

Reconnecting Local Government With The People

*Presented by Lloyd Constantine,
Senior Advisor to Governor Eliot Spitzer*



November 5, 2007



*The Nelson A. Rockefeller
Institute of Government*

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Richard P. Nathan:

We welcome Lloyd Constantine as our speaker today on local government reform. As a senior advisor to the governor, Lloyd is the point person on many of the most important issues facing the state, among them today's subject, and also including state and particularly public authority finance and higher education. He is a prodigious worker and a long time, close associate of Governor Spitzer's. He was co-director of the governor's transition. He has served with distinction in the public service and as a respected attorney in private practice. What especially impresses me about Lloyd is the energetic way he has reached out to people in the state, patiently logging hundreds of miles of travel regularly throughout the state to meet and greet, listen and learn, and distill out of these experiences ideas about the best ways he can serve the governor and the state at this crucial time. Lloyd, we thank you for joining us today and look forward to hearing your views on the long-standing, hard, and special challenges of local government reform.

Lloyd Constantine:

Good morning, and thank you for having me. My name is Lloyd Constantine — I'm the governor's senior advisor — and I'm here to talk about issues of local government, specifically local government efficiency



and competitiveness. Before I began this job, I worked in the private sector for many years (I am an antitrust lawyer), and before that I worked in Attorney General Bob Abram's office. So when I came back into public service, I decided to reread *Democracy in America* by Alexis de Tocqueville, to remind myself what this system, ultimately, is all about. So I came into the issues of local government with the feeling that the government closest to the people was the government which was most responsive to the people. What I've discovered since is that there is a paradox.

As Dick Nathan has indicated, I co-chaired the governor's transition last year. Later, I was named his senior advisor, with a sort of broad and amorphous job description: to advise the governor on anything that he asked for advice or anything I chose to insinuate myself into. I was also given a few specific things that I had to take care of: The Public Authorities Project, which we're working on; a higher education project, which accounts for maybe 20,000 of the 30,000 miles that Dan Doktori, Haley Plourde-Cole, and I have logged. The governor has given me the opportunity to work on issues involving representation of the poor in New York in legal matters on the civil and criminal side, and the issue that we're going to talk about, which is local government reform. And I think that these are not distinct areas; I see them coming together.

I saw an article yesterday in *The New York Times* on the back page of the "Week in Review." It was an article about another thing that I've been involved with, the subprime crisis, and the administration's approach to try to

help deal with that issue. The author wrote about how, not surprisingly, college towns had avoided the worst aspects of the subprime crisis. They were towns that were to some extent organized or built around colleges or universities. Towns like Ithaca, New York; Madison, Wisconsin, where I was last weekend; Chapel Hill, North Carolina; Eugene, Oregon; and Ann Arbor, Michigan. In the article a leading expert on local government consolidation and regionalism, Bruce Katz, commented about this college town phenomenon.

Overview

- The Commission on Local Government Efficiency and Competitiveness was created by Executive Order on April 23rd, 2007.
- The Commission is charged with making recommendations in the areas of local government merger, consolidation, shared services, smart growth and regional services.

So, one of the things that the governor assigned to me was helping to put together the local government commission. The formal title is the *Commission on Local Government Efficiency and Competitiveness*. The fault for that title is mine. I came up with it. It looks like something

that you write, right out of your political science major in college. It's long, it's complicated. So, we'll call it "the Local Government Commission."

I was told by Eliot that we had over 4,000 taxing jurisdictions in the state. And while we weren't going to focus on any particular taxing jurisdiction or any particular general-purpose local government or any special local government, it just appeared to him and to a lot of people that there might be just a tad too many in the state; that they were impacting the state's competitiveness and efficiency, and just taxing the hell out of people in the state. There should be a serious effort, yet again, to merge, to consolidate, to share services, to adopt Smart Growth practices, and in some

cases to dissolve local governments, and move municipal services toward a more efficient level, toward a regional level, whatever the region might be.

So, when I was asked to put this Commission together, I did the smartest thing I could do. I went right

to the fountain of all knowledge; I went to Dick Nathan. And I sat with Dick, because Dick is acknowledged probably as the expert in the United States on these issues. We have a benefit of riches in this state. We have, I think, upwards of 11 or 12 different higher education institutions in this state that have experts in this area; in some cases there are active programs studying this issue, and some of these are around here.

I'll forget some, but both of the Rockefellers (College and Institute) have programs, and this Rockefeller has Dick, a program in and of himself. Albany Law School has an amazing program headed by Patricia Salkin. There's a program at SUNY Fredonia. There's a program at the University at Buffalo, SUNY, headed by Kathryn Foster, who is one of the Commission members. There's a program at Hofstra; there's a program and an expert at Columbia Law School, my law school. There's a program at the Maxwell School in Syracuse. There's another amazing expert at New Paltz, Jerry Benjamin.

I am forgetting something or someone, but we have a tremendous asset in this state, with a lot of people who have thought seriously about these issues for decades and have done amazing work. So, my first stop was right

Number of Local Governments

4,260 Local Government Entities

As of 07/03/2007

- 1,607 General Purpose Gov'ts
- 1,565 Special Purpose Gov'ts
- 1,078 Authorities/Special Purpose Entities

--All information compiled by the Commission on Local Government Efficiency and Competitiveness

here in this building. I split a sandwich with Dick, and he got me off on the right track.

The next thing I did was talk to Patty Salkin. After that, I met with Joel Giambra, who is currently the county executive in Erie County and, to some extent, is one of the people sacrificed on the altar of government consolidation. (There are a number of politicians or states that have been sacrificed on the altar of local government consolidation, or merger, or efficiency.) I met with Bruce Katz from The Brookings Institution, and a number of people who gave us sage, sound advice in preparation for this.

I then gave some advice to the governor and we appointed a Commission. First of all, the governor selected Stan Lundine to chair the Commission. He needs no introduction, but served at every level of government, lieutenant governor, mayor of Jamestown, member of Congress, and probably multiple other local offices. The members of the Commission can be seen in the chart on the next page.

There were previous attempts and some success in previous efforts to rationalize and make local government in this state more efficient. And I should say that from the get-go, it's been Eliot's intention not to simply preach to local government, but to address the inefficiencies, redundancies, overlaps, overstaffing, and the confusion at the state level as well.

Prior Local Government Commissions

Common refrains:

- **Strong support for more shared services and consolidation**
- **State efforts to encourage shared services could be more successful if centralized**
- **Mandate relief is needed**
- **More cooperation and regional approaches are needed.**

Local Government Commission Members

Governor Spitzer's Appointees:

- Stan Lundine (Chair), former Lt. Governor, former New York Congressman, former Mayor of Jamestown, Chautauqua Institution Board Member
- Gerald Benjamin, Dean of the College of Liberal Arts and Sciences at SUNY New Paltz
- Al Del Bello, former Lt. Governor, former Yonkers Mayor, Board of Directors, Westchester Land Trust and the Westchester County Association
- Jonathan Drapkin, President of Pattern for Progress, former Manager of Sullivan County
- Kate Foster, Director of the University at Buffalo Regional Institute
- Sandra Frankel, Brighton Town Supervisor
- William Johnson, former Rochester Mayor, Professor of Public Policy at Rochester Institute of Technology
- Jamie Rogers, Village of Lake Placid Mayor
- Tom Tranter, Jr., President, Corning Enterprises, former Chemung County Executive
- Howard Weitzman, Nassau County Comptroller

New York State Comptroller DiNapoli's Appointee:

- Mark Pattison, Deputy Comptroller for Local Government Services, former Mayor of Troy

Assembly Speaker Silver's Appointee:

- Sam Hoyt, Assemblyman for the 144th District

Assembly Minority Leader Tedisco's Appointee:

- Dr. Walter L. Robb, former General Electric Senior Vice President, owner of the Albany River Rats

Senate Majority Leader Bruno's Appointee:

- Elizabeth O'Connor Little, New York State Senator for the 45th Senate District

Senate Minority Leader Smith's Appointee:

- Craig M. Johnson, New York State Senator for the 7th District, former Nassau County Legislator

If you look at the governor's State of the State address, he promised to mount an effort to rationalize and make government more efficient at every level. Even before we began our efforts to put together a local government commission, we turned inward to ourselves. During the transition, we noted that there were 13 agencies, I think, that in some way dealt with housing in the state. There were 28 agencies at the state level that had an economic development mandate. There were six or seven agencies that were dealing with mental health and mental hygiene.

Not to say that you can ever get this down to one. No one, I don't believe, ever sat down and said, "The best way of dealing with economic development in the state of New York is to have 28 state agencies working on it." It happens over time, just the way the local government picture happens. It happens over the course of decades, generations, centuries, but here you

have it. There are 28 agencies at the state level that are doing economic development.

So the governor set the tone in the State of the State address. Although I'm not going to be talking about this a lot today, but while we are working with local government to make it more rational, more efficient, we're trying to do the same thing as well at the state level.

There were previous attempts.

There was a commission-like structure that was headed by Dick Nathan that looked into these issues. They did very important research and had useful findings a while back.

There was a commission under Governor Cuomo.

There were a couple of commissions under Governor Pataki. And they all advanced the ball. The very first thing that we did is we went back, read those reports, and tried to get the underlying information and data that went into those reports.

Local Government Restructuring Project (Rockefeller Institute 1990-1992)

- Regional multipurpose governments
- Joint Restructuring Study Commissions with power to place restructuring questions directly before the voters
- Hold referenda every 20 years on form of county government
- Expand functions for regional transportation authorities and regional or county planning boards
- More financial options for joint activities
- Require town-wide approval for new village incorporations
- Easier adoption and altering of county charters
- Allow counties to perform any services for their municipalities

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

- Improved merger procedures
- Expanded authority to transfer functions to county governments
- Hold harmless in revenue sharing for merged municipalities
- Expanded ability for shared service agreements
- Increased use of performance measurement and reporting
- Financial & technical assistance for consolidation efforts
- Study workforce impacts of potential consolidations
- Form Intergovernmental Relations Councils
- Better consolidation procedure for special districts, providing and taxing for them
- Indexation of competitive bidding thresholds

We didn't want to try to reinvent the wheel. We didn't want to try to start from scratch. We wanted to take the learning of all of these previous commissions and previous efforts. And so, on day one, we were able to stand on the shoulders of those who had gone before us.

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

- Repeal Wicks Law
- Binding arbitration - ability to pay
- Redefine "Prevailing Wage"
- Enhance local revenue
- Procurement - purchase at best value
- Expanded financing authority for local pension reform
- Tort Reform
- Establish single point of contact between state and local governments for training and technical assistance
- New merger statute
- More flexibility for intermunicipal cooperation & shared property taxes

Even before the Commission was established by an executive order, I think on April 23rd of this year — although that seems like a billion years ago — we were faced with a high degree of skepticism, bordering on cynicism. Why do you think that your Commission is going to be more successful than a Commission led by somebody a lot smarter than you, like Dick Nathan? Or a governor a lot taller than Eliot, George Pataki? I mean, who do you think you are? Why will you be successful when others have not been successful?

Well, the first thing is we were building on their knowledge and learning and, as I say, standing on their shoulders. But to some extent, I think there are three things that give us a fighting chance of being significantly more successful than previous efforts.

One is, we can't afford to lose this time. The state and the localities are in a shape where this is no longer something we'd sort of like to do. We have to succeed this time. It is an economic imperative for the state that we succeed.

The second reason that I think we're more likely to succeed is that we're building upon a good doctrine that has been established by people like Patty

Salkin and by Dick Nathan in the past. And so, we are benefiting from all of their prior work.

The third thing is that we wanted to do something while the Commission was putting together its report that would give us an additional head start. So, on the same day the governor established the Commission by executive order, he also sent a letter to local leaders — county leaders, town leaders, village leaders, city leaders — asking them to submit initiatives within this area. Initiatives that were either recently underway or could be begun in the year 2007.

So, this is an effort to merge or to consolidate — I don't know the difference between merger and consolidation. I think probably a number of officials lost elections when they touted merger. So then I think they switched to the word consolidation, and then they lost those elections as well. There's probably going to be a third term that comes up, you know, like "civil union," something like that. So I'll keep on saying merger and consolidation.

So we were asking for initiatives to dissolve; go out of business; to merge; to consolidate; to engage in a civil union; to share services; to develop a Smart Growth initiative; or an initiative to push services, while leaving governments in place, to push services up to a more efficient level, a kind of regionalism. We asked for those to be submitted to the Commission in the first couple of months.

We put together as part of the executive order an Interagency Task Force. This Task Force calls upon every agency of state government. It wasn't merely the agencies that are directly under the governor. One of the first visits I made was to Comptroller DiNapoli. I said, "You know, we need your help on this." So every agency, whether or not under the governor's direct authority, was asked to cooperate in this initiative and everybody cooperated fully. The comptroller's office cooperated fully. The State

Education Department, which is a separate branch of government, cooperated. The Office of Real Property Services; the Department of State; the Governor's Office of Regulatory Reform, which was not necessarily a logical choice, but because of an incredibly talented guy, Bob Hermann, running that office. We just intuitively thought there would be regulatory reform angle to some of these initiatives, and that has actually borne a lot of fruit.

So, all of these agencies became part of the Interagency Task Force. They gave us people, time, and expertise. And we said that while the Commission is doing its study and holding public hearings around the state, these initiatives will be submitted to us and we will throw everything that we have in this Task Force at those initiatives, and that will have a result. We will win some; we will lose some. We will find some approaches that make sense. We will adapt some approaches. We will see that some approaches make no sense whatsoever. But, at the end of the year, we will have more than just a report. Not to say that a report is not important, but we will have more than a report.

We will have the benefit of a year of initiatives and some successes and failures. And from the successes we will learn, and from the failures we'll probably learn even more as to what tools we need and what tools local governments need to move this forward, to get this job done.

Those initiatives were submitted in June. A little bit later in this talk I will show you some of those 150 initiatives that are going forward right now while the Commission is doing its thing — it's quite extraordinary.

So, at the end of the year, we will have all of that. Those efforts feed into the work of the Commission. At every meeting we discuss how those are going. Some of the initiatives were submitted by "just" citizens — this is a famous line at the Commission. Someone said, "Well this idea is pretty good, but it came from just a citizen." Well, you know, I was thrust back into my

political science days at Williams College. “Just a citizen?” I mean, this is all about just a citizen. So, some of the best, most forward-looking, and brave ideas have come from “just citizens.” We then told some of the political leaders about these ideas and then they were adopted.

Shared Services

- There is no comprehensive list of services being shared by municipalities
- \$575 million/year revenues for services provided through at least 3,332 cooperative agreements to other local governments (OSC)

Significant Revenue Sources

- Group self insurance
- Snow removal
- Public protection
- Fire
- Health
- Sewer
- Garbage

Now to the issues that I mentioned before. Let me just go through that with a little bit more precision. As I said, they are shared services; merger and consolidation or civil union; dissolution; regionalization; Smart Growth.

To some extent, there is already a state program and a state fund that the legislature put in place a number of years ago, designed to assist these types of initiatives. It’s called the Shared Municipal Services Incentive (SMSI). Up until now, it’s been \$25 million a year; it’s administered by Albany Law School. It has a board that looks at the applications and each year they tweak it and try to fine-tune it to make it more and more effective.

Now, one of the efficiency-enhancing activities that is sponsored by this fund is shared services. And that’s just what it sounds like. It’s where, for example, two general purpose governments both have a pile of salt for salting the roads and they bravely decide to share one pile of salt.

You may be saying that you’re hearing from a smart aleck New York City lawyer, but I have lived in two communities for the last 20 years. I’ve

had a house in Columbia County, and some of my thoughts about this have to do with that pile of salt.

I live in Austerlitz, right near Chatham. I pay a certain amount of my taxes to Chatham. I pay other taxes to Austerlitz. I don't get any water service from the places where I live. I don't get any sewer service from the place I live. And I don't get a lot of road services from the place I live. For years I watched the snowplow for either the town or the village of Chatham come within 150 feet of my property and stop, turn around spewing smoke, and go back.

So the idea of sharing the salt pile and snowplow, was not to me merely a theoretical or a hypothetical situation, but something that would have improved my life on days when I was trying to get out of my driveway in the old days, when it used to snow.

SMSI 2007-2008 Priorities

- Distressed municipalities
- Mergers or consolidations
- School districts partnering with other municipalities
- Shared highway services
- Shared health insurance
- Countywide shared services

So sharing services can happen on a very basic level. It can also happen on a very quantitatively and qualitatively significant level.

Merger or consolidation is exactly what it sounds like; it's where a village and a town merge, or a city and town merge, or where any

number of special governmental districts (fire, school, water, library, electricity, etc.) merge together. Where there were a multiplicity of those, they become fewer.

What is Smart Growth?

Smart Growth is sensible, planned growth that balances the need for economic expansion with the desire to enhance our built and natural environments.

Smart Growth offers municipalities the tools to enhance community quality of life, improve local fiscal stability, promote regional collaboration, and generate economic investment.

Smart Growth covers a multitude of ideas; it's linked to all of this. The goal of all of this is better government. You know, it's often viewed in a very, very narrow lens as being cheaper government. The goal here is better government. People, generally, want lower taxes.

They are being choked by taxes. But what they want most of all is effective, efficient, good government. Smart Growth is part of that.

Smart Growth helps Municipalities Manage their Spending

Sprawling, unplanned development strains municipal budgets by increasing the need for additional infrastructure and municipal services

- Development on the fringe costs more in new infrastructure – roads, sewer and water – than it generates in tax revenues
- Average costs associated with sprawl are 25-50% more than the revenues generated
- Infrastructure and services costs account for 25% of all state and municipal spending

Smart Growth is planning for the expansion of communities in an intelligent and efficient fashion, which takes into consideration our resources, our environmental issues, and our climate change. I'll get into that a little bit more later on.

Regionalization is not a new concept in New York State. New York City is probably the biggest and the most effective regional government. It's actually a Tri-State government. It doesn't have any official title. There is no "Government of the Metropolitan Area," but it has come into being because it makes sense, because it is efficient, and it produced the greatest economic engine in the history of the world.

New York City itself, just the part that's New York City, came into being as a result of a vote. Back in the late part of the 19th century, people in and around what is now New York City voted to merge the city of Brooklyn and several towns which made up what is now the Borough of Queens with New York City, which was primarily Manhattan and the Bronx at the time.

Staten Island got in there in a strange way. My father was raised on a farm on Staten Island. The way my father told it, New York lost a boat race with New Jersey and, therefore, we got Staten Island. But I think New York actually won a race and we got Staten Island.

There were towns that are now in Nassau County that voted to stay outside of this consolidation. There were towns that are currently in Queens that voted to stay in. It was what de Tocqueville was talking about, not what you've got now, which we'll get into. It was a democratic, close-to-the-people process, and they voted to consolidate.

As the full weight of the Industrial Revolution took place in the United States, a regional government evolved in the New York City Metropolitan Area. There are actual organs of regional government. The Port Authority of New York and New Jersey is an instrument of regional government, and there are just myriad ways in which New York, New Jersey, Connecticut, and the New York Metro area have become, de facto, a regional government.

Regionalization is simply recognition that it's just not efficient to just focus on just what's in front of you. You have to look to the real place that you live in, which is linked to other communities, other municipalities, and other little things that have been carved up: Some for very good reasons, some hundreds of years ago, which just don't comport with current reality.

As I said, the Shared Municipal Services Incentive program is there to make local governments brave; to allow them to experiment and give them some money and assistance in engaging in some of these efficiency ventures.

Now, with our Interagency Task Force, there are two tools. There's the SMSI fund and there is this incredibly talented, dedicated, Interagency Task Force that are both there as the Commission is doing its thing, pushing these incentives forward.

Now, the reason that today's little talk is called "Reconnecting to Local Government," is that someone here said, "We need a title for your talk." I didn't know what exactly that should be. So now I'm stuck with it, so I have to reconnect. I have to speak to the issue of reconnecting people with their local government.

Remember that local government is the government closest to the people. Now I want you to see and hear on this video what one of our witnesses said at a recent public hearing that we had in Buffalo said about the tremendous benefits of all of the local governments that she is connected to in Niagara County.

My name is Edwina Luksch, and I'm from Niagara County, and I've been sitting here this morning listening to everyone. And I'm just totally astounded by all the different comments. Now, to be quite frank, when I first heard that this Commission was formed, I was very excited. I wanted to find out all I could about this Commission. I asked around; no one seemed to know too much about it.

Finally, my state representative in my area did send me a booklet, because there were articles that came out in the paper of the concern of the governor on how he wanted reforms so badly in New York State that we're dying over here.

Where I come from, Niagara County, just a year and a half ago was number one in the entire country for the highest county taxes in the nation. Now we have the dubious distinction of being number two. Well, I don't look at that as progress.

Also, now with another report that came down from the State Comptroller's Office, and if I could take the liberty to just read it for you very briefly.

"The Commission's formation [meaning you] follows a report from the State Comptroller's Office. They have found that Niagara County is home to 92 special districts, and while the rest of New York State's special district bills average at about \$257, that figure is \$697 in Niagara County."

That is unacceptable. I am retired. I'm trying to make it living in Niagara County, and I have to look to my state representatives, who are sorely lacking. It was said at the beginning of the meeting that we may have to change laws. We may have to change part of the New York State Constitution. Yes, these are not easy things to do. No one said it would, because in Niagara County with the 92 special districts, it's beautiful patronage and a cost that the taxpayers can't afford anymore.

The problem is the politicians cut deals with the public officials [and] the public unions that the taxpayers can't afford to pay anymore. And I'm very seriously thinking of having to leave this state after having lived here, worked here in the private sector all my life.

You need to do what the governor wants you to do. I heard Mr. William Johnson... He had stated, "You need to take bold

initiatives.” Believe me, the taxpayers can’t afford it anymore. Number one in the highest tax county in the nation, based on the percentage values of our home. What that means to me is, you can buy a house 10 years ago for \$90,000, and 10 years later you’ve got to sell it for that or less.

...[U]s people that worked a lifetime will never see a return for our investment. I am delighted to have a governor who has a Commission to address this area, but we need to have a Commission that is not afraid to take a stand and stand up for what’s good for Niagara County and Western New York, because I’m sick of being called “Little Appalachia.” And I certainly hope that you don’t take this as criticism on your part; it’s just that I’m very disheartened as a taxpayer, as a resident of Niagara County.

I thought that there would be more initiatives with us being the highest taxed county in the nation. Well, now number two — remember, we went down about \$1,000. [We’re] also number one in the state for special district passes. Come on, we need a helping hand in Niagara County. We’re not getting it from our elected leaders. We have to look to you for help.

Thank you, very much.

Now, we can show you some more and there were others like Edwina. This one I thought was the most concentrated and cogent testimony. This was the governor’s intuition about this issue, and we heard from Edwina, and it was very, very specific.

Let me show you some of the initiatives that were submitted, because it sort of brings together all of the things that I’ve been talking about (see pages 18-20).



SUMMARY OF LOCAL INITIATIVES BY FUNCTION

September 2007

CONSOLIDATION STUDIES

COUNTY DISSOLUTION

Tioga County (explore subdivision into three portions merging with adjoining counties)

CITY-TOWN CONSOLIDATION

Chenango County (City and Town of Norwich)

Cortland County (City of Cortland and Town of Cortlandville)

Genesee County (City and Town of Batavia)
Otsego County (City and Town of Oneonta)

VILLAGE

DISSOLUTION/CONSOLIDATION

Allegany County (Village of Belmont)
Broome County (countywide)
Genesee County (Village of LeRoy)
Hamilton County (Village of Speculator)
Tioga County (countywide)

SCHOOL DISTRICT CONSOLIDATION

Broome County (general)
Tioga County (general)

MULTI-COUNTY FUNCTIONS

MULTI-COUNTY JAIL

Orleans County
Ulster County

REGIONAL BOARD OF HEALTH

Genesee County
Orleans County

WEIGHTS & MEASURES

Steuben County
Schuyler County
Yates County

PURCHASING & PROCUREMENT

Rockland County
Albany County
Orange County

MULTI-COUNTY FUNCTIONS

(continued)

REGIONAL FIRE TRAINING CENTER

Warren County
Washington County

GEOGRAPHIC INFORMATION SYSTEM

Erie County
Niagara County

OTHER REGIONAL INITIATIVES

Ulster County (social services, tourism)

TOWN-COUNTY HIGHWAY SERVICE CONSOLIDATION

Broome County
Chautauqua County
Chemung County
Chenango County
Delaware County
Herkimer County
Lewis County
Nassau County
Schenectady County
Seneca County
St. Lawrence County
Tioga County
Ulster County

COUNTYWIDE ASSESSMENT

Chautauqua County
Franklin County
Jefferson County
Madison County
Orleans County
Putnam County
Schuyler County
Tioga County
Wayne County

Commission on Local Government Efficiency and Competitiveness

**COUNTYWIDE PUBLIC EMPLOYEE
HEALTH INSURANCE**

Albany County
Broome County
Erie County
Livingston County
Monroe County
Montgomery County
Suffolk County
Tompkins County
Washington County

**JOINT ADMINISTRATION
PROJECTS**

Broome County (parks and recreation)
Essex County (financial officer)
Fulton County (demolition team)
Genesee County (youth bureau)
Nassau County (parks & roads)
Oneida County (financial officer)
Otsego County (flood control)
Steuben County (211 information system)

**COUNTYWIDE SCHOOL
ADMINISTRATION PROJECTS**

Nassau County
Putnam County

**SPECIAL DISTRICT
CONSOLIDATION**

Nassau County (sanitation, libraries)

FIRE DISTRICT CONSOLIDATION

Chemung County
Cayuga County
Nassau County
Schuyler County
Tioga County

**CONSOLIDATED
WATER/SEWER/STORMWATER
SYSTEMS**

Cattaraugus County
Cayuga County
Chautauqua County
Lewis County
Nassau County
Rensselaer County
Rockland County
Schuyler County
Ulster County

JUSTICE COURT CONSOLIDATION

Broome County
Chemung County
Franklin County
Genesee County
Jefferson County
Schuyler County
St. Lawrence County
Tompkins County

SMART GROWTH INITIATIVES

Dutchess County (conservation easements)
Erie County (school/public facility capacity)
Orange County (transportation)
Schuyler County (ecological master plan)
Suffolk County (roadways)
Tompkins County (comprehensive plan)
Yates County (waterfront plan)

**COUNTYWIDE CODE
ENFORCEMENT**

Orleans County
Schoharie County
Schuyler County
Seneca County
St. Lawrence County
Wayne County

COUNTYWISE TAX COLLECTION

Madison County
Onondaga County
St. Lawrence County
Sullivan County
Wyoming County

MULTI-MUNICIPAL POLICING

Broome County
Chautauqua County (city & county)
Jefferson County (villages)
Yates County (village & county)

**COUNTYWISE EMERGENCY
DISPATCH**

Erie County
Genesee County
Schenectady County

COUNTYWISE TECHNOLOGY

Ontario County
Tioga County
Wayne County

**COUNTYWISE ECONOMIC
DEVELOPMENT AGENCIES**

Onondaga County
Ontario County
Ulster County

**COUNTYWISE POOLED
INVESTMENT**

Suffolk County

Now, the governor asked in his letter to local leaders for these initiatives to be bold. Well, there wasn't one much bolder than Tioga County. Certain officials in Tioga County said, "We're going to think about going out of business completely. We're going to think about the possibility of simply taking the county, dividing it into rough thirds; giving a third of this county to each of the three adjacent or contiguous counties."

These are the altars on which previous elected officials have been sacrificed. But we have a number who have stepped up, notwithstanding those previous efforts, and said, "We'd like to merge cities with towns."

Now, the situation with cities and towns is pretty simple. The cities are generally in favor of consolidation, the towns are generally against it. The towns, to a great extent, feed off of the cities' services, benefits, cultural institutions, parks, etc., but remain separate entities.

Obviously, even in New York City we had years of discussion on this dynamic and witnessed the battles over commuter taxes, etc. But there are a number of city/town pairs who have stepped up notwithstanding previous sacrifices and talked about that.

There are a number of village dissolutions. It's a lot easier in New York State to form a village than to dissolve one. I know that Hillary said, "It Takes a Village," but frankly, we have over 100 villages now in the state of New York that could not be formed today because they don't meet even the very minuscule numerical requirement of 500 citizens to form one. Yet they still exist, and to dissolve them is very difficult.

School district consolidation is a very important issue and a very emotional one. I think in 1900 there were 10,000 school districts in New York. I think there are roughly 700 school districts now. So, there's been an

incredible amount of consolidation of school districts. Yet, there certainly is a need for further consolidation.

The reason there could be 10,000 school districts in 1900 is because what was required to educate people was relatively simple, and relatively straightforward, and it could all be done very efficiently, often in a single room. Now, a modern education requires foreign languages, science, and research opportunities for people at the high school level, let alone at the Ph.D. level. People have to be engaged in research at the junior high school level, at the high school level, when all of the things that go into a modern education are very hard for very small school districts to obtain.

We have Boards of Cooperative Educational Services (BOCES) in New York that to some extent allow small districts to utilize resources they can't provide alone. But there certainly is a need for consolidation. This is a very emotional issue. People are afraid of losing their school spirit. They are afraid of losing their mascot. It is not necessary to do that. You can keep your school spirit. You can keep your mascot. You can keep your building, but there are tremendous efficiencies to further consolidation. Not everywhere, not everyone, not every place, but certain places.

Multi-county initiatives: We talk about regional government and we're lucky in New York that we have 62 counties and they sort of roughly form their own regions; but, in many places the real region may be less than a county. In other places the real region may be more than a county. And some of the counties have stepped up and said, "Look, we recognize the efficiency of rising up into the sky and looking down and seeing what the real region is."

You know, in my higher education work, I've already visited 58 of the 64 SUNY campuses. In the Buffalo area, students go to the community college that's closer to them, whether or not they are from Erie or Niagara.

Businesses understand what the real region is. It's only the governments of New York that don't really recognize this.

Multi-county jails: This is an area where the state has been a problem. There has been a lot of effort by counties to try to rationalize their jailing situation and the state has been a problem here. The governor's office is trying to ameliorate this situation. I think this is more our fault than the counties' fault.

Regional boards of health, weights and measures, purchasing and procurement, regional fire training centers, geographic information systems: Ulster has come forward with a very aggressive set of initiatives having to do with multi-county initiatives and countywide initiatives, a very bold agenda. And that's an area that's doing pretty well. I mean, Ulster is one of the counties in the state that is thriving. To some extent, I think it's thriving because it takes this approach.

Town/county highway service consolidation: Again, this is an area where I think the state has to also take the lead. We have various programs that dole out money to local government and to the counties that actually facilitate sprawl, multiplicity of highway and road operations, and actually works against regionalism and efficiency.

Countywide assessment: There have been a number of initiatives there. This has been very heavily assisted by the expertise at the Department of State. When you get tax collection, when you get counties to think about collecting taxes on a countywide basis or assessing on a countywide basis, it begins to essentially plant the seed of looking at the area as a region. You begin to see the commonality, the shared life, and the shared outcome; that we will all swim together or we will sink together.

Countywide public employee health insurance, joint administration projects, countywide school administration projects: Look at Nassau County. There we have the benefit of three elected officials who have been very aggressive: County Executive Tom Suozzi; County Comptroller Howard Weitzman, who is on the Commission; and Harvey Levinson, who is the elected assessor for Nassau County. They have pushed forward a large number of initiatives. They know how difficult it is to merge school districts. Essentially what they are saying is you don't have to have an outright merger; but you can merge functions that can be done on a more efficient regional or countywide basis, while allowing everybody to keep their schools and keep their mascots.

Look at Nassau County with special district consolidation: They are talking about one sanitation district for the entire county. They are talking about one library district for the county. In Nassau County a study was recently done comparing Nassau and part of northern Virginia, two roughly demographically identical areas. They have the same educational level, same income level, same property values. The difference in Nassau is hundreds of governments. In northern Virginia, there are three. Also, there are much lower taxes in northern Virginia, and here's the important part: There's much greater satisfaction in northern Virginia with their government and the services they receive from their government. Now, maybe they are just not New Yorkers. They are not cranky, but I don't think so. I don't know whether the right number of governments is hundreds or three, but probably somewhere in-between.

Fire district consolidation: I should say there are certain functions that people are much more sensitive about. People tend to like having their police and fire departments at a very local level. People like to have their schools at a local level. This suggests that they don't have tremendous allegiance to the

sewer district or the water district; they just want the water to be clear and clean, and plentiful and flowing. I'd like that too, but I don't get water from my municipality. I get it from my well.

What that says for those types of governments is that people really like to have at the local level (police, fire, school) if there's a way of keeping those structures, but pushing certain parts (administration, IT, back office operations) up to a higher level. And that's what regionalism is, pushing these services up to a more efficient level. It could be part of a county, it could be all of a county, or it could be multi-county. It could be what you have in the metro area of New York City and the areas that have done that in the United States and in Canada that have thrived: Indianapolis, parts of Florida, the greater Toronto area.

Voter Participation				
<i>Based on voter participation numbers, the closer the voter gets to the decision maker, the fewer votes cast.</i>	Voter Participation Rates			
	Election	NYC%	OUTSIDE NYC %	ALL %
	Presidential	55	68	63
	Gubernatorial	31	46	40
	General Election (Odd Year w/proposition)	30	36	33
	School Budget	NA	NA	14.2

The last thing I'm going to do before I invite questions from the audience is to talk about the issue of elections. This goes back to my preconception coming out of my BA in political science. I would have gone into this thinking, "You know, the government closest to the

people is the government they care about the most, the highest rates of voter participation, etc." It's quite the contrary.

I actually had a little glimpse of this early in my legal career. I was a civil rights lawyer for the first eight years out of law school. One of the very first things I did was I got an election in Queens, New York, overturned on some highfallutin' technicality that I invented overnight. It was a local

election for a community health board. I got it thrown out on a preliminary basis and in the full trial the discovery showed that in an area where there were 350,000 people, 26 people had voted in the election.

So, I was negating this great exercise in democracy where 26 people had voted in an area with 350,000 people and probably 150,000 eligible voters. So, I felt less bad about what I had done in terms of overturning the will of the people.

Elections	
Local government elections are held throughout the year	
Type of Election	Month Held
1. General & Town	1. November
2. Village (majority)	2. March
3. School Board/Budget	3. May
4. Fire District	4. December

Now you see elections are scattered all around the year. They are not all held in November. The majority of village elections are in March, although they are held on a multiplicity of dates. School board and budget elections are held in May. Fire district elections

are in December. The lines for all these things are not coterminous, so you may be living in an area where your fire district is here, your water district is there, your school district is over here. And the rates of turnout are very low.

Voter turnout range is between a low of 1.8 percent and a high of 13.9 percent. This would have surprised de Tocqueville, it really would have. Part of the work of the Commission has to do with reform of elections. All this means is really reconnecting people to their local government; giving them the opportunity to know what the issues are, to vote in an election, to understand where their money is going, to understand what generates their taxes. Again, a lot of this has to do with what Edwina Luksch was talking about, which is her incredibly crushing tax bill. But it also goes to the issue of

Special District Elections

- Special District Elections have incredibly low turnout:
 - Voter turnout ranges between a low of **1.8%** and a high of **13.9%** for Commissioner-Run Special Districts
 - Hicksville, NY: of **25,000** registered voters, about **700** people vote in the local fire commissioner election
 - Huntington, NY: of **11,400** consumers, **66** people voted in a recent Water District election

better, smarter, more rational, and more efficient government. We've got to do that on a local level. We certainly have to do it on a state level. That's what we are embarked upon. This is the first day of the rest of our life and that's what we're trying to do. And I'm glad to

try to answer your questions.

Howard Shapiro:

Lloyd, the state agency that would seem to know the most about localities, and all these districts, would be the Comptroller's, with the audits they do in the various districts and so forth. Are they playing a role in this Commission?

Lloyd Constantine:

Yes. One of the very first steps I made was to meet Tom DiNapoli. Without any hesitation, he said we're a separate branch of government here, but we will assist you in every way, shape, or form we can. They have assisted the Interagency Task Force, and the most important assistance they have given is that Tom appointed Mark Pattison to be on the Commission. Mark is a sage voice. He was the mayor of Troy, a significant city in the state and really knows this stuff. They are playing a primary role in all of this through their local government office, through the appointment of Mark, and through Tom DiNapoli's stalwart assistance in word and in deed.

E. J. McMahon:

I'm with the Manhattan Institute, Empire Center. Is there a reason why the Commission has steered clear of mandate relief? At least particularly as it relates to public labor costs, and civil service law, the general municipal law, since these things clearly affect the ability to adapt and change, as well as cost?

Lloyd Constantine:

At every meeting, I think the very first thing that Stan Lundine says is, "We're not steering clear of mandate relief." We have that high on our agenda. It is an issue that was presented to us early and often. It is right in the center of our field of vision, and it is something that the Commission will be addressing in its report that is due, I think, on tax day, April 15, 2008.

So, it is not something we've steered clear of. It's clearly very important. And I think beyond the issue of mandate relief, I think there has to be a recognition that a lot of the reason we are where we are today has to do with the state government, state law, and the state constitution. That's something that Eliot addressed in the State of the State. It's something that not only hasn't escaped our notice, but we noticed it in advance.

Russ Haven:

I'm with the New York Public Interest Research Group (NYPIRG). One of the key things for local government is the land use people and zoning. What are some of the ideas that have come out that?

Lloyd Constantine:

Well, clearly one of the reasons for the proliferation of general purpose local government is to give somebody the power to zone. That probably explains the very existence of a lot of local governments. It's for that reason that they have come into existence, and it is the loss of that power which is the thing

that is perhaps feared, the second most important reason why they continue to exist. The most important reason why many local governments continue to exist is, frankly, because of job protection for the incumbents who run that particular local government.

But the second most important reason is the desire to continue to zone. And often to zone in a way that may be fine if the entire world were defined by that little or big municipality, but has zip to do with the overall economic welfare and economic development of the entire region.

So, it's something that has to be addressed frontally. It's a natural area for the state to potentially assert control.

Let's start out with the proposition that all local government in New York State is a creature of the state. The state either has to put them into existence, or the state has a statute that allows the people to create that form of government.

If we're going to have rational economic development, this is probably going to be an area where the state is going to have to, on a long-term basis, look to amendments to state law and, in the long run, amendments to the state constitution, as long and as difficult as that process is.

One of the great things that Jerry Benjamin and Dick Nathan told me is, "If we don't have a constitutional agenda here, we are not going to do anything really significant." A constitutional agenda is a long-term agenda. I'm not a commissioner, but I predict that there will be a constitutional dimension to this. That constitutional dimension will speak to the zoning power. That's probably as much as I could or should say at this point.

Richard P. Nathan:

My question follows up on what you were just saying. I think Frank Mauro is here. Frank was the point person on the project that we had more

than 15 years ago. One of the things Frank did is model legislation. There are nine legislative ideas that were introduced in the legislature and did seem to get some interest. I always felt that was worth going back to and I don't know if you have considered it. You mentioned constitutional change. When the commission gives its report, would you maybe say a little bit about types of legislative and other kinds of recommendations?

Lloyd Constantine:

Again, the very first thing that every commissioner was required to do was to read the excellent work product, the good doctrine that had been given unto us when we started. I think you will see more than nodding reference to the good work that was done in your Commission and others.

When I referred to the Pataki Commission, one of the people who was a stalwart in that Commission was John Drapkin. He felt that to some extent some of that work was not fully completed. So, we have with this Commission an opportunity to advance it significantly. So, you'll see more than passing reference. You'll see recognition of all of that previous work.

David Shaffer:

I'm with the Business Council. I'm going to make an observation that I'm going to try to pass off as a question. I'm interested in the depth at which you are looking at the civil service laws. And the reason I raise it is, if "civil unions" are going to save you money, it's going to come on the personnel side. The retirement of the baby boomer generation gives New York a shot at doing that with minimal layoffs, provided there's ample freedom to move the existing personnel base around, as a downside if you follow me. My understanding is that basically civil service law as it now stands makes it extremely difficult to do.

Lloyd Constantine:

We are aware of what you're saying. But I've seen in my career in and out of government that unions and civil service mechanisms understand they also live in the same state. We are going forward in the spirit of consultation, and I think for that reason, among other reasons, we will be successful.

Richard P. Nathan:

I remember when we had a Commission here under Governor Cuomo on reorganization and governmental reform in the Albany capital region. And we did a particularly bad job. I look back on it as one of my frustrations of the kind you referred to. Part of the reason, I think, it didn't work was people wanted to get to the top and talk about great issues, economics, and equity. This is maybe more a comment than a question. But you want to keep looking and working on the things that you're doing in the action program and the things that you can do administratively. And you're pulled in both directions. I don't know how you think about that, but I know I didn't do a good job.

Lloyd Constantine:

Well, let me respond to what I think is the wisdom embodied in what you've just said. Yeah, we can talk about what's happened in regional Toronto, and the hypothetical regional cities of Buffalo, Rochester, and Syracuse, and all these ideas. But I think we have to be focused on very local situations. That is why, for me, the most important moment in this process so far was not when Eliot asked me to do it. The most important moment was when Edwina Luksch testified at the Buffalo hearing. Then I knew why Eliot asked me to do it, and I knew why I was attempting to do what we are attempting to do. I think it's very important to stay close to the ground, and this is about reconnecting people to government.

Dan Gentile:

I'm with the Capitol Region Workforce Investment Board. There are 33 Workforce Investment Boards in New York State. I didn't notice it on any of your lists, but it's an area worth looking at. I'm not sure if you're talking about the consolidation and regionalization in terms of saving tax money, but we do it as a way of streamlining the administration of what we do so that we can offer more training opportunities. Developing a workforce is very important.

In our local area there is a workforce board that has worked together for the last three years, not through any mandate, but because we thought it was important in terms of attracting a company like AMD. They are not interested in where the workforce comes from, if it only comes from Saratoga County or whatever. So we have been working closely with community colleges and we've gotten them to streamline their admissions process. We've also worked with economic developers, chambers of commerce, state agencies, ESD school districts, and BOCES, etc.

Lloyd Constantine:

It just makes sense. I've been spending a lot of time in the Buffalo/Niagara region, all the way down to Chautauqua. I've talked to lots of employers and prospective employers. What they say is it's not the tax burden, as much as it's the multiplicity of different approaches. It's the fact that somebody comes into Erie County and they deal with, not one, but with six different industrial development agencies.

They need to see an area that's got its act together, and that is moving together in a coordinated fashion. Not where there are midnight raids over the border from Amherst into Buffalo to steal a little business and move it, you

know, 15 feet and reduce the tax base. So Industrial Development Agencies (IDA) reform is part of this as well.

I had a guy visit me last Friday in the Executive Chamber and he said, “Look, in this part of Nassau County, there are 33 different governmental entities that can give you a license to do plumbing. We don’t care about the 33 fees. We’ll pay the 33 fees, but we don’t want to fill out the 33 forms and try to figure out what the 33 different requirements are. We’d rather not pay the 33 fees, but we’ll pay that.”

We all deserve to live in a place that is pulling together, which recognizes the commonality, and recognizes that we are not just local village, town, city, or even county tribes. That we are one state, that’s the deal, and in many cases, one nation. Unfortunately, right now we cannot look to Washington for leadership on most issues; we must look to ourselves.

I’m a federalism wonk, and the last line of an article that I wrote about federalism was, “Federalism Is Not a Suicide Pact.”

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