



ERIE COUNTY COMPTROLLER

HON. STEFAN I. MYCHAJLIW

January 9, 2020

Honorable Legislators
Erie County Legislature
92 Franklin Street-4th Floor
Buffalo, New York 14202

Dear Honorable Legislators;

I am writing to you to express my deep concerns about Governor Andrew Cuomo's plans to address a \$6 billion state deficit and how it might negatively impact taxpayers in Erie County. In Governor Cuomo's State of the State address on Wednesday, January 8th, 2020, the Governor suggested county governments might have to foot even more of the Medicaid bill, saying the current cost increases are "unsustainable."

We need to be prepared from a fiscal perspective if New York State decides to punish counties and force us to clean up its mess, due to the state's irresponsible spending and budgeting that created a \$6 billion hole in the first place. The cost to Erie County could be hundreds of millions of dollars.

The Governor stated quite clearly that one area he is looking at for state savings is on the back of County taxpayers.

*"For six years, we have been paying all the increased costs in local Medicaid spending and holding local governments harmless," he (Governor Cuomo) said. **"We are paying \$177.5 million on behalf of Erie..."***

Source: Andrew Cuomo, "New reality for Albany's Dems: Balancing progressivism with a \$6 billion deficit," The Buffalo News, January 9th, 2020

There is bi-partisan consensus that we will be harmed if New York State decides to force us to pay more in unfunded mandates, something counties have no control over. If the state decides to hit us with an additional "bill" of \$177.5 million in Medicaid costs, the consequences would be disastrous, far worse than the damage done by the "Red-Green" budget crisis years ago.

I share the concerns expressed by Erie County Executive Mark C. Poloncarz that Erie County cannot absorb increased Medicaid costs as a way to help New York State balance its budget:

"I'm concerned, very concerned that these costs will be passed on to the counties," he said after the speech. "In the past, these costs were just passed on to the counties. It's not above the realm of possibility for the state to pass on those costs again," Erie County Executive Mark C. Poloncarz

Source: Mark Poloncarz, "New reality for Albany's Dems: Balancing progressivism with a \$6 billion deficit," The Buffalo News, January 9th, 2020

Erie County already spends a massive amount of money on Medicaid that is a drain on our budget:

- 2018 Actual \$201,579,715
- 2019 Budget \$199,546,672
- 2020 Budget \$199,920,838

Keep in mind, New York State is one of the few in the nation that forces counties to pay a portion of the state's share of Medicaid costs. Most states pay half the Medicaid bill, while the federal government pays the other half. If New York State were to change that cost sharing agreement, services and programs in Erie County could be decimated. We would be forced to pay tens of millions of dollars more to New York State for a program that we have zero say in how it is administered.

New York State must go on a spending diet and spend less. Families at home tighten their belts and reduce spending during challenging fiscal times. New York State needs to do the same. Counties should not be punished because of a \$6 billion state deficit that we have nothing to do with and did not create.

We have seen the negative impact rising Medicaid costs have had on Erie County government in the past. Nearly every property tax dollar goes to foot that bill already. As the County Executive rightly noted, state cuts to reimbursements could strike a devastating blow to health care and services that our taxpayers rely on. Again, I am very troubled by any suggestion that Erie County taxpayers might be on the hook for Medicaid cost increases. That would truly be unsustainable and disastrous for our county.

Sincerely,



Stefan I. Mychajliw
Erie County Comptroller