

SHARED SERVICES

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Eighteen months into his administration, vital parts of Governor Christie's tool kit for property tax relief remain stalled in the New Jersey Legislature. This piece of political grandstanding by our elected state representatives has real-world consequences for the men and women tasked with managing our municipalities.

Two recent developments on the shared services front illustrate the need for a top-to-bottom rethinking of Civil Service regulations. Few would argue that, for many New Jersey communities, combining some municipal services makes great economic sense. In practice, however, this very rarely happens. The solution is not to mandate the merger of municipal services; rather, it lies in addressing the elements of the current system that discourage voluntary sharing.

Some of these elements defy common sense. An accepted aim of shared service is to control costs by eliminating duplicative or unnecessary positions. It stands to reason that the law would reflect this purpose.

But to the contrary, shared services involving local health agencies are discouraged due to statutory mandates. N.J.S.A. 26:3A2-16 requires that the superseding agency take on the staff of the local health agency. This requirement is casting into doubt at least one proposed merger.

A local health agency (agency) recently proposed a shared service providing for the transfer of its health officer to the superseding agency (County) with the layoff of two employees in the agency. If the law does not allow the agency to lay off those employees, and such employees must be transferred to the County, the County may not take on the other agency.

This defeats in two ways the purpose of merging departments. First, as noted, if no positions can be eliminated, there is little reason to combine two or more agencies. Second, potential providing towns are effectively discouraged from initiating agreements because they would lose a measure of control they now possess over hiring.

A second recent example goes even further to demonstrate how current rules, in particular the Special Re-employment List (SRL) (N.J.S.A. 40A:65-11 and N.J.S.A. 40A:65-19a(3)), place roadblocks in the way of realizing savings through shared services agreements. Under this law, a Civil Service employee laid off for reasons of economy or efficiency from one jurisdiction has SRL rights in the entire county and all political subdivisions therein.

A municipality attempted to promote its provisional municipal court administrator, who it had hired and trained. Another town in the same county had laid off its administrator because of a shared services agreement with a third town; that court administrator's name was added to the SRL. The first town, which was not party to the shared service arrangement, was required under

the statute to appoint the person from the SRL instead of the employee it had hired, vetted, and observed through the provisional appointment process.

There is no doubt that situations like these deter municipalities from considering shared services. A commonsense attempt to provide more efficiency in government services can quickly become a minefield of bureaucratic obstacles that consumes far more time and resources than the towns hoped to save by combining.

The remedies for the above examples are simple and apparent, and are included in the Governor's tool kit for Civil Service reform. First, restrict reemployment rights to the Civil Service jurisdiction from which the employee had been laid off. Likewise, in the case of the health department mergers, the requirement that a providing town take on all department employees instead of just those directly involved in the provision of health services should be eliminated.

The question of who to hire in a contemplated merger reflect should be left to the providing agency, without being subject to the local units' bargaining agreements. This is especially applicable in law enforcement shared service agreements.

N.J.S.A. 40A:65-8 requires that, when two departments are to be combined, a layoff should be conducted based on the "new" department. However, in many cases the larger department has more junior officers who are most likely to be laid off. This has resulted in opposition by the various police locals; in addition, it is hard for elected officials to justify laying off their officers in favor of the sending town's officers. It almost forces no reduction.

Contrary to some claims, these are not minor issues with no financial impact. Every regulation that deters towns from even considering service consolidation, not to mention scuttles agreements in the pipeline, potentially costs the taxpayers of those towns thousands or millions of dollars. The stakes are not inconsequential.

The solution is not a state-enforced mandate pushing municipalities into shared service agreements imposed upon them by Trenton. The real reforms have been put on the table by the Christie Administration and are awaiting action by the Legislature – eliminate the deterrents that exist now. Make shared service not only a voluntary choice, but the logical one.