



# Testimony

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## Kansas City Charter Changes

By David Stokes

Testimony Before The Kansas City Charter Review Commission

To The Honorable Members Of This Commission:

My name is David Stokes and I am a policy analyst for the Show-Me Institute, a nonprofit, nonpartisan Missouri-based think tank that supports free-market solutions for state and local policy. The ideas presented here are my own. This testimony is intended to share the findings of economic analysis that relates to the structure of local governments in Missouri. In particular, I focus on the question of electing members of the city council via “at-large” or “district” elections.

Several quality economic studies address the issue of government structure that relate to the ongoing discussions in Kansas City. As part of my overall comments, I highlight several especially appropriate studies by economists. For further information, each of these studies is available online (though some cost money) and the necessary citations are at the end of the testimony.

### *The Council*

*At-large elected officials should be truly at-large.*

In 2010, Kansas City’s *The Pitch* newspaper documented how one council district’s at-large member wanted to spend more than \$1 million acquiring new park land within the district even though (according to the *Pitch*) the city was having trouble maintaining its existing parks.<sup>1</sup> The purpose here is not to criticize a councilmember for representing constituents. My purpose is simply to note that it is an excellent example of an “at-large” councilmember acting in the interest of an assigned “district.” There may, or may not, be anything wrong with that, but it certainly defeats the purpose of “at-large” elections in the first place.

Kansas City should do what Independence does, and have its six “at-large” elected councilmembers represent the entire city without being expected to partly represent districts or wards as well. Kansas City’s hybrid system of electing half the city council at-large, but also assigning those “at-large” elected officials to represent districts, negates the benefits of “at-large” elections. Several economic studies demonstrate greater fiscal discipline in cities with true “at-large” councilmembers.

***[T]otal spending and costs rise as each official elected via a district engages in similar “logrolling” to serve his or her voters.***

*David Stokes is a policy analyst at the Show-Me Institute, which promotes market solutions for Missouri public policy.*

When an official is elected to represent a ward, he or she will fight for spending within that ward (or district) with less concern for total costs. This is because the benefits of those expenditures are focused on the official's district, but the costs are spread among all city taxpayers. Therefore, total spending and costs rise as each official elected via a district engages in similar "logrolling" to serve his or her voters. In contrast, "at-large" officials who are truly at-large are incentivized to weigh every spending decision against the cost that the entire population bears. When the same voters pay the cost and receive the benefits of spending, there is less of a political benefit to "pork" spending in specific districts.

Southwick surveyed almost 2,000 cities across the country and found that "at-large" municipal officials:

... act so as to reduce both spending and taxes as compared to what ward representatives do. The ward representatives act in a more "pork barrel" framework which results in more spending.<sup>2</sup>

Dalenberg and Duffy-Deno analyzed capital spending for 30 American cities dating back to 1910 and determined that ward elections resulted in higher levels of capital expenditures. This is, of course, not necessarily a bad thing. Cities need capital investments. However, it is consistent with findings that district elections produce higher spending levels. According to Dalenberg and Duffy-Deno:

In particular, ward councilors are biased toward large capital projects which are visible and have concentrated neighborhood benefits.<sup>3</sup>

*The size of the city council should remain consistent*

Langbein, Crewson, and Brasher determined that the size of the council matters more than the way the council is elected for the provision of politically popular goods, such as parks. The study found that a larger council has more officials seeking the benefits of providing popular services, so total spending exceeds levels the median voter in the community would prefer. Furthermore, they determined concentrated constituencies do NOT have greater political influence in ward systems. Langbein et al state:

For this study, the most important findings is that [...] cities with more councilpersons spend more per capita than cities with fewer councilpersons; however, poor people in ward cities have no more clout than they do in at-large cities.<sup>4</sup>

This finding is consistent with the relevant economic literature from public-choice economics that generally notes a correlation between larger legislative bodies and greater total spending. This pattern is known in economics as the "Law of 1/N." In short, Kansas City should maintain the current size of the city council instead of potentially increasing it.

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## *The role of the Mayor*

Kansas City is commonly considered to have a “weak mayor” system in political science terms, but that can be overstated. Unlike many “weak mayor” cities, the Kansas City mayor has legislative veto authority, and that power can be significant.

Baqir concludes that having mayoral veto authority is a more effective way to exercise fiscal discipline and limit spending increases and debt. According to his research, the system of council elections does not have an impact on expenditures, but the ability of the mayor to issue vetoes does. In Baqir’s tests:

The only indicator of mayor powers that was consistent with statistically significant results was the overall mayor veto indicator.<sup>5</sup>

As Kansas City considers changes to the way the mayor operates, maintaining the mayor’s veto authority is important.

### *Conclusion*

Amending the city charter for a large city like Kansas City is a complicated and important process. There are, no doubt, many issues about city government that need to be revisited once a decade or so. My recommendations here are intended to present the evidence from the economic literature on government structures that help to limit spending and debt increases beyond what the average voter and taxpayer desires.

As this charter review commission goes through this process, I believe it would benefit the city’s residents and taxpayers if the new city charter removed the district designations from the six “at-large” councilmembers. Make the “at-large” officials genuinely “at-large.” Maintaining the current size of the council and the mayoral veto would also benefit the city. It is a constant battle to resist the pressures to spend on things to help voters now that future taxpayers will pay. These charter systems will help maintain the financial discipline the city needs.

***Baqir concludes that having mayoral veto authority is a more effective way to exercise fiscal discipline and limit spending increases and debt.***

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## **NOTES:**

<sup>1</sup> Martin, David. “The city finds \$1.1 million to buy parkland it doesn’t want or need,” *The Pitch*. November 20, 2010.

<sup>2</sup> Southwick, Lawrence, Jr. “Local Government Spending and At-Large Versus District Representation; Do Wards Result in More Pork?” *Economics and Politics*, vol. 9, no. 2, 1997, Page 199.

<sup>3</sup> Dalenberg, Douglas R., and Kevin T. Duffy-Deno. “At-Large Versus Ward Elections: Implications for Public Infrastructure,” *Public Choice*, vol. 70, no. 3, 1991. Page 341.

<sup>4</sup> Langbein, Laura, Philip Crewson, and Charles Niel Brasher. “Rethinking ward and at-large elections in cities: Total spending, the number of locations of selected city services, and policy types.” *Public Choice*. (88), 1996. Page 285.

<sup>5</sup> Baqir, Reza. “Districting and Government Overspending.” *The Journal of Political Economy*. 110 (6), 2002. Pages 1318-1354.

