What New Jersey really needs is a consolidation "tool kit"

5:38 PM, Feb. 23, 2011

On Feb. 17, the state Senate took a big step toward reforming our fragmented system of local government. Let's hope this is the just the beginning.

For more than a century, state lawmakers have been promoting municipal consolidation as a way to cut waste, reduce inefficiency and lower local property taxes. But none of the policies designed to make consolidation easier ever really worked and, since 1952, only a single pair of towns have merged.

At Courage to Connect New Jersey — the only nonpartisan organization that focuses exclusively on encouraging municipal mergers — we have watched numerous towns try to consolidate, only to see them stumble on unexpected obstacles.

Now, against the backdrop of a financial crisis and Gov. Chris Christie's new 2 percent property tax cap, things are finally changing. Lawmakers realize that consolidation may well be the only way to prevent some communities from declaring bankruptcy. And so, policymakers are preparing legislation that eliminates some of the remaining barriers to town mergers.

On Feb. 17, the Senate unanimously passed S-2465, which gives voters new power to initiate consolidations even when local elected officials balk. In those cases, the law would allow one town's governing council to partner with a neighboring town's voters to create a consolidation "study commission." Thanks to the tireless advocacy of Senate co-sponsors Robert Gordon and James Beach, as well as Senate President Stephen Sweeney, the bill has sailed through the Legislature.

This is great news for advocates of a saner, simpler and more streamlined system of local government. Now let's use this success to build momentum for a package of additional reforms — a consolidation "tool kit." For starters, the tool kit should include:

An expanded role for citizens. A town's residents should have more power to start the consolidation process. Too often, local elected officials are too interested in protecting their salaries, their status or their pensions to give consolidation a fair
shake. S-2465 will correct some of this. A good next step would be to allow voters to directly petition the state for a consolidation.

A consolidation "Race to the Top." Trenton continues to subsidize small towns with generous state aid. Why not redirect this money to encourage mergers? The state should escrow all aid for towns with fewer than 10,000 residents, and then distribute it on a first-come, first-served basis to municipalities that move toward consolidation. If a town initiates a consolidation study commission, it gets back half of its state aid. If a town actually completes a consolidation, it gets a grant equal to three times its withheld state aid. These financial incentives would encourage competition for funding and jump-start the merger process.

Streamlined mergers for towns with fewer than 10,000 residents. Trenton needs to create a simple, streamlined procedure for clusters of small towns that want to merge. In 1995, the Legislature adopted an expedited process for municipalities with fewer than 500 residents. This law could be amended and updated to facilitate mergers for towns with fewer than 10,000 residents.

A consolidation of the consolidators. At least three different state entities have jurisdiction over municipal consolidations. It's a sad irony: the process designed to make our towns more efficient isn't very efficient itself. The Legislature should cut through the bureaucracy and shift all consolidation responsibilities to a single commission.

New Jersey needs bold solutions to help municipalities cope with the new tax cap. So far, the debate has been limited to shared services, which is a step in the right direction but falls short of real reform.