Tompkins County

2011 State Budget and Legislative Issues

Property Tax Cap

What it means for Tompkins County

Response to the Cap

- *Reducing* property taxes is a county priority
- Depends on mandate relief, that is, a fundamental realignment of service delivery structure in NYS
  - Statewide, 90% of county property taxes pay for 9 state mandates
- **Costs should be borne by the level of government that sets the rules**

Nine Major County Mandates

- Medicaid
- Public Assistance
- Child Welfare and Protective Services
- Youth Detention
- PreK Special Education
- Early Intervention
- Indigent Defense
- Probation
- Pensions

Impact of 9 Mandates on Tompkins County's 2011 Tax Levy

Administered by DSS	Million
Medicaid*	$10.9
Public Assistance	$ 3.8
Child Welfare/Protective Svcs	$ 1.0
Youth Detention	$ 0.3
Admin. of Mandated Services	$ 2.0
PreK + Early Intervention	$ 3.7
Indigent Defense	$ 1.6
Probation	$ 2.4
Pensions	$ 5.3
Total	$31.0

(*_Includes_ one-time savings from FMAP stimulus program)

Impact of 9 Mandates on 2011 County Levy

Property tax levy	$40.6 mil.
Local cost of 9 mandates	$31.0 mil.
Property tax revenues left for balance of County budget	$ 9.6 mil.

Taxpayer Savings if 9 Mandates Removed

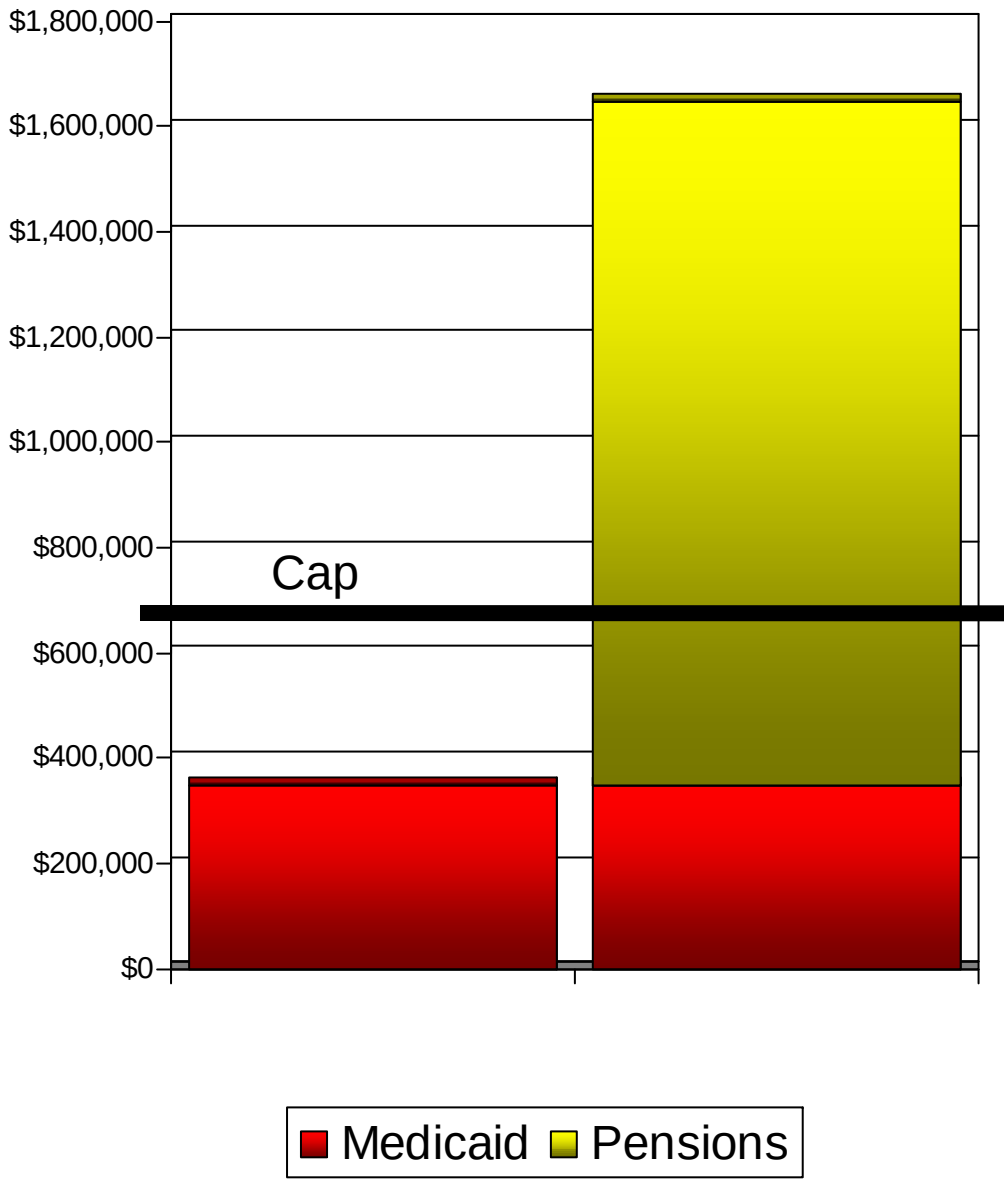
Projected County Tax Bill, $160,000 Home		**$1,035**
If Mandate Removed:	Savings	New Bill
Administered by DSS		
Medicaid (incl. 1-time FMAP)	$277	$ 758
Public Assistance	$ 96	$ 663
Child Welfare/Protective Svcs	$ 25	$ 637
Youth Detention	$ 8	$ 629
Admin. Of Mandated Services	$ 52	$ 577
PreK + Early Intervention	$ 95	$ 482
Indigent Defense	$ 42	$ 440
Probation	$ 61	$ 380
Pensions	$136	**$ 243**
Total Savings	**$792**	

Tax Cap Conundrum:

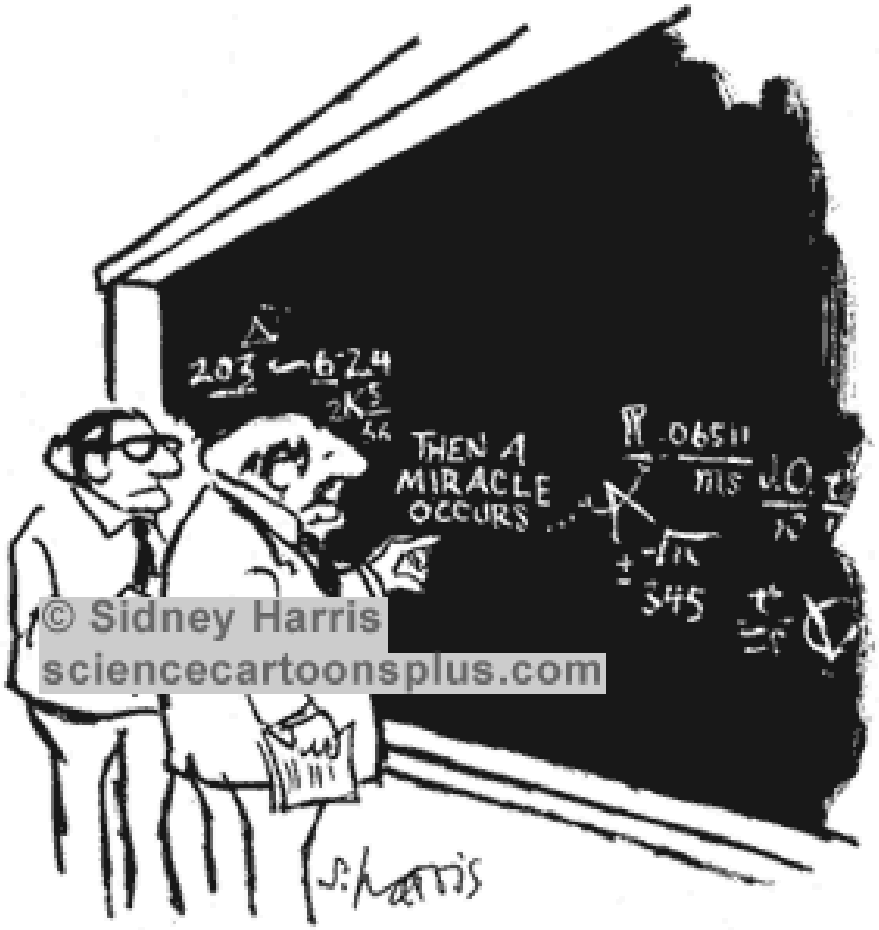
Projected growth of just two uncontrollable mandated costs—Medicaid and pensions—exceeds the tax cap by a factor of almost three

Medicaid	+$0.3 mil
Pensions	+$1.3 mil
Total	+$1.6 mil
1.6% Cap	$0.6 mil

(figures are projections for 2011 compared to 2012)



Mandate Relief in New York State?



"I THINK YOU SHOULD BE MORE EXPLICIT HERE IN STEP TWO."

Property Tax Relief = Mandate Relief

State Budget Concerns

- Direct Cuts
- Indirect Cuts
- Changes in Medicaid
- Changes in welfare cost sharing
- Erosion of home rule

Direct Cuts

- “Non-Core” Health programs - Eliminated
  - Medical Examiner
  - Early Intervention Administration
  - Vital Statistics
- NY Connects (Long-Term Care) - Eliminated
- Assessment aid – Eliminated
- Adoption subsidies – State share reduced
- Probation aid cut 10%
- Community college aid cut 10%

Indirect Cuts

- Primary Prevention Incentive Grant
  - $70 M in programs funded by $35 M block grant
    - Community Optional Preventive programs
    - Youth development/delinquency programs
    - Runaway and homeless youth programs
    - These programs SAVE money
- Reallocation of TANF funds to fund welfare
  - Uncertain impact on TANF-supported welfare-to-work programs

Medicaid

- Uncertainty about specific changes
- Potential impact to County:
  - Nearly half of Mental Health Clinic budget supported by Medicaid ($2 million)
  - Half of Early Intervention program supported by Medicaid ($750,000)

Welfare Cost Sharing

- Uncertainty about specific impact
  - TANF funds shifted to pay for Family Assistance
  - What happens to TANF-supported programs?
- Concern about long-term impact
  - If 30% State/70% County formula made permanent, issues of equitable distribution of burden and State's propensity to raise benefits when price is 30 cents on the dollar

Home Rule

- County has again requested 0.25% increase in Mortgage Recording Tax
  - $900,000 in annualized revenue
  - Local decision to diversify revenues
  - Senate blocked all revenue bills last year
  - Critical source of future recurring, non-property tax revenue
- County, with nearly all others, has requested 2-year extension of “additional” 1% sales tax

Home Rule Proposal

- State should permanently set authorization thresholds, allowing counties to make locally-appropriate choices:
  - Sales tax at 4%
  - Mortgage recording tax at 1% (plus MTA)
  - Others at prevailing rates

Tompkins County, NY

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