

2011 MANDATE RELIEF REDESIGN TEAM REPORT



Preliminary Report

March 1, 2011

Putting the brakes on unfunded mandates:

A new state-local partnership

A Report to the Governor of Findings & Proposals

Mandate Relief Redesign Team

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* Ms. Briccetti was asked to serve as the Business Council's representative to the Mandate Relief Redesign Team when Kenneth Adams was nominated to head the Empire State Development Corporation.

** These members were asked to join the Mandate Relief Redesign Team subsequent to the issuance of Executive Order #6 on January 5, 2011.

March 1, 2011

The Honorable Andrew M. Cuomo
Governor of New York
State Capitol
Albany, New York 12224

Dear Governor Cuomo:

I am pleased to submit this initial report in compliance with Executive Order No. 6, which formed the Mandate Relief Redesign Team. For far too long, the relationship between the State and local governments has been a one-way street where mandates are handed down from Albany without care for the impact on local governments or their taxpayers. These mandates, delivered by the State without flexibility or full funding, are a major reason why New York has some of the highest property taxes in America.

We must change this paradigm and stop the train of unfunded mandates in its tracks. The State must be accountable for new mandates and act in partnership with local municipalities and schools. Local governments need decision-making authority and flexibility, not micro-management from Albany. In the long term, and within the State's own financial constraints, the State should accept responsibility for funding the existing patchwork of mandates.

While we continue to work on relieving unnecessary and burdensome mandates, we need a permanent solution to stop the proliferation of new unfunded mandates after the work of the Team is complete. The State needs to put the brakes on unfunded mandates, therefore this initial report includes a constitutional amendment prohibiting new unfunded mandates and a framework to change the system so that the State will no longer be able to charge the cost of program expansion on the credit cards of our schools and local governments.

We have received well over 2,000 ideas, proposals and suggestions from members of the Redesign Team, as well as hundreds of ideas from state agencies and the public. During this process many critical issues were raised, such as the role of the Triborough Amendment, the increased cost of employee benefits, and the spiraling cost of special education. It has taken decades to get to this crisis point, and it can be challenging to address mandates with long histories. To advance ideas on these and other issues, further review, discussion and feedback are necessary. However, there is no denying that our local governments, school districts, and their taxpayers need this effort to be successful.

I am honored to have had the opportunity to work with each member of this Team. Their service deserves the people's appreciation, and I look forward to their continued contributions and counsel.

Respectfully submitted,

A handwritten signature in black ink that reads "Lawrence Schwartz". The signature is written in a cursive, flowing style with a large, stylized 'L' and 'S'.

Lawrence Schwartz

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I. INTRODUCTION

Governor Cuomo has made it a priority to fundamentally redesign and reform government to make it more affordable and efficient by tying spending to performance, accountability and efficiency. Among the first initiatives of the Governor's tenure were establishing the Spending and Government Efficiency Commission ("SAGE"), the Medicaid Redesign Team and the Mandate Relief Redesign Team to reduce government spending, provide property tax relief, and reinvigorate the state economy.

Unfunded and Underfunded Mandates Drive Up Costs of Schools, Municipalities and Property Taxes

New York had the second highest combined state and local tax burden in the nation in 2009.¹ One of the central reasons why - is mandates—i.e., the State laws, regulations and procedures that schools and municipalities must follow.

The State relies on its municipalities and school districts to deliver vital services to its residents and often prescribes exactly how these services should be provided. This limits flexibility and increases costs.

Whether it is counties providing social services and Medicaid to those in need, school districts educating children, or cities, towns and villages patrolling and maintaining roads, municipalities and school districts are often the direct link between New York's residents and the services they rely upon.

As these services are important to New Yorkers, the State often forces municipalities and school districts both to provide services in a particular way and to pay for the services that are provided. Whether it is requiring that a specific topic be taught in schools, forcing cities, villages and towns to fill out redundant paperwork, or limiting the options counties have to provide services to the most vulnerable, these mandates can be very specific and often focus on processes rather than outcomes.

Although well-intentioned, the unwillingness of state government to give greater decision-making power and management flexibility to local governments drives up the costs of services.

¹ See NYS Office of the State Comptroller, "Financial Condition Report 2009," available at <http://www.osc.state.ny.us/finance/finreports/fcr09.pdf>.

The mandate problem that this creates has been documented time and time again. There have been numerous commissions, task forces and panels that have studied and made recommendations on how to reduce the burden of mandates on local government, each one echoing the others on the magnitude of the problem of mandates.

“In many localities, officials feel that their units of government are treated as poor relatives in the distribution of resources by the higher levels of government, even though local residents and their business enterprises are the principal tax source for these higher government levels . . . [T]hey see themselves being harassed and oppressed by supervening agencies invested with the power to affect the lives of entire neighborhoods and communities, without being required to secure the approval or even consult with local authorities. Finally, local governments feel themselves weighed down by costly and at times oppressive State legislative mandates for new functions, programs and employee benefits.”

-Temporary State Commission on the Powers of Local Government
March 31, 1973

Unfunded state mandates are a problem that cannot be solved in sixty days. This preliminary report seeks to present some initial relief that can be provided to municipalities and school districts to help them control their costs, as well as a way to fundamentally alter the state-local relationship. Going forward, the Team will continue to review recommendations proposed by Team members, state agencies, local governments, school districts and the public, and consider them for advancement.

The Mandate Relief Redesign Team Process

Over a short period of time, the Mandate Relief Redesign Team (“Team”) has held a rigorous schedule of meetings with stakeholders. The Team began working on January 7, 2011, when Governor Cuomo participated in the Team’s first meeting via conference call.

The second public meeting was held on January 19, 2011. On the same day, the Governor announced the launch of the Mandate Relief Redesign Team’s Web site (<http://governor.ny.gov/mandaterelief>) to invite the public’s participation in the process of reviewing and reforming underfunded and unfunded mandates across the state.

At this second meeting, the staff requested mandate relief recommendations from each member of the Team. The Chair requested comments on a list of mandate reforms that had been advanced as part of the 2010-11 Executive Budget. The Team was also asked to review Executive Order No. 17, which was issued April 27, 2009 (Appendix C) and required state agencies and authorities to evaluate and state the impact of any local government mandates in the regulation and legislation that was advanced by the Executive. Each Team member was given an opportunity to speak.

The third public meeting was held on February 14, 2011. In the few weeks that passed between public meetings, the Chair and staff met with every group represented on the Team to engage in one-on-one sessions designed to facilitate the development of mandate relief ideas. As a result of these meetings, the staff received suggestions from almost all of the Team members.

The staff will continue to go through these submissions and will compile lists of mandate relief ideas for Team review. The Chair and staff also engaged other mandate stakeholders who are not a part of this group to solicit their thoughts. Meetings were held with all four legislative conferences.

The Mandate Relief Redesign Team and the Governor's office also received a significant amount of correspondence on mandate relief. The Team reviewed over 500 suggestions from the public on the Mandate Relief Redesign Team's website. Most of these suggestions will be posted on the Mandate Relief website. In addition, the Chair and the Governor's office also reviewed over 1,300 letters or emails and 150 resolutions from local governments.

In addition, the Chair and staff worked to involve all of state government in this process. The Division of Budget was engaged to help the Team identify cost savings associated with the ideas that have been generated. The Chair and staff have met with over a dozen state agencies. The process with several of the agencies has included an inventory of all of the mandates the agency places on local government entities. From there, staff worked with these agencies to develop lists of recommended mandate relief proposals. This preliminary list is included in Appendix B to this report.

As of today, the Chair and staff have held over 50 separate meetings in the past two months of work.

Today's report is the Chair's preliminary report to the Governor of initial findings and proposals for consideration. The Team will be submitting quarterly reports on its continuing review thereafter. The Team will make its final recommendations to the Governor by the end of the State Fiscal Year 2011-12.

Preliminary Review and Findings for Further Consideration

Mandate relief is about lowering the costs of all governments and providing property tax relief. The Mandate Relief Redesign Team is looking for ways to eliminate mandates, to change the ways mandates are funded and approved, and to give greater authority and management flexibility to the local taxing entities that have to administer these mandates.

This initial report outlines ways that will begin to help reform the system. The Team also raised other important issues, such as the Triborough Amendment, health insurance employee cost-

sharing², special education³ reform and Medicaid costs. Each of these complex issues has a long history and addressing them will be a challenge requiring further review, discussion and feedback.

However, this preliminary report presents some critical initial suggestions that will assist municipalities and school districts in controlling their costs. Equally important, this report includes proposals that will fundamentally alter the state-local relationship. We hope that this is an important step for the Team to consider so that we reform the current unsustainable system. Going forward, the Team will continue to review recommendations suggested by Team members, state agencies, local governments, school districts and the public, and consider them for advancement.

State mandates are not a new issue. There have been innumerable reports written on the problems of mandates, yet those reports ended up on a shelf collecting dust while the problem of unfunded mandates not only continued, but got worse. As these mandates have been built up over decades, it is a problem that cannot be solved in sixty days. However, the process has been positive so far, and the Team will continue to find ways to reduce the burden of mandates.

This report aims to create a roadmap for reform and is separated into three parts: (A) redesigning the system to stop proliferation of unfunded and underfunded mandates; (B) addressing the cost-drivers; and (C) addressing the current unsustainable burden of state mandates.

² For example, the Citizen Budget Commission released a report on healthcare cost-sharing for school district employees. See “School Districts Should Achieve Substantial Savings by Following State Practices for Employee Health Insurance Premiums” (February 2, 2011) at <http://www.cbcny.org/cbc-blogs/blogs/school-districts-should-achieve-substantial-savings-following-state-practices-employ>.

³ For example, the Regents are considering 24 special education mandate relief options as part of a list of 53 total mandate relief options. The Team is currently reviewing all 53 recommendations.

II: A ROADMAP FOR REFORM

Section A. Reform and Redesign the Current System to Stop the Proliferation of Mandates

The current unsustainable web of state-imposed mandates on local governments and school districts did not happen overnight and will take time to untangle. In the meantime, we must begin controlling the proliferation of new mandates on our local governments and school districts by prohibiting enactment of new unfunded mandates. However, this step will be effective only if the process for identifying and estimating the costs of proposed new mandates is strengthened and made more transparent.

Prohibit New Unfunded Mandates

- **Permanently fix the problem of unfunded mandates by advancing a constitutional amendment – and in the meantime a state law – providing, with very limited exceptions, that new state mandates on local governments, including school districts, will not be effective unless the State fully funds the mandate or the local government affirmatively votes to comply with the mandate.**

The idea of prohibiting unfunded local mandates is not new: at least 27 states have constitutional or statutory provisions restricting the imposition of new unfunded mandates on local governments, including Massachusetts, New Jersey, California and Illinois. In most of these states, the restriction on unfunded mandates is embodied in the State Constitution – an approach believed by many observers to be most effective – while other states, such as Illinois and Washington, have enacted statutory restrictions. In four states (Colorado, Florida, Maine and Oregon), statutory restrictions were later implemented as constitutional amendments.

In general, restrictions on unfunded mandates fall into two categories: those that require states to fund mandates up-front and those that require the state to reimburse local governments for the costs of state mandates. In states with up-front funding requirements, unfunded or underfunded mandates on local governments generally become optional: the local government must affirmatively decide to incur the additional expense of complying with the mandate. This is the approach taken by states such as Alaska, Florida and Michigan. Many other states, including California and New Jersey, require local governments to incur and seek full or partial reimbursement for the costs of complying with state mandates. However, reimbursement structures can only be successful at protecting local governments from unfunded and underfunded mandates if local governments have the financial wherewithal to front the funds necessary to comply with state mandates and the state consistently appropriates sufficient funds to reimburse local governments for the costs of all state mandates.

Last year, Governor Paterson proposed a four-year moratorium on new unfunded mandates that would have prohibited, with very limited exceptions, the enactment of legislation that would require a new or augmented local program or tax exemption.⁴ Earlier this year the State Senate passed legislation⁵ that, with limited exceptions, would require the State to fund the net additional cost to local governments and school districts of any new state law or regulation. Each of these proposals would be an important step on the road to controlling unfunded mandates.

However, the only way to permanently fix the problem of unfunded mandates is to embed a ban on new unfunded mandates in the State Constitution – otherwise laws can be enacted that circumvent or “notwithstanding” the mandate ban. New York should consider following the model of Massachusetts and many other states by enacting a constitutional amendment providing that new state mandates on local governments, including school districts, will not be effective unless the State fully funds the mandate or the local government affirmatively votes to comply with the mandate. The constitutional language should include appropriate exceptions to the ban, such as federal, court-ordered or state constitutional requirements; emergency mandates; mandates expressly requested by the affected local government; and mandates with de minimis fiscal impact.

The process of amending the State Constitution takes time, but local governments and school districts need relief now. New York should enact a statute imposing the ban on new unfunded mandates as a place-holder until the constitutional amendment is ratified by voters.

Require Independent Cost Analysis of Mandates

- **Strengthen the current ineffective fiscal impact statement process by requiring legislative fiscal committees to determine the need for and prepare fiscal impact statements, codifying Executive Order 17 fiscal impact statement methodology and local government consultation requirements, and assuring that decisions, determinations and methodologies are posted on electronic bill status portals.**

Local governments will not be protected from the imposition of new unfunded or underfunded mandates unless there is a formal process to identify and estimate the costs of new proposals that impact local governments. At least 42 states have provisions on their books that require an estimate of the local cost burden of proposed legislation, often in the form of a requirement that a fiscal note be prepared for any legislation that is expected to substantially impact the finances of any local government. In New York, the state legislators who sponsor any bill that would “substantially” affect the finances of a local government must prepare a “fiscal impact note” on

⁴ See Part BB of S.6606/A.9706 (2010).

⁵ See New York State Senate bill 2707 of 2010 (Saland et al).

the bill,⁶ but the Joint Rules of the Senate and Assembly implementing this law have established a process that has few guidelines, is hidden from public view and too often is simply ignored.

Thousands of bills are introduced in the New York Legislature every year, only some of which have a likelihood of impacting local governments. Each house must designate an individual who reviews every bill to determine whether a fiscal impact note is required. The Joint Rules give little guidance about how these decisions should be made and provides only that the sponsor be informed when a fiscal impact note is required. There are no requirements for public notice of these decisions and, thus, no opportunity for local governments to identify other bills that should receive fiscal impact statements.

Once the decision to require a fiscal note has been made, who will prepare it? In New York, like many other states, the legislative sponsor is required to assess the fiscal impact of his/her own legislation. Unfortunately, legislative sponsors often lack the expertise to develop accurate cost estimates – and some may be tempted to disregard, low-ball or otherwise obscure the cost burdens of their own legislation. New York should instead follow the lead of those states that vest the responsibility for preparing fiscal notes in a legislative body – often the legislative fiscal committees – which keeps the function within the legislative branch of government while bringing a greater level of expertise and objectivity to the process.

In 2009, Governor Paterson ordered state agencies to perform rigorous cost estimates before proposing any new legislation and regulations that could have an impact on local government finances. Executive Order 17 (*see* Appendix C) requires an accounting of the impact of a proposed mandate on local governments, which must include (a) the fiscal impacts of the mandate, (b) a cost-benefit analysis, (c) documentation of input sought and received by affected local governments, and (d) proposed sources of revenue to fund the mandate. This process, which currently applies only to state agencies, should be codified as the required fiscal impact statement methodology for all proposed legislative and regulatory mandates.

Although cost estimates are generally prepared for the benefit of legislators, they can also provide valuable information to the public about proposals that might impose mandates – but only if the fiscal notes are made available to the public. In fact, assuring that fiscal notes are readily accessible to the public would ensure that local governments have an opportunity to review, and perhaps challenge, the fiscal notes on proposals that would affect them. New York could increase the transparency and accountability of the process by requiring fiscal impact statements to “age” with their bills and to be readily available to the public, at a minimum through the Legislature’s electronic bill status portals, so local governments have an opportunity to review and rebut the cost estimates.

⁶ See Legislative Law § 51.

Section B. Address Cost-Drivers to Provide Meaningful Mandate Relief

In meetings, during discussions with stakeholders and in recommendations sent to the Mandate Relief Redesign Team, much of the focus was on a few key cost drivers, including salaries, employee benefit costs (health insurance and pensions), debt service costs, and special education costs. The reason for the focus on these issues is the pressure that they have been placing on municipal and school district budgets in recent years. These mandates have complex histories and addressing them is a challenge, therefore advancing ideas on these and other issues will require further review, discussion and feedback. Given the pressure that these items place on the property tax and the concerns that were raised by stakeholders, the second focus of this preliminary report is on ways to address some of these cost drivers.

Create a New Pension Tier to Control Costs

- **In order to help municipalities and school districts address their rapidly escalating pension costs, a new pension tier is recommended. Its reforms should include increasing employee contributions, raising the minimum retirement age, reducing the pension multiplier used to determine pension allowances, requiring employees to work for a longer period of time before they qualify for a pension, and excluding overtime from the calculation that determines employees' pension allowances.**

Pension expenditures were identified as a major cost driver by many of the members of the Mandate Relief Redesign Team and as the Governor stated in his State of the State address, pension spending is one of the major cost drivers in this state.

The costs of pensions have become an increasingly salient issue in recent years as local governments and school districts have seen significant increases in their pension costs due to the recent economic downturn.

The employer contribution rate for the Teachers' Retirement System in 2011 is more than 20 times higher than what it was in 2001.⁷ The employer contribution rate for the Employees' Retirement System in 2011 is more than 13 times higher than what it was in 2001.⁸

⁷ Calculated based on 2001 and 2011 employer contribution rates from the 2010 NY State Teachers Retirement System CAFR at <http://www.nystrs.org/main/library/AnnualReport/2010CAFR.pdf> and NY State Teachers Retirement System, "Employer Contribution Rate" at <http://www.nystrs.org/main/employers/contribution-rate.htm>.

⁸ Calculated based 2001 and 2011 employer contribution rates from the 2009-10 NY State and Local Retirement System CAFR at http://www.osc.state.ny.us/retire/word_and_pdf_documents/publications/cafr/cafr_10.pdf and Office of the State Comptroller, "Employer Pension Fund Contributions to Increase in 2011" (September 3, 2009) at <http://www.osc.state.ny.us/press/releases/sept09/090309.htm>.

The employer contribution rate for the Police and Fire Retirement System in 2011 is more than 11 times higher than what it was in 2001.⁹

The impact of these increases has been felt heavily in recent years, with the contribution rate from 2010 to 2011 increasing by 39 percent for the Teachers' Retirement System, 61 percent for the Employees' Retirement System and 21 percent for the Police and Fire Retirement System.¹⁰

Pension costs can have a significant impact on the local property tax burden. For 2010, counties, cities, towns, villages and school districts outside of New York City paid nearly \$2 billion in pension costs. This represents nearly seven percent of the property taxes levied by these entities.¹¹

Although it has separate retirement systems, New York City is facing similar pressures from its pension benefits. From 2002 to 2012 there has been a 464 percent increase in City pension costs – from \$1.5 billion to \$8.4 billion.¹²

As the impact from the recent economic downturn continues to be reflected in required pension contributions, these increases are expected to continue over the next few years.

In 2009, the State enacted a new pension tier¹³ for the State, local governments outside of New York City and teachers statewide. This fifth tier made the following changes to the Employees' Retirement System:

- The minimum age most civilians can retire without penalty was raised from 55 to 62.

⁹ Calculated based 2001 and 2011 employer contribution rates from the 2009-10 NY State and Local Retirement System CAFR at http://www.osc.state.ny.us/retire/word_and_pdf_documents/publications/cafr/cafr_10.pdf and Office of the State Comptroller "Employer Pension Fund Contributions to Increase in 2011" (September 3, 2009) at <http://www.osc.state.ny.us/press/releases/sept09/090309.htm>.

¹⁰ Calculated based 2010 and 2011 employer contribution rates from the 2009-10 NY State and Local Retirement System CAFR at http://www.osc.state.ny.us/retire/word_and_pdf_documents/publications/cafr/cafr_10.pdf; Office of the State Comptroller, "Employer Pension Fund Contributions to Increase in 2011" (September 3, 2009) at <http://www.osc.state.ny.us/press/releases/sept09/090309.htm>; the 2010 NY State Teachers Retirement System CAFR at <http://www.nystrs.org/main/library/AnnualReport/2010CAFR.pdf>; and NY State Teachers Retirement System, "Employer Contribution Rate" at <http://www.nystrs.org/main/employers/contribution-rate.htm>.

¹¹ Calculated based on 2010 Overlapping Real Property Tax Rates and Levies from the Office of the State Comptroller at <http://www.osc.state.ny.us/localgov/orptbook/taxrates.htm>; employer contributions from the 2009-10 NY State and Local Retirement System CAFR at http://www.osc.state.ny.us/retire/word_and_pdf_documents/publications/cafr/cafr_10.pdf; and the 2010 NY State Teachers Retirement System CAFR at <http://www.nystrs.org/main/library/AnnualReport/2010CAFR.pdf>.

¹² See New York City Office of Management and Budget, "Financial Plan Summary" (February 17, 2011) at http://www.nyc.gov/html/omb/downloads/pdf/sum2_11.pdf.

¹³ See Chapter 504 of the Laws of 2009.

- Employees were required to contribute 3 percent of their annual wages to pension costs throughout their service.
- The minimum years of service required to draw a pension was increased from 5 years to 10 years.
- The amount of overtime considered in the calculation of pension benefits was capped at \$15,000 per year for civilians, and at 15 percent of non-overtime wages for police and firefighters.

A separate Tier 5 benefit¹⁴ was also created for the NYS Teachers Retirement System, which achieves equivalent savings as other civilian public employees, and included the following changes:

- The minimum age an individual can retire without penalty was raised from 55 to 57.
- Employees were required to contribute 3.5 percent of their annual wages to pension costs rather than 3.0 percent.
- The minimum years of service required to draw a pension was increased from 5 years to 10 years.
- The years of service required to receive a higher percentage of final average salary was increased from 20 to 25 years.

Over the next 30 years Tier 5 is expected to save local governments and schools \$26.6 billion.¹⁵

Although Tier 5 will produce savings for municipalities and schools, the amount of pressure that pension benefits place on municipalities, school districts and the property tax call for additional reforms.

The savings estimate for Tier 6 for the local governments and school districts is nearly \$50 billion over a 30 year period.

¹⁴ See Chapter 504 of the Laws of 2009.

¹⁵ See New York State Division of the Budget “Tier V Pension Reform Savings Calculator” at <http://www.budget.state.ny.us/pensionReform.html>.

Avoid the Wicks Requirement by Removing Barriers to Project Labor Agreements: Improve the “Wicks Waiver”

- **In order to avoid the Wicks requirement and reduce the costs that localities and schools face due to Wicks, ease the burdens associated with project labor agreements by eliminating the study requirement and by developing regionally-negotiated PLA templates that together can reduce the costs of public works projects by 15 percent or more.**

New York’s separate contracting requirements, commonly referred to as the “Wicks Law,” date back to 1912 and require separate contracts for plumbing, heating and ventilation, and electrical work on construction projects costing over certain monetary thresholds. Local governments and school districts have long complained that the Wicks Law makes public works contracting and project management significantly more complex and more expensive.

In 2008, a significant Wicks reform package was enacted that increased decades-old monetary thresholds more than ten-fold, added protections for subcontractors on projects falling below the threshold, and gave the Commissioner of Labor authority to enforce the separate contracting requirements by issuing stop-bid orders. The 2008 Wicks reform¹⁶ law also allowed local governments and school districts to avoid the Wicks requirement through the use of a Project Labor Agreement (“PLA”). A PLA is essentially a collective bargaining agreement negotiated between the local government or school district and the construction trades unions that establishes the terms and conditions of work on a specific public works project. Once a PLA has been negotiated, all contractors and subcontractors bidding on a project must agree to comply with the PLA.

PLAs have long been used to promote stability, efficiency and productivity on construction job sites and are generally considered a valuable construction management tool for project planning and reducing labor costs while respecting fair labor standards. Prior to 2008, local governments and school districts could use a PLA on public works projects that would otherwise be subject to the Wicks Law and other competitive bidding laws only if they established, through a study, that using a PLA would result in cost savings while furthering the other public interests underlying the competitive bidding laws. The 2008 reforms codified these judicially-established requirements,¹⁷ which have been cited by local governments and school districts as a heavy financial burden. Further, many localities - particularly those with few public works projects - have found that negotiating PLAs on a case-by-case basis can be very costly since they must hire consultants to do the work.

¹⁶ See Chapter 57 of the Laws of 2008.

¹⁷ See Labor Law § 222.

These barriers – a burdensome study requirement and the challenge of negotiating case-by-case PLAs – have limited the effectiveness of the 2008 PLA law as an alternative to Wicks bidding. The study requirement, which stems from judicial decisions rendered before PLAs were specifically authorized by statute, could be eliminated and replaced by legislative findings regarding the effectiveness of PLAs. In addition, the State could negotiate template PLAs with labor organizations on a regional basis, along the lines of the Office of General Services (“OGS”) “backdrop” contracts, that local governments and school districts could use on any public work project. These reforms would ease the burden of entering into PLAs, making PLAs a more viable alternative to the Wicks bidding requirements for projects above the Wicks thresholds.

Increased utilization of PLAs could save local governments and school districts as much as 15 percent per project.

Section C. Address the Current Unsustainable Burden of State Mandates

Local governments in New York already shoulder a heavy burden of state- and federally-imposed statutory and regulatory mandates. Controls on new mandates would help limit the expansion of such mandates, but they would do little to reduce the current burden.

Give Local Governments Greater Flexibility to Administer Existing Mandates

- **The State Administrative Procedure Act (“SAPA”) § 204-a should be streamlined and expanded to allow local governments to propose alternatives to current regulations and to request waivers of regulations in appropriate circumstances.**

New York already has a law in place that allows local governments to propose alternative ways to meet the goals of existing regulations. State Administrative Procedure Act § 204-a was enacted in 2001 and made permanent in 2004, but in the ten years since this law was enacted only one local government has filed a 204-a petition: a petition was filed this past December at the suggestion of a state agency and is currently pending before that agency.

Clearly the SAPA 204-a process has not been successful at affording local governments greater flexibility in meeting existing regulatory mandates, perhaps because the law itself requires local governments to navigate a cumbersome petition process just to request permission to implement an alternative. The state agency is then required to determine, among other things, that the proposed alternative would not impair any right, benefit or protection of third parties (including unions), and if an affected public employee union objects to the proposed alternative, the state agency must find, after an adjudicatory hearing, that the alternative would not impair any union right, benefit or protection. This law should be streamlined to ease the petition process for local governments and to give state agencies greater discretion in reviewing these applications.

New York could go a step further and allow local governments to request waivers from state regulations. In Virginia, the Governor can grant waivers of most regulations for up to one year after finding that the local government is in financial distress and the regulation would pose a fiscal hardship. Wisconsin allows waivers for up to four years of regulations that do not affect public health or safety. New York could expand SAPA § 204-a to authorize the state agencies to grant limited waivers of regulations in appropriate circumstances.

Require a Full Agency Review of State Mandates

- **A full agency review of state mandates that burden school districts and local governments should be conducted. This review should include a full accounting of all regulatory mandates subject to each agency's discretion.**

The Mandate Relief Redesign Team has been challenged with addressing the accumulation over time of mandates that has resulted in a system of oversight that is burdensome, complex, often redundant and very costly. Many of the mandates identified by the Team are required by state statute and cannot be addressed without legislative change and cooperation. The Team should continue its work with the agencies to identify both statutory changes that can be advanced and regulatory changes that could be implemented by individual agencies.

The Chair and staff worked diligently to involve all of state government in examining unfunded and underfunded mandates. The Division of the Budget has been engaged to help the Team identify cost savings associated with the ideas that have been generated. The Chair and staff have met over and over again with more than a dozen state agencies. The process with several of the agencies has included an inventory of all of the mandates the agency places on local government entities, including mandates required by federal law, federal regulation, state law or state regulation. From there, staff has been working with Commissioners, Executive Deputies, Counsels, Legislative Directors and others as these agencies develop lists of recommended mandate relief proposals. This preliminary list is included in Appendix B to this report. The Team and staff will continue to work with these agencies and others through the end of the next fiscal year. A list of Federal mandate relief recommendations is currently being developed by these same agencies.

This list includes recommendations from over a dozen state agencies including; the State Education Department (“SED”), Department of Motor Vehicles (“DMV”), Department of Tax and Finance (“DTF”), Department of Environmental Conservation (“DEC”), Department of Labor (“DOL”), Department of State (“DOS”), Department of Transportation (“DOT”), Office of General Services (“OGS”), Department of Health (“DOH”), Office of Mental Health (“OMH”), Office of Temporary and Disability Assistance (“OTDA”), Office of Children and Family Services (“OCFS”), Division of Criminal Justice Services (“DCJS”), State Commission on Corrections (“SCOC”) and Division of Parole.

As the staff has studied these recommendations, some common themes emerge that may be of interest to the Mandate Relief Redesign Team. For example there are several recommendations in the areas of procurement reforms, modernization and administrative efficiencies.

The Chair and the staff recommend that the Team advance these proposals (and others from additional stakeholders that fit into these categories) in the next quarterly report.

Create a Clearinghouse to Continue Addressing Existing Mandates

- **An Office of Mandate Reform should be created, using the existing resources of state agencies, to act as a clearinghouse that will continue to work with local governments and state agencies to address existing mandates.**

The Mandate Relief Redesign Team has only scratched the surface of state mandates that are marbled throughout state statutes and regulations. It took decades to get to this crisis point, and the work needed to address the problem will take years, not months. An Office of Mandate Reform should be established - using the existing resources of state agencies - to continue the work of this Team by acting as a clearinghouse that will work with local governments and school districts to address the thousands of mandates that have been imposed on local governments over the years. The Office would review existing mandates and work with local governments, state agencies and others to develop and advance recommendations, including proposed legislation and regulatory amendments, to reform the current unsustainable web of mandates.

III. Summary of Mandate Relief Proposals

Part II. A Roadmap for Reform

Section A. Stop the Proliferation of Mandates

First, this report offers ways to redesign the current system in order to stop the proliferation of mandates. The current unsustainable web of state-imposed mandates on local governments and school districts did not happen overnight and will take time to untangle. In the meantime, we must begin controlling the proliferation of new mandates on our local governments and school districts. As a first step, it is recommended that the enactment of new unfunded mandates be prohibited. However, this step will be effective only if the process for identifying and estimating the costs of proposed new mandates is strengthened and made more transparent.

- **Prohibit New Unfunded Mandates:** Permanently fix the problem of unfunded mandates by advancing a constitutional amendment – and in the meantime, a state law – providing, with very limited exceptions, that new state mandates on local governments, including school districts, will not be effective unless the State fully funds the mandate or the local government affirmatively votes to comply with the mandate.
- **Require Independent Cost Analysis of Mandates:** Strengthen the current ineffective fiscal impact statement process by requiring legislative fiscal committees to determine the need for and prepare fiscal impact statements, codifying Executive Order 17 fiscal impact statement methodology and local government consultation requirements, and assuring that decisions, determinations and methodologies are posted on electronic bill status portals.

Section B. Address Cost-Drivers to Provide Meaningful Mandate Relief

Below, we will provide several ways for consideration that can reduce cost drivers to local government and school districts. They are as follows:

- **Create a New Pension Tier to Reduce Costs:** Create a new Tier 6 to address the rapidly growing costs of pensions.
- **Avoid the Wicks Requirement by Removing Barriers to Project Labor Agreements (Improve the “Wicks Waiver”):** In order to avoid the Wicks requirement and reduce the costs that localities and schools face due to Wicks, ease the burdens associated with project labor agreements by eliminating the study requirement and by developing regionally-negotiated PLA templates that together can reduce the costs of public works projects by 15% or more.

Section C. Address the Current Unsustainable Burden of State Mandates

- **Give Local Governments Greater Flexibility to Administer Existing Mandates:** Streamline and expand State Administrative Procedure Act (“SAPA”) §204-a to allow local governments to propose alternatives to current regulations and to request waivers of regulations in appropriate circumstances.
- **Require a Full Agency Review of State Mandates:** Conduct a full agency review of state mandates that burden school districts and local governments, including a full accounting of all regulatory mandates that affect local entities subject to each agency’s discretion.
- **Create a Clearinghouse to Continue Addressing Existing Mandates:** Create an Office of Mandate Reform, using the existing resources of state agencies, to act as a clearinghouse that will continue to work with local governments and state agencies to address existing mandates.

Appendix A:

Mandate Relief Redesign Team Executive Order No. 6 & Press Release

EXECUTIVE ORDER
No. 6 ESTABLISHING THE MANDATE RELIEF REDESIGN TEAM

January 5, 2011

WHEREAS, New York State’s municipalities and school districts are encumbered with unfunded and underfunded mandates from state government;

WHEREAS, New York State’s municipalities and school districts should administer services in the most efficient and effective manner possible so as to minimize the impact on local property taxpayers;

WHEREAS, property tax levies in New York grew by 73 percent from 1998 to 2008—more than twice the rate of inflation during that period;

WHEREAS, New York has the second highest combined state and local taxes in the nation and the highest local taxes in America as a percentage of personal income —79 percent above the national average;

WHEREAS, the median property taxes paid by New Yorkers are 96 percent above the national median;

WHEREAS, when measured in absolute dollars paid, Westchester, Nassau and Rockland are among the five highest taxed counties in the nation, ranking first, second and fifth, respectively;

WHEREAS, in 2009, when property taxes were measured as a percentage of home value, nine out of the top ten counties in the nation were all in Upstate New York;

WHEREAS, New York State government now faces unprecedented budgetary challenges, requiring fundamental changes in the way it does business, eliminating failed approaches and creating improved ways to serve the public;

WHEREAS, in order to reduce the burden of local property taxes, it is of compelling public importance that New York State conducts a rigorous, systematic and comprehensive review of mandates imposed on local governments, school districts and other local taxing districts, the reasons for such mandates and the costs on local governments, school districts and other local taxing districts that are associated with complying with such mandates; and

WHEREAS, such a review will look for the best and most cost- efficient and cost- effective ways to deliver mandated programs and services and identify mandates that are ineffective, unnecessary, outdated and duplicative;

NOW, THEREFORE, I, Andrew M. Cuomo, Governor of the State of New York, by virtue of the authority vested in me by the Constitution and statutes of the State of New York, do hereby order as follows:

A. Definitions

As used herein, the following terms shall have the following meanings:

1. “State agency” or “agency” shall mean any state agency, department, office, board, bureau, division,

committee, council or office.

2. “State officer or employee” shall have the meaning given in Section 73 of the Public Officers Law.

3. “Local government” shall mean a county, city, town, village or special district.

4. “School district” shall mean a common, union free, central, city or central high school district.

5. “Unfunded mandate” shall mean (i) any legal requirement that a local government provide or undertake any program, project or activity, or increase spending for an existing program, project, regulation or activity on behalf of New York State; or (ii) any legal requirement that a local government grant a new property tax exemption or broaden the eligibility, or increase the value of an existing property tax exemption; or (iii) any legal requirement that otherwise would likely have the effect of raising property taxes, and which fails to provide any funding.

6. “Underfunded mandate” shall mean (i) any legal requirement that a local government provide or undertake any program, project or activity, or increase spending for an existing program, project, regulation or activity on behalf of New York State; or (ii) any legal requirement that a local government grant a new property tax exemption or broaden the eligibility, or increase the value of an existing property tax exemption; or (iii) any legal requirement that otherwise would likely have the effect of raising property taxes, and which fails to provide sufficient funding.

B. Mandate Relief Redesign Team

1. There is hereby established the Mandate Relief Redesign Team (“Team”) that shall provide independent guidance for, and advice to, the Governor.

2. The Governor shall appoint up to 20 voting members of the Team. The members of the Team shall include: state officers or employees with relevant expertise; two members of the New York State Assembly, one recommended by the Speaker of the Assembly and one recommended by the Minority Leader of the Assembly; two members of the New York State Senate, one recommended by the Temporary President of the Senate and one recommended by the Minority Leader of the Senate; and stakeholders, including representatives of:

- a. cities;
- b. counties;
- c. towns and villages;
- d. school districts;
- e. organized labor;
- f. businesses; and
- g. other relevant sectors.

3. Vacancies shall be filled by the Governor, and the Governor may appoint additional voting and non-voting members to the Team as necessary. Members of the Team shall serve at the pleasure of the Governor.

4. The Governor shall designate a Chair or Co-Chairs from among the members of the Team.

5. The Lieutenant Governor and the Director of the Budget shall serve as ex officio, non-voting members of the Team.

6. A majority of the total members of the Team who have been appointed shall constitute a quorum, and all recommendations of the Team shall require approval of a majority of its total members.

7. The Team shall attempt to engage and solicit the input of a broad and diverse range of groups, organizations and individuals.

C. Cooperation with the Team

1. Every agency or authority of New York State shall provide to the Team every assistance and cooperation, including use of New York State facilities, which may be necessary or desirable for the accomplishment of the duties or purposes of this Executive Order.

2. Staff support necessary for the conduct of the Team's work may be furnished by agencies and authorities (subject to the approval of the boards of directors of such authorities).

D. Duties and Purpose

1. The Team shall focus on the New York State's service delivery structure that requires school districts, local governments and other local taxing districts to administer and fund mandated programs. The Team shall look for ways to reduce the costs of mandated programs on schools and local governments by determining how school districts and local governments may be given greater ability to control costs. The Team shall look at the reason for delays in state reimbursement for mandated programs. The Team shall look at the practice of cost-shifting of mandated programs.

2. In performing its work, the Team shall identify opportunities for eliminating or reducing unfunded and underfunded mandates imposed by the New York State government on local governments and school districts.

3. The Team shall commence its work no later than January 7, 2011. On or before March 1, 2011, the Team shall submit its first report to the Governor of its findings and recommendations for consideration in the budget process for New York State Fiscal Year 2011-12. The Team shall submit quarterly reports on its continuing review thereafter. The Team shall make its final recommendations to the Governor not later than the end of the State Fiscal Year 2011-12, at which time it shall terminate its work and be relieved of all responsibilities and duties hereunder.

G I V E N under my hand and the Privy Seal of the
State in the City of Albany on this fifth day
of January in the year two thousand eleven.

/s/ Andrew M. Cuomo
BY THE GOVERNOR

/s/ Steven M. Cohen
Secretary to the Governor



**State of New York | Executive Chamber
Andrew M. Cuomo | Governor**

For Immediate Release: January 7, 2011

Contact: Press Office | press.office@exec.ny.gov | 518.474.8418

GOVERNOR CUOMO ANNOUNCES MEMBERS OF THE MANDATE RELIEF REDESIGN TEAM

Governor Andrew M. Cuomo today announced the members of his “Mandate Relief Redesign Team” (“Team”). The Team, established by an Executive Order announced by Governor Cuomo at his State of the State of Address, is charged with reviewing existing unfunded and underfunded mandates imposed by the New York State government on school districts, local governments, and other local taxing districts. These mandates are typically legal requirements that a local district provide a program, project, or activity on behalf of the state.

The Team includes representatives from private industry, education, labor, and government and will look for ways to reduce the costs of mandated programs, identify mandates that are ineffective and outdated, and determine how school districts and local governments can have greater ability to control expenses. The Team is chaired by Senior Advisor to the Governor Larry Schwartz.

“The enormous burden of unfunded and underfunded mandates is breaking the backs of taxpayers, counties and municipalities across the state,” Governor Cuomo said. “These mandates are throwing budgets out of balance and sending local property taxes through the roof. This diverse team of leaders and public servants fulfills the commitment to bring stakeholders to one table in order to work together to deliver relief and results for New Yorkers.”

Governor Cuomo today participated in the Team’s first meeting via conference call. The Team will submit a first set of recommendations to the Governor by March 1, 2011 for consideration in the Fiscal Year 2011-12 budget process. The Team will continue its review until the end of Fiscal Year 2011-12. The members of the team are as follows:

- Stephen Acquario, Executive Director, NYS Association of Counties
- Maggie Brooks, Monroe County Executive,
- Peter Baynes, Executive Director of the New York Conference of Mayors
- Sam Teresi, Mayor of Jamestown
- Jeff Haber, New York State Association of Towns, Executive Director
- David Steiner, New York State Department of Education, Commissioner (unconfirmed)
- Valerie Grey, New York State Department of Education, Chief Operating Officer
- Robert Reidy, New York State Council of School Superintendents, Executive Director
- Kevin Casey, New York State School Administrators Association, Director
- Timothy Kremer, New York State School Boards Association, Executive Director
- Andy Pallotta, New York State United Teachers, Executive Vice-President
- Steve Allinger, New York State United Teachers, Director of Legislation

- Fran Turner, Civil Service Employees Association, Director of the Legislative and Political Action Department
- Kevin Law, Long Island Association, President
- Kenneth Adams, New York State Business Council, President
- William Mooney, Westchester County Association, President
- Micah Lasher, Office of New York City Mayor Michael R. Bloomberg
- Ed Malloy, New York State Building Trades Association.
- Carol Kellermann, Citizens Budget Commission, President
- Senator Betty Little. Senator Little was appointed by the Majority Leader of the Senate.
- Senator Andrea Stewart-Cousins. Senator Stewart-Cousins was appointed by the Minority Leader of the Senate.
- Assemblyman Denny Farrell. Assemblyman Farrell was appointed by the Speaker of the Assembly.
- Assemblyman Marcus Molinaro. Assemblyman Molinaro was appointed by the Minority Leader of the Assembly.

Unfunded and underfunded mandates drive up costs of schools, municipalities, and the property taxes that support them. Due in part to these mandates, New York now has some of the highest taxes in the nation. For example:

- New York has the highest local taxes in America as a percentage of personal income — 79 percent above the national average;
- New York has the second highest combined state and local taxes in the nation;
- Median property taxes paid by New Yorkers are 96 percent above the national median;
- Property tax levies in New York grew by 73 percent from 1998 to 2008 — more than twice the rate of inflation during that period;
- When measured in absolute dollars paid, Westchester, Nassau, and Rockland are respectively the first, second and fifth highest-taxed counties in the nation;
- When property taxes were measured as a percentage of home value in 2009, nine out of the top ten counties in the nation were all in Upstate New York

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Appendix B:

Agency Mandate Relief Recommendations

Agency Mandate Relief Proposals

Category	Name	Description	Source	Savings Estimate	Type of Mandate/Change Required
Legislative Amendment	Extend Validity of Police/Peace Officer Training Certificates	Amend General Municipal Law to provide a uniform 5 year validity on all police and peace officer basic training certificates of completion. This will provide a greater window of opportunity for municipalities to hire experienced police officers without the requirement and expense of retraining them without jeopardizing public safety.	DCJS	\$187,000 statewide per year	State Law
Legislative and Regulatory Amendment	Require use of the existing Pre-employment Police Basic Training Program for both perspective police recruits as well as peace officer candidates.	The Pre-employment Police Basic Training Program delivers most of the police basic training to civilian students enrolled in a criminal justice program at an accredited college in partnership with an established law enforcement academy. The costs are borne by the student, relieving those on the municipality. It is currently voluntary and is only utilized by 8 out of the 22 established municipal academies. Would be an available option for peace officers as well.	DCJS	\$9,000,000 statewide per year (assuming all newly hired officers utilize pre-employment training)	State Law and Regulation
Policy amendment	Employ the proficiency testing model recently included in police officer refresher training to the police officer equivalency course for officers trained out of state	The Police Officer Equivalency Course permits DCJS to evaluate police training administered in jurisdictions outside NYS. This permits municipalities to leverage police officer training completed by applicants while serving in other states, reducing the hours required to training them in NYS.	DCJS	\$19,200 statewide per year	State Regulation
Legislative Amendment	Allow video conference SORA hearings for inmates at local correctional facilities	The Sex Offender Registration Act requires the sentencing court to conduct a due process hearing for each sex offender to determine his or her risk level (and designation, if applicable). If offenders are incarcerated, they are transported to court by the facility where they are housed. Allowing an inmate to call in via video conferencing will save the localities money.	DCJS	\$120,000 per year	State Law

Legislative Amendment	Reduce periods of probation supervision for certain criminal court probationers	Establish legal parameters by which criminal court can impose reduced probation terms for certain probationers.	DCJS	Year 1 : 0 Year 2: 0 Year 3: \$15,840,000 Year 4: \$15,840,000 Year 5: \$26,400,000 Year 6: \$26,400,000	State Law
Revenue Generator	Expand ability of probation departments to impose fees for services.	Current law is limited to imposing a probation supervision fee on probationers convicted of Article 31 Vehicle and Traffic Law crimes and family court custody/visitation investigation fee, where local law adopted. Proposed as departmental in prior years a probation registrant fee, ability to impose administrative fee on all criminal court probationers, electronic monitoring and drug/testing fee, an interstate processing fee as to outgoing probationers.	DCJS	\$36,000,000 per year revenue for counties, assuming 100 percent compliance.	State Law
Legislative Amendment	Eliminate the requirement that Presentence Report is required for certain offenders.	Examples include not requiring PSI report where consecutive sentences of imprisonment 180 days or less to be imposed, for certain mandatory misdemeanors where youth eligible for Youthful Offender (YO) status.	DCJS	No cost savings. Provides greater flexibility to counties in managing staff resources.	State Law
Regulatory Amendment	Revision of Supervision Rule	Affording probation departments greater mandate relief in terms of classification, contact, and supervision of probationers so can maximize its resources and better concentrate on higher risk offenders.	DCJS	\$8.6 million per year	State Regulation
Legislative Amendment	Providing Probation Directors/Commissioners with Authority to Early Discharge Probation Cases	Under existing law, sentencing courts may order early discharge of probation sentences. This proposal would transfer such authority from sentencing courts to probation directors. Currently 21% of probationers statewide are discharged early from probation supervision-- 95% of early discharges occur outside of NYC. Thus, NYC would likely be the biggest beneficiary of this proposal and we would not expect early discharge rates to change significantly for probationers outside of New York City.	DCJS	Year 1 : 0 Year2: \$532,800 Year 3: \$3,732,800 Year 4: \$7,562,300 Year 5: \$12,162,300 Year 6: \$12,162,300 Primary benefit to NYC	State Law

Eliminate unnecessary mandates	Revise and Eliminate Unnecessary Probation Management Rules	<p>Revise Appendix H-10 referred to in Rule §347.4 (f) regarding the recruitment selection and promotion of probation professional personnel.</p> <p>Amend Rule §347.4(h), which currently requires written statements of probation policies and procedures shall be developed and maintained with the involvement of all levels of employees, to reflect involvement of all “appropriate” levels of employees.</p> <p>Eliminate Rule §347.4 (i) which requires that all employees shall attend and participate in regular staff meetings.</p> <p>Eliminate Rule §347.4 (j) which requires an employee performance evaluation program shall be conducted.</p> <p>Eliminate Rule §347.4 (k) which establishes that periodic progress reports on probation operations shall be made to all staff, appropriate authorities and the public.</p>	DCJS	No cost savings. Provides greater flexibility to counties in recruitment and hiring.	State Regulation
Regulatory Amendment	Revise and Eliminate Unnecessary Case Record Management Rules	<p>Part I: Amend Rule §348.1(c) to eliminate reference to “support/collection” within definition of probation services. Since most departments do not perform this function, some consideration should be given to its elimination.</p> <p>Part II: Amend Rule §348.2 governing minimum essential requirements to reflect technological advancements by specifically referencing electronic creation, transmittal and storage of case record materials with appropriate protection. Greater utilization could provide relief.</p> <p>Delete Rule §348.2(d) language which requires that “[P]rior to destruction those court records which have been filed in the probation department shall be returned to court”.</p> <p>Amend Rule §348.2(e) as to an Index filing system, to recognize that this requirement may be accomplished via automation.</p> <p>Amend Rule §348.3(2) (i) with respect to supervision recordkeeping requirements.</p> <p>Amend Rule §348.4 (a), (b) (1) - (4) as to accessibility of case records and mandatory or discretionary sharing in terms of expanding access and permitting electronic transmittal of information with appropriate safeguards in terms of confidentiality.</p>	DCJS	<p>Part I: \$112,500</p> <p>Part II: No cost savings. Provides counties flexibility in record keeping.</p>	State Regulation

Legislative Amendment	Record Retention Law Change	<p>OPCA believes that in these times of fiscal austerity and limited financial and staffing resources and attendant storage issues, this area of law, specifically, Arts and Cultural Affairs Law Articles 57 (Division of History and Public Records) and 57-A (Local Government Records Law) must be reassessed in terms of affording greater flexibility in terms of decision-making and reassessing minimum retention periods. Clearly, for transparency, accountability and historical purposes, parameters surrounding maintenance of government records are needed. However, the State Archives schedules and procedures with respect to record retention and destruction need to be reexamined to better afford efficiency so as to not prove too burdensome and costly upon state and local government.</p>	DCJS	<p>Shifting storage from office space to warehouse space reduces costs from around \$15 per square foot to less than \$5 per square foot. Electronic storage saved even more at \$8,563 per terabyte of storage. Changes in storage requirements could result in county savings ranging from a few hundred dollars to several thousand dollars.</p>	State Law
Regulatory Amendment	Interstate and Intrastate Transfer	<p>Amend Rule §349.1(a) and §349.3 to replace regulatory reference to the former “Interstate Compact For Parole and Probation” with the new Interstate Compact for Adult Offender Supervision.</p> <p>Amend Rule §349.4 (e) to afford the sending probation department 10 business days rather than 10 calendar days to transmit certain supplementary documentation with respect to transfers.</p> <p>Amend Rule §349.4 (h) to remove all language following the first sentence with respect to subsequent intrastate transfers. This will avoid confusion and better reflect the 2007 statutory changes to Criminal Procedure Law §410.80 which guarantees complete intrastate transfer of supervision and jurisdiction.</p> <p>Amend Rule §349.7 to establish with respect to restitution, such provisions only apply where the receiving probation department is the restitution collection agency.</p>	DCJS	<p>No cost savings. Provides greater flexibility to counties in the processing of transfer cases.</p>	State Regulation

**Legislative
Amendment**

Investigation and
Reports
Executive Law 256(6)

To coincide with these above changes, other statutory changes ought to be considered. Family Court Act (FCA)§252(d) provides that: “The probation service shall be available to assist the court and participate in all proceedings under this act, including supervision of the family or individual family members pending final disposition of a child protection proceeding under article ten.” This statutory provision and other FCA statutory references to probation being available for support, adoption/guardianship, custody, visitation, and certain other type investigations should be eliminated as it unfairly empowers Family Courts with broad access to the services of probation which daily performs and juggles significant core functions with respect to investigation, intake, and supervision for the criminal justice and juvenile justice system.

Domestic Relations Law §112 which defines “disinterested person” for purposes of adoption proceedings should also remove language that the term “includes the probation service of the family court”.

Executive Law §256 (6) should be amended as well to replace “shall” with “may” in terms of probation providing investigation services relating to custody, visitation and paternity proceedings and removing discretionary support language with respect to probation. Other state and local agencies or service providers should be examined in terms of suitability and efficiency to perform such functions for the judiciary.

DCJS

Intake: \$371,700
Investigation: \$1,980,000

State Law

Legislative and Regulatory Amendment	9 NYCRR Part 354 Intake	<p>Repeal of this Rule. Over the years, many probation departments do not perform certain types of intake functions and we question whether probation departments are the appropriate entity to do so. It is suggested that there be additional discussion in this area as to which entities if any are more equipped to handle any of these functions.</p> <p>Whether federal funding is already supporting similar services needs to be examined. As mentioned in an earlier rule (see Rule Part 350), certain statutory language in this area stems from when probation was under the Judiciary. Our rationale for reconsidering probation's role is further delineated there. If probation's role is eliminated or made discretionary, it would necessitate statutory changes to FCA Section §252(d), Articles 4-6 and Articles 8 and 9, Executive Law §256(6), and any other applicable statutory provisions.</p>	DCJS	<p>Savings would be as reported above regarding investigations and reports.</p> <p>Intake: \$371,700 Investigation: \$1,980,000</p>	State Law and Regulation
Policy Amendment	Breath Analysis Recertification	Eliminate direct instruction of recertification of Breath Analysis Operators in lieu of existing On-line Recertification.	DCJS	\$200,000 statewide per year	State Regulation
Eliminate unnecessary mandates	Newspaper public announcements	Newspaper public notice provisions for permitting (SPDES and other DEC permits) are obsolete and extremely expensive. Relieving the regulated community (including local governments) of this burden could result in annual cost savings in the millions.	DEC	Estimated savings range from \$200,000 to \$1.7 Million	State Law and Regulation
Eliminate unnecessary mandates	Special permits/deer hunting	ECL 11-0903 (7) (a)-(g) describes the process used to allow deer hunting in Westchester and Suffolk Counties and includes requirement for "special permits" to be issued by town clerks for their respective towns. Eliminating this requirement would provide relief to these two counties.	DEC	Suffolk County municipalities will save about \$20,000/year when this mandate is ended	State Law
Eliminate unnecessary mandates	Stream permits	ECL 15 6NYCRR Part 608 regulates activities in navigable waters and protected streams, and requires the issuance of permits for activities within those waters. Increased use of general permits and standard activity permits for municipalities would expedite permitting.	DEC	Minimal financial savings but would reduce time for permitting	State Regulation

Eliminate unnecessary mandates	Low sulfur heating oil	ECL 19-0325 requires use of low sulfur (15ppm) oil for space heating starting 7/1/12. This requirement could result in price spikes that will negatively affect home owners and localities. Proposal is to utilize a circuit breaker where the requirement would be waived if price increased more than a specified percentage.	DEC	Savings will depend on oil prices, which we cannot predict.	State Law
Streamline administrative procedures	Appeals from Issues Conference	Eliminate as-of-right appeals from Issue Conference rulings (except for those related to recusals) and instead allow the Commissioner, in his/her discretion, to entertain such appeals. This will expedite the permit hearing process.	DEC	Savings significant, but difficult to quantify.	State Regulation
Eliminate unnecessary mandates	Water Resources bill	Currently, municipalities must apply for and receive a water supply permit to withdraw any amount of water for potable purposes. Municipalities must also apply for a permit to transport water (extend water lines-extensions). The NYSDEC has put forward a Water Resources Bill that would eliminate this mandate for withdrawals less than 100,000 gallons per day (gpd). (This was a program bill in 2010).	DEC	<p>\$250,000/year. There are approximately 20 permit applications per year for withdrawals of less than 100,000 gpd, as an application for those permits cost an estimated \$3-5,000, the savings to municipalities would be approximately \$100,000.</p> <p>There are approximately 65 extensions approved per year. At an estimated cost savings of \$2,500 per application, the savings per year to municipalities would be approximately \$150,000 per year.</p>	State Law
Streamline administrative procedures	Streamline reporting for SPDES water discharge permits	This fiscal year, DEC will work toward simplifying submission of monitoring reports and compliance deliverables by permit holders. In some cases a permit holder may currently be required to send their monitoring report to as many as five entities. DEC is working to reduce this to a single location.	DEC	Estimated savings of approximately \$25,000	Administrative change to DEC procedures and gradual permit modification.

Reduce regulatory burden	6 NYCRR Part 215- Prohibition on Open Burning-revise to allow brush burning in towns of less than 20,000 population.	Part 215 prohibits burning of brush collected by local governments, necessitating an alternative disposal method. A revision to allow limited burning of collected brush in towns of less than 20,000 population would mitigate some expense. DEC recommends the ban be lifted for a finite period (2-3 years) to ensure long term consistency with air quality needs and changing standards.	DEC	\$150,000 (30 towns at \$5,000 per year)	State Regulation
Reduce regulatory burden	Various DEC Air Permit Fees	DEC collects approximately \$186,000 annually from local governments and school districts for various air permit fees. Rules could be revised to exempt local government and school districts from these fees.	DEC	\$186,000 per year	State Law
Licensing	Special Article 28 License for local Health Departments	All local health Departments are required to be licensed as diagnostic and treatment centers (D and TCs) under Article 28 of the Public Health Law. Local Health Department clinical activities differ substantially from community D and TCs, Local Health Departments conduct population based public health interventions including community outreach and education, mass immunization clinics, limited scope clinics for immunization and STD prevention and treatment, colorectal cancer screening and other clinical activities which do not include the full range of primary medical care. Local Health Departments have expressed concerns that full Article 28 clinic surveys do not recognize the unique role of local health departments and the discrete set of clinical services provided. It is proposed that a special purpose Article 28 license be developed for local health departments that engage only in a limited set of clinical activities. Requirements would include a subset of those that apply to community D and TCs. Any local health Department that operates full service clinic services such as family planning clinics or full service D and TC clinics would be required to continue to maintain the current Article 28 license.	DOH	Minimal	State Regulation

<p>Early Intervention (EI)</p>	<p>Service coordination capitation</p>	<p>Currently, service coordination in the program is paid in 15 minute increments and requires that service coordinators track each amount of time spent in minutes and then aggregate them into units. This proposal will alleviate substantial administrative burden for service coordination providers, which outside of New York City are predominantly municipal employees, and allow them to better budget the amount they receive for their service coordination caseload. It also will yield a small cost savings. This is likely to be widely supported by both municipalities and providers.</p>	<p>DOH</p>	<p>\$312,000</p>	<p>(Local)</p>	<p>Rate Package</p>
<p>Early Intervention (EI)</p>	<p>Home & Community Based Visits</p>	<p>Change for home-community-based visits to fixed 15 minute increments - Currently, approximately \$400 million from all fund sources annually are spent on home and community-based visits in the EIP. Municipalities currently authorize these visits as either basic or extended visits. Basic visits are for up to 59 minutes of contact time with a child and extended visits are for 60 minutes or more. This variable increment unit was intended to give providers the flexibility to serve children with an appropriate level of service during each visit. In New York City several years ago, providers reduced their usual basic visit from 45 to 30 minutes, but still receive the same payment since it continues to be authorized and paid as a basic visit. Some counties have contractually required their providers to deliver a minimum length of time in a visit (e.g. 45 minutes) and deny payment for instances when providers travel to a child's home only to learn that the child is unable to tolerate any more than 15 minutes of service on that day for various reasons. In that instance, the provider receives no payment for the service. This proposal would replace the current variable increment unit (e.g. basic and extended) with a fixed 15 minute increment for all home and community-based visits. This would better align payment with providers' true costs, eliminate situations where providers are reducing the length of visits to reduce costs, and achieve a savings for all fund sources.</p>	<p>DOH</p>	<p>\$1.6 Million</p>	<p>(Local)</p>	<p>Rate Package</p>

Early Intervention (EI)	Maximizing Commercial Insurance	Addressing the long-standing inequity of commercial insurance reimbursement in the program is a huge issue for counties.	DOH	\$0 in 2011/12 \$25.6 Million in 2012/13	State Law
Early Intervention (EI)	Reduce evaluation costs for children	<p>Municipalities often complain that many families whose children are initially found ineligible are rereferred to the program for another evaluation within 1-6 months after the initial evaluation. It has been our understanding that federal law required that all referrals need to receive a full multidisciplinary evaluation (MDE) each time a child is referred. We have recently confirmed that states have the discretion under IDEA to require something less than a full MDE for rereferred children. Our plan is to propose regulations to establish parameters under which it would be allowed to do a supplemental evaluation (at a much reduced rate of payment). We also are considering establishing a "review rate" for evaluations of children who have been recently evaluated by someone outside of the program. The idea here is that the program evaluator would review what was done previously and maybe be able to do less as a result, but still receive payment (much smaller) for their time spent reviewing outside evaluation records. This new understanding of IDEA came very recently, after the Budget was locked, but this would clearly have savings to the State and localities associated with it so not sure if something you want to throw into the mix for the SFY 11-12 budget.</p>	DOH	\$250,000 (State) \$1.3 Million (Local)	State Regulation

Public Work and Prevailing Wage	Prevailing wage requirements on public work construction and building service work. Labor Law Articles 8 and 9.	<p>The requirement to pay prevailing wages on certain public contracts, under Articles 8 (construction) and 9 (building service) of the Labor Law, is imposed primarily on private employers who contract with public entities, rather than on public employers who use their own public employees to perform work. In the case of public work construction, those wage requirements are mandated not only by Article 8 of the Labor Law but also by the state Constitution. For all prevailing wage requirements under either Article 8 or 9 there are some indirect costs that are borne by the contracting public entity. Those include the cost of obtaining and reviewing payroll records from private contractors for facial validity.</p>	DOL	<p>If we assume about 10,000 new projects a year with an average of 2 contractors per project, and if we assume it takes a public official 2 hours per month to review each contractor's records, at a cost of \$50 per hour, then the cost could be \$24,000,000 (10,000 x 2 hours/month x \$50 per hour x 12 months).</p>	<p>Implement an electronic system like other states and the New York City School Construction Authority use and have DOL do the reviews. In addition to relieving the municipalities of the burdens, it will increase our enforcement capacity.</p>
Public Work and Prevailing Wage	Article 8 and prevailing wage.	<p>Under Article 8, municipalities are responsible for receiving and maintaining copies of certified payrolls on public work projects. Every contractor and subcontractor must submit to the Department of Jurisdiction (contracting agency), within 30 days after issuance of its first payroll and every 30 days thereafter, a transcript of the original payrolls, subscribed and affirmed as true under penalty of perjury.</p>	DOL	See above.	<p>Certified payrolls should be submitted to NYS DOL and NYC Comptroller. This would ensure that payrolls are correct and prevailing wages are paid and improve our enforcement since we will not need to go back to municipality to get the payrolls. This should be done through the implementation of an electronic system as described above.</p>

<p>Public Work and Prevailing Wage</p>	<p>Local Administration and enforcement of Labor Law Article 9 prevailing wages for building service work.</p>	<p>Each of the 62 cities in New York State has a statutory mandate to enforce the prevailing wage requirements that apply to public building service work performed by janitors, security guards, and others under city contracts. <u>LL Article 9</u>. The Commissioner already enforces such requirements under Article 8.</p>	<p>DOL</p>	<p>See above.</p>	<p>Amend the definition of "fiscal officer" in Article 9 to match the language in Article 8 which refers only to the Commissioner except in cities of over one million people. This will effectively eliminate the burden of administration and enforcement from the other 61 cities and help to ensure enforcement and compliance.</p>
<p>Public Work and Prevailing Wage</p>	<p>WICKS Law</p>	<p>Public work projects must bid heating, air conditioning, and plumbing contracts separately.</p>	<p>DOL</p>	<p>Studies done through the University of Washington and SUNY Buffalo suggest that separate bidding saves 3-5% on lower bid costs and final costs per project over single bids. Conversely, Governor Paterson's Office of Taxpayer Accountability said that removing the WICKS requirement from school districts could save \$200 million annually.</p>	

Administration of Regulations	"Working Papers" for Minors	Currently, minors get their employment certificates, ("working papers") which enable them to work legally, at the local level from their school or board of education. It would take a burden off of local governments if they did not have to fulfill this function and if instead there were a centralized statewide process for issuance of employment certificates.	DOL	Fiscal relief to the State's school districts of approximately \$1.5 million per year.	Invest \$300,000 to create a statewide on-line centralized system that allows for a more meaningful process, where some basic safety and health or other legal information could be imparted to minors are part of the application process.
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**Training
Mandates**

The Ropes Rule for
Firefighters, Labor Law
section 27-a(4)(c)

The Ropes Rule requirements for firefighters was added by the legislature in 2007 to address in response to FDNY fatalities that occurred in New York City, and it requires every public employer -- except New York City -- to provide safety ropes and system components for firefighters based on the risks that they are exposed to.

DOL

Cost for compliance would include the cost of the rope systems, which can range from \$50 to \$410, with an average of about \$230, for each individual set and costs for training can range from free to \$500 per person, which could be reduced tenfold by using train-the-trainer. For career firefighters, of which there are 5,500 outside of New York City, the costs would be about \$1.54 million. For the 96,593 volunteer firefighters, which are organized into 800 companies, each of which need about 10 rope systems for those that engage in interior structural firefighting, the costs would total \$2.24 million. Together, the total would be \$3.78 million.

DOL recently developed a training video that instructs fire departments on confine space safety rules which every municipality must have. We produced this in house using existing resources but had we or fire departments hired someone to develop the video, it would have run about \$20K. Developing this kind of training at DOL will make sure it is uniform and consolidate the costs.

**Training
Mandates**

Workplace Violence
Prevention Law, Labor
Law section 27-b

The Workplace Violence Prevention Law, which added by the legislature in 2006 as section 27-b of the Labor Law, requires that most public employers evaluate the risks of workplace violence and design programs to prevent and minimize the hazards of workplace violence to public employees.

DOL

As an anecdotal indicator of costs, Tioga county in central New York estimated costs of \$12,000 to implement the program. The direct costs associated with this rule are dependent on the needs identified in the risk assessment. The indirect costs are staff time to perform risk assessment, develop program, and provide training and record keeping. There are approximately 7,000 public employers and if their average costs equaled those of Tioga at \$12,000 each the total cost could be \$84,000,000

Survey the training requirements that are imposed on everyone. Have DOL develop uniform training with existing resources.

**Training
Mandates**

The Right to Know Law,
Labor Law Article 28

The Right-to-Know predates and is largely superseded by OSHA's similar Hazard Communication ("HazCom") Standard. The main differences between Right-to-Know and HazCom are in the substances covered - HazCom excludes certain consumer products and uses, such as white out and toner - the training require - Right-to-Know requires that training be repeated annually - and recordkeeping - Right-to-Know requires that records be maintained for 40 years.

DOL

The costs are unknown, but there are approximately 1,315,300 public employees in NY. If the annual cost to maintain compliance with the RTK law is as low as \$1 per employee per year, the annual cost for compliance would be \$1,315,300.

Survey the training requirements that are imposed on everyone. Have DOL develop uniform training with existing resources.

Training Mandates	OSHA Standards, Labor Law section 27-a	Occupational Safety and Health Administration ("OSHA") standards. While New York State has an OSHA state plan that only applies to public employers, the same OSHA standards that apply to private employers are the ones that apply to public employers in New York State, with the exceptions noted above for Workplace Violence and the Ropes Rule, which do not have counterparts under OSHA, and for the Right-to-Know law, which goes beyond OSHA's HazCom standard. Under New York's Public Employee Safety and Health ("PESH" Act), Labor Law 27-a, public employers must comply with federal OSHA standards that PESH has adopted.	DOL	Estimated costs back in 1979, when the PESH Act was being proposed, for violation corrections were: Small cities - \$2,884; Medium cities - \$6,174; Towns and Counties - \$9,027. If we estimate of cost of all training required by OSHA standards the 1,315,300 public employees at \$100 that would be \$13,153,000. PESH final bills issued to employers for failure to comply violations in federal fiscal year 2010 were \$168,133	Survey the training requirements that are imposed on everyone. Have DOL develop uniform training with existing resources.
Safety Rules and Regulations	Workplace Safety and Loss Prevention (part of 2007 Workers Compensation Reform)	Industrial Code Rule 59 - Workplace Safety and Loss prevention may impose a cost on local government when the government entity has private workers' compensation insurance. In cases such as this, the entity would generate experience rating and if it rises above the 1.20 level and payroll exceeds \$800,000, they would receive a notice from the New York Compensation Insurance Rating Board (NYCIRB). This notice would require the entity to implement a comprehensive safety and loss prevention program and may result in direct and indirect costs of implementation, noise, dust or chemical sampling and hiring of a certified consultant to perform the required services. Some examples of where this has occurred are county adult rehabilitation centers, fire districts, water districts and school boards.	DOL	The cost of hiring a private sector consultant may vary with location but can be as much as \$1000 per day of services.	Repeal the Rule. It has never been funded to ensure enforcement and there is no information that this is in fact cutting down on accidents.

Existing mandate	Repeal Multiple Residence Law	Multiple Residence Law: The MRL, enacted in 1951, set requirements for safety in the construction and maintenance of multiple dwellings, including buildings with three or more apartments, hotels, boarding houses and similar occupancies. As a result of laws enacted since 1951, its application is currently limited to multiple dwellings existing on July 1, 1952 and covers means of egress, smoke alarms, fireproofing of cellar ceilings and sanitation. Cities, towns and villages are mandated to enforce the MRL, and cannot opt-out of this obligation, unlike enforcement of the uniform code. Repeal would eliminate an obsolete mandate on local governments without adversely affecting public health and safety. Any substantive provisions from the MRL could then be inserted into §378 of Executive Law for inclusion in the Uniform Code.	DOS	Enforcement of the MRL primarily affects larger, older cities around the state. Assuming a 10% staffing requirement to enforce the MRL, larger, older cities collectively devote approximately 300 staff to MRL enforcement. At an average rate of \$40,000, this represents a \$12 million savings.	State Law
Existing mandate	Amend More Restrictive Local Standard (MRLS)	Section 379 allows Nassau County to have its own Fire Prevention Code. The language of the section could be changed or a regulation could be made which makes it clear that only more restrictive provisions can be enforced. The county's Fire Prevention Code for the most part duplicates the requirements of the Uniform Code. So, there are two governments in Nassau County enforcing the same requirements. This would eliminate MRLS that have similar requirements to the Uniform Code or less restrictive requirements.	DOS	Elimination of redundant enforcement of the Nassau County Fire Prevention Code and other MRLS that are similar to the Uniform Code could yield a savings of up to \$2 million statewide.	State Law
Existing requirement	Remove the requirement for local governments to submit annual reports	Title 19 NYCRR §1203.4 requires the preparation of annual reports for submission to DOS. DOS can require that the information be provided under its authority to investigate (Executive Law §381(3)).	DOS	Removing the requirement for local government annual reports would yield a savings of approximately one working day for each local government code enforcement official, representing a total of 4000 working days. At an average rate of \$40,000, this represents an approximate savings of \$440,000.	State Regulation

Existing mandate	Consolidate enforcement in rural areas to the county level	Currently, each local government is responsible for code enforcement. In rural parts of the state, many local communities utilize a part time code enforcement official, which is inefficient and often inadequate. County wide code enforcement would most likely be more efficient and would potentially be more effective. In addition, it would relieve the burden of enforcement from many local governments that lack the resources to support an effective program.	DOS	Assuming a workforce of 20 part time (50%) code enforcement officials in a typical rural county, consolidating code enforcement to a county program of 5 full time code enforcement in rural area to the county level, and an average rate of \$40,000, this represents an approximate savings of could yield a savings of up to \$200,000 per affected county.	State Law
Basic training	Extend time frame to complete basic training	Title 19 Part 434 Minimum Standards for Code Enforcement Personnel in the State of New York. All six courses must be completed within one year, with a limited exception. If courses are not completed within a year, courses taken are forfeited. Change the time to complete training from 12 months to 18 months for full-time code enforcement officials and to 24 months for part-time code enforcement officials.	DOS	The total potential statewide savings that could result from these revisions to code enforcement official basic and in-service training requirements is approximately \$400,000 annually.	State Regulation
Basic training	Grant course waivers	Title 19 Part 434 Minimum Standards for Code Enforcement Personnel in the State of New York. Allow degree to substitute for some courses without documentation or exam for design professionals. For other than design professionals, offer waiver after successful completion of exam, without documentation.	DOS	The total potential statewide savings that could result from these revisions to code enforcement official basic and in-service training requirements is approximately \$400,000 annually.	State Regulation

Basic training	Training program courses/hours	Title 19 Part 434 Minimum Standards for Code Enforcement Personnel in the State of New York. Reduce the basic training program to five, 21-hour courses for full certification as a code enforcement official.	DOS	The total potential statewide savings that could result from these revisions to code enforcement official basic and in-service training requirements is approximately \$400,000 annually.	State Regulation
Basic training	Training program courses/hours	Title 19 Part 434 Minimum Standards for Code Enforcement Personnel in the State of New York. Create an additional lower level of certification (four, 21-hour courses, for a total of 84 hours) for part-time code enforcement officials in low population, rural communities with mostly low-rise residential construction and existing buildings. This new level would be between fully certified code enforcement officials and code compliance technicians (three, 21-hour courses, for a total of 63 hours).	DOS	The total potential statewide savings that could result from these revisions to code enforcement official basic and in-service training requirements is approximately \$400,000 annually.	State Regulation
Annual in-service training	Allow half of all in-service hours to be obtained online	Title 19 Part 434 Minimum Standards for Code Enforcement Personnel in the State of New York. Annual in-service training requires each code enforcement official to complete a minimum of 24 hours of in-service training each calendar year following the calendar year in which certification was obtained. Certified on-line training programs are accepted for no more than 6 of the required 24 hours.	DOS	The total potential statewide savings that could result from these revisions to code enforcement official basic and in-service training requirements is approximately \$400,000 annually.	State Regulation
Annual in-service training	Offer DOS in-service courses online	Title 19 Part 434 Minimum Standards for Code Enforcement Personnel in the State of New York. Offer in-service courses developed and provided by DOS online at no charge to code enforcement officials.	DOS	The total potential statewide savings that could result from these revisions to code enforcement official basic and in-service training requirements is approximately \$400,000 annually.	State Regulation

Annual in-service training	Change required number of hours of annual in-service training	Title 19 Part 434 Minimum Standards for Code Enforcement Personnel in the State of New York. Reduce the 24 hours of in-service training required annually to 18 hours for full-time code enforcement officials. Reduce the 24 hours of in-service training required annually to 12 hours for lower CEO certification level.	DOS	The total potential statewide savings that could result from these revisions to code enforcement official basic and in-service training requirements is approximately \$400,000 annually.	State Regulation
Annual in-service training	Offer advanced in-service training online	Title 19 Part 434 Minimum Standards for Code Enforcement Personnel in the State of New York. Advanced in-service training requires code enforcement officials to receive a maximum of 24 hours of advanced in-service training coinciding with each update of the Uniform Fire Prevention and Building Code. These training hours can also be applied to the annual 24-hour in-service training requirements for that calendar year. No online advanced in-service training is offered.	DOS	The total potential statewide savings that could result from these revisions to code enforcement official basic and in-service training requirements is approximately \$400,000 annually.	State Regulation
Annual in-service training	Change required number of hours of annual in-service training	Title 19 Part 434 Minimum Standards for Code Enforcement Personnel in the State of New York. Reduce the maximum of 24 hours of advanced in-service training to 18 hours for ALL code enforcement officials	DOS	The total potential statewide savings that could result from these revisions to code enforcement official basic and in-service training requirements is approximately \$400,000 annually.	State Regulation
Maintenance Responsibility	Municipal Roadway Responsibility	Various State laws make municipalities responsible for the maintenance of municipal highways, such as town highways, city streets, village streets and county roads. Section 140 of the Highway Law provides an example of such a State law. Although section 140 and subdivision 9 of section 10 of the Highway Law authorize the Commissioner of Transportation to promulgate rules for the construction, improvement and maintenance of local roads, DOT's promulgation of such regulations has been limited. There is a proposal for municipalities to designate maintenance standards for low volume roads which DOT supports.	DOT	Estimates for savings can only be provided by municipalities.	State Law

<p>Contracting</p> <p>For Consolidated Local Street and Highway Improvement Program (CHIPS) - Increase the existing cap of \$100,000 to \$250,000 on work that may be performed under force account by municipalities.</p>	<p>With the rising construction costs, many municipalities would like the option of performing more work with their own labor forces rather than using the competitive bidding process for the “construction” costs of CHIPS capital projects. Competitive bidding threshold for CHIPS was raised from \$50,000 to \$100,000 in the 1990s. Perhaps, the cap for the CHIPS program should be increased to be in line with the Wicks Law, which was overhauled by the 2008-09 Enacted Budget. The thresholds for triggering Wicks Law mandates, which require State and local governments to issue multiple construction contracts for most public works projects, were increased to:</p> <ul style="list-style-type: none"> - \$3 million in New York City, - \$1.5 million in the downstate suburbs, and - \$500,000 Upstate. <p>Current competitive bidding threshold for CHIPS = \$100k. Total no. of Municipalities receiving CHIPS funds is 1590.</p>	<p>DOT</p> <p>Amount per project to be saved will vary based on availability of local labor and its costs as well as the geographic location. Estimate Statewide Savings \$1M</p>	<p>State Law Highway Law, Section 10-c(4)</p>
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<p>Fee</p> <p>General Aviation - The State’s 2004 Anti-Terrorism Preparedness Act directed the DOT to register General Aviation (GA) airports and review their security plans every three years.</p>	<p>The legislation imposes a registration fee of \$25 for private airports and \$50 for public airports on all non-commercial airports without regard to size or airport category. As of 2010, there were about 119 public-use and 327 private-use airports in the state subject to this law. Many public-use airports are owned by municipalities or counties. Although DOT recommends removing the fee for registration, DOT will continue to review their security plans.</p>	<p>DOT</p> <p>Savings to Municipalities would be approximately \$5000 per year for all municipalities.</p>	<p>State Law Transportation Law, Section 14-m, General Aviation Airport Security</p>
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<p>Vehicle Compliance</p>	<p>Diesel Emissions Reduction Act (DERA) Current Environmental Law requires that Best Available Retrofit Technology (BART) regulated entities (State Agencies and contractors hired by the state) operating heavy Duty Vehicles (HDVs) powered by a diesel engine having a gross vehicle weight greater than 8,500 pounds, comply with 2007 EPA Standards for particulate matter (PM).</p>	<p>Municipalities are required to comply with all components of the law when contracting with DOT. Currently DOT has arterial maintenance agreements with 38 municipalities. In addition, capital construction costs will increase as a result of this legislation. This is a deterrent to municipalities' willingness to enter into shared service agreements with DOT.</p> <p>Option 1: Complete removal of all reference of a contractor. To eliminate the financial burden for the local contractors, will require amendment to 248-3.1(e): All diesel-powered heavy duty vehicles owned by, or leased by each BART regulated entity or which are owned by, operated by, or leased by a municipal/local government contractor and used to provide labor, services, materials and equipment on behalf of a BART regulated entity to perform regulated entity work shall utilize the best available retrofit technology according to the following schedule:</p> <p>OR</p> <p>Option 2: Provide additional time to meet compliance. This will allow for a more natural replacement cycle to occur and ease the financial burden. Note: State agencies would also benefit from this option.</p> <p>Proposed implementation dates:</p> <p>Delay enforcement of the regulation to reflect 50% of all such vehicles shall have BART by December 31, 2012 and 100% compliant by December 31, 2014.</p>	<p>DOT</p>	<p>Estimated DERA financial burden to Locals resulting from arterial maintenance agreements with DOT is \$1,890,000.</p>	<p>State Law Environmental Conservation Laws (1-0101, 3-0301, 19-0103, 19-0105, 19-0301, 19-0303, 10-0305, 19-0323, 71-2103 and 71-2105) and DEC Regulation 248.</p>
<p>Bus Inspection</p>	<p>Currently, bus inspections are performed twice a year on all common carrier and contract carrier buses and school buses.</p>	<p>DOT could insure safety more efficiently and with less impact to the locals with a risk-based targeting of inspections. Based on the results of the first inspection a second inspection will be conducted. Time out of service for vehicle inspection is a cost that is passed on through the municipal contract. Some local governments contract for transit service.</p>	<p>DOT</p>	<p>Minimize down time for buses for DOT to perform inspections for municipalities. Reduce Overtime needed by DOT to implement this safety program. Statewide estimate of savings - up to \$3M.</p>	<p>State Law Transportation Law, Article 6, Section 140.</p>

Contracting	Increase the bonding requirement on contracts for "construction or improvement of highways" from \$250,000 to \$1M.	This limits municipality agency flexibility on low-risk jobs and causes difficulty for small firms like D/M/WBEs. Although the cost of the bonding is on the contractor, the cost is passed onto the municipality as the project owner. In the last 5 years DOT used a bonding company to complete construction projects 2-3 times. Statewide, local governments have used a bonding company to complete construction projects 2-3 times in the past year. In 2010, there were 103 projects under \$1M.	DOT	Approximate cost savings per contract is \$1000 to \$10,000. Increase D/M/WBE participation.	State Law Finance Law, Section 137
Contracting	Eliminate the requirement to Refund Plan Sales Costs	Refunds are due to: a) plan purchasers who submit a bid, then return the plans within 30 days of award; b) all plan purchasers if all bids are rejected; and c) plan purchasers who do not submit a bid get the difference between what they paid and production cost. This is a time consuming process for municipalities and of little value to plan buyers since plan costs are in almost every instance a trivial fraction of bid costs.	DOT	By law, plans may be sold for up to \$100. The cost to refund the money could be greater than the actual refund. Statewide estimate - up to \$12M.	Legislation change to General Municipal Law, Section 102.
Required certification - obsolete	Eliminate Operations and Maintenance (O&M) activities certification from the Consolidated Local Street and Highway Improvement Program (CHIPs).	Municipalities are required to provide certification for Operations and Maintenance (O&M) activities. Ability to use CHIPs for (O&M) was removed from the program in 2002 yet the certification is still required.	DOT	No. of Municipalities impacted - 1590, savings up to \$250,000.	Regulatory Change 17 NYCRR, Chapter 1, Part 34, Section 34.2.

Shared Services	Increase Shared Services Agreements with Municipalities	With resources stretched to the limit in many jurisdictions, this tool allows state and municipalities to efficiently take advantage of each other's capabilities or assets. With shared services agreements, one party may provide a certain amount of services and receive the same value in return services. While each party may provide the same dollar value of services, the real saving is in the efficiencies achieved. To better serve highway users in NYS and state and local taxpayers, DOT has recently signed an agreement with Oneida county to allow for sharing of services, materials and equipment. We plan to use this template across the state. A legislative change would speed up the process.	DOT	Shared Services do not result in a direct savings to a local government, they are more of an even exchange. Shared services allow for work to be accomplished more efficiently, resulting in savings for both the state and the local government. Participation is voluntary so if at any point either side feels the arrangement is not working it stops.	State Law
Federal Requirement	Reauthorization - Streamline Project Development Process	The existing federal project development and delivery processes should be streamlined to allow implementation of needed improvements more quickly, saving time and money, without compromising environmental requirements. DOT is investigating ideas that will help streamline the project delivery process. One example: there should be one federal lead agency that coordinates all necessary federal reviews and approvals for a given project. This would help deliver both local and state projects more efficiently. Another example includes reducing federal requirements on small projects. A \$50,000 federal aid project should not have the same federal requirements as a \$50 M project.	DOT	Reduce costs to municipalities in progressing federal-aid projects.	Change Federal process and requirements
Child Care	Fraud and Program Integrity: Reduce child care subsidy fraud	Provide administrative support and competitive grants, to the extent funds are available, to assist LDSS to improve their child care fraud prevention activities. Authorize LDSS to defer or disallow subsidy payments to providers that make improper claims.	OCFS	As much as \$73 Million of fraud avoidance and savings (based on Wisconsin's experience of 10% of error or fraudulent subsidies). This assumes up to 10% of all payments may be in error or fraudulent. Savings are redirected into existing waiting lists or unmet service needs.	State Law

Child Care	Streamline Payment Process: Costly, out-dated, payment processing system for child care subsidies	In the 2010-11 State budget, OCFS obtained authorization to establish, on behalf of LDSS, a mechanism to pay adoption subsidies and foster parent payments by debit card or direct deposit. OCFS seeks to expand this authority to child care subsidy and kinship guardianship payments. Electronic payments for child care subsidies are expected to result in approximately \$900,000 full annual savings to LDSS outside of New York City.	OCFS	Approximately \$900,000 annually for LDSS outside of New York City.	State Law
Child Protective Services (CPS)	Target Child Protective Resources: Courts use child protective resources for other than child protective investigations.	Limit the court's authority to order LDSS to conduct investigations of families only where there is a reasonable cause to suspect child abuse or neglect and to preclude the court from establishing a shorter timeframe for such investigations than required for any other CPS investigation. Numerous districts have reported that court-ordered CPS investigations are rising each year, with as many as 50 percent of cases being ordered without a child safety basis.	OCFS	A total of 30,000 reports are ordered each year. Approximately 60% are from NYC. Savings could reach \$5-10m.	State Law
Child Protective Services (CPS)	Target Child Protective Interventions: Educational neglect allegation for adolescents (over age 14) as the sole reason for a child abuse investigation impedes ability to direct resources to more significant instances of neglect or abuse	Amend the definition of neglect in Family Court Act (FCA) §1012 to limit educational neglect to children under age 14, which will enable the Statewide Central Register, LDSS child protective services (CPS), and the family courts to focus greater attention and energies on more serious reports of abuse and maltreatment. It is estimated that up to 15,000 CPS cases could be reduced annually. Half of the states, including California, Florida, Illinois and Texas, currently do not recognize adolescent school absences as a ground for a neglect finding.	OCFS	An initial estimate of state and local savings is up to \$3,500,000 annually. Assumes: a caseworker ratio of 12:1; Federal revenues will remain maximized; Up to 15,000 cases will not be reported to the SCR, per Vera Report entitled "Getting Teenagers Back to School"	State Law

Child Protective Services (CPS)	Efficient and Flexible Child Protective Intervention	Make permanent the family assessment response (FAR) program that permits LDSS, with OCFS approval, to use an alternative response to appropriate reports of child abuse and maltreatment (SSL §427-a); remove the prohibition on NYC participation. OCFS study found children in FAR cases to be as safe as children in traditional CPS cases and increased services to families. A rigorous five-year study conducted in Minnesota, which involved random assignment of families to FAR and a traditional CPS response, found that FAR cost less over time.	OCFS	During a 5 year study conducted in Minnesota, it was observed that there was a 35% decrease in programmatic costs for those families referred to FAR. NYS experience would need to be modeled to determine savings.	State Law
Contracting	Administrative Ease: Ease limit on purchase of services contracts	Permit LDSS to enter into multi-year contracts for the purchase of services; current requirements limit contract terms to 12 months.	OCFS	Will provide administrative relief by reducing the frequency of POS contracts; will allow districts to negotiate more competitively priced contracts.	State Regulation
Social Service Delivery and Performance Waivers	Local districts need expanded and enhanced opportunities for streamlining and integrating their operation and for applying innovative approaches to program administration, operation, services delivery, and funding.	Simplify and encourage use of existing statutory provisions, and provide administrative support and fiscal incentives, to the extent funds are available, to encourage counties to merge local agencies, develop innovative programs, or provide cross-county services. Authorize local departments of social services (LDSS) and services providers to apply to OCFS for waivers from non-statutory regulatory provisions to promote innovative programs or services or cost-efficiencies in other areas. OMH adopted similar regulations a few years ago.	OCFS	Savings attributed to possible administrative efficiencies. Total value undetermined at this time.	State Law and Regulation

Mandated County Planning	Streamline Local Planning: Complex, time-consuming, and rigid county planning requirements and protocols	Simplify and streamline the requirements for LDSS multi-year consolidated services plans, also known as child and family services plans. A LDSS would submit one multi-year service plan for a five-year cycle and submit updates on significant changes versus the current required three-year plans and annual implementation plans. Provide more flexibility for public participation in the planning process; limit information from plans to federal requirements and to document local services options; eliminate requirements to submit information available to the State through computer systems or in county plans submitted to other agencies.	OCFS	Savings attributed to possible administrative efficiencies. Total value undetermined at this time.	State Law
Foster Care	Licensing Streamlining: Foster boarding homes must be certified or approved every year, which can safely be extended to two years	Amend section 378 of the SSL (and regulations governing approved relative foster homes) to extend the duration of a foster boarding home license or certificate from one to two years. Safety concerns regarding background checks would be addressed by requiring interim fingerprinting of new household members.	OCFS	Will provide administrative relief by reducing the volume of FBH license renewals each year; will also relieve the burden placed upon the LDSS home finder.	State Law and Regulation
Foster Care	Cost Recoupment: LDSS currently perform home studies for private adoptions without clear statutory authority to charge a fee.	Not withstand section 374(6) of the SSL and authorize LDSS to charge a fee for home studies it performs in relation to private adoptions, either at the certification stage or the finalization stage.	OCFS	Approximately \$2.8 million annually Statewide	State Law
Child Care	Child Care Waiver Simplification: Simplify info on child care subsidy waiver options available for LDSS	The child care subsidy regulations permit LDSS to seek waivers of any non-statutory requirements. OCFS could develop a fact sheet on potential waivers LDSS could seek to reduce administrative costs and improve services.	OCFS	Will provide districts administrative relief. Amount depends on types of waivers requested.	

Training	Training:	Increase the availability of electronic training for LDSS staff and providers to reduce costs to localities of developing and providing training or the travel costs for attending training.	OCFS	Will provide local district savings @ \$14/day/trainee in the local district training chargebacks for each trainee that does not participate in the classroom training. Locals districts could also achieve savings from reductions in travel costs and overtime.	
Foster Care	System Simplification: Cumbersome and time-consuming permanency planning reporting requirements	Reduce the amount of detailed information required in permanency hearing reports to make them less time-consuming for LDSS to complete but still informative for the courts.	OCFS	Will provide administrative relief for districts. Total savings value is undetermined at this time.	State Law
Training	Training Simplification: New Child Protective Services (CPS) supervisors must repeat common core training, even if they had such training in prior positions. Repeating it is costly, time-intensive, and generally unnecessary.	Amend statute to require common core training only if the supervisor has never had such training or if it is longer than 5 years since the supervisor has had such training.	OCFS	Will provide local district savings @ \$14/day/trainee in the local district training chargebacks for each supervisor that does not participate in the training.	State Law
Training	Training Simplification: Current statute governing training of Adult Protective Services staff is overly-complex, requiring workers to attend OCFS – sponsored training or get OCFS approval of an individualized local training plan.	Amend statute to require staff to attend OCFS-sponsored training or to participate in locally-provided training that addresses required key elements.	OCFS	Will provide local district savings @ \$14/day/trainee in the local district training chargebacks for each trainee that does not participate in the State Training Plan courses.	State Law

Planning	Local Flexibility: LDSS must have a local advisory council in addition to other public participation in planning	Repeal regulation that requires counties and cities to have a local advisory council. The council is used by some LDSS for development of the county plan, but statute requires other public participation in plan development.	OCFS	Savings attributed to possible administrative efficiencies. Total value undetermined at this time.	
Technology	System Simplification: Detailed Family Assessment and Service Plans (FASPs) are required on a regular basis for each child protective case, requiring significant time of child protective case workers	The detailed requirements of the initial FASP should be retained, but subsequent FASPs (generally completed at 6 month intervals) should be limited to updated information.	OCFS	Savings attributed to possible administrative efficiencies. Total value undetermined at this time.	State Regulation
Technology	Use of Proven Technology: Youth and workers frequently have to travel long distances and wait in court for extended periods of time for child welfare court hearings, which sometimes are adjourned. Family members are often unable to participate due to distance.	Allow parties, interested persons, and witnesses in family court preliminary and dispositional proceedings related to juvenile delinquents, termination of parental rights, persons in need of supervision (PINS), abuse and neglect, and permanency hearings to make their appearance via electronic communication, such as by telephone or videoconference, upon application and court approval. Recent surveys have indicated that caseworkers spend an inordinate amount of time in court buildings waiting for hearings to commence. This time could be better spent providing case planning or management services to children and families. (Part BB of the 2010-11 ELFA Article VII; Proposed Part E of OCFS #4-11). This proposal also has the potential to reduce LDSS costs related to court hearings for foster care children.	OCFS	Will provide administrative relief and lower overtime expenditures associated with staff travel at LDSSs.	State Law

Child Care	Reduce Burden upon Local Government: Eliminate unnecessary fair hearings	Eliminate the need for local social services districts to provide fair hearings and aid continuing when child care services are terminated due to a lack of available funding for populations who do not have a guaranteed right to child care.	OCFS	Local savings would be based upon the actual number of fair hearing requests received in the event of a termination decision. The average annual cost per child care slot is \$6,200.	State Regulation
	Extend OGS' authority under State Finance Law ("SFL") § 97-g (2), (3), to provide centralized services in the form of purchases of electricity to political subdivisions, including school districts.	Extend OGS' authority under State Finance Law ("SFL") § 97-g (2), (3), to provide centralized services in the form of purchases of electricity to political subdivisions, including school districts. OGS has a legislative proposal that sets forth the necessary statutory changes. Based on OGS's experience to date, participating political subdivisions, such as municipal entities and school districts, can be expected to realize savings resulting from the state's direct purchase of electricity from the New York Independent Systems Operator ("NYISO"). A prior amendment to SFL §97-g allowed OGS to begin aggregating the load of other state agencies in an effort to achieve energy savings similar to the savings that OGS is experiencing as a Direct Customer of the NYISO. Since this amendment OGS initially began purchasing electricity for four (4) Department of Correctional Services (DOCS) facilities in late February and early March 2010 and has steadily increased the number of facilities up to twenty-one (21) facilities all located within the National Grid service territory. The Division of Criminal Justice Services was recently added in January 2011. OGS expects to achieve an estimated annual electric commodity savings for these agencies of 4%.	OGS	While there are numerous variables that factor into the potential savings (such as the amount of energy used and service territory), it would appear that the greatest savings would accrue to those political subdivisions that have an electric demand of 250 Kw or higher. A preliminary estimate of average savings in that instance is 4% of the commodity cost.	State Law

Amend Economic Development Law §142(4) to permit a local government to satisfy its public advertising requirements through publication in the [Procurement Opportunities Newsletter](#) (aka [Contract Reporter](#)).

Amend Economic Development Law §142(4) to permit a local government to satisfy its public advertising requirements through publication in the Procurement Opportunities Newsletter (aka Contract Reporter). (Recommended in the Statewide Electronic Procurement Opportunity Notification System (SEPONS) Report issued by State Procurement Council)

OGS

Such amendment would provide an additional advertising option for local governments, not a mandate. While it is unknown how much local governments currently spend on publication costs, the Contract Reporter is free to all registered users. See <http://www.nyscr.org/Public/Index.aspx>

State Law

Amend the General Municipal Law ("GML") to increase a local government's authority to make discretionary purchases from \$20,000 to \$50,000 ([see](#) GML §103(1)).

Amend the General Municipal Law ("GML") to increase a local government's authority to make discretionary purchases from \$20,000 to \$50,000 (see GML §103(1)). The authority for state agencies to make discretionary purchases was increased from \$15,000 to \$50,000 in 2006 (OGS has a higher discretionary threshold of \$85,000). See L. 2006, Chapter 56. A similar, proportionate, increase for political subdivisions should accomplish two goals: first, it would allow local governments, including school districts, to achieve savings through reduced administrative costs attributable to formal competitive procurements. In this respect, it should be noted that when a state public entity uses its discretionary purchasing authority, the State Procurement Council guidelines provide that the State agency must: ensure that the commodities and services acquired meet its form, function and utility needs; document and justify the selection of the vendor; document and justify the reasonableness of the price to be paid; buy from a responsible vendor; and comply with the agency's internal policies and procedures.

OGS

We cannot quantify those savings, but anticipate that the savings could be substantial in certain instances.

State Law

Amend GML § 103 by adding a new section to authorize a local government, including school districts, to award service contracts, including technology, on the basis of “best value”

Amend GML § 103 by adding a new section to authorize a local government, including school districts, to award service contracts, including technology, on the basis of “best value”. Use of the definition of “best value” set forth in State Finance Law §163(1)(j) is recommended. A best value award could result in savings for local governments by ensuring the acquisition results in a high quality product that meets the needs of local government. Procurements based on “best value” take into consideration a variety of factors including life cycle costs, past performance and a vendor’s ability to complete the contract on time.

OGS

New York State Association of Municipal Purchasing Officials (NYSAMPO) states that "best value" awards will aid in ensuring that a local government does not acquire a product low in quality and fails to meet its needs.

State Law

Amend GML §103 by adding a new section to authorize a local government, including school districts, to directly purchase from Federal General Services Administration Schedule 70 (information technology and telecommunications hardware, software and professional services).

Amend GML §103 by adding a new section to authorize a local government, including school districts, to directly purchase from Federal General Services Administration Schedule 70 (information technology and telecommunications hardware, software and professional services). We recommend that the proposal be amended to be able to so purchase only where a centralized contract is not available.

OGS

NYSAMPO states that the additional procurement option will assist in its efforts to obtain the best value.

State Law

Amend GML §103 by adding a new section to authorize a local government, including school districts, to directly purchase from a competitively bid contract established by another state or political subdivision when certain facts are certified.

Amend GML §103 by adding a new section to authorize a local government, including school districts, to directly purchase from a competitively bid contract established by another state or political subdivision when certain facts are certified.

OGS

NYSAMPO states the additional procurement option will assist in its efforts to obtain the best value.

State Law

Amend GML §104(1) to permit a local government, including school districts to directly purchase from certain federal contracts

Amend GML §104(1) to permit a local government, including school districts to directly purchase from certain federal contracts when there is a determination that such purchase will result in cost savings after all factors, including charges for services, materials and delivery, have been considered.

OGS

NYSAMPO states the additional procurement option will assist in its efforts to obtain the best value.

State Law

Enhance OGS' ability to do centralized contracts for local governments, including aggregate purchases off of centralized contracts and a team devoted solely to identifying procurements needed by local governments and then establishing contracts to effectuate such purchases.

Enhance OGS' ability to do centralized contracts for local governments, including aggregate purchases off of centralized contracts and a team devoted solely to identifying procurements needed by local governments and then establishing contracts to effectuate such purchases. Any staff increases would be more than offset by the savings attributable to the centralized contracting program because of the savings attributable to state agencies and local government's purchasing power. Savings attributable to enhanced aggregate purchases are quantifiable. In addition to these enormous fiscal savings, enhanced use of the centralized contracting program is in the best interests of the state.

OGS

From April 1, 2007 through May 31, 2010, there was a savings from the contract price for the purchasing entities for personal computer purchases totaling \$391,406,137.98 as a result of the aggregate purchases of personal computers. While still subject to OGS's review of the participating contractors' sales reports, from June 1, 2010 through November 30, 2010, there are reported savings from contract for personal computers exceeding \$14,078,540. A substantial proportion of these savings was realized by local municipalities.

Provisions of funding for dedicated staff; back in 2008, OGS submitted a grant to Department of State requesting five positions (four grade 18s and one grade 23 position) to undertake the volume of municipal targeted contracting work.

Eliminate overlapping mandates/authority	Empower State agencies licensing or operating service programs to establish staffing credentials for the delivery of all approved services in these programs and not be subject to "practitioners' scope of practice" limits established by SED. (Eliminate the July 1, 2013 sunset date of the SED Professions Waiver, applicable to DMH licensed, operated and funded facilities. Section 16 of Chapter 130 of Laws of 2010, and section 6 of Chapter 132 of Laws of 2010.)	State-sponsored (i.e., licensed, certified, approved, funded, operated, etc.) outpatient programs are "waived" from SED standards through June 2013. When the current waiver expires, it will be necessary to replace hundreds of clinicians now authorized to provide services by the State agency sponsoring the programs with various SED licensed clinicians. The incremental cost is substantial. (See "Savings", at right.)	OMH	The expiration of the waiver is estimated to increase costs of affected programs operated/sponsored by DMH agencies by \$289 million (gross) annually, including \$67 million (gross) for OMH State Operations.	State Law
Eliminate unnecessary mandates	Convert OMH Aid to Localities from "net deficit financing" (i.e., last dollar, after accounting for all approved expenditures and all revenues) to service based and/or pay-for-performance grant (MHL 41.15 and 41.18)	Net deficit financing requires counties to first develop specific budgets for all directly provided and purchased services and, second, to seek OMH approval of these budgets before the State can advance any State aid. Any substantial deviations from the approved budgets now must be submitted and approved by OMH before it can "close out" a county's annual final State Aid claim. OMH proposes to develop an alternative to net deficit financing that would be developed collaboratively with the CLMHD and would move the system toward service and performance based grants.	OMH	Savings linked to efficiencies not staff resources	State Law

The CFR is an annual comprehensive financial report required by OMH, OASAS, OPWDD and SED. Currently, each service agency (voluntary and county/municipal operated programs) receiving State Aid for a mental health service, is required to file a detailed statement of expenditures, revenue, staff, service volume, etc. for each location of each mental health service. (OMH identifies more than 80 distinct services.) This recommendation for mandate relief would make the process more efficient and effective by:

Eliminate unnecessary mandates

Change and simplify the Consolidated Fiscal Report (CFR) and procedures. (MHL 41.18 (a))

1) Reducing the number of distinct service types. The 80+ distinct services could be grouped into fewer categories which would considerably simplify the reporting process and save counties time and staff resources.

2) Eliminating the requirement that providers submit location-specific information. As counties are the primary "purchasers" of future services, this would allow them to specify whether agencies submit their CFRs with locations aggregated in the same county (or NYC) or by specific locations. This would reduce the amount of time it takes to report.

3) Changing the annual CFR submission to biennial, even triennial, submission. Two- and even three-year-old data will be adequate for most statewide and regional rate/fee setting. Reducing the reporting requirement from once a year to every other or every third year significantly reduces the reporting time.

OMH

Savings is linked to efficiencies not staff resources

State Law

Amend State mandates	Amend State Law to allow State and county agencies operating a broad variety of public institutions, Institutions for Mental Diseases (IMDs), etc., to establish Medicaid eligibility for residents of these facilities about to be discharged (SSL 364(3) and 364-a; Suspension rather than Termination of Eligibility in IMDs, as proposed in Part E of the 2011-12 Health and Mental Hygiene Article VII bill)	<p>OASAS, DOCS, OMH and counties operate residential facilities where some or all of their respective residents cannot receive Medicaid while they are in residence or they lose their in-residence Medicaid eligibility upon discharge.</p> <p>For the sick and/or disabled, Medicaid enrollment upon discharge enables access to needed community health and specialty services and, importantly, procurement of medications. Counties are no longer at financial risk for new Medicaid enrollees. State law could be amended to permit State and county agencies to apply regular Medicaid eligibility standards to establish or reestablish Medicaid enrollment for all imminent discharges.</p>	OMH	Not determined (savings linked to avoidable readmissions, incarcerations, etc.)	State Law
Eliminate unnecessary mandates	Eliminate "prior authorization" for all Medicaid claims for OMH-licensed ambulatory services (18NYCRR Parts 513 and 514)	<p>Medicaid claiming instructions currently require all claims for MA reimbursement for MH ambulatory services to be "authorized" prior to submission of the actual claim.</p> <p>Providers, including county/municipal providers incur real cost directly or in the price they pay their billing services to secure prior authorization. (The elimination of prior authorization may increase the providers' risk of denied claims for inaccurate client information.)</p>	OMH	Not determined.	State Regulation

Ease State requirements	Incentivize counties, especially counties with small populations, to join into "service purchasing" and "administering" consortia (MHL 41.13(a)(2), 41.15, 41.16 and 41.18(1))	<p>Currently OMH State Aid is allocated to individual counties. Counties are generally individually responsible to prepare the plan for comprehensive services (see above) for its residents, enter into contracts with each provider (almost always providers within the county) and adhere to other requirements.</p> <p>Small counties do not receive enough State Aid and/or local tax levy to assure access by its residents to the comprehensive array of MH services, and the administrative burden for planning, contracting, managing payments, submitting required reports, and more, creates a disproportionate burden for the smaller counties. Accompanying movement from net deficit financing, counties' remaining responsibilities for administering State Aid (contracting, planning service access, etc.) could be transferred to a "regional management entity", with a board representing participating counties, to perform all necessary non-clinical functions in place of the counties. This arrangement would also allow easier cross-county access to services that cannot be efficiently established in each county, and permit some resources to be dedicated to essential administrative functions such as program evaluation and needs assessment, which small counties cannot now address.</p>	OMH	An "improvement initiative," not a "savings initiative." Non-recurring startup grants to establish these entities will be necessary.	State Law
Reduces program costs/simplifies program administration.	Streamline program administration. Includes six initiatives.	Require consistent application of the initial month's benefit proration rule to all TA cases, thereby eliminating inequities among TA clients.	OTDA	\$1 million in LDSS savings from reduced TA costs. No associated State cost.	State Policy

Reduces program costs/simplifies program administration.	Streamline program administration. Includes six initiatives.	Require the proration of rent when a TA client resides with an individual who does not receive TA, with certain exceptions.	OTDA	Approximately \$4 million gross per year (\$1-1.2 million in LDSS cost savings). Actual savings would depend on client "compliance;" OTDA estimates that approximately 50% of the 11,000 affected clients statewide would comply. No associated State cost.	State Law and Regulation
Reduces program costs/simplifies program administration.	Streamline program administration. Includes six initiatives.	Align the amount of utility arrears payments with the amount of prospective service provided to ensure a four-month moratorium on utility shut-offs following an arrears payment on behalf of a TA, Supplemental Security Income (SSI), or SSI supplemental State payment client.	OTDA	\$50,000 in LDSS savings. Prevents utility companies from terminating service immediately following an arrears payment, thereby reducing costs and administrative burdens associated with providing the payment. No associated State cost.	State Law and Regulation
Reduces program costs/simplifies program administration.	Streamline program administration. Includes six initiatives.	Waive the supervisory signature requirement and/or permit electronic supervisor signatures on the LDSS-3209 form statewide.	OTDA	\$8.6 million in LDSS savings. This figure represents estimated savings if all LDSSs request this option; some may prefer the current procedure. Estimated savings based on the results of a pilot project at Onondaga County DSS. No associated State cost.	Waiver of State Regulation
Reduces program costs/simplifies program administration.	Streamline program administration. Includes six initiatives.	Redesign the public assistance ("common") application with perforations to facilitate easier separation and feeding of pages through copy machine auto-feed trays.	OTDA	Eliminates the need for LDSSs to copy all 16 pages of the common application page by page. Estimated savings TBD. Requires an assessment of contract costs. Not budgeted.	State Policy

Reduces program costs/simplifies program administration.	Streamline program administration. Includes six initiatives.	Expand certain waivers of program requirements statewide and/or eliminate the requirement necessitating waiver, where possible/desirable.	OTDA	Simplifies program administration. Estimated savings TBD. No associated State cost.	State Law and Regulation
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Eliminates duplicative efforts.	Take a statewide enterprise approach to health and human services access/delivery, using the myBenefits website and myWorkspace system.	Requires LDSSs to learn and use only one information technology system, rather than two (one for Medicaid and one for all other human services programs administered by LDSSs).	OTDA	<p>\$2-6 million in LDSS savings.</p> <p>Inclusion of Medicaid in myBenefits/myWorkspace efforts qualifies this initiative for 90% federal-share funding; separation of Medicaid from other human services systems disqualifies the State for enhanced federal funding or any Medicaid cost allocation. Avoids duplicative development and maintenance costs at the State level. Savings overlap with those claimed under the Functional Roadmap proposal. Development costs TBD.</p> <p>Budgeted, to the extent that development costs can be supported by existing appropriations. Closely related to imaging proposal.</p>	State Policy
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**Simplifies
program
administration.**

Expand myWorkspace
capacity to support
LDSS workflow
processes and data-
driven business
decisions.

Reduces administrative burdens associated with budgeting client income/resources, calculating public assistance benefits, performing case maintenance functions, and managing client information. Note: **Systems development work is budgeted, but LDSS computer upgrades are not.** To maximize purchasing power, a mechanism exists by which the State could incur the cost of the computers, and then recapture the LDSS share via the revenue intercept process. Savings may overlap with those claimed under other systems proposals. Closely related to imaging, bar coding, and centralized processing/call center proposals.

OTDA

\$4-5 million in LDSS savings (100,000-125,000 staff hours). Estimated savings assume 15 minutes of staff time per case, 900,000 rest-of-State cases, with 50% local share costs. Approximately half of the 57 rest-of-State LDSSs require new computers with capacity to operate browser-based systems concurrently with Office 2007, with acceptable response time, in order to fully implement this proposal. Local share hardware upgrade costs TBD.

State Policy

**Simplifies
program
administration.**

Establish imaging
capability in LDSSs
statewide.

Reduces administrative burdens associated with opening
public assistance cases by permitting cross-program
electronic access to case records.

OTDA

\$6-7 million in LDSS savings. Includes savings from converting LDSSs using the Imaging/Enterprise Document Repository (I/EDR) to on-site scanning and from converting LDSSs not using I/EDR to on-site scanning. Estimated savings do not include the value of increased administrative efficiencies derived from imaging, or savings associated with the Functional Roadmap, enterprise approach, myWorkspace, or centralized processing/call center proposals. The State cost to convert or bridge LDSSs with their own imaging systems would be \$2-3 million. Additionally, the State would incur costs to provide scanners to LDSSs. **Budgeted.** Closely related to bar coding proposal.

State Policy

Centralizes administrative functions.

Establish a statewide centralized processing/call center to manage routine Food Stamp and Temporary Assistance (TA) case maintenance functions, and to respond to client inquiries.

Reduces administrative burdens associated with maintaining cases and answering calls.

OTDA

Avoids future litigation costs associated with failures to process new applications timely, as well as federal reimbursement disallowances and fiscal penalties associated with high Food Stamp payment error rates, by allowing LDSSs to focus on application processing. Positions the State to earn federal bonus awards for accurate and efficient Food Stamp program administration. Complex implementation and operational costs TBD; OTDA will work with the NYS Division of the Budget (DOB) to identify funding sources. **Not budgeted.** Closely related to myWorkspace, imaging, and bar coding proposals.

State Law and Regulation

Preserves/
increases
funding.

Develop a mechanism to coordinate the activities and resources of State agencies serving homeless individuals and families to, among other goals, reduce discharges from State facilities to homelessness.

Prevents the loss of United States Department of Housing and Urban Development (HUD) funding due to impermissible discharges from State facilities to homelessness. Makes the State eligible to apply for additional HUD funding.

Reduces costs associated with the provision of temporary housing to homeless ex-offenders and others released from State facilities with inadequate discharge plans. In order to receive HUD funding, the State must certify that it does not discharge individuals from State facilities to homelessness. Releasing individuals to homelessness puts \$15 million per year in Emergency Solutions Grant Program funding (\$12 million to local continuums of care [COCs] and \$3 million to OTDA), as well as \$171 million per year in local COC funding to not-for-profit organizations, from HUD at risk. A State coordinating body would help to eliminate discharges to homelessness.

OTDA

Additionally, establishing a multidisciplinary State body to coordinate homelessness policy would make the State eligible for \$6-15 million in additional COC funding.

No associated State cost.

\$25.1 million in LDSS savings associated with the provision of temporary housing. In New York City, these savings would be 100% local, due to the homeless shelter cap. In rest-of-State, savings would be 50% local. **No associated State cost.**

State Policy

Simplifies
program
administration.

Use unused/
underutilized OCFS
facilities as temporary
housing for homeless
ex-offenders.

Reduces administrative burdens associated with locating temporary housing for ex-offenders that complies with State and local residency restrictions, and satisfies public safety concerns.

OTDA

\$322,000 (4.5 full-time equivalents [FTEs]) in rest-of-State LDSS savings. Estimated savings include staff time devoted to locating appropriate temporary housing placements only, not the cost of the placements themselves. Would require identifying a facility operator, as well as establishing funding relationships with LDSSs, which could be supported through room-and-board rates.

Budgeted.

State Policy

Eliminates unfunded mandate.	Reform medical support legislation (Chapter 215 of the Laws of 2009), which requires LDSSs to seek the establishment of medical support in child support cases when such coverage is “reasonable in cost” and “reasonably accessible.”	Eliminates the need for labor-intensive case adjustments due to changes in medical support coverage status and eliminates the limitations on cost recovery in Medicaid cases.	OTDA	Estimated “savings” would accrue from cost avoidance, since Chapter 215 has not been fully implemented by LDSSs yet. No associated State cost.	State Law
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**Reduces
administrative
costs.**

Enhance the State's child support website to provide increased case-specific information to custodial and noncustodial parents, significantly reducing calls to the child support hotline.

Website enhancement directly reduces "charge-back" costs to LDSSs.

OTDA

\$251,000 in LDSS savings. Approximately 20% to 30% of the 1.4 million annual calls to the child support hotline could be diverted by implementing this proposal. OTDA reimburses the contractor that maintains the hotline on a per-call basis; these costs are "charged back" to LDSSs at \$0.17 on the dollar. If the child support website diverted 30% (420,000) of the hotline's annual calls, saving \$3.51 per call, total savings would approach \$1.47 million gross annually, producing LDSS savings of \$251,000 (17%). Necessary systems changes could be accomplished under OTDA's current child support website maintenance contract. **Budgeted using existing resources.**

State Policy

Centralizes administrative functions.	Establish centralized child support account building.	Eliminates the need for LDSSs to perform this function or contract for this service. Reduces errors by standardizing account establishment statewide.	OTDA	<p>\$1.2 million in LDSS savings.</p> <p>Estimated savings assume current year LDSS personal service costs at \$170 million gross; if this proposal reduced LDSS administrative costs by 5%, savings of \$8.5 million gross (\$1.4 million in local share savings) would result. Implementation would require a State contractor to perform this function; OTDA estimates potential contract costs at \$1.5 million annually, with 17% (\$255,000) charged back to LDSSs. Not budgeted.</p>	State Law and Regulation
Reduces program costs.	Increase the number of LDSSs approved to provide single rent supplements.	Reduces costs associated with the provision of temporary housing to the homeless.	OTDA	<p>\$622,500 in LDSS savings. Estimated savings based on the provision of a rent allowance plus a rent supplement, in lieu of a temporary housing (hotel/motel or emergency shelter) placement. No associated State cost.</p>	State Policy
Reduces administrative costs.	Permit videoconferencing as an acceptable means of conducting face-to-face interviews for TA, as well as administrative fair hearings.	<p>Reduces foot traffic in LDSS waiting rooms and engages institutional staff in facilitating the TA application process.</p> <p>Reduces foot traffic in fair hearing offices and facilitates the timely adjudication of fair hearings. Avoids future litigation costs associated with failures to schedule and conduct hearings timely.</p>	OTDA	<p>Indirect LDSS and State savings, particularly in the reduction of "aid continuing" costs. Additional State savings associated with reduced hours and travel for fair hearing staff are possible. Likely to require technological infrastructure upgrades at LDSSs and fair hearing offices. Not budgeted.</p>	State Policy

Reduces program costs.	Permit NYS Office of Mental Health-approved treatment to satisfy drug/alcohol treatment requirements where co-occurring disorders exist.	Permits more effective treatment for substance abusing clients who also have mental illness, allowing quicker entry/reentry into employment and reducing dependence on public resources.	OTDA	\$6.6 million in LDSS savings. Estimated savings based on the approximately 1,000 clients with mental health issues in congregate care drug/alcohol facilities. No associated State cost.	State Law and Regulation
Eliminates duplicative efforts.	Allow LDSSs to accept drug/alcohol assessments performed by Credentialed Alcohol and Substance Abuse Counselors/other appropriate professionals in State prisons.	Avoids duplication of drug/alcohol assessments.	OTDA	\$312,000 in LDSS savings. Estimated savings based on the number of single Safety Net applicants released from prison. Approximately 13% screen positive for drug/alcohol abuse, requiring a full drug/alcohol assessment at approximately \$200 per assessment. No associated State cost.	State Regulation
Reduces program costs.	Increase the TA overpayment recoupment rate from 10% to 20% and from 5% to 10% in cases of hardship.	Helps ensure that LDSSs are made whole before clients leave TA.	OTDA	\$15.6 million in LDSS savings from reduced TA costs. No associated State cost.	State Law and Regulation

Eliminates unfunded mandate.

Extend the time for issuing expedited Food Stamps from five to seven days, consistent with federal requirements.

Reduces benefit costs and administrative burdens associated with opening cases two days sooner, and litigation costs associated with failures to process applications timely.

OTDA

\$2.16 million+ in annual LDSS savings (60 FTEs per month statewide). Estimated savings assume 0.4 FTEs saved for every 240 expedited issuances, 36,000 expedited issuances per month. State attorneys' fees associated with past litigation on Food Stamp application processing timeliness have ranged from \$100,000 and \$200,000. LDSS attorneys' fees and related staff time likely exceed these costs. **Not budgeted.**

State Law and Regulation

Simplifies program administration.

Streamline program administration.

Implement a significantly shortened paper application for non-TA applicants of Food Stamps and Medicaid. The current "shortened" application is 13 pages – only three pages shorter than a full TA application. The Food Stamp portion of this application is 3.5 pages; the Medicaid portion is 9.5 pages. All information collected on the Food Stamp portion is required by federal law.

OTDA

Estimated savings TBD in collaboration with DOH. **Not budgeted.** This proposal complements and should be implemented in conjunction with the enterprise approach proposal, which would include a combined Food Stamp and Medicaid e-application.

State Policy

Eliminates unfunded mandate.

Eliminate local advisory council requirement.

Allows LDSSs to utilize less burdensome means to solicit advice from clients, advocates, service providers, and the general public on policy development, program planning, and program evaluation.

OTDA

Reduces administrative burdens associated with appointing and organizing a local advisory council, as well as conducting regular meetings. Estimated savings TBD. **No associated State cost.**

State Regulation

**Simplifies
program
administration.**

Advance the Functional Roadmap initiative with the NYS Office of Children and Family Services (OCFS) and the NYS Department of Health (DOH) to redesign the State's 30-year-old Welfare Management System.

Integrates and simplifies the administration of health and human services programs.

OTDA

\$2-6 million in local department of social services (LDSS) savings. Savings attributed to business process streamlining and new technology implementation. Additional savings would result from the operational efficiencies realized by moving from paper to electronic files. System development costs to be determined, but OTDA will request federal funding. Savings overlap with those claimed under the enterprise approach proposal. **Budgeted, to the extent that development costs can be supported by existing appropriations.**

State Policy

**Simplifies
program
administration.**

Institute bar coding for frequently-used forms.

Reduces administrative burdens associated with data entry by allowing electronic scanning, detection/recognition, and tracking of documents. Currently, LDSSs spend 65% of the average Food Stamp application processing time (18 days) waiting for applicants to submit documentation; bar coding, document tracking, and myWorkspace alerts would relieve LDSSs of administrative burdens associated with manually tracking pending documentation during that interval. With State investment in the development of document-level indexing and integration with myWorkspace, this proposal would streamline LDSSs' eligibility determination process.

OTDA

\$4 million in LDSS savings (100,000 staff hours). Savings may overlap with those claimed under other systems proposals. **Not budgeted; however, costs may not be significant.** Closely related to myWorkspace, imaging, and centralized processing/call center proposals.

State Policy

**Reduces
program costs.**

**Establish full family
sanctions.**

Permits LDSSs to close a public assistance case upon the repeated failure of a parent/caretaker to comply with work requirements, rather than applying a pro rata reduction to the public assistance grant, as is current policy. For the first and second failures, LDSSs would fully restore the public assistance grant upon compliance; for the third failure, LDSSs would restore the public assistance grant upon compliance, minus a *pro rata* reduction for up to six-months.

OTDA
State Fiscal
Year
2011-2012
Executive
Budget

\$7.4 million in LDSS savings in SFY 2011-2012 and \$15 million in LDSS savings in SFY 2012-2013. This proposal would change sanction rules for non-compliance with work requirements without good cause for all categories of TA cases. Approximately 20% of all TA cases with an adult subject to federal work requirements include an adult who has been sanctioned for non-compliance with employment or drug/alcohol requirements. **No associated State cost.**

State Law

<p>Assigned Counsel Plan (18-B) – Legal representation for indigent parole and post-release supervision violators.</p>	<p>Proposed: Shift the funding for indigent defense services for parole violators from the counties to the State through contracts with county legal aid organizations or a consortium of attorneys. Increase the funding for indigent defense services and increase the number of attorneys available to represent parole and post-release supervision violators. County correctional facilities are required to house alleged parole and post-release violators throughout the revocation process. In addition, there is an absolute right to counsel for a final hearing.</p> <p>Alleged parole and post-release supervision violators must be afforded representation of counsel at final revocation hearings. The Division of Parole has been very successful in expediting revocation cases via the arraignment part process at the Rikers Island C.F. and the Division has had similar success in larger county facilities in the State. A large part of this success is attributable to the attorneys representing indigent parole violators, e.g., The Legal Aid Society of New York (LAS). The Division of Criminal Justice Services (DCJS) has contracted with LAS for the provision of legal representation to indigent parole violators in NYC. This arrangement has provided for a consistent and reliable cadre of experienced attorneys who specialize in this area of practice. The consistent availability of highly experienced defense counsel has played an integral part in expediting the parole revocation process at the Rikers Island Judicial Center while ensured quality representation for the parole violator. In FY 2009-10, the DOP lodged approximately 6,965 parole violation (PV) warrants in NYC. Pursuant to the contract LAC had with DCJS, it was paid \$472,122.00 for the representation of parole violators, amounting to approximately \$68.00 per case. Currently, the rate of reimbursement to assigned counsel under a county's 18-b plan is \$75.00/hour. The DOP estimates that an attorney expends approximately 2.0 hours per case. Accordingly, estimating an average expense of \$150.00 per case, non-NYC counties, through their 18-b plans, would have expended approximately \$1,300,000.00 for the representation of indigent parole violators.</p>	<p>Parole</p> <p>If this cost was shifted from the counties to the State, and the State was able to procure legal services through contracts, DOP believes that the amount of time to complete a violator hearing could be reduced by 2 days. This reduction would amount to 17,118 local jail days being avoided thus saving \$1,711,800.00 to localities Statewide.</p>	<p>State Law</p>
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Allow counties to achieve savings by reducing costs associated with Parole Violators.	Create a Regional Parole Violator Facility that would alleviate the costs to localities associated with housing alleged parole violators in local jails.	This concept is not an elimination of the local mandate. It is an assumption of the mandate by the State. The State would create Regional Parole Violator (RPV) facilities that would house alleged parole violators throughout the State in a State operated facility as opposed to a local jail. Once a Parole warrant has been issued and probable cause is established the alleged parole violator would be transferred to a RPV facility where the final revocation hearing would be conducted. Parolees who are housed in local jails for allegedly committing a new crime would remain in the local jail until the charges are adjudicated. Once the new criminal charges are adjudicated, the violator would be transferred to the RPV facility for completion of the revocation process, or to a State correctional facility when the person is convicted for a new felony for which a term of imprisonment is imposed.	Parole	Although savings to the localities could reach \$50 million a year; there would be a definite cost to the State of approximately \$40 million annually. Cost to consider include but are limited to the following: facility operation, medical, transportation of inmates, and other ancillary services. A major impediment to this proposal in the dearth of maximum correctional facility beds required to receive this population.	State Law Enabling legislation would be required.
Eliminate unnecessary mandates	Legal Services	Requires every county jail to maintain an extensive law library above and beyond American Correctional Association (ACA) standards and U.S. Supreme Court requirements.	SCOC	\$300,000 statewide (\$5000 per facility)	State Regulation 9 NYCRR Part 7031
Eliminate unnecessary mandates	Legal Authority (Sheriff's Annual Report)	Requires every sheriff, superintendent or commissioner of local correctional facilities to submit an annual report containing data on all prisoners received and discharged during the prior year from that facility. Most data required is duplicative of other information provided separately or is data that is of little or no import to modern criminal justice data analysis.	SCOC	\$75,000 statewide from local data collection and compilation	State Regulation 9 NYCRR Part 7000
Streamline legislative requirements	Update Real Property Tax Law to reflect generally accepted reassessment standards	Section 301 of the Real Property Tax Law (RPTL) requires that all property be reassessed annually as of the "valuation date," which is generally July 1 st of the prior year. However, this requirement is generally viewed as excessively rigid and a waste of scarce resources by industry standard-setting organizations in the field. A more reasonable standard -- which is widely endorsed by the profession -- is a four year reassessment cycle.	Tax & Finance	The approximately 200 assessing units that now reassess annually could save up to \$30 million per year in total.	State Law

Streamline legislative requirements	Reform not-for-profit exemption statutes	<p>RPTL Section 420-a contains the mandatory exemption provisions for certain real property uses that are constitutionally granted exempt status (e.g., religious, educational, charitable) as well as mandatory exemption provisions for other specific property uses (e.g., hospitals). Across the State, a dynamic has emerged where owners of property used for such exempt activities have acquired large acreage tracts, most of which is seldom used or not accessed at all. Legislative commissions have consistently recommended that an acreage limit (e.g. 200 acres) be established in order to prevent unreasonable erosion of the municipal tax base. Such an action would serve to lower tax rates for other taxpayers. In addition, governing statutes contain somewhat ambiguous definitions regarding property use, which creates uncertainty when part of an applicable property is clearly being used for an exempt purpose, but another part of the same property is being used for profit-making activities. Arguably, statutory guidance for assessors charged with making such distinctions could help to avoid future costly litigation. Definitions for terms such as “used exclusively” and “in good faith contemplated” would serve to broaden local tax bases and lower tax rates.</p>	Tax & Finance	<p>Local-option changes: up to \$75 million; 200- acre vacant land restrictions: \$20 million; clarifying definitions: up to \$115 million; TOTAL: \$210 million</p>	State Law
Centralize tax reporting	Administer local hotel taxes for local governments	<p>Legislation could authorize the Tax Department to administer local hotel taxes, at the locality's option. Currently New York City and over 50 counties outside NYC are authorized to impose a locally-administered hotel occupancy tax. Each local government that administers these taxes bears the cost of administration. State administration would require conforming the tax base definitions, which currently differ among jurisdictions. To implement, the Tax Department would need to develop an administrative chargeback mechanism for costs incurred on behalf of the affected locals.</p>	Tax & Finance	<p>In order to implement, counties would have to agree to a uniform tax base. As a result of this, some counties could see an increase in revenue, while others may not. Those that would not benefit from such a change would be allowed to continue administering their own taxes.</p>	State Law

<p>Centralize and streamline reporting requirements</p>	<p>Establish single point electronic filing for State tax warrants</p>	<p>Legislation could streamline the present cumbersome process for recording New York State tax warrants by authorizing single point electronic filing at the Department of State for all tax warrants necessary to affect liens and judgments against the real, personal, and other property of tax debtors. Currently, such tax warrants must be filed with individual County Clerks across the State. Under the current inefficient process, a property transfer can still occur in spite of an existing tax lien because a warrant was not filed with that particular County Clerk's Office. The authorization for single point electronic-filing of tax warrants in order to create universal tax liens and judgments against all real, personal, and other tax debtor property will improve the State's recovery of tax debts, reduce workload at local County Clerk Offices, and improve administrative efficiencies and data management/retrieval.</p>	<p>Tax & Finance</p>	<p>Since county clerks are not paid for processing these tax warrants, savings would be achieved through an overall reduction in workload, allowing for resources to be devoted to other activities. Savings would vary greatly by county depending on the volume of warrants processed annually. In addition, the State would gain additional revenue by more effective warrant enforcement.</p>	<p>State Law</p>
<p>Streamline legislative requirements</p>	<p>Eliminate unnecessary real property assessment reporting requirements</p>	<p>Section 1532 of the Real Property Tax Law (RPTL) requires that each County Director of Real Property Tax Services prepare and submit an annual report to the Commissioner of Taxation and Finance. These reports are unnecessary as the Department already receives such information via receipt of local assessment rolls. Eliminating this reporting requirement will conserve local government resources without material impact to the State.</p>	<p>Tax & Finance</p>	<p>Approximately \$1,000 per year</p>	<p>State Law</p>

Streamline legislative requirements	State valuation of utility company property	<p>Currently, the State assesses taxable utility equipment located in publicly owned land (“special franchise” property). Local assessors must assess this equipment if it is located on private land. The equipment is complex, and proper valuation requires specialized engineering and accounting expertise as well as equipment inventory data that the local governments may not have in many cases. As a result, many assessors request “advisory appraisals” from the State. If companies appeal their assessments, they may have to file their appeals with large numbers of entities (there are nearly 1,000 assessing units) as well as with the State (special franchise property). Since the State already has the equipment inventories and values the special franchise property, valuing the remainder would be virtually cost-free.</p>	Tax & Finance	<p>Approximately \$2 million per year; this would be reduced to \$0.5 million per year if the 4-year assessment cycle (see # 1) were enacted</p>	State Law
Streamline legislative requirements	Update condominium assessment methodology	<p>Sections 584 of the RPTL and 339-y of the Real Property Law require that most condominiums and cooperative apartments be viewed as “rental properties” for assessment purposes -- this approach is unique to New York State. Under these statutes, assessors must disregard property sales price and determine artificial valuations based on hypothetical “rents” even though the properties are typically owner-occupied and rarely rented. Effective valuation reductions of 50% or more are common, and the taxes avoided are shifted to other taxpayers. A more equitable approach would be to assess such properties based on their market value, or the same manner that other residential properties are assessed. To ease the transition, alternatives such as a local opt-in option and/or a multi-year phase-in could be considered. Such statutory changes would serve to broaden local tax bases and lower real property tax rates.</p>	Tax & Finance	<p>Local governments would have the choice of either generating up to \$400 million in additional property taxes or passing it on as a savings to other taxpayers.</p>	State Law

Streamline legislative requirements	Institute a fee for property tax appeals	<p>There have been about 250,000 to 300,000 appeals for administrative review of assessments filed annually in New York in recent years. Currently, local governments may not charge appellants fees to help with the cost of processing the appeals. While many appeals are warranted due to excessive assessments, there has been a tendency in some communities toward wholesale filing of appeals. This has been largely brought about by the growth of a tax-appeals industry, whose practitioners actively solicit client property owners and earn a fee from successful appeals. The result has been an increased administrative burden on local governments. Since the appeals involve local costs, a filing fee would be justified in order to help offset such costs.</p>	Tax & Finance	<p>A fee of \$50 per appeal, for example, would generate revenue of approximately \$12.5 million to \$15 million annually.</p>	State Law
Streamline legislative requirements	Institute a threshold for assessment reductions resulting from administrative appeals in Nassau Co.	<p>An issue that is related to the foregoing involves the awarding of relatively small assessment reductions when the assessment is roughly correct. Currently, Nassau County's Assessment Review Commission (ARC) engages in this practice. The practice is unreasonable, because property valuation is more of an art than an exact science, and it is not possible to estimate a value that is "correct" with an accuracy of, say, less than plus or minus 5 percentage points. The unreasonable administrative burden that results from many appeals for small reductions would be mitigated by enjoining the ARC from awarding any reduction of less than 5 percent.</p>	Tax & Finance	<p>Based on current data, at least 5,000 additional appeals would be denied, with an annual reduction in refunds of up to \$5 million. If the administrative cost of an appeal is \$300, an additional savings of \$1.5 million would be realized, for a total savings of \$6.5 million.</p>	State Law
Streamline legislative requirements	Make permanent the authorization for additional rates of sales tax imposed by certain localities	<p>Legislation could authorize all counties and cities (aside from New York City which already has authority to impose a 4.5% sales tax rate) to impose sales and compensating use taxes at up to a 4% rate. Currently, counties and cities that impose additional rates of sales and use taxes in excess of the 3% basic authorization are required to biennially renew such authority. This process requires over 50 State legislative enactments followed by an equal number of local enactments every two years, resulting in burdens on both local governments and the State in order to maintain the status quo.</p>	Tax & Finance	<p>While this would provide nominal administrative savings incurred in passing local laws and resolutions, the primary benefit would come from providing counties with the autonomy to manage their finances without State interference</p>	State Law

Appendix C:

Executive Order No. 17 of 2009

EXECUTIVE ORDER

No. 17 ESTABLISHING MEASURES TO EVALUATE COSTS OF MANDATES ON LOCAL GOVERNMENT TO ADVANCE PROPERTY TAX RELIEF

April 27, 2009

WHEREAS, the State of New York must be vigilant in its efforts to contain government spending and to stabilize property taxes; and

WHEREAS, the citizens of New York bear an inordinately high property tax burden to fund counties, cities, towns, villages, school districts and special districts; and

WHEREAS, such tax burdens are due in part to legislative and regulatory mandates that have been imposed on local governments by the State; and

WHEREAS, it is critical that governments work together to craft solutions to the high cost of government and cooperate in evaluating options to restrain unnecessary spending at all levels of government in order to provide property tax relief to New York residents and businesses; and

WHEREAS, the fiscal impact of any legislative or regulatory proposal that imposes a mandate should be evaluated to the fullest extent possible to consider the cost to local governments, in recognition of the goal of providing property tax relief; and

WHEREAS, in order to limit property taxes, it is equally important periodically to examine existing agency regulations to ensure that they do not impose unjustified costs and requirements on local governments;

NOW, THEREFORE, I, DAVID A. PATERSON, Governor of the State of New York, by virtue of the authority vested in me by the Constitution and laws of the State of New York, do hereby order as follows:

1. Definitions. For purposes of this order:
 - a. "Mandate" shall mean: (i) any legal requirement that a local government provide or undertake any program, project or activity, or increase spending for an existing program, project or activity; or (ii) any legal requirement that a local government grant any new property tax exemption, or broaden the eligibility or increase the value of any existing property tax exemption; or (iii) any legal requirement that otherwise would likely have the effect of raising property taxes.
 - b. "Local government" shall mean a county, city, town, village, school district or special district.
 - c. "State agency" shall mean: (i) any state agency, department, office, board, commission or other instrumentality of the state, including the Executive Chamber; and (ii) any public authority or public benefit corporation created by or existing under any State law, at least one of whose members is appointed by the Governor (including any subsidiaries of such public authority or public benefit corporation), other than an interstate or international authority or public benefit corporation.
 - d. "Cost-benefit analysis" shall mean a specific delineation of the costs and benefits to local governments including a quantification of the impact on local government revenue and expenditures, where such impact is quantifiable based on available information.

2. No state agency shall recommend, propose, publish or submit any legislation or regulation containing a mandate without an accounting of the impact of such mandate on local governments, which shall include the fiscal impacts of such mandate, a cost-benefit analysis, documentation of input sought and received from affected local governments, and proposed sources of revenue to fund such mandate. Prior to the formalization of any such proposal, such accounting shall be provided in writing to the Secretary to the Governor, the Counsel to the Governor, the Director of State Operations and the Director of the Division of Budget; provided, however, that if such proposal is necessary to protect against an urgent threat to public health or safety, such proposal may be formalized and advanced without such accounting only upon the approval of the Director of State Operations and the Counsel to the Governor, provided that such accounting shall be completed promptly thereafter.
3. Any proposed bill containing a mandate which is offered by a state agency to the Legislature shall be accompanied by a local fiscal impact statement which states, so far as possible, such mandate's estimated cost to local governments. Such statement shall include but need not be limited to:
- a. an estimate of the present and future cost of compliance with such mandate from the Division of the Budget or from the state agency having responsibility to administer the mandate proposed in such bill;
 - b. a description of the methodology used to estimate such present and future cost impacts;
 - c. a summary of the input sought and obtained from the affected local governments or, where a mandate would be applicable statewide, from organizations representative of local governments, including but not limited to the New York State Association of Counties, the New York State Conference of Mayors and Municipal Officials, the Association of Towns of the State of New York and the New York State School Boards Association;
 - d. proposed revenue sources to fund such mandate; and
 - e. a cost-benefit analysis of such mandate.
4. On or before December 1, 2009, each state agency shall review its regulations and report to the Secretary to the Governor, the Counsel to the Governor, the Director of State Operations and the Director of the Division of the Budget on any proposed changes to such regulations which could reduce the impact of existing mandates on local governments and generate property tax relief for New York State property taxpayers.

G I V E N under my hand and the Privy Seal
of the State in the City of
Albany this twenty-seventh day
of April in the year two
thousand nine.

/s/ David A. Paterson
BY THE GOVERNOR

/s/ Lawrence Schwartz
Secretary to the Governor