

I. Executive Summary

Pursuant to Assembly Concurrent Resolution No. 3, the Joint Legislative Committee on Government Consolidation and Shared Services was charged with reviewing and formulating proposals that address the sharing of services and regionalization of functions at all levels of government.

The Joint Legislative Committee on Government Consolidation and Shared Services finds:

- The State has 566 municipalities, 616 school districts, and 486 local authorities and special districts, a system that lends itself to redundancy and inefficiency, which are major contributing factors to high property taxes;
- New Jersey local governments engage in a wide variety of shared service arrangements, some of which have been extremely effective and strong local leadership is often the key ingredient behind these local success stories;
- Nevertheless, political resistance remains a potent barrier to consolidation and while recognizing the need for efficiency of operation, local officials are often least willing or able to spearhead needed change;
- Based on representatives from the academic, non-profit and governmental communities who provided expert testimony on best practices in both the United States and Canada regarding consolidation and service sharing, consolidations, in some cases, may not produce immediate cost-savings and may actually be more expensive in the short-run because salaries generally rise to the levels of the highest paying municipality following consolidation;
- In other cases, however, consolidation may result in efficiencies and cost savings for municipalities, and should be facilitated by an improved, streamlined process tailored to local needs and unencumbered by a thicket of more than 338 overlapping and antiquated laws that inhibit positive outcomes;

- Current laws and regulations discourage consolidation when a non-civil service municipality attempts to enter into a sharing agreement with another community that operates under civil service statutes;
- School superintendents in local districts are subject to very little oversight with respect to administrative spending and it is time for the State to take whatever steps are necessary to eliminate duplicative administrative spending;
- The State largely has employed a “carrot” approach to incentivizing consolidation and service sharing for over 30 years and it may be that for real progress to occur, the “stick” approach must be considered;
- Because vast differentials in assessed values among neighboring municipalities discourage consolidation, the modernization and standardization of assessments across the State is critically important;
- Providing citizens with the tools to gauge the efficiency of their local governments will help promote accountability and cost savings, where appropriate;
- One means of achieving increased accountability is to ensure that elections of local officials who spend significant amounts of money occur on days when a significant percentage of the population is likely to vote;
- The CORE reform package proposed by the Speaker of the General Assembly contains a credible framework of long-term, sustainable structural reforms worthy of legislative enactment.

The Joint Legislative Committee on Government Consolidation and Shared Services therefore recommends:

- *Recommendation 1:* Create a permanent local unit reorganization and consolidation commission to facilitate municipal mergers and shared services;
- *Recommendation 2:* Streamline the existing process for sharing services and municipal consolidation, remove barriers and introduce flexibility for municipalities to design their own procedure;

- *Recommendation 3:* Create a modern, county-based system of property tax assessment;
- *Recommendation 4:* Tie State aid to efficient local government operation;
- *Recommendation 5:* Move fire district elections to November to encourage greater voter turnout and eliminate the need for a budget vote;
- *Recommendation 6:* Provide for coordination of capital purchasing by municipalities to help avoid redundancies and duplication;
- *Recommendation 7:* Expand powers of 21 “Executive County” superintendents to oversee local district administrative spending;
- *Recommendation 8:* Move school board elections to November and eliminate the April budget vote except for budgets that exceed the cap;
- *Recommendation 9:* Require adoption of “user-friendly” county, municipal and school district budgets;
- *Recommendation 10:* Expand options for local units to jointly insure and self-insure for expanded range of life, health, and liability coverages;
- *Recommendation 11:* Promote shared municipal courts;
- *Recommendation 12:* Consolidate public safety answering points consistent with State 9-1-1 Commission recommendations;
- *Recommendation 13:* Permit the county assumption of state road maintenance in certain circumstances;
- *Recommendation 14:* Centralize State risk management;
- *Recommendation 15:* Streamline information technology service by codifying recommendations of the GEAR Commission;
- *Recommendation 16:* Eliminate defunct State boards and commissions;
- *Recommendation 17:* Authorize a pilot program for the county administration of school districts;
- *Recommendation 18:* Abolish the New Jersey Commerce, Economic Growth, and Tourism Commission and transfer certain functions to other State entities.