

**Kathleen M. Jimino**  
County Executive



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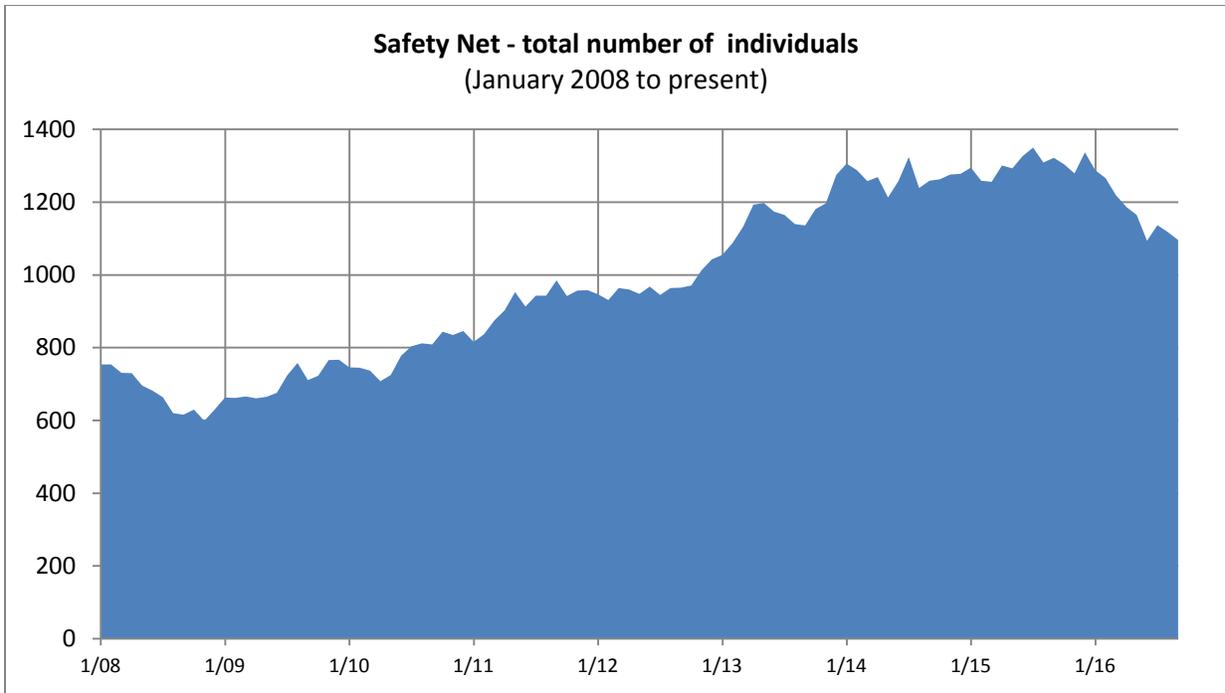
**COUNTY OF RENSSELAER**

To Honorable Stan Brownell, Honorable Members of the Rensselaer County Legislature and the residents of our great County;

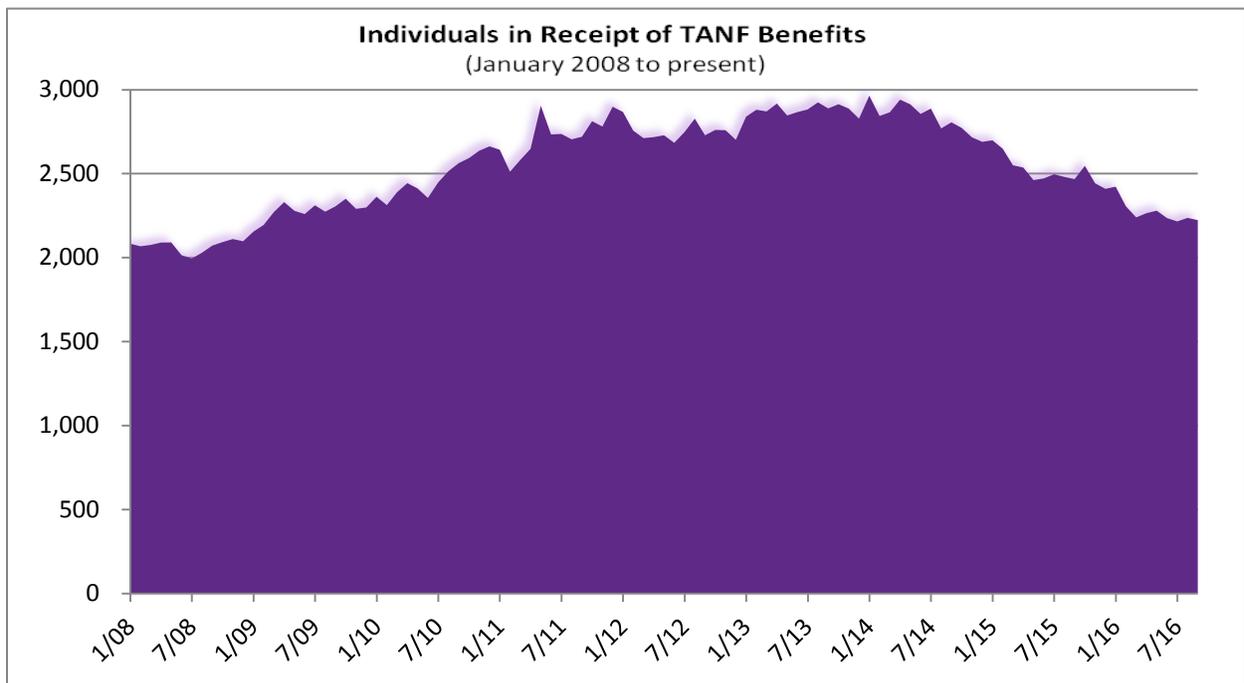
Local initiatives and their impact on curtailing an adverse affect on our local taxpayers are a critical component of this year's budget. This is critically necessary, despite our best efforts in attempting to convince state officials that any mandated increase or expansion of state mandated services without the accompanying state funding works against the relief we have sought for our local taxpayers. Simply put, the State has paid scant attention to our request. Therefore, in Rensselaer County government, we must step up our already visible efforts to consolidate our services so as not to negatively impact our 2017 budget and consequently our property taxpayers, not to mention our mission to keep our local services at the same level of excellence.

That is not to say that the State's careless practice of shifting costs to counties and our local taxpayers is the total reason for more government spending. In fact, what we are seeing is that despite the end of the so called Great Recession, there still remains a significant number of people who must rely on government for assistance.

As seen in the graph on the next page, our Safety Net caseload is more than 80% higher than August of 2008, the beginning of the recession.



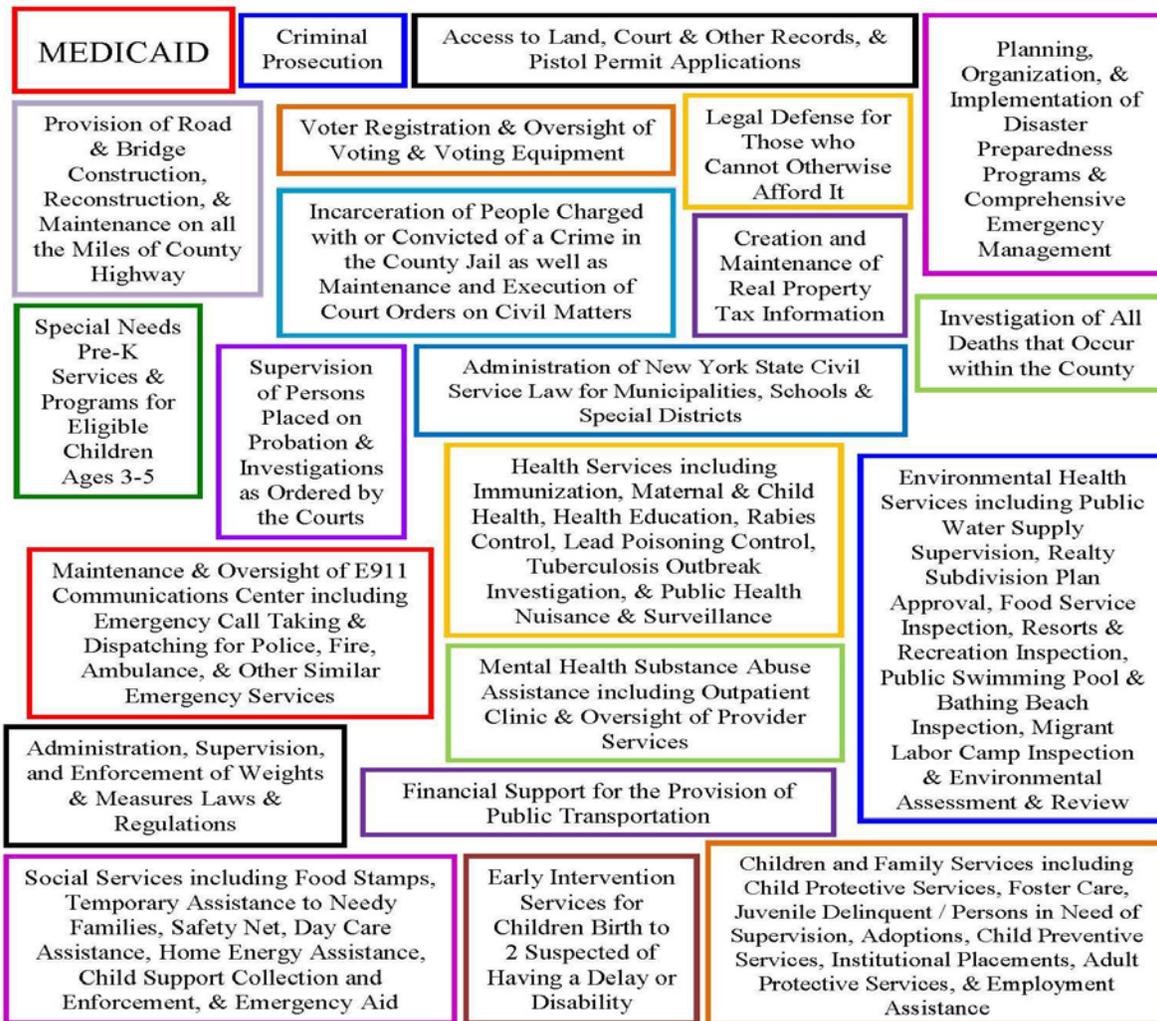
To further illustrate, the number of people enrolled in the Temporary Assistance to Needy Families (TANF) program in August of this year is 13% higher than 2008.



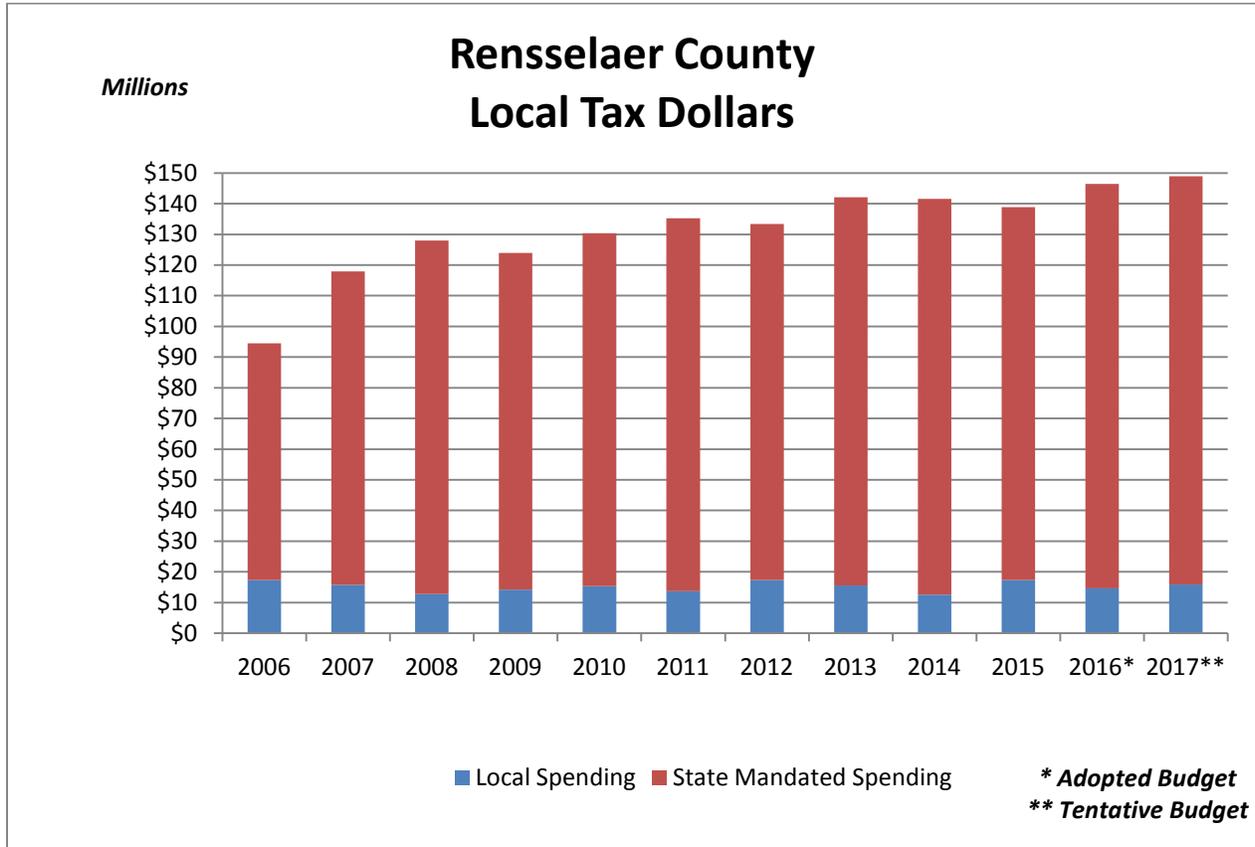
Correspondently, the number of individuals using Food Stamps is 25% higher than it was in 2008 and the number of people on Medicaid now stands at 32,371 as compared to 20,836 in 2008, an increase of 55%. Both of these increases in addition to reflecting continued need for assistance, also reflect the fact that the state and federal governments have changed the eligibility requirements to make these benefits available to more people.

The increased need for these services and all other state mandated services as listed in the chart below, with no curbing of this mandated spending despite repeated calls for mandate relief, results in increased spending which consumes 89¢ of every local tax dollar in this budget.

### STATE MANDATED SERVICES THAT RENSSELAER COUNTY PROVIDES



To further emphasize, the increased amount of local tax dollars needed to fund these state mandated programs is reflected in the following chart that demonstrates that the vast majority of your tax dollars over the last eleven years have been spent on these state mandated programs.



Adding to our concern with the State’s claim on local tax dollars are the additional state spending requirements that we have had to include in this 2017 budget. Some examples of these include:

- Indigent Defense that is required by the federal constitution and in most states paid for by the state, in New York has been shifted by the State to its counties. Costs to the County will increase next year because the state has raised the income level under which people are eligible for county provided defense services. We are hopeful that legislation passed by the State Legislature this year to have the State takeover the costs of Indigent Defense over the course of seven years will be signed by the Governor, however to date he has not signaled his intention to sign or veto the legislation.

- District Attorney salaries across the State will increase as they are tied by law to judges' salary. In the past, the State has paid for these mandated salary increases, but has not done so this time thus requiring local taxpayers to foot the additional expense.
- Employment and Training services are funded with federal and state dollars, passed through to the counties. This year, the State will keep a portion of the funding from the federal government that was previously designated for counties. This combined with a reduction from the federal government leaves us with \$100,000 less in funding to help people who are unemployed or underemployed. This may make it more difficult to reduce the number of people who continue to rely on government assistance as previously mentioned.
- Early Intervention funding from the State will be reduced next year as Health Homes are phased in and service coordination provided by our Health Department staff will no longer be reimbursed by the State even though we will continue to be required to provide this service.
- Hudson Valley Community College funding from the County is increased by \$200,000 in this budget proposal. Without this funding devastating cuts to the college's programs would otherwise occur. This is funding that by law should be provided by New York State, however they have failed to follow the law, contributing considerably less to the community colleges, including Hudson Valley Community College, than is required, thus shifting this burden to counties and our property taxpayers.
- Public Safety funding for the next generation of E911 systems is estimated statewide to be \$2.2 billion in the next ten years. For Rensselaer County our upgrades that are currently underway amount to \$21 million. Counties across the State need more funding for these upgrades and action by the State Legislature and the Governor is required. The State which collects a monthly surcharge on telephones but has no responsibility to dispatch services can share more of what they collect with the counties who do provide dispatch services; the State can amend the law to include prepaid phones as subject to the

E911 surcharge; or the State can allow counties to increase the county surcharge to the same level as the State. Otherwise property taxes will have to be increased to pay for this life-saving service.

The State's goal to balance their own books on the counties of New York places Rensselaer County as well as other counties throughout the State in an all too familiar position. That being to continue to balance the needs of our local constituents and the accompanying local services with the increased fiscal demands of the State as they shift their obligation onto our local taxpayers backs.

Recent efforts to combine and consolidate local services are a reflection of the continued commitment we have to our local residents and businesses. We work hard to save local property tax dollars. Local initiatives that continue to grow in intensity as state shifting of fiscal responsibility increases include:

- Consolidation of attorneys from Social Services into the County Attorney's office and the reorganization of Social Services administration based on current needs will result in better service as well as generate savings.
- The Fraud Unit in Social Services has been reorganized with an emphasis on finding more offenders and referring them to the District Attorney for prosecution to ensure that only those who are eligible for benefits are receiving them. As a result, the number of investigations has doubled and the number of arrests for fraud has increased fourfold.
- Increased efforts of the Human Services Cabinet through the Triage Unit's focus on individuals and families to identify the obstacles that prevent them from achieving self-sufficiency and thus reduce caseloads, has been extremely helpful in streamlining our approach, with local taxpayer savings being the end result.
- Our Road and Bridge maintenance program is enhanced in this proposal with additional local funding from our share of the casino licensing fee received this year. As well, additional state funding is included from the state's PAVE-NY program. This will allow us to

expedite our five year plan not only for the safety of our travelling public but also as an incentive to economic development, which in turn expands our opportunity for new sales and property tax revenues.

- Consolidation of Buildings into Central Services in order to achieve efficiencies as well as free up the County Engineering staff to focus on our road and bridge maintenance program along with other engineering requirements, is very much in keeping with our conservative approach as guardians of the local taxpayer.
- New software for HR / payroll and financials is being implemented throughout county government and we expect that to be completed by summer 2017. At that time we expect greater efficiencies in all departmental operations, saving tax dollars in the process.
- Along with the previously mentioned use of Casino funding for road and bridge maintenance, a portion is also used for tax relief.

As a result of increasing mandated spending and our desire to preserve local services that more and more residents continue to depend upon, coupled with the fact that sales tax projections are basically flat again, the 2017 proposed budget will require an increase in the amount of property taxes we collect. The proposed budget anticipates an increase in the property tax levy, or the total amount of taxes to be collected, of \$1,000,000 or 1.61%, which is below the 2% tax cap. The average property tax rate would increase by less than one percent (0.8%) which translates to 5¢ per thousand of full value.

Under this proposal, the average annual county property tax bill would increase by \$5.12 to \$621.04 for each \$100,000 of property value. As a matter of clarification, the proposed county tax rate and its change from the current year's rate will vary from one municipality to another. This variance is due to each individual municipality's equalization rate as established by the New York State Division of Real Property Services as well as the property assessments as established by the municipal assessors.

Under this proposed budget the county portion of a property owner's total tax burden would represent approximately 19¢ of every dollar.

## All County Residents Where Does Your Total Tax Dollar Go?



For county property owners who live in either the City of Rensselaer or the City of Troy, the county portion of their overall property tax burden would amount to 13¢ of every dollar.

## City Residents Where Does Your Total Tax Dollar Go?



## CONCLUSION

It is almost flattering that the State depends on their counties to adhere to the very conservative fiscal practices that the State does not always follow. Speaking for this county, being fiscally conservative has been an economic way of life for at least the last 15 years. As a matter of fact, while the State has increased their mandated spending by nearly 73% between 2006 and 2017, in contrast, local Rensselaer County government spending on items such as roads, highways, veterans, and seniors has decreased by more than 8% over the same time period while still maintaining a high level of service.

For those of us in county government the property tax cap is viewed as recognition of the fact that property taxes in New York State are too high, driven there by state mandated spending. This view is verified by the fact that in their most recent report, the Washington based Tax Foundation found New York to be the 47<sup>th</sup> ranked state in local property taxes, with only two other states have higher local taxes. Therefore, is it any wonder that our business climate potential based on our tax structure is ranked 49<sup>th</sup> among all states in the same study?

Our hope had been that once the causes for the high property taxes in New York were recognized by the State, they would address the problem not just with a property tax cap but also with a reduction in the mandates they impose on counties. Though there have been some successes in capping spending such as with the Medicaid program, inevitably those savings have been gobbled up by other state mandated programs and thus the state mandated spending continues to grow unchecked.

The talk at the State of self-imposed controls on their own spending omits the fact that any projected spending in excess of their two percent cap can be pushed off to the counties, thus growing the demand for local tax dollars. Is it any wonder then that the property tax cap has caused concern among local leaders? How do we cap taxes, without curtailing local services when the State continues to require us to spend more local tax dollars?

In essence, if the State would stop misleading themselves and the public, and practice the fiscal conservatism they are fond of preaching we would be well on our road to economic stability.

We know we have the resources to make New York truly the empire state again. All we need is effective solutions based on policy rather than politics.

Sincerely,

A handwritten signature in black ink that reads "Kathleen M. Jimino". The signature is written in a cursive style with a large, looping initial 'K'.

Kathleen M. Jimino  
County Executive

## **Acknowledgements**

I extend my personal thanks and acknowledgements to Director of Budget Stacey Farrar and her staff James Breig, Marc D'Amore and Ellen Christiansen; Chief Fiscal Officer Michael Slawson, and Director of the Bureau of Research and Information Services Vincent Ruggiero for the hard work and the countless hours they devoted to this budget document.

I also extend my thanks and appreciation to all of the department heads, elected officials, and county employees who dedicate their service to the residents of Rensselaer County and make Rensselaer County the ideal place to live, work and raise a family.