

Savings Estimates

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 reducing or eliminating mandates, which we discuss in our section on cost-drivers. Local government consolidation and service sharing can save money, as studies and local actions have demonstrated.

We estimate cost-savings in the range of \$900 million to \$1.1 billion from our recommendations in those areas where we were able to quantify the fiscal impacts. This includes estimates for consolidating some school districts and back-office functions; requiring minimum employee contributions for health insurance, potential policing consolidations; coordinated highway services; special district reforms; and others. However, we believe 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 magnitude simply cannot be estimated at this time. These savings will depend upon local choices and may take short-term investments to realize long-term savings. We acknowledge that these estimates are not perfectly constructed, nor are they fully comprehensive.

Health Insurance		
Examples	Annual Savings Estimate	Assumptions
Statewide: Minimum Employee Health Insurance Contributions	\$473,700,000	This estimate is based on information from a recent Department of Civil Service survey and health insurance costs outside of New York City from the Office of the State Comptroller. The survey found that the average employee contribution for health insurance costs in municipalities, including those who did not contribute, was 3.3% for individual and 6.1% for family. In school districts, it was 10.6% for individuals and 12.0% for family. Total estimated medical benefits costs for municipalities and school districts is \$5.8B in 2008 (2005 costs increased by ten-year average insurance cost growth). This estimate is the difference between what is currently paid and raising the contribution to 10% and 25% (mixed rate of 16%).
Tompkins County: Municipal Cooperative Health Benefit Plan	\$1,100,000	This is a savings estimate that the Tompkins County Council of Government projected for their 2006 shared services grant application. The five local initiatives that submitted applications for a shared services grant all anticipated savings in excess of \$10,000,000/year.

Schools		
Examples	Annual Savings Estimate	Assumptions
Statewide: Smaller Districts School Consolidation	\$158,500,000 - \$189,200,000	This estimate is based on the potential savings for consolidating smaller school districts. Note that the Commission has not recommended small school consolidation, but has instead recommended processes that would encourage a full exploration of efficiencies to be gained from school consolidation. Research indicates that savings of over 20% can be expected from consolidating two 300-pupil school districts and that savings of 7-9% can be expected from consolidating two 900-pupil school districts. This estimate applies those savings percentages to total expenditures of school districts below 300 pupils (\$254.5M) and school districts with 301 – 900 pupils (\$1.5B).
Broome-Tioga BOCES: Regional Consolidation of Certain Functions	\$12,400,000 - \$16,100,000	This is the amount of potential savings that study of the Broome-Tioga BOCES found if the BOCES region acted as a single school district. If other BOCES across the State did the same in the areas of transportation maintenance and dispatch, facilities maintenance, and special education administration and found similar savings, \$87,500,000 to \$137,300,000 could be saved based on expenditures for these school districts.

Policing		
Examples	Annual Savings Estimate	Assumptions
Onondaga County and the Town of Clay: Police Consolidation	\$1,700,000	The Town of Clay estimates cost savings of over \$17 million over the next decade as a result of consolidating the Town's police force with the Onondaga County Sheriff. This represents a 20% reduction in costs without affecting service levels. Other police consolidation studies have found similar savings percentages between 10-20%. If these projections are applied to total town and village police costs (\$900M) the resulting cost savings would be \$90,000,000 to \$180,000,000.

Commissioner-run Special Districts

Examples	Annual Savings Estimate	Assumptions
Nassau County: Special Districts	\$23,800,000 - \$35,700,000	This is the Nassau County Comptroller's estimate of savings from " Cost-Savings Ideas for Special Districts in Nassau County ." It is based on saving 10-15% on current costs for commissioner-run special districts, which revolved around working with other municipalities to reduce costs, such as insurance. As these functions would be assumed by the town in the recommendation, these savings could be seen. An example of specific cost savings is the \$18 million that could be saved in the Town of Hempstead by transferring sanitary district management to the town as outlined in " Cost Disparities in Special Districts in Nassau County ."

Highway Services

Examples	Annual Savings Estimate	Assumptions
Chemung County: Shared highway services	\$420,000	This savings estimate, included in the county's shared services grant application, represents a 2% savings of the total annual transportation expenditures of all municipalities in Chemung County (\$18M). If this modest estimate was applied to total statewide transportation expenditures (\$2.2B) the resulting cost savings would be over \$50,000,000

Property Tax Administration

Examples	Annual Savings Estimate	Assumptions
Erie County: Consolidated Assessment	\$2,100,000 - \$3,900,000	These savings were projected in a recent report by the Erie County Comptroller if the county assumed all property assessment responsibilities within its jurisdiction. If these assumptions were applied to statewide assessment personnel costs (\$69,666,242) outside of Nassau, Tompkins, and New York City, which already have countywide assessment savings could be \$10,000,000 - \$30,000,000.



Property Tax Administration		
Examples	Annual Savings Estimate	Assumptions
Statewide: Duplicative Assessment	\$3,300,000	This estimate reflects total village expenditures in 2006 related to assessment activities. Also included are the total expenditures from duplicative city assessing activities in Glen Cove, Long Beach and Sherrill.

Justice Courts		
Examples	Annual Savings Estimate	Assumptions
Eleven Towns and Villages: Consolidation of Justice Courts	\$126,000	This is the amount of spending that could be saved in 11 town and village justice courts through consolidation according to a 2003 audit by the State Comptroller. This is 24% of total spending in these justice courts. Statewide town and village justice court spending totaled \$78.0M in 2006. If savings of 10% to 24% was found statewide \$7,800,000 - \$18,600,000 could be saved.

Civil Service Commissions		
Examples	Annual Savings Estimate	Assumptions
Statewide: Civil Service Commissions	\$322,000	This is a very conservative estimate of the savings of going to countywide civil service commissions. It is based on the eliminating the three-person boards of commissioners in the 43 non-county civil service commission, with each commissioner making \$2,500/year. This does not include cost savings for any additional staff reductions, nor does it include the cost to applicants for having to take the same test multiple times for different municipalities.

Consolidated Dispatch		
Examples	Annual Savings Estimate	Assumptions
Genesee County and the City of Batavia: Consolidated Police Dispatch	\$60,000	This represents the estimated net cost savings of the City of Batavia consolidating its police dispatch services with the Genesee County E911 as it was calculated in their joint shared services grant application. The Batavia City Budget projects \$200,000 in annual savings related to a reduction in personnel and equipment costs.
Onondaga County: Consolidated Dispatch	\$680,000	These savings, in 1992, were realized in Onondaga County's first year after consolidating the dispatching duties of seven entities within the county.

Local Initiatives		
Examples	Annual Savings Estimate	Assumptions
26 Local Initiatives	\$16,700,000	Several of the local initiatives had savings estimates generated locally (many included in their application for the 2007-08 shared services grant program), through a study, through an internal cost estimate by the municipality or a cost estimate from a participating state agency. This is the savings total for only 26 initiatives in project categories of municipal restructuring, countywide emergency dispatch, fire services, joint administration, procurement, health services, emergency facilities, joint sewer and water and smart growth, savings estimates are available.