

Cracking under Pressure: Local Governments Need a Supportive State Partner

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In an effort to reduce the high property tax burden and promote government efficiency, Governor Cuomo launched a three-pronged reform: implement a property tax cap, provide relief from state mandates, and incentivize service sharing among local governments. While the tax cap restricts the ability to raise revenue, mandate relief has yet to occur. Mandates, both big and small, incur significant administrative costs and financial stress to local governments. In focus groups held across New York in 2015, local government leaders report they struggle to comply with mandates and maintain the quality public services their residents need and use on a daily basis.

One focus group participant explained that the state has been downloading some of its responsibilities onto local government as if they were using someone else's "charge card," adding new services, and putting the cost on someone else. Even small mandates can incur a significant cost; simply put, it is death by 1,000 cracks.

Upstate local governments have been sharing services for a long time. Instead of being recognized for their long-term vision of cost-efficiency, some upstate local governments are being penalized for their leadership, and their residents lose out on reimbursement. Under initiatives such as the Local Government Efficiency Program and the Property Tax Freeze Credit Program, residents only receive a property tax reimbursement if their governments comply with the tax cap and have an approved Government Efficiency Plan. Despite their leadership in sharing services, some upstate communities get no credit for the real savings they are providing their residents.

Our research also shows that often we need to spend money to save money and real saving takes time to accumulate. Despite the intention of the State to alleviate tax burdens for upstate residents and pursue government efficiency, current reforms lack a supportive state partner. A tax cap without

mandate relief undermines local governments' ability to deliver adequate public services. Requiring additional service-sharing initiatives without providing administrative support, stifles innovation.



The twin process of the State dumping administrative responsibilities on local governments and usurping local fiscal authority will hollow out local governments' ability to provide New York's residents with the quality services they expect. This disrupts the partnership needed between different levels of governments and citizens and may ultimately crack the very foundation upon which New York State is built.

*The full report on which this brief is based can be found at <http://cms.mildredwarner.org/p/234>

