



# 2021 Legislative Priorities

## POLICY BRIEF

### Transportation & Local Government

December 30, 2020

#### Policy Snapshot:

- NYSAC supports an increase in the CHIPS bidding threshold to give municipalities the flexibility and the option to bid out or perform in-house projects that cost less than \$500,000.
- The State continue to provide state matching funds for all savings generated, not just the first year of what could be a multi-year implementation.
- A portion of the matching funds be made available to counties for implementation and plan development costs associated with shared service initiatives.
- The state should allow for new CWSSI plans to include previously planned but not implemented ideas and allow them to be eligible for a state match of realized savings.
- NYSAC supports state law and regulatory changes that will reform Article 47 to allow fewer contracted lives, reduce reserve requirements, and expand eligibility to other public entities.

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#### Policy Priorities:

##### CHIPS Bidding Threshold

The current competitive bidding threshold for highway projects is \$350,000. Last year, the SFY 20 budget increased the CHIPS bidding threshold from \$250,000 to \$350,000. Counties certainly appreciate the greater flexibility in being able to conduct more work in-house, however, the threshold continues to remain stubbornly low.

##### *Recommendation*

NYSAC urges the Governor to include a proposal in the SFY 21-22 Executive Budget to increase the CHIPS bidding threshold to \$500,000. An increase in the threshold would give localities the flexibility and option to bid out or perform in-house projects under \$500,000.

##### County-Wide Shared Services Initiative (CWSSI)

Counties have long used shared services and function consolidation as a primary tool in improving local government efficiency. Over the last several years, the State has enacted a variety of shared services initiatives to encourage more consolidation and service sharing at the local level. In the SFY 2017-18 budget, a plan was adopted that called for county leaders to take the lead on convening meetings with other local government leaders to develop new shared services and consolidation proposals designed to reduce the burden of local property taxes. We

were encouraged that the final budget included state matching funds for shared services in the amount of \$225 million.

While counties continually pursue expanded shared services, the incentive to draw down state matching funds for the savings generated is a powerful inducement for counties to do more. In the 2018-19 State Budget, lawmakers extended the CWSSI to 2019, 2020 and 2021.

#### *Recommendation*

NYSAC is requesting:

- The FY 2021-22 Budget continue to fully fund the necessary match to implement these initiatives.
- The State continue to provide state matching funds for all savings generated, not just the first year of what could be a multi-year implementation.
- A portion of the matching funds be made available to counties for implementation and plan development costs associated with shared service initiatives.
- The state should allow for new CWSSI plans to include previously planned but not implemented ideas and allow them to be eligible for a state match of realized savings.

### Lower Workers Compensation Costs for Local Governments

In County Pools Background Like health insurance, workers compensation insurance is a significant cost to local governments and property taxpayers. We request that the State Budget include language that would allow county pools to join public sector group self-insured programs, which can offer deductible options, common in other states, that simultaneously provide lower premium costs and better risk and claims management for members of county pools. Public sector self-insurance programs have robust safety and risk management programs designed specifically for local government employees and the risks they face.

#### *Recommendation*

Passage of legislative language such as S.5873, DeFrancisco/A.697A, Magnarelli from the 2017 Legislative Session would help facilitate this initiative. This language would allow counties and local governments to take advantage of economies of scale and shared services to reduce costs and improve workers compensation protections for public employees. The Workers Compensation Board fully supports this legislative approach and has determined that this change is necessary to allow such county groups to continue operating. This legislation makes this necessary change and makes additional changes to help additional self-insured county workers' compensation pools to operate more effectively.

### Health Insurance Risk Pools

Counties have asked for several years that the state review its current legal and regulatory requirements that allow counties to establish shared health insurance consortia to help lower costs for local governments. Only one such county-led pool has been established in the last three decades due to the strict and bureaucratic process establish under state law and regulation. During the CWSSI process several counties expressed interest in establishing shared health insurance risk pools but found the state law barriers to be excessive and counterproductive.

#### *Recommendation*

NYSAC supports state law and regulatory changes that will reform Article 47 to allow fewer contracted lives, reduce reserve requirements, and expand eligibility to other public entities.

## Design-Build for Major Local Government Construction

Design-build is a common method used in the private construction industry to deliver a project in which the engineering design and construction services are contracted by a single entity. Especially in larger construction projects, allowing local governments to use this method would reduce costs and complete projects quicker. The State of New York has recently passed legislation allowing for more design-build options for State projects in order to reduce costs and streamline projects. Counties and New York City do not have this same flexibility under the law.

### *Recommendation*

Support extending design-build authority to counties.

## Additional Policy Recommendations:

- Reinstating authority to use certain wildlife management techniques at airports.
- Authorize use of design-build contracts for localities.
- Exclude capital costs from property tax cap formula.
- Reauthorize a new round of funding for the Competition to Revitalize Upstate Airports.
- Increase CHIPS funding and continue to fully fund PAVE NY and a new round of BRIDGE NY.
- Create Blue Ribbon Commission to Redesign State-Local Service Delivery
- Increase Interstate Tolls for Out-of-State Residents as a means to increase funding for the Bridge NY, CHIPS, Extreme Weather programs, as well as state DOT infrastructure repairs, a levy a supplemental toll should be levied against drivers from out-of-state.
- Provide funding to those counties to support the building and maintenance costs of the state's empire state trail in their community.
- Adjust property tax cap provisions that work against local shared services and consolidations.
- Fully repeal the New York State Scaffold Law or reforms to include a pure standard of comparative negligence.
- A full repeal of the Wicks Law would ensure all state taxpayers are treated equitably. If full repeal cannot be accomplished quickly the current thresholds should be raised significantly—to at least \$10 million for all entities currently subject to limits.
- Amend Public Officers Law §3 and allow for Home Rule Authority to determine county employee residency requirements.