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34 Counties Submit Shared Services Plans Totaling \$208M in Savings for 2018

***Plans Demonstrate that Process Results in
Taxpayer Savings and Efficiencies***

***New Report Recommends Panels be Made Permanent
and State Align Financial Incentives to Spur Additional Action***

Albany, NY — The first shared services plans developed under New York State's County-Wide Shared Services Initiative law include 389 proposals totaling \$208 million in projected savings in 2018 and at least \$76.1 million in recurring savings, according to a review presented today by the Rockefeller Institute of Government, the Benjamin Center at SUNY New Paltz, and the Center for Technology in Government at the University at Albany.

Thirty-four of the 57 counties required to create a plan, or nearly 60 percent, chose to adopt a plan by September 15, 2017. The remaining counties chose to delay adoption until September 15, 2018.

"The first round of the local shared services program has gotten results with plans across the state projecting reductions in property taxes, finding efficiencies, and achieving better coordination among local governments across the state," said Jim Malatras, president of the Rockefeller Institute of Government. "The process has promise for future efforts because it has laid the foundation for better coordination and cooperation among local governments."

"It's critical for New York that counties and other local governments have embraced intergovernmental collaboration and are working together to create economies that will result in savings and improved services for their taxpayers," said Gerald Benjamin, director of the Benjamin Center at SUNY New Paltz.

"New York State's long history of cooperation among local governments is evident in the shared services plans presented as part of the local shared services program," said Theresa Pardo, director of the Center for Technology in Government at the University at Albany. "The plans make clear that realizing the projected savings requires new investments in capability such as shared understanding of service goals, shared governance, and formal agreements

around service levels and resource sharing. The challenge and opportunity ahead lies in identifying and building the capabilities necessary for the envisioned shared services to produce savings.”

The County-Wide Shared Services Initiative law was enacted early this year to prompt counties and municipalities to reduce property taxes while improving local government efficiency. The law requires counties to convene a shared services panel consisting of the chief executive of all towns, villages, and cities in each county, as well as the option of school districts, to develop taxpayer savings and efficiency plans.

The plans produced a range of proposals for property tax savings in 12 main areas: public health and insurance; emergency services; sewer, water, and waste management systems; energy procurement; parks and recreation; education and workforce training; law and courts; shared equipment, personnel, and services; joint purchasing; government reorganization; transportation and highway departments; and, records management and administrative functions.

The joint review found the following:

- When ranking counties by highest savings reported in the first year (2018), Nassau County was first (\$130.5 million), followed by Broome County (\$20.3 million), Suffolk County (\$16.5 million), Dutchess County (\$15.2 million), and Monroe County (\$7.3 million).
- When ranking counties by highest savings reported in the out-years, Suffolk (\$20.9 million) was first followed, by Dutchess (\$12.5 million), Albany (\$9.7 million), Montgomery (\$4.6 million), and Erie (\$4.2 million).
- There were a number of cases in which smaller counties reported larger overall tax savings than the state’s largest counties. As an example, Montgomery County, with a population of less than 50,000 people, found \$4.6 million in recurring tax savings versus Westchester County, with nearly one million people, which found \$1.2 million in savings.
- A higher overall property tax burden in a county does not mean that county found more recurring tax savings. For example, Westchester County has the highest property tax burden in the state and found less recurring tax savings than 11 counties with lower property taxes. Suffolk County, on the other hand, has the fifth highest property tax burden in the state, but it exceeded every other county’s total projected recurring tax savings.
- Counties with elected county executives were less likely to defer the plans into year two (22 percent deferred) versus those with appointed county managers (40 percent deferred), indicating a strong separately elected executive could have had more leverage to complete the plans — though this would need additional analysis.
- Of the 34 counties, nine included school districts/BOCES in the process, whose participation was optional.

Important to the process was the “bottom up” approach, i.e., allowing the local municipalities to drive the process and outcomes, instead of counties simply dictating what would be included.

The report also notes some challenges, including inconsistent reporting, which at times made it difficult to compare plans. With time, the process will likely be more formalized and improved.

Many counties reported in their plans that this was a first step and that they planned future action. The report recommends that this important work continue with the adoption of a permanent shared service panel structure, coupled with technical support and financial incentives provided by the state. The plans submitted demonstrate that the process could result in additional property tax savings and increased government efficiency.

Read the full report at http://www.rockinst.org/lgs/PDF/2017-10-17_NYS_CWSSI_Report.pdf

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