negatively (“depressed”) by the recession and 2012 also may include some residual stimulus funding, which, by its nature, is not funding local governments typically receive. Lastly, Tausanovich and Warshaw also employ 2007 Census of Governments data in analyzing the relationship between their indices and total municipal spending. The category of social welfare expenditure is comprised of the total spending in the FiSC categories of education, public welfare, public health, hospitals, and housing and community development (one
category), the same classifications as in the underlying Census of Governments data and those most commonly utilized in studies of the local social welfare role. The Lincoln Institute FiSC data also includes information on school district type, which I include as a binary variable in my analysis to account for the presence of a city-dependent (municipal-government operated) school district.

FiSC social welfare expenditures vary considerably, consistent with the findings of prior work on the scope of local social welfare activity. Per capita expenditures on public education are considerably greater than in the other categories, hospitals, housing and community development, public health, and public welfare, consistent with the finding that education is the largest category of local government spending. Per capita education spending ranges from $873 in New Orleans to $3,018 in Buffalo (mean $1,656). While local governments included in the FiSCs generally spend less on the remaining categories of social welfare, spending shows considerable differences, even within states. For example, public welfare expenditures in FiSCs that provide public welfare services range from a mere $1 per capita in Lubbock, Texas to $3,787 in Washington D.C. (mean $201.50), public health from $2 per capita in Oklahoma City to $891 in San Francisco and $892 in Philadelphia (mean $155.50), hospital expenditures, in the cities that do spend funds on hospital care, from $7 per capita in Detroit to $3,063 per person in nearby Flint (mean $223.20), and per capita housing and community development spending from $10 in Chesapeake, Virginia to $1,010 in Tampa (Florida) (mean $236.14). Total social welfare expenditures vary from a minimal $873 per capita to a maximum of $6,751 (mean $2,081).
Data on the demographics of local residents, including the percentage of city residents who are black and Hispanic, the percent of residents over age 25 who have college degrees, the percentage of residents under the age of 18, the percentage who are over age 65, the percentage of residents living in poverty, and the city’s median income and median home value, are drawn from the decennial Census and from the American Community Survey of the U.S. Census Bureau, save for data on 2007 population, which is included in the FiSC database.

Data on the devolution of Temporary Aid to Needy Families, or TANF, responsibility from state governments to counties is based on Gainsborough and Lobao and Kraybill. Since counties that administer TANF funding likely will appear to spend more than those in which TANF funding remains with state government, I include a set of binary (dummy) variables to account for the devolution of TANF to the county level by the states in which the FiSCs are located. Because TANF generally is a state or county, rather than a municipal, responsibility, only the overlying counties, not the municipal governments, operating with the FiSCs typically will receive TANF funds.
Methods Overview

In line with previous studies, I employ ordinary least squares (OLS) regression to model the relationship between ideology and social welfare spending. My dependent variable, social welfare expenditure, is modeled as the total 2007 per-capita spending of FiSCs on education, public welfare, public health, hospitals, and housing and community development. Because the central relationship in this analysis is between ideology and social welfare expenditure, I control for covariates that might bias the relationship, and which typically are included in studies of local government spending. Specifically, I variously control for the log of the 2007 population, the percentage of city residents who are black, the percentage who are of non-black and of Hispanic ethnicity, the percentage of residents who are under the age of 18, the percentage who are over the age of 65, the percentage of residents living in poverty, the percentage of residents over age 25 who have a college degree, the city’s median income, and its median home value, as does much recent work. I also control for whether a the FiSC is located in a state that has devolved TANF responsibility to county government, in line with other work, and for the existence of a city-dependent school district, given that poor urban school districts may spend more than other types. All financial data is reported for the year 2007 to correspond with the original source of the data from the U.S Census Bureau, which reports state and local finances in nominal amounts each year and does not subsequently adjust the data for inflation.
Table 1. Descriptive statistics for key variables

<table>
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<tr>
<th></th>
<th>Min.</th>
<th>1st Qu.</th>
<th>Median</th>
<th>Mean</th>
<th>3rd Qu.</th>
<th>Max</th>
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<td>6.6</td>
<td>13.9</td>
<td>20.79</td>
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<td>120.3</td>
<td>153</td>
<td>192.7</td>
<td>214.6</td>
<td>744.6</td>
</tr>
<tr>
<td>% in Poverty</td>
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<td>6.6</td>
<td>13.9</td>
<td>20.79</td>
<td>31.57</td>
<td>94.7</td>
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<tr>
<td>% under 18</td>
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<td>21.85</td>
<td>23.75</td>
<td>23.71</td>
<td>25.9</td>
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<tr>
<td>% over 65</td>
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<td>9.6</td>
<td>10.9</td>
<td>11.0</td>
<td>11.9</td>
<td>19.1</td>
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<tr>
<td>Housing/CD Exp.</td>
<td>0.0</td>
<td>97.75</td>
<td>194.50</td>
<td>236.14</td>
<td>302.50</td>
<td>1010</td>
</tr>
<tr>
<td>Pub. Health Exp.</td>
<td>0.0</td>
<td>55.00</td>
<td>115.00</td>
<td>155.50</td>
<td>207.20</td>
<td>892</td>
</tr>
<tr>
<td>Pub. Welfare Exp.</td>
<td>0.0</td>
<td>17.00</td>
<td>92.00</td>
<td>201.50</td>
<td>293.50</td>
<td>3787</td>
</tr>
<tr>
<td>Total SW Exp.</td>
<td>873</td>
<td>1572</td>
<td>1948</td>
<td>2081</td>
<td>2429</td>
<td>6751</td>
</tr>
</tbody>
</table>

Ideology: —1 (liberal) to 1 (conservative) scale
Median home value, median income, and population in thousands; expenditures in dollar amounts.

Due to my desire to focus on my explanatory variable of interest, ideology, I interpret these demographic covariates principally as controls, which otherwise might bias the primary relationship of interest, that of municipal-level ideology and municipal-area social welfare expenditure. However, in the analysis that follows, I interpret the
implications they might have for my findings. I do not identify any variables, including my primary variable of interest, ideology, as causal: as I lack longitudinal data on how expenditures change in response to any changes in ideological preferences, and on the political processes that might lead local officials to respond, particularly when those officials represent more than one unit of government, my analysis best is construed as exploratory and descriptive. I cannot suggest that ideology causes social welfare spending to increase or decrease, only that any movement is suggestive of a relationship between the two.
Chapter VII

Findings and Discussion

I employed six linear regression models to test my hypotheses regarding the relationship between city ideology and local governments’ social welfare spending. Similar to Tausanovich and Warshaw, I first conducted basic bivariate regressions; I then followed these with simple multivariate regressions that incorporated binary (“dummy”) variables to control for two primary differences in the assignment of local social welfare activity, whether the municipal government is directly responsible for administering public schooling (“city-dependent public schools”) and the devolution of responsibility for TANF from states to county governments. I subsequently extended the models to incorporate a full set of demographic covariates, as described in more detail below.

Model 1. A bivariate regression of the relationship between city-level ideology and the combined social welfare expenditures of local governments that serve city residents. This model allows for a preliminary test of whether my results are comparable to Tausanovich and Warshaw’s finding of a negative relationship between conservative city ideology and total municipal spending, which they first modeled using bivariate regression.

Model 2. Building on Model 1, a simple multivariate regression of the relationship between ideology and social welfare expenditure that incorporates columns of binary variables for the presence of a city-dependent school district and for the devolution of administrative responsibility for TANF from states to county governments within a state. As city-dependent school districts may spend more than other district types and county governments that are given responsibility by state governments for TANF may appear to
spend more than counties that are not, this model controls for the possibility for these factors to bias the relationship between ideology and social welfare expenditure, and to lead to erroneous inferences regarding local governments’ spending decisions if ignored.\textsuperscript{333}

\textit{Model 3.} A baseline demographic model based on Tausanovich and Warshaw, which controls for the influence of a few key covariates- the percentage of city residents who are African American; the city’s median home value, a measure of its tax base; the city’s median income, indicative of both the need for social welfare efforts in a city and (some) of the resources available to finance them; and the log of 2007 population- on the relationship between ideology and expenditures (combined local government social welfare in this analysis, total municipal spending in theirs).\textsuperscript{334} Similar to Model 1, this model allows for an assessment of whether my results are broadly consistent with Tausanovich and Warshaw’s finding of a statistically significant relationship between municipal-level ideology and total municipal expenditure, controlling for the influence of city resident characteristics.\textsuperscript{335} Because my sample is relatively small, I do not expect coefficients of the same magnitude or level of significance, only comparable trends if the relationship Tausanovich and Warshaw reveal is applicable to social welfare provision.

\textit{Model 4.} An extension of Model 3 that incorporates binary variables for the presence of a city-dependent school district and devolved TANF (“welfare”) administration in addition to the aforementioned set of demographic controls.

\textit{Model 5.} An expanded demographic model, which, in addition to ideology and the demographic covariates employed in both Models 3 and 4 (percentage of city residents who are African-American, median home value, median income, and the log of 2007
population), adds covariates for the percentage of city residents who are Hispanic (non-black), the percentage of residents who are over age 65, the percentage of children (residents under age 18), the percentage of city residents living in poverty, and the percentage of adults over age 25 with college degrees.

Model 6. A full model, which, in addition to ideology and the complete set of demographic covariates from Model 5, adds the binary variables that control for the presence of a city-dependent school district and for TANF devolution to the local level. This model includes all the covariates from the previous models, both demographic and governmental.

As there are only 112 cities in the FiSC database, choosing to use a relatively small sample involves a tradeoff between the desire to control for population characteristics that might bias the relationship between ideology and local social welfare spending and the need to be parsimonious with covariates to mitigate the risk of saturated or over-specified models.\(^{336}\) Due to these limitations, the work reported here best is construed as exploratory, intended to examine whether the relationship found by Tausanovich and Warshaw, that local government (in their case, municipal) expenditure corresponds to the ideological preferences of city residents, extends to the social welfare policy arena, and to account for sources of variation in local government responsibility in doing so.\(^{337}\) Absent the expansion of the FiSC data set to include a greater number of cities, future scholarship might explore alternate ways to account for differences in local government responsibility, namely the fragmentation of social welfare responsibilities among multiple types of local government and variations in state to local program devolution, that influence the expenditure amounts reported in existing local government
finance data and might bias the relationship between explanatory variables, such as ideology and demographics, and spending, issues I examine more fully below. In electing to utilize the FiSC data, I mitigate against the possibility that my findings are due to variations in responsibility for providing local public services; however, this also limits the extent to which these results can be generalized to contexts beyond large cities and, perhaps more pressingly, necessitates a larger sample to more thoroughly explore the relationship between ideology and local government social welfare spending.

Model Results

The results of the base models, Models 1 and 2, are consistent with my hypothesis and with Tausanovich and Warshaw’s previous findings: in the bivariate regression, ideology is statistically significant (at 0.05), and, as expected, negative, given that positive ideology values indicate increased conservatism in cities. As they become more conservative, the cities in my data set spend $509.71 less on social welfare efforts.

Similarly, in Model 2, the simplest multivariate regression, which controls only for the impact of variations in responsibility for public schooling and TANF administration on the ideology-expenditure relationship, more conservative cities spend $482.50 less on social welfare functions. Ideology remains significant at the 0.05 level. The coefficients for city-dependent public schools and for TANF devolution are significant, as well, both at 0.001. The results of Model 2 indicate that in cities in which the municipal government directly administers public education $727.30 more is spent on it, perhaps due to the effect of equalization aid from state governments. The coefficient for the devolution of TANF is not readily interpretable in and of itself, as it
simply controls for the “effect” of state devolution of TANF responsibility to county
governments in 13 states, and, as a result, the appearance of greater TANF spending in
cities in those states. The results, as reported in Model 2, indicate that local
governments tasked with administering TANF appear to spend $604.10 more on public
welfare functions. As this simply reflects variability in of state to local delegation of
public welfare administration, and not the spending of equivalently-tasked local
governments (counties that have equivalent responsibilities for TANF administration
across states), it underscores the importance of accounting for differences in local
responsibility, given that neglecting to do so can produce biased estimates of local
governments’ social welfare efforts.

Table 2. Models 1-2. Base models, OLS regression of social welfare expenditure on ideology

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Intercept)</td>
<td>1958.9 (92.24) ***</td>
<td>1492.50 (102.50) ***</td>
</tr>
<tr>
<td>Ideology</td>
<td>-509.71 (241.09) *</td>
<td>-482.50 (219.60) *</td>
</tr>
<tr>
<td>City-Dependent Schools</td>
<td>727.30 (177.30) ***</td>
<td></td>
</tr>
<tr>
<td>Devolved TANF</td>
<td>604.10 (131.00) ***</td>
<td></td>
</tr>
<tr>
<td>R-squared</td>
<td>0.03905</td>
<td>0.2737</td>
</tr>
</tbody>
</table>

N = 112 Significance levels ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1
Ideology: —1 (liberal) to 1 (conservative) spectrum. Coefficients reported in dollar amounts.

Though the base models provide some preliminary evidence of a significant
relationship between city ideology and local social welfare expenditure, the remaining
models reveal the challenges of attempting to control for rival explanations, namely the
influences of demographics and variations in responsibility for providing public services, in an analysis that includes only 112 observations.343

In Model 3, which replicates Tausanovich and Warshaw’s demographic analysis, ideology no longer is statistically significant. In addition, the coefficients on all variables become progressively smaller and more challenging to interpret, with rather large standard errors in the case of a few variables, especially median home value and the log of 2007 population. In Model 3, only median home value is statistically significant (at 0.05). It is positive, perhaps indicating that a higher property tax base gives cities more revenue to provide public services, as Peterson claims.344 Model 4 adds binary variables for the existence of a city-dependent public school system and for TANF devolution, and only those variables are significant (both at 0.001, as in Model 2). Both are positive. Median home value, the only significant coefficient in Model 3, no longer is so. Ideology is not significant in Model 4.

Given the need to control for factors that might affect the relationship between ideology and local governments’ social welfare spending, including city resident characteristics that may be related to both support and need for social welfare services, Models 5 and 6 include a full set of demographic covariates: the percentage of city residents who are African-American, median home value, median income, the log of 2007 population, the percentage of city residents living in poverty, the percent of city residents who are Hispanic (non-black), the percentage who are over age 65, the percent of children under age 18, the percent of city residents living in poverty, and the percentage of adults over age 25 with college degrees. However, attempting to account for such a large number of potentially biasing factors renders the results less
interpretable: 11 explanatory variables may simply be too many for 112 observations to “carry.”

In the full demographic model, Model 5, which does not include binary variables for municipal government provision of public education or the devolution of TANF responsibility from states to counties, only median income and the percentage of residents living in poverty are statistically significant, and both are positive. A clear explanation for the presence of both coefficients being positively signed and statistically significant in the same model is not immediately evident: a larger percentage of residents living in poverty, which is significant at 0.001 in Model 5, well may indicate greater need for social welfare services. Were that the case, however, one might expect median income, significant at 0.01 in Model 5, to have a negative relationship with social welfare spending, which it does not. While there may be some uncovered mechanism that explains the existence of both covariates being positive and statistically significant in the same model, when viewed in light of the changes in the other coefficients, it introduces the possibility that the results are “noise” produced by model misspecification, saturation seemingly being the most likely candidate. Ideology also is not statistically significant in Model 5. While ideology’s influence on local expenditures may be subordinate to that of resident demographics, as the results here indicate, it seems necessary to employ a larger sample, capable of “absorbing” the full set of covariates without risk of saturation, to determine with confidence that this is the case.

The results of Model 6, which account for city-dependent public schools and TANF devolution, in addition to the full set of demographic variables outlined in Model 5, are similar. The only statistically significant coefficients are for the percentage of city
residents who live in poverty (significant at 0.01), the city’s median income (0.05), as in Model 5, and those that control for the devolution of TANF (significant at 0.5) and city-dependent public education (0.001). These results continue to serve as a warning against ascribing significance to demographics or preferences without accounting for other factors that might influence the amount of funding local governments have to spend on public services, particularly those financed through intergovernmental aid, such as social welfare. As in Model 5, ideology remains positive and lacks statistical significance in Model 6.
Table 3. Models 3-6. Expanded models, OLS regression of social welfare expenditure on ideology

<table>
<thead>
<tr>
<th></th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
<th>Model 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Intercept)</td>
<td>1.72 (1.33)</td>
<td>1.20 (1.19)</td>
<td>-2.69 (2.38)</td>
<td>-3.97 (2.24)</td>
</tr>
<tr>
<td>Ideology</td>
<td>-1.79 (2.64)</td>
<td>-3.00 (2.49)</td>
<td>1.94 (3.12)</td>
<td>7.08 (3.19)</td>
</tr>
<tr>
<td>Percent African American</td>
<td>5.10 (4.22)</td>
<td>5.05 (3.91)</td>
<td>1.02 (5.26)</td>
<td>9.21 (5.0)</td>
</tr>
<tr>
<td>Median Home Value</td>
<td>2.48 (9.87) *</td>
<td>1.25 (9.28)</td>
<td>9.72 (1.15)</td>
<td>2.67 (1.06)</td>
</tr>
<tr>
<td>Median Income</td>
<td>-1.09 (1.06)</td>
<td>-3.40 (9.85)</td>
<td>5.14 (1.91) **</td>
<td>4.54 (1.76) *</td>
</tr>
<tr>
<td>2007 Population (log)</td>
<td>1.67 (9.84)</td>
<td>1.26 (8.85)</td>
<td>4.10 (9.67)</td>
<td>4.39 (8.85)</td>
</tr>
<tr>
<td>Percent in Poverty</td>
<td>1.11 (2.96) ***</td>
<td>9.35 (2.96) **</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent Hispanic</td>
<td>3.63 (5.27)</td>
<td>2.07 (4.88)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent under 18 y/o</td>
<td>-2.44 (4.24)</td>
<td>1.29 (3.95)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent over 65 y/o</td>
<td>1.28 (4.89)</td>
<td>6.21 (4.60)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent College Degree</td>
<td>-1.15 (1.47)</td>
<td>-2.19 (1.39)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City-Dependent Schools</td>
<td>6.64 (1.81) ***</td>
<td>7.17 (1.78) ***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Devolved TANF</td>
<td>5.67 (1.40) ***</td>
<td>3.88 (1.49) *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-squared</td>
<td>0.1136</td>
<td>0.3003</td>
<td>0.2734</td>
<td>0.4064</td>
</tr>
</tbody>
</table>

N = 112  Significance levels ‘***’ 0.001 ‘***’ 0.01 ‘*’ 0.05 ‘.’ 0.1

Ideology: —1 (liberal) to 1 (conservative) spectrum. Coefficients reported in dollar amounts.

The results in the basic and full models offer diverging portrayals of the influence of local ideology on social welfare policy: while the base models suggest a relationship between city resident ideology and local governments’ social welfare expenditures, the more complex models indicate that this influence may be constrained by intergovernmental factors. Additional work is needed to clarify and to expand upon these findings, including identifying ways to work with larger data sets so that one confidently
can include more control variables without risk of saturation, to more clearly specify assumptions made in modeling the scope of local government social welfare provision and its relationship to resident ideology, and to develop theoretical perspectives that not only respond to previous scholarship but build on empirical evidence to increase the state of knowledge on the local social welfare role.\textsuperscript{349} It is to these issues that I now turn.

Reexamining the Relationship of Ideology and Local Social Welfare Spending

The Tiebout model “largely abstracts from the existence of multiple levels of government and the existence of interactions across levels of government.”\textsuperscript{350}

In their study of the relationship between mayoral party affiliation and local government spending, Gerber and Hopkins assert that mayoral partisanship is “negligible” in “policy areas where federal and state actors assert more authority,” writing that when “cities share authority with federal and state governments,” the partisan identification of the city’s mayor “will have a limited influence on policy.”\textsuperscript{351} They also find no evidence of a partisan mayoral effect on social policy: specifically, cities that elect a Democratic mayor do not spend more on social policy areas.\textsuperscript{352} The results of my expanded models seem in line with their claims, extended to the ideological preferences of local residents: the basic models, which are consistent with Tausanovich and Warshaw’s finding of greater spending in more liberal cities, could indicate that local ideology has a role in shaping local governments’ social welfare activity, yet the results of the expanded models may reflect the constraints on local officials’ ability to direct their governments’ expenditures, including in ways that correspond to residents’ preferences.\textsuperscript{353} Future studies are necessary in order to determine which of these conclusions is more accurate on balance. Below I offer a preliminary interpretation of
the issues that might bear on my findings and outline some considerations that subsequent investigations of the ideological dimensions of local social welfare policy could address to move this line of work forward.

Intergovernmental Relations and Constraints: Implications for the Influence of Local Preferences on Social Welfare Spending

“Contemporary debates about federalism and localism often proceed with, at best, a glancing reference to each other.”

As previously noted, much of the funding local governments receive to offer social welfare services is provided to them via grants from federal or state government, in part due to the federal government’s aim to employ states and local governments as the implementing agents of federal policy. Despite these circumstances, recent local public finance scholarship has not often thoroughly examined the extent to which local, state, and federal activities interact, including in social welfare policy. Studies that have incorporated intergovernmental factors have not yet produced clear evidence of the extent to which local social welfare expenditures reflect the preferences of policymakers and constituents participating at the federal and state levels, as well as those of local residents, or of how preference divergence between federal, state and local actors shapes policy at the local level.

Public choice theory tends to depict local governance as a relatively constrained policy space, yet much of the recent work in this tradition has conceptualized those constraints purely at the local level, in terms of the competition that results from the existence of many general purpose local governments within a region, rather than analyzing how federal and state governments expand or constrict local governments’
Accordingly, contemporary researchers often appear to assume that
the amount of expenditure governments administer is due principally to the preferences
of their residents, whether construed in narrow economic terms, as a function of their
personal tax-benefit packages or more broadly, to include political views. This
framing may be incomplete: because local social welfare policy is less separable from the
federal and state government than public choice theories claim, local governments’
expenditures may include funds delegated to them by federal and state governments, such
as education equalization grants or Medicare funding, not only funds they themselves
seek. As Trounstine writes, “the number of responsibilities handled by any given city
is dictated in part by state law and in part by the choices of the community itself.”
Though I controlled for differences in state delegation of TANF responsibility to counties
to address the possibility that some local government spending may be due to the choices
of state governments rather than local policymakers, the issue may necessitate a more
expansive conceptual treatment as well as a methodological one: future research may
need not only to account for variations in the scope of local social welfare responsibility
but to more thoroughly articulate the extent to which local preferences can be expected to
influence local governments’ expenditures and the channels through which that influence
flows.

The null (non-significant) result for ideology and the significant, positive one for
the coefficient on TANF devolution in the expanded models may be due to these effects:
if social welfare expenditures made by local governments are not, in large part, funded
directly by them but by state and federal grants, state and national preferences, not only
local ones, may exert substantive influence on the funds allocated to any particular social
policy domain, such as the amounts appropriated by the federal government to fund public welfare or the amounts states delegate to local governments. If this is the case, the grants any local government receives to fund social welfare efforts may not neatly align with its residents’ ideological preferences, particularly if national and state constituents hold different views: the extent of correspondence that is reasonable in a federal system may be less than is assumed in studies that posit a direct, linear relationship between local preferences and policy outcomes. This is not to suggest that, due to federalism, local policy cannot respond to local views, only that, as Gerber and Hopkins posit, the extent to which it does so may differ depending on the policy type, the extent to which local officials are responsible for spending in a given policy area, and the existence of preference divergence between constituents and policymakers at different levels of government.

Though Tausanovich and Warshaw assert that individuals’ ideology does not vary across levels of government, that residents’ local and national-level policy preferences are similar, a specific city’s ideology may differ from other cities’ in their state, from state-level ideology, and from the aggregation of ideological preferences at the national level. For example, residents of Austin likely are more liberal than Texans are at large, while individuals in Colorado Springs might be more conservative than Coloradans generally. If residents of a particular city are more conservative (liberal) than are voters and policymakers at the national and state level(s), intergovernmental social welfare policy, including the amount the federal government allocates to states and local governments, may be to the ideological left (right) of their preferences. Individual local governments may receive more or less social welfare policy responsibility or
funding than their residents desire, whether directly from the federal government, as a result of state officials’ decisions to “pass through” federal funding to local governments, including delegated responsibilities for Medicaid or TANF, or through state-adopted initiatives such as education equalization grants. This preference divergence, and the ability of federal and state policy to constrain the influence of local preferences on policy, partly might explain my results.

Though it seems reasonable that the grants local governments receive should reflect their constituents’ preferences and, accordingly, that policymakers whose residents are more ideologically supportive of social welfare efforts should seek and receive more intergovernmental funds for such purposes, research does not uniformly lead to such conclusions. Scholars differ in the extent to which they ascribe agency to local officials in their interactions with federal and state governments. Some work depicts local governments as principally “junior partners” in the social welfare policy arena, the relatively constrained recipients of federal and state policy decisions, including the amounts allocated for specific types of social welfare provision by the federal or state government, states’ decisions to retain responsibility for administering a particular policy or to delegate it to county governments, and the design of individual programs. Others posit a more active relationship between local governments and their supra-ordinate jurisdictions, characterizing the former as more empowered than passive and policy as the outcome of “negotiations” between federal, state, and local officials.

Recent local social welfare scholarship often (though not exclusively) follows the latter course. Studies of local governments’ social welfare provision often characterize grant receipt as a function of seeking, rather than receiving, behavior, hypothesizing that
localities that desire to provide a social welfare activity or support a specific program are more likely than less supportive communities to solicit available grant funds for that purpose.\textsuperscript{374} A more actively engaged local government does not necessarily equate to a more supportive one, however: though local officials in communities whose residents favor social welfare spending may lobby state and federal policymakers to increase funding for related grant programs, if delegated social welfare policy ties a local government to a more expansive social welfare role than its residents desire, local policymakers might pressure federal and state officials to “roll back” policies or to narrow the scope of activity for which they hold localities responsible.\textsuperscript{375} Local officials also may choose to allocate funds they do receive in ways that benefit political supporters or relatively more advantaged groups rather than needy residents.\textsuperscript{376} However, as Volden observes, “many models of federalism are not explicit about what motivates politicians and how national and state political interests interact.”\textsuperscript{377} Studies that address how federal, state, and local actors influence both each other and local policy outcomes could move theory on local governments closer to the empirical data, which evinces less a “layer cake” of clearly divided governmental responsibilities than an interrelated set of interests.\textsuperscript{378}

Can Expenditures Respond to Local Preferences? Modeling Alternate Quantities of Interest in Studies of Local Social Welfare Activity

Local government studies that employ expenditure as their quantity of interest seem to be based on the assumption that the amount of funds any local government receives is largely within that government’s control, a perspective consistent with the public choice framing, which depicts towns and cities as financing services solely
through resident tax revenue. In this context, the claim that local expenditures are a function of local preferences seems reasonable. Nonetheless, intergovernmental relations, particularly the contribution of federal grants to local social welfare efforts and variations in the extent to which state governments assign county governments responsibility for policy administration, render these assumptions problematic. Though local, state, and federal interests may interact to influence the amounts the federal and state governments allocate to a particular policy domain or program (e.g. the amount appropriated by the federal government for TANF or the Community Development Block Grant), the design of policy, and the extent to which responsibilities are shared between levels of government, the exact grant amount any local government receives may be beyond local officials’, and residents’, immediate ability to influence: intergovernmental social welfare grants often are determined by formulae that are based on relatively slow-to-change factors such as the age of a community’s housing stock, its population, its poverty level or its per capita income. As a result, the precise amount any local jurisdiction receives may be due to its residents’ demographics, not only their preferences: more liberal communities might receive less social welfare funding than they desire if they are economically advantaged relative to their “competitors” for intergovernmental funds. Local governments, of course, are free to supplement grant funds with their own revenues, at least in theory, an issue that some studies have explored. However, if local governments already offer social welfare services using intergovernmental grants, residents may not see the value in raising their taxes to support additional funding on such efforts, particularly if Americans’ anti-tax sentiment and belief in the ability of
governments to continue to fund their activities without raising taxes contribute to a low baseline tolerance for tax increases.\textsuperscript{384}

Nonetheless, because public choice claims that the funding of local services through resident tax revenue should induce affluent residents to exit if their local governments use tax funds for social welfare purposes, some public finance scholars have focused only on local governments’ own source (directly financed) expenditures or attempted to examine own source and grant funds separately, effectively controlling for intergovernmental influences by separating them out.\textsuperscript{385} Though the desire to focus on locally funded spending seems sensible, doing so implies that public choice theories are testable only if one minimizes the “noise” that comes from including expenditures that are not locally determined, effectively disregarding substantive amounts of locally-administered social welfare. Modeling only spending derived from local revenue also may lead one to the potentially problematic inference that local and intergovernmental funds are easily separable: that policies are independently adopted, that local spending is uninfluenced by federal or state action, or that own-source funded spending reflects only local preferences and grant funds intergovernmental ones.\textsuperscript{386} Distinguishing between the amount of funds that is influenced by local preferences and that which is imposed by others, particularly absent information on what cities and towns “would have spent” without intergovernmental aid, seems especially challenging both conceptually and methodologically.\textsuperscript{387} As Baicker, Clemens, and Singhal write, “it is not obvious how to apportion spending into that which is purely voluntary and that which is controlled or driven by outside policies.”\textsuperscript{388} Certainly, broad tendencies could be identified- for example, that local governments whose residents are more ideologically supportive of
social welfare policy spend more both from local sources and from intergovernmental grants— but more fine-grained analyses may be quite difficult.389

Due to these issues, expenditure may not be the most meaningful quality to analyze in studies of the local social welfare role, or the factor that local ideology is most likely to influence, let alone in as easily-predicted ways.390 By focusing on the amount of expenditure, researchers assume that local officials largely determine it, which is only a valid assumption if local officials also control the revenue sources that determine how much they have to spend: if they do not, this could explain why ideology does not have the hypothesized “effect” on local social welfare expenditures when governmental and demographic covariates are incorporated in the models.391

Therefore, in order to increase understanding of the local social welfare role, it may be necessary to examine other quantities of interest. Ideology may have more influence on the ways in which local governments allocate the funding they receive rather than simply the amount they have to spend if the latter is partly exogenously determined.392 Block grants, in particular, provide local officials with discretion in how they allocate funds within prescribed, often general expenditure categories, leaving room for local policymakers to target preferred uses or even constituents who are likely to support them.393 Constituents who disapprove of social welfare spending also may be able to restrict how local governments allocate the funds they receive from federal and state government, which analyses of spending amounts alone would not detect.394 For example, opponents might pressure local policymakers to limit funds to projects that benefit “undeserving” residents, such as transitional housing for the homeless or treatment facilities for individuals with substance abuse issues. Similarly, Craw observes
that “…decisions on providing social welfare functions, such as a public housing project or a public health clinic, may provoke a ‘Not in My Backyard’ (NIMBY) reaction by homeowners fearful of the racial or economic changes to the community or the consequences to their property values.”

Scholars also have argued that examining the substance of policy rather than spending is more likely to promote understanding of local governments’ social welfare role. Some work based on substantive policy measures has been conducted on individual programs: studies have examined variations in the extent to which state and county governments more punitively regulate client behavior or apply more restrictive time limits in their TANF programs, whether local governments target their Community Development Block Grants to political constituents or to neighborhoods most in need, and how public and affordable housing development is concentrated in minority neighborhoods. Processes of this nature would be quite complex to model beyond a few cities or programs, as the Census of Governments does not include program-specific data, only general categories of expenditure (e.g. public welfare rather than TANF, housing vs. Housing Choice Vouchers) and offers no detailed information on the types of activities expenditures support, such as whether a city spends the majority of its public health funding on preventive services or infectious disease testing or the types of TANF subsidies it offers. Researchers would need to gather data from multiple agencies and levels of government on the specific programs included in a given policy area, a potentially taxing effort when the field involves many actors. Nevertheless, such detailed work might produce greater substantive knowledge of local social welfare policy,
including whether political preferences have more influence in some policy areas than others.399

Advancing Theory on the Local Social Welfare Role: Substantive and Methodological Implications

“Where demands/needs converge with capacity/authority is the political space wherein local political strategies are decided.” 400

If researchers do choose to analyze expenditure amounts, more thorough investigations of variations in local government authority might improve their ability to formulate hypotheses grounded in the empirics of local government social welfare activity and to identify generalized tendencies in local governments’ social welfare behavior.401 In testing public choice theories, local government scholars often treat municipal or county governments as interchangeable units, inferring that that the two forms of government have equivalent functions and therefore will “act” similarly.402 However, as Farmer and Hajnal and Trounstine each note, the assumptions of public choice may not hold for counties due to their functions as administrative “arms” of state government and their historic role in providing local social welfare services, especially public health and welfare.403 County governments may not behave as public choice predicts because they operate under different conditions than the theory outlines: Farmer writes that “the fear of taxpayer migration is not as prevalent for counties as it is for cities and….political economic and political institutional influences will often promote redistributive policies.” Testing public choice theories on counties may not be substantively meaningful and examining the determinants of county social welfare expenditures better may be grounded in historical analyses.404 Investigating historical changes in county government social welfare provision could lead researchers to
altogether different hypotheses than public choice might predict, including regarding the factors that influence it.\textsuperscript{405} Moving beyond economic perspectives, political constraints on county officials may be weaker than for municipal leaders: county election turnout might be lower than municipalities’ in cities that elect their county officials.\textsuperscript{406} While ideology still may affect county governments’ social welfare activities, it could have a lesser impact, being subordinate to the policy decisions of, and perhaps the preferences conveyed to, federal and state governments and more limited local electoral influence.\textsuperscript{407}

Secondly, in equating the terms “local government” and “municipality,” scholars appear to assume that municipal governments are responsible for a full range of social welfare functions, including administering and funding public health and hospitals, public welfare, housing and community development, and (in some studies) education. However, as previously noted, municipal governments often do not directly administer many of the social welfare areas that researchers have assigned to them, most prominently education and public welfare functions.\textsuperscript{408} Public choice theory frequently has been critiqued for being based on the erroneous assumption that all of local spending in a given community is controlled by one, single-purpose government, a flaw that some recent work seems to have extended in using public choice as the reference point for studying a policy area, social welfare, that is more fragmented among multiple local governments than the theory predicts.\textsuperscript{409} Because of this fragmentation, some scholars even assert that it is fundamentally “inappropriate” to test public choice theories in the contemporary American context: the empirical data simply does not conform to the public choice depiction of autonomous, all-purpose municipal governments, so studies
based on single units of government may not be able to provide complete explanations of
the local social welfare role.\textsuperscript{410}

Researchers who choose to employ municipal-level data may need to pay more
attention to modeling only the expenditures that municipal governments are most likely
to control, lest studies risk drawing inferences that are illogical or specious.\textsuperscript{411} Correctly
accounting for variations in the scope of local service provision seems particularly crucial
for studies that examine the political actions, such as voting and community organizing,
thought to influence local policy. As Trounstine notes, “because the responsibilities of
cities vary wildly, the set of outcomes for which voters might hold incumbents
responsible,” and therefore are able to be influenced by municipal political activity, “also
varies.”\textsuperscript{412} For example, since most public education is provided not by municipal
governments but by independent school districts, municipal spending on education may
not be a conceptually or methodologically meaningful construct in most cities and
towns.\textsuperscript{413} The processes by which municipal leaders would be expected to influence, or
channel resident views concerning, spending that they do not oversee directly are
particularly unclear. Similarly, studies that hypothesize- and conclude- that most
municipalities spend little on public welfare might more thoroughly outline the basis for
the hypothesis that municipal governments would assume significant public welfare
responsibilities, given that this function is typically the responsibility of county
governments and that most states and local governments have significantly curtailed their
own-funded General Assistance programs in recent decades.\textsuperscript{414} As Sharp and Maynard-
Moody write, “there is a certain irony in the fact that such a variety of competing theories
are available to account for variation in one of the least extensive functions of local
government, welfare activity,” which, as they note, is “not among the common functions of city governments.”

In addition, the aggregate social welfare category may not be an analytically simple one to model if one chooses to employ data on the spending of a single unit of government, as expenditures in the primary areas of social welfare policy (education, housing and community development, public health, hospitals, and public welfare) tend to be divided among different units of local government, not centralized in one. While some scholars of local public finance have opted to address variation by examining only “core services,” those common to the governments included in their analyses, this seems intractable in research on social welfare, as inter and intra-state differences in the governmental units responsible for social welfare policy likely preclude a common “core.” Since any one of the five policy domains comprising the social welfare construct might be provided by different local governments in different cities, aggregate social welfare analyses of single governments will exclude spending that is not administered by those units. Scholars may need to examine each policy area—education, public health, hospitals, housing and community development, and public welfare—separately, using the unit of government most likely to be responsible for it, and construct a coherent “story” regarding the local social welfare role from these distinct findings.

Of course, doing so does not address the division of responsibilities between local governments or how the behavior of one might affect the decisions of another, nor will focusing on any one unit encompass all local spending in a given social welfare domain. While county government may be the dominant administrator of a given type of social welfare, such as public health, municipal governments also could choose to allocate
funding to that function if they have compelling reason to do so, though one still should expect that governments with more functional authority will have greater expenditures. 419

Nonetheless, there is little work that examines how local officials’ policy decisions interact to influence the expenditures of overlapping governments, such as how the amount a municipal government spends on a given policy domain might be affected by the extent to which a county does so. 420 In one of the few studies to address policy fragmentation and the only work that includes substantive theorizing on the issue, Sharp and Maynard-Moody conclude that cities tend not to spend funds on public welfare if the state and county have already done so, as city policymakers view public welfare functions as having been “taken care of” by these other governments. 421 They also reiterate Liebert’s (1974)’s claim that “spending on most major municipal expenditure items is determined less by community policy commitments than by whether city hall, a county, a special district or a state.” 422 If this assertion is even broadly accurate, studies of local social welfare policy that have not incorporated variations in local governments’ responsibilities may be on less than solid empirical ground. 423 Alternatively, Volden hypothesizes that policymakers might spend funds on a policy area that already is supported by another unit of government if they perceive political gains from doing so, though this may depend on the extent to which local officials have both authority and the ability to access funds to achieve these policy aims. 424 Due to the limited evidence on these key questions, “future studies breaking down expenditures by policy area and determining the degree of joint provision within those areas would advance our understanding” of how governments interact. 425
A more thorough grasp of the fragmentation of social welfare provision also might lead to more firmly-grounded expectations regarding the relationship of resident preferences and local governments’ social welfare spending. For example, Mullin and Hughes challenge the view that the “city,” as equated with the municipal government, “defines the political community,” at the local level, writing that in order to understand local participation, scholars should broaden their focus beyond general purpose entities and examine the other governments that provide local services. “Does informal political community generally follow municipal boundary lines, or do the boundaries of school and special districts also influence how people interact and engage with politics?” If their question is answered with the rhetorical “yes,” future work could explore the ways in which residents convey their preferences to policymakers, and the extent to which policymakers are able to respond, when services are fragmented. Though it seems uncontroversial to suggest that, in a democratic system, policy should represent public preferences, fragmentation may limit to the extent to which it does so in practice, as a larger number of multi-purpose jurisdictions increases the participation costs to local residents and can lessen citizen awareness of which local government oversees a given function. Accordingly, future studies could examine the extent to which increases in service fragmentation might weaken the responsiveness of local policy. Due to the challenges of linking Census of Governments spending data with information on local service boundaries and incorporating the “detailed, textured focus on the nature of specific public goods and policy problems” that, as Mullin and Hughes assert, is required to develop complete theories of how local fragmentation affects policy outcomes, studies of relatively small numbers of communities may be necessary at first. Scholars likely
will continue to face tradeoffs between negotiating sources of bias in large-n data and using smaller samples that may provide more precise but potentially less representative or generalized information on the full scope of local social welfare provision.

In assessing the extent to which local social welfare effort responds to public preferences, researchers also should consider the possibility that fragmentation, in and of itself, may be influenced by intergovernmental factors: the division of social welfare responsibilities between municipalities, counties, school districts, and special districts may be a function of the policy choices made by federal and state policymakers who oversee spending in a particular area, including the units of government they prefer to fund. For example, the 1937 Housing Act established local public housing authorities precisely to insulate public housing provision from municipal government control, though this did not make the implementation of the public housing program immune to public protest. If Farmer is correct in his assertion that their function as “arms” of state government protects county governments’ leaders from some degree of public accountability, jurisdictional choice, the assignment of social welfare responsibilities to one form of local government over another, also may be correlated with ideology: social welfare provision may be assigned to counties or special districts precisely because residents are thought to be ideologically opposed to such activity and are less likely to participate in these venues.

The combination of the fragmentation of local services and the influence of federal and state policy, including funded grants and the preferences they convey, thus complicate the notion that local preferences alone influence the expenditures local governments make on social welfare programs: though social welfare does appear to be a
more ideological domain than the “neutral politics of street-paving.” Local residents may compete with a variety of other voices and priorities to influence it. As it stands, researchers’ varying assumptions and predictions regarding how local governments are likely to behave have produced a rather inconclusive body of scholarship on the local social welfare role. Responding to public choice may have come at the expense of formulating additional, original theories, grounded in empirics rather than normative predictions, that more completely explain the social welfare activities of local governments, including the extent to which they are influenced by public preferences. Though my work cannot settle these questions, it is hoped that this preliminary treatment has raised a few important issues to consider in studies that follow.
# Appendix I. List of Fiscally Standardized Cities
*(Lincoln Institute of Land Policy, 2015)*

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Endnotes


8 Author’s calculations based on Craw, “Caught at the Bottom,” 68-69.


13 Baicker, Clemens and Singhal, “Fiscal Federalism in the United States,” 20; Choi, Bae, Kwon and Feiock, “County Limits,” 37; Gillette, Local Redistribution and Local Democracy, 10, 11, 43; Hajnal and Trounstine, “Who or What Governs,” 4; Minkoff, “Minding Your Neighborhood,” 523, 532, 534; Nechyba, “The Efficiency and Equity of Tiebout,” 69, 77; Peterson, City Limits, 43.

14 Gillette, Local Redistribution and Local Democracy, 41.


16 Kelleher, “Regional Place and City Space,” 1162.


19 Author’s note; see also Berry, Imperfect Union, 145, Dreier, Mollenkopf, and Swanstrom, Place Matters, 45.

20 Berry, Imperfect Union, 145.


22 Baybeck, “Local Political Participation,” 1, 5-6; Berry, Imperfect Union, 64; Macedo and Karpowitz, “The Local Roots of American Inequality,” 59-60.


25 Trounstine, “Representation and Accountability in Cities,” 416; also noted by Kelleher, “Regional Place and City Space,” 1162.


28 Frederickson and O’Leary, “Local Government Management,” 65; also noted in Berry, Imperfect Union, 42-43.


35 Minkoff, “Minding Your Neighborhood,” 526; Mullin and Hughes, “Local Boundaries,” 6, 9, 10.

36 Berry, Imperfect Union, 25, 89, 188; Goodman, “Local Government Fragmentation” (2012), 2, 16; Nechyba, “The Efficiency and Equity of Tiebout,” 74; Peterson, City Limits, 10, 501.


39 Chernick, Langley and Reschovsky, Comparing Central City Finances, 12; Craw, “Overcoming City Limits,” 368.

40 Lowry, “Public Welfare Spending,” 6; also noted in Minkoff, “Minding Your Neighborhood,” 519 and “The Proximate Polity,” 359 and Peterson, City Limits, 51. However, research based on aggregated data generally has been less evident in recent years.


43 Because the data I employ aggregates the expenditures of all local governments that operate within the municipal boundary, I cannot assess the impact of any individual government that operates within the municipal area, such as the percentage of spending made by the county government. It also is possible that the number of local governments within a municipal area influences spending; that when responsibilities are divided among a greater number of governments, total expenditures may increase, as some prior research indicates (e.g. Berry, Imperfect Union, 24, 101, 129, 172, 181; Goodman, “Local Government Fragmentation” (2015), 85, 87, 89, 90; Goodman, “Local Government Fragmentation” (2012), 14; Stephen Slivinski, “Out of Sight: How Special Taxing Districts Circumvent Spending Limits and Decrease Accountability in Government,” Goldwater Institute Policy Report No. 265 (Phoenix, AZ: Goldwater Institute, 2014), 1, 4, 12, 15).


46 Agranoff, “Local Governments in Multilevel Systems,” 57S.


57 Craw, “Caught at the Bottom,” 68-69. Note that direct expenditures consist of all expenditures made by local governments, including those they finance through grants from federal and state government, not merely those they fund through locally-raised sources, or “own-source” revenue. U.S. Census Bureau, Historical Aggregates, 3; Urban Institute State and Local Finance Initiative, State and Local Expenditures (Washington, DC: Urban Institute, 2015), 1.


For example, in a recent article, Einstein and Kogan (2015) write that the majority of the municipalities they studied spent nothing on welfare functions, but counties, not municipal governments, typically are responsible for administering public welfare functions. See Katherine Levine Einstein and Vladimir Kogan, “Pushing the City Limits: Policy Responsiveness in Municipal Government,” *Urban Affairs Review* (2015, ahead of print).


Berry, *Imperfect Union*, 7-8, 190; Stansel, “Interjurisdictional Competition,” 174.


Craw, “Caught at the Bottom,” 69.


Sharp, Does Local Government Matter, 194.


Pagano, “Cities’ Shifting Fiscal Circumstances and Challenges,” no page number. See also Berry, Imperfect Union, 189; Inman and Rubinfeld, “Economics of Federalism,” 6, Schragger, “Is a Progressive City Possible,” 240; and Trounstine, “Representation and Accountability in Cities,” 418.

Davidson, “Cooperative Localism,” 1003.


99 Baybeck, “Local Political Participation,” 4; Mullin and Hughes, “Local Boundaries,” 6, 9; Peterson, City Limits, 11.


114 Inman and Rubinfeld, “Economics of Federalism,” 6; Judd and Swanstrom, *City Politics*, 302; Kelleher, “Regional Place and City Space,” 1162; Peterson, *City Limits*, 20, 21, 147.


116 Baicker, Clemens and Singhal, “Fiscal Federalism in the United States,” 20; Peterson, *City Limits*, 43; Schragger, “Is a Progressive City Possible,” 244-245.


119 Gillette *Local Redistribution and Local Democracy*, 90.


134 Trounstine, “All Politics is Local,” 613; Volden, “Intergovernmental Political Competition,” 327.


Craw, “Caught at the Bottom,” 69; Dreier, Mollenkopf, and Swanstrom, Place Matters, 126-127; Judd and Swanstrom, City Politics, 31.


Jeffrey M. Berry, Kent E. Portnoy, Robin Liss, Jessica Simoncelli, and Lisa Berger. “Power and Interest Groups in City Politics,” unpublished manuscript, Rappaport Institute for Greater Boston,


162 Also noted in Peterson, *City Limits*, 211, 212.


165 Lewis and Hamilton, “Race and Regionalism,” 357.


173 Golden, Assessing the New Federalism, 26-27; Peterson, City Limits, 10, 11; Sharp, Does Local Government Matter, 34.


178 Fink and Wagner, “Political Entrepreneurship,” 2; Killian, “The Continuing Problem of Special Districts,” 54; U.S. Census Bureau, Individual State Descriptions, vii.


Kelly and Witko, “Federalism and American Inequality,” 418.


Dreier, Mollenkopf, and Swanstrom, Place Matters, 99; Nechyba, “The Efficiency and Equity of Tiebout,” 74.


205 Bishop, The Big Sort, 9, 10, 44; Glaeser and Ward, “Myths and Realities,” 119.

206 Bishop, The Big Sort, 25.


210 Berry, Imperfect Union, 112.


221 Shaw, “Changes in Public Opinion,” 634.


Though one might assume that increases in the percentage of minority residents in a given community might lead local policymakers to be more responsive to minority group concerns, this assumes that policymakers give equal attention to advantaged and disadvantaged residents, a potentially problematic claim given that members of advantaged groups participate politically at greater rates. Adams, Citizen Lobbyists, 24; Gillette, Local Redistribution and Local Democracy, 40, 42; Sharp, Does Local Government Matter, 39, 64.


Stokes, Public Attitudes Toward the Next Social Contract, 10.

Soss, Hacker, and Mettler, Remaking America, 12; Stokes, Public Attitudes Toward the Next Social Contract, 10, 13.


Reed-Arthurs and Sheffrin, “Understanding the Public’s Attitudes,” 10-11, 23.


Hajnal and Trounstine, “Identifying and Understanding Perceived Inequities in Local Politics,” 59.


Kelleher “Regional Place and City Space,” 1172-1173; Palus, “Responsiveness in American Local Government,” 134.


Kelleher, “Regional Place and City Space,” 1176; Palus, “Responsiveness in American Local Government,” 145.

Kelleher, “Regional Place and City Space,” 1176; Lax and Phillips, “The Democratic Deficit in the States,” 148; Matsusaka, “Popular Control of Public Policy,” 159; Rigby and Wright “Political Parties’ Representation,” 559 and 563.

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264 Berry, Imperfect Union, 64-65, 67; Killian, “The Continuing Problem of Special Districts,” 53, 57, 60, 61, 65; Macedo, Democracy at Risk, 74, 89-90; Slivinski, “Out of Sight,” 1, 15, 16.


268 Berry, Imperfect Union, 30; Ingram and Hong, “Municipal Revenue Options,” 14; Killian, “The Continuing Problem of Special Districts,” 54. See also Eiger, “Casting Light on Shadow Government,” 135, on general applicability and Hamilton, “Does Regionalism Detract,” 15 and Mullin, “The Conditional Effect of Specialized Governance,” 135, as examples of “general” or utility-focused studies. Though most scholarship focuses on districts generally or on public utility districts, most special districts are “direct service providers” rather than infrastructure administrators, and their functions are broader than the literature indicates, encompassing “all the major functions of local government, including social services…” Berry, Imperfect Union, 30, 34.

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Allard, “State Dollars,” 254; Baybeck, “Local Political Participation,” 8; Jimenez, “Separate, Unequal and Ignored,” 256; Mullin and Hughes, “Local Boundaries,” 6, 9. Because I do not have data on the number of governments contained in each city I study, I cannot assess whether the relationship between ideology and social welfare spending might be attenuated when services are fragmented, though this seems a particularly important issue for future studies to explore. If critiques of fragmentation as inhibiting responsiveness are valid, one might expect a weaker relationship. Killian, “The Continuing Problem of Special Districts,” 60; Mullin and Hughes, “Local Boundaries,” 4.


Kelleher, “Regional Place and City Space,” 1172-1173.

Trounstine, “Representation and Accountability in Cities,” 416.

Tausanovich and Warshaw, “Representation in Municipal Government” (2014a), 2. It is important to note here that the scores measure resident preferences, not policy outcomes; specifically, the extent to which residents are conservative or liberal, rather than how liberal local policies, or elected officials, might be (author’s note).


Rigby and Wright, “Political Parties’ Representation,” 556.


Tausanovich and Warshaw, “Representation in Municipal Government” (2014a), 11; Tausanovich and Warshaw, “Representation in Municipal Government” (2014b), 608. Because all the municipalities in my data set, described below, are cities, the terms are equivalent in this analysis.


Author’s note; see also Nachyba, “The Efficiency and Equity of Tiebout,” 81-83.


Gillette, Local Redistribution and Local Democracy, 42-43.

Bickers and Stein, “Interlocal Cooperation,” 810; Lewis and Hamilton, “Race and Regionalism,” 357; Peterson, City Limits, 10, 50.

See, for example, Hajnal and Trounstine, “Uneven Democracy,” 14, 28.

Chernick, Langley and Reschovsky, Comparing Central City Finances, 2, 4; Langley, Methodology, 2; Mullin and Hughes, “Local Boundaries,” 6.


Chernick, Langley, and Reschovsky, Comparing Central City Finances, 7-8 and Langley, Methodology, 9.

Because the database focuses on relatively large cities, small and rural states, whose largest cities do not meet the population threshold for inclusion, as detailed below, are not included: there are no cities in the data from Connecticut, Delaware, Idaho, Maine, Montana, New Hampshire, New Jersey, North Dakota, South Dakota, Vermont, West Virginia, and Wyoming (author’s analysis).

Byron Miller and Walter Nicholls, “Social Movements in Urban Society: The City as a Space of Politicization,” Urban Geography 34, no. 4 (2013): 456. Tausanovich and Warshaw measure ideology at the level of the city or town, e.g. the municipal area, while FiSCs include all expenditures made within the municipal boundary. The expenditures included in FiSCs may not be made by the municipal governments, but residents included in the Tausanovich and Warshaw data live within the boundaries of the FiSCs (author’s note).

Chernick, Langley and Reschovsky, Comparing Central City Finances, 12.

Chernick, Langley and Reschovsky, Comparing Central City Finances, 12.

Chernick, Langley and Reschovsky, Comparing Central City Finances, 12; Craw, “Overcoming City Limits,” 368.


Langley, Methodology, 1; Lincoln Institute of Land Policy, Source of Local Government Data Used for FiSCs (Cambridge, MA: Author, undated), 1; U.S. Census Bureau, Annual Surveys of State and Local Government Finances, 5; U.S. Census Bureau, Data Files on Historical Finances of Individual Governments, 2.
Bickers and Stein, “Interlocal Cooperation,” 810; Langley, Methodology, 2; Lincoln Institute of Land Policy, Definitions for Key Revenue and Spending Variables (Cambridge, MA: Author, undated), 1; U.S. Census Bureau, Glossary of Selected Terms, 3.

Langley, Methodology, 13.

Lobao and Kraybill, “The Emerging Roles of County Governments,” 246, 253

Baicker, Clemens, and Singhal, “Fiscal Federalism in the United States,” 7; Suzanne Sataline, “Cash-Poor Governments Ditching Public Hospitals,” Wall Street Journal, August 29, 2010: 1. Since the FiSCs are aggregates of municipal government, county government, and special district, including hospital authority, spending, this effectively indicates that no local governments are directly administering hospital care in these cities (author’s note).


U.S. Census Bureau, American Community Survey Data Products (Washington, DC: Author, February 2013). There is no more recent data than Gainsborough (2003) on the status of state to local/county devolution, and even the most recent work continues to be based on this decade-old source material (Craw, “Caught at the Bottom,” 74).

Sharp, “Local Government, Social Programs, and Political Participation,” 185. Expenditure data in the Lincoln Institute FiSC database is differentiated by policy type, not program or funding source, as is the case with the Census of Governments data in general; however, after the decline in General Assistance, TANF is the nation’s primary public “welfare” program, so it would be expected that most local public welfare funds come from TANF; author’s note. See also U.S. Census Bureau, Annual Surveys of State and Local Government Finance and Census of Governments, Finance, 2007, 5 and U.S. Census Bureau, Data Files on Historical Finances of Individual Governments, 2.


329 Kelleher, “Regional Place and City Space,” 1169.


333 Craw, “Overcoming City Limits,” 365; Craw, “The Effect of Fragmentation,” 274; Krane, Ebdon and Bartle, “Devolution,” 15; McFarland and Hoene, Cities and State Fiscal Structure 2015, 3. For example, because the variable for the devolution of TANF effectively measures actions taken at the state level, specifically state governments’ decision(s) to assign TANF administrative responsibility to county governments, one cannot make any conclusions regarding local governments’ choices from this measure. Bowman and Kearney, “Are U.S. Cities Losing Power and Authority,” 4; Craw, “Overcoming City Limits,” 365; Golden, “The Other Side of Devolution,” 6-7; Krane, Ebdon and Bartle, “Devolution,” 15; Peterson, City Limits, 11.


If a city has a relatively high percentage of more affluent residents, it could raise a city’s median income even if the city also has a significant amount of poverty; nonetheless, if one infers that a greater number of poor residents weakens a city’s tax base and requires local governments to provide services to residents who cannot afford to pay for them, it also seems reasonable to assume that local governments may be relying on intergovernmental grants to provide those services. Gais, “Stretched Net,” 559; Peterson, City Limits, 58, 75, 76. If grant assistance is based on the extent of financial need of residents in a city, as I explore below, higher median incomes should lower the amount of grant aid received. Fisher and Bristle, “State Intergovernmental Grant Programs,” 7, 16; Yerena, “The Impact of Advocacy Organizations,” 19. Consequently, it is challenging to identify an intuitive explanation for significant, positive coefficients for both median income and the percent of residents living in poverty in light of even basic knowledge of the ways in which local governments finance the services they provide.

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As the amounts in the FiSC database simply are the totals of local government expenditures in each service category, e.g. education or public health, one cannot separately analyze the amount of expenditure that comes from intergovernmental grant aid vs. local tax revenue or the extent to whether local jurisdictions who receive grants are supplementing them with their own locally-raised revenues, though substantive analyses of the policy areas that comprise the social welfare construct, including funding trends or histories, could provide some insight on the former, in particular.


Bowman and Kearney, “Transforming State-Local Relations,” 2; Hendrick and Shi, “Macro-Level Determinants,” 7; Peterson, City Limits, 104.


Peterson, City Limits, 58, 64.


Peterson, City Limits, 58, 64.


Davidson, “Cooperative Localism,” 960.


Trounstine, “Representation and Accountability in Cities,” 417; also noted in Golden, “The Other Side of Devolution,” 6-7.


Tausanovich and Warshaw have calculated state ideology values in other work, but I did not analyze them.


Davidson, “Cooperative Localism,” 1016.


Brooks and Phillips, “An Institutional Explanation,” 255; Brooks, Phillips, and Sinitsyn, “The Cabals of a Few,” 11; Lowry and Potoski, “Organized Interests,” 516, 530. To be clear, this is not to suggest that local governments whose officials and residents are more favorably inclined toward social welfare initiatives are more likely to seek grants than to fund services through local tax revenues, only that more ideologically supportive communities are more likely than cities and towns whose residents less favor such spending to pursue intergovernmental grants.


381 Brooks and Phillips, “An Institutional Explanation,” 255; Brooks and Phillips, “The Politics of Inequality,” 8; Brooks, Phillips, and Sinitsyn, “The Cabals of a Few,” 2; Fisher and Bristle, “State Intergovernmental Grant Programs,” 7; Lowry and Potoski, “Organized Interests,” 517; Scheppach and Hildreth, “The Intergovernmental Grant System,” 5. These demographic characteristics also may be correlated with the independent variables employed here, which may explain some of the “noise” in Models 3 through 6. Craw, “Overcoming City Limits,” 363-364; Gais, “Stretched Net,” 565; Hajnal and Trounstine, “What Underlies Urban Politics,” 66; Peterson, City Limits, 55. For example, Gais observes that “fiscal capacity” may be “correlated with other economic and social factors as well as federal grant formulas,” while Craw posits that “poverty rates and social welfare spending are endogenous at the local level.” Gais, “Stretched Net,” 565; Craw, “Overcoming City Limits,” 363-364. Considering that median income often proxies for fiscal capacity in public choice models, based on the supposition that it will positively affect local social welfare expenditures, the existence of grant formulae that weight lower per capita or median income more heavily, or use it to award more funds, is particularly problematic for interpreting spending amounts. Gais, “Stretched Net,” 565.

382 Davidson, “Cooperative Localism,” 1012.


388 Baicker, Clemens, and Singhal, “Fiscal Federalism in the United States,” 30. Whether grants substitute for or supplement local efforts remains an open question in the literature on local governments’ social welfare provision: few studies address the issue and those that do appear to interpret similar results differently, e.g. Brooks, Phillips, and Sinitsyn, “The Cabals of a Few,” 2; Craw, “Overcoming City Limits,” 371.

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395 Craw, Deciding to Provide,” 907.


399 For example, one might anticipate that local preferences might have greater influence on policy domains which are more publically visible or less controlled by state governments, such as education. Farmer, “County Government Choices,” 60, 76, 79.


406 Davidson, “Cooperative Localism,” 1007; Farmer, “County Government Choices,” 79. Davidson asserts that it is necessary for scholars to “distinguish between local governments that are conceptually independent…from other public bodies that truly function as administrative arms of state.
government,” particularly given that counties vary in the extent of their substantive authority. Davidson, “Cooperative Localism,” 1007.


418 For an example of preliminary work in this vein, see Craw’s “Overcoming City Limits,” which separates expenditures by type in the latter three policy areas, though not by individual units of government. Craw, “Overcoming City Limits,” 369.


423 Chernick, Langley, and Reschovsky, Comparing Central City Finances Using Fiscally Standardized Cities. 4. For example, Craw reports the result that public welfare expenditures are greater in counties, his units of analysis, with a “greater county share of funding,” a conclusion that the history of county governments’ role in administering public welfare functions and, more recently, administering TANF, would predict. Craw, “Deciding to Provide,” 376.


425 Volden, “Intergovernmental Political Competition,” 338


428 Trounstine, “Representation and Accountability in Cities,” 412.


433 Hunt, Blueprint for Disaster, 23.


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