



Memorandum in Support

S.2323 (Griffo) / A.2922 (Brindisi)

AN ACT to amend the general municipal law and the education law, in relation to prohibiting the establishment of certain programs mandated for municipal corporations and school districts unless such programs are fully funded by the state

The New York State Association of Counties (NYSAC) has reviewed the above referenced legislation and strongly supports its passage into law. The legislation requires the State to fully fund the cost of new mandates placed on local governments (or the expansion of existing mandates), while also limiting the State's ability to implement property tax exemptions or abatements that reduce local revenues.

While some recent actions taken by State legislators have helped reduce the out-year costs of state mandates on counties and local governments, other actions have increased costs in other areas. The result is that local taxpayers are continually asked to fund more and more of the State's programs and services.

The 2017-18 budget shifted \$39 million in Foster Care costs from the state director to county budgets. The 2018-19 Governor's Executive Budget proposal includes renewing his authority to impose administrative spending reductions if there are federal funding cuts to Medicaid, or other federal programs, greater than \$850 million. While the authority was not triggered under the current budget, depending on how one defines "federal cuts," the \$850 million threshold may have already been triggered. Congress has failed to reauthorize funding for the Children's Health Insurance Program, funding cuts to hospitals under disproportionate share payments have been enacted as scheduled, and certain payments to insurers to offset premium and out of pocket costs for ACA enrollees have been rescinded by the President. In combination, these will reduce payments to New York state and New Yorkers well beyond \$850 million. While Congress has been working to partially address these funding reductions for many months, they have failed to reach agreement.

In addition, Governor is also asking the legislature to grant the authority to enact across the board spending reductions in certain local assistance grants and reimbursements by up to 3 percent if state tax revenue forecasts fall more than \$500 million below expectations during the state fiscal year. School Aid, Medicaid and public assistance would be exempt from the cuts.

Since the state has lowered state tax revenue estimates six times in the last two years by a combined \$4.2 billion, and the Medicaid and federal cuts may have already been triggered (requiring an act of Congress to reverse them) – counties and others remain especially vulnerable to mid-year state funding cuts under the Governor's budget proposal.

It is true that the permanent hard cap on local Medicaid contributions and reforms to the State-Local Pension System have saved county taxpayers from the consistent growth of both of these programs, but more needs to be done. Local taxpayers need greater protection from future state cost shifts and the creation of new mandates.

Enactment of this “no new unfunded mandates” legislation will improve accountability to all New York property taxpayers, as it will require those setting statewide public policy initiatives to finance the cost of these initiatives, instead of shifting the cost to local governments and taxpayers.

It is for the above mentioned reasons that NYSAC strongly supports the enactment of this legislation.

The New York State Association of Counties is a bipartisan municipal association serving all 62 counties of New York State including the City of New York. Organized in 1925, NYSAC's mission is to represent, educate and advocate for member counties and the thousands of elected and appointed county officials who serve the public. For more information, visit www.nysac.org.

TO: Senator Griffo; Senate Local Government Committee; Assemblyman Brindisi; Assembly Local Government Committee
DAL, 1/22/18