

## OPINION: DESPITE POTENTIAL SAVINGS, NEW JERSEY HAS NO URGE TO MERGE

CARL GOLDEN | APRIL 13, 2018

Consolidation has been a tough sell in the Garden State, as Sen. Sweeney has found. Residents want their ‘own’ police, fire departments, and elected officials



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Although he’s been a study in inconsistency on tax policy – he was “yes,” “maybe,” and “no” on the millionaires tax and on his proposal for a 3 percent surcharge on corporate taxes – Senate President Steve Sweeney (D-Gloucester) has been unwavering in his belief that shared services and municipal consolidation can result in significant cost savings and property-tax relief.

Sweeney is convinced that cooperative agreements to provide essential services and municipal mergers – applied broadly – will deliver noticeable reductions in the cost of government and

decreases in property taxes.

History, though, suggests he’s swimming against a strong tide of centuries of home rule, entrenched nativist sentiment, resolve to retain autonomy, and skepticism that any tax savings will be consequential.

With more than 1,200 government entities relying on property-tax revenue to finance operations, shared services and consolidations have emerged periodically as a way to reduce the size and cost of government.

They enjoyed a wave of interest initially, but because they are voluntary, failed to convince local officials and even homeowners griping about rising property taxes to pool resources with neighboring communities or erase geographical boundaries and become one community.

Despite governors and legislators pledging to “incentivize” service or governmental mergers, they’ve largely been ignored or victimized by arguments purporting to demonstrate negligible fiscal benefits. There have been only two municipal mergers in recent memory – one in 1997 in Warren County, when Pahaquarry Township dissolved and incorporated into Hardwick Township (the first merger in 45 years), and another in 2013 when Princeton Township merged with Princeton Borough, ending four attempts at consolidation over 60 years.

### **No stranger to merger movement**

Sweeney is not a newcomer to the sharing/merger movement. His legislation became law in 2007, establishing a panel with the unwieldy name of the Local Unit Alignment Reorganization and Consolidation Commission (LUARC) to study local government functions, their fiscal relationships, and the most efficient ways to deliver services.

The commission’s task is to identify areas where mergers can save money; if its recommendations are rejected by popular vote or a refusal to implement the findings, state aid in the amount of the projected savings would be withheld from the municipality.

Sweeney’s legislation tiptoes up to the line – but does not cross it – of state government mandating service agreements or consolidations.

Therein lies the rub.

There is no appetite in the Legislature for ordering two or more municipalities to morph into one, but experience suggests that without it mergers will not occur.

In the past few years, several polls have revealed a majority of New Jerseyans like their community and react instinctively to oppose subsuming it into the one next door.

It is, many asserted, comforting to have readily accessible local police and fire departments and a governing body composed of individuals with whom they are acquainted and who will listen to complaints and suggestions.

### **Remote bureaucracy**

To more probing questions, respondents said larger government could be a remote bureaucracy, unresponsive or indifferent to their concerns. Help is only a telephone call or a mouse click away is a powerful argument for maintaining the status quo.

While property taxes have always been a source of grumbling and grouching, autonomy, independence, and familiarity are worth the cost, they said.

That there have been only two mergers provides compelling evidence to support the resistance to surrendering local identity and control.

Home rule and civic pride along with stout opposition from public employees have posed an unconquerable obstacle to consolidation.

Municipal workers fear their jobs will be jeopardized, understanding that the savings proponents predict will result from workforce reductions. Salaries and benefits consume the lion’s share of local budgets and – if savings are to be had – governing bodies will look first to those expenditures.

### **School district consolidation**

Despite education costs accounting for 60 percent of most property-tax bills, school district mergers are even more difficult and pose a greater political risk to elected officials who support them.

School districts are fiercely and jealously protective, and disruptive change always produces community uproar, protests, and threats of political retribution.

Sweeney has utilized his newly discovered aversion to tax increases to argue that New Jersey taxpayers suffer from too much government and more vigorous efforts should be undertaken to determine if tax dollars are being spent effectively before trying to extract more from the citizenry.

His renewed push for shared services and consolidations fits nicely into that narrative, but a boatload of negative history stands in his way.

For years, New Jersey had 21 counties, 567 municipalities, and 600 school districts. It still has 21 counties and 600 school districts, but 565 municipalities. Successfully “incentivizing” has proven rather elusive.

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