

Op-ed: N.J. Shared services showdown has limited benefits



stand in the way of saving taxpayer dollars.

Shared service compacts have always been entered into voluntarily and have never become widespread. Nearly all of the state's 566 municipalities have opted to remain independent of one another while maintaining essentially duplicative administrative and management structures. Nativist sentiment, and fears that local control and decision making will be lost, have always been sufficiently strong to overcome the desire to operate more economically.

The legislation under consideration would charge the Local Unit Alignment, Reorganization and Consolidation Commission with developing and recommending shared service agreements for municipal governments, as well as arriving at estimates of cost savings.

Senate President Stephen Sweeney, D-3rd Dist., the legislation's main sponsor, has carved out a reputation as a leader in efforts to control property taxes, throwing the weight of his office fully behind the cap on tax rate increases, changes in binding arbitration for public safety personnel, and requiring public employees to contribute more to their pensions and health premiums.

Opposition to mandating shared service agreements comes — not surprisingly — from local officials who resent what they see as the state encroaching on their decision-making responsibilities and nibbling away at their autonomy.

Public employee groups fear that shared services will inevitably lead to work force reductions and a loss of civil service and job security protections.

Sweeney appears ready to take on the battle. He's conceded that job losses are a distinct possibility. However, he makes the case that shrinking the size and cost of government can no longer be campaign rhetoric, but must be an attainable goal.

With the average property tax bill in New Jersey just under \$8,000 a year — the highest in the nation — it would seem logical to explore all avenues to ease the burden, including requiring local governments to combine or centralize as many of their functions as possible to achieve greater economies.

Should Sweeney's bill win full approval (it passed the Senate on Thursday, and Gov. Chris Christie has already voiced his support), it will be a watershed moment in the relationship between state and local governments, a bold push back against the heretofore inviolate concept of home rule.

However, until state government demonstrates the political will to confront the core issue of the existing tax structure — whether the property tax is the fairest and most efficient method of financing the operations of more than 1,200 public entities — the piecemeal approach, as embodied in mandating shared service agreements, will continue.

Carl Golden is a senior contributing analyst with the William J. Hughes Center for Public Policy at the Richard Stockton College of New Jersey.

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