

2016-17 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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2016 State Budget Impact Report for Erie County

Contents

I.	Executive Summary.....	4
	About This Report.....	4
	County Highlights in the Final 2016-17 State Budget	4
	Summary of State Spending.....	5
II.	Aid and Incentives for Municipalities (AIM)	7
III.	CHIPS and Other Road and Bridge Funding.....	9
	State Rules for Allocating CHIPS Funds.....	9
	Transit Funding.....	11
IV.	Community College Funding	11
V.	K-12 Education Funding	11
VI.	Gaming Revenues.....	13
	Casino Gaming Revenue Sharing.....	13
	VLT Revenue Sharing	15
VII.	Youth Detention – OCFS State Facilities Charges.....	15
VIII.	County Line Items in the State Budget.....	16
IX.	Other Grant Funding Opportunities in the State Budget	17
	Airport Economic Development and Revitalization Competition Program	17
	Municipal Consolidation Competition.....	17
	Municipal Restructuring Fund	17
	State and Municipal Facilities Program (SAM)	18
	Water Quality and Safety Infrastructure	19

I. Executive Summary

About This Report

The New York State Association of Counties developed this report to provide detailed and customized State Budget information unique to your county. This 2016 edition highlights state budget actions and major spending items that will impact communities in your county.

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 as well. Our goal is to give county officials a more complete picture 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 where the county administers and finances programs in the first instance and then seeks reimbursement from the state for eligible expenses. Other municipalities do not have this relationship with the State.

The report also includes the most recent data available for certain pass through revenues for counties in order to provide an estimate of future revenues to the county.

The report also includes a description of grant programs (broadly defined by the State) that counties can apply to in support of local initiatives. These are grant programs related to economic development, infrastructure and municipal facilities and capital equipment that are competitive in nature or secured with support of your state legislative representatives.

County Highlights in the Final 2016-17 State Budget

The biggest victory in the budget for counties was increased infrastructure funding. Counties have been seeking additional state aid for county roads, bridges and culverts, as well as other major infrastructure.

Roads and Bridges

During the budget process the state legislature modified the Governor's original budget proposal to ensure increased funding for roads and bridges would flow directly to counties under the existing CHIPS program in the case of road funding, and ensure that local input and consultation with local governments is sought on bridge projects.

The 2016-17 budget provides a 31 percent increase in state aid for local roads and bridges over current levels and maintains that funding level for the next four years.

Water Infrastructure

At the urging of local governments and counties, the State legislature doubled funding levels for water quality and safety initiatives. A \$200 million three year grant program enacted in the 2015-16 budget year was doubled in size to reach \$400 million over the same time frame.

Turning Back County Medicaid Realignment

The Governor proposed a \$250 Medicaid realignment to counties and New York City very late in budget negotiations. The proposal required counties and NYC to reduce Medicaid costs by the targeted savings amount through enhanced Medicaid reforms and auditing. Counties lack legislative authority to control costs as proposed by the Governor, and the State Legislature rejected this proposal.

The Legislature also restored a series of smaller cuts proposed by the Governor, and provided a modest but important increase in state FTE aid for community colleges.

Reduced Youth Detention Costs

This report also highlights savings related to state-county financing reforms promoted by Governor Cuomo in last year's budget in regard to charges paid by counties to the State for the placement of youth in OCFS run facilities. Under the financing reforms, for the first two years of the change, counties have been able to avoid more than \$220 million in additional youth detention costs that would have been payable to the State in the absence of the fiscal realignment. Under the financing realignment the state is taking more responsibility for costs under its direct control.

Challenges Remain

Counties continue to struggle with small funding lapses by the state and other fiscal burdens that can be imposed administratively outside of the budget. State funding to support mandated salary increases for county district attorneys was not included in the state budget and NYSAC continues to pursue reimbursement for those expenses. Additionally, new guidelines from the Office of Indigent Legal Services (OILS) that calls for a statewide, one-size-fits-all definition of "indigent" for purposes of providing a county financed public defense in criminal cases will increase costs significantly in many counties. NYSAC continues to work with the state on the potential impact of these guidelines to mitigate the impact, and will seek systemic uniform reform of the onerous program.

Summary of State Spending

The SFY 2016-17 Budget commits to spending nearly \$200 billion over several years in state, federal and special revenues, not accounting for the 2-year budgets for Medicaid and K-12 school aid. The spending authorizations for the 12 months April 1, 2016 through March 31, 2017 is closer to \$155 billion.

What is not included in this \$155 billion is more than \$12 billion in county and New York City local taxes raised in support of state mandated costs, mainly for Medicaid and public assistance programs provided through local social services districts. In addition, more than \$35 billion in local property taxes raised by school districts to provide education services in your communities is not included in that \$155 billion.

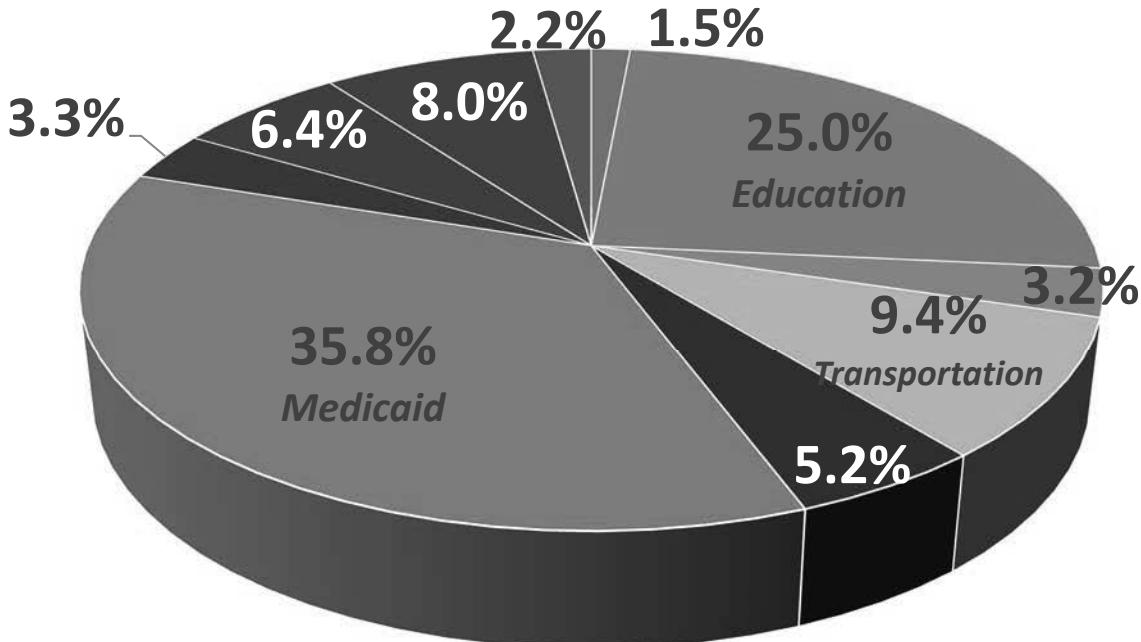
The State prioritizes spending in several key areas:

- *Medicaid and Public Health Insurance* programs - \$70 billion, about 36 percent of total state spending commitments;
- *K-12 and Higher Education* - \$49 billion, about 25 percent of state spending;
- *Transportation* - \$18 billion, just over 9 percent of state spending;
- *Social Services, Labor and & Housing* – nearly \$16 billion, about 8 percent of state spending; and
- *Mental Health and Public Health* - \$10 billion, about 5 percent of state spending.

The chart below provides a breakdown of total state funding commitments in the SFY 2016-17 enacted budget.

Total State Funding Commitments, (\$196 Billion) State Fiscal Year 2016-17 Budget

(Covers Multiple Years)



- Statewide Elected Officials (1.5%), \$2.9B
- Crime & Corrections, Homeland Security (3.2%), \$6.3B
- Mental Health and Public Health (5.2%), \$10.2B
- Debt Service (3.3%), \$6.5B
- Social Services, Labor & Housing (8%), \$15.7B
- K-12 & Higher Education (25%), \$49.1B
- Transportation (9.4%), \$18.4B
- Medicaid & Public Health Insurance (35.8%), \$70.4B
- All Other State Programs (6.4%), \$12.6B
- Economic Development, Environment & Parks (2.2%), \$4.3B

As the chart shows, nearly 70 percent of all spending that runs through the state budget is for Medicaid and other public health insurance programs, K-12 and higher education, and transportation including the MTA.

Counties and New York City contribute an unrepresented \$12 billion annually to pay for state mandated Medicaid and social service programs. This local spending is not recognized in the State Financial Plan even though, without this contribution, these state programs could not be implemented. If this locally-raised funding was formally accounted for and recognized in the State Financial Plan it would equal about 15 percent of the State General Fund.

II. 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. In return for a broken state promise of a preschool special education takeover of more county costs, 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 for SFY 2016-17.

Erie County	
Aid and Incentives for Municipalities	
Municipality	2016-17 Budget
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
COUNTYWIDE AIM	\$175,457,862

III. CHIPS and Other Road and Bridge Funding

Counties have been calling for increased investment in local roads and bridges for several years. The Great Recession, state funding cuts, slow sales tax growth and the property tax cap have conspired against needed investments in local roads and bridges.

The 2016-17 State Budget provides a significant and recurring increase in funding for local roads and bridges through a variety of programs

- 1) Base CHIPS aid is maintained at last year's level of \$438.1 million.
- 2) The Governor's PAVE-NY program will provide \$100 million per year for the next four years for local road projects. The Governor originally envisioned a competitive grant program, but the final budget agreement will allocate this additional \$100 million each year through the CHIPS formula as requested by counties during the budget process.
 - o The additional \$100 million in PAVE-NY funding for local governments represents a 23 percent increase in base CHIPS funding and a 10 percent increase in total local CHIPS funding over last year (accounting for the one-time \$50 million provided last year for harsh winter conditions). This increased PAVE-NY funding will be available for four years under the enacted budget. The multi-year increased funding availability will allow local officials to prioritize and plan projects in the most effective and efficient manner over the next several years, something sorely lacking in prior budgets.
- 3) The budget agreement also includes an additional \$100 million annually for local bridges for the next four years in new BRIDGE-NY funding. The program does not use CHIPS for allocating funding, but envisions input from county and other local officials on priority bridge and culvert projects in their communities.

In total, the 2016-17 enacted budget provides \$638 million annually for the next four years for local roads and bridges. This represents a 31 percent increase in funding over the 2015-16 state budgeted level of \$488 million.

The 2016-17 base CHIPS and PAVE-NY funding will be distributed as follows:

CHIPS and Local PAVE-NY Funding Distribution by Municipal Type				
Municipality	Base CHIPS	Local PAVE-NY	Total CHIPS & PAVE-NY	Percent of Total
New York City	\$86 million	\$19.6 million	\$105.6 million	19.6%
Counties	\$149.3 million	\$34.1 million	\$183.4 million	34.1%
Cities	\$40.8 million	\$9.3 million	\$50.1 million	9.3%
Towns	\$130.3 million	\$29.7 million	\$160 million	29.7%
Villages	\$31.8 million	\$7.3 million	\$39.1 million	7.3%
TOTAL	\$438.1 million	\$100 million	\$538.1 million	100%

State Rules for Allocating CHIPS Funds

Individual apportionments to municipalities for the Consolidated Local Street and Highway Improvement Program (CHIPS) are calculated annually according to a formula specified in Section 10-c of the State Highway Law. While several other factors are considered (municipality "funding levels" and historical percentages for counties, cities, towns and villages), the two most important data inputs are local highway inventory (LHI) mileage (for all municipalities) and motor vehicle registrations (for counties and New York City) that are reported annually to the New York State Department of Transportation (NYSDOT).

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Page 9 of 20

Capital projects are first-instance funded by individual municipalities. The municipality then requests reimbursement from the State (on specified payment dates) for its local cash expenditures made for highway-related capital projects. Municipalities must certify on their reimbursement request forms that project disbursements were made during the specified authorized reimbursement period, their projects have a minimum ten-year service life, or where the project is either: (1) micro-surfacing; (2) paver placed surface treatment; (3) single course surface treatment involving chip seals or oil and stone; or (4) double course surface treatment involving chip seals or oil and stone.

The following chart illustrates CHIPS funding for all municipalities within your county for the 2015-16 and 2016-17 state fiscal years. The last column shows each jurisdiction's change in funding for 2016-17 compared to 2015-16.

Erie County CHIPS Funding							
Local Government	SFY 2015-16 Funding			SFY 2016-17 Funding			Change from Prior Year
	Base SFY 2015-16	Extreme Winter Capital Funding SFY 2015-16	Total CHIPS Funding SFY 2015-16	Base SFY 2016-17	PAVE-NY Funding SFY 2016-17	Total CHIPS Funding SFY 2016-17	
County of Erie	\$8,842,214	\$873,994	\$9,716,208	\$8,847,969	\$2,019,637	\$10,867,606	\$1,151,398
City of Buffalo	\$4,086,274	\$480,996	\$4,567,270	\$4,085,252	\$932,499	\$5,017,751	\$450,481
City of Lackawanna	\$363,735	\$42,371	\$406,106	\$363,642	\$83,005	\$446,647	\$40,541
City of Tonawanda	\$360,850	\$42,234	\$403,084	\$360,759	\$82,347	\$443,106	\$40,022
Town of Alden	\$63,569	\$9,173	\$72,742	\$63,565	\$14,509	\$78,074	\$5,332
Town of Amherst	\$586,497	\$83,443	\$669,940	\$586,394	\$133,850	\$720,244	\$50,304
Town of Aurora	\$66,150	\$9,364	\$75,514	\$66,145	\$15,098	\$81,244	\$5,730
Town of Boston	\$83,202	\$12,055	\$95,257	\$83,192	\$18,989	\$102,182	\$6,925
Town of Brant	\$25,228	\$3,779	\$29,007	\$25,225	\$5,758	\$30,983	\$1,976
Town of Cheektowaga	\$426,226	\$62,759	\$488,985	\$426,164	\$97,276	\$523,440	\$34,455
Town of Clarence	\$173,228	\$22,908	\$196,136	\$173,193	\$39,533	\$212,726	\$16,590
Town of Colden	\$49,281	\$7,274	\$56,555	\$49,276	\$11,248	\$60,524	\$3,969
Town of Collins	\$66,264	\$9,816	\$76,080	\$66,255	\$15,123	\$81,379	\$5,299
Town of Concord	\$56,677	\$8,063	\$64,740	\$56,673	\$12,936	\$69,609	\$4,869
Town of Eden	\$110,373	\$15,766	\$126,139	\$110,364	\$25,192	\$135,555	\$9,416
Town of Elma	\$81,728	\$11,096	\$92,824	\$81,723	\$18,654	\$100,377	\$7,553
Town of Evans	\$148,989	\$21,295	\$170,284	\$148,973	\$34,005	\$182,978	\$12,694
Town of Grand Island	\$124,910	\$16,959	\$141,869	\$124,889	\$28,507	\$153,396	\$11,527
Town of Hamburg	\$274,411	\$38,953	\$313,364	\$274,364	\$62,626	\$336,990	\$23,626
Town of Holland	\$42,057	\$5,598	\$47,655	\$42,058	\$9,600	\$51,658	\$4,003
Town of Lancaster	\$80,136	\$9,354	\$89,490	\$80,117	\$18,287	\$98,404	\$8,914
Town of Marilla	\$38,067	\$4,311	\$42,378	\$38,067	\$8,689	\$46,757	\$4,379
Town of Newstead	\$77,597	\$10,887	\$88,484	\$77,598	\$17,712	\$95,310	\$6,826
Town of North Collins	\$48,869	\$7,277	\$56,146	\$48,863	\$11,153	\$60,016	\$3,870
Town of Orchard Park	\$154,803	\$21,434	\$176,237	\$154,772	\$35,328	\$190,101	\$13,864
Town of Sardinia	\$40,236	\$5,737	\$45,973	\$40,234	\$9,184	\$49,417	\$3,444
Town of Tonawanda	\$386,076	\$57,269	\$443,345	\$386,023	\$88,114	\$474,137	\$30,792
Town of Wales	\$24,272	\$3,463	\$27,735	\$24,271	\$5,540	\$29,811	\$2,076
Town of West Seneca	\$241,255	\$34,401	\$275,656	\$241,225	\$55,062	\$296,287	\$20,631
Village of Akron	\$46,993	\$6,546	\$53,539	\$47,022	\$10,733	\$57,756	\$4,217
Village of Alden	\$25,534	\$3,322	\$28,856	\$25,555	\$5,833	\$31,388	\$2,532
Village of Angola	\$56,688	\$7,916	\$64,604	\$56,723	\$12,948	\$69,671	\$5,067
Village of Blasdell	\$34,607	\$4,739	\$39,346	\$34,631	\$7,905	\$42,535	\$3,189
Village of Depew	\$267,663	\$37,471	\$305,134	\$267,826	\$61,134	\$328,960	\$23,826
Village of East Aurora	\$102,750	\$14,256	\$117,006	\$102,815	\$23,469	\$126,284	\$9,278
Village of Farnham	\$9,328	\$1,301	\$10,629	\$9,334	\$2,131	\$11,465	\$836
Village of Hamburg	\$144,845	\$20,312	\$165,157	\$144,933	\$33,082	\$178,015	\$12,858
Village of Kenmore	\$159,184	\$22,464	\$181,648	\$159,278	\$36,357	\$195,634	\$13,986
Village of Lancaster	\$201,734	\$28,245	\$229,979	\$201,856	\$46,076	\$247,932	\$17,953
Village of North Collins	\$29,875	\$4,210	\$34,085	\$29,893	\$6,823	\$36,716	\$2,631
Village of Orchard Park	\$64,948	\$9,042	\$73,990	\$64,989	\$14,834	\$79,824	\$5,834
Village of Sloan	\$56,495	\$7,970	\$64,465	\$56,529	\$12,903	\$69,432	\$4,967
Village of Springville	\$73,734	\$10,275	\$84,009	\$73,780	\$16,841	\$90,621	\$6,612
Village of Williamsville	\$84,409	\$11,814	\$96,223	\$84,461	\$19,279	\$103,740	\$7,517
Countywide Total	\$18,397,552	\$2,110,098	\$20,507,650	\$18,486,870	\$4,219,812	\$22,706,682	\$2,199,032

Transit Funding

In addition, the following resources are included in the budget that provides funding for mass transit systems servicing your county. A comparison of funding provided in the recently enacted budget to last year is included below.

Niagara Frontier Transportation Authority*					
	Local Assistance - Mass Transit Accounts/Funds				
	10000	20853	21402	21401	Total
SFY 2015-16	\$15,161,700	\$8,935,300	\$0	\$24,750,800	\$52,730,915
SFY 2016-17	\$13,867,100	\$13,420,600	\$0	\$24,139,900	\$51,427,600

*Services Erie and Niagara

IV. Community College Funding

In addition to a \$100 per FTE increase in state aid for community colleges, your county sponsored community college will receive state matching funds for capital projects as part of the recently enacted state budget. See below for a list of these projects benefitting your community college.

Erie Community College	Estimated 50% State Share
Building Infrastructure Improvements/Renovations	\$600,000
College-wide Sitework	\$500,000
Roof Replacement and Waterproofing	\$1,000,000
TOTAL	\$2,100,000

V. K-12 Education Funding

For SFY 2016-17, total preschool through 12th grade state aid is \$24.21 billion, a 5.9 percent increase. This compares to a 5 percent increase in SFY 2015-16. While the total funding change is 5.9 percent, the change by school district and across counties can vary dramatically.

In 2008-09, K-12 school aid was about \$20.7 billion after mid-year cuts imposed due to the onset of the Great Recession. It took five years before state aid for K-12 would return to the 2009 levels. The school aid funding history since the Great Recession has been marked by funding cuts in the early years followed by marked improvement in the last several years. State funding for schools has exceeded the statutorily imposed cap linked to the growth in personal income for four consecutive years including SFY 2016-17. The table below highlights state aid for schools over the last nine years (does not include federal funds).

State School Aid Funding 2009 through 2017		
Year Ending in	Funding Level	Percent Change
2008	\$19.3 billion	
2009	\$20.7 billion	5.0%
2010	\$20.4 billion	-1.6%
2011	\$19.9 billion	-2.1%
2012	\$19.4 billion	-2.9%
2013	\$19.9 billion	2.7%
2014	\$20.8 billion	4.6%
2015	\$21.8 billion	4.6%
2016	\$22.9 billion	5%
2017	\$24.2 billion	5.9%

The chart below provides a projection of how school districts in your county fared in receiving general state aid for schools in SFY 2016-17 and how that compares to prior state aid funding changes.

2016-17 State School Aid – Erie County			
School District	2015-16 Percent Increase	2016-17 Total Allocation	2016-17 Percent Increase
Alden		\$14,605,387	1.43%
Amherst	6.69%	\$16,677,320	33.96%
Williamsville	10.71%	\$41,014,534	7.16%
Sweet Home	6.13%	\$24,415,603	11.05%
East Aurora	4.00%	\$8,126,594	4.35%
Buffalo	3.35%	\$721,192,083	4.64%
Cheektowaga	1.05%	\$13,423,597	6.51%
Maryvale	14.18%	\$18,593,478	5.82%
Cleveland Hill	5.50%	\$14,617,957	5.43%
Depew	5.69%	\$19,405,982	5.90%
Sloan	0.05%	\$15,514,743	4.75%
Clarence	5.78%	\$23,680,705	6.53%
Springville	6.82%	\$18,876,011	4.62%
Eden	6.20%	\$10,736,777	3.97%
Iroquois	3.92%	\$14,617,191	8.87%
Evans-Brant	6.95%	\$30,617,388	4.27%
Grand Island	27.32%	\$21,106,873	24.33%
Hamburg	16.27%	\$23,965,569	6.71%
Frontier	13.99%	\$32,847,418	3.82%
Holland	1.11%	\$9,578,030	9.25%
Lackawanna	6.01%	\$32,660,696	7.26%
Lancaster	15.72%	\$35,918,103	8.00%
Akron	6.36%	\$15,498,071	4.52%
North Collins	8.62%	\$8,625,585	10.37%
Orchard Park	5.26%	\$24,847,243	7.50%
Tonawanda	8.22%	\$19,065,176	4.90%
Kenmore	9.54%	\$57,358,431	5.35%
West Seneca	10.91%	\$46,647,474	5.59%
Countywide Total	5.87%	\$1,334,234,019	5.83%

VI. Gaming Revenues

In November of 2013, New York State voters approved a constitutional amendment to allow casino gaming within specific guidelines. The Upstate New York Gaming and Economic Development Act, along with revamped Native American gaming compacts, provides the details on casino gaming and associated revenue sharing with counties.

Gaming revenue is subject to significant market pressures and volatility over the long run. Future payments to individual counties will vary as more or newly renovated gaming facilities (or gambling options) become operational in New York and neighboring states. The NYS Division of Budget projects that initial annual revenues shared with counties (except those in Zone 1 where gaming is prohibited until a much later date – see map below) will be about \$180 million and will vary each year based on credits played and competition with other forms of gambling across the state and neighboring states.

While past performance is no indicator of future performance, we do want to provide some historical context of how competition from other gambling options can impact the revenues of different segments of the gaming market.

Pari-mutuel and off track betting (OTB) were once more popular than they are today. As the popularity of horse racing as a sport declined, in conjunction with the significant expansion of other gaming and lottery options, receipts from betting on horse races declined. In 1983, taxes and fees generated from pari-mutuel betting in New York State exceeded \$73 million. By 2014 these taxes and fees dropped to just under \$16 million, a 78 percent decline. OTB sites followed a similar trend with revenues in 1983 coming in around \$33 million and by 2014 they were down to \$6 million. Of course as these revenues declined other gaming revenues increased, but these sources were not always shared with counties.

Casino Gaming Revenue Sharing

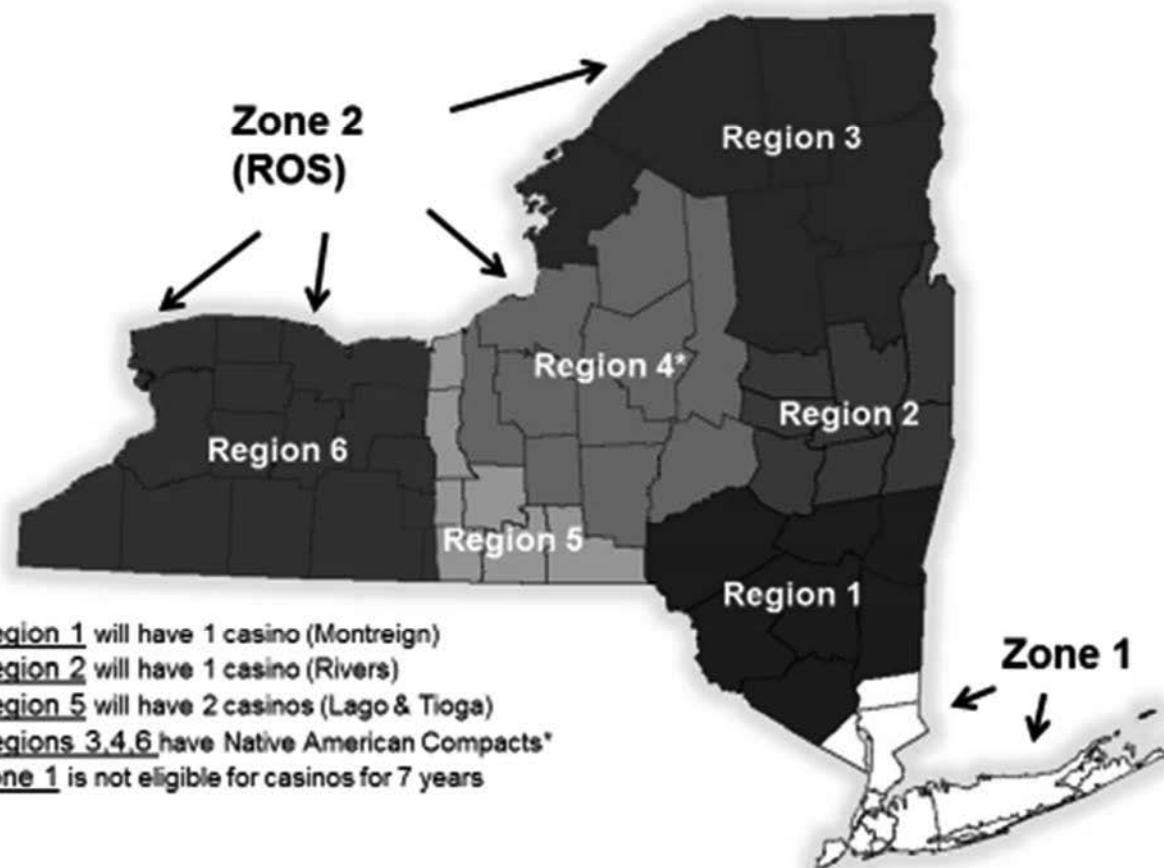
The distribution of casino gaming revenues to counties falls into two primary categories

1. Native American Exclusivity Zones
2. Commercial Gaming Zones

Regardless of the zone, the base distribution methodology generally remains the same.

- 80 percent of the net gaming revenues retained by the state will be distributed for school aid above existing education aid formulas, or property tax relief;
- 10 percent is equally split between the host municipality and the host county; and
- 10 percent is shared by each county in a given region based on population.

Six Upstate Regions for Resort Gaming Destinations



Native American Exclusivity Zones – (Regions 3, 4 & 6)

Counties in Native American exclusivity zones have been receiving revenue sharing for just over a year and it is expected that the funds paid to counties in calendar 2015 will remain relatively consistent in 2016 and 2017, with minor variations based on the amount of credits played at these casinos. It is expected that the four commercial gaming casinos approved throughout the remainder of the state should become operational in 2017 and/or 2018. Once the commercial gaming facilities become fully operational there could be further variations in payments to counties depending on the volume of credits played at the various casinos across New York.

Payments are generally made 90 to 120 days after the close of an operating fiscal quarter (i.e., payments to counties for the January-March quarter would be paid sometime in July). We expect counties to receive four quarterly payments each year regardless of which operating period the payments are earned.

Below is a summary of the gaming revenues shared with your county in 2015. As mentioned we believe the annual payments to your county should be pretty close to these amounts for 2016 and most of 2017 based on when alternative gaming facilities become operational within New York or in neighboring states.

Native American Casino Gaming Payments to Erie County - Payments Received in 2015										
Nation	County	Quarter Payments Earned and Paid Out								Total Payments in Calendar Year 2015
		Earned 3rd Qtr 2014	Date Paid	Earned 4th Qtr 2014	Date Paid	Earned 1st Qtr 2015	Date Paid	Earned 2nd Qtr 2015	Date Paid	
Seneca	Erie	\$969,756	1/22/2015	\$887,693	4/20/2015	\$847,248	7/24/2015	\$908,534	11/10/2015	\$3,613,230
	Buffalo*	\$1,606,122	1/22/2015	\$1,544,964	4/23/2015	\$1,666,223	7/24/2015	\$1,677,376	11/10/2015	\$6,494,686

VLT Revenue Sharing

Several counties and their municipalities receive direct revenues from VLT parlors they host. This revenue has remained relatively static the last few years. The availability of the funding is subject to annual state appropriations and has been subject to cuts and restorations during the State budget process. The following chart shows the estimated distribution of VLT revenues in your county for 2016.

Erie, 2016-17 Video Lottery Terminal (VLT) Revenue Sharing		
VLT Facility	Municipality	2016-17 Enacted Budget
Fairgrounds (Buffalo)	Town of Hamburg	\$865,678
	Erie County	\$288,560
	Total	\$1,154,238

VII. Youth Detention – OCFS State Facilities Charges

In last year's state budget, Governor Cuomo proposed a fiscal realignment between the state and counties in regard to how we pay for youth placed in state facilities (state training schools operated by the Office for Children and Family Services - OCFS). In prior years per diem rates reached thousands of dollars per day for which the county was responsible for providing one-half of the funding to maintain this system of state-owned youth detention facilities spread across New York.

Counties were also subject to significant liabilities under the old system as the state would send out retroactive billings for prior service periods adding new costs on top of the interim rates that were already paid. Under the new reforms counties are billed once a year and there are no retroactive billings. Once a service year is paid it is generally considered the final and last payment for the year in question (with some rare exceptions).

Last year's budget also capped the aggregate county liability at no more than \$55 million annually for 2011 through 2018, and required the state to pick up any costs in excess of this amount. This change more properly aligns fiscal responsibility with the entity that has control over the costs of the system and was intended to provide more predictability in costs, as well as bring much needed fiscal relief to county budgets.

Over eight years this financing change was originally projected to save counties \$425 million compared to what counties would be required to pay under the old system. Through the 2016 billings (covering service years 2011 through 2014), counties in the aggregate have so far avoided \$223 million in costs. Thirteen counties have not had any youth placed in OCFS state facilities during the last two billing cycles. These counties include Chenango, Delaware, Hamilton, Lewis, Livingston, Madison, Orleans, Otsego, Putnam, Schoharie, Warren and Washington.

Below is a summary of savings (cost avoidance) in 2015 and 2016 generated by this financing reform for your county.

Cost Avoidance for Counties -- Capping Youth Detention State Charges 2015 & 2016							
	Calendar Year 2015 <i>Billings for Services Provided in 2011 & 12</i>	Calendar Year 2015 Costs	Calendar Year 2015 County Avoided Costs	Calendar Year 2016 <i>Billings for Services Provided in 2013 & 14</i>	Calendar Year 2016 Costs	Calendar Year 2016 County Avoided Costs	Two Year County Savings
Erie	\$1,072,578	\$2,425,751	\$1,353,173	\$2,774,761	\$10,833,460	\$8,058,699	\$9,411,872

VIII. County Line Items in the State Budget

This section of the report highlights a variety of state budget items that will be dispersed in your county, or will be shared among several counties in your region. This list is not comprehensive, it focuses on specific line item appropriations in the recently enacted state budget to significant institutions and/or initiatives in Erie County.

Additional Budget Items for Erie County	
Program or Purpose	Amount
Neighborhood Legal Services Inc. of Erie County	45,722
Joseph P. Dwyer Veteran Peer to Peer Services Program	185,000
Contractual payments related to the retention of professional football in Western New York	4,557,000
Soil and Water Conservation District for the Lake Erie Watershed	250,000
Department of Health as "communities of concern"	1,100,000
Technology Manufacturing Projects-Solar City Plant	485,500
Poverty Reduction Initiative	25,000,000
	TOTAL
	31,623,222
County is only eligible for a portion of these funds	
*The Poverty Reduction Initiative Allocated \$25,000,000. Funds appropriated will be based on population:	
<ul style="list-style-type: none"> • Municipalities with fewer than 5,000 individuals in poverty shall each be eligible to receive \$500,000; • Municipalities with between 5,000 and 10,000 individuals in poverty shall be eligible for \$1,000,000; • Municipalities with between 10,000 and 40,000 individuals in poverty shall be eligible for \$1,500,000; • Municipalities or a borough, with more than 40,000 individuals in poverty shall be eligible for \$2,750,000. 	

IX. Other Grant Funding Opportunities in the State Budget

In addition to direct line item appropriations, the recently enacted state budget provides large lump sum appropriations that can provide funding opportunities for a variety of county infrastructure and economic development needs.

Below we describe these major grant programs and the types of projects that are targeted for funding under each program. Where details are known we provide information regarding appropriate state contacts to reach out to, but other programs are still in the planning stages and we will provide more information when it becomes available.

Airport Economic Development and Revitalization Competition Program

The enacted budget includes Governor Cuomo's \$200 million competitive grant program for upstate airports. The goals of this initiative are to accelerate investments in commercial passenger and cargo service airports, creating jobs and promoting economic development. The state will award grants to five airports of approximately \$40 million each. Counties operate several commercial service airports and more than a dozen general aviation airports.

Grants will fund projects that enhance safety, improve operations and access, reduce environmental impact, and create better passenger experiences. Successful proposals will create jobs, incorporate sustainable "green" building techniques, use renewable energy, demonstrate support from airlines and the community, leverage private investments, and demonstrate cost effectiveness. We will provide more details when they become available.

Municipal Consolidation Competition

The purpose of this competition is to further encourage local government consolidation on a countywide and/or regional basis. The Budget creates a new single award \$20 million consolidation competition designed to empower counties and other local governments to pursue opportunities for consolidation, shared services, and other changes that permanently reduce the property tax burden. Details of the application process are still unknown at this time.

The competition grant would provide funding for capital and other expenses related to the implementation of: consolidations, dissolutions, mergers, or other permanent changes in governing structures; shared services, cooperation agreements, or other efficiencies; or other actions that reduce operational costs or property tax burdens on a permanent basis. The program will be administered by the Secretary of State.

Municipal Restructuring Fund

The Municipal Restructuring Fund (MRF) Program was enacted to stimulate permanent property tax reductions resulting from shared services and consolidations between local governments. Program funding of \$25 million provided in the 2015-16 state budget is available on a rolling basis (continuous recruitment) to eligible local governments and school districts. The MRF is a non-competitive grant, meaning projects are evaluated based on a set scoring criteria, not against other projects/proposals.

The New York State Department of State (DOS) has been designated to manage the MRF and assist local governments undertaking these projects. Desired projects should substantially transform the delivery of services by local governments, or completely consolidate government entities, yielding permanent, significant property tax reductions. Projects at varying levels of readiness—anywhere from

the idea stage to the implementation stage will be considered. Projects that demonstrate the broadest impact, either countywide or regionally, are preferred.

On February 2, 2016, the Department of State released the RFA with details on how to apply for these grants. To access the RFA please visit www.dos.ny.gov/funding/rfa-15-mrf-27/index.html.

DOS Webinars

The Department of State has archived webinars on this program and they can be viewed at www.dos.ny.gov/funding/rfa-15-mrf-27/Municipal%20Restructuring%20Fund%20Overview.mov.

Key Dates and Contact Information

RFA Release Date	February 2, 2016
Questions Due Date	February 23, 2016 & June 21, 2016
Updates and Responses to FAQs	March 1, 2016 & June 28, 2016 (Continuous Recruitment)
Funding Proposals Due Dates	March 15, 2016 & July 12, 2016
Contact	Kyle Wilber, Program Manager, NYS Dept. of State (518) 473-3355 Division of Local Government Services, #15-MRF-27 MRFprogram@dos.ny.gov
Proposal Submission	NYS Dept. of State #15-MRF-27 MRFprogram@dos.ny.gov

State and Municipal Facilities Program (SAM)

The State Capital Projects budget continues this program for a fourth year that will provide up to \$385 million to fund capital costs of construction, improvement, rehabilitation or reconstruction of facilities owned by eligible entities (including the state and any municipal entity); and/or the acquisition of capital assets with a useful life of not less than 10 years. Total funding appropriated since inception of this program is \$1.54 billion, with a significant amount of this four year total still available.

Road construction, off ramps and similar transportation infrastructure has also received funding through this program. In addition projects related to county-owned properties such as parks, airports, memorials, arts and cultural facilities, and arenas have been funded. Priority will be given to projects that meet certain economic development goals that will create or retain jobs. Project awards have ranged from \$50,000 to over \$10 million.

Last year the program was modified to expand the types of projects eligible to include fixed capital assets, as well as items including but not limited to heavy duty road maintenance and construction vehicles, pavers, snowplows, street sweepers, heavy duty fire & emergency response vehicles and law enforcement vehicles.

This program, in particular, is controlled by state elected representatives and we urge county leaders to compile appropriate project and equipment lists and work with your state elected representatives and the Governor's Office to secure funding for your projects. A list of the types of projects funded in prior years can be found at

www.nysenate.gov/open-data/new-york-state-and-municipal-facilities-program-project-nomination or www.assembly.state.ny.us/statemunicipal/statemuni.pdf.

The types of projects awarded grants is very expansive. Examples of projects include:

- \$100,000 for renovating classroom and tutoring program space at a Community College,
- \$300,000 for improvements to facilitate access to waterfront areas,
- \$300,000 to construct a Green Street that utilizes bio-retention, permeable surfaces to reduce storm water runoff, along with lighting infrastructure,
- \$200,000 for baseball field and/or park improvements,
- \$110,000 for small project road resurfacing and reconstruction, markings and bicycle traffic,
- \$285,000 for police/sheriff training facilities,
- \$400,000 for improvements to a zoological park,
- \$2.7 million for the acquisition and renovation of a building for court space,
- \$250,000 for roof repairs on a municipal building,
- \$1.5 million for road improvements to promote residential and commercial development,
- \$500,000 for bridge demolition and reconstruction,
- \$100,000 for purchasing excavating equipment to facilitate public infrastructure maintenance and repair,
- \$1.25 million for construction of a storm water drainage system,
- \$100,000 for ADA accessibility improvements,
- \$200,000 for building renovations at a county airport,
- \$1.25 million for county arena improvements; and
- \$650,000 for county flood mitigation projects.

Water Quality and Safety Infrastructure

The New York State Water Infrastructure Improvement Act of 2015 (the Act) authorizes the New York State Environmental Facilities Corporation (EFC) to provide grants to assist municipalities in funding water quality infrastructure (NYS Water Grants program). NYS Water Grants are available for both drinking water and sewage treatment works (clean water) projects that protect or improve water quality and/or protect public health. The Drinking Water grants will be co-administered by the New York State Department of Health (DOH) and the Environmental Facilities Corporation.

For counties interested in applying for grants under this program more information is provided below on the program, including state agency contact information. We strongly encourage applicants to keep your state legislative and executive representatives informed on any projects you seek to pursue.

The Environmental Facilities Corporation (EFC) announced that, with an additional \$100 million this year in grants provided in the 2016-17 budget, it can now broaden eligibility for wastewater projects and provide a total of \$175 million in grants through Round 2 of the NYS Water Grants program. In addition, the maximum grant amount for drinking water projects has been increased from \$2 million to \$3 million or 60% of eligible projects costs, whichever is less.

To accommodate this expansion, the Round 2 application deadline has been extended from April 15, 2016 to **June 20, 2016**, with applications to be submitted no later than 5:00 p.m. EFC will be expediting evaluation of the applications to ensure that grants may be awarded shortly thereafter. Applications are available at www.efc.ny.gov/NYSWaterGrants.

Budget Allocations:

The FY 2015-16 State Budget provided \$200 million for the Water Quality Infrastructure Improvement Act of 2015 to provide grants to municipalities for the replacement and repair of existing wastewater

Comm. 10M-4

infrastructure and drinking water infrastructure, over a three year period. The 2016-17 enacted budget increased the act's funding from the \$200 million approved for 2015, to \$400 million.

Fiscal Year	Authorized Amount 2015-16 Budget	Authorized Amount 2016-17 Budget	Available
2015-16	\$50M	0	0
2016-17	\$75M	\$100M	\$175M
2017-18	\$75M	\$100M	\$175M

Eligible Entities:

A NYS Water Grant eligible entity is any municipality: a county, city, town, village, district corporation, county or town improvement district, school district, Indian nation or tribe recognized by the State or the United States with a reservation wholly or partly within the boundaries of New York State, any public benefit corporation or public authority established pursuant to the laws of New York or any agency of the State that is empowered to construct and operate a water quality infrastructure project.

Eligible Projects:

Only those types of infrastructure projects defined as eligible by the Drinking Water State Revolving Fund (DWSRF) program may compete for NYS Water Grant funds. Projects eligible for NYS Water Grant funding include investments to upgrade or replace drinking water infrastructure, address noncompliance with federal or state drinking water health standards, prevent future violations of such standards, and provide the public with safe drinking water.

Examples of eligible projects include, but are not limited to:

- Installation or replacement of transmission and distribution mains to prevent water loss or contamination caused by leaks or breaks;
- Rehabilitation or development of new drinking water sources to replace or augment contaminated or deficient sources;
- Installation or upgrading of facilities if the project will improve the quality of drinking water to comply with primary or secondary standards or treatment/performance criteria; and
- Installation or upgrading of pumping and storage facilities, including finished water reservoirs, to prevent microbiological contamination or to provide adequate delivery pressures.

All questions regarding the NYS Water Grant program and application for drinking water projects can be directed to:

Mr. Michael Montysko, P.E.
Chief of Design, Bureau of Water Supply Protection
New York State Department of Health
Empire State Plaza
Corning Tower Rm. 1135
Albany, New York 12237
(800) 458-1158 ext. 27650 or (518) 402-7650
FAX: (518) 402-7689
E-mail: NYSWaterGrants@efc.ny.gov