

# 2015-16 State Budget Impact Report for Erie County



Hon. Mark C. Poloncarz, County Executive  
Hon. John J. Mills, Chair, County Legislature



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NEW YORK STATE  
ASSOCIATION OF COUNTIES

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# 2015 State Budget Impact Report for **Erie County**

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# I. Executive Summary

The New York State Association of Counties (NYSAC) developed this report to provide detailed and customized State Budget information unique to your county. This 2015 edition highlights state budget actions and major spending items that will impact your communities.

The report is not a comprehensive review of all state spending in your county, but highlights major grant programs, not just to the county, but to other municipalities and school districts. Our goal is to provide a better sense of how state funding flows to different areas of the county and for what general purpose.

Most funding from the state to counties is reimbursement-based and not part of this report. County spending, largely, is in fulfillment of state mandated services and programs that we administer and finance. We pay in the first instance and then seek reimbursement from the state for eligible expenses. Other municipalities do not have this same relationship with the state.

## *Summary of State Spending*

The \$142 billion State Budget (not including one-time extraordinary items of about \$8 billion) can be broken down into several major areas:

- \$62 billion in Aid to Localities (66% is spent on School Aid and Medicaid)
- \$26 billion for State Operations (departmental operations, salary, fringe benefits and debt service)
- \$9 billion for Capital Projects, and
- \$38 billion in Federal Funds (most of this is reimbursement-based or targeted for specific purposes)

The funding you will find in this report is mainly concentrated in the Aid to Localities part of the State Budget (nearly \$24 billion is school aid), as well as some Capital Projects spending.

## *Property Tax Freeze Data*

The temporary property tax freeze program is entering phase two. Phase one was completed upon adoption of your 2015 county budget – if you maintained your property tax cap your residents will be eligible for a tax rebate check from the state. Under phase two of the tax freeze counties must submit shared services and government efficiency plans to the state by June 1, 2015, as well as stay under your 2016 property tax cap to make homeowners eligible for a second round of state financed rebate checks.

Under the law, counties are expected (but not required) to take the lead in working with other municipalities within the county to submit a joint government efficiency plan. Many counties are well underway in this process and will be submitting these plans soon. Therefore, this report also includes data related to fiscal stress indicators of the municipalities within your county to help identify communities that may need fiscal assistance.

## II. Regional Overview

### Measuring Fiscal Stress in Your County

#### *Interpreting the Fiscal Stress Data*

The Governor and State Comptroller have developed separate mechanisms for measuring fiscal stress in local communities.

The Governor created a local government Financial Restructuring Board (FRB) ([www.frb.ny.gov/](http://www.frb.ny.gov/)) that is designed to provide financial assistance and advice to communities that apply. The FRB uses two general fiscal stress indicators for municipalities and makes them automatically eligible for assistance if they apply to the FRB if the:

- 1) Property tax rate per \$1,000 of full value exceeds \$7.055, or
- 2) The average fund balance in undedicated fiscal reserves is less than 5 percent

Both measures rely on a 5-year average of the most recently available data. The data in the following tables provides the second installment of the 5-year averages used by the FRB and corresponds with fiscal years 2009 through 2013 (the prior year five year average pertained to fiscal years 2008 through 2012).

In the table below we provide a (+) or (-) sign to indicate in which direction the latest five year average has changed compared to the prior 5-year period. For example, a (+) sign related to the average tax rates per \$1,000 means the average tax rate over the most recent five years has increased. Correspondingly, a (-) sign in the column related to the average Fund Balance means the average amount of fiscal reserves over the most recent five year period declined. This will help counties understand how municipalities tax rates and fiscal circumstances are changing over time.

**NOTE:** The State Comptroller's Office made an error in the 5-year calculation of average tax rates for all counties in the prior version, therefore we cannot provide a directional change for counties in this category. The error only occurred in the county calculation and has been corrected. Directional comparisons should be available next year.

We should point out that the FRB fiscal stress tool differs from the State Comptroller's Fiscal Monitoring System, which uses a more comprehensive review of local government financial information to identify communities along a continuum of low fiscal stress to high fiscal stress. More information on the Comptroller's fiscal monitoring system can be found at: <http://osc.state.ny.us/localgov/fiscalmonitoring/index.htm>

Under the Comptroller's system, county government is currently experiencing more fiscal stress than other local governments. Through 2014, the Comptroller's fiscal monitoring system has identified 142 municipalities in some level of fiscal stress: (Full year 2015 data is not yet available for all municipalities, but the 2015 data for counties shows modest improvement)

- 16 counties (28 percent)
- 5 cities (8 percent)
- 18 towns (1.9 percent)
- 16 villages (2.9 percent)
- 87 School Districts (12.4 percent)

### *Property Tax Freeze Rebates*

The Governor has linked the fiscal stress felt by taxpayers and local governments together through his property tax cap and property tax freeze rebate initiative. The Governor strongly believes that more shared services and local government cooperation is a key component of government reform that can help both taxpayers and local governments address fiscal burdens.

The temporary property tax freeze program is entering phase two. Phase one was completed upon adoption of your 2015 county budget – if you maintained your property tax cap your residents will be eligible for a tax rebate check from the state (payable autumn 2015). Under phase two of the tax freeze counties must submit shared services and government efficiency plans to the state by June 1, 2015, as well as stay under your 2016 property tax cap to make homeowners eligible for a second round of state financed rebate checks (payable autumn 2016).

Under the law, counties are expected (but not required) to take the lead in working with other municipalities within the county to submit a joint government efficiency plan. Many counties are well underway in this process and will be submitting these plans soon. Therefore, this report also includes data related to fiscal stress indicators of the municipalities within your county to help identifying communities that may need fiscal assistance. (*See your county's information below*).

<b>ERIE</b>					
<b>New York State Financial Restructuring Board (FRB) - Fiscal Stress Indicators</b>					
<b>(Data for 2009 - 2013)</b>					
<b>MUNICIPAL NAME</b>	<b>CLASS</b>	<b>Latest 5-Year Average Indicators*</b>			
		<b>Average Full Value Property Tax Rates FRB Eligible if &gt; 7.0554</b>	<b>Change from Prior Year 5-year Average (+) or (-)</b>	<b>Average Fund Balance Percentages (FRB eligible if &lt; 5%)</b>	<b>Change from Prior Year 5-year Average (+) or (-)</b>
<b>County of Erie</b>		<b>\$6.13</b>		<b>8.52%</b>	<b>+</b>
Akron	Village	\$5.80	+	7.28%	-
Alden	Town	\$4.42	+	77.06%	+
Alden	Village	\$6.00	+	83.31%	+
Amherst	Town	\$9.01	-	23.41%	-
Angola	Village	\$5.55	-	28.40%	+
Aurora	Town	\$3.71	+	63.14%	-
Blasdell	Village	\$11.06	+	62.35%	+
Boston	Town	\$5.20	-	131.56%	+
Brant	Town	\$6.66	-	48.11%	-
Buffalo	City	\$11.54	-	38.77%	+
Cheektowaga	Town	\$14.80	+	44.40%	-
Clarence	Town	\$3.47	+	46.29%	+
Colden	Town	\$3.94	-	148.48%	-
Collins	Town	\$4.67	+	92.51%	+
Concord	Town	\$3.04	-	58.11%	+
Depew	Village	\$10.96	+	21.10%	+
East Aurora	Village	\$7.33	-	42.35%	+
Eden	Town	\$6.53	+	42.44%	+
Elma	Town	\$1.62	No Change	59.69%	+
Evans	Town	\$10.74	+	---	
Farnham	Village	\$9.99	+	144.43%	+
Grand Island	Town	\$6.22	+	83.41%	+
Hamburg	Town	\$6.68	+	39.42%	-
Hamburg	Village	\$11.15	+	41.89%	+
Holland	Town	\$4.73	No Change	97.62%	-
Kenmore	Village	\$14.14	-	42.84%	+
Lackawanna	City	\$18.73	+	27.13%	-
Lancaster	Town	\$7.61	+	26.45%	+
Lancaster	Village	\$9.45	+	25.22%	+
Marilla	Town	\$3.18	+	79.89%	-
Newstead	Town	\$3.98	-	63.95%	-
North Collins	Town	\$7.90	-	86.97%	+
North Collins	Village	\$11.85	+	21.33%	-
Orchard Park	Town	\$4.89	+	105.86%	+
Orchard Park	Village	\$1.82	+	209.17%	+
Sardinia	Town	\$0.32	-	196.11%	-
Sloan	Village	\$10.21	+	38.11%	-
Springville	Village	\$7.35	-	47.20%	+
Tonawanda	City	\$16.12	+	23.07%	-
Tonawanda	Town	\$11.88	+	31.37%	+
Wales	Town	\$2.22	-	313.44%	+
West Seneca	Town	\$10.99	-	27.10%	+
Williamsville	Village	\$4.14	No Change	67.17%	-

**Municipalities in red are automatically eligible for FRB assistance if they chose to apply.**

\* Data from the Office of the State Comptroller. Fiscal stress indicators defined by the Governor's Financial Restructuring Board more details at: <http://www.frb.ny.gov/>

**5-Year Average Tax Rate** is calculated for each municipality by dividing the amount of property taxes levied by the full value of taxable real estate for each of the last five years. These five full value property tax rates are then averaged to determine the average full value property tax rate.

**5-Year Average Fund Balance** is calculated for each municipality by dividing the total fund balance in the General Fund by the total expenditures from the General Fund for each of the last five years. These five fund balance percentages are then averaged to determine the average fund balance percentage.

--- missing data

## **Aid and Incentives for Municipalities (AIM)**

State unrestricted aid to local governments has been held flat for several years at about \$715 million dollars. This is down from a peak of about \$1.1 billion in unrestricted aid provided in 1988-89. Counties stopped receiving state unrestricted aid (revenue sharing) in 1989, when the county share totaled about \$47 million (not including New York City).

Today, about 90 percent of AIM funding is targeted to cities and the rest goes to towns and villages. For cities, AIM assistance can be a significant portion of their total budget and could approach 30 percent of total revenue for some municipalities. For towns and villages AIM generally represents a very small portion of local revenues, but remains very important.

AIM payments are paid out through varying installments depending on the municipal type:

- **Cities** (\$647.1 million) – Most cities receive installments in September and December. A handful of cities receive payments in March, June or October as well.
- **Towns** (\$47.8 million) and **Villages** (\$19.8 million) receive a single payment in September.

Below is a chart of AIM payments to local governments in your county.

<b>Aid and Incentives for Municipalities</b>	
<b>Municipality</b>	<b>2015-16 Budget</b>
City of Buffalo	\$161,285,233
City of Lackawanna	\$6,309,821
City of Tonawanda	\$2,602,104
Town of Alden	\$80,638
Town of Amherst	\$663,670
Town of Aurora	\$78,698
Town of Boston	\$49,689
Town of Brant	\$13,117
Town of Cheektowaga	\$820,898
Town of Clarence	\$89,544
Town of Colden	\$19,300
Town of Collins	\$20,858
Town of Concord	\$48,251
Town of Eden	\$42,127
Town of Elma	\$51,129
Town of Evans	\$96,495
Town of Grand Island	\$91,734
Town of Hamburg	\$277,474
Town of Holland	\$24,724
Town of Lancaster	\$121,895
Town of Marilla	\$35,551
Town of Newstead	\$36,711
Town of North Collins	\$22,888
Town of Orchard Park	\$119,524
Town of Sardinia	\$24,819
Town of Tonawanda	\$585,199
Town of Wales	\$26,192
Town of West Seneca	\$348,552
Village of Akron	\$24,943
Village of Alden	\$15,891
Village of Angola	\$19,361
Village of Blasdell	\$29,860
Village of Depew	\$213,280
Village of East Aurora	\$50,569
Village of Farnham	\$3,534
Village of Hamburg	\$102,635
Village of Kenmore	\$641,350
Village of Lancaster	\$152,209
Village of North Collins	\$11,969
Village of Orchard Park	\$19,919
Village of Sloan	\$93,533
Village of Springville	\$35,518
Village of Williamsville	\$56,456
<b>COUNTYWIDE AIM</b>	<b>\$175,457,862</b>

## Education Funding

The State Budget for fiscal year 2015-16 emphasized education spending over all other priorities. After several years of significant funding cuts during the Great Recession, this year's budget marks a second year of significant funding increases for schools.

For SFY 2015-16, total preschool through 12<sup>th</sup> grade state aid is \$23.06 billion, a 6 percent increase. This compares to a 5.27 percent increase in SFY 2014-15.

The attached chart provides a projection of how school districts in your county fared under the general state aid for schools.

School District	2015/16 Total Allocation	Increase Over Prior Year
Alden	\$14,744,448	9.22%
Amherst	\$12,690,767	6.69%
Williamsville	\$39,635,248	10.71%
Sweet Home	\$22,126,928	6.13%
East Aurora	\$8,043,722	4.00%
Buffalo	\$694,695,044	3.35%
Cheektowaga	\$12,856,559	1.05%
Maryvale	\$17,454,104	14.18%
Cleveland Hill	\$14,051,131	5.50%
Depew	\$18,704,424	5.69%
Sloan	\$15,007,590	0.05%
Clarence	\$22,515,887	5.78%
Springville	\$18,168,758	6.82%
Eden	\$10,561,386	6.20%
Iroquois	\$13,223,142	3.92%
Evans-Brant	\$29,440,074	6.95%
Grand Island	\$20,166,280	27.32%
Hamburg	\$24,494,413	16.27%
Frontier	\$32,508,810	13.99%
Holland	\$8,725,047	1.11%
Lackawanna	\$31,969,660	6.01%
Lancaster	\$34,380,432	15.72%
Akron	\$14,928,422	6.36%
North Collins	\$7,910,977	8.62%
Orchard Park	\$23,371,615	5.26%
Tonawanda	\$17,669,629	8.22%
Kenmore	\$55,040,003	9.54%
West Seneca	\$44,524,568	10.91%
<b>Countywide Total</b>	<b>\$1,279,609,068</b>	<b>5.87%</b>

## III. Transportation & Parks

### CHIPS Funding

The 2015/16 State Budget allocated \$438.1 million for Consolidated Highway Improvement. This funding level is consistent with the 2014-15 Budget, this maintains the \$75 million increase first enacted a few years ago (the first such increase in five years when it was provided). The budget also includes an additional \$50 million of capital to help municipalities repair and rehabilitate local roads and bridges impacted by the extreme winter.

The following chart illustrates CHIPS funding for all municipalities within Erie County for the 14/15 and 15/16 fiscal years. The last column shows each municipality's share of the \$50 million in extreme winter capital funding.

## Erie County CHIPS Funding

Local Government	SFY 2014-15	SFY 2015-16	Change	Extreme Winter Capital Funding 15/16
County of Erie	\$ 8,852,128	\$ 8,842,213	\$ (9,915)	\$ 873,994
City of Buffalo	\$ 4,072,872	\$ 4,086,274	\$ 13,402	\$ 480,996
City of Lackawanna	\$ 362,638	\$ 363,735	\$ 1,097	\$ 42,371
City of Tonawanda	\$ 359,773	\$ 360,850	\$ 1,077	\$ 42,234
Town of Alden	\$ 63,573	\$ 63,569	\$ (4)	\$ 9,173
Town of Amherst	\$ 586,226	\$ 586,497	\$ 271	\$ 83,443
Town of Aurora	\$ 66,155	\$ 66,150	\$ (5)	\$ 9,364
Town of Boston	\$ 83,202	\$ 83,202	\$ -	\$ 12,055
Town of Brant	\$ 25,227	\$ 25,228	\$ 1	\$ 3,779
Town of Cheektowaga	\$ 426,203	\$ 426,226	\$ 23	\$ 62,759
Town of Clarence	\$ 173,166	\$ 173,228	\$ 62	\$ 22,908
Town of Colden	\$ 49,281	\$ 49,281	\$ -	\$ 7,274
Town of Collins	\$ 66,261	\$ 66,264	\$ 3	\$ 9,816
Town of Concord	\$ 56,680	\$ 56,677	\$ (3)	\$ 8,063
Town of Eden	\$ 110,381	\$ 110,373	\$ (8)	\$ 15,766
Town of Elma	\$ 81,746	\$ 81,728	\$ (18)	\$ 11,096
Town of Evans	\$ 148,992	\$ 148,989	\$ (3)	\$ 21,295
Town of Grand Island	\$ 124,863	\$ 124,910	\$ 47	\$ 16,959
Town of Hamburg	\$ 274,384	\$ 274,411	\$ 27	\$ 38,953
Town of Holland	\$ 42,058	\$ 42,057	\$ (1)	\$ 5,598
Town of Lancaster	\$ 79,658	\$ 80,136	\$ 478	\$ 9,354
Town of Marilla	\$ 38,067	\$ 38,067	\$ -	\$ 4,311
Town of Newstead	\$ 77,598	\$ 77,597	\$ (1)	\$ 10,887
Town of North Collins	\$ 48,867	\$ 48,869	\$ 2	\$ 7,277
Town of Orchard Park	\$ 154,529	\$ 154,803	\$ 274	\$ 21,434
Town of Sardinia	\$ 40,239	\$ 40,236	\$ (3)	\$ 5,737
Town of Tonawanda	\$ 386,095	\$ 386,076	\$ (19)	\$ 57,269
Town of Wales	\$ 24,274	\$ 24,272	\$ (2)	\$ 3,463
Town of West Seneca	\$ 240,973	\$ 241,255	\$ 282	\$ 34,401
Village of Alden	\$ 25,516	\$ 25,534	\$ 18	\$ 3,322
Village of Williamsville	\$ 84,363	\$ 84,409	\$ 46	\$ 11,814
Village of East Aurora	\$ 102,692	\$ 102,750	\$ 58	\$ 14,256
Village of Farnham	\$ 9,323	\$ 9,328	\$ 5	\$ 1,301
Village of Depew	\$ 267,517	\$ 267,663	\$ 146	\$ 37,471
Village of Sloan	\$ 56,466	\$ 56,495	\$ 29	\$ 7,970
Village of Springville	\$ 73,693	\$ 73,734	\$ 41	\$ 10,275
Village of Angola	\$ 56,657	\$ 56,688	\$ 31	\$ 7,916
Village of Blasdell	\$ 34,587	\$ 34,607	\$ 20	\$ 4,739
Village of Hamburg	\$ 144,767	\$ 144,845	\$ 78	\$ 20,312
Village of Lancaster	\$ 201,684	\$ 201,734	\$ 50	\$ 28,245
Village of Akron	\$ 46,967	\$ 46,993	\$ 26	\$ 6,546
Village of North Collins	\$ 29,859	\$ 29,875	\$ 16	\$ 4,210
Village of Orchard Park	\$ 64,912	\$ 64,948	\$ 36	\$ 9,042
Village of Kenmore	\$ 159,101	\$ 159,184	\$ 83	\$ 22,464
<b>Countywide Total</b>	<b>\$ 18,474,213</b>	<b>\$ 18,481,960</b>	<b>\$ 7,747</b>	<b>\$ 2,121,912</b>

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## Mass Transit

SFY 2015-16 Budget						
	Local Assistance - Mass Transit Accounts/Funds				Capital Projects	Total
	10000	20853	21402	21401	17551514	
<b>Niagara Frontier</b>	\$15,161,700	\$8,935,300	\$0	\$24,750,800	\$3,883,115	<b>\$52,730,915</b>

\*Erie & Niagara County

## Parks and Recreation

The Governor included \$110 million in the 2015-16 State Budget for parks and historic sites. Additionally, the Governor announced \$71.7 million in projects as part of his NY Parks 2020 plan, a multi-year effort leveraging funding to invest \$900 million in State Parks between 2011 and 2020. Regionally significant projects are listed below.

Western New York – \$14 million for 13 projects		
Park / Location	Project Description	Amount
Allegany State Park	Install Bear-Proof Food Lockers in Cain Hollow Campground	\$75,000
Allegany State Park	Repair and Resurface Park Roadways	\$1,685,000
Allegany State Park	Replace Quaker Lake Beach Bathhouse	\$1,175,000
Beaver Island State Park	Replace Golf Club Shop Destroyed by Fire	\$2,000,000
DeVeaux Woods State Park	Repair and Resurface Deteriorated Park Roads	\$400,000
Evangola State Park	Park Entrance Road Resurfacing	\$250,000
Fort Niagara State Park	Construct New Swimming Bathhouse	\$2,500,000
Knox Farm State Park	Repairs to Historic Structures, Including Mansion, Equestrian Barn and	\$250,000
Lake Erie State Park	Replace Vacant Administrative Building	\$225,000
Multiple	Install 12 Camping Yurts - Four Mile Creek, Golden Hill and Evangola State Parks	\$300,000
Multiple Fishing Access Improvements	Fishing Docks and Related Fishing Access Projects in Five Niagara Region Parks: Artpark, Fort Niagara, Four Mile Creek, Golden Hill and Wilson-Tuscarora	\$600,000
Niagara Falls State Park	Continuation of Niagara Falls State Park Revitalization Initiative	\$4,375,000
Old Fort Niagara State Historic Site	Ongoing Historic Fort Masonry Repair	\$200,000

\*The Western New York Region includes Chautauqua, Cattaraugus, Allegany, Erie, and Niagara Counties.

## IV. Health and Human Services

### Medicaid

#### *ACA Impact on County Weekly Medicaid Shares in SFY 2015-16*

While not a direct part of the 2015-16 State Budget, financing reforms under the federal Affordable Care Act (ACA) that increase federal Medicaid matching rates for the childless adult population in New York will continue to generate savings that must be passed along to counties.

The State released updated local Medicaid shares in January 2015 – these weekly shares on average came in just over 5 percent lower than what the county paid in 2014. The State clarified at that time that these new weekly shares would continue through the first quarter of 2015 at which time they would be reset for the remainder of 2015. In early April the new weekly shares increased slightly from the amount established in January. For most counties the new weekly shares for April 1, 2015 through March 31, 2016 will be about 4.3 percent lower than what they paid in the 2014-15 state fiscal year.

The impact on your county is highlighted below.

County	NYS Statutory Cap Impact			Annual Medicaid Savings Due to Federal ACA SFY 2015-16
	NYS Medicaid Statutory Cap 2015-16	Revised SFY 2015-16 Annual Costs Due to ACA*	Percent Reduction from Statutory Cap	
Erie	\$215,758,576	\$205,124,395	-4.9%	\$10,634,181

\* Weekly/Annual Share Impact based on 80% of estimated annual savings as determined by DOH. Difference to be reconciled in last quarter of 2015 calendar year.

A U.S. Supreme Court case is pending regarding the legality of federal subsidies that are provided under the Affordable Care Act to individuals purchasing their health insurance on the *federal* health insurance exchange. The subsidies are provided to eligible low income individuals and families to help make the insurance more affordable.

New York operates its own health insurance exchange so the outcome of the case should not have an immediate impact on federal subsidies provided through New York's state operate exchange. However, any negative federal ruling against the use of subsidies on the federally operated exchange could eventually have a trickle down impact on states operating their own exchanges. The decision is expected in June and Congress has already begun to review options in case there is a negative ruling. Congress could fix the law if need be to effectively moot the court's ruling if they so choose.

#### **Nursing Home Upper Payment Limit Intergovernmental Transfer**

The Erie County nursing homes were eligible for a federal supplemental payment processed through the intergovernmental transfer program for calendar year 2013 (this payment is pending further calculation by DOH and federal approval - could occur in the first half of 2015). The County is required to match 50 percent of the gross amount in order to receive the federal payment.

The **gross estimated** payment for the Erie County Home and ECMC nursing facility for Medicaid services provided in 2012 is shown below and the 2013 amount should be in this range as well (before any repayments of pending federal claims – see NOTE below).

	2012 Nursing Home IGT (actual)	2013 Nursing Home IGT (estimated range)
Erie	\$16.2 million (net)	\$16 million to \$20 million

**NOTE:** All counties are subject to a federal recoupment of prior year federal IGT payments dating back to 2007 under which improper federal matching rates were applied during the federal (ARRA) stimulus period. A handful of counties were also subject to a second recoupment related to 2-year Medicaid claiming limit violations as determined by the federal government (Erie County pay this back last year). It is expected that the federal government will seek repayment of the remaining ARRA overpayment in the next IGT round. Erie County’s remaining liability on the recoupments is estimated at \$2.8 million due to the State improperly matching ARRA funds.

## V. Additional Budget Items

This section of the report highlights a variety of state budget items that will be dispersed in Erie County, or will be shared among several counties including Erie. This list is not comprehensive, it focuses on grant authorizations to significant institutions and/or initiatives in Erie County.

<b>Additional Budget Items for Erie County</b>	
<b>Program or Purpose</b>	<b>Amount</b>
SUNY Buffalo	\$ 131,760,600
SUNY Buffalo (Health Science/Tech/Ag)	\$ 21,191,300
Neighborhood Legal Services Inc. of Erie County	\$ 45,722
Buffalo center of excellence in bioinformatics & and life sciences	\$ 872,333
Buffalo center of excellence in materials informatics	\$ 872,333
Buffalo center of excellence in bioinformatics and life sciences	\$ 127,667
Community Action Organization	\$ 250,000
Joseph P. Dwyer Veteran Peer to Peer Pilot Program	\$ 185,000
Local Assistance	\$ 300,000
Foreign Wars Buffalo Service Office	\$ 50,000
Buffalo College, Campus-wide Maintenance Projects	\$ 7,305,000
Buffalo University, Campus-wide Maintenance projects	\$ 18,271,000
Erie County Community College Roof Replacements and Water	\$ 3,000,000
Erie County Community College College Wide Code Compliance	\$ 150,000
<b>TOTAL</b>	<b>\$21,421,000</b>

### Other State Budget Funding Opportunities

In addition to the “line items” listed above there are other large lump sum appropriations that counties may be able to access for certain capital projects and equipment needs, as well as significant economic development and redevelopment projects. NYSAC continues to work with the State to identify how counties may access each of these accounts funding opportunities. These include:

State and Municipal Facilities Program (\$385 million per year for the last three years) Comm. 11M-5

Mortgage Settlement Funds (\$440 million)  
Bank Settlement funds (\$4.6 billion)  
Water Quality (\$200 million, spread over three years)

## State and Municipal Facilities Program

The State Capital Projects budget continues this program that will provide up to \$385 million to fund the capital costs of construction, improvement, rehabilitation or reconstruction of facilities owned by eligible entities, and/or the acquisition of capital assets with a useful life of not less than 10 years.

Eligible entities include the state or any municipal entity. Projects are to meet certain economic development goals that will create or retain jobs in New York. Costs may include, but shall not be limited to engineering services, construction, project management, right-of-way acquisition, etc.

The eligible uses of funds was modified slightly and will also include *fixed capital assets*, as well as *items including but not limited to heavy duty road maintenance and construction vehicles, pavers, snowplows, street sweepers and heavy duty fire, emergency response and law enforcement vehicles.*

The modified use of the funds under this program extends back to unused balances back to 2013-14.

## Foreclosure Crisis Settlement Funds

The budget provides a spending plan for nearly \$440 million in one-time foreclosure crisis settlement funds (separate from the \$5.4 billion in bank settlement funds). The funds are derived from settlements secured by the Attorney General related to the foreclosure and banking crisis and will be managed by the NYS Division of Housing and Community Renewal. The fund are to be distributed over three years as follows:

- Up to \$185 million April 1, 2015 through October 31, 2015
- Up to \$127 million November 1, 2015 through October 31, 2016
- Up to \$127 million November 1, 2016 through October 31, 2017

These funds are required to be used for specific housing and foreclosure prevention purposes including to:

- Avoid preventable foreclosures,
- Ameliorate the effects of the foreclosure crisis,
- Enhance law enforcement efforts to prevent and prosecute financial fraud or unfair or deceptive acts or practices, and
- Otherwise promote the interests of the investing public.

The legislature has targeted these funds for a variety of purposes related to supporting housing counselor programs, state and local foreclosure assistance hotlines, housing remediation and anti-blight projects among other things including up to:

- \$50 million for the construction and rehabilitation of low income housing
- \$27 million for SONYMA for a neighborhood revitalization program
- \$19.6 million for the “Access to Home” program for disabled veterans
- \$125 million for supportive housing for vulnerable populations including seniors, veterans, victims of domestic violence, formerly incarcerated individuals and the homeless
- \$25 million for the “Restore New York Communities Initiative” (historic preservation and rehabilitation, among other items)
- \$40 million for homeless families in New York City
- \$27 million for costs and expenses of a rental cap assistance program in New York City for person with HIV/AIDS

- \$20 million for neighborhood and rural preservation programs under Article 16 & 17
- \$100 million for the New York City Housing Authority for public housing modernization and improvement
- \$1 million for the Adirondack Community Housing Trust to assist families making less than 120 percent of the area median income.

## Bank Settlements Funds

In general there will be three distinct expenditures:

- \$1.5 billion for an upstate economic development competition
- \$3.05 billion for NYS Special Infrastructure Account, and
- \$850 million held in reserve to pay for potential Medicaid disallowances that are pending.

In addition to the \$850 million reserve fund any portion of the surplus is subject to transfer to the general fund under the following conditions:

1. To cover state expenses in the case of an economic downturn; or
2. To offset declines in federal Medicare and Medicaid revenues in excess of \$100 million from anticipated levels.

<b>Use of One Time Bank Settlement Funds</b>
<p><b>Upstate Revitalization Competition (\$1.5 billion)</b></p> <p><u>\$1.5 billion</u> for a special competitive economic development program. Under the one-time special initiative seven regional economic development areas are eligible to compete for one of three \$500 million upstate revitalization grants. It is expected that this will be a process that parallel the current annual Regional Economic Development Council (REDC) competition administered by Empire State Development.</p>
<p><b>Special Infrastructure Account (\$3.1 billion)</b></p> <ul style="list-style-type: none"> <li>- <u>\$500 million</u> for the “New NY Broadband Program” (\$1 to \$1 match) <ul style="list-style-type: none"> <li>• The Budget gives priority to projects linked to public libraries and educational opportunity centers and also requires annual reports on spending for this initiative. To be administered by the Empire State Development Broadband Program Office.</li> </ul> </li> <li>- <u>\$400 million</u> for grants to essential health care providers, including: <ul style="list-style-type: none"> <li>• \$355 million to essential health care providers and also direct funds as follows: <ul style="list-style-type: none"> <li>- \$15.5 million to Roswell Park Cancer Institute</li> <li>- \$19.5 million to create a Health Care Revolving Capital Fund</li> <li>- \$10 million to assist in the acquisition of electronic health records systems and technology</li> </ul> </li> </ul> </li> <li>- <u>\$150 million</u> for grants to local governments to help finance innovative shared services</li> <li>- <u>\$150 million</u> for transit-oriented development on Long Island that targets job creation and leverages private investment</li> <li>- <u>\$150 million</u> for emergency response needs</li> <li>- <u>\$115 million</u> for various infrastructure improvements</li> </ul>

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- \$50 million for Southern Tier/ Hudson Valley Farm Initiative
  - Eligible grant applicants includes farm owners and agricultural and related industries, plus not-for-profit conservation organizations and local governments

While not available to local governments the remainder of the \$3.1 billion Infrastructure Fund is set aside for:

- \$1.285 billion for the NYS Thruway Authority to support critical repairs and maintenance.
  - The Budget requires the Thruway Authority to submit a plan to the Legislature that details how much of this funding will be dedicated to the New NY Bridge (Tappan Zee) as well as requiring regular updates on how all of these funds are used.
- \$250 million for new Penn Station Access

## Water Quality Infrastructure

The budget appropriates \$200,000,000 over a multi-year period for the capital costs of water quality infrastructure projects. Eligible projects will include sewage treatment works projects with awards capped at \$5 million annually per municipality and shall not exceed sixty percent of the project cost. Financial assistance payments will come from the Environmental Facilities Corporation (EFC). Projects may include replacement or repair of infrastructure or compliance with environmental and public health laws and regulations related to water quality.

Separate budget language was crafted to create the New York state water infrastructure improvement act of 2015, which specifies use of these funds.

Water Quality Infrastructure Funding Plan	
SFY 2015/16	Up to \$50 million
SFY 2016/17	Up to an additional \$75 million
SFY 2017/18	Up to an additional \$75 million

## Gaming Revenue

In 2013 the State enacted the Upstate New York Gaming and Economic Development Act. Implementation of the law was contingent upon a statewide referendum, which did pass.

The law built upon existing Native American compacts (and a new one with the Oneida Nation) and their gaming operations. The new law grants exclusive non-competition multi-county regions for existing gaming operations and also created separate regions that would allow for new commercial casino gaming. Under the Gaming Act the State is required to distribute:

- 80 percent of the net gaming revenues received by the state for education aid (in addition to existing school aid),
- 10 percent is split between the host municipality and host county, and
- 10 percent is paid to counties in each gaming region based on population.

Approval and final licensure of commercial gaming operations is currently underway. No payments can be made to localities in the commercial gaming regions until facilities are operational – it is anticipated that these facilities could be operating in 2016 and/or 2017. These newly established commercial gaming regions are generally in the Capital Region, upper Hudson Valley and Southern Tier. However,

since Native American gaming facilities are already operational, credits to counties and municipalities in those regions began accruing on January 1, 2014 or in March in the case of the Oneida region.

With the exception of the Oneida Region (which only provided payments for about three-quarters of 2014), counties should expect a similar amount of gaming revenues in the near term depending on the net gaming activity in each region. Payments vary by quarter due to seasonality and over the long run casino competition throughout the Northeast and nationwide will impact total annual payments to counties. The 2015-16 state budget authorizes nearly \$92 million in payments to counties and host municipalities related to gaming revenues in the Native American exclusivity zones.

According to the NYS DOB, for calendar year 2014, credits accrued to Erie County and the City of Buffalo as follows on a quarterly basis:

<b>Indian Gaming Exclusivity Payments to Host and Non-Host Counties</b>						
<b>Nation</b>	<b>County</b>	<b>2014 Payments<sup>1</sup></b>				<b>Total 2014 Calendar Year Credit</b>
		<b>1st Quarter</b>	<b>2nd Quarter</b>	<b>3rd Quarter</b>	<b>4th Quarter</b>	
Seneca	Erie	\$871,741	\$920,423	\$969,756	\$887,693	\$3,649,613
	City of Buffalo*	\$1,490,552	\$1,481,981	\$1,606,122	\$1,544,964	\$6,123,619

Source: NYS DOB

\* Host City – 4<sup>th</sup> Quarter payment is still pending as of April 20, 2015.

NOTE: There is a lag between the calendar quarter in which the credit is earned and when the payment is made. It is expected that the lag will range from 90-120 days, but assuming normal payment schedules are met counties should receive four payments a year.