GOVERNMENT EFFICIENCY IN THE HUDSON VALLEY
Creating a Positive Approach to Change

A White Paper from
The Pattern for Progress
Government Efficiency Task Force
April, 2011
GOVERNMENT EFFICIENCY IN THE HUDSON VALLEY
Creating a Positive Approach to Change

THE ISSUE THAT CONFRONTS US

Increasingly New York State’s multi-layered form of government is viewed as antiquated, arcane and redundant. Our conglomeration of villages, towns, counties and the State plus overlapping independent school and special districts drives higher costs and highly visible service inefficiencies, leading residents to question the utility of this outdated system. The cost of maintaining so many units of government with multiple levels and overlaps is no longer sustainable. Some frequently cited issues include:

1) Instead of viewing our government as a continuum we separate it into silos that most often do not operate on a modern scale, and it is usually very difficult to share or consolidate services, let alone governments, to the benefit of our residents.

2) We continue to operate complex service delivery systems, often with technology and data systems that are decades behind modern methods. It is said we seek to operate a 21st Century government with a 20th Century structure.

3) We have 5 levels of government responsible for maintaining a road system that constantly forces us to cross government jurisdictions both vertically (local to federal) and horizontally (e.g. from town to town), yet the consumer seeks to have one seamless web.

4) Outside of New York City, the largest portion of the property tax goes to funding public schools. Despite this, we may not always achieve the results that we would like. How can we make education more efficient across 700 school districts statewide?

The Hudson Valley’s 9 counties have 13 cities, 137 towns, 88 villages, 123 school districts, 220 fire districts, 53 drainage districts, 114 fire protection districts, 227 lighting districts, 32 park districts, 24 refuse and garbage districts, 329 sewer districts, 238 water districts, plus another 102 miscellaneous other districts. This totals 1,709 units of government and special districts for a population of 2.4 million residents. New York City, with a population of more than 8 million residents has but one mayor, one police department and one fire department.

<table>
<thead>
<tr>
<th>Population</th>
<th>County</th>
<th>City</th>
<th>Town</th>
<th>Village</th>
<th>School District</th>
<th>Fire District</th>
<th>Drainage District</th>
<th>For Protection</th>
<th>Lighting</th>
<th>Park</th>
<th>Refuse &amp; Garbage</th>
<th>Sewer</th>
<th>Water</th>
<th>Total Special Districts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westchester</td>
<td>355,965</td>
<td>1</td>
<td>6</td>
<td>29</td>
<td>17</td>
<td>18</td>
<td>10</td>
<td>1</td>
<td>18</td>
<td>21</td>
<td>10</td>
<td>12</td>
<td>17</td>
<td>137</td>
<td>427</td>
</tr>
<tr>
<td>Orange</td>
<td>183,532</td>
<td>1</td>
<td>18</td>
<td>17</td>
<td>21</td>
<td>21</td>
<td>7</td>
<td>3</td>
<td>11</td>
<td>19</td>
<td>9</td>
<td>12</td>
<td>16</td>
<td>137</td>
<td>360</td>
</tr>
<tr>
<td>Ulster</td>
<td>181,440</td>
<td>1</td>
<td>11</td>
<td>16</td>
<td>14</td>
<td>24</td>
<td>1</td>
<td>1</td>
<td>13</td>
<td>17</td>
<td>11</td>
<td>12</td>
<td>15</td>
<td>137</td>
<td>196</td>
</tr>
<tr>
<td>Dutchess</td>
<td>293,562</td>
<td>1</td>
<td>2</td>
<td>20</td>
<td>8</td>
<td>13</td>
<td>1</td>
<td>1</td>
<td>13</td>
<td>18</td>
<td>13</td>
<td>14</td>
<td>17</td>
<td>137</td>
<td>189</td>
</tr>
<tr>
<td>Sullivan</td>
<td>75,828</td>
<td>1</td>
<td>0</td>
<td>15</td>
<td>8</td>
<td>34</td>
<td>0</td>
<td>1</td>
<td>15</td>
<td>45</td>
<td>0</td>
<td>12</td>
<td>20</td>
<td>137</td>
<td>176</td>
</tr>
<tr>
<td>Greene</td>
<td>48,947</td>
<td>1</td>
<td>0</td>
<td>14</td>
<td>5</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>14</td>
<td>12</td>
<td>2</td>
<td>12</td>
<td>17</td>
<td>137</td>
<td>115</td>
</tr>
<tr>
<td>Putnam</td>
<td>59,256</td>
<td>1</td>
<td>0</td>
<td>6</td>
<td>3</td>
<td>6</td>
<td>4</td>
<td>10</td>
<td>7</td>
<td>24</td>
<td>10</td>
<td>12</td>
<td>26</td>
<td>137</td>
<td>109</td>
</tr>
<tr>
<td>Rockland</td>
<td>300,113</td>
<td>1</td>
<td>0</td>
<td>5</td>
<td>19</td>
<td>9</td>
<td>21</td>
<td>0</td>
<td>5</td>
<td>7</td>
<td>0</td>
<td>27</td>
<td>28</td>
<td>137</td>
<td>102</td>
</tr>
<tr>
<td>Columbia</td>
<td>61,183</td>
<td>1</td>
<td>1</td>
<td>15</td>
<td>4</td>
<td>7</td>
<td>11</td>
<td>0</td>
<td>17</td>
<td>17</td>
<td>1</td>
<td>12</td>
<td>17</td>
<td>137</td>
<td>97</td>
</tr>
</tbody>
</table>

* These districts are part of the Total Special District Number.
To be clear, the issue is not simply concern over the number of governmental units, it is about the efficiency and effectiveness in the delivery of services to the residents and businesses of the Hudson Valley. For example, while the Hudson Valley has 123 school districts, including 47 in Westchester County alone, in contrast the state of Virginia has one school district per county. Fairfax County, Virginia, is essentially the same in population and geographic size as Westchester County; however, Fairfax County has only one school district. School districts in New York also usually overlap town, village and even county lines, wreaking havoc on tax bills when assessing practices differ among components of the school district.

The State of New York, with its stratospheric taxes, maze of governments and regulations is not competitive for business attraction or retention. The fiscal uncertainties at the state level, largely created by spending beyond the level of revenues received, are leading to reductions in aid that are exacerbating a growing crisis in municipal finance. Therefore, it is critical to examine costs at all levels of government, and to research and educate government leaders, community stakeholders, residents and the business community on “Best Practices” to achieve government efficiencies in the Hudson Valley.

It is unfortunate that there are some who will immediately react negatively to efforts merely to start a dialog about restructuring government service delivery. We seek to improve the quality of life of the Hudson Valley, retain our young adults and give them a sense of hope that their generation can have a better life than ours.

Essentially we are seeking a new paradigm, including significant and broad sharing and consolidation of services, as well as government restructuring where it is achievable and advantageous. Collectively these actions represent a dramatic change in practice requiring a dramatically different approach to how we think about service delivery. It is a transformation that needs to be driven by agents of change as well as an energized taxpaying citizenry with support from the business community.

THE MISSION

To address this set of issues, Hudson Valley Pattern for Progress will explore, examine and evaluate government systems and services to promote efficiency, shared services and where appropriate, consolidations among various levels of government. This will be accomplished in a transparent manner, strategically utilizing the best available research and data to support best practices with clear and direct benefits to the residents and a positive economic impact to the businesses of the Hudson Valley. The mission is to be accomplished by using existing case studies, within and outside of the State of New York, consulting with entities that wish to engage in this analysis and undertaking independent research.

UNDERSTANDING THE IMPEDIMENTS TO CHANGE

Good ideas often go unimplemented. And even where there are many compelling reasons to alter how services are delivered, quite often nothing is done. Essentially, the question that should be asked is: will the community and taxpayers benefit under a shared service or consolidated approach? Unfortunately, the question is often looked at as: we’ve always done it this way, so why should we change? Reform efforts need to be aware of the impediments, and should take into account the following issues:

1) There is often a lack of leadership to own the change. Some of the best ideas can languish if there is no one willing to “fight the fight.” Further, local leaders may not agree. A town supervisor may have one opinion, the town board another and if it impacts a key official (e.g. a police chief or an independently elected highway superintendent) there is yet another leader to consider.

2) Change is unsettling and building support for it is not easy. While the economy and fiscal situation may provide an opportunity for change, for many people it is equally uncomfortable. Some stakeholders simply cling to what they know.

3) Often the taxing public is not involved in key decisions. As it is critical to build a constituency for change, citizens and other stakeholders – particularly the business community - need to be brought into the process.

4) “Who to believe?” Beyond Pattern, who else supports the concept? Often those opposed immediately suggest that the proponent “has an agenda”. That negative reaction, however, discounts the possibility that an efficiency agenda, if the discussion is broadened, would likely have many supporters in the community.
5) Waiting for the right time. Sometimes it requires waiting for opposition to the change to retire or to step down.

6) Picking “low hanging fruit.” To gain momentum, it often may be necessary to select an item with less of an impact to show the benefits and reduce the fear of the unknown. Then it becomes possible to progressively address more complicated issues.

7) For some larger collaboration, it may be okay to start with not everyone on board in order to show the benefits. After some initial progress, it may be possible to attract greater support in subsequent years. For example, it may be that a group of several towns is the best way to get a project off the ground even if the ultimate goal is a countywide effort.

8) The culture of an organization. Every organization has its own way of doing things. Sometimes it takes a little longer to discern the way in which an organization works or for example the interpretation of a collective bargaining agreement. These may initially be impediments but as they are understood, they can be overcome.

9) “What’s in it for me?” This is not as selfish as it sounds. For example, someone who supports the change but will lose an important medical benefit may wind up opposing the entire approach.

10) “Who wins...Who loses?” Unfortunately the desired change may be looked at this way. Between municipalities it may come down to a perception that a village “wins” and a town “loses” and it is therefore opposed by town residents.

11) While many people object in general to government and hate taxes, they are often not willing to do away with the government they know best and can touch. Even at a premium – higher taxes – they may simply be unwilling to eliminate that unit of government.

12) “Because it worked there, doesn’t mean it will work for us”. Many communities believe they are inherently different, so even presenting the facts from other circumstances and studies may not win the day.

13) Potential of job losses. Both in the loss of elected positions or the elimination of departmental positions. Attention must be placed on relocating displaced workers if the effort is to be successful. This is especially true in the private sector if the impact is to relieve the tax burden.

14) The lack of support for local leaders attempting to bring change when facing complex and confusing state laws, regulations or programs can block progress and calls for access to expert assistance, sorely needed in many areas.

OPTIONS FOR CHANGE

Restructuring the delivery of government programs, utilizing shared services and even consolidation, where appropriate, is necessary to address mounting budget difficulties and declining fiscal conditions. These problems are often related to changes in tax base, increases or decreases in population, new legislation and additional mandated programs but the necessity of addressing them is clear. The goal, quite simply, is to provide services of good quality at the least possible cost. However, the complexity and intensity of this strategy increases as you move along a continuum of approaches to alter municipal service delivery.
Cooperation is usually informal and short-term and is a good choice when:
- Exchanging information is all that each of the partnering municipalities expect;
- Residents and the community as a whole perceives a duplication of services;
- Cooperation rewards all participating municipalities equally;
- Municipalities that create cooperation directly benefit.

Coordination/Collaboration is often longer term and requires a deeper working relationship, but is still not a formalized operation and is a good choice when:
- The goal is achieving economies of scale for a one-time event or short-term project;
- Potential partners share common short-term outcomes or plans;
- Shared resources will help potential partners accomplish short-term objectives;
- Potential partners need to maintain their individual identities within the context of the event or short-term project;
- The overall service system of which you are a part requires significant changes;
- To achieve economies of scale, the issue must be addressed at a much larger scale and with more resources than any one municipality has;
- The challenge is complex and requires long-term, multiparty commitment.

Shared Services and Consolidation of Services allow for a highly integrated approach to restructuring government services and present both major opportunities and challenges.
- Enhanced capacity to deliver needed services;
- Expansion of geographic reach of services;
- Less competition for discretionary resources to support municipal services (ie. Grants);
- Integrating municipal cultures into a healthy, productive and efficient partnership;
- Correctly estimating the time, effort, and financial resources required to reach operational stability;
- Shared service can be accomplished through intermunicipal agreements (IMAs);
- Consolidation of services may include the elimination of employees and potential “loss of identity” and is considered much harder to achieve.

Municipal Dissolution or Merging units of government is the most dramatic form of restructuring. However, dissolution of a unit of government is warranted if the unit or service deliverer can no longer function or if it is more efficient or otherwise advantageous to have the service provided by some other entity. In essence, it is “Going out of Business” – not an infrequent private sector event, but an extreme rarity among governments.

BEST PRACTICES
Here are just a few examples showing change can work:
- The dissolving of the village police department in Saugerties. Good leadership and good research has led to cost savings approach to police services.
- The tri-district school merger in Sullivan County. Most of the direct stakeholders (students and teachers) believe that the effort was positive and would do it again.
- The effort that brought about the new charter and the creation of a county executive in Ulster County.
- Several efforts to restructure the delivery of county and town highway services have resulted in the chipping away in a system that has numerous redundancies.
- The dissolution of the village court in Liberty. The court was both losing money and the same justice was independently elected in both the town and village.
GETTING STARTED: CREATING AN ACTION AGENDA

Phase I: Initiation and Support
1) Form a new task force within Pattern to address government efficiency, to address the mission described above.
2) Produce a white paper to clarify the mission and purpose of the Task Force.
3) Hold Pattern’s third annual discussion with county leaders on April 7th. Topic Focus: steps and measures that they have been taken to improve government efficiency within their own counties.
4) Creation of mid Hudson mayors working group to address issues of common need.
5) Continue to work with all elected or appointed officials either individually or within their local associations to create new strategies for the design and implementation of government efficiencies.
6) Meet with the region’s chambers in an effort to gather support within the Hudson Valley business community for the mission of the Task force.

Phase II: Focus Groups and Analysis
7) Use a speaker’s series to focus attention on the issue.
8) Develop a series of position papers for publication by Pattern.
9) Engage in research designed to discover the potential savings from collaborative approaches, shared or consolidated services in the Hudson valley.
10) Gather research that is relevant to the kinds of projects we are seeking to investigate. Find examples of “best practices” and case studies that support this effort.

Phase III: Building support for change
11) Create metrics to gauge success of the effort.
12) Design a fall conference to further the mission of the Task Force; celebrate “Agents of Change”.
13) Choose a keynote speaker for our annual awards event to focus attention on restructuring.
14) Continue to write and participate in a public discussion that furthers the identified goals.

Phase IV: Demonstrating Change
15) Seek demonstration projects in the Hudson valley to highlight potential benefits. For example: highlight how technology can be used to integrate services or a bold a countywide approach in an area like property assessment, tax receiving or educational support services.
16) Refine public understanding of the roles of the various levels of government. The outcomes may include significant reshaping of current roles, responsibilities and ultimately structures.
17) “Practice What We Preach”- Show that Pattern, as an organization, is willing to engage in consolidation or shared services with other organizations.
18) Create a pilot project for the Hudson Valley seeking support (financial and otherwise) from others that support the mission.

Phase V: Continuing Support, Technical Assistance and Advocacy
19) Increasing citizen awareness of the benefits of restructuring government. Establish and present the cost benefits of such change.
20) Provide support to leaders who wish to embrace change.
21) Find ways to create incentives for change.
22) Support State government initiatives and actions that can bring the Hudson Valley as well as other regions to a more competitive position.
23) Redesign Pattern’s website to be a leading source of information in the Hudson Valley to support local government efficiency.
24) Provide training efforts that lead local government officials with tools to survive the difficult fiscal conditions they are facing.