

Government Consolidation

The Governor's Budget proposes to allocate \$20 million from one-time bank settlement funds for a competitive grant program intended to encourage government consolidations that permanently lower property taxes in the combined jurisdictions. Historically, voters in New York seldom approve formal consolidations and dissolutions and NYSAC questions the need of creating another local government competition while eliminating funding for an existing shared services grants program.

1. Promote local government efficiency programs

Support rolling the \$20 million of competitive grant funds proposed by the Governor into the existing Local Government and Performance Efficiency Program while also increasing the maximum award per municipality for more "transformative" projects as proposed by the Governor.

2. Provide state assistance before a municipality is in fiscal crisis

Oppose the elimination of funding for the Local Government and Performance Efficiency Program

The Governor's Budget eliminates funding authorization for the \$40 million Local Government and Performance Efficiency Program for SFY 2016-17. The budget also provides \$80 million in reappropriations from prior year grant funding from the local government efficiency program. Those funds will only be accessible through the Financial Restructuring Board, and it appears the grant program is being entirely restructured.

Oppose the Governor's proposal to reappropriate government efficiency funds through the FRB.

To date, no county has ever applied to the fiscal restructuring board (FRB) for assistance due to limitations within the award structure under the FRB (caps to grant amounts are too low to assist counties). The Governor's proposal to force all reappropriated funds through the FRB cuts off a large amount of grant funding to counties.

3. Clarify State goals for local government shared services programs

Oppose the constant and significant reprogramming of funding authorized for local government grants to promote efficiency, shared services and consolidation.

Last year, lawmakers set aside \$150 million set aside from bank settlements funds last year for local government shared services program grants. That program is now being repurposed for a \$25 million state OTDA developed anti-poverty program and also to fund a \$100 million downtown revitalization competition.

Counties believe a more consistent approach can provide important improvements that can help taxpayers. The current process of changing priorities on an annual basis is not useful. Counties believe we should not start up new programs before we try to see if currently authorized ones can work as proposed.