

21st Century Local Government

Report of the New York State Commission on
Local Government Efficiency
& Competitiveness

April 2008



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To the Citizens of New York State

People are demanding change at all levels of government. They are frustrated by a local tax burden that is the highest in the nation. They value their communities, but want modern, efficient services at an affordable price.

Our Commission was launched with the conviction that New Yorkers are living under a very outdated local government structure. The vast majority of our municipalities were established and their boundaries set during the horse-and-buggy era. There are also outdated laws and offices for which no modern rationale exists. Over the years we have added to this outdated system, but rarely simplified, and today we have nearly 5,000 local government entities.

Substantial savings are available if we choose to modernize. Over the past year, this basic truth has been confirmed again and again in testimony, and in the 200 initiatives for change brought forward by local leaders. Because we believe that top-down reform seldom works, we sought from the beginning to learn from a process of assisting local initiatives and addressing barriers encountered. This must be an ongoing effort at the state level, because we need to better enable, assist, and promote successful practices.

Shared services are one way to bring efficiencies to local governments, including school districts, and we have recommended enhancements in state assistance, support and funding for these activities. However, consolidation of services or even governmental entities may be needed in some areas. Both shared services and consolidation face many hurdles. It is always harder to change than to hold to the status quo. But with the economic challenges New York faces, doing nothing is no longer an acceptable answer. We need to find ways to tip the balance in favor of efficiency.

This Commission was charged with examining *local* government, and our report focuses on ways to make counties, municipalities, schools and other local entities more affordable, accountable, democratic, and competitive. That does not imply, however, that the problems are solely or even primarily caused by local leaders. Our proposals address mandates and other cost-drivers. State government creates the rules under which local governments and schools operate – rules which can stand in the way of efficient and effective operations.

Our suggestions for change are presented with a mix of optimism and concern, because past local government reform commissions have issued reports that were not implemented. However, we are hopeful that with the emphasis on locally generated ideas, this effort will achieve significant success. Most of our recommendations are designed to encourage or enable change, rather than to mandate it. Few would argue with the proposition that we cannot continue on the path we are on.

We want to encourage local leaders to be bold. It is our view that big changes are necessary, although many will be difficult to achieve. With these recommendations, and a lot of hard work at all levels of government, we can adapt our best tradition – local democracy – to a 21st century model.



Stan Lundine, Chair



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Executive Summary

The Commission on Local Government Efficiency and Competitiveness was established in April 2007 to examine ways to strengthen and streamline local government, reduce costs and improve effectiveness, maximize informed participation in local elections, and facilitate shared services, consolidation and regional governance.

This report and recommendations are submitted to the Governor, the Legislature, and to the citizens of New York State. It describes the Commission's process and sources of information, including research, public input, and contact with local leaders. The initiatives brought to us by local officials, which we sought to support and learn from, are also described in summary and throughout the report where they relate to particular issues.

Recommendations

This report presents our recommendations, developed over the course of a year. Most are highly specific, but given the breadth of our charge several are general or call for further study. Some proposals can be achieved administratively, but most require statutory change, for which legislation is being prepared. In five instances we call for state constitutional change. Several of our early recommendations were included in the 2008-09 Executive Budget, but most are appearing here for the first time. Our recommendations are presented in brief with this summary and in much greater detail in succeeding chapters along with contextual information and our rationale.

Where we believe that there is a clear need to centralize a particular service we have specifically recommended it. We are very much aware that "one size" may not fit all and that circumstances and needs are very different in communities across New York State. In many areas we are therefore not prescribing a single approach, we are merely recommending that – after local consideration – a choice be made.

Our recommendations lay out a path to a far more efficient and effective local government system. If they are accepted, here are some of the most important changes we envision:

- More services will be provided on a countywide or regional basis, which will both save money and provide better service. In most cases, this will be the result of a local choice to regionalize, but we will tip the balance in favor of making such choices.
- Local governments will operate under more modern, consistent, and understandable rules, and citizens will have a clearer understanding of where responsibility lies for services.
- School consolidation issues will be examined, and it will be more likely that consolidations will occur where they are fiscally and educationally advantageous.
- There will be a local conversation on how fire and emergency medical services can best be provided and the volunteer system preserved, with the likelihood that some counties will move forward with restructuring initiatives.
- Health insurance costs – a major driver of local government expenditures – will be significantly reduced statewide, and we will also address other major cost drivers such as pension contributions.

- With uniform local election days, there will be greater participation in local democracy and voters will be presented with alternatives to continuing business as usual.
- There will be better information on local finances allowing citizens to easily compare their costs for services to neighboring communities.
- We will move away from elective offices for professional functions, such as highway maintenance, giving town boards and supervisors more direct accountability and control.
- We will stimulate local demonstration projects illustrating new models for 21st century governance and encourage collaborative regional action.

Cost Savings

New York State needs to be more competitive in an increasingly global economy, and the costs and effectiveness of government – both state and local – are a big part of this. The State can help by addressing [mandates](#), which we discuss in our section on cost-drivers. Local government service sharing and consolidation can save money, as studies and local actions have demonstrated.

Throughout this report we have cited both research and specific local actions where significant cost savings are available. We have quantified the potential statewide savings from specific recommendations where we could, acknowledging that overall savings will depend upon local choices and actions. In just those areas where we were able to estimate potential statewide impacts – the minority of our recommendations – we have identified more than \$1 billion in savings. These estimates are described in a [staff brief](#), and include potential savings from school district restructuring, minimum employee contributions for health insurance, some policing consolidations, coordinated snow-plowing, special district reforms, and others. Major savings are also available through reformed state oversight of county jails, sharing and consolidation of highway operations, Wicks and procurement reforms, and local government restructuring in general – but the statewide magnitude cannot be estimated at this time.

Individual communities can realize dramatic savings from service consolidations. Perhaps the best current example is from Central New York, where the Town of Clay and Onondaga County have announced a plan to consolidate the Town police force with the County Sheriff's Department. This plan is expected to reduce town tax bills by 20 percent, and save up to \$17 million over 10 years, without reducing service.

Improved Functionality

While our recommendations are aimed at efficiency, in many areas coordinated or consolidated services can also be much more effective, and that is as important an outcome. For example, functions like assessing and tax collection when consolidated at the county level can provide many improvements, including professionalized services, modern conveniences for taxpayers, and greatly eased governmental administration. County and school taxes would no longer need to be apportioned using state-calculated “equalization rates,” which often cause big swings in tax rates. Emergency dispatch is another vital area where county-level consolidation – already necessitated by the technology needed for mobile 911 calls – could allow for greatly improved service, as well as substantial cost savings. Many broad goals such as sustainable economic growth and community development are really only achievable through coordinated regional action.

Recommendations in Brief

Regional Services

- Centralize certain services at the county level: assessing, tax collection, emergency dispatch, civil service commissions, vital records
- Provide flexibility for counties to share jail facilities and manage jail populations
- Expand local governments' ability to share services
- Encourage justice court consolidation
- Consolidate IDAs at the county or regional level
- Enable multiple counties to share functions like weights & measures and health directors
- Allow renegotiation of collective bargaining agreements when consolidations occur

Modern Municipal Structures

- Require town-wide approval for new villages and local reconsideration of small villages
- Ease procedures for consolidation, citizen petitions, and coterminous town-villages
- Require local consideration of county-level management for fire protection
- End compensation for special district commissioners, turn over management of sanitation districts to towns, and require local reconsideration of all commissioner-run districts
- Allow local governments to make property tax sharing agreements
- Strengthen home rule by prohibiting the judicial doctrine of "implied preemption"
- Examine reclassifying some cities, towns and villages, and reconsider powers for each class

School District Restructuring

- Empower the Commissioner of Education to order consolidation
- Set up local schools restructuring committees to examine service sharing and consolidation
- Authorize regional collective bargaining contracts for new hires (phased in at local option)
- Facilitate consolidation of back office services and regional high schools

Informed & Active Voters

- Hold all local elections on November or May dates
- Reduce number of elective offices by converting certain positions to appointive
- Provide better information for voters
- Improve local financial data for benchmarking

Aid & Incentives

- Local Government Efficiency Grants and 21st Century Demonstration Projects
- Increase aid for efficient assessing using modern professional standards
- Encourage regional solutions, cooperative services and consolidation

Addressing Cost Drivers

- Require minimum employee contributions for health insurance
- Ease municipal cooperative health plan rules
- Review public employee pension benefit options (Tier 5)
- Reform Wicks and other procurement rules

Sustaining Local Efficiency

- Maintain a long-term focus on local efficiency at the state level, using existing state agency resources organized through a Center for Local Government Efficiency that will support local initiatives, promote cost-savings and follow through on Commission recommendations

Sustaining Our Effort

To make real progress in containing our local property tax burden, aggressive service consolidations and governmental restructuring are needed. This is a complex undertaking, and one that will require a continuing partnership with local governments and an ongoing effort across many state agencies. State and local programs both need to be reviewed on a continuing basis, as local services are provided under state law, programs and funding systems.

Accordingly, we recommend continuation of the Commission's work through a Center for Local Government Efficiency. This Center could be established without new costs, in the same manner the Commission has operated, utilizing the resources of the many state agencies with missions related to local government efficiency. It would extend the Interagency Task Force which is supporting local reform efforts. This effort could continue the work necessary to implement our recommendations, and would be in a position to follow-through with a continuing focus on local efficiency.

Additional Resources

A great deal of research and public input went into development of these recommendations. We were also inspired by local officials who responded to our offer of assistance for their ideas and initiatives, including shared services, consolidation, regional services and smart growth. For your convenience, a [complete list](#) of Commission recommendations is provided on the Commission website, as well as copies of draft legislation.

We invite you to send us your ideas and reactions to this report, by e-mail (localgov@empire.state.ny.us) or by postal mail (Commission on Local Government Efficiency and Competitiveness, 30 South Pearl Street, Albany NY 12245).

Links are provided throughout this document to issue briefs produced by the Commission and our Interagency Task Force partners and to other studies and reports influential in our deliberations.

If you are reading a paper copy of this report, an appendix lists the links provided in the text. You may also access these documents and other useful resources via the Commission website at: nyslocalgov.org.



Commission Overview

On April 23, 2007 Governor Eliot Spitzer created the Commission on Local Government Efficiency and Competitiveness by [Executive Order 11](#). We were charged with making recommendations to improve the effectiveness and efficiency of local government, and addressing the issues of local government merger, consolidation, regionalized government, [shared services](#) and smart growth.

Concurrent with the yearlong Commission effort has been an innovative “local initiative” effort through which municipal and county leaders proposed specific initiatives for government reform. Through this process 200 local initiatives are receiving state agency assistance for reforms related to the Commission’s charge.

The Commission’s fifteen members were appointed by the Governor, including one each upon the recommendations of the Speaker of the Assembly, the Majority Leader of the Senate, the Minority Leader of the Assembly, the Minority Leader of the Senate, and the State Comptroller. Our chair is Stan Lundine, former Lieutenant Governor, Congressman, and Mayor of Jamestown, and most of the members are current or former local government officials. More information on the Commission, including [member biographies](#), is available on our website.

The Commission is served directly by an Executive Director and a staff of five. In addition, an Interagency Task Force supports our activities, including research support, technical and other assistance. Primary support has been provided by the Department of State, Empire State Development, Division of the Budget, the Governor’s Office of Regulatory Reform, the Office of Real Property Services, and the independent agencies of the State Education Department and the Office of the State Comptroller. In all, nearly thirty agencies have been involved in the local initiatives effort which has been vital to the Commission’s process.

“The Commission will make recommendations on the measures we must adopt to facilitate and expedite partnership among state and local governments to improve effectiveness and efficiency ... the work of the Commission will be supplemented and improved through access to a process in which real world initiatives are pushed forward with all the tools currently at the State’s disposal.”

Letter to Local Officials
(April 23, 2007)

Gathering Input

The Commission has aggressively sought informed debate about consolidation, shared services, regionalization and other aspects of our mission by reaching out to local officials and other residents of the state. Much of what we have learned appears in this report, but many more details appear in briefing papers to which the report links. We have also learned from [prior local government commissions](#), as well as [efforts in other states](#).

In April of 2007, the Commission launched a website so the public could track our work, view webcasts of hearings and deliberative sessions, download Commission briefing papers, and easily access information including a variety of publications and resources on topics related to the Commission. Our website includes a message function to receive input from New Yorkers on how local government can be improved, and for people to offer examples of successful

cooperative efforts. In total, more than 300 suggestions and inquiries have been received through the website. For example, we heard from residents interested in expanded policing operations, county assessing, consolidation or dissolution of specific municipalities or fire districts, and expressing concerns about high school taxes. We have also communicated regularly with over 1,800 mayors, supervisors, county managers, county executives, and other interested parties through e-mail newsletters.

Formal public hearings were held in Saratoga Springs, Long Island, Buffalo, and the Hudson Valley where we heard from panels on school issues, smart growth, upstate cities, and local government layers. We also heard from speakers representing municipal associations, professional organizations, citizen's groups, and themselves. Written testimony is posted on the commission website, as are webcasts of hearings and open deliberative sessions.

The Commission held formal dialogue sessions with the Association of Towns, the NYS Association of Counties, and the NYS School Boards Association at their annual meetings. Additionally, staff and Commission members spoke at a variety of other conferences, including those for civil service personnel, highway superintendents, transportation planners, government accountants, economic development groups, the NY Conference of Mayors, and the NYS School Superintendents Association.

We also convened an [academic advisory group](#), including 20 academic and research institutions with a focus on local government issues. These institutions provide a great resource for local government reform, and they have helped inform us about current research on local government matters. The members of this group also reacted to Commission ideas, and provided their own suggestions for local government reform. Several members of the academic advisory group also produced particular studies of interest to the Commission. Commission staff also formed several informal advisory groups, such as one focused on highway services, which discussed issues and reacted to briefs and guidance documents produced for the Commission. While they contributed to our process, it should not be inferred that these groups endorse our recommendations.

Over 350 newspaper articles and editorials have appeared related to the Commission or to local initiatives we are assisting. Press accounts inform people about local efficiency and shared services, and can also spark similar efforts elsewhere. In September 2007, seven coordinated [editorials](#) about the Commission appeared on the same day across the State (Buffalo News, Batavia Daily News, Binghamton Press & Sun, Elmira Star-Gazette, Rochester Democrat & Chronicle, Syracuse Post-Standard and the Watertown Daily News). All were thought-provoking and thoroughly supportive of the Commission's mission. Our Chair and other Commission members have also written opinion pieces published in a number of newspapers.

Local Initiatives

Substantive change cannot be achieved without the direct input and insight of local government leaders. Accordingly, concurrent with the formation of this Commission, a [letter](#) was sent to local officials statewide asking them to identify initiatives in the areas of local government merger,

"No one can say that the opportunity to be heard has not occurred and it is healthy to receive feedback from municipal officials as well as members of the public at large."

John T. McDonald, III
Mayor of Cohoes

consolidation, shared services, smart growth and regional services. The Governor promised that such initiatives would receive advice, technical assistance, and direction to any funding opportunities.

To date, over 30 state agencies are providing assistance to [200 initiatives in 55 counties](#). This support is coordinated through an Interagency Task Force providing assistance, disseminating information and reporting on any impediments that local leaders face as they pursue initiatives in 29 project categories.

Initiative Categories (Number Received)

Regional Jails (3)	Purchasing & Procurement (5)
Sewer & Water Infrastructure (15)	School District Consolidation (2)
Regional Emergency Facilities (2)	Fire Services Consolidation (5)
City-Town Consolidation (4)	Countywide Tax Collection (31)
Coterminous Boundaries (1)	Joint Administrative Projects (11)
County Dissolution (1)	Countywide Pooled Investment (1)
Code Enforcement (7)	Countywide Emergency Dispatch (3)
Property Tax Reform (1)	Village Dissolution or Consolidation (5)
Regional Boards of Health (1)	Regional Weights & Measures (1)
Regional Social Services (1)	Smart Growth (9)
School Administration (2)	Countywide Public Employee Health Insurance (9)
Special District Consolidation (2)	Economic Development Coordination & Consolidation (2)
Justice Courts Services & Facilities Consolidation (10)	Multi-Municipal Policing (5)
Countywide Assessment (41)	Technology Services Consolidation (5)
Town/County Highway Services & Shared Facilities (15)	

The local initiatives have already identified a number of areas where changes in state law or programs would facilitate efficiency. Many of our proposals in the 2008-09 Executive Budget reflected issues raised by local initiatives. For example, nine counties submitted local initiatives seeking technical assistance related to cooperatively purchasing health insurance. However, specific provisions in the Insurance Law inhibit the creation of municipal cooperative health benefit plans. In fact, none have been established since these provisions were put in place in 1992. In response to these concerns, the Insurance Department worked with the Commission on statutory amendments to facilitate more widespread use of insurance cooperatives.

The local initiatives process has also been instrumental in refocusing state agencies on the needs and issues of importance to local governments. Programs have been developed to assist local leaders with studying and implementing regional efforts, such as a new aid program to support studies of countywide property assessment and tax collection. New publications have been developed to assist municipalities with particular types of projects, and existing programs are being re-examined through the lens of local government efficiency.

Some local initiatives will take continued effort and assistance to help local government officials who have proposed bold new directions for their communities that will demand fundamental changes in statute, municipal structure, and organizational culture. For example, the Town and City of Batavia requested assistance in examining the potential costs and benefits of merging. The preliminary estimate made by local officials is that the merger would save approximately \$3.3M over a five-year period. However, they need to study the potential impacts in detail. To build public support for transformative changes, such efforts require time and discussion.

Commission members were also interested in the potential for city-county mergers, spurred in part by a January 2005 proposal that Erie County and the City of Buffalo form a “Regional City of Buffalo.” State action would be required for any proposed city-county consolidation, most likely legislation to create a new county charter at the request of both the city and county government. One of the studies described below explores the issues raised by the Erie-Buffalo proposal, as well as looks at other city-county merger proposals in the United States. It found some basic impediments to those mergers in New York, including the lack of unincorporated areas in the state.

Consultant Studies

The Commission arranged for three consultant studies to provide research supporting its work. These are summarized below and available in full on the Commission website.

Layering of Local Governments & City-County Mergers

This [study](#), conducted by Don Boyd, Senior Fellow at the Rockefeller Institute of Government, examined layered local government in New York in comparison to other states, and looked at ways to reduce overlaps. New York is one of only ten states in which citizens can live in three layers of general purpose local governments at once (counties, towns and villages) and is the third most layered state. Layering varies across the state, with Livingston County the most layered (more than 40 percent of the population under three general purpose local governments) and Warren County the least layered (less than 2 percent under three governments). More densely populated counties have fewer governments per capita than do less densely populated counties. The study also drew from analysis of city-county consolidations nationwide to examine the possibilities in New York, specifically reviewing an earlier merger proposal in Buffalo and Erie County. Although the Buffalo-Erie County proposal addressed some of the issues surrounding a city-county consolidation, many questions were not fully answered, as momentum for the consolidation faded.

Observations from Three City-Town Groups in Upstate New York

This [study](#), conducted by Charles Zettek of the Center for Governmental Research (CGR), examined opportunities for shared services and consolidation to improve efficiency, effectiveness, and equity in service provision in three city/town groups:

- Town of Norwich - Town of North Norwich - City of Norwich;
- Town of Cortlandville - City of Cortland; and
- Town of Oneonta - City of Oneonta.

Three primary issues arose: the efficiencies and improvements that could be gained by having a single provider of a service in several major areas, the inequitable opportunities to collect sales and property taxes, and the inequitable distribution of costs. The study concluded first that a "one size fits all" solution was not needed, but each city/town group could learn from the

successful practices of the others. Second, shared services and consolidation need to be perceived as equitable to work in the long run. Third, the full consolidation of municipalities will require creative solutions to overcome the challenges of outdated borders, imbedded procedures, legal constraints, and historical differences. The potential state role in addressing this problem was summarized by a local official who said, "*Our money would be much better spent if you mandate consolidation or shared services efforts among these towns and villages, and then offer grants to those municipalities in order to fund the process of consolidation or shared services... That is the only way you will get it done – and it really needs to be done.*"

Constitutional Considerations in Local Government Reform

The Commission retained Richard Briffault of Columbia University Law School to evaluate state constitutional issues. After several discussions with the Commission, Professor Briffault prepared a [memorandum](#) that provides an overview of the New York State Constitution and local government in New York. He discusses the definition of local government, local government formation and boundary change, intergovernmental cooperation and service sharing, alternative county government and transfer of functions, home rule and state preemption, local elected officials, local finances, and election administration. This dialogue with the Commission was influential in our five recommendations that will require constitutional amendment, which are described in a [staff brief](#).

"There are still a great many political barriers to 'merging' the city and the town. Mayor Nader and I are friends and I believe we have a rare opportunity to shape the future of our community together. There has been a general animosity between the city and town for as long as I can remember. If we can break down this wall of protectionism and look at what is best for the area perhaps others will follow."

Robert T. Wood,
Supervisor
Town of Oneonta





New York's Complex Local Government Structure

To a large extent, New York – like many states in the Northeast and Midwest – is a victim of its own history. The vast majority of our cities, towns and villages were established, and most boundaries set, during the era of horse-drawn transportation. Other than the addition and dissolution of a relatively small number of villages, there has been virtually no change.

This frozen municipal map stands in stark contrast to overwhelming [changes in population](#), physical infrastructure and the economy that have occurred since the lines were drawn. The constitutional and statutory provisions setting the operational rules for municipalities were also put in place long ago, at least in most significant respects. For example, a town with a population of 755,000 cannot have a fire department, but a village with less than 500 may. Thus, both boundaries and rules are outdated.

Over the years, as needs have changed, our solution to this outdated structure has been to add to it frequently, with additional governmental units, special districts, local public authorities and other entities. Only rarely have we simplified this system. The net result is a complex amalgamation of governmental entities which can obscure responsibility, reduce accountability and raise equity concerns for basic public services split between many entities and elected officials.

We estimate that there are some 4,720 local government entities, that is, independently managed organizations that can make decisions affecting local taxes either directly or indirectly. This is, we should note, higher than the 4,200 figure we have been using since the inception of this Commission – our research has identified additional districts and entities that meet the definition above. Moreover, we must confess that tally remains uncertain with regard to special purpose local governments and other entities – there are simply too many of them, and in many cases there is no state-level description of their powers or operations. More detailed information on these issues is available in a [staff brief on local government entities](#).

General Purpose Local Governments

There are 1,607 general purpose local governments in New York – counties, cities, towns, and villages. All general purpose governments have elected governing boards, can levy property taxes and issue debt, and are covered by “home rule” protections in the state constitution. Everyone in the state lives under a county government except those in New York City (the five boroughs are technically counties, but the government functions are under city government). Every New Yorker also lives in either a city or town. Village residents live in both a town and a

General Purpose Local Governments 1,607

Counties 57
 Cities 62
 Towns 932
 Villages 556

Special Purpose Local Governments 1,811

School Districts 685
 Fire Districts 867
 Library Districts 181
 Commissioner-run Special Districts 78

Other Governmental Entities 1,302

Special Purpose Units of Local Government 311
 Local Public Authorities 993

Total Local Government Entities 4,720

village. New York is one of only ten states in which citizens can live in three general purpose governments (county, town, and village) at once.

Counties

Counties were originally administrative units of the state, providing its social services and other programs to their local beneficiaries. Though they are now separate governments, counties reflect their origins in the many state programs that they administer, including Medicaid and other social services. All counties have a governing board elected by district or by town/city with weighted voting. Counties may adopt a charter that changes the structure of their government, including having an elected executive.

Cities, Towns & Villages

When they were first established, cities, towns and villages were created with different powers to serve different populations. Cities were the centers of population and wealth providing a full array of services directly to their citizens. All cities are created by an act of the state legislature with a charter that provides flexibility in how the government is structured. Villages, like cities, were also created to directly provide services, such as police, fire, sewer, and water. However, unlike cities, villages exist within a town. Historically, they were intended to provide services in densely populated areas of towns. Unlike cities, villages may be created by local action.

	1950	1970	2000
Cities	43%	27%	22%
Villages	19%	18%	18%
Towns (outside of Villages)	38%	55%	60%

Note: Excludes New York City

Special Purpose Local Governments

In addition to general purpose governments, there are 1,811 special purpose governments with independently elected boards that provide specific functions within their borders. These include school districts, fire districts (but not fire *protection* districts), [library districts](#), and other commissioner-run special districts. All of these governments have an elected board that is able to impose taxes and/or issue debt directly or through another local government. School districts are of course the most visible and largest special purpose local government – spending nearly as much as counties, cities, towns, and villages combined. The boundaries of school districts as well as other special purpose local governments frequently cross town, village, city and even county boundaries, adding a great deal of complexity to local administration and to local intergovernmental relationships. Many of these special purpose governments have election days that are different from either the November general election date or the May school board/school budget date. In most cases, these special purpose governments have extremely low voter turnout.

Other Governmental Entities

These 1,302 local government entities have independent boards and are able to impose costs on taxpayers or issue debt that sponsoring local governments have little control over. These boards are predominately appointed, but some members serve *ex officio* or are elected by a select group of people.

There are two categories of other governmental entities: special purpose units and local public authorities. Special purpose units include BOCES, community colleges, consolidated health districts, and joint activity districts.

Local public authorities include public benefit corporations and public authorities sponsored by a local government or providing a region-specific service, such as housing authorities, industrial development agencies, urban renewal agencies, water and sewer authorities, transportation authorities and local development corporations. Though they have a separate board, the true independence of these entities varies as some function as a department of a local government while others may take actions opposed by their local governments.

Other Service Structures

In addition to the nearly 5,000 local government entities enumerated above, New York has thousands of other local government organizations and districts such as regional planning boards, soil and water conservation districts, public library systems, town-run and county special districts, fire protection districts, health districts and vital records districts. These are not included in our total count of local government entities because most cannot impose costs without another local government entity's approval. The vast majority of them function as a geographical service area within a town or county and are directly run by another local government's board. Because many of these entities have efficiency issues, the Commission considered them in its deliberation, as, for example, in the recommended centralization of vital records districts.

Special Purpose Units

BOCES	37
Community Colleges	37
Consolidated Health Districts	54
Joint Activity Districts	183

Local Public Authorities

Housing Authorities	123
Industrial Development Agencies	116
Urban Renewal Agencies	49
Water, Sewer, & Utility Authorities	27
Parking Authorities	12
Solid Waste/Recycling Authorities	11
Transportation Authorities	10
Cultural, Recreation & Market Authorities	10
Healthcare Authorities	5
Other Authorities	4
Local Development Corporations	618
Off Track Betting Corporations	6



Commission Recommendations





Regional Services

New York has a very complicated local government structure, made more so over time by legislation enacted to address specific situations or municipalities without taking a comprehensive look at the underlying statutes. Only rarely have we attempted to simplify or reform this structure, and most such attempts have been unsuccessful. Rigid municipal boundaries, outdated statutes and predictable organizational and political pressures to maintain the status quo and local control all push against cooperation, consolidation and service sharing.

Research and local initiatives have shown that for many functions, services can be provided more efficiently or effectively on a broader scale. Since county governments already exist and have the capacity and often staff to manage centralized services, they are natural candidates for managing service consolidation. Services provided centrally may not only be more efficient, they may also be performed more effectively, or with other advantages. For example, a broader scale of operations allows for employee specialization, cross-coverage, modernization such as internet transactions, and distribution of costs over a broader base. Citizen convenience, improved functionality, and regional coordination are also important goals, and we have worked to identify the areas where these goals could best be advanced through regional or county-level services.

While we are fundamentally concerned with providing services at an efficient and effective scale, we recognize that “one size doesn’t fit all.” In many ways it is preferable to encourage and enable changes, rather than to require them. However, there are some areas where we believe that the advantages of consolidation are so great as to warrant mandating rather than encouraging centralization. We believe that these changes will lead to improved operations and greater efficiency. While this could mean that one level or unit of government’s expenditures would rise, it would be offset by decreases elsewhere. We have to look beyond boundaries and focus on the overall tax burden.

“It is incumbent upon us to seek out ways to provide tax relief to our overburdened property taxpayers. By bringing together all segments of local government and reviewing our service delivery systems we have found that not only can we provide cost savings to our taxpayers but also better-coordinated services in a more efficient manner.”

Tom Santulli, Chemung
County Executive

Assessing and Tax Collection

Move property tax assessing and collection to counties for administration, providing reasonable phase-in provisions.

New York’s assessing arrangement is among the **most fragmented** in the nation. New York currently has 1,128 individual assessing units, 981 city and town assessing units, two county assessing units, and 145 villages which assess property for village tax purposes (a duplicative function in that the towns in which these villages are located assess the same parcels). There are 1,376 assessor positions, including approximately 150 elected three-person boards of assessors. Only three states – Wisconsin, North Dakota, and Michigan – have more assessing jurisdictions than New York. More common is the county assessing model used in 33 states, and at the far end of the spectrum, Maryland assesses at the state level.

Several benefits accrue through [county-level assessing](#) and tax collection. Coordinated or consolidated assessing countywide eliminates tax shifts resulting from changing equalization rates within the county. Assessment accuracy may improve as a result of more regionalized data, analyses, and market monitoring. A single countywide office would also permit increased specialization of staff for specific types of properties, such as utilities, industrial, and complex commercial properties. A recent study by the Erie County Comptroller found that \$2.1 to \$3.9 million could be saved by countywide assessment.

As it stands today, New York State's system is arguably the most complex property tax system in the nation. Most states have less than 100 assessing jurisdictions, statutory reassessment cycles and a statewide standard of assessment. New York, by contrast, has 1,128 assessing units, each of which determines its own standards and practices.

The current method of collecting taxes results in duplication of effort and discourages the utilization of new technology that would make the process more efficient. Counties are already involved in tax collection, guaranteeing taxes for towns and school districts, certifying warrants for taxes in all municipal jurisdictions, and collecting delinquent taxes. In addition, county taxes appear on town and city tax bills. By moving to a county system of tax collection, counties could offer electronic funds transfer and on-line payments and billing.

Countywide or coordinated assessing and tax collection was an early interest of the Commission. In response, a grant program was developed to provide funding for county and municipal officials to study local improvements in assessment and tax collection. In March 2008, [Governor Paterson announced grants](#) in 41 counties to study

collaborative approaches to local assessing. In addition, grants to 31 counties will support studies of cooperative tax collection, exploring options for harnessing technology to the benefit of taxing jurisdictions and taxpayers alike. Monroe County already offers centralized processing of tax payments to its constituent towns, villages and school districts, and some other counties have various cooperative approaches.

End duplicative city and village assessing.¹

Where a county or town is already assessing city or village property, it is an unnecessary duplication of services and expense to the taxpayer for the city and village to also carry out an assessing function. Most villages have already eliminated such duplicative operations, but we do not believe that state law should allow such situations to exist anywhere. Over \$3.3 million is spent annually statewide on this duplicative function.

Eliminate state statutory requirements for school district collections that prevent functional consolidation.

The current school tax collection system is immensely complex and carried out in many areas at an inefficient scale. In addition, school district tax collections are handled differently depending on which portions of the district are located in a town of the first class, a town of the second class, or within a city. Most school districts overlap town boundaries, and many have portions overlapping cities. Having three different statutory arrangements for tax collections therefore poses a barrier to consolidated, modernized operations. Elimination of the position of school district collector and transfer of the collection function to a town, regardless of its class, is an essential step in modernizing collections.

¹ *Opposed: C. Johnson opposes eliminating the ability of a village to assess.*

Emergency Dispatch

Require all E-911 calls and police, fire and emergency medical services dispatch to be done at the county level.

Mobile or wireless “911” calls are already required to be handled through a county designated public safety answering point (PSAP) in order to be eligible for state wireless 911 funding. Various fees and surcharges have been imposed since the 1990s to help pay for enhanced emergency communications systems that automatically identify wireless callers by number and geographic location. Wireless 911 calls have been treated differently since the necessary technology was beyond the reach of many localities receiving emergency calls. The inefficiencies inherent in maintaining multiple PSAPs and dispatch systems become more pronounced as more people rely on 911 (rather than 7-digit calls) and mobile phones.

Many areas are consolidating their PSAP activities to include all calls for emergency services. This approach has the following advantages:

- Providing greater economies of scale, particularly when updating technology;
- Allowing for more qualified and trained staff to be on duty at any time;
- Reducing use of sworn law enforcement personnel for dispatch, freeing officers for enforcement duties;
- Increasing training opportunities for staff;
- Improving interoperability among police and emergency agencies;
- Facilitating “closest unit response” to incidents that are independent of agency jurisdiction; and
- Minimizing response times and increasing overall effectiveness of public safety agencies within a county.

Several counties, including Chemung, Monroe, and Onondaga, have already consolidated all local PSAP activities and have realized benefits. Local initiatives are also underway in Genesee and Schenectady counties. Genesee County's new 911 dispatch center went "live" in October, and will be joined shortly by the City of Batavia. Schenectady County is in the middle of exploring the consolidation of five PSAPs through a study funded by a shared services grant. In Onondaga County, which consolidated seven PSAPS in 1992, immediate cost savings of \$681,000 annually were realized.

Where local and county PSAPs both exist, county officials have pointed out how inefficient it is to have their dispatchers spend time questioning callers, only to then transfer the call to a local dispatcher who repeats the questions before dispatching a first-responder. Eliminating the local PSAP would eliminate delays and improve response times – the county dispatcher could then take the caller's information and transmit a message directly to the first responder, including the caller's location. As technology improves, a GPS map accurate to within a few yards would be possible. Such reforms would improve service and likely save lives.

Despite the great benefits from PSAP consolidation, and the inefficiency of maintaining separate wireless and landline systems, these changes are often very hard to achieve. PSAP consolidation may eliminate or transfer jobs, an impact that hampers reform.

Vital Records Districts

Vital records registration districts should be consolidated at the county level.²

The maintenance and issuance of birth and death certificates is currently the responsibility of 1,452 different entities in New York State. There are only about 6,400 vital statistics registration districts in the United States, and thus New York comprises nearly a quarter of the districts nationwide. Each city, village and town constitutes a [vital records registration district](#) and must register and maintain records related to all births and deaths within its jurisdiction. The State Commissioner of Health may consolidate districts at the county level with the approval of the county legislative body, which has occurred in Onondaga, Tompkins, Monroe and Chemung Counties.

The advantages of handling vital statistics at the county level include that it facilitates consistent administration, streamlines service provision, and makes it easier for the federal and state governments to disseminate information. A consolidated function is also likely to lead to electronic databases that can be useful to genealogists, benefits administrators, and law enforcement. For those who no longer live in the community of their birth, obtaining records online or from a county employee (who is more likely to be full-time than many town and village employees) is more convenient. Moreover, the federal Intelligence Reform and Terrorism Prevention Act of 2004 seeks to standardize the documents and processes used to create and verify identity, and is prescriptive of several procedures performed in the creation and use of vital records. Safety and security requirements adopted to implement the Act will likely impose costs and be difficult to implement at the local level.

Health Districts

Require a state study of how the current system of health districts, health directors, health boards, local health officers, and other related entities may more efficiently provide local public health services; including an examination of whether such services should be consolidated at the county or multi-county level.

A [local health district](#) is a geographic area comprised of one or more municipalities. State law recognizes village, town, city, county, part-county and consolidated health districts. There is no record of the total number of local health districts in New York. Each health district has a board of health which is responsible for determining the powers and duties of the local health officer and ensuring that the public within their jurisdiction (health district), is abiding by the state sanitary code.

Where health threats extend beyond municipal boundaries it can be difficult to identify the responsible party. For example, a local non-profit in Otsego County is responsible for maintaining the Panther Creek Mountain Dam, which plays a critical role in controlling the water levels of Canadarago Lake. In recent years, flooding within three towns around the lake has frequently occurred because of problems with the dam and the surrounding stream conditions. While the NYS Department of Health has declared the situation a public health threat, and officials in all three rural towns are concerned about it, the limited services provided by Otsego

² *Opposed: E. Little, C. Johnson*

County Health Department means there was no local entity clearly responsible for identifying a health threat.

Amend Public Health Law to allow counties to jointly employ a single public health director who would supervise separate county health districts and a joint board of health for the combined district.

State law currently allows a group of small counties (combined population under 150,000) to employ a single public health director. State law could be amended to allow for counties of larger population to also share a public health director. The health directors would supervise separate county health districts. A change in the statute would be required to allow county health districts to combine, allowing for a single board of health for the combined district.

As part of the local initiatives process, Genesee and Orleans Counties asked for changes in state law to allow them to appoint a single director of public health under a unified, multi-county board of health, which would save a combined \$72,000 annually in salary and benefits (33 percent of what is currently allocated). Rural counties have had difficulty attracting candidates for this position, suggesting a combined office could be more effective.

Civil Service Commissions

Local governments are subject to the provisions of state Civil Service Law implemented under [local civil service operations](#) which may be administered at the county, city or town level. Currently there are 100 municipal civil service agencies (including counties, most cities, and two towns), and many believe that this system is cumbersome. Even localities that want to get out of the business of overseeing civil service requirements have a hard time achieving it because such a change is subject to referendum. Our recommendation would reduce the number of municipal civil service agencies to between 57 and 61 separate agencies.

Dissolve municipal civil service commissions (or functions) in cities or towns with populations under 100,000.

- **A city or town greater than 100,000 in population would be permitted to maintain an existing civil service function if so desired, but an affirmative referendum would be required.**
- **In counties with a municipality over 100,000 in population that dissolves its civil service function, a consolidated regional civil service commission would be created, including two members appointed by the county and one appointed by the municipality.**

Local government positions are often established and filled through civil service examinations. However, unlike state government where a person may sit for a civil service exam in Buffalo and be put on a list for a job in Yonkers, getting on a local civil service list is more difficult. In 41 cities and two towns many prospective employees must actually take a test in those municipalities to be eligible for appointment. Often identical examinations are administered by adjoining civil service agencies. On any given test date Albany County, the cities of Albany, Cohoes, Watervliet, and the Town of Colonie may all give the same civil service test on the same day at different locations within Albany County. The scores of a person taking the test in one municipality are not transferable to another municipality. It is reasonable to conclude that efficiencies and savings could be realized by testing candidates in larger groups; in addition, a larger pool of applicants would be reachable for hiring to all the underlying agencies. This would

allow an applicant to take a single countywide or regional civil service test to be reachable for hire in any jurisdiction in the county or region. Cities or towns could still request that only residents be certified for appointment if that was desired.

Regional Jails and Managing Inmate Populations

Oversight of county jails is provided by the State Commission of Correction (SCOC), which has the mission of providing for a safe, stable, and humane correctional system. This oversight, while necessary to ensure proper treatment of prisoners, has led to conflicts with counties. Many counties facing jail projects believe their capacity needs were overestimated by SCOC. Under current leadership, SCOC has made its view clear that allowing counties to transfer inmates for non-emergency purposes over extended periods is not appropriate and would discourage counties from constructing jails that meet long-term correctional needs.

To ensure adequate care of inmates in a cost-effective manner, provide the State Commission of Correction (SCOC) with the authority and obligation to facilitate transfer of inmates between county jails.

SCOC's regulatory role is to oversee proper treatment of prisoners, and this has traditionally been done only on a county-by-county basis. Were the law changed to provide SCOC with the authority and obligation to help coordinate sentenced inmate transfers, and to approach jail population management on a regional basis, many efficiencies could be achieved.

Changes to other provisions of law would also need to be made, as the "substitute jail order" (SJO) process used to transfer inmates from one county jail to another under approval by SCOC was originally intended to allow for handling relocation of prisoners on an emergency basis. SCOC believes that an SJO is a temporary fix to overcrowding and cannot be utilized long-term or indefinitely, which limits the ability of counties to manage their jail population.

Expanded use of inter-county transfers could reduce the number of beds that a county must provide. For example, Dutchess and Sullivan Counties do not have adequate facilities and must board inmates out to distant jails. Both could minimize the cost of necessary improvements if they were allowed to more routinely board out their inmates to nearby Ulster County. This would help Ulster, which has an inmate population of 250 in a new jail built for 426, by offsetting facility and staffing costs.

Ulster County has spent \$100 million on a new jail, and meanwhile Dutchess County is planning a 300-bed addition at roughly \$70 million. We have the room and the staff in our jail to take on inmates from our sister county across the river and solve both our problems, but we're not allowed to take a regional approach that would benefit the taxpayers of both counties.

Michael Hein
Ulster County Administrator

Allow multiple counties to jointly provide for care and housing of their inmates in a regional jail instead of requiring each to maintain a jail.

While two or more counties can establish a shared jail facility under general statutes allowing for joint activities, the County Law requires that "each county shall continue to maintain a [county jail](#) as prescribed by law" – and there are other technical problems that hinder cooperative

approaches. Regional jails, both in general and for special populations, should be encouraged. While there is currently no general multi-county jail (previous attempts to form one have been unsuccessful), there are specialized facilities such as the [regional juvenile detention facility](#) operated by four Capital District counties for the past decade (Albany, Rensselaer, Saratoga and Schenectady). This model could also be used for other types of inmate populations, such as those needing alcohol rehabilitation or mental health services.

Eliminate all mandated classifications in county jails, except male/female and minor/adult, to allow facility administrators to separate inmates based on the threat they present to safety and security.

Generally, state law requires separation of males/females and minors/adults. For example, if a county has a 16-bed wing with 5 female inmates in that wing, it may not fill the other 11 beds with male inmates. SCOC may also require that a jail separate civil from criminal inmates and pre-trial detainees from sentenced inmates. Thus, minor, male, pre-trial detainees would have to be segregated from minor, male, sentenced inmates without regard to an inmate's criminal history. Most correctional experts agree that each inmate should be evaluated and housed based on his or her particular criminal history, background, and prior incarceration record. Using these criteria inmates can be separated based on safety and security concerns, with those of similar risk housed together. Additionally, with fewer required separations, counties will be able to manage their jail populations more effectively.

Clarify statutory provisions to indicate that the State Commission of Correction (SCOC) shall have authority to approve jail plans and specifications based upon current population capacity needs and not projected higher future needs.

SCOC has broad discretion to ensure a safe and humane environment for inmates and staff in prisons and jails. In the 1990s, SCOC began aggressively addressing overcrowded conditions, and counties responded by expanding existing facilities or constructing new ones. Since 1995, over 30 counties have built more than 6,000 new jail beds. The number of beds a county must build has been based on SCOC's prediction of future inmate population. Some counties believe their capacity needs were overstated by SCOC, while others planned for larger facilities to generate revenue by boarding in inmates from other jurisdictions.

Examples of Pending Jail Projects

- Dutchess County is planning a 300-bed addition at roughly \$70 million.
- Sullivan County's temporary solution will cost \$73 million (a longer-term solution is estimated to cost \$105 million) for a county with 75,000 residents.
- Steuben County is adding 96 beds at a cost of \$13 million.
- Rensselaer County's jail expansion is estimated to cost \$50 million.
- Suffolk County is building a 904-bed jail at a cost of \$163 million.

Several counties are currently dealing with the prospect of building a new jail that complies with number of beds that SCOC requires. Other counties are seeking to reduce their correctional needs through alternatives to incarceration. For example, beginning in 1998 Tompkins County began adding over \$500,000 to their annual budget for alternative programs as a way of forestalling an expansion of their facility. The county scaled back its expansion plans after the jail population dropped due to the alternative

programs. Since overcrowding persisted, SCOC insisted that a 160-bed facility be built instead of the 104-bed facility proposed by the county. The county and SCOC are currently at an impasse, with SCOC insisting that the larger facility be built, and Tompkins County taking no action. SCOC has removed the county's variances for double-bunking and has threatened to reorder the county's jail classification system to further reduce its capacity, which would force more inmates to be boarded out. Facility size determinations should factor in the availability of special facilities, the capacity of jails in nearby counties, and use of alternatives to incarceration programs.

Move toward a single statewide jail system, managed by the Department of Corrections, which would be phased in pursuant to a long-range plan.

Statewide corrections systems exist in other states, although generally not states as large as New York. In late 2007, the Governor of Maine outlined a plan to consolidate state prisons and county jails to address chronic overcrowding, double digit growth in costs, and a lack of necessary services. The plan calls for the closure of four county jails and the creation of at least one specialty facility to treat prisoners with mental health problems.

We recognize that moving to a statewide system of jails is a dramatic departure from current practice that would require detailed study and a long-term implementation plan. We believe, however, that a statewide system could create many efficiencies and improvements. The current approach, involving prescriptive regulatory oversight of each county jail as a discrete entity simply isn't efficient, and the best long-term solution is simply to manage the system more broadly. This could occur in interim steps, with early actions such as providing treatment in state-run facilities for county inmates with special needs.

Multi-County Weights and Measures

Allow for multi-county weights and measures operations by allowing multiple counties to employ the same person as the "Director of Weights and Measures" under an agreement provided that person is a resident of one of the participating counties.

Currently, state law requires the director to be a resident of the county in which the services are provided, a stipulation that prevents multi-county weights and measures operations. This proposal to share an administrative position was raised by three counties (Schuyler, Steuben and Yates) in the Southern Tier seeking to share the position of "Director of Weights and Measures." The ability to overcome the residency requirement through an intermunicipal agreement is not clear. Therefore, we are recommending statutory change to Agriculture and Markets Law.

Industrial Development Agencies

Consolidate the State's 116 industrial development agencies (IDAs) into a smaller number of regional or county-level entities with accountability and transparency reforms, as well as additional state oversight to ensure economic development incentives are consistent with state goals such as promoting smart growth.

IDAs are public authorities established for a particular county or municipality to promote the general economic welfare in their respective areas. However, a series of [reports](#) from the State

Comptroller have questioned whether IDA benefits are rationally apportioned, effectively producing jobs or economic growth, or merely luring companies from one area to another. IDAs also often support projects in “greenfields” rather than redeveloping core communities. While IDAs are statutorily prohibited from trying to lure companies from one area of New York State to another (sometimes referred to as “piracy”), there are exceptions to the provision, made at the discretion of individual IDAs. Many observers find the prohibition to be virtually without effect, and reports have cited many examples where companies and jobs moved from one area to another with IDA support (which includes state and local tax exemptions). Most recently it was reported that a successful and growing business is moving from the City of Lockport to the Town of Lockport with the benefit of IDA assistance.

“Some form of government modernization is essential for our region’s ability to more effectively attract jobs, retain young people and compete in the global marketplace.”

Onondaga Citizens League

Consolidation of IDAs at the county level or more broadly would help ensure rationally based support for [local economic development](#), and local piracy would be avoided. These new county or regional IDAs should have governing boards and procedures that fairly reflect diverse interests, particularly those of core communities. Accountability and transparency reforms, together with some form of additional state oversight should be employed to ensure IDA activities are consistent with state goals, including support for regional economic development blueprints and promoting smart growth.

A local decision-making process to implement IDA consolidation could work as follows. In each of the 26 counties with multiple IDAs, a process would be mandated to move to a county-level or regional IDA (i.e., composed of two or more counties). In each area the county government(s) would be required to convene a process with the other municipalities to negotiate a plan establishing a single IDA to cover the entire county (or multi-county region), to be governed by a new board that is representative of the county as a whole, including representation from any central cities and municipalities losing an IDA. Plans would have to be completed by a date certain or all IDAs within the county would lose their ability offer state tax exemptions. Multi-county IDAs should also be encouraged with some sort of incentive.

Among the counties with multiple IDAs are: Albany, Orange & Westchester (7 each); Erie (6); Suffolk (5); Rensselaer (4); Nassau, Niagara, Schenectady, Steuben (3 each); and Cattaraugus, Cayuga, Chautauqua, Clinton, Columbia, Delaware, Dutchess, Franklin, Madison, Monroe, Montgomery, Oneida, Onondaga, Ontario, Putnam, Tompkins (2 each).

Justice Courts

To facilitate local ability to consolidate or dissolve smaller justice courts, the State should eliminate statutory barriers, provide funding for studies and consider other incentives. Town and village boards should be allowed to merge two or more justice courts in a contiguous geographic area. In addition, the Office of Court Administration should establish triggers for a required consolidation review when the size or activity of a particular justice court falls below set thresholds. The current statutory fee and fine distribution

system should also be examined to eliminate disincentives to consolidating justice courts.³

There are 1,270 town and village justice courts statewide, adjudicating traffic infractions, misdemeanors, and certain civil cases. Justice Courts are very diverse – those in larger suburban communities may convene frequently, have full-time staff, multiple courtrooms, and use advanced technologies to manage dockets and finances; in some communities they may meet only once or twice a month, have no staff, operate without computers, have relatively little activity and generate comparatively little government revenue. According to 2006 data compiled by the Office of the State Comptroller, 17 percent of justice courts generated local revenues of \$5,000 or less annually and 29 percent had local revenues under \$10,000.

Justice courts are funded and administered by local governments. Fees and fines are split between the state and local governments based on a complex statutory scheme that has become quite convoluted over time. This system encourages villages and towns to maintain courts because their direct costs are often more than offset by the fee and fine revenues they receive. Such paper “profits” ignore indirect costs like law enforcement personnel, public defenders, and other officials shuttling between many courts. The disposition of revenues under this system is heavily dependent on the way traffic infractions are both ticketed and adjudicated and there are peculiar patterns in fines and violations that strongly suggest fiscally motivated manipulations are occurring. If speeding tickets are pled down to other violations, for example, the local government will receive more revenues.

Consolidation is a realistic, practical and reasonable approach to address the wide range of issues consistently confronting the fair administration of justice in the town and village justice court system. It is not simple to achieve, but the opportunity exists to reform the troubled justice courts voluntarily and cooperatively by local government initiatives to combine two or more court jurisdictions, or dissolution of one court and merger into another.

The Fund for Modern Courts

A State Comptroller’s audit in May 2006 found that many small justice courts have serious administrative problems, including persistent recordkeeping problems, poor financial accountability, and repeated instances of missing funds. Attributing these problems in part to the small scale of many courts, and/or a lack of understanding, the Comptroller’s office recommended considering structural reforms, including consolidation.

The Office of Court Administration has developed an “[Action Plan](#)” to address justice court problems including guidance and assistance, “circuit rider” supervising judges, state-provided recording devices, standardized forms and computers; improved controls; increased education and training; and improved court security.

The scale of many courts has also been linked to problems in administration of justice. A recent report from the [Fund for Modern Courts](#) called for consolidation of as many town and village courts as practical. In 2006, the New York Times published a series of articles describing many instances in small justice courts where cases were mishandled and defendants’ rights were violated. Additionally, the Chief Judge’s [Special Commission on the Future of the New York State Courts](#) is now looking at justice courts restructuring.

³ *Opposed: C. Johnson*

Therefore, it makes fiscal and operational sense for the State to facilitate consolidation and shared services for local governments that choose to take this step with their courts. A 2003 audit of 11 town and village justice courts by the Office of the State Comptroller found savings through consolidation of nearly 25 percent of the spending in these courts. Current law permits villages to abolish their justice courts and towns to combine their justice courts but only under limited circumstances, and subject to permissive local referenda. Easing these procedures, as well as addressing incentives will help to produce this result. For example, the Town and Village of Malone in Franklin County plan to merge their justice courts. However, questions about where court sessions must take place when conducted by the current village justice are complicating consolidation plans. Currently there are ten counties where [justice court consolidation](#) and facilities issues are under study.

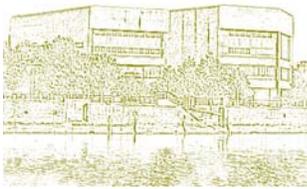
Collective Bargaining and Consolidation

Provide that when municipalities consolidate operations collective bargaining agreements shall be subject to renegotiation with the newly created entity taking over the consolidated function.

A municipality's decision to transfer work through a service consolidation is often affected by collective bargaining agreements and the Taylor Law. Work that historically has been performed exclusively by employees of a particular bargaining unit is subject to certain protections, and is referred to as a mandatory subject of negotiation. Even if the transfer is to another public employer, it is covered, and generally must be negotiated. In addition, there is also a duty to bargain the impact or effects of that decision upon the terms and conditions of employment. So, even where the municipality is able to implement a decision to consolidate or eliminate services, the impact on the terms and conditions of employment of the union members remains a mandatory subject of negotiation.

A current example of how this can affect consolidation efforts is provided by a proposal from Central New York, where the Town of Clay is proposing to consolidate its police department with the Onondaga County Sheriff's Department. This initiative would save the taxpayers an estimated 20 percent on tax bills. Still, as discussed above, there are significant impediments. The affected union has asserted its claim that the Town has violated the Taylor Law by not negotiating the decision to consolidate departments. Our recommendation would help address such situations, helping to enable more consolidations. This issue is discussed further in a [staff brief](#).





Modern Municipal Structures

New York State's local government structure holds to boundaries, rules, and a scale of operations largely established before the common use of the automobile and telephone, let alone modern information technology and the internet. The Commission proposes a series of recommendations to modernize New York State's 19th-century municipal structure and rules to remove barriers to efficient and effective operations.

A 2006 report from the State Comptroller's Office, [Outdated Municipal Structures](#), made the case that there no longer is a clear line defining what a city, town or village is. For example, while people think of cities as being more populous than towns and villages, there are ten towns with populations greater than 100,000, and only 5 of the 62 cities are that large. The analysis done for the Comptrollers' report provided an illustration that suggested it is time to refocus on the basic structure of local government, including laws covering service provision, governance, revenue structure, and intergovernmental aid.

"Amazingly, despite advancements in nearly every other part of society, our system of local government has barely evolved over the past one-hundred years and we are still governed by these same archaic institutions formed before the invention of the light bulb, telephone, automobile, and computer. We often say that we would never willingly re-create the government we have today -- and in Onondaga we believe that now is the time to take the steps necessary for Upstate to succeed in a rapidly changing world."

Joanie Mahoney, Onondaga
County Executive

The current municipal classifications of cities, towns and villages, and the general differentiation in powers among these classes of local government are substantially out-of-date and in need of major restructuring. However, a complete review of these issues, including the volumes of state law on local powers, could not be carried out within our reporting timeframe. We recommend that the state carry out a series of studies analyzing the potential for efficiencies through reclassification or consolidation of various local governments. We also recommend that the comparative powers available to classes of municipalities be reviewed intensively, leading to comprehensive re-codification of powers, and development of best practices and models of city and county charters.⁴

We agree that outdated local government structures and operating rules can be an impediment to service sharing, consolidation and efficient administration. Large numbers of overlaid local governments delivering small-scale or duplicative services are also often a contributing factor in burdensome levels of property taxes. We thus propose examining the comparative powers available to cities, towns and villages leading to appropriate recodification of powers to provide uniform governance structures reflecting current needs rather than historical differences. As a corollary, we also suggest a study looking at possible [reclassification of municipalities](#) in to a different class (a large town to a city or a small city to a village, for example).

⁴ *Abstaining: C. Johnson*

We recognize that for cities, the law gives many more options on how a governance structure may be established, and what services it may perform. The same is true for counties, which may choose to operate by charter. It would be useful to assess these two forms of government to identify what aspects of their administration should be replicated by other cities and counties as they conduct charter reviews or consider charter adoption.

Japan, one of our global competitors, has reduced its number of local governments by 70 percent since 1950, and today this nation seven times the size of New York in population has roughly the same number of local governments as does New York State.

Consolidation and Dissolution Procedures

Establish a clear process for towns to consolidate with each other or with their villages.

Our review of statutes found great inconsistencies in [how municipalities may be consolidated, merged, or dissolved](#). Archaic sections of law exist which described processes that are unclear and seldom – if ever – applied, such as town dissolution (since 1900, only two towns have dissolved – Cold Spring in Cattaraugus County and West Turin in Lewis County) or village to village consolidation (used only once, in 1975 when Pelham and North Pelham consolidated). Some consolidations require citizen petitions, some not, and for others it is unclear. The form the petitions must take, and the number of signatures they must contain, can also be unclear. We think the statutes should be simplified and provisions made part of a single merger statute.

Develop a simple petition process and petition form for use by citizens wishing to dissolve or consolidate towns, villages, fire districts, or special districts.

Over time, the village dissolution statute has become very detailed, partly because the dissolution (or attempted dissolution) of villages is a more common act than other municipal mergers. The guidance provided as to what to consider when contemplating and executing the dissolution of a village should be modified to provide guidance for other types of municipal mergers, such as the merger of two towns or two villages.

Municipal consolidation or dissolution can typically be initiated by either a vote of the governing board of the municipality or by petition by a certain percentage of the citizens or property owners in the municipality. Since dissolution or consolidation would result in the elimination or reduction of governing board members, such boards are typically not enthusiastic about exploring those options. The issue is more likely to receive serious consideration in response to a citizen petition which forces the board to examine the issue and, depending on the type of consolidation or merger, present it to public referendum. The problem is that the laws surrounding the proper form for submitting the petition are confusing and technical errors frequently lead to the disqualification both of signatures and of whole petitions.

In 2008, we heard from residents of two villages undergoing a dissolution study, where the study was initiated by a petition. In both villages, those petitions were rejected as defective by the village board of trustees and upheld by the courts. At our hearing in Long Island, we heard from residents of the Gordon Heights Fire District, and their story demonstrated that the petition process for dissolution of a fire district can be even more complex. In that case, a group of residents disturbed by a fire district tax rate significantly higher than that of surrounding fire districts gathered signatures on petitions to put the dissolution of their fire district before the Town Board. Their petitions, which contained signatures from resident taxpayers owning more

than the required 50 percent of assessed valuation in the fire district, were found defective by the Clerk of the Town of Brookhaven for a variety of reasons, including the assertion that petitioners did not follow the proper statute.

Our proposal would create a simple petition process and petition form for use by citizens wishing to dissolve or consolidate towns, villages, fire districts, or special districts. We also recommend that the signature requirements be more uniform, eliminating the fire district and fire protection district requirements related to assessed valuation of property, as well as the higher village dissolution standard requiring one-third of the total number of resident electors qualified to vote in the last election.

“We have discussed this issue to death with very little action taken. We’re not asking people to support dissolving villages now, we are only asking them to support the process. In the future, after the plans are created and more details emerge about the impact, the voters need to decide once and for all if consolidation is the way to go.”

Barbara Fiala, Broome County
Executive
(August 2006)

Villages

New villages should be created through a referendum of the entire town (or towns) affected, rather than only by the area to be incorporated.⁵

This recommendation would make it harder to create new villages by requiring approval through referendum by the entire town or towns affected by the incorporation, rather than only the area to be incorporated.

Village residents in New York live under three layers of general municipal government: village, town and county. This system developed during a time when towns provided very few services and villages were a means of providing services like fire and police protection, water, sewer and lighting to more densely populated areas. In Westchester and Nassau counties, for example, a far greater-than-average proportion of the town land areas and population is contained within villages, which developed over time as the primary municipal government.

Suburbanization led to changes in law and towns are now allowed to provide such services. Village incorporations today are generally for the purpose of wresting control of land use regulations and other services from a town board.

Villages are the only type of government that can be created solely by action of the residents of the area, even where the interests of the majority of the town population may be contrary to such creation. Often these are contentious decisions, with the residents of the future village acting at cross purposes to those of town leaders, or its populace as a whole. An example is a 2005 incorporation vote to form a new village within the Rensselaer County town of North Greenbush that failed, 805 to 777. Residents of the area were attempting to block approval of a shopping center, an action at odds with the zoning at the time.

⁵ *Opposed: B. Little, C. Johnson, H. Weitzman*

Where a village's population as of the last census is below 500, require an affirmative referendum to be held on the general election date in November for the area to continue as a village. In villages where a simple majority of those voting do not affirm continuance of the village government, a plan for dissolution would be created.⁶

Under current law, any area of a town or towns may incorporate as a village. The area must have 500 or more inhabitants, and generally cannot be larger than five square miles. Between 1950 and 2005, 24 villages were created, 20 were dissolved and 2 were consolidated. Currently there are 556 villages, containing 22 percent of town residents.

Among the 556 villages existing in 2008, there are 72 [villages below 500 in population](#) located throughout the state. These small villages exist either because they were incorporated prior to the current minimum population threshold, or because of population decline. Our recommendations are designed to facilitate reconsideration of village governments that may be too small for efficient operations. We envision a process whereby state agencies provide such small villages with baseline financial information such as expenditures and debt and potential changes in state aid. Where the citizen referendum requires dissolution, grants would be automatically awarded for the preparation of dissolution plans.

On March 18, 2008 residents of the [Village of Pike](#) in Wyoming County (pop. 382) voted 31-5 to dissolve their village. Residents of Macedon (Wayne County) and [Speculator](#) (Hamilton County) chose not to dissolve.

Require villages, with assistance from the State, to conform their fiscal year to the calendar year, as town governments do. This should include financial assistance where necessary to cover reasonable costs of conversion.

The Citizen's Budget Commission in a report on public authorities recognized the problems caused by differing fiscal years. In a [2006 report](#), they recommended that, "The State Comptroller and the Division of the Budget should work together to develop standards for reporting that overcome problems created by the use of different fiscal years by different entities; if necessary, the Legislature should require more uniform fiscal years for the multiple authorities."

A Chautauqua County Sheriff, Joseph Gerace, put it in more practical way when speaking at a public safety committee meeting about a state grant (funded by the federal government) that he administers. He said, "We deal with three different fiscal years. The federal, state, and then the county... actually four because some of the contracting agencies are on a town or village budget cycle. So we have real issues with that. Every year we get a call from the State asking 'why haven't you spent your money?' because we're still in last year..."

The Mayor of Cobleskill has just proposed that the village switch the village's fiscal year to coincide with the same January through December calendar used by the town. The Daily Gazette reported that Mayor Mike Sellers believes that synchronizing the village and town budget year offers long-term opportunities for saving money by better tracking ways the two governments could increase sharing of services.

⁶ *Opposed: C. Johnson*

Coterminous Town-Villages

Ease procedures for creation of a coterminous town-village that would be a unified entity under one governing board. For existing villages, a townwide referendum would be required rather than the more cumbersome annexation procedures currently needed when expanding village borders to match those of the town.

The process of creating a [coterminous town-village](#) is an example where the statutory guidance has failed to keep up with 21st Century interests. The Department of State reports that there are five coterminous town-villages in New York State: Mount Kisco, Harrison, Scarsdale, Green Island and East Rochester. Two were formed by creating a new town from a piece of two towns the village territory was contained in; two were formed by creating a new village to match the borders of an existing town; and one was created by a special act of the Legislature. Where a village already exists, the only way it becomes coterminous with the town is through annexation of land outside of the village. Annexation is a procedure that must be initiated by a petition from more than 20 percent of residents or the owners of a majority of the property value in area to be annexed. After a joint hearing of the governing boards who would lose or gain the territory, if the boards agree on the transfer or if the courts rule it is in the public interest, the annexation is put up to a vote in the area to be annexed. This would be very cumbersome, as would the other alternative – special legislation requiring home rule messages from each governing board.

Accordingly, we believe that if both town and village governing boards are in agreement on forming the coterminous government, they should not need to hold separate referenda to establish the coterminous boundaries. Making the boundaries coterminous may be a step towards eventual merger of the two governments.

The Village of Saranac Lake and Town of Harrietstown have a local initiative where they are exploring how the two may become coterminous. Their situation is complicated by the fact that the village lies in three towns (Harrietstown, North Elba, and St. Armand) and two counties (Essex and Franklin). They believe that expanding the boundary of the village to that of the Town of Harrietstown would result in cost savings through the creation of a single governing agency; merger of the highway, parks and recreation, building, and planning departments; and combining of justice court and municipal office staff.

Fire Protection and Emergency Medical Services

Fire protection in New York State is provided through a great variety of methods. Many cities and villages are protected by fire departments completely staffed by paid career firefighters. Towns cannot provide fire protection directly, and usually provide it through a fire protection district or a fire district with a volunteer firefighter force. Though these two districts sound almost identical, fire *protection* districts are geographic subdivisions of towns, with the town board contracting with either an independent fire company or another governmental entity to provide fire service. Fire districts are very different in that they are distinct special purpose governments, with the power to tax and take on debt, and they are governed by an elected board of Commissioners. Both types of fire districts are primarily funded by property taxes levied by town governments. Despite the differences in their set-up, the outcome may not be very different – they are essentially independent in nature, and led by volunteers. Emergency Medical Services (EMS) are often provided by fire departments or a separate operation. Most citizens probably would not be able to accurately describe the governmental entity or arrangement which provides these services in their community.

The potential for moving to countywide management for fire protection and/or emergency medical services (EMS) should be reviewed in each county, with the goals of improving efficiency and service as well as preserving the volunteer system. If, after a fact-finding and public discussion period, county leaders decide that some level of management for fire protection, EMS, or both would be appropriate at the county level, they may promulgate a plan which would be subject to voter approval through referendum prior to implementation. If approved by the voters, the county would have broad powers to coordinate services and review equipment and coverage decisions made by local service providers. If desired, and approved by the voters, the county plan may include transfer of paid (career) fire or EMS employees to the county at the option of the municipalities with the paid or mostly paid staff.⁷

This recommendation is designed to ensure through legislative act that a local public information and decision-making process – spearheaded by county leaders in consultation with fire fighters, EMS operators, town, city and village officials, and most importantly the public – takes place in every county. In many areas this is already happening, such as in Cayuga and Chemung Counties. Additionally, the [CGR study](#) of three Upstate areas found significant efficiencies and improvements available between career-staffed fire departments in cities, and volunteer operations in towns. Combinations of career forces and volunteer operations are now being used in a number of areas, and this may be an approach that can be expanded. It should also be noted that EMS is provided through an even broader array of organizations, and the training requirements and increasing volume of calls is putting extreme pressure on many volunteer operations.

Our other fire protection recommendations include a statewide study, improved public information, and harmonized elections (currently fire district elections are in December and almost no one other than friends and family of firefighters participates in these elections). While the public benefits tremendously from the efforts of volunteer firefighters, equipment purchases and firehouse upgrades have become a significant issue in many communities. Both equipment and firehouses are seen as ways to attract volunteers. However, some have noted that the impressive array of firefighting vehicles on display in many Memorial Day parades is a two-edged sword – a source of pride but also an indication that our system is oversupplying one component, capital, while volunteer labor is in short supply.

“Consolidation has been opposed as a loss of democracy. However, that’s only a code word for ‘don’t take away my little fiefdom.’ Representative government organized around rational boundaries is more democratic than government organized around historic and no longer logical boundaries because a legislative body representing logical boundaries at least has a chance to address real needs. It’s time.”

Peter G. Pollak,
Empire Page Editor
(March 2007)

Many districts were organized a century ago to accommodate horse-drawn apparatus, but with modern equipment and communications, these small scale districts (often less than three miles wide at any point) seem unnecessarily compact. Further, the culture that in the past provided a never-ending stream of young volunteers is now fading, and many fire companies are now

⁷ *Opposed: S. Frankel, C. Johnson, E. Little, J. Rogers, H. Weitzman*

desperate for new volunteers. With this type of pressure on the system it would seem time to re-evaluate options. Our [staff brief](#) provides more information on these issues.

Our recommendation calls for more public information and discussion of these issues in each county. While we would not prejudge the outcome of these local discussions, we believe that there may be significant efficiencies and improvements to be gained, and that counties are in the best position to lead this discussion. Each county already has a [county fire coordinator](#) who oversees training and coordinates mutual aid.

Five Commission members dissented from this recommendation, which reflects their concern that changes should be designed carefully in consultation with the fire service. Whether supporting this recommendation or not, all Commission members intend these proposals to strengthen rather than weaken the volunteer system, and we have also recommended that a study be done of potential incentives likely to appeal to new volunteers.

Allow towns to directly provide fire protection through the creation of a town-run fire department.

State law does not allow towns to provide their residents with fire protection as a municipal function. Fire protection within towns in New York State is provided through two methods, an independently governed fire district or a fire protection contract agreed to by the town board. Typically, only one fire company is willing to provide services in the fire protection district, so the contract price is not subject to much negotiation. The trend is for town boards to convert fire protection districts to fire districts, placing the decisions regarding fire protection in the hands of independently elected fire commissioners. There are 867 fire districts and 951 fire protection districts in the state.

Fire districts are not necessarily coterminous with towns, and in some instances span several towns or portions of towns (a town may contain parts of multiple fire districts). Allowing towns to provide fire protection directly, as cities and villages do, would put control over things like equipment purchases and fire house locations in the hands of the town board.

Require that contracts with fire protection districts list categories of expenses so that officials and the public will have a better understanding of the costs for fire protection.

As mentioned above, a town board may also contract for services for a geographic area of the town known as a 'fire protection district' at the expense of the property owners in the district. The contract may be with a city or village fire department, a fire district, or an independent fire company. Contracts vary in detail, with some simply naming a price for protection. This recommendation ensures greater information and transparency exists to make wise choices regarding fire protection services.

Require local governments to annually disseminate information on the costs for local fire protection, including the names and locations of fire districts and fire companies, their annual budget, and debt.

Fire district budgets are determined by the fire commissioners, and levied, unchanged, on taxpayers. Fire districts prepare a proposed budget and discuss it at a public hearing on the third Tuesday in October. While public notice of the meeting is required, attendance by non-firefighters and their families is slim unless there is a controversial (high dollar) proposal for the budget. [Reforms enacted in 2006](#) require many fire districts or volunteer fire companies to hire

independent accountants to conduct annual audits of revenues and expenditures. Fire districts must also submit annual financial reports to the Office of the State Comptroller. In contrast, expenses related to fire protection districts are part of town financial reports.

We believe the cost of local government should be more transparent, and that residents should have a better understanding of the costs of services. We are recommending other transparency measures in the section on encouraging informed and active voters.

Require a state study of how fire protection is provided, including the numbers and types of entities providing protection, the geographic size and demography of service areas, response rates, costs, numbers of volunteer and career firefighters, and training received.

Our research on fire protection revealed many unknowns about a service that has been around since bucket brigades and horse-drawn pump wagons were the norm. Because of the changing nature of fire protection, dwindling numbers of volunteers, and increasing costs of purchasing and maintaining equipment, we believe it is time for a comprehensive statewide review of how fire protection is provided. With better information on costs, geographic service areas, types of companies and departments, response times and results – localities could better evaluate their relative situation and options for reconfiguration.

Address volunteer recruitment and retention by providing new incentives more likely to appeal to young firefighters, such as college loan reimbursement, community college tuition assistance, or vocational training reimbursement.

It is estimated that there are over 114,000 firefighters statewide, including over 96,000 volunteers. However, the number of volunteer firefighters has declined by 15,000 in the past 20 years. In addition to a decline in numbers, there is a decline in availability of those volunteers who often work outside of the community, must juggle two-income work and family schedules, and have employers unwilling to release them during the day to fight a fire or respond to an emergency service call. More and more fire districts are resorting to paid drivers or station masters to respond to calls during the day, or hiring paid EMS workers.

To address this decline in volunteers, the Legislature has enacted various incentive programs, such as property tax credits and firefighter service awards (essentially a pension-like program for volunteers), most of which are implemented at the option of local governments. In 2007 the state added a \$200 income tax credit for active volunteer firefighters and ambulance corps members. Different types of incentives may be necessary to attract and retain young volunteer firefighters. Detailed and reliable data on incentives that are (or would be) attractive to young volunteers should be developed.

Commissioner-Run Special Districts

Require an affirmative referendum to continue commissioner-run special districts (other than fire districts and police districts). If the referendum fails, responsibility for maintaining the district would be assumed by the town (for special districts completely within a town); special provisions would have to address districts crossing

town or other borders. To provide time for local efforts to restructure these districts, the referendum will be required within five years.⁸

While most special districts in the state are controlled by town boards, some are controlled by separately elected commissioners. We speak here not of fire districts and library districts, which also have commissioners or elected boards, but of districts that provide services like water, parks, and garbage collection. While about 29 of the 78 commissioner-run districts are located upstate, Nassau County has 49 such special town tax districts in addition to 41 fire districts and 38 library districts. Nassau County Comptroller Howard Weitzman gives some history of why Nassau County is the only county with significant numbers of such districts in his study [Nassau County Special Districts: the Case for Reform](#). “In 1932, state legislation was enacted that reorganized town governments, and mandated that newly formed special improvement districts be managed directly by town boards. The legislation, however, permitted existing special districts to hold referendums in which district residents could decide to maintain the commissioner-run district structure. As a result, many Nassau commissioner-run districts were maintained.” The report also identified ample opportunities for savings in special districts run by elected commissioners.

Rather than calling for immediate referendums like those held after the 1932 law took effect, we are recommending that town and county officials be allowed to continue their efforts to restructure and improve the management of special districts in Nassau County, which could include the towns assuming the management of the functions. Ultimately, under our recommendation it will be up to the residents of the districts to decide whether they want to retain management of the districts by elected commissioners or switch to management by a town employee under the direction of the town board. In a study of “Cost-Savings Ideas for Special Districts in Nassau County” the Nassau County Comptroller estimated \$23.8M to \$35.7M savings which revolved around working with other municipalities to reduce costs, such as insurance.

In conformance with rules for school board members and fire district commissioners, eliminate compensation, benefits and perquisites for special district commissioners.⁹

Special district commissioners, unlike fire commissioners and school board members, currently are allowed up to a maximum of \$100 per day of compensation. Eliminating compensation and benefits for commissioners would conform the treatment of special district commissioners to those other residents who demonstrate their public spirit through service on municipal boards.

In April 2007 a [Newsday series](#) was published covering special districts and compensation for their officials. In addressing perks to part-time board members and other appointed positions, Suffolk County Executive Steve Levy said, “Until you find that you’re running out of qualified people, you shouldn’t be throwing these perks around like they’re political lollipops.” (Newsday, 4/11/07) the Nassau County Comptroller estimated the long-term cost of paying health insurance to just one board member who retires at 55 to be about \$500,000.

⁸ *Opposed: C. Johnson and H. Weitzman*

⁹ *C. Johnson made a motion to amend this provision to allow each member up to \$1000 in annual stipend. The motion failed, with H. Weitzman, C. Johnson, M. Pattison, and W. Robb voting in favor of it.*

Provide towns with the responsibility for managing sanitary collection services currently organized under independent special districts, with the service provided by the town either directly or through a contract.

There are 160 refuse and garbage (sanitation) districts statewide, nearly all managed by towns. The exceptions to town management are primarily in Nassau County, where 16 of 24 sanitation districts are managed by independently elected commissioners. Though Nassau County only has 15 percent of all sanitation districts statewide, these districts are responsible for nearly 50 percent of sanitation district costs statewide.

Audits have shown a wide disparity in garbage collection costs in Nassau County that cannot be explained simply by a difference in the level of service provided. Commissioner-run sanitation districts, which exist only in Nassau County, are generally poorly managed and cost residents more than the town-run sanitation districts that operate in the same town, according to an [analysis by Nassau County](#) Comptroller Howard Weitzman who compared commissioner and town run sanitation districts by type of service and cost. He estimated that \$18 million could be saved in the Town of Hempstead by this action alone.

Our recommendation is that towns takeover responsibility for providing sanitation services in the commissioner-run districts. In commissioner-run districts that currently use municipal employees to provide sanitation service, the employees would move to the town. In commissioner-run districts that contract out for sanitation service, the town would takeover responsibility to negotiate the contract. Residents of commissioner-run districts could determine in a referendum whether to accept the level of service provided in town-run districts, or pay more for a higher level of service (such as number of pick-ups; back-door or curb side service). Under our recommendation both commissioner-run and town-run districts would continue to exist as separate taxing entities but the service would be provided by the town. The properties outside of a district (such as in a village) would not be affected as they do not receive service from a commissioner-run district. Those rate payers in town-run districts would not be affected because the town is already providing the service in those districts. Over the long run, we would expect costs to drop in both town and commissioner districts because of the increased efficiencies from a single provider.

Intermunicipal Cooperation

**Allow any two or group of local governments to share a function if at least one of the governments has the power to perform it.
(Constitutional)**

Local governments in New York enjoy broad authority to enter into cooperative, [inter-governmental agreements](#). The source of this authority is the NYS Constitution and Article 5-G of the General Municipal Law. Basically stated, governments may perform any function or service jointly which they both may perform individually. This gives government officials wide latitude to develop joint activities and to enter into contractual agreements.

We recommend that the authority to use intermunicipal agreements be expanded by amending the Constitution and statute to accord local governments that participate in an intermunicipal agreement the power to undertake the service, function, activity, or project addressed in the agreement so long as at least one local government had such power. This has been recommended by previous local government reform commissions and would increase opportunities for regionalization of functions and services. It would, for example, enable local

governments to enter into intermunicipal agreements with counties for service reminiscent of California's "[Lakewood Plan](#)." Under that plan, municipalities can contract with the county to provide certain services within the municipality. Another smaller scale example of service sharing that would be enabled would be crossing guards. Often complained about by school districts, crossing guards are a function of municipal government, as they deal with traffic regulation, and school districts have no authority to employ crossing guards, although it is usually the schools that desire them. In fact, school districts have no authority to reimburse the municipality for the costs of crossing guards.

Authorizing Local Tax Base Sharing Agreements

Provide statutory authorization for municipalities to enter into a property tax base sharing agreement wherein they will share a portion of the property tax revenues from future economic growth in a defined area.

Under a [property tax base sharing](#) approach, each municipality shares in the increase in property value that occurs in a specific area after a certain date. Tax base sharing is intended to reduce competition among communities for commercial and industrial properties to add to their tax bases; create a fairer distribution of tax benefits from properties that impact on and are supported by surrounding communities; reduce disparities in tax bases; and promote orderly urban development, regional planning, and smart growth by reducing the impact of fiscal considerations on the location of business and residential growth and of highways, transit facilities, and airports.

There is at least one case where tax base sharing has been authorized in New York State. A 2001 statute authorizes the City of Gloversville to provide water and other services to the Town of Johnstown in exchange for a share of tax revenues resulting from development of properties receiving the services. Since enactment of the special legislation, Article 5-G of the General Municipal Law has been amended to allow more municipalities to exchange services for shares of property tax revenues. However, the focus of Article 5-G is on joint services or activities, not on fiscal disparities, orderly planning, or other issues mentioned above. Large-scale property tax base sharing has only been legislated for two areas of the country – [Minneapolis-St. Paul](#) and the [Meadowlands of New Jersey](#).

We propose a voluntary tax base sharing agreement that could be signed by as few as two municipalities. Having a general state statute allowing for such agreements could stimulate a regional approach to economic development, and allow for equitable tax base sharing.

Home Rule

Strengthen and clarify home rule by prohibiting the judicial application of implied preemption. An amendment to prevent such interpretations from being made in the future would allow local governments to act except where state law has expressly declared state authority in the area to be exclusive or has specifically limited local governments' ability to act in that area or field. (Constitutional)

Generally, a local government may legislate on local matters as long as the local law is not in conflict with the Constitution or a general law, and the local matter is not "preempted" by the State. "Implied preemption" is a doctrine developed by the courts – the concept does not appear in the New York State Constitution.

The Constitution grants specific powers to local governments, and reserves certain others to the State. The Constitution's "home rule" article grants municipalities fairly broad home rule powers to adopt local laws, although it does not block state intervention in these powers. In fact, there is no limit on state legislative power to act by laws of general statewide application. There is some protection against "special laws" affecting particular municipalities, but even that protection has been eroded by various court decisions.

Preemption of local authority to legislate occurs when a local law is either in conflict with a state law or the State has chosen to regulate a certain area in a way that may imply an intent to "occupy the field" of legislation in that area. Conflict does not have to be direct. The courts have interpreted some state laws as precluding local legislation on the same subject, even if the state law is not really in conflict with, or literally prohibit the local law. For example, a state law establishing minimum standards for certain activity could be read as prohibiting local laws setting higher or additional standards. In other areas, a number of state laws on a subject can be seen as "occupying the field" and precluding local laws in that area. When the state law does not expressly prohibit local legislation on a subject, but the court finds that local legislation is nevertheless "preempted," this is called "implied preemption." Examples of local laws that have been impliedly preempted include activities such as licensing and regulating businesses, hours of operation of taverns and bars, disclosure of political contributions, and local minimum wages.

A constitutional amendment requiring the State to "expressly" preempt local legislation on a given subject when it so desires would end the doctrine of "implied preemption" and all of the confusion and uncertainty that it can cause for local governments when exercising their home rule powers.

Tax and Debt Limits

The State should study rationalizing the tax and debt limits that currently apply differentially to counties, cities, villages, towns, and school districts. (Constitutional)

The State Constitution imposes limits on property taxation overall, depending upon the class of local government. These tax limits refer to the maximum amount that a local government can levy (allowing for certain exclusions), and are calculated as a percentage of the full value of taxable property within the jurisdiction, as follows: New York City, 2.5 percent; other cities, 2.0 percent; counties, 1.5 percent (which may be raised to 2.0 percent); villages, 2.0 percent. Towns and most school districts do not have constitutional tax limits. Only school districts in the big five cities (over 125,000 in population) are subject to constitutional limits on property taxation, as they are "fiscally dependent" on the municipal government (and their taxes are therefore included in the city limitations). However, the fiscal dependence of big city school districts is statutorily prescribed – it is not specified in the Constitution (meaning the disparity for the school districts could be addressed by changing the statutory governance system).

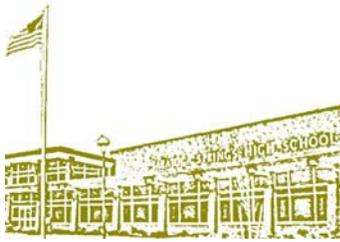
The Constitution also limits local debt (not including debt issued by local public authorities), in a similar manner (i.e., the limit is specified as a percentage of the value of taxable property, with certain exclusions). Counties, cities, towns, villages, and school districts within cities have constitutional debt limits; these limits are set at varying percentages ranging from 5 to 10 percent. School districts wholly outside cities have no constitutional limit.

The varying limits were all established during the first half of the 20th Century, and there is no rationale today for why a town larger in population than the City of Buffalo, should be operating under much different rules for tax and debt limits. A 2006 study from the State Comptroller's

Office showed that most big towns (including co-existent school districts) were operating substantially above the tax limits that would apply if they were cities. From a practical standpoint, these differing basic financial rules can also stand in the way of consolidations.

We recommend fundamental reevaluation of these rules, which were established during a period when the demographics and relative fiscal position of cities, towns, villages and counties were very different from what they are today. A staff brief providing more information on [municipal taxation and finance powers](#) is available on the Commission website.





School District Restructuring

School districts are the largest local government enterprise, responsible for 61 percent of property taxes. A [variety of studies](#) have found significant opportunities for schools to achieve efficiencies through consolidation or restructuring, particularly for districts with lower enrollments. For example, a 2001 study found that consolidation is likely to lower the cost of two 900-pupil districts by 7 to 9 percent, and lower the cost of two 300-pupil districts by over 20 percent. As an illustration, if savings in these percentages were achieved in all school districts currently below those enrollment levels, statewide savings would be in the range of \$150 to \$200 million annually. A [2004 study on school districts in the Broome-Tioga region](#) found that operating costs could be annually reduced by \$12 to \$16 million by applying management techniques found in large single districts. That study provides a proxy for the savings potentially available from regionalization of operations for transportation maintenance and dispatch, facilities maintenance, and special education administration – which could exceed \$100 million annually if realized statewide.

In recognition of the pressure from school property taxes (which are rising by more than seven percent annually) the New York State [Commission on Property Tax Relief](#) was charged with examining causes of this growth and developing a school property tax cap. This commission is to provide a report by May 22, 2008.

There are 698 school districts statewide, ranking New York fourth in the number of districts nationally and first among our region (including Pennsylvania, New Jersey, Massachusetts, Connecticut, and Vermont). In many states, school districts are managed at the county level. In Maine, Vermont, Arkansas, Indiana, and New Jersey [school district consolidation initiatives](#) are under way.

Although a variety of factors contribute to school property taxes, our recommendations focus on efficiencies related to the scale of operations or other organizational factors. We have heard testimony and examined reports that convince us that scale matters, and that there are efficiencies which can be gained through consolidation and sharing of services. We have also attempted to address some of the major outdated operating rules for school districts which can create barriers to consolidation or service sharing.

Schools Consolidation

We recommend two complementary approaches to promote consolidation, either of districts or services, where it would make sense fiscally and educationally.

Give the Commissioner of Education discretionary authority to order consolidation of school districts based on reviews triggered by objective standards, including but not limited to size in pupils and geography, declining enrollment, limited educational programs, ability to achieve fiscal savings, and high tax burden. The Commissioner's order in each case would require a thorough review, the approval of the Board of Regents, and a public hearing in the area affected by the consolidation.¹⁰

¹⁰ *Opposed: S. Frankel, C. Johnson, H. Weitzman, E. Little, M. Pattison*

While the Commissioner of Education has broad powers to oversee education, and can even shut down schools for poor performance, his or her [powers related to consolidation](#) are limited to proposing and approving reorganizations. Under this proposal, the Commissioner would have the ability to order consolidations, with the approval of the Regents, and after a public hearing. Moreover, this process could only be commenced for districts meeting specific criteria, and would not be applied to high performing districts.

In each BOCES region convene a committee representing parents, school administrators, school board members, teachers and other citizens to review current school district boundaries, enrollment, and financial circumstances and to evaluate potential restructuring opportunities, including consolidation and other options.

These committees, organized for each BOCES region, would look at all manner of shared services and potential consolidations. A committee of this nature is in fact already operating in the Broome-Tioga BOCES region, where the County Executive has raised broad consideration of school consolidation as a local initiative. The Broome County Consolidation Advisory Committee is looking at consolidation and service sharing – not only as a cost-savings measure, but also to provide better services. Interest in the possibilities was spurred by the recent study by the Center for Governmental Research (CGR). The group is looking at consolidation of non-core services such healthcare consortium, workers compensation consortium, regional information program, regional lunch program, centralized technology, building and grounds maintenance, and shared bus facilities. Core educational services like a common curriculum and texts, back office functions, and purchasing are also under consideration.

For school districts identified for potential reorganization, either by a BOCES school district restructuring committee or by the Commissioner of Education, school building aid for new projects should be temporarily suspended.

This would prevent new building projects from being launched during the period a consolidation is being contemplated. The suspension would only apply during the period of consideration, not thereafter. Consolidations sometimes involve new building projects, and current law provides for additional incentive reimbursements.

Regional Collective Bargaining

Nearly 700 school districts statewide each negotiate collective bargaining agreements separately, and many are under prepared for the task of negotiating complex labor agreements. This multiplicity of negotiations is also expensive and results in very different salary scales and benefits even in similar neighboring districts. Teachers under this system are generally locked into the districts they first teach in, because to transfer to another district with a different salary schedule often means a loss in pay. In addition, when neighboring districts consolidate, the administrative savings can be diminished or lost as a leveling-up process of both salary schedules and benefits often causes cost increases. Regional collective bargaining agreements would prevent that from occurring.

Provide for a regional collective bargaining contract negotiated by BOCES, to which school districts could opt in. These regional contracts would be phased in as current contracts expire and would initially apply only to new hires, with existing employees “grandfathered” for some term.

Currently, school districts can use BOCES to negotiate contracts on behalf of the school, but such contracts must be separately approved by each school and bargaining organization. Our proposal would level the playing field, pave the way for consolidations, and offer teachers more flexible career paths. We propose that participation be voluntary for districts and be phased in as contracts expire. By applying initially only to new hires, this approach could avoid a pitfall that often occurs when districts merge – an immediate “leveling up” between two or more contracts with varying salary schedules and benefit provisions. In effect, this would provide an opportunity, region-wide, for new approaches to be taken. Over time, as a regional contract phases in, it would make consolidation much easier to achieve.

Since districts compete in many ways, including the hiring of the best teachers, this would involve some fundamental changes in approach. State funding through BOCES aid and the availability of a skilled regional negotiating team would be one advantage, and state assistance and guidance could be provided through the Governor’s Office of Employee Relations. Regional contracts could also include higher pay for teaching in hard-to-staff urban districts or in subjects where there is a shortage of qualified teachers. More information on this proposal is available in [a staff brief on regional contracts](#).

Back Office Functions

To encourage the use of BOCES for back-office school district operations like payroll and purchasing, the state should facilitate a demonstration project that will serve as a model for school districts in other BOCES regions.

Boards of Cooperative Educational Services (BOCES) were created as a means for school districts to share services and pool resources, particularly those relating to education and vocational training. There are 37 BOCES, many of which also provide information technology, staff training, and a variety of business office services. While BOCES do not levy taxes directly, they are supported by payments from school districts. By definition, BOCES services must be shared (that is, they cannot be offered to a single school district). State law does not permit cities over 125,000 in population to join BOCES.

Using [BOCES “back-office”](#) services can be a cost-effective way for school districts to perform operational, management, and other non-educational functions, and many districts are already using them to do so. If these

The existence of aid encourages districts to utilize BOCES services and, over time, has become an important element for strengthening cooperative enterprises. It represents the State’s enduring commitment to fostering inter-district cooperation. Not all services are aidable and as to these, districts still seek out BOCES because cooperative purchasing enables them to obtain services from or through an organization they trust – the BOCES; and one that can leverage the purchasing power of any number of school districts.

[Testimony of Dr. James Baldwin](#), District Superintendent,
Questar III BOCES

services are performed within statutory and State Education Department guidelines most are “aidable” – meaning the school district is eligible to receive BOCES aid over and above general school aid. However, there are a number of “grey areas” in what can or cannot be aided, and it would be beneficial to review current practices and regulations with a view to enabling efficient local sharing of back office functions, particularly in technical areas such as information technology. This should include an examination of where private consultant services can be efficiently provided through BOCES, more efficiently meeting the needs of school districts throughout the region.

A local initiative proposed by Nassau County Executive Tom Suozzi is examining the efficiencies that combining back-office services can provide, and the County Executive has proposed that a countywide entity (either a newly created county office of shared school services or an expanded Nassau BOCES) to run school business operations, including payroll, purchasing and other management services. In addition, the Sullivan BOCES is floating the idea of starting a central business office for its school districts.

Here are the categories that I think could produce efficiency and I expect might save some money and that is personnel, hiring of teachers and administrators, benefit programs – just in Erie County there are 102 separate benefit programs for the 29 school districts – I know there’s got to be money savings there. The use of technology, it’s scattered and varied and we’re in an era where education has almost been the last one to catch on to the use of technology and communication with parents and students and teachers and use in the classroom. There shouldn’t be 29 technology plans; there should be one technology plan.

Robert Bennett, Chancellor of the NYS
Board of Regents
Testimony Presented to the
NYS Commission on Property Tax Relief

To reduce the cost of transporting non-public school students within a BOCES region, school districts could jointly provide transportation for students crossing district lines. The State should facilitate a demonstration project or projects to determine the effectiveness of this approach and whether it should be adopted for statewide use.

One area where BOCES-wide services may be able to reduce expenditures significantly is in school transportation. School districts which provide transportation to public school students must also provide it to their residents attending private schools, whether those schools are within their boundaries or not. As a result, school district buses going to non-public schools often cross district lines, and multiple school districts separately plan and provide transportation to the same non-public schools. One BOCES estimated that they could save 5 percent (\$1 million over 25 districts in that example) by coordinating transportation and letting a single contract. Pilot projects could be used to examine whether significant savings could be achieved by centralizing non-public transportation through BOCES.

Outdated Operating Rules

Amend state law to allow for the creation of central high schools or regional high school districts containing more than one high school. These high schools could be managed by BOCES, and funded on a regional basis.

Interest in regional or central high school districts is appearing in several regions, including the Adirondacks and the Southern Tier. Central high school districts involve two or more school districts combining their high school programs, while retaining separate elementary programs. This allows the separate districts to retain younger children close to home, while older students are bused to a central location. A central or regional high school approach would be useful for small districts that lack the resources to operate a high school program with a full range of services, but do not want to reorganization completely.

Only four central high school districts exist statewide, and all are on Long Island. These districts have separate boards of education, drawn from the boards of component school districts. The Education Law includes provisions allowing for formation of central high school districts, but only within Suffolk County (the statute was amended several years ago to specifically authorize formation of the Eastport-South Manor Central High School District). However, the statute provides a model that could be expanded statewide. Another model for regional high schools could be organization through a BOCES.

Cities with populations over 125,000 should be eligible for membership in BOCES (New York City excepted).

The Commission recommends that big city school districts become eligible for membership in BOCES, with the understanding that a variety of other changes would have to accompany it.

Amend state law to conform treatment and remove anachronistic distinctions between union free, central and city school districts.

We also believe that the continuance of a variety of anachronistic distinctions between various types of school districts should be eliminated. This topic was studied in the early 1990s, in connection with interest in school consolidation issues. We believe that most current distinctions are vestigial in nature, confusing to the public, and may also stand as an impediment to consolidated programs or districts.

School Aid Incentives

State school aid should include a significant incentive to encourage school districts to consolidate. This should include reevaluation of the current formula for reorganization incentive aid, as well as more dramatic changes.

School aid formulas have long provided incentives for reorganization. "Reorganization Incentive Aid" is calculated as a 40 percent increase in general operating aid, paid for five years and then phased down over the nine years; and there is also a similar incentive in building aid. The Commission recommends reevaluation of this approach.





Informed and Active Voters

Many local leaders are already working assertively to modernize services and achieve savings, and New York State should do a better job of acknowledging and promoting these efforts. But all too often these efforts fail, and often for reasons having nothing to do with the merits of a particular proposal. Change in government is more difficult to achieve than in the private sector because we have boundaries defined in law, procedures for change that often require multiple referenda, and many local elected officeholders who may not be willing to cede control to other officials. Each of these, at any step along the way, can become a barrier to improvements.

In this section we focus on elections, elected office holders and the boards that oversee those elections. By and large, we have tried to identify changes that can improve voter participation, enhance accountability, make it easier to move toward modernized service provision, and/or harder to create or maintain separate, overlaid, or very small governmental entities. With a simpler government structure, and more direct authority for governing boards, voters will have a clearer idea of who is responsible for their services and taxes, and accountability will be improved.

Uniform Election Dates

When technically feasible, all city, town, village, school district, fire district, special district, and library district elections should take place on one of two dates – the general election date in November or a spring date.

Voter participation in New York, generally not strong, is abysmal in elections for officials below the town and village level. For example, voter turnout rates for sanitary district elections are extremely low. In the 2006 New York gubernatorial race, voter turnout was over 40 percent. In the sanitary districts we reviewed, recent voter turnout rates ranged from a high of 13.9 percent to a low of 1.8 percent. While this is taken from a limited sample our figures do appear to conform to past accounts of turnout in these kinds of districts. (Comprehensive data is not available because the State Board of Elections (BOE) does not maintain a statewide database of voting statistics for local elections, and county BOEs don't collect the results of all local elections.)

The Nassau County Executive's Office conducted a **study of election dates** for the sanitary, water and library districts operating within Nassau County. It revealed that there is, on average, one special district election every 10.9 business days. There are 24 different special district election dates. Not a single special district election is held on the date of the general election in the fall when voter turnout is typically highest.

Our recommendation for uniform election dates will take time, technology, and legislation to effect. Most voters today

In the same way we have ATM cards to do our banking, we would like to see the installation of a computerized system that would allow us to swipe a card into a computer and access the appropriate ballot from any polling site in the state. This would eliminate the logistical and time issues that plague voters whose polling site is located some distance from their workplace.

Onondaga Citizens
League Study Report
No. 25 (2004)

already vote in at least two different polling places – one for the general elections and one for school board elections. However, for voters participating in fire district, library, or other special district elections, legislation could be written to allow polling places to be established outside of the election district subject to reasonable limitations. To facilitate the coordination of dates, election technology will need to improve. Also key will be the training of poll workers to help individuals identify the district races in which they should be participating. But intensive training of poll workers will already be needed as counties all over the state replace their voting machines with HAVA (Help America Vote Act) compliant models.

Election Oversight

County boards of elections should administer all general elections.

The county board of elections (BOE) supports and oversees election operations for both primary and general elections. It also provides voter registration lists for school board, fire district, village and special elections, and will oversee these elections at local request and expense and, if it does so, maintain a record of the election results. Villages that conduct their own elections are not required to file the results of their elections with any state or county entity, nor are they required to file the information with the town or towns where they are located. Commissioner-run special districts, school districts, and fire districts also run their own elections.

We believe administration of elections by county BOEs will help make the location of voting places predictable, provide voters with access to the same voting machines run by trained volunteers, and help facilitate conversion to uniform election dates.

The role of boards of elections in administering state and local elections should be eliminated from the State Constitution, which would allow the system to be modernized through legislative amendment to existing statutory provisions addressing boards of elections. (Constitutional)

Article II, section 8 of the NYS Constitution requires “equal representation of the two political parties” for all boards and officers that have anything to do with elections in the State. State law creates the State Board of Elections, comprised of four commissioners, appointed by the Governor. Two are recommended by the chairs of the state committees of the two major political parties and two by the leaders of the major political parties in the Legislature.

Each county has a board of elections with two commissioners representing the two major political parties that received the most votes in the immediately previous gubernatorial election. Commissioners are nominated by majority vote of the county committees of their respective political parties and confirmed by vote of the county legislature. Most counties also have deputy commissioners, each appointed by a commissioner, and board employees must be equally represented from the two major political parties. This results in overstaffing and the control of the electoral process by two of the major institutional participants in the process – regulation by the regulated. Two-headed Boards of Elections controlled by leaders of the two major party organizations may result in their collaboration with each other to undo intra-party insurgencies. More often splitting decision-making evenly between the two parties results in deadlock in the face of problems or issues in election management. One result is that New York regularly leads the nation in election litigation.

New York should consider [alternative models](#), such as providing for a single, apolitical state official to oversee elections statewide and to designate responsibility for the conduct of elections

to a single official in each county. These state and county officials would be appointed by a neutral authority, serve for relatively long terms, and be assisted by employees selected on a competitive basis. (Thirty-six states rest responsibility for the elections with a single state official.)

New York and Virginia are the only two states that provide in their Constitution a role for political parties in state and local election administration.

Conversion of Elective Offices to Appointive

The following administrative positions should be converted from elected to appointive offices by statute: town highway superintendent; town clerk; assessor; town tax receiver and collector; and county coroners. In the case of a county coroner, county legislative bodies should be given the option to convert the appointed office of coroner to a medical examiner, with provisions to allow for them to serve multiple counties.¹¹

Allow county legislative bodies to convert the office of elected county treasurer to appointive commissioner of finance without a referendum.¹²

Counties should be allowed to convert the offices of county sheriff and county clerk from elected to appointed, or abolish the positions. (Constitutional Amendment)

Making changes at the local level requires a lot of willing parties. When the change that is proposed is functional, impacting a specific service rather than the entire structure of a municipality, resistance is frequently mounted by the local official in charge of that function. When the local official is elected, rather than appointed, merging of municipal departments or service sharing with another municipality becomes quite difficult.

We believe that there is no need to elect people who carry out administrative functions and that direct state action to convert these positions is warranted rather than relying on town-by-town referendum. These non-policymaking offices demand specific skills. Many of those currently in [positions we propose for conversion](#) have that specific knowledge and should be retained.

County sheriff, county clerk, district attorney and “register” are the only local officers mentioned in the NYS Constitution and are required to be elected, outside of NYC. Charter counties already have the ability to convert or abolish the positions of sheriff and county clerk, subject to a permissive referendum. An amendment removing the Constitution’s references to sheriff, clerk, and register would permit County Law to be amended to enable the conversion of sheriffs or clerks to appointive offices (or even abolition of these offices) in non-charter counties as well. However, we feel that given their role in the administration of justice, district attorneys should remain as a separate, independently accountable official. Registers do not exist today outside of New York City.

¹¹ *Opposed: S. Frankel and H. Weitzman (town clerks only); C. Johnson (receiver of taxes and town clerks)*

¹² *Opposed: M. Pattison*

We also recommend the elimination of the office of elected assessor (at the end of current elective terms). Although most municipalities have already taken this step, assessors are still elected in about 150 municipalities. Assessors who submitted testimony to the Commission emphasized the service they provide to their constituents, and we have no doubt that most are responsive to the electors of their districts. Many will be able to continue that service as appointed officials, or as employees of a county assessing unit. Town tax receivers and collectors made similar arguments. While we appreciate the viewpoints offered, it is the Commission's finding that these are not policymaking, and therefore do not require direct accountability to the electorate. These are professional or administrative functions that would better be handled through an appointive or civil service process. Moreover, the existence of elected officials in these roles may stand in the way of consolidating functions.

Similarly, elected town tax receivers and collectors should be converted to appointed positions at the end of current elective terms and the requirement that receiver/collectors be town residents should be eliminated.

Fire District Elections

Require each fire district to mail cards indicating the proper polling place for each voter to persons in the district who have registered with the board of elections.

Fire districts are independent units of government overseen by elected commissioners. Five-member boards of commissioners are elected by the few people who cast votes in fire district elections. Many residents of fire districts do not understand that fire commissioners are elected officials; do not know what district they are in; and are not aware when and where fire elections occur. While the State Insurance Department does provide a [database](#) that will match up street addresses with fire district names, few people are aware that the resource exists.

A recent change in the law was made in order to improve voter turnout. It now requires that all special elections, such as those to approve bonds for a fire house, be held on a Tuesday that is not a public holiday. An example of bond vote turnout is 68 voters who approved a \$3.2 million firehouse for a fire district in the Town of Greece, a large suburban town near Rochester (population 94,141). Much of the area covered by that new firehouse is within 1½ miles of other firehouses.

Financial Reporting

Improve state requirements for local government financial reporting to facilitate local studies, benchmarking and comparison of costs for services such as police, fire and highway operations.

Require special districts to report unit cost data to the State Comptroller.

Currently it is very difficult to gather comparable data from local governments or special districts on costs for specific functions, and unit costs are generally not available. Having such data would improve transparency, facilitate performance measurement at the local level, and allow movement toward performance-based state oversight or aid systems to encourage efficiency. Data on costs could be linked to best practices and would provide a powerful tool to stimulate replication of efficiencies.

The State Comptroller has constitutional and statutory powers to supervise the accounts of local governments, and accordingly prescribes accounting systems and annual reporting requirements. Because of flexible reporting options in certain areas, the utility of reported data for performance measurement is limited, and unit cost estimates are not normally developed. The Office of the State Comptroller, in concert with an advisory group, is reviewing the local government financial data set and underlying systems for recording and reporting that data in search of ways to provide more consistent and comparable data.

The Office of the State Comptroller's report on [Town Special Districts in New York](#) recommended that unit cost figures be available, as they shed light on possible inequities and inefficiencies in the delivery of services.

Provide the State Comptroller with statutory authority to audit Local Development Corporations affiliated with, sponsored by, or created by a county, city, town or village government.

[Local Development Corporations](#) (LDCs) are authorized under state law as not-for-profit corporations and are often used by municipalities to support particular public purposes like economic development. LDCs can construct, rehabilitate and improve properties and have the power to "acquire" property from a municipality without appraisal or bidding. They are under no obligation to participate in a competitive bidding process or comply with public procurement laws. Ensuring clear statutory authority for the Comptroller to audit these entities is advisable.

There are in excess of 500 LDCs statewide (including NYC) that support local economic development; although this is only an approximation, because there is little public information currently available on these entities. However, as LDCs created by municipalities are quasi-public entities, they fall under the reporting requirements of the [2005 Public Authorities Accountability Act](#), and improved data on their numbers and activities will be available from the Authority Budget Office in the future.





Aid and Incentives

The Commission believes that aid and incentives should be used to support structural change and innovation at the local level. We also think that aid programs and formulas in general should be reviewed to ensure that they do not provide incentives that are contrary to modernizing, sharing or consolidating local government functions. Our recommendations in this area range from the very specific shared services funding changes that were enacted with the 2008-09 state budget, to general principles that we would like to see observed in all aid formulas.

Local Government Efficiency Grants

Significantly increase funding for consolidated and shared services provided through an enhanced, redirected and re-branded program of Local Government Efficiency Grants. This would include an evaluation component, improved technical assistance to local governments, new state agency services for local governments, enhancements to prior consolidation incentives, and a new component promoting transformative 21st Century Demonstration Projects.

The Commission's early recommendation for a bigger and better grant program to encourage local government efficiency was passed with this year's state budget. The new [Local Government Efficiency Grant](#) (LGEG) program received an increase of nearly \$5 million over last year's Shared Municipal Service Incentive (SMSI) program. In addition to increased funding and a new name, the \$29.4 million LGEG program includes changes to promote consolidations and major service sharing arrangements that save taxpayer dollars. Grants for planning and implementing locally-designed shared services will continue with some enhancements. In response to local government suggestions, transitional personnel costs directly related to a new shared service or consolidation will be eligible for funding. Also adopted was our suggestion that planning grants for high priority topics be available continuously so communities that have built a consensus around one of the priority issues won't have to wait for the funding cycle to begin again. This allows funding to be delivered more quickly for local governments to study consolidation or dissolution, countywide or multi-county shared services, and charter revisions that enable functional consolidation or increased service sharing. Like the SMSI program it succeeds, LGEG will be administered by the Department of State.

21st Century Demonstration Projects

Our proposal for a new category of demonstration grants was included in the new LGEG program. These [21st Century Demonstration Projects](#) will stimulate voluntary regional experimentation in areas that could ultimately produce paradigm shifts for local government statewide. These grants will be competitive grants covering costs associated with a functional consolidation or a shared service agreement having great potential to achieve financial savings and to serve as a model. For example, these grants could include consolidation of services on a countywide or multi-county basis, or provide support for local leaders implementing transformative changes in areas like schools consolidation or regional service models in areas like highway maintenance, policing, and smart growth planning, or regional consolidation of school district "back-office" services. In addition to the grant funds, other incentive funding or special assistance could be provided, and some projects might need special enabling legislation or targeted mandate relief. Approval for legislation enabling dramatic local government

restructuring may be easier for proposals advanced as a demonstration project. These projects would provide a laboratory for state-of-the-art experiments on 21st century smart governing.

General Funding Principles

The following principles should be applied in making recommendations for aid to local governments:

- **Provide positive aid incentives for consolidation of services or local government entities.**
- **Consolidation of local services should not result in a reduction in state aid streams.**
- **Where appropriate, state funding should be distributed to groups of municipalities who will design regional solutions to providing services, using the federal transportation funding practices as a model.**
- **Aid formulas for cities, towns and villages should be class-neutral, not based on a designation as a city, town or village. (Size and density, among other characteristics, may be suitable substitutes.) Full transformation away from municipal class as an aid determinant will take some time, and should proceed in coordination with statutory changes in the treatment of municipalities. For counties, different funding approaches may reasonably be applied in relation to the services they perform.**

Moving certain functions to the county level should be encouraged by strong aid incentives.

One of the ways to get to consolidated services is to provide funding incentives, such as through a grant program like the one currently available for studying countywide assessing or the incentives provided to local governments that consolidate. Our recommendation to provide additional consolidation incentives was included in the enacted state budget. Municipalities that consolidate can now choose among a 25% increase in aid and incentives to municipalities (AIM) funding or incentive funding equal to 15% of the combined property tax revenue of consolidating localities (both are continuing funding streams capped at \$1 million annually). A third option is \$250,000 phased down over five years.

In general, the Commission would like to see more programs like these to encourage cost-effective service delivery models.

Highway Services

While it is convenient for the Legislature to make funding decisions based on municipal structure, and easier for municipal membership associations to analyze and explain to their members, it is a method that ignores the changing role of municipalities since many of the aid streams were introduced. One such aid stream is the [Consolidated Local Street and Highway Program \(CHIPS\)](#), administered by the NYS Department of Transportation. The CHIPS program provides state funds to county, town, village and city capital projects including the construction and repair of highways, bridges, highway railroad crossings, and other facilities not on the state highway system. CHIPS includes two funding streams that are distributed based on statutory formulas factoring in things like the relative share of motor vehicle registrations, centerline

highway mileage, municipal class based on relative vehicle miles of travel, and historical funding amounts. One funding stream is allocated to classes of municipalities based on a percentage of available funds, and apportioned within each class using each municipality's historical figure.

Study ways to base highway funding on factors that reflect local conditions, support sound maintenance practices and smart growth.

We recommend that the NYS Department of Transportation undertake a study of state and federal aid that will evaluate the best ways to meet local needs, reflect local conditions, maintain existing infrastructure, and promote shared maintenance and smart growth principles. An alternative to distributing highway aid based only on municipal class and lane mileage should be to use criteria more related to conditions localities face, such as density of development and intensity of road use, rather than simply their municipal class. The conditions faced by rural communities with very sparse populations should also be taken into account. Basing CHIPS on lane-mileage makes sense – as this is clearly a measure for workload. However, a new system should avoid increasing aid for developer-built subdivision roads in a way that promotes suburban sprawl. While a developer may be required to install the roads in a new subdivision, those roads end up being the responsibility of the municipality. Sprawling new subdivisions should be discouraged, whereas more compact subdivisions built within smart growth principles should be encouraged.

Remove disincentives to consolidated maintenance, and provide transitional aid for major county-level functional consolidation.

There has been much interest shown by counties in evaluating what would be the best system for their county to provide highway services. Some are interested in the Monroe County model, where County Highway Department employees take on more technical tasks and the county contracts out selected, operations-level work to the towns; others are interested in an approach where the county would provide more traditional services to the town. Still others are exploring how they might expand the number and type of [intermunicipal agreements for highway services](#) they have with other governmental units. Broome, Chautauqua, Chemung, Chenango, Herkimer, Seneca, St. Lawrence, Suffolk, Tioga and Ulster Counties are among those exploring the issue through the local initiatives process. Chemung County is expecting \$420,000 in savings annually through countywide coordinated highway services.

Because CHIPS funding relies largely on municipal class, it results in municipalities with the same number of lane miles being funded at different rates because they are a different class of municipality. This inequity in reimbursements provides a disincentive to municipalities to transfer responsibility for road maintenance to another unit of government. This can be illustrated by a [highway services](#) agreement that might include the transfer of lane miles between the Village of Lakewood and the Town of Busti. Under the current system, Busti would be reimbursed \$57,000 less than the village for maintaining village roads if the maintenance responsibility was transferred to the town.

Based on our proposal, the Executive Budget included a provision to hold harmless the amount of CHIPS funding that is received when highway responsibility is transferred to a municipality with a lower reimbursement rate. We also put forth a consolidation incentive where we recommended that in the year following functional consolidation, aid to participating municipalities in a county be increased in an amount equal to 30 percent of the combined aid received under the CHIPS program. The increased aid would be reduced in equal parts over the following four years. Under this incentive, a county would be eligible if the following joined them in a consolidated highway function, (a) any combination of cities, towns, and villages with

responsibility for 90 percent of the non-state lane miles in the county; or (b) all of the towns in a county functionally consolidate highway services.

Permit greater cooperation between the state and localities for routine highway maintenance, snow & ice conditions, and under emergency conditions.

The NYS Department of Transportation currently contracts with many local governments to provide snow and ice removal/control. By extending the authority to contract for operations, indemnification provisions would be extended to these broader services as well. One of the earliest local initiatives to be completed was one submitted by Columbia County, seeking assistance in expediting a snow and ice contract prior to the purchase of a new truck.

Current law allows emergency aid to be provided by the state to local governments for the control of ice and snow. We recommend extending the law to allow mutual aid in other emergency highway situations, such as wash-outs from heavy rains. In addition, aid could be provided by local government to the state as well, if that was best for the public welfare.

We also suggest state and local service sharing agreements could be more efficiently administered by extending the contract period set in law from three years to five years and by allowing contract extensions for five years instead of only one year. This would reduce contract paperwork substantially at all levels of government, requiring less legal and fiscal review.

Increased Aid for Assessing and Tax Collection

Fund studies of consolidated or coordinated property tax assessing and collection.

Increase state aid for assessment above certain efficiency standards for areas that assess uniformly countywide using acceptable professional standards including periodic revaluation.

Alter state-funded training for assessment to ensure that consolidated assessing offices do not receive less training as a result of consolidation.

There are currently two counties that provide assessing for the entire county: Tompkins and Nassau. A current state program that funds training for assessment, however, only funds one individual and not assistants. In response to our recommendation, the 2008-09 Executive Budget included a proposal to provide reimbursement of additional training expenses for appraisal personnel in county assessing units. This will ensure that consolidated assessing offices will not be disadvantaged in the coverage of training expenses as more counties consolidate operations.





Addressing Cost Drivers

According to the Office of the NY State Comptroller's [2007 Annual Report on Local Governments](#), local government spending continues to increase at more than double the rate of inflation. A primary component of the increase in local spending is employee benefits, which grew by 92 percent between 1995 and 2005, an average annual rate of 6.2 percent. A short summary of recent local government financial statistics is available in a [staff brief](#).

Health Insurance

Require local government and school district employees to contribute, at a minimum, 10% (for individual coverage) and 25% (for dependent coverage) toward the cost of health insurance. Local governments would be free to negotiate higher employee contributions. This change would be phased in over five years as collective bargaining agreements expire.¹³

This would directly address one of the fastest growing local government expenses, saving local governments and school districts outside of New York City nearly \$475 million annually when fully phased in. Between 2000 and 2005, [employee health insurance costs](#) grew from \$2.9 billion to \$4.9 billion, an increase of nearly 70 percent. Though costs are increasing dramatically, 53 percent of local governments and 20 percent of school districts that responded to a recent Department of Civil Service survey do not require an employee contribution for individual coverage from some or all of the employees in their largest employee group. This recommendation would align local government employees with what state employees are required to contribute, though it would still be below the nationwide average for all employees of 16 percent for individual coverage and 28 percent for dependent coverage.

This recommendation would directly address one of the fastest growing local government expenses – health care costs – saving local governments and school districts nearly \$475 million annually.

The proposal would take effect as contracts expire, after which employee contributions would rise in a phased manner to the minimum thresholds. Having a required percentage contribution reduce most municipalities' costs in the first instance, and would also give employees and their labor organizations a stake in overall health insurance costs. The mandatory local employee contribution would be linked to provisions of law applying to state employees, but would be a floor, with local governments free to negotiate higher employee contributions.

Ease provisions relating to municipal cooperative health benefit plans to base reserve requirements upon actuarial assessments and to allow for a transition period to build up reserves; to reduce the required number of participating municipal corporations from five to three; and to require insurers to provide specific claims experience to municipalities analyzing the feasibility of forming a cooperative.

¹³ Opposed: M. Pattison, C. Johnson, S. Lundine, H. Weitzman

State law authorizes certain municipal corporations to form **municipal cooperative health benefit plans** (MCHBP) in order to share, in whole or in part, the costs of self funding employee health plans. Intermunicipal or countywide employee health insurance approaches provide an opportunity to stabilize health claim costs, lower administrative costs and enhance negotiating power with health care providers. There are ten Municipal Cooperative Health Benefit Plans currently active across New York, all formed before Article 47 restrictions were enacted. Albany, Broome, Erie, Livingston, Monroe, Montgomery, Suffolk, Tompkins and Washington Counties are interested in forming MCHBPs, and have submitted initiatives to the Commission and applied for or received grant funding to explore the potential benefits of creating one.

One restriction relating to maintaining a reserve for payment of claims and expenses, is seen an onerous for MCHBPs just starting up. Several counties who have local initiatives to investigate cooperative health insurance have requested that the required reserve level be relaxed based on recommendations from a qualified actuary. Another restriction is the requirement that at least five municipalities with an aggregate of 2,000 employees participate in the cooperative. Counties seeking to form cooperatives have pointed out that fewer municipalities with larger workforces should be able to form cooperatives, and a successful start up could be joined by other municipal partners later.

The Insurance Superintendent should be granted authority to make exceptions to community rating requirements which would allow municipalities with 50 or fewer employees to join multiple employer trusts that are experience-rated.

Health insurance premiums, for both individual and group plans, are largely determined by the rating methodology applied to each applicant. Under an experience rated methodology, the premium is determined primarily by the group's specific claims experience. Under the community rated methodology, the premium is determined by the collective claims experience of all insured in a particular community pool, without regard to age, sex, health status or occupation. Unlike an experience rate, a community rate is not specific to a particular group.

Since 1992 state law has required that individual and small group health insurance policies be community rated. The Insurance Department reported that in the first year of community rating, almost 30 percent of the insured experienced premium increases ranging from 20 percent to 59 percent. A small group policy would include municipalities with fewer than 50 employees, as well as groups of municipalities (in a multiple employer trust) where any one of the municipalities has 50 or fewer employees, even if the aggregate number within the potential "trust" is greater than 50.

Public Employee Pensions

The State should convene a study of public employee pension benefit options, including evaluation of a potential Tier 5, which would reinstate lifetime employee contributions, and possibly either convert to a defined contribution system or provide for employee option. The provisions for benefit determination under all three systems should also be reviewed.

This recommendation has been repeatedly made by the municipal associations, and we agree with them that the current pension program needs to be changed to address the relatively rich benefits available to public employees. The Association of Towns wrote in their 2007 legislative program that "the employer (i.e. taxpayer) share of pension contributions in New York has risen

by more than \$3 billion in the last five years, straining taxpayers throughout the state. . . and many municipalities face increasing budgets due to health and pension costs that have been escalating at five times the rate of inflation for several years. . .”

The 2008 legislative program of the NY Conference of Mayors states, “The state must undertake a thorough analysis of the benefits, funding methodology, governance and oversight structures of our public pension system. While pension benefits for retirees and current public employees are constitutionally protected, it is time to evaluate the need for restructuring retirement benefits for future employees of New York’s local governments.” They have also recommended conversions from a defined benefit to a defined contribution system to provide stability and predictability in determining local government pension costs. They point out that “This type of plan also provides for the portability of public employee pension benefits – that is, employees could take their accrued pension benefits with them when they change jobs.” The New York State School Boards Association recommends that employee contributions for the entire period of the employees’ participating service be required.

Wicks Reform

The State should eliminate the Wicks Law or, in the absence of that, dramatically increase its thresholds.¹⁴

The Wicks Law is actually a series of laws first enacted in 1912 that require state and local governments to issue multiple construction contracts for all public works projects costing over \$50,000 – a monetary threshold that has not been increased since the early 1960s. The enacted state budget included the Commission’s recommendation to increase thresholds. Separate contracts must be awarded to electrical, plumbing, and HVAC contractors with the balance of the work to a general contractor. This can increase costs due to inexperienced municipal workers managing projects and poor scheduling of subcontractors. Especially for smaller jobs, this is considered to be inefficient.

When enacted, the laws were intended to promote fair competition among bidders and to protect workers’ rights. The effect has been to force the state or local government to manage construction and coordinate schedules of the separate prime contractors. Several studies have estimated higher costs resulting from the Wicks Law provisions. A statewide estimate has not been recently prepared, but New York City estimates that it would save \$3.7 billion over its ten-year capital plan with a full repeal of Wicks.

Nassau-Suffolk School Boards Association calls upon you to heed the collaborative call from schools and municipalities. Nothing short of outright repeal of the arcane Wicks Law will be sufficient to bring to a halt decades of public funds being siphoned off from school and municipal construction projects.

Testimony by Jim Kaden,
President, Nassau-Suffolk
School Boards Association

Procurement

Facilitate cost-effective local purchasing by increasing thresholds for competitive bid requirements.

¹⁴ *The following members oppose elimination of Wicks Law, but support threshold reform: S. Hoyt, C. Johnson, E. Little, H. Weitzman, S. Frankel.*

Local government procurement is required to be conducted through competitive bidding when the costs exceed certain thresholds. The current competitive bidding thresholds applying to local governments are \$10,000 for commodities and \$20,000 for public works projects. Under the reforms proposed in the Executive Budget, these thresholds (last raised in 1991) will increase from \$10,000 to \$20,000 and from \$20,000 to \$50,000, respectively. Albany, Onondaga, Orange, Rockland, Suffolk and Sullivan Counties all submitted local initiatives that seek cost savings in purchasing and procurement. Suffolk County in particular voiced enormous concern over current thresholds and how they impede efficiency.

In addition, reforms would allow local governments to consider “best value” when awarding contracts for services, and to “piggy-back” on United States General Service Administration information technology procurement contracts, as well as certain approved contracts let by other states and local governments.





Sustaining Local Efficiency

While the Commission ends its deliberations with the issuance of this report, it is our strong belief that the task of local government reform must be pursued at the state level through a focused and sustained effort. State government should aggressively support and promote local efficiencies, identifying successful practices and removing barriers. Accordingly, we propose the creation of a Center for Local Government Efficiency, which could be established without new costs, in the same manner the Commission has operated, utilizing the resources of the many state agencies with missions related to local government efficiency. The reasons for this are as follows:

- Local government reform, including a review of state programs and statutes which affect local efficiency, is an essential element of economic competitiveness and property tax relief.
- Most of the local initiatives we have supported need continuing assistance (and we are still receiving additional initiatives). The process has proved to be an excellent way to build relationships with local leaders and bring attention to needed reforms. It also generates productive ideas for [mandate relief](#) and other advisable changes in state statutes and programs.
- Restructuring and reform of local government operations is a complex, long-term undertaking. [Previous local government commission reports](#) have generally gone unimplemented, despite the quality of their work and recommendations. A sustained Executive commitment is needed to facilitate local efforts and to ensure that state agencies are attuned to the impact of their programs on local governments.

“The need for changes in local government, regional structure and service provision is linked to forces that continue to change. Local government’s appropriate scale and organization is influenced by changes in our economy, technology, demographics and other factors that help determine public service need, effective size and cost efficiency. . . New York needs a flexible framework and approach to facilitate and encourage important adjustments. We are not facing a one time “house cleaning” but an ongoing maintenance and improvement program to keep an effective local and regional governance system.”

Mike Hattery, “Rural Vision Project,” Cornell (2006)

Following this final report, the Commission’s mission should be sustained through an Executive-level Center for Local Government Efficiency that will provide a gateway to state government for citizens and local officials pursuing this goal. It will extend the local initiatives process and work of the Interagency Task Force currently coordinated under the Commission. It will facilitate coordination of state agencies and resources supporting shared services and consolidation. Technical assistance for local governments would be provided with information on best practices, how-to manuals, agency referrals, and a website directing local officials and citizens to resources. This Center would also lead continuing research and policy development relating to local governments and the services they provide.



Appendices



Appendix A: Executive Order No. 11

Establishing the New York State Commission On Local Government Efficiency and Competitiveness

WHEREAS, New York's local governments are established and operate under New York's Constitution, statutes and regulations and receive financial and governance support from the State; and

WHEREAS, local governments, including counties, towns, cities, villages and special purpose districts, such as school and fire districts, provide many of the public services which determine whether New York's residents and businesses live and conduct commerce safely, healthily, productively and happily; and

WHEREAS, New York's local governments, including more than 4200 taxing jurisdictions, have evolved over centuries, and in many cases reflect circumstances, population concentrations and needs which have changed significantly or no longer exist; and

WHEREAS, the sheer number of such taxing jurisdictions and their overlapping and multi-layered nature cause public services to be excessively expensive, and provided in a manner that is inefficient and reduces the competitiveness of New York's localities and the job and business opportunities for New Yorkers; and

WHEREAS, many New Yorkers are unaware of the boundaries and very existence of many taxing jurisdictions and special districts, and this results in an extraordinarily low level of participation in many local government elections; and

WHEREAS, the opportunities for smart growth and regionalization of the delivery of certain public services such as public transportation, waste management, information technology and water supply are often inhibited by New York's fragmented local government structure; and

WHEREAS, New York's local tax burden is the highest in the United States and negatively impacts competitiveness and the quality of life; and

WHEREAS, New York's laws, regulations and programs have been only minimally effective in assisting local governments to partner in the efficient delivery of public services, to merge, consolidate or regionalize local government, to adopt smart growth practices, and otherwise improve the living environment for New Yorkers; and

WHEREAS, a comprehensive analysis is needed:

(1) to identify the barriers which inhibit more efficient local government, the merger, consolidation or regionalization of local government, partnering among local governments to more efficiently provide public services, adoption of smart growth practices, and the procurement and construction of regional transportation and other infrastructure which improves the efficiency, competitiveness and quality of life of New York's localities; and

(2) to guide the formulation and development of tools to assist local governments to pursue and achieve these objectives;

NOW THEREFORE, I, Eliot Spitzer, Governor of the State Of New York, by virtue of the authority vested in me by the Constitution and Laws of the State of New York do hereby order as follows:

1. There is hereby established the New York State Commission on Local Government Efficiency and Competitiveness ("Commission").

2. The Commission shall consist of fifteen members appointed by the Governor, including one member appointed upon the recommendation of the Comptroller, one upon the recommendation of the Speaker of the Assembly, one upon the recommendation of the Majority Leader of the Senate, one upon the recommendation of the Minority Leader of the Assembly, one upon the recommendation of the Minority Leader of the Senate, at least one individual representing a member of the New York State Association of Counties, at least one individual representing a member of the New York State Association of Towns, and at least one individual representing a member of the New York Conference of Mayors and Municipal Officials.

3. The Governor shall select a chair of the Commission from among the members. A majority of the members of the Commission shall constitute a quorum, and all recommendations of the Commission shall require approval of a majority of the total members of the Commission.

4. The Governor shall appoint an Executive Director of the Commission, who shall be an employee of one of the executive branch agencies herein directed by the Governor to render assistance to the Commission.

5. The Commission shall conduct a review and analysis of New York's local government structure and operations, and to the maximum extent possible shall consider, and where appropriate incorporate, the expertise and learning of prior commissions, studies and academic institutions engaged in local government studies, and state agencies with responsibility for assisting local government, including but not limited to the Department of State, the Office of Real Property Services, the Urban Development Corporation, the Department of Economic Development, the Division of the Budget, the Governor's Office of Regulatory Reform, the Office of State Comptroller and the State Education Department.

6. The Commission shall make recommendations on ways to consolidate and eliminate taxing jurisdictions, special districts, and other local government entities where doing so would improve the effectiveness and efficiency of local government.

7. The Commission's review shall include an analysis of:

(a) the number and types of local government jurisdictions in New York State, the basis for their creation, and the opportunities and barriers to their restructuring, merger, consolidation or partnership to deliver public services;

(b) the nature and extent of services delivered by various types of local governments;

(c) the services which lend themselves most logically, efficiently and easily to merger, consolidation or partnership initiatives;

(d) opportunities and barriers to the regionalization of local government functions and services and the extent to which “smart growth” practices can improve the performance of local government and the delivery of public services and enhance New York’s competitiveness;

(e) the procedures for and effectiveness of local government elections, including the percentage of eligible and registered voters who participate in such elections, and the utilization of common election dates and procedures by local governments which serve a substantially common electorate;

(f) the degree to which local government electorates are presented periodically with the option of dissolving the local government or reaffirming the local government’s continuation; and

(g) the effectiveness of existing state laws and programs designed to assist local government efficiency, consolidation, merger, partnership in government operations and service delivery, smart growth, and the procurement and construction of regional transportation and other instrumentalities and infrastructure.

8. In undertaking this review and analysis the Commission may request documents, conduct public hearings, take the testimony of witnesses in the form and manner which it deems most efficient, and take all other actions necessary to carry out its functions.

9. The Commission shall make recommendations which it deems necessary or advisable for:

(a) strengthening and streamlining the structure and operations of local governments;

(b) reducing the costs of and improving the effectiveness of local government operations and services;

(c) facilitating the merger, consolidation and partnering in the delivery of services by and between local governments;

(d) promoting and facilitating regional government and the regionalized delivery of public services; and

(e) reforming election laws and procedures to increase and maximize the awareness of local governments among the electorate and maximize participation in local government elections and proceedings.

10. The Commission shall issue a report of its findings and recommendations on or before April 15, 2008. The report shall be submitted to the Governor, the Comptroller, the Majority Leader of the Senate, the Speaker of the Assembly, the Minority Leader of the Senate, and the Minority Leader of the Assembly.

11. No member of the Commission shall be disqualified from holding any public office or employment, nor shall he or she forfeit any such office or employment by virtue of his or her appointment hereunder. Members of the Commission shall receive no compensation for their services but shall be allowed their actual and necessary expenses incurred in the performance of their functions hereunder. All members of the Commission shall serve at the pleasure of the Governor and vacancies shall be filled in the same manner as original appointments.

12. Every agency department, office, division or public authority of this state shall cooperate with the Commission and furnish such information and assistance as the Commission determines is reasonably necessary to accomplish its purpose.

GIVEN under my hand and the Privy Seal
of the State this 23rd day of
April in the year two thousand seven.

BY THE GOVERNOR

Secretary to the Governor

Appendix B: Members of the Commission

Chair

- **Stan Lundine, Chair** - Chautauqua Institution Board Member, former Lt. Governor, former New York Congressman, former Mayor of Jamestown

Commission Members

- **Gerald Benjamin** - Dean of the College of Liberal Arts and Sciences at SUNY New Paltz, former member of the Ulster County Legislature
- **Al DelBello** - former Lt. Governor, former Westchester County Executive, former Yonkers Mayor and Councilman, Board of Directors, Westchester Land Trust and the Westchester County Association
- **Jonathan Drapkin** - President of Pattern for Progress, former Manager of Sullivan County
- **Kathryn A. Foster** - Director of the University at Buffalo Regional Institute
- **Sandra Frankel** - Brighton Town Supervisor
- **Sam Hoyt** - Assemblyman for the 144th District (Assembly Majority)
- **William A. Johnson** - former Rochester Mayor, Professor of Public Policy at Rochester Institute of Technology
- **Craig M. Johnson** - New York State Senator for the 7th District, former Nassau County Legislator (Senate Minority)
- **Elizabeth O'Connor Little** - New York State Senator for the 45th Senate District, former New York State Assemblywoman (Senate Majority)
- **Mark P. Pattison** – Executive Deputy Comptroller for State and Local Government Accountability, former Mayor of Troy (Comptroller)
- **Dr. Walter L. Robb** - former General Electric Senior Vice President, current Tech Valley entrepreneur (Assembly Minority)
- **Jamie Rogers** - Village of Lake Placid Mayor
- **Tom Tranter, Jr.** - Vice President of Corning, Inc., former Chemung County Executive
- **Howard S. Weitzman** - Nassau County Comptroller

Executive Director

- **John Clarkson, Executive Director** – former Assistant Comptroller for local government, State Comptrollers Office, NYS Division of the Budget, NYS School Boards Association

Appendix C: Commission Resources

Commission Staff Briefs found on nyslocalgov.org

- Comprehensive List of Recommendations
- Prior Local Government Commissions
- Local Government Reform Efforts in Other States
- Number of Local Governments
- Public Library Service
- Vital Statistics Registration Districts
- Local Public Health Administration
- Municipal Civil Service Commissions
- Consolidation Procedures
- Villages with a Population Below 500
- City-Town Consolidation and the Surrounding Legal Issues
- Consolidation and Collective Bargaining
- County Dissolution
- Constitutional Change Recommendations
- Strengthening Home Rule
- Modernize & Rationalize Taxation and Finance Powers
- Expand Service Sharing Powers
- Proposed Studies of Municipal Classification & Powers
- Shared Services
- Local Government Efficiency Grants
- Examples of Potential 21st Century Demonstration Projects
- Regional and County Jails
- Fire Protection in New York State
- Highway Services
- Developing Intermunicipal Arrangements for Highway Services
- Local Economic Development
- Tax Base Sharing
- Reorganization Powers of the Commissioner of Education
- School District Consolidation in Other States
- Regional Collective Bargaining for School Pay and Benefit Scales
- BOCES Back-Office Services
- Local Government Finances
- Mandate Relief
- Municipal Employee Health Insurance Contributions
- Cooperative Health Insurance Purchasing
- Elections and Voter Participation
- Conversion of Elected Local Offices
- Reforming New York's Election System

Consultant Studies found on nyslocalgov.org

- Observations from Three City-Town Groups in Upstate New York
- Layering of Local Governments & City-County Mergers
- Constitutional Considerations in Local Government Reform

Appendix D: Links to Other Resources

Editorials about the Commission

<http://www.buffalonews.com/313/story/227499.html>

2007 Annual Report on Local Governments

<http://www.osc.state.ny.us/localgov/datanstat/annreport/07annreport.pdf>

Consolidation, Dissolution, and Annexation of Towns and Villages How To Guide

<http://www.dos.state.ny.us/lgss/smsi/What's%20New%20Addition/Towns%20and%20Villages/Revised%20How%20To%20Consolidation2008.pdf>

Intergovernmental Cooperation

<http://www.dos.state.ny.us/lgss/pdfs/intergovt.pdf>

Department of State

<http://www.dos.state.ny.us/>

Creating a Coterminous Town-Village

<http://www.dos.state.ny.us/cnsl/lq06.htm>

Outdated Municipal Structures

<http://www.osc.state.ny.us/localgov/pubs/research/munistructures.pdf>

The Lakewood Plan

<http://www.lakewoodcity.org/civica/filebank/blobdload.asp?BlobID=3160>

Plan for Dissolution of the Village of Speculator

<http://www.lakepleasantny.org/forms/documents/2008SpeculatorDissolutionPlan2.1.08.pdf>

Centralized Property Tax Administration Program

<http://www.orps.state.ny.us/cptap/index.cfm>

Guidelines for Transitioning to County Assessing

<http://www.orps.state.ny.us/pamphlet/coassessguidelines.pdf>

Reforming New York's Property Tax System

<http://www.orps.state.ny.us/reform/>

Governor Paterson's Press Release: Forty-Three Counties Receiving Grants to Streamline Property Tax Administration

http://www.ny.gov/governor/press/press_0319081.html

County Assessing - Advantages and Options

<http://www.orps.state.ny.us/pamphlet/coassessing.pdf>

Minnesota's Fiscal Disparities Programs

<http://www.house.leg.state.mn.us/hrd/pubs/fiscaldis.pdf>

New Jersey's Meadowland Commission

<http://www.meadowlands.state.nj.us/municipal/tax/theory.html>

Capital District Juvenile Secure Detention Facility Project Background & Highlights

<http://www.cdrpc.org/JSDC.html>

Action Plan for the Justice Courts

<http://nycourts.gov/publications/pdfs/ActionPlan-JusticeCourts.pdf>

The Fund for Modern Courts - Town & Village Justice Courts Task Force Report

http://www.moderncourts.org/documents/justice_courts_08.pdf

Justice Court Consolidation in Villages and Towns

<http://www.osc.state.ny.us/localgov/costsavings/justicecourtbrochure.htm>

Special Commission on the Future of the New York State Courts

<http://www.nycourtreform.org/>

How to Consolidate Fire Protection in Fire Districts, Fire Protection Districts and Villages

<http://www.dos.state.ny.us/lgss/smsi/What's%20New%20Addition/Fire/Book%20Fire%20Districts.pdf>

Fire Coordinators by County

<http://www.dos.state.ny.us/fire/cfcountylist.htm>

Information on Fire Districts Reform

<http://www.osc.state.ny.us/localgov/fdreform/index.htm>

Fire Tax Manual - Street Listings

http://www.ins.state.ny.us/firetax/ft_str.htm

Town Special Districts in New York: Background, Trends and Issues

<http://www.osc.state.ny.us/localgov/pubs/research/townspecialdistricts.pdf>

Special Districts Consolidation in Towns

<http://www.osc.state.ny.us/localgov/costsavings/specialdistrict.htm>

Nassau County Special Districts: The Case for Reform

<http://www.nassaucountyny.gov/agencies/Comptroller/Docs/PDF/05Dec19-SpecDistRpt.pdf>

Newsday Story on Special Districts and Compensation for Their Officials

<http://www.newsday.com/news/local/ny-txtenheal0102,0,3665385.story>

Nassau County's Special District Election Date Study: A Crazy Quilt

http://www.resd.info/images/Special_District_Election_Date_Study.pdf

NYS Commission on Property Tax Relief

<http://www.cptr.state.ny.us/>

Thinking Beyond Boundaries Opportunities to Use Regional and Local Strategies to Strengthen Public Education in the Broome-Tioga Region

http://www.nyslocalgov.org/pdf/Beyond_Boundaries.pdf

2005 Public Authority Accountability Act

http://www.abo.state.ny.us/abo/about_outlineofProvisions.html

New York's Public Authorities: Promoting Accountability and Taming Debt

<http://www.cbcny.org/Authorities%20Book%2009-06.pdf>

Performance of Industrial Development Agencies

<http://www.osc.state.ny.us/localgov/pubs/research/idareport08.pdf>

Consolidated Local Street and Highway Improvement Program (CHIPS)

<https://www.nysdot.gov/portal/page/portal/programs/chips>



