

Prior Local Government Commissions

There have been several notable local government reform efforts at the state level in recent decades. Although producing a rich record of research and deliberation, these efforts have not produced dramatic systemic change or consolidation of local governments. While all such commissions (and many academic studies) have identified the State's antiquated and complex local government structure as a driver of high expenditures and taxes – that structure has not been fundamentally altered. However, some improvements have occurred and a number of state-level efforts now exist to promote service sharing and consolidation. A short history of commissions follows. Major points include:

- Every group that has reviewed local government issues has strongly supported more shared services and consolidation as potential solutions.
- Many local governments share services, and there have been many efforts across state agencies to encourage cooperation. Past commissions have concluded that state efforts to encourage shared services could be more successful if there were a central location for stimulating shared services, providing best practices information, etc.
- In contrast, consolidation, merger or dissolution of local government units rarely occurs; and past efforts to encourage it have been unsuccessful due to negative local reactions coupled with a strong home-rule environment.
- In addition to consolidation, common refrains in reform commissions are that mandate relief, more cooperation and regional approaches are needed. The Pataki commission focused more heavily on mandate relief compared to the Cuomo efforts, which focused more on service sharing and regionalism.

Commission on Local Government Reform (Pataki, 2002-2004)

Governor Pataki's Task Force on Local Government Reform had 22 members that were primarily local officials. It was co-chaired by the Erie County Executive and the Mayor of Kingston. The Budget Director, Secretary of State and Director of Real Property Services were ex-officio members and these agencies provided staff work; the Rockefeller Institute and other institutions also participated. The Task Force solicited comments from the public and local government leaders, evaluated possible reforms, and proposed recommendations to make local government more efficient. It held a series of regional meetings and issued an interim report with preliminary recommendations, but never issued a final report. The preliminary recommendations focused mostly on mandate relief and supporting shared services and consolidations. Recommendations included:

- Repeal Wicks Law
- Change binding arbitration to make a municipality's ability to pay first priority
- Redefine "Prevailing Wage" to include union and non-union labor
- Enhance local revenue by allowing fees for emergency services, flexibility for other fees/fines, and expanded deposit and investment options



- Change procurement rules to allow purchase at best value instead of lowest bid, and allow reverse auctions
- Provide expanded financing authority for local pension reform
- Enact Tort Reform, including collateral source offsets, moving claims against municipalities to the Court of Claims, and establishing a market-based cap for interest on judgments
- Establish a Local Government Clearinghouse, which would be a single point of contact between state and local governments for training and technical assistance, to improve efficiency and reduce “red tape”
- Provide a new generalized statutory procedure for merging municipalities, and protect merged municipalities from revenue sharing losses (latter has been enacted)
- Provide greater flexibility for intermunicipal cooperation and joint service agreements, including sharing property taxes resulting from development activities

Many of these recommendations were submitted as executive budget proposals in subsequent years, and some positive changes have been enacted, including save-harmless provisions for revenue sharing when local governments merge, other changes in merger procedures and joint services. The draft also recommended incentive grants to assist localities in designing and implementing reform initiatives – this recommendation, which has also been advanced by others, can be said to have been enacted in the Shared Municipal Services Incentive (SMSI) program. However, the major changes on this list have not been achieved. In fact, this year’s Executive Budget also included Wicks reform and collateral source changes that were not enacted.

The Task Force produced a draft final report in 2004, but it was never publicly released. The final recommendations in the draft report were in any event not very different from those in the interim report, although greater specificity was provided in the proposals to establish a state agency clearinghouse and single point of contact for local governments, and a local government advisory board was proposed for this new office. Other additions included regional “centers for excellence” in local governance, regional councils of local governments, and a charter communities program (allowing for freedom from mandates for selected local governments).

Commission on Consolidation of Local Governments (Cuomo, 1990-1993)

In his 1990 State of the State address, Governor Cuomo expressed strong concern about the large number of local governments, their small size in many cases, overlapping authority, and general lack of logic in structure – he concluded by stressing the need for consolidation. An executive blue ribbon task force was established, chaired by the Secretary of State. The group was composed of 18 members, including 2 executive branch members, 4 local government association representatives, 8 local officials, 3 union representatives and 1 business leader (Victor Riley from Key Corp, who chaired the Rockefeller Institute’s project, described below).



The Governor's Blue Ribbon Commission on Consolidation of Local Governments issued a lengthy interim report in 1991 and a shorter final report in 1993. Its final recommendations included:

- Improvements in merger procedures
- Expanded authority to transfer functions to county governments
- Hold harmless in revenue sharing for merged municipalities
- Expanded ability for shared service agreements (including allowing a group to do anything jointly that any one of them could do individually)
- Increased use of performance measurement and reporting to help encourage consolidation
- Financial incentives and technical assistance for municipalities contemplating consolidation
- Evaluation of workforce impacts for potential consolidations, including by labor-management committees.
- Formation of Intergovernmental Relations Councils
- An efficient procedure to allow towns to consolidate special districts, providing and taxing for them town-wide instead.
- Indexation of competitive bidding thresholds

The Task Force's recommendations included dramatic changes in merger and consolidation procedures, as well as new approaches to regionalization of services, but were generally not adopted. The Cuomo initiative stimulated contemporaneous efforts at the Rockefeller Institute and the State Education Department (described below) which – although creating a body of scholarly work – also did not result in substantial reforms.

Local Government Restructuring Project (1990-1992)

(Rockefeller Institute Studies and Task Force, a.k.a. the Riley Commission)

This project of the Rockefeller Institute produced scholarly studies clearly establishing the antiquated nature of New York State's municipal structure and providing a great deal of background on that structure, and the issues of cooperation, consolidation and regionalism. A distinguished advisory panel guided the work, and a final report was issued in 1992 which included model legislation. The recommendations were focused on new models to move toward regional governance and shared or more centralized services. Model legislation was proposed to:

- Allow for Metropolitan Municipal Corporations, in essence, regional multipurpose governments
- Provide for Joint Restructuring Study Commissions which could be created by any group of municipalities and given the power to place restructuring questions directly before the voters
- Provide voters with an opportunity at least once every 20 years for a referenda on whether there should be a fundamental re-examination of local government at the county level



- Expand functions for regional transportation authorities and regional or county planning boards
- Provide more financial options for joint activities (formalized service sharing)
- Discourage new village incorporations (by requiring town-wide approval)
- Ease provisions for adopting and altering county charters, and allow counties to perform any services for their municipalities

School District Organizational Change Study (1992-1995)

(Regents/State Education Department)

This was an attempt by the State Education Department (SED), carried out at the request of Governor Cuomo, to identify school districts that could/should be consolidated. It was a multiphase study, carried out with the assistance of researchers at Cornell, using statistical and other approaches to identify districts with productivity or efficiency issues that could be remedied through organizational change.

The study initially identified 139 school districts (approximately one-fifth of all districts) for further study, based on factors such as enrollment decline, high non-instructional expenditures, high tax effort and low wealth, a high reliance on state aid, and lack of a continuous K-12 program. In the second phase of the study, this group was significantly narrowed (and several other districts added), and 26 districts were studied further. Generally, SED attempted to weed out the districts that had successfully dealt with structural problems such as enrollment declines or low enrollment, and focus only on those districts which could not overcome such “organizational challenges” and had efficiency and performance issues. The Department worked cooperatively with these districts to help identify solutions. Interestingly, although the 139 districts initially identified were named, the smaller group given further study was not. Local and legislative reaction to the SED effort was very negative, and the process ended without any school districts being specifically identified for reorganization or dissolution.

In addition to the study described above, various legislative changes were studied. For example, in the first year of the effort, then-Commissioner Sobol recommended giving the Commissioner of Education the authority to direct school district dissolution or reorganization. The reaction to this idea was very negative, however, and instead the Regents put forth several legislative proposals to repeal outdated distinctions among various classes of school districts, simplify procedures for reorganization, and provide study grants and additional state aid incentives for reorganization. Most of these changes were not enacted, although efficiency study grants were ultimately provided (they have since been discontinued). State school aid formulas have for some time provided incentives for merging, which do factor into consolidation discussions. Over the past 20 years, 29 school districts have been eliminated through annexation, consolidation, or dissolution.

