

Local Government Efficiency and Competitiveness Recommendations in the Executive Budget

Governor David Paterson's [Executive Budget](#) includes a number of recommendations of the Commission on Local Government Efficiency and Competitiveness, as part of an overall effort to streamline local government and encourage efficiencies that benefit local taxpayers. Major items include simplifying and unifying local government consolidation procedures; providing flexibility to convert town administrative positions from elected to appointed; easing requirements for cooperative employee health plans; special district reforms and other mandate relief measures. Highlights include:

Consolidation Procedures

Reforms would ease the path for locally initiated municipal consolidations and dissolutions, with clarified uniform procedures for towns and villages. A simpler citizen petition process to dissolve villages and fire districts would also be provided, ensuring that citizen initiatives are not stymied by unclear and complex requirements.

Conversion of Elected Town Offices

Prior to 1974 towns had the authority to change the elective office of clerk, superintendent of highways, or receiver of taxes and assessments to appointive offices upon passage of a local law subject to a permissive referendum. This proposal would return that authority, and also allow town boards to abolish or convert elected highway superintendents to appointed commissioners of public works. These changes empower town boards and help pave the way for combined local offices and shared services.

Health Insurance

Intermunicipal health insurance plans are under consideration in many counties, which have identified needed reforms. Changes would ease provisions for municipal cooperatives, require insurers to provide claims experience to facilitate studies of such cooperatives, and re-evaluate requirements for local governments with fewer than 50 employees.

Multi-County Positions

Residency requirements for certain public officers make it difficult to provide functions across county lines, which may be desirable for smaller counties. These changes allow counties to share the positions of Director of Weights and Measures, as well as Public Health Director, and board of health.

Highway Services

Greater cooperation between the state and localities would be enabled through changes in law, particularly under emergency conditions.

Ending Pay and Perks for Special District Commissioners

Like school board members and fire commissioners, special district commissioners should not receive compensation or other benefits. There is great concern about these payments on Long Island, where most commissioner-run special districts are located. In addition, independent sanitation districts would be subject to town management, which will increase accountability and can help reduce costs.

Mandate Relief

Measures supported by LGEC include creating a Tier 5 retirement plan for new employees, Wicks exemptions for school districts, and making local procurement more flexible by increasing existing bidding thresholds, allowing “best value” contracting, and piggybacking on existing contracts. Other mandate relief measures are also provided, including “collateral source” reform to help lower local litigation costs. Further information is available [here](#).

Local Government Efficiency Grants

Local Government Efficiency Grants (previously SMSI) enable local governments to consider and implement a variety of consolidated and shared services, as well as municipal mergers. The LGE grant program would be preserved and over \$11.5 million available for grants, and new noncompetitive planning grants and 21st Century Demonstration Grants will continue to be offered to encourage transformative efforts.

Merger Incentives

When a village dissolves, or two or more municipalities otherwise merge, their Aid and Incentives for Municipalities (AIM) payments are preserved and paid to the remaining municipality. In addition, a continuing incentive is paid through AIM, equal to 15% of the combined property tax levy of the merged governments (capped at \$1 million annually). These incentives would continue under the proposed Executive Budget.

Detailed technical information on the LGEC recommendations in the Executive Budget is available in the [Public Protection And General Government Article 7 Bill Memo \(Part NN\)](#) or the bill itself [\(S56/A156\)](#).