**SHARED SERVICES INITIATIVE**

In 2017, the State enacted the County-wide Shared Services Initiative (CWSSI). The initiative required county leaders to convene other municipal leaders and together develop a shared services plan that would save property tax dollars. Of the 57 counties in New York, 34 submitted taxpayer savings plans for the CWSSI in 2017. The other 23 counties are expected to develop their plans in 2018, following the same deadlines set for 2017 submissions.

**2018 EXECUTIVE BUDGET PROPOSAL**

The Executive Budget proposal includes language to make the County-wide Shared Services Panels permanent to facilitate continued intergovernmental collaboration and generate new and recurring local property tax savings. The proposal would provide fire districts and fire protection districts with the option to participate, in addition to school districts, boards of cooperatives educational services (BOCES), and special improvement districts. The Secretary of State would be authorized to seek guidance and recommendations from the panels regarding certain local government efficiency and shared services grant programs.

The Executive Budget also includes $225 million in state matching funds for payment to local governments. The State will match net savings actually and demonstrably realized from new actions that were included in an approved county-wide shared services property tax savings plan finalized and submitted to the Division of Budget pursuant to the statute.

**2018 LEGISLATIVE BUDGET PROPOSALS**

The Assembly modifies the Executive proposal to make the panels permanent and provide for optional participation by fire districts and fire protection districts. The Assembly proposes a two-year extension and reporting requirements for the Department of State based on plans submitted by the counties.

The Senate rejects the Executive proposal to make the panels permanent.

Both the Senate and Assembly provide $225 million for matching funds.

**COUNTY SOLUTION**

NYSAC supports a stronger incentive to expand the participation of other local government jurisdictions in the process, especially school districts and fire districts. The State should also be required to participate on any service sharing panel, since they have resources and assets that could be drawn upon to help reduce the costs, and therefore property tax burden, in each of our counties.

Since the counties were required to spend resources, time, and funding to coordinate these shared services panels, including hiring additional staff members, or contracting with research agencies or consulting firms, we recommend the State provide up to $100,000 for each county that could be drawn down for expenses, reports, or seed money.

The State should also consider modifications to arcane requirements within the State’s property tax cap calculation that places barriers to the most comprehensive shared services reforms when functions are fully transferred from one level of government to another. Currently, the one-size-fits-all approach of cutting the property tax levy base of the entity that loses a function does not consider local budget circumstances and the ability of smaller jurisdictions to absorb the loss of the tax cap growth. The cap adjustment in these situations should allow entities given up a function to retain at least half of the value of the function transfer.

Finally, all of the shared services that counties submit to the State should be catalogued and made available online for local leaders looking for best practices and innovative ideas. We recommend that State lawmakers provide funding for the development of this online database. These funding ideas could come from the $225 million allocated in the Governor’s Executive 2018-19 State Budget proposal.
**FY 2019 ENACTED BUDGET**

The final budget includes $225 million in state matching funds and extends the County-wide Shared Services Initiative until December 31, 2021.

School districts, boards of cooperative services (BOCES), fire districts, fire protection districts, and special improvement districts will have the option to participate. School districts and BOCES can participate in shared services agreements without the opinion or approval of the State Department of Education.

After having convened at least two meetings in a calendar year, a panel can decide that it is not in the best interest of taxpayers to revise and update a previously approved plan or develop a new plan that year. New shared services actions not included in a previously approved or submitted plan may be eligible for State matching funds, subject to available appropriation.

The Department of State is required to prepare a report by June 13, 2022 that includes a detailed summary of projects included in the shared services plans, a detailed summary of each county’s plan, the anticipated savings for each plan. The Secretary of State may solicit from the panels advice and recommendations concerning matters related to the operations of local governments and shared services initiatives.

To facilitate shared services, the budget also amends the Uniform Justice Court Act to allow towns to share one or more town justices.

*For more information on the county position regarding this issue, visit [www.nysac.org/publisafety](http://www.nysac.org/publisafety) or call 518-465-1473 to speak to Katie Hohman, NYSAC Legislative Director.*