

Report to the Local Unit Alignment, Reorganization and Consolidation Commission

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## **The New Jersey Initiative: Building Management Capacity of New Jersey Municipalities**

Conducted by the Maxwell School of Citizenship and Public Affairs, Syracuse University and New Jersey Project, Eagleton Institute of Politics, Rutgers, The State University in 2001-2002.

Funded by The Pew Charitable Trusts and State of New Jersey, Department of Community Affairs.

### Purpose:

to understand the management capacity of municipal government through case studies of seven municipalities as the means to improve performance and better meet the needs of citizens

### How it was conducted:

The Maxwell School using teams of faculty members adapted the criteria of the *Governing* magazine assessment of the management capacity of states, counties and large cities to evaluate, not grade, New Jersey municipalities in five areas:

- financial management
- capital management
- human resources management
- information technology management
- managing for results

The research teams were involved with seven municipalities through surveys, analysis of reports and interviews. Their observations and recommendations for the municipalities and for the state were published in a lengthy book and are available on the web at [www.eagleton.rutgers.edu](http://www.eagleton.rutgers.edu) and accessed through Google as well. They also are presented in brief in the New Jersey Initiative Summary which is provided to LUARC.

The Eagleton New Jersey Project organized the study in the state working closely with an advisory committee of knowledgeable New Jersey individuals and the Department of Community Affairs staff liaison, Marc Pfeiffer. It led the selection of the municipalities, oversaw the collaboration with staff in the municipalities, and participated in the preparation of the report.

The seven municipalities that were invited and agreed to be included ranged in population between 50,000 and 150,000, were located in seven different counties; four were cities and three were large suburban municipalities. They were Irvington, Paterson, Trenton, Elizabeth, Brick, Old Bridge, Franklin Township (Somerset).

### Findings:

The evaluation in each management area was done based on detailed criteria. Overall, the researchers saw impressive strengths and dedication on the part of the staff in the municipalities. While it is difficult to summarize in a paragraph the findings and recommendations, a sketch follows.

In financial management, the analysis of the Maxwell staff focused on the importance of multi-year budgeting, and more sufficient and reliable information through application of information technology.

Capital management was seen as lacking a base in a fixed asset inventory and a strategic plan that resulted from departments working together to set priorities.

Human resource management was performed as a support function for hiring and firing rather than workforce planning with recruiting, retention, evaluation and recognition across departments.

Information technology management in 2001 was mainly supported by vendors rather than applications developed and leadership provided by staff to integrate department applications while pooling resources with counties, libraries and school systems had begun and was an approach that should be increased.

Managing for results programs were not found in any of the municipalities, and it was recommended that the State and the municipalities take advantage of learning what other governments had done to introduce forms of performance management linked to budgeting.

The Maxwell team recommendations stressed that increasing and improving the management of capacity of municipalities would only result if there were a collaborative effort with state government and appropriate flexibility and assistance were exercised.

### Implementation

The NJI Report and Summary were widely distributed. A presentation of the NJ Initiative was made at the 2002 League of Municipalities annual conference in Atlantic City to an overflow crowd and was well received. The individual municipalities have reported informally that they found their participation useful. Since the research was done at the end of an administration, implementation in the new administration was not a priority.

### Application to LUARC:

The Commission might find it helpful to review the criteria for each of the management areas to consider what is expected of municipal management capacity and whether that level of management competency can be met by small municipalities.

The systematic case study method of the NJ Initiative appears to have been productive in analyzing current practice and identifying issues to be addressed in a manner that was accepted by the municipalities involved and other municipalities that reviewed its findings.

The collaboration between an out of state institution with relevant research capacity with an in-state institution proved to be a useful manner in which to capture expertise and make it relevant to the unique characteristics of the state.

The NJ Initiative study places considerable emphasis on the State role in improving municipal management thereby raising the question of how the State would have to change its practices and contribute to the capacity building of municipalities in order to achieve increases in efficiency and effectiveness.

