Report on the
Local Government Restructuring Project
of
The Nelson A. Rockefeller
Institute of Government

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The Nelson A. Rockefeller Institute of Government, the public policy research arm of the State University of New York, was established in 1982 to bring the resources of the 64-campus SUNY system to bear on public policy issues. The main role of the Institute is the conduct of long-term public policy studies and special projects that inform and assist policy making and implementation, with a special focus on New York State. The current activities of the Institute center on two major themes: to improve the management of state and local government and to enhance the public service.
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Introduction

Victor J. Riley, Jr.
Task Force Chair

Over the past several years, government leaders across the state, in urban, suburban, and rural areas, have been concerned about rising costs and issues relating to the structure and organization of local government in New York State.

Governor Mario M. Cuomo has consistently expressed concern about the large number of local governments in New York State, their overlapping authority and territory, the lack of an apparent logic in the distinctions among types of local government, and the relatively small size of many of them. In his 1990 State of the State message, Governor Cuomo announced his intention to “appoint a Blue Ribbon Commission chaired by the Secretary of State and composed largely of local government officials to encourage the consolidation of local government.”

Concurrent with the Governor’s announcement in 1990, the Rockefeller Institute of Government formed a task force on the structure of local government and its efficiency and effectiveness. The objectives of this Institute project were to identify and analyze major issues of government structure in New York and to develop recommendations for model legislation.

Although this is an introduction to a project which stresses incremental steps, I believe a case can also be made for the more sweeping consolidation of local units through restructuring of governmental entities simply by using good old-fashioned horse sense. What other structure — corporate, academic, or social — has not more efficiently reconfigured itself to accomplish its mission?
All too often, studies, many of them offering well thought out recommendations by insightful, intelligent, and committed persons, lie unimplemented, unrequited, and unsung gathering dust on the shelves of academe. To do our best to avoid such a fate for this local government restructuring project and to vindicate the time and talent of its many contributors, it was agreed that the project recommendations would take the form of model legislation. Thus, actionable outcomes would result. The ultimate responsibility for the final form of the model legislation rests with our elected officials. Legislation enacted now will affect how we govern ourselves for years to come. In recognition of that responsibility, I hope the task force and its advisory committee can review the legislative progress of these model bills and offer help and encouragement to achieve a wise and successful legislative result.

When Benjamin Franklin stated “we must hang together or, assuredly, we will all hang individually,” he was speaking of dire consequences, in dire times. His sentiments on unity and cooperation for the common good remain valid today. If New York is to achieve its potential in the nineties and beyond, we must “hang together” conceiving and seizing good ideas for consolidation and regionalization. Without this cooperation we will be left suspended amid an environment of missed economic opportunities, crippling internal competition, and costly, overlapping services.

The persons contributing to this study are the intellectual insurance protecting us from such an outcome. Accordingly, I want personally to thank my co-chairs on the project, Richard P. Nathan and Robert D. McEvoy. Their time, energy, scholarship, and experience drove this effort. Special thanks to Frank Mauro whose organizational and project management skills have contributed greatly to a successful outcome. A particular note of appreciation to our expert advisory committee for their time and input; we were most fortunate to have the finest academic and public and private sector minds in the country working with us.
In closing, I acknowledge the work being done by Secretary of State, Gail Shaffer, Chair of the Governor’s Blue Ribbon Commission on Consolidation of Local Government. Gail’s participation, via the Governor’s Commission, clearly demonstrates the true partnership forged among the academic, public, and private sectors in this endeavor.

Victor J. Riley, Jr., is the chairman, president, and chief executive officer of KeyCorp, a multiregional bank holding company based in Albany. Mr. Riley joined Key Bank in 1964 and was named president and CEO of the holding company in 1973. He earned his B.A. in economics from the University of Notre Dame. In addition to his many other civic activities, Mr. Riley is chairman of the Local Government Restructuring Project.
Project Background Statement and Summary

Frank J. Mauro
Project Director

Serious opportunities to alter the basic structure of local government arise about once in a generation. Therefore, the recent resurgence of interest in the structure and organization of local government in New York State is especially important.

New York’s local government system, originally patterned after those of England and Holland, is currently one of eleven in the United States with large portions of its population within the jurisdiction of several separate general purpose governments. All New Yorkers, except those living in New York City, are governed by at least two general purpose governments and sometimes three. Each of New York’s four types of general purpose governments (counties, towns, cities, and villages) performs a wide variety of functions and services and is governed by its own elected legislative body. Whether a locality is a city, town, or village is more a matter of historical accident than any hard and fast distinctions among the classes (the town of Webb in Herkimer County is geographically larger than sixteen of New York’s counties; the population of the city of Sherrill in Oneida County is only 2,830; and the village of Freeport on Long Island has more people than three-quarters of the state’s 62 cities).

In 1987, the State Academy for Public Administration organized a project to look at “Governance in the Twenty-first Century.” This project identified four issues of critical importance to the future of New York State. Over the next several years, the State Academy for Public Administration together
with the Rockefeller Institute established a series of public-private study groups to address each of these four issues. The last of these efforts, the Local Government Restructuring Project, was organized in early 1990 and dealt with the structure and functioning of local government in New York.

In his 1990 State of the State message, Governor Mario Cuomo remarked that many local governments “are unable to take advantage of economies that large, better coordinated bodies could use.” And he announced his intention to appoint the Blue Ribbon Commission “to encourage the consolidation of local government.”

The concerns that motivated interest in the consolidation of local governments also encouraged the governor and others to look for ways to provide for joint or cooperative local government services without changing the formal local government structure.

While many government officials and business and civic leaders have been showing interest in local government consolidation and cooperation, efforts to create new jurisdictions have also been underway. Several of these reached the legislature or the courts and received considerable public attention. The most publicized was legislation authorizing a referendum to consider the secession of Staten Island from New York City. Other initiatives included the creation of the Kiryas Joel school district in Orange County, the attempt to incorporate a new Village of Mayfair-Knollwood (to thwart approval of the proposed WestHELP homeless housing project in the Town of Greenburgh in Westchester County), and the desire to form a sixty-third county (Peconic) out of eastern Suffolk County.

Although these trends are in some measure contradictory, they both call for a refocusing of attention on the frequently competing considerations of efficiency, effectiveness, local control, participation, and representation in local governance in New York. The Local Government Restructuring Project was organized to provide practical advice to state and local policy-makers and to help them and the public think through the
implications of these values for New York’s local government structure.

This booklet summarizes the activities and outcomes of the project. The Introduction by Task Force Chair Victor Riley, Jr., and papers by the other two task force members set the stage. In his “Note on Theories of Local Government,” Richard P. Nathan reviews two major theories of local government. Robert D. McEvoy’s “Models for Sharing Intergovernmental Services” is based on his keynote address at the City and Town Intergovernmental Summit Meeting in Providence, Rhode Island, in June 1991.

The next section of this booklet describes the phases of the Local Government Restructuring Project. Summaries of the background papers as well as a copy of the October 1990 Conference Program are also included. Summaries of nine model legislative proposals, the important outcome of the project, are included in the final section.

Frank J. Mauro is the deputy director of the Rockefeller Institute of Government. Prior to his appointment to this position in late 1989, Mr. Mauro was the director of research for the New York City Charter Revision Commission. The commission’s recommendations for changing the structure and operations of New York City government were adopted by the voters in November 1988 and 1989. Before joining the Charter Commission, he served as secretary of the Assembly Ways and Means Committee. He is a graduate of Union College and the Maxwell School of Citizenship and Public Affairs at Syracuse University.
The last thing a group of practical people want to be told as they set off to reform government is that they should stop and take a look at the underlying theory. When this task force was conceived, I said I thought we should do this. I promised to write a "Note" on the subject, the idea being that we should base our work and recommendations in part on larger notions of governance. Keeping this promise, this paper explores briefly two major theories of local government, which I describe below as the "home rule" and consolidationist models.

All such inquiries in the U.S. begin with the Founders. Yet the Founders have relatively little to tell us about local government. They were preoccupied with the creation of a national government. Their biggest challenge was how to deal with the role of the states. Madison, Hamilton, and their friends probably would have liked to "deep six" the states. Indeed, some interpretations of the Constitution suggest that this is what they tried to do. But as one historian (James H. Hutson of the Library of Congress) notes, "the people out of doors" wouldn’t stand for that. The Federalist Papers as a result made more out of the role of the states than Hutson believes the authors would have liked, given their druthers.

In any event, the big issue was federal-state. The Constitution nowhere mentions local governments, which were left to the states by default. A persistent issue at the state level has concerned the degree of local autonomy permitted by each state. For much of recent history, the country pretty much operated under "Dillon’s Rule" (John Forrest Dillon was a 19th century Iowa state chief justice who also wrote about municipal government). Dillon’s Rule says that local governments are "creatures of the states," which breathe the very life into them. States, said Dillon,
set the boundaries and prescribe taxing and other powers of local units.

But it would be wrong to go too far with this. Home rule has strong appeal in American politics. Alexis de Tocqueville, when he came to the U.S. in the 1830s, ostensibly to inspect prisons, saw local government as critical to the American system. He said, “The principle of sovereignty of the people governs the whole political system of Anglo-Americans.” And continuing—“Municipal independence in the United States is . . . a natural consequence of this very principle of sovereignty of the people.” Tocqueville was fascinated by New England town meetings and based his view of local government on their experience.

Twentieth century scholars on American state and local government have largely abandoned such a strong localist position. Influenced by notions of economies of scale and “burden spreading” (redistribution of resources) in urban areas, the post-World War II period has been dominated by the so-called “consolidationist” school of local government. Big is beautiful! The Miami-Dade County, Indianapolis, Nashville, Jacksonville, and Oklahoma City models of governmental consolidation have been studied in an approving way by scholars. Outside the U.S., the Toronto “two-tier” model and the Greater London Council (since abandoned) also have been looked to as models.

More recently, however, a contrary strand of theory has gotten a foothold. Grounded in public choice economics, the ideas of Vincent and Elinor Ostrom and Robert Bish have been disseminated in academe as an alternative way of thinking about local government. These scholars argue against the consolidationist position. They maintain that the model of the marketplace fits local government. Like de Tocqueville, they highlight the idea of community. Their theory challenges the “crazy quilt” caricature of American government as too fragmented and highly inefficient.

Bish and the Ostroms take the view that people “consume” government. Following the public choice school of economics, they see people as choosing the governmental arrangements and services they want to consume. They vote with
their feet. The organization of local services reflects the governmental services people want, how much they want, and whom they want to buy it from. The size of the service “shed” (that is, the geographical area for a given local public service), depends on the nature of the service involved. For example, transportation and sewerage may have a bigger service shed than police or schools, etc. The resulting fragmentation and layering of American local governments (cities, towns, schools, and special districts) is said to reflect this political marketplace.

The public-choice school of local government has put forward this theory, and not surprisingly for academics, a contrary view has emerged. It is reflected in research by political scientists who, in effect, have put to empirical test the question: “Wait a minute, do people really prefer these fragmented home rule arrangements?”

W.E. Lyons and David Lowery recently have challenged the public-choice theory of local government by comparing the perceptions of and attitudes towards local government in two large cities in Kentucky. One is the consolidated model as found in Lexington, Kentucky. The other is a fragmented model, as found in Louisville-Jefferson County. The results of the Lyons Lowery survey of 2,000 people show that people know less about and have less positive attitudes towards local government in the case of the Louisville fragmentation model than the consolidated Lexington model.

My point is not to suggest that this task force should take a position on this debate but rather that we should be aware of it. In my view, big is generally more efficient. But the sense of community and attachment to it and the flexibility of the home rule/fragmentation model of local government in the U.S. cannot be dismissed easily and altogether. Whatever the task force does, it will (perhaps without being very explicit about it) take a position somewhere in the middle of the continuum between the home rule/fragmentation pole and the consolidation position.

Underlying this choice are questions involving competing values. Community versus efficiency. Equity versus a free marketplace for governmental organization. No pure answer ex-
ists. Circumstances and differing preferences will invariably lead to different outcomes. This is bound to be the case even if the task force comes up with proposals (as I expect it will) to combine units in organizing some governmental services, and perhaps generally in some situations, in order to take advantage of economies of scale and enhance efficiency.

To sum up, my purpose in writing this "Note" is not to urge a position but to offer framing ideas for the work of the task force. The in-depth studies by the authors of the papers for the task force will produce a large amount of information. We need to keep our wits about us to sort it out and avoid drowning in it. I believe we will find it useful in organizing this information to consider the ways in which it fits the home rule and consolidationist models and the values underlying each.

Richard P. Nathan is director of The Nelson A. Rockefeller of Government and provost of The Nelson A. Rockefeller College of Public Affairs and Policy of the University at Albany, State University of New York.
Models for Sharing
Intergovernmental Services

Robert D. McEvoy

The Local Government Restructuring Project of the Rockefeller Institute of Government in New York State is a public/private venture which is chaired by Victor Reilly, Chairman and Chief Executive Officer of Key Bank.

Our interest in shared services in New York and Rhode Island is driven, at least in part, by what has happened to the Northeastern economy. The developments of the 1987-90 period stand in sharp contrast to the strength that our economies demonstrated in the 1980s; and our state and local governments are finding it extremely difficult to adjust to the radical economic and fiscal changes that they are experiencing.

To put our current situation into the context of recent history, think about the following facts:

- During the 1980s the nine Northeastern states accounted for 18 percent of the nation’s new jobs, double their share in the 1970s.

- The Northeast was the only region of the country to register stronger job growth in the 1980s than in the 1970s.

However, since 1987, the bottom has virtually fallen out of the Northeastern economy. Between November 1987 and November 1990, the nine Northeastern states ranked between 39th and 50th in job growth.

- Rhode Island, New Hampshire, and Massachusetts actually saw an absolute reduction in their total nonagricultural employment.
New Hampshire fell the furthest, from third in the country in job growth from 1979 to 1987, to 49th in the 1987-1990 period. Rhode Island fell from 25th to 48th, New York from 27th to 47th, and Massachusetts from 17th to 50th.

This economic downturn has had the negative effects, with which we are all too familiar, on the finances of our region’s state and local governments. Tax revenues have fallen more drastically in New England than in any other part of the country. A recent study by the Rockefeller Institute finds that, after excluding the effects of legislated tax changes, tax revenues in New England were down 7.5 percent between the first quarter of 1990 and the first quarter of 1991.

Looking at Local Government

When times are tough, as they clearly are now, two things relative to local government almost always happen.

First, local governments get fewer resources from the federal and state governments; but, they are simultaneously expected to accommodate the normal increases in the cost of living and to meet the increasing service demands that frequently accompany bad times. The situation is even more challenging during the current recession because over the last decade the whole intergovernmental system changed — we basically established in this country what John Shannon, now of the Urban Institute and for many years the chief fiscal expert at the U.S. Advisory Commission on Intergovernmental Relations (ACIR), calls “Fend for Yourself Federalism.”

“Fend for Yourself Federalism” means that the U.S. Attorney is likely to tell you that he cannot prosecute the foreign and alien drug dealers you would like to have arrested, because he has barely enough resources to continue what he is currently doing.

“Fend for Yourself Federalism” means no more federal revenue sharing, the concept created by ACIR in the fifties.
to decentralize federal power that was adopted in the 1970s and ended two years ago.

- “Fend for Yourself Federalism” means thousands of disabled people were removed from federal SSI rolls and transferred to state and locally funded home relief type programs, or they became the homeless.

- It means that all new Meals on Wheels routes — food for the elderly — are 100 percent local government funded. The federal government capped their payments for this federal program, while the elderly population grows dramatically.

- It means that the federal government has drastically reduced its payments for veterans in nursing homes, turning them into Medicaid cases with substantial state and local costs.

The intergovernmental system that we all knew — is gone. We are very much alone. This is “Fend for Yourself Federalism.”

The second thing that usually happens in times like these is that business leaders and state officials begin talking about the potential savings that can be realized by merging local governments or at least providing certain services on a joint or cooperative basis. The idea of savings through economies of scale and/or the elimination of duplicative overhead costs is a perennial one. But, two things have usually happened following such calls: 1) there has been, almost automatically and immediately, resistance from local officials; and 2) those advocating such changes tend to lose interest as the economy begins to improve.

Well, once again we are in a period in most states when times are tough, and, quite naturally, interest is being generated in the more efficient and effective delivery of governmental services. This time, however, in New York at least, local officials are reacting differently. While there are still some who are responding in a knee-jerk manner, there are many others who are interested in pursuing the matter intelligently and rationally to
determine what savings and/or service quality improvements are really possible. Moreover, I am hopeful that interest will not wane this time as soon as the economy improves; and, I hope that we engage in the rigorous thinking that is necessary to make good decisions and to carry through on the implementation end — the hardest part of this puzzle.

Schenectady County, New York

Schenectady County, which I manage, is part of New York’s Capital District — what the Census Bureau and others call the Albany-Schenectady-Troy Standard Metropolitan Statistical Area. It is located about 160 miles north of New York City. The urban center of the county, the city of Schenectady, has seen a steady decline in its population from 92,000 in 1950 to 65,600 in 1990. Over this same period, the population of the rest of the county (five suburban and rural towns) increased from about 51,000 to approximately 84,000.

The Schenectady County government is a $124 million-a-year service business which is attempting to meet many of the human service, criminal justice, cultural, and infrastructure needs of the 150,000 residents of a geographical small (by New York standards — 206 square miles), but demographically diverse county. For example, population density varies from over 6,000 people per square mile in the city of Schenectady to about 77 people per square mile in the rural town of Duanesburg. Geographically, we are the second smallest of the 57 counties in New York State (outside of New York City).

Our small geographic size relative to the other New York counties makes us the equivalent of New York State’s own mini-Rhode Island — so we know what it means to be small but proud, innovative, and hard working.

Counties were originally created as subdivisions of the state for purposes of governmental administration. In New York State today the counties are responsible for the provision of many of our most important, most costly, and most “difficult to administer” state-mandated services: welfare, Medicaid, aging,
health, and incarceration, among others. By the way, on the topic of state mandates, New York and Rhode Island were rated very similarly in the study, Measuring Local Discretionary Authority, that the U.S. Advisory Commission on Intergovernmental Relations did in the 1980s. New York was ranked 35th and Rhode Island was ranked 38th among the fifty states in terms of the degree of discretion that they grant to their local governments.

**Drawing Comparisons**

To draw some comparisons between the challenges and opportunities facing New York and those facing Rhode Island, I will briefly use my own county and my own metropolitan area as examples.

In 1987, the Albany-Schenectady-Troy Standard Metropolitan Statistical area, with a population of about 800,000 (compared to 975,000 in Rhode Island) and a geographical area about two and one half times as large as Rhode Island (2,599 compared to 1,054 square miles), had, according to the U.S. Bureau of the Census, twice as many independent local governments as the entire state of Rhode Island. In addition, New York has a multilayered system of local government compared to Rhode Island’s basically single-tiered system. In all of New York State (outside of New York City) every resident is served and taxed by at least two general purpose governments (the county and either a city or town). Many town residents are also served and taxed by village governments. As you know, in Rhode Island the structure is much simpler, with the state covered by 39 mutually exclusive cities and towns. Our Albany-Schenectady-Troy area alone is similarly divided into 68 cities and towns, and overlapping some of the town areas are 32 villages.

School districts add another level of complexity to this situation. While some school systems in Rhode Island have independently elected boards, they are all dependent agencies of and coterminous with a city or a town or, in a few cases, several towns. In most cases in New York State, school districts are independently elected with independent taxing and borrowing authority, and they overlay the general purpose local government structure in a crazy quilt manner.
In Schenectady County, alone, we are served by eleven different school districts. Only one of these eleven districts (the Schenectady City School District) is located entirely in Schenectady County, and all of them (including the city district) serve parts of two or more municipalities. One of our towns is overlapped by five different school districts, each with their own elected boards and with the independent authority to levy taxes and borrow.

Within this overall governmental framework, how does the Schenectady County government relate to the state government and the other localities in and contiguous to the county? Besides being a $124 million-a-year business, we are also a closely held subsidiary of a very large enterprise, the state of New York, which annually through its own agencies and through all of its local governments raises and spends close to $100 billion. But we are not the only “subsidiary” serving the people of Schenectady County. Our situation is a little more complex than that in Providence or Woonsocket, because in no part of New York State, outside of New York City, is there a single local government operating as the state’s service delivering subsidiary.

“Form Should Follow Function”

At this point, I would like to toss out a principle for you to keep in the back of your mind. That thought is that “form should follow function.” Form is a means to an end, not an end in itself.

Think about the little two-year-old child who is on Medicaid and who has a cocaine addicted mother. Ask where the child and other neglected children have to go to get the health care and other services that they need to survive throughout the rest of their childhood. Form should follow function. Create the structure that connects children to critically needed services.

Models of Service Delivery

As all of you may know, there are models of cost-effective service delivery in many, many places throughout this country and
in many foreign countries. We are way behind the times when we look at some other countries.

If you look at Ireland, you will find that when they reformed their local government system they said “we cannot afford the United States system, but we want to be democratic.” So they said if we have a little village, we will have an elected body. All of you will be Board members if you want to run for office. You will decide whether you have garbage collection at the curb or in the backyard and how many times a week and all the other policy decisions that elected Boards should make. However, they said, we cannot afford to have seven or eight or ten directors or superintendents of public works (or highway superintendents) in a small area that might have seven or eight or ten villages and towns. So, they said, all the services will be provided at the regional level of government. You can call it a county, you can call it a large town. Whatever it is called, it is at a large level of government. That is the Irish plan, and it works cost-effectively.

Their plan has been duplicated in this country in California. It is called the Lakewood Plan. City managers contract all their services through the county of Los Angeles. If Ireland can have such a plan, and California can have such a plan, can we have it in New York or Rhode Island? I think the answer is potentially and hopefully “yes” in both cases. I think, however, that you have to get to that reality in very different ways in the two states because of our different starting points, the very different “current conditions” from which we must move to any new arrangement.

Consolidation in Schenectady County

Schenectady County operates the largest New York State licensed garden waste composting system. The majority of the labor for our system is provided by alternative sentenced prisoners who are not paid for performing this service to society. They bring their own lunch and sleep at home. The system is located at our county farm and is operated by our Soil and Water Conservation District.
We are also designing a solid waste (garbage) composting system. This is another intergovernmental cooperative effort. Municipalities, private haulers, and individual citizens will bring in the raw material and we will make the product. We are testing the economic feasibility of making sod from the waste compost — on another piece of land we own and, of course, with little labor cost.

At our county level, we also provide civil service, youth, human rights, elections, employment and job training, and planning services to our towns, city, and villages.

Remembering “form follows function,” think of what we do for the neglected/abused child who is now in school, becoming truant, and getting into trouble. We do negative academic things like reducing grades but we also send him to five or six different places where he is a client — probation, child protective services, family court, private contract psychological counseling, etc. — all outside the school where he is struggling to succeed. We have started a project to discard this old approach and are placing a team in the schools, to work under the supervision of the schools, to provide the necessary services — a multimodel, case-managed team effort for these neglected, abused, suffering children.

Another example is consolidation of our library system. Our library is the only countywide system exclusively owned and operated by a county government in New York State. It is a highly automated, cost-effective system that operates eight branches and a large central library with extensive reference services used by such large companies as GE. We use a branch cluster concept, which means that we have a professional librarian running three branches. The only other people in the branches are basically clerks and volunteers.

The results of this service consolidation are dear. Our unit cost for circulating library materials was recently measured at $329 per item (which is a book, a videotape, whatever you are circulating). The total for all New York State, on average, in that survey was $4.51. The system is so cost effective that when other town or city systems were closing branches, we were building them.
I am particularly proud of an inner-city idea for our libraries that we copied from Chicago called Homework Centers. These centers for latchkey children whose parents (or more likely whose parent) do not get home until 5:00 P.M. are located in the most urban branches of our library. As the result of working with the schools, the textbooks for classes are available at the Homework Centers as are study desks and personal computers. Most importantly, staff members have accepted this challenge. As a result, these sometimes very lonely little children get help with their homework and also some love.

We are making progress. To effect statewide change in New York or Rhode Island or any other state, however, we will need to create state incentives. Some states have already done this; others are trying to do so. Virginia is a leader in this field with incentives in its aid formulas designed to encourage regional cooperation in health, social services, and jails. This year the governor of North Carolina recommended that the state not give any aid for the administrative overhead involved in having more than one school system in any of the one hundred counties in that state.

**Implementation and Planning**

Before closing I would like to focus, as I hope you will, on the importance of implementation and transition planning. Cooperative service delivery, shared service delivery, and consolidation can all save money and/or improve service quality... but they will not do so automatically. To reap the potential benefits from such steps you must very carefully plan out the transition to the new system and then closely manage that transition. The benefits of shared service delivery will not come to pass just because they are theoretically possible. There have been reorganizations where the potential savings were not realized because once the policy decision was made, no one devoted the effort necessary, on a multiyear basis, to careful management and monitoring.

In New York and Rhode Island, we have related but different challenges. We have fragmentation, duplication, and overlapping. You have greater fragmentation: outside of Providence, the average size local jurisdiction has only about 16,000 people.
Economies of scale are very difficult at this level. While you have the advantage of a clean system without layering and cross-cutting boundaries, you do not have the available county government institutions to take on regional responsibilities. You must therefore invent institutional arrangements to fill that void.

**Choices**

You have a number of options to consider which others have planned and implemented in recent history:

- **Two Tier System** — Two examples of this are:
  - The Miami/Dade County Second Tier model, which covers police services including investigations and crime labs.
  - The Metro Toronto Second Tier model with water, sewer, transportation, and police. Sixty-four percent of the population in Ontario, Canada, live under two-tier service provision — known as federated local government.

- **The Lakewood Plan** (The U.S. counterpart of the Irish Plan)
  - In this model towns contract for whatever services they wish to with their county. The typical mix of services offered by the county under the Lakewood Plan includes the library, police, fire, planning/zoning, street lighting, road construction and maintenance, engineering, health, elections, and animal control.

- **Enlarging Cooperative/Consolidated Service Delivery Among Cities/Towns:**
  - In New York State almost 80 percent of all local governments have intermunicipal agreements for service provision — albeit, for a small number of services.
  - Pennsylvania has circuit riders, managers who manage service delivery in a number of towns.
  - The Louisville/Jefferson County compact uniquely parcels out services between the two governments.

- **Multipurpose Districts and Metro Councils:**
  - California, Oregon, Colorado, and Washington have legislatively authorized the creation of metrowide
multi-purpose districts. This is a form of two-tier government — without eliminating the identity or autonomy of local government units. Metro Seattle and Portland Metro Service Districts provide one- or two-tier services such as sewage, transportation, and solid waste composting (Seattle). There could be many more services provided.

- Council of Governments (Voluntary Associations of Local Governments):

  Council of Governments or “COGs” were created by a number of states to review federal grant applications under the federally mandated A95 review process as well as to provide regional planning services. In some states, COGs are also providing some direct services. A good example of this is the Centre Region, which is comprised of the six communities surrounding the University of Pennsylvania. It provides parks and recreation, code enforcement, fire and ambulance, library, and senior citizens services.

  In the Capital Region in New York State, we use our COG for regional planning as well as to administer the foreign trade zone and economic development district.

  The challenge we have is an exciting one. We have an opportunity to create the model service delivery systems of the future.

Robert D. McEvoy is the county manager of Schenectady County, New York. Mr. McEvoy has over 25 years of service to local government in New York State, including terms as city and village manager. He also has been active in professional organizations such as the International City Management Association and the New York State Municipal Management Association.

This paper is excerpted from the Keynote Address he delivered at the City and Town Intergovernmental Summit Meeting in Providence, Rhode Island, on June 3, 1991.
Description of the Local Government Restructuring Project

The Local Government Restructuring Project of the Rockefeller Institute of Government was created to identify and analyze the major issues facing New York State regarding the structure of its local government service delivery system. Particular emphasis was placed on the relationship between local government structure and the effectiveness with which government services are delivered. A key goal of the project was to recommend model legislation for restructuring local government to increase its efficiency and effectiveness.

The Task Force

The project was directed by a special task force consisting of one member from the private sector, one from government, and one from higher education. The task force chairman, Victor J. Riley, Jr., Chairman and CEO of KeyCorp, is a private sector leader who has called attention to the stakes of New York’s business community in the effectiveness of the state’s local government service delivery. Riley also serves on the Governor’s Blue Ribbon Commission on Consolidation of Local Governments. The government member of the task force was Robert D. McEvoy, the Schenectady County Manager. McEvoy, a long-serving and respected member of the city/county management profession, was also a member of the State Academy for Public Administration’s “Governance in the Twenty-first Century” project. The third member, Richard P. Nathan, is director of the Rockefeller Institute of Government and provost of the Rockefeller College of Public Affairs and Policy of the University at Albany, State University of New York.
With the assistance of an expert advisory committee, the task force identified major issues facing New Yorkers regarding local government structure and commissioned five background papers on key aspects of this subject to be presented at a fall conference. A long list of proposals for model legislation was developed at the conference and several follow-up seminars. This list was narrowed down and resulted in the preparation of nine model bills for enhancing the efficiency and effectiveness of local government service delivery.

The Advisory Committee

The task force’s 20-member advisory committee was chaired by Dr. William Cassella, retired executive director of the National Municipal League and chair of the national group that recently redrafted the National Civic League’s Model City and Model County Charters. While the advisory committee members represented both the private and public sectors, no currently sitting elected officials served on the committee, although some private-sector leaders with prior experience in elective office were included. The members of the advisory committee were:

- Guthrie Birkhead, Syracuse University
- Larry N. Blick, Assistant Hillsborough County Administrator (Florida)
- Walter Broadnax, Center for Governmental Research, Rochester (New York)
- Alfred Del Bello, former Lieutenant Governor, former city and county official (New York)
- William Dodge, Jr., Management Consultant, Pittsburgh
- Mort Egol, Arthur Andersen and Company
- John J. Feeney, former First Deputy Comptroller
- Robert F. Flacke, Fort William Henry, former Commissioner of Environmental Conservation, former town official
- Anton Gardner, Arlington County Manager (Virginia)
- William N. Hansell, Jr., International City Management Association
- John Keith, Institute of Public Administration
The advisory committee played a primary role in the project’s initial problem-definition and issues-identification process. This phase of the project was designed to assist the task force in setting the agenda for its deliberations and discussions. In addition, the advisory committee members played a prominent role in the conference at which the basic legal and political issues were explored.

The Background Papers

As a foundation for task force deliberations, five background papers were prepared by experts in this field. These background papers were distributed in advance to conference participants invited to attend the conference held in October 1990. Summaries of the papers are included in this booklet on pages 27-34.

- New York State’s Local Government Structure: Intrastate and Interstate Comparisons by Gerald Benjamin, Professor, SUNY, New Paltz
The Evolution of New York State’s Local Government System by Gerald Benjamin, Professor, SUNY, New Paltz

New York State Law and Its Impact on Cooperation, Consolidation, and Coordination by Richard Briffault, Professor, Columbia University School of Law

Legal Processes for Facilitating Consolidation and Cooperation Among Local Governments: Models from Other States by George F. Carpinello, Director of the Government Law Center and Professor at Albany Law School, and Patricia E. Salkin, Assistant Director of the Government Law Center

The New York Experience with Cooperation, Coordinating Structures, and Consolidation by Sarah F. Liebschutz, Professor, SUNY, Brockport

The October 1990 Conference

The purpose of the October conference on local government restructuring was to inform and sharpen the task force’s thinking on the subjects to be addressed in its final recommendations. The conference began with a plenary session during which:

• Anton Gardner, County Manager of Arlington County, Virginia, presented the results of a special project of the International City Management Association on “The Future of Local Government in the United States.”

• Victor J. Riley, Jr., Chairman of the Local Government Restructuring Project and Chairman and CEO of KeyCorp, gave the Keynote Address on “The Challenge in New York State.”

• Gail S. Shaffer, Secretary of State, spoke about the work of The Governor’s Blue Ribbon Commission on Consolidation of Local Governments.

Conference participants then chose from among four concurrent sessions to discuss the main issues identified by the
task force and the advisory committee. The topics of the sessions included:

- Incentives for cooperation in service delivery
- The law governing local government restructuring
- New York experiences at local government restructuring and cooperative approaches to service delivery
- Cooperative approaches to service delivery and alternative structural arrangements: examples from other states

Model Legislation

As a result of the conference and several follow-up seminars, nine model laws were developed for consideration by New York and other state governments. These proposals include:

- A broad grant of authority to municipalities to enter into contracts with the county in which they are located to provide municipal services.
- Authorization for localities to establish regional, multipurpose special districts to meet areawide needs.
- Authorization for localities to expand the functions of an existing regional transportation authority to meet area-wide needs.
- Authorization for localities to expand the functions of an existing metropolitan, regional, or county planning boards to meet areawide needs.
- Authorization of a simple, straightforward approach to financing joint activities of two or more governmental units.
- Requirement that all voters of a town be allowed to vote in the election held when the incorporation of a new village is sought.
• Authorization of additional methods for amending county charters (based on the methods available for amending city charters) in order to make use of the current authority to transfer functions through locally adopted county charters;

• Authorization for the establishment of joint restructuring study commissions by two or more municipalities; and

• Requirement for periodic elections (every 20 years) on the establishment of restructuring study commissions to review the existing forms and powers of all local governments and the delivery of services in county areas.

More complete summaries of the proposals are included in this booklet on pages 35-43. While these proposals are intended as models for any state to consider, they have been drafted to fit within the current structure of New York State’s statutes. Copies of the model laws are available from the Institute, and project staff is available to discuss the applicability of the individual proposals in the context of other state’s statutes.
Summaries of Background Papers

1. New York State’s Local Government Structure: Intrastate and Interstate Comparisons

Gerald Benjamin,
Professor of Political Science, SUNY, New Paltz

In his discussion of the evolution of New York State’s local government structure, Benjamin speaks of the “system that just grew.” He states that “there is no contemporary rationale for New York’s structure of general purpose local government. Though New York law creates four distinct categories of these governments — counties, town, cities and villages — their similarities are far more striking than the differences among them.”

In this paper, Benjamin also provides comparisons with other states concerning:

Layering of local governments in New York — New York is one of eleven states in which citizens may live within the jurisdiction of three general purpose local governments simultaneously.

The number of local governments in New York — New York ranks eighth among the states in number of local governments, with 3,302 reported in the 1987 census of governments. Its ratio of local governments to population is deceptively low, because of the impact of New York City, a single comprehensive metropolitan government (Table 1);

The types of local governments — New York is among those nineteen states that use the township form of government, and New York has a larger proportion of towns and school districts than does the nation as a whole; and
The distribution of local governments within New York — New York tends to have a higher proportion of its counties with relatively large numbers of local governments than the national average and other populous states.

Gerald Benjamin is professor of political science at The State University of New York at New Paltz, chairman of the Ulster County Legislature of New York, and director of the Project on the Modern Governorship at the Nelson A. Rockefeller Institute of Government. Alone or in collaboration with others, Benjamin has authored or edited nine books and numerous published government reports and research papers, most extensively on the subject of state and local government.
2. The Evolution of New York State’s Local Government System

Gerald Benjamin,
Professor of Political Science, SUNY, New Paltz

In this paper, Benjamin examines the history and development of four categories of general purpose local governments — counties, towns, cities, and villages — and concludes that they have converged. Though currently distinct in form, they are not very different in function.

As the pattern of local government in New York developed over four centuries, the range of functions permitted each type of local government grew. After reviewing the history of the development of these municipalities, Benjamin concludes that “New York’s four types of general purpose local governments converged incrementally in their structure and powers in several overlapping stages during the period since the civil war... The dominant themes in the history of New York local government are the movement from participatory to representative democracy and the spread of the separation of powers.”

The 1963 Municipal Home Rule Amendment to the state constitution assures the structural autonomy and the convergence of powers of the local governments in New York. While applying general treatment without regard to type, this amendment also requires local popular consent at referendum if any local government is to be annexed to another. “Thus, the same provision that treats these entities uniformly blocks their rationalization into a single and coherent system.”
This paper examines the law governing New York’s local government structure. Briffault reviews the categories of local government and the sources of law affecting local government structure and finds that, though the New York constitution recognizes four forms of local government, “neither the Constitution nor any state statute provides an adequate definition of the forms of local government or distinguishes among them with respect to their powers or functions.”

Briffault explains how local governments are formed and analyzes local government reorganization. Types of restructuring include annexation (the “alteration of the boundaries of a county, city, town or village”) and the consolidation or dissolution of existing local governments. Briffault also addresses the transfer of functions between or among various local governments, the joint provision of local government services, and interlocal cooperation and contracts.

The final section of the paper looks briefly at special districts. “These special purpose units typically provide only one or a handful of local services; and they need not — and often are not — governed by elective boards.” The most important special districts are school districts, fire districts, and town improvement districts.

Richard Briffault is a professor of law at the Columbia University School of Law. Professor Briffault has been on the faculty at Columbia since 1983 and specializes in state and local government law. In addition to his teaching experience, he has also served as assistant counsel to the governor of New York and as an associate with a private law firm. He is a magna cum laude graduate of Harvard Law School and a summa cum laude graduate of Columbia University.
4. Legal Processes for Facilitating Consolidation and Cooperation Among Local Governments: Models from Other States

George F. Carpinello, Director of the Government Law Center and Professor at Albany Law School, and Patricia E. Salkin, Assistant Director of the Government Law Center

This paper provides an understanding of the legal structures and processes which govern, facilitate, and/or impede efforts at cooperation and consolidation among local governmental entities in other states and in selected foreign countries. The paper focuses on laws governing the processes of cooperation and consolidation and the change process rather than on the municipal structure which is the end result of the process.

The first part of the paper analyzes consolidation — formal boundary changes — which includes:

1. Annexation, the acquisition by a municipality of additional territory;

George F. Carpinello is currently Resident Partner at the law firm of Duker & Barrett. He has been on the faculty of the Albany Law School since 1984 and is past director of the Government Law Center. Prior to coming to Albany, Mr. Carpinello was an associate with a Washington law firm. He has also been chairman of the New York State Advisory Committee on Civil Practice. Mr. Carpinello is a graduate of Princeton University and Yale Law School.

Patricia E. Salkin was appointed Director of the Government Law Center in 1992 after having served as Acting Director and Assistant Director since 1990. Ms. Salkin is an adjunct faculty member at Albany Law School and Rensselaer Polytechnic Institute. She received her law degree from Albany Law School and her bachelor’s degree from the University at Albany, State University of New York.
2  Consolidation, the joining together of two or more municipalities;

3  Formal transfers of functions from one municipality to another; and

4  The creation of multipurpose districts and regional councils.

The second part of the paper deals with informal relationships among municipalities, and the third section deals with statutory or constitutional limitations on the formation of new governments. An extensive compendium of actual laws from other states is included as an appendix to the paper.
5. The New York Experience with Cooperation, Coordinating Structures, and Consolidation

Sarah F. Liebschutz, Professor of Political Science, SUNY, Brockport

This paper looks at the nature and extent of actual efforts to foster more efficient and effective service delivery in New York State through intermunicipal cooperative agreements, regional coordinating structures, and consolidation of two or more localities. The paper presents examples through six case studies of both successful and unsuccessful efforts to bring about the benefits of restructuring at the local level in New York State. “In all cases the presence or absence of one or more common factors was critical for the outcome. Two were internal to the local communities: citizen identification with the community, and involvement by local leaders. A third was external: a perceived crisis necessitating response.”

The case studies of successful local government restructuring are:

- Monroe County: Consolidation of 22 Service Functions;
- Tug Hill Cooperative Arrangements; and
- Nassau County: Consolidated Police Function.

Sarah F. Liebschutz is a professor of political science and chairman of the political science department at SUNY Brockport, where she has been on the faculty for twenty years. Professor Liebschutz has written extensively on state and local government and has participated in research projects by the Ford Foundation, the Brookings Institution, and Princeton’s Woodrow Wilson School. She is the author of Bargaining Under Federalism: Contemporary New York. Professor Liebschutz is a cum laude graduate of Mount Holyoke College and received her Ph.D. from the University of Rochester.
Case studies of unsuccessful efforts are:

- New York Metropolitan Regional Council;
- Monroe County Metropolitan Police Referendum; and
- Western Finger Lakes Solid Waste Management Authority
AN ACT to amend the general municipal law, in relation to contracts with a county to perform town, city, village special district, or school functions.

**Purpose:** To allow any municipality to enter into contracts with the county in which it is located for the county to perform municipal functions within such municipality on behalf of the municipality. For the purposes of this bill, municipality is defined to include cities, towns, villages, school districts, and special districts.

**Effects and Justification:** This bill would overcome the absence in current law of a general grant of authority allowing municipalities to ask counties to provide functions, on their behalf, which the county is not authorized to provide on its own. This system, based on California’s “Lakewood Plan,” would allow a municipality to maintain its own democratic decision-making structure regarding the type and level of services to be provided with taxpayer’s money, while at the same time securing the economies of scale that come from the broader service/client base enjoyed by the county.
2. AN ACT to amend the general municipal law, in relation to providing for the establishment of metropolitan municipal corporations.

**Purpose:** To provide a vehicle for the establishment at local option of a regional multipurpose special district to meet regional needs in an efficient and effective manner.

**Effects and Justification:** No authorization for such action currently exists. Based on the experience of the Municipality of Metropolitan Seattle, the provision of a method by which regional multipurpose special districts can be established, and later assume greater responsibilities, could be an effective means of capturing the benefits of regionalization without requiring residents to give up their traditional local political institutions. In addition, the use of a required multipurpose district would reduce the administrative overhead costs involved in using several single-purpose special districts to meet various regional needs.
3. AN ACT to amend the public authorities law in relation to the expansion of the functions of a regional transportation authority.

Purpose: To establish a process whereby, at local option, additional functions could be assigned to existing regional transportation authorities. This would, in effect, allow for the establishment of a multipurpose regional district, thus avoiding the duplicative overhead involved in creating a series of single-purpose regional districts for individual functions.

Effects and Justification: There is currently no provision in the law establishing a process by which additional functions can be assigned to regional transportation authorities. There is growing support for the delivery of services on a regional basis to secure the economies of scale involved in the provision of many services, particularly capital-intensive services, in such a manner. This bill provides a useful and realistic option for doing so without incurring the unnecessary overhead costs involved in creating separate regional authorities or districts for individual functions. The availability of this option would not preclude the use of other provisions of law which allow for the transfer of functions from the municipal level to the county level and which allow for two or more counties to provide services on a joint basis.
4. AN ACT to amend the general municipal law, in relation to the expansion of the functions of metropolitan, regional, or county planning boards.

**Purpose:** To establish a process whereby, at local option, additional functions could be assigned to metropolitan, regional, or county planning boards. This would take advantage of the organizational infrastructure which currently exists in such organizations in order to meet regional needs without creating new entities.

**Effects and Justification:** This bill provides localities with an additional option for cooperative provision of governmental functions. While not limited by the language of the bill, it is most likely that the authorization provided would be used to transfer planning-type functions to a broader geographic scale. This would allow for more coordinated planning in terms of both public sector service delivery and private development.
AN ACT to amend the county law and the general municipal law in relation to the financing of joint activities of counties and other governmental units.

Purpose: To expand the availability of a current provision of law that provides a very straight-forward approach to the governance and financing of joint ventures of two or more counties. This bill would make this approach available for activities involving any two or more governmental units of any kind.

Effects and Justification: The purpose of this bill is to provide an easy, “off the shelf” approach to the governance and financing of cooperative arrangements. If properly publicized and marketed, this provision could eliminate much of the anxiety and many of the transition costs involved in the development and structuring of joint ventures.
6. AN ACT to amend the village law, in relation to requiring an election to be held in the entire town in which an incorporation of a village is sought.

**Purpose:** To allow all of the voters in a town to have a voice in referenda on the creation of new villages.

**Effects and Justification:** Currently a new village can be created by a referendum in the territory of the proposed village only. In many towns, the town tax rate outside incorporated villages is much higher than the town tax rate within incorporated villages, sometimes as much as forty times greater. Thus, the establishment of a new village could substantially increase the real property tax burden on residents of the remaining “town outside village” portion of the town without them having any say in the matter. This bill would ensure that such residents have the opportunity to influence such an action as much as the voters in the proposed village.
7. AN ACT to amend the municipal home rule law, in relation to the adoption and amendment of county charters.

Purpose: To provide county officials and county voters with the same range of options for the amendment of county charters as is currently available to city officials and city voters for the amendment and adoption of city charters; and, thereby, to make more widely available the provision of the state constitution that allows county charters and charter amendments to provide for the transfer of functions between or among levels and types of local government within the county.

Effects and Justification: This bill would add new general law methods for the adoption and amendment of county charters in addition to those currently authorized by the municipal home rule law or by individual county charters. County charters and charter amendments, by virtue of the 1964 home rule amendments to the state constitution, provide the only means by which local officials and local voters can accomplish a transfer of functions among units of local government within a county without specific state legislation. This bill would make that potential accessible to the people in a greater variety of ways than is now possible; and the new methods being provided are simply those now available to city voters.
8. AN ACT to amend the general municipal law, in relation to authorizing two or more municipalities to establish joint restructuring study commissions.

Purpose: To establish a process by which any two or more municipalities can jointly create restructuring study commissions with the authority to place transfer of functions and/or other restructuring proposals on the ballot simultaneously in each of the participating jurisdictions.

Effects and Justification: This bill would provide local governments with a method of transferring functions, consolidating services, or consolidating without seeking individual state legislative authorization. The bill would continue the requirement for voter approval of such changes, but it would allow a joint restructuring study commission created pursuant to this process to bring such questions directly to the voters for their consideration.
9. **AN ACT to amend the general municipal law, in relation to authorizing the establishment of study commissions to review the existing forms and powers of local governments and the delivery of services in county areas.**

**Purpose:** To establish a process whereby the voters in each of the state’s county areas are given the opportunity, once every 20 years, to determine if there should be a fundamental reexamination of the structure of local government in the county, and to provide a process for such reexaminations when authorized by local voters.

**Effects and Justification:** This bill would give voters the opportunity to decide whether or not to energize a process for a fundamental reexamination of the structure of local government in their county areas. The bill would allow a study commission created pursuant to this process and elected by the people to bring fundamental restructing questions directly to the voters for their consideration.