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Levy: Mixed bag for mandate relief

by [Commentary](#)

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By **Steve Levy**

Over this past month, the [Center for Cost Effective Government](#) issued op-eds strongly encouraging the governor to make mandate relief one of his top priorities. We called for limits on mandatory arbitration and elimination of the [Triborough Amendment](#), immediate relief from the pension time bomb, curbs on workers' comp abuse, and the establishment of mini control boards to give localities power to freeze wages and steps.

We were disappointed by the governor's State of the State, which overlooked mandates and crumbling local budgets. It was as though our fiscal difficulties disappeared because they simply refused to talk about it. Subsequent to the speech, we pushed for the governor to deal with mandates in his budget announcement.

Some initial reports suggested that the governor had come through on providing some major mandate reform, while others categorized it mostly as fluff. It seems in the final analysis, it was somewhat of a mixed bag.

1. Mandatory Arbitration:

We were at first elated to see that our call to adopt New Jersey's 2 percent cap on mandatory arbitration awards was included in the governor's budget. But we were dejected to find that there were enough holes in this proposal to drive a truck through. One was the exemption making the cap inapplicable to numerous counties including Nassau and all of New York City (obviously to placate their strong unions). Secondly, Suffolk can't benefit because the county already locked itself into an unprecedented huge eight-year contract. This lost opportunity is the very reason why managers shouldn't agree to such long contracts.

2. Pension Reform:

We were aghast at how little true pension reform came about despite all the fanfare about last year's new Tier 6. There were no savings for the next 20 years, since it only applied to incoming employees. Now the governor has proposed that these down-the-road savings can be advanced by local governments to keep their heads above water in the present crisis. The downside is that more will have to be paid back in the outer years than would otherwise be the case. The far better proposal would have been a call for an immediate elimination of the use of overtime in calculating one's pension. That can be implemented immediately and save municipalities right now.

3. The revocation of the Triborough Amendment:

Local governments and schools have been advocating getting rid of this – which allows step increases even after a contract's expiration – for decades. It was totally ignored by the governor.

4. Local Government Assistance Panels:

The governor called for panels to assist local governments, but with little detail as to what kind of assistance would be offered. Merely telling governments what they already know – that their budgets are in disarray – is of no value. Creating control boards, on the other hand, as they did in Nassau, would give powers to the localities to freeze salaries where needed and have an enormous positive impact for taxpayers.

5. Worker Disability:

There is some talk about the exploding cost of worker disability, but we'll have to await further details to see what kind of meat is on those bones.

6. Sales Tax Extension:

A positive initiative ends the need for localities to seek state permission every two years to extend their sales tax. This has become a gross bargaining ploy for state leaders to blackmail localities into doing things against their will. Another positive proposal allows localities to keep 75 percent of savings that come about from fraud detection, thereby giving them more incentive to do extensive investigations.

So, there you have it, a mixed bag.

Now it's time for the Legislature to step up: apply the 2 percent arbitration cap to all counties; prohibit overtime in pension calculation; repeal the Triborough Amendment; give counties control board type powers to freeze wages and steps; toughen disability fraud laws; and support the governor's proposals to give counties more money for fraud detection and to eliminates the two year sales tax cycle. This would be real mandate reform.

Steve Levy is Executive Director of the Center For Cost Effective Government. He served as Suffolk County Executive from 2004-2011.

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