

Stretching Your Municipal Budget Through Shared Services

Triad Associates

With proposed cuts in municipal budgets throughout the State, many municipalities are starting to wonder how they can meet their budget shortfalls. One possibility to consider is sharing services with other municipalities. If you are struggling to provide services to your constituents, shared services is an option you should consider.

Many municipalities are already reaping the benefits of sharing services with neighboring communities. Some are minimizing costs by combining their municipal courts, where one municipality provides the building and another provides the revenue. Other examples include combining public works departments, sharing building complexes or large pieces of equipment such as shredders or line painters. Still other communities have combined inspections and licensing services as well as law enforcement departments. (To view samples of shared service agreements initiated in other municipalities, visit www.njslom.org/interlocal_sharedagreements.html.) Overall, shared services can reduce administrative costs and eliminate overhead. By combining activities, two or more municipalities can provide excellent services to their constituents and utilize the cost savings for other projects and initiatives.

A good place to start is with the SHARE program (www.nj.gov/dca/lgs/share/index.shtml), through the New Jersey Department of Community Affairs (DCA). SHARE is the DCA's grant program to encourage and assist government interlocal cooperation and service sharing. The program offers grants to local units to help them study, develop and implement new shared or regional service programs. It also offers counties and certain non-profit agencies special grants to foster and establish county-wide or regional shared service efforts.

SHARE offers three funding options: feasibility studies, implementation grants and COUNT or regional collaboration studies. All grant assistance is on a reimbursement of local expenditures basis. Feasibility studies require a 10% local cash match but implementation grants have no match requirement. Applications are accepted on a rolling basis throughout the year and require approving resolutions of the governing body of the applicant and each participating local unit.

If you would like further assistance or have questions about how to get started, contact John Rasimowicz at the DCA. You can reach him at (609) 984-7764 or jrasimowicz@dca.state.nj.us.