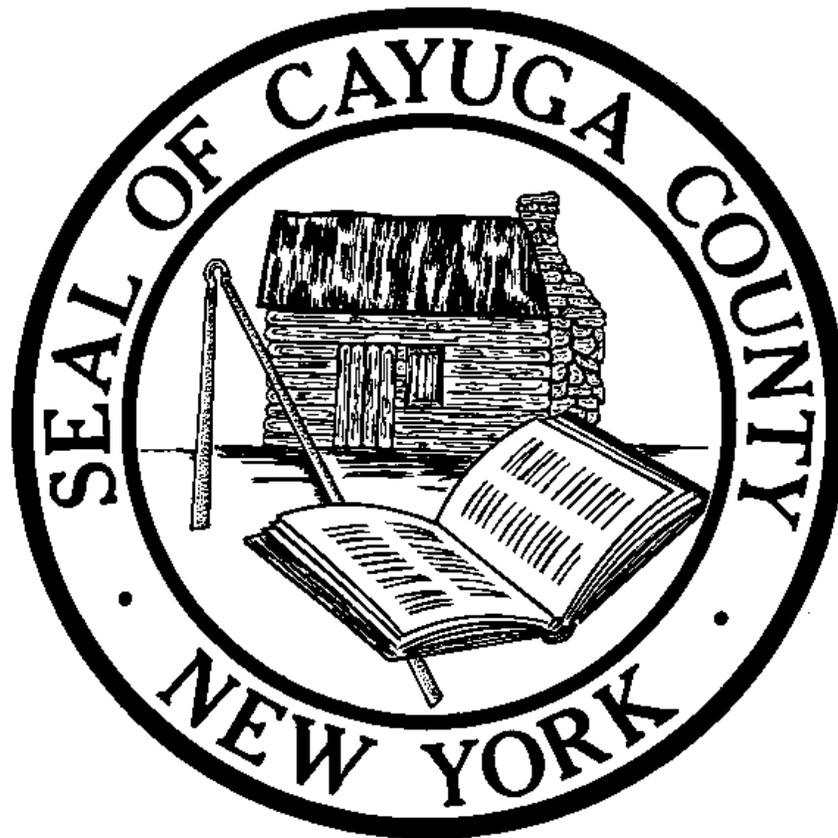


2019-20 State Budget Impact Report for Cayuga County



Hon. Tucker Whitman, Chair, County Legislature



Charles H. Nesbitt, Jr.,
NYSAC President
Stephen J. Acquario,
Executive Director

Dear County Official,

The New York State Association of Counties (NYSAC) developed this report to provide detailed and customized State Budget information unique to your county. This is the only analysis of this year's state budget data specifically for your county.

This 2019 report highlights major grant programs, not just to the county, but to other municipalities and school districts within your county 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.

This report compiles SFY 2020 enacted budget language and appropriations with data released by NYS highlighting major county spending areas.

While this report does not address all reimbursement-based funding for state mandates, it does capture formula-based grants and individualized county appropriations from the state. This report also includes additional grant programs that counties can apply for to support local initiatives. These grant programs are related to economic development, municipal facilities, and capital equipment (including early voting funding) which are competitive in nature or secured with support from your state legislative representatives.

I hope you find this customized report of value as you continue to serve the communities in your county.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles H. Nesbitt, Jr.", with a large, sweeping flourish at the end.

Charles H. Nesbitt, Jr.
NYSAC President

Table of Contents

I. Executive Summary	5
County Highlights in the Final 2019-20 State Budget.....	5
Administrative Actions Related to Wayfair Supreme Court Decision	5
Elimination of Sales Tax Exemption for ESCOs	6
Aid to Municipalities (AIM)	6
Election Reforms	6
Indigent Defense Service & Funding Expansion	6
Raising the Age of Criminal Responsibility	7
Trigger for Potential Sweeping Cuts	7
Bail Reform, Speedy Trial and Discovery (Pre-Trial Justice Reform Act)	7
PINS Reform.....	7
II. Aid and Incentives for Municipalities (AIM)	8
Recent Events	8
AIM Background	8
III. CHIPS and Other Road and Bridge Funding	9
State Rules for Allocating CHIPS Funds.....	10
Transit System Funding	11
IV. Community College Funding	12
State Base Aid.....	12
Chargebacks.....	13
Total Operating Budgets for Community Colleges	13
V. Economic Development Funding	15
Regional Economic Development Council Funding.....	15
VI. Election Reforms	17
VII. Gaming Revenues - Casino	18
Commercial and Native American Casino Revenue	18
VIII. Human Services	18
Background.....	18
The Supplemental Nutrition Assistance Program	18
The Home Energy Assistance Program.....	19
Public Assistance	19
IX. K-12 Education Funding	20

X. Medicaid 21

 Background..... 21

 Three Percent Medicaid Growth Cap 22

 Zero Percent Medicaid Growth Cap 22

 Total Impact of Recent Changes on County Medicaid Costs 22

 Federal Affordable Care Act Reduces County Medicaid Costs 23

 Total Medicaid Spending by County 24

XI. 9-1-1 System Funding 25

 Public Safety Surcharge Changes in SFY 2017-18 Budget 25

 New Centralized Surcharge Collection Process 26

 Interoperability Communications Program 27

 Statewide Interoperable Communications Grants (SICG) 27

 Public Safety Answering Points (PSAPs) Funding..... 29

XII. Sales Tax Reforms 29

 Key Revenue Items that Will Impact Counties 29

 Marketplace Fairness - Internet Sales Tax Collections 29

 Administrative Actions Related to Wayfair Supreme Court Decision 30

 The Impact of Internet Sales Tax Changes & AIM Restorations on Your County 31

 Elimination of the Energy Services Company Sales Tax Exemption 32

 Top Industries Generating Sales Tax in Your County 32

XIII. Other Grant Funding Opportunities in the State Budget..... 34

 State and Municipal Facilities Program (SAM) 34

 Clean Water Infrastructure Act of 2017 35

 Matching Funds for Shared Services Savings (CWSSI)..... 37

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 2019 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 within your county 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 are not part of this report. County spending occurs largely in fulfillment of state services and programs where the county administers and finances programs in the first instance and then seeks reimbursement from the state for eligible expenses.

The report also includes a description of grant programs (broadly defined by the State) that counties can apply for 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 2019-20 State Budget

On a positive note, the enacted state budget was primarily a fiscally-neutral budget for counties. It also included some revenue enhancements and some reductions in reimbursements and some new program costs. The budget included targeted reductions to New York City (Article 6 public health funding and TANF costs), as well as the state using a share of county sales tax to support payments to towns and villages that no longer receive traditional AIM payments.

The enacted budget includes two major revenue changes that will benefit counties by increasing sales tax revenues. After three years, the Governor's proposal to update New York's sales tax collection process to ensure that sales taxes owed on internet transactions are collected has passed. The new provisions will become effective June 1, 2019. The internet fairness proposal requires large internet marketplace providers to collect sales tax on behalf of all vendors that use their platform and remit these sales taxes to the state. On a full annual basis, the state estimates that as much as \$280 million in local sales taxes could be collected through this "marketplace" fairness change – DOB estimates \$158 million for all local governments (before any sales tax sharing) and \$122 million for New York City. Additionally, a portion of this new revenue will be withheld by the state for state funding purposes (to replace extinguished AIM payments).

The final budget also includes the creation of a New York City Business District fund where sales tax will be diverted annually from the local share of NYC sales tax (\$170 million), as well as a portion of state sales tax (\$150 million) to support the MTA capital plan.

Administrative Actions Related to Wayfair Supreme Court Decision

In addition, the recent *Wayfair v South Dakota* Supreme Court decision clarified that states do have the right to collect sales tax on internet transactions initiated in their state under most circumstances (there are safe harbor provisions for small retailers that will protect them from having to collect sales tax). Due to the *Wayfair* decision, New York State made administrative changes in January 2019 that required internet-based vendors selling into the state to start collecting and remitting sales taxes if they met certain sales thresholds (\$300,000 in sales and they conduct more than 100 transactions into the state). These administrative provisions are estimated to bring in as much as \$110 million annually in

currently uncollected local sales tax – DOB estimates \$62 million for all local governments and \$48 million for New York City.

Elimination of Sales Tax Exemption for ESCOs

A second sales tax change was the elimination of the exemption for energy services companies (ESCOs) that has been in place for nearly 20 years. The Division of Budget estimates that repealing this exemption is expected to increase local sales tax collections outside of New York City by up to \$46 million on a full annual basis, with about \$38 million accruing to counties before regular sales tax sharing arrangements. New York City eliminated their local sales tax exemption in 2009.

Aid to Municipalities (AIM)

The enacted State Budget eliminates \$59.2 million in state funding to any municipality where this funding represented less than two percent of their total expenditures, which includes more than 1,250 towns and villages. These cuts are backfilled with county sales tax revenues that will be held by the Office of the State Comptroller.

Counties will not be required to make direct payments to the towns and villages impacted in their county, but the state will withhold county sales taxes beginning this year in a sufficient amount to fully reimburse the extinguished AIM payments for the impacted towns and villages within each county.

Election Reforms

The Legislature began the 2019 session by passing a series of election reform proposals, some of which included a proposal to implement early voting, effective for the November 2019 elections. The enacted budget includes additional reform proposals as well as appropriations (both operating and capital) to assist counties with implementing these reforms.

- The enacted budget included \$10 million for early voting operating costs and \$14.7 million for the purchase of electronic poll books, on-demand ballot printers and cybersecurity software. The \$14.7 million appropriation will be distributed based on a counties enrolled voter population.
- Poll hours must be open from 6am to 9pm for primary elections (in some upstate counties, polls opened at 12pm).
- The State Board of Elections must promulgate minimum security standards for any electronic device or system to which e-poll books are connected to.
- Employees may, without a loss of pay, be granted up to three hours at the beginning or end of their shift to vote. The employer may designate, unless the request is mutually agreed upon. The employer must post at the work place a notice setting forth the provisions of this benefit.

Indigent Defense Service & Funding Expansion

In 2017, from the Office of Indigent Legal Services (OILS) established a statewide, one-size-fits-all definition of “indigent” for purposes of providing a county financed public defense in criminal cases and it has impacted many counties. This definition of indigent included but was not limited to a guideline of eligibility of public defense to include individuals with net income at or below 250% of the federal poverty guidelines. In addition, the enacted budget provides increased funding to support the expansion of the Hurrell-Harring settlement to all 57 counties that requires caseload caps for public defenders and counsel at first appearance. This plan calls for a seven-year phase in of this service expansion and as required under last year’s budget, the state must appropriate funding to cover any increased costs before a county is required to expand service delivery in their county. The enacted 2019-20 budget provides the second major installment for the remaining 52 counties with an additional appropriation of \$50 million to assist counties with the expansion. NYSAC will provide additional information to counties as the details of this program change are released by the state.

Raising the Age of Criminal Responsibility

Two years ago, the budget changed state laws to raise the age of criminal responsibility from 16 to 18 over a two-year phase-in which began on October 1, 2018. When fully phased in, the state estimates the program will cost nearly \$400 million on an annual basis with the state supporting most of the costs. Counties will be required to expend some resources up front and seek reimbursement from the state while other costs will be paid directly by the State, mainly detention. State reimbursements to counties are linked to each county staying within their property tax cap, but allowances may be made in circumstances where a county is experiencing fiscal stress.

The enacted budget includes an additional \$100 million for costs associated with implementing Raise the Age of Criminal Responsibility. The total appropriation is \$200 million and \$54 million in re-appropriations. Counties are in the process of submitting their reimbursement plans and about a dozen have approved plans as of the release of this report.

Trigger for Potential Sweeping Cuts

The final budget includes language that requires the budget director to develop a plan for submittal to the Legislature if the state financial plan is “...reasonably anticipated...” to end the fiscal year with an imbalance of \$500 million or more. The plan would allow the budget director to cut up to 1 percent in state operating funds (this portion of the budget is \$102 billion). The legislature would have 30 days to enact their own plan. The following types of appropriations would be exempt from reduction in any plan prepared by the budget director and/or any plan adopted by the legislature:

- public assistance payments for families and individuals and payments for eligible aged, blind and disabled persons related to supplemental social security;
- any reductions that would violate federal law;
- payments of debt service and related expenses for which the state is constitutionally or contractually obligated to pay debt service, subject to an appropriation, including where the state has a contingent contractual obligation; and
- payments the state is obligated to make pursuant to court orders or judgments.

Bail Reform, Speedy Trial and Discovery (Pre-Trial Justice Reform Act)

The enacted budget includes language to reform bail, discovery and speedy trials. The effective date of this legislation is January 1, 2020. Arresting officers must release individuals under non-monetary conditions and issue an appearance ticket unless an individual is charged with a felony, a misdemeanor crime of domestic violence, or if an individual was convicted of a violent felony within the last five years.

The enacted budget **did not** include any funding for counties to implement these changes.

PINS Reform

The enacted budget restores county reimbursement for PINS preventive services. Non-secure detention will no longer be a viable placement option for PINS youth, however, the ability to place a child in a pre-dispositional foster care placement is preserved. Judges will have the ability to place PINS children into foster care. The new change in law is that the placement into foster care for PINS children is for an initial period of 60 days (this used to be 12 months). The placement may then be extended for one 6-month period. The second permanency hearing can result in an order for one more extension of 4 months. Beyond that, there cannot be any extensions to placement unless requested by the Attorney for the Child on behalf of the child.

There's also an addition of "family support services"—community-based services that would help youth (and their families) who are at risk of being adjudicated PINS. At this time, we are unclear about "who" exactly can get funded to deliver family support services, and how much funding will be available. This change will be effective January 1, 2020. Until then, the current law remains status-quo.

II. Aid and Incentives for Municipalities (AIM)

Recent Events

The SFY 2019-20 Budget cut AIM funding by \$59.2 million, from \$715 million to \$655.8 million. The adopted budget ended AIM payments to all towns and villages where the 2018 AIM payment represented less than two percent of their total expenditures as reported to the State Comptroller. Nearly 1,300 towns and villages will no longer receive AIM payments.

While the budget eliminates traditional AIM payments for these towns and villages, the budget replaces those payments with a new state payment that is equal to what each municipality received in 2018 under the AIM program. These new payments will be received by towns in December 2019, and each December thereafter. Villages will receive their new payments beginning in May 2020, and each May thereafter.

The major difference in these payments is the source of the revenue. The source of funding to make these new state payments will no longer be the state general fund, instead they will be derived from county sales tax. Beginning this year, the state will withhold a small portion of county sales tax from each county to generate enough revenue for the state to make these future payments in 2019 and beyond. The adopted budget modified state laws and regulations related to the collection of sales taxes on internet purchases and a portion of this new county sales tax revenue is being used to fund the payments for towns and villages going forward. There is a more detailed explanation of the Internet sales tax changes in the Sales Tax Reforms section of this report.

AIM Background

This unrestricted state aid program for local governments had been held flat since 2008, at \$715 million, until the \$59.2 million reduction this year. This is down from a peak of about \$1.1 billion in unrestricted aid provided in 1988-89. This was the year (1989) that AIM revenue sharing for counties was eliminated. In that year, the county share (excluding NYC) was \$47 million. Revenue sharing of nearly \$330 million annually ended for New York City in 2010.

With the new formula change, about 99 percent of all AIM payments will go to cities, up from 90 percent. 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 the handful of towns and villages that continue to receive AIM payments, AIM will typically represent somewhere between two percent to five percent of their total expenditures.

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** (\$5.2 million – down from \$47.9 million). Receive a single payment in September.
- **Villages** (\$3.3 million – down from \$19.8 million). Receive a single payment in September.

Below is a chart of AIM payments (shaded in rose) to local governments in your county for SFY 2019-20, along with the new payments attributed to expected new internet sales tax (marked by an asterisk*).

Cayuga County			
Aid and Incentives for Municipalities			
Municipality	2019-20 Budget	Municipality	2019-20 Budget
City of Auburn	\$4,982,093	Town of Sennett*	\$13,182
Town of Aurelius*	\$19,265	Town of Springport*	\$11,962
Town of Brutus*	\$28,767	Town of Sterling*	\$19,955
Town of Cato*	\$13,080	Town of Summer Hill*	\$5,703
Town of Conquest*	\$12,510	Town of Throop*	\$18,001
Town of Fleming*	\$13,273	Town of Venice*	\$9,129
Town of Genoa*	\$10,825	Town of Victory*	\$8,982
Town of Ira*	\$14,974	Village of Aurora*	\$10,206
Town of Ledyard*	\$10,288	Village of Cato*	\$3,765
Town of Locke*	\$9,132	Village of Cayuga*	\$4,949
Town of Mentz	\$17,289	Village of Fair Haven*	\$4,675
Town of Montezuma*	\$5,998	Village of Meridian	\$4,656
Town of Moravia*	\$17,908	Village of Moravia*	\$11,779
Town of Niles*	\$5,490	Village of Port Byron*	\$10,829
Town of Owasco*	\$27,099	Village of Union Springs*	\$7,511
Town of Scipio*	\$7,579	Village of Weedsport*	\$15,701
Town of Sempronius*	\$4,574	COUNTYWIDE AIM	\$5,361,129
Amount funded through additional internet based sales tax*			\$357,091
Funded with State resources			\$5,004,038

III. CHIPS and Other Road and Bridge Funding

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

Starting in the 2016-17 State Budget, significant and recurring increases in funding for local roads and bridges have occurred through the creation of two new programs, PAVE-NY (\$100 million) and

BRIDGE-NY (\$100 million). These new funding streams were in addition to the existing CHIP and Marchiselli programs.

For SFY 2017-18 and SFY 2018-19 the full funding of all local government assistance road programs was continued, plus an additional one-time appropriation of \$65 million was included to address harsh winter conditions to be apportioned using the CHIPS formula.

For 2019-20 state funding for local roads and bridges is continued under the model defined in the prior two budgets and includes:

- 1) \$438.1 million in base CHIPS aid is maintained.
- 2) \$100 million for the PAVE-NY program for local road projects.
- 3) \$100 million for the BRIDGE-NY program for local bridge projects. This program does not use the CHIPS formula to allocate funding but envisions input from county and other local officials on priority bridge and culvert projects in their communities.

This year, the budget did not include \$65 million for Extreme Winter Recovery. There is discussion that it may be included in a post-budget capital supplement bill before the end of the legislative session.

For a typical county the funding for 2019-20 will be slightly below last year due to the lack of extreme winter weather funding not yet being adopted (not accounting for BRIDGE-NY funding). However, due to how funds are distributed under the CHIPS formula, the change will vary among counties (see next page).

The 2019-20 base CHIPS and PAVE-NY funding will be distributed as follows (*numbers may not add up due to rounding*):

2019-20 CHIPS and Other Local Road Funding Distribution by Municipal Type					
Municipality	Base CHIPS	Local PAVE-NY	Extreme Winter	Total All Funds	Percent of Total
New York City	\$86M	\$19.6M	\$0	\$105.6M	19.0%
Counties	\$149.1M	\$34.1M	\$0	\$183.2M	33.6%
Cities	\$40.9M	\$9.3M	\$0	\$50.2M	9.3%
Towns	\$130.8M	\$29.8M	\$0	\$160.6M	30.6%
Villages	\$31.4M	\$7.2M	\$0	\$38.6M	7.4%
TOTAL	\$438.1M	\$100M	\$0	\$538.1M	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).

Cayuga County 2019 State Budget Impact Report

Capital projects are first-instance funded by individual municipalities. The municipality then requests reimbursement from the State for its local cash expenditures made for highway-related capital projects. Reimbursements are provided by the state on a quarterly basis. Municipalities must certify on their reimbursement request forms that project disbursements were

- A. Made during the specified authorized reimbursement period,
- B. Have a minimum ten-year service life, or
- C. Targeted for:
 - a. Micro-surfacing;
 - b. Paver placed surface treatment;
 - c. Single course surface treatment involving chip seals or oil and stone; or
 - d. Double course surface treatment involving chip seals or oil and stone.

The following chart summarizes CHIPS and other state supported road funding for all municipalities within your county for the 2018-19 and 2019-20 state fiscal years. The last column shows each jurisdiction’s change in funding for 2019-20 compared to 2018-19. The adopted budget did not include extreme winter funding, but the Legislature and Governor indicated a supplemental Capital Appropriations bill is forthcoming that will address additional capital needs not adopted with the bulk of the budget. NYSAC will provide an update when that legislation is considered.

Cayuga County CHIPS & Road Funding									
Local Government	SFY 2018-19 Funding			SFY 2019-20 Funding			Total Road Funding SFY 2019-20	Dollar Change from Prior Year	Percent Change from Prior Year
	CHIPS SFY 2018-19	Extreme Winter Recovery Funding	PAVE-NY SFY 2018-19	CHIPS SFY 2019-20	Extreme Winter Recovery Funding	PAVE-NY SFY 2019-20			
County of Cayuga	\$3,261,868	\$495,297	\$744,883	\$3,261,145	\$744,389	\$4,005,534	(\$496,514)	-11.0%	
City of Auburn	\$609,910	\$92,090	\$139,181	\$614,223	\$140,202	\$754,425	(\$86,757)	-10.3%	
Town of Aurelius	\$54,021	\$10,036	\$12,330	\$53,802	\$12,281	\$66,083	(\$10,304)	-13.5%	
Town of Brutus	\$72,509	\$13,857	\$16,549	\$72,271	\$16,497	\$88,768	(\$14,147)	-13.7%	
Town of Cato	\$76,576	\$14,739	\$17,478	\$76,335	\$17,424	\$93,759	(\$15,032)	-13.8%	
Town of Conquest	\$81,852	\$14,775	\$18,684	\$81,852	\$18,684	\$100,536	(\$14,775)	-12.8%	
Town of Fleming	\$45,156	\$8,739	\$10,306	\$45,019	\$10,276	\$55,295	(\$8,906)	-13.9%	
Town of Genoa	\$103,935	\$19,747	\$23,723	\$103,572	\$23,641	\$127,213	(\$20,192)	-13.7%	
Town of Ira	\$96,682	\$18,135	\$22,068	\$96,314	\$21,985	\$118,299	(\$18,587)	-13.6%	
Town of Ledyard	\$81,655	\$15,675	\$18,638	\$81,388	\$18,578	\$99,966	(\$16,002)	-13.8%	
Town of Locke	\$56,887	\$11,090	\$12,984	\$56,723	\$12,948	\$69,671	(\$11,290)	-13.9%	
Town of Mentz	\$33,585	\$6,497	\$7,666	\$33,483	\$7,643	\$41,126	(\$6,622)	-13.9%	
Town of Montezuma	\$23,954	\$4,621	\$5,467	\$23,880	\$5,451	\$29,331	(\$4,711)	-13.8%	
Town of Moravia	\$45,427	\$8,447	\$10,368	\$45,253	\$10,330	\$55,583	(\$8,658)	-13.5%	
Town of Niles	\$93,995	\$17,670	\$21,455	\$93,631	\$21,372	\$115,003	(\$18,117)	-13.6%	
Town of Owasco	\$54,142	\$9,825	\$12,358	\$53,893	\$12,302	\$66,195	(\$10,131)	-13.3%	
Town of Scipio	\$92,912	\$17,619	\$21,207	\$92,580	\$21,132	\$113,712	(\$18,026)	-13.7%	
Town of Sempronius	\$83,196	\$16,286	\$18,990	\$82,957	\$18,936	\$101,893	(\$16,580)	-14.0%	
Town of Sennett	\$62,009	\$11,712	\$14,153	\$61,791	\$14,104	\$75,895	(\$19,978)	-13.6%	
Town of Springport	\$47,447	\$9,159	\$10,829	\$47,301	\$10,797	\$58,098	(\$9,337)	-13.8%	
Town of Sterling	\$116,612	\$22,665	\$26,616	\$116,269	\$26,539	\$142,808	(\$23,084)	-13.9%	
Town of Summerhill	\$71,428	\$13,304	\$16,304	\$71,138	\$16,238	\$87,376	(\$13,660)	-13.5%	
Town of Throop	\$55,873	\$10,776	\$12,752	\$55,700	\$12,714	\$68,414	(\$10,987)	-13.8%	
Town of Venice	\$113,769	\$21,825	\$25,967	\$113,399	\$25,885	\$139,284	(\$22,277)	-13.8%	
Town of Victory	\$98,071	\$18,697	\$22,384	\$97,736	\$22,309	\$120,045	(\$19,107)	-13.7%	
Village of Aurora	\$6,088	\$1,112	\$1,389	\$6,078	\$1,387	\$7,465	(\$1,125)	-13.1%	
Village of Cato	\$8,523	\$1,542	\$1,945	\$8,509	\$1,942	\$10,450	(\$1,560)	-13.0%	
Village of Cayuga	\$11,053	\$2,049	\$2,523	\$11,036	\$2,519	\$13,555	(\$2,070)	-13.2%	
Village of Fair Haven	\$50,134	\$8,939	\$11,442	\$50,043	\$11,423	\$61,466	(\$9,050)	-12.8%	
Village of Meridian	\$4,488	\$819	\$1,024	\$4,481	\$1,023	\$5,504	(\$828)	-13.1%	
Village of Moravia	\$19,843	\$3,689	\$4,529	\$19,813	\$4,523	\$24,336	(\$3,724)	-13.3%	
Village of Port Byron	\$26,744	\$4,889	\$6,104	\$26,700	\$6,095	\$32,795	(\$4,942)	-13.1%	
Village of Union Springs	\$36,322	\$8,290	\$6,734	\$36,266	\$8,278	\$44,544	(\$6,801)	-13.2%	
Village of Weedsport	\$31,126	\$7,104	\$5,533	\$31,068	\$7,092	\$38,160	(\$5,602)	-12.8%	
Countywide Total	\$5,727,792	\$941,715	\$1,304,563	\$5,725,650	\$1,306,939	\$7,032,588	(\$941,482)	-11.8%	

Transit System Funding

Most counties provide mass transit services or are served by a regional transit authority. The larger mass transit county operated systems downstate received between 7% and 12% funding increase over the prior year and most of the upstate county operated and regional authorities received increases

between 8% and 12.7% percent in the SFY 2019-20 budget. Overall, transit system funding was up 4.7% across the state.

Below is a chart that highlights recent annual mass transit system funding amounts for your county and any regional authorities that operate within the county.

Central New York (Centro)*								
Year	Local Assistance - Mass Transit Accounts/Funds					Capital Projects	Total	Annual % Change
	10000	20853	20852	21402	21401	17551514		
SFY 2017-18	\$11,226,000	\$9,469,600	\$0	\$0	\$12,564,700	\$3,282,600	\$36,542,900	
SFY 2018-19	\$10,901,300	\$9,469,600	\$0	\$0	\$13,546,700	\$3,282,600	\$37,200,200	3.6%
SFY 2019-20	\$10,901,300	\$9,469,600	\$0	\$0	\$16,796,400	\$3,282,600	\$40,449,900	12.7%

* Services Cayuga, Oneida, Onondaga, Oswego

IV. Community College Funding

State Base Aid

The SFY 2019-20 adopted budget provides \$453.9 million for state base aid, this translates to per student FTE aid of \$2,947. While this per student aid is slightly higher than it has been in the past, current student enrollment is lower than in peak years and this can translate to less state funding support for individual community colleges. Importantly, the budget does provide new appropriation language that says no community college will receive less than 98 percent of the state aid they received in the prior year. The chart below provides state per student funding support over the last decade.

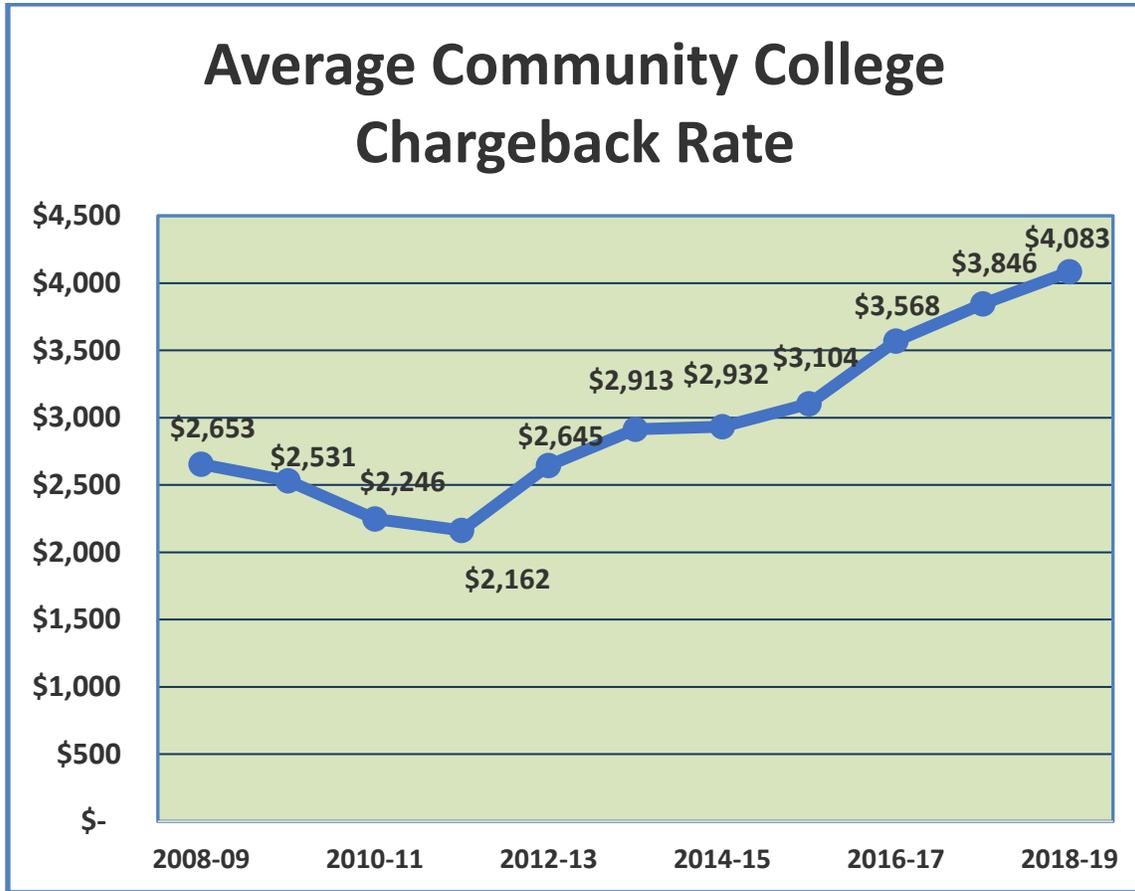
Community College State FTE Rates			
Year	State FTE \$	% Change	\$ Change
2008-09	\$2,675	0.0%	\$0
2009-10	\$2,675	0.0%	\$0
2010-11	\$2,260	-15.5%	(\$415)
2011-12	\$2,122	-6.1%	(\$138)
2012-13	\$2,272	7.1%	\$150
2013-14	\$2,422	6.6%	\$150
2014-15	\$2,497	3.1%	\$75
2015-16	\$2,597	4.0%	\$100
2016-17	\$2,697	3.9%	\$100
2017-18	\$2,747	1.8%	\$50
2018-19	\$2,847	3.6%	\$100
2019-20	\$2,947	3.5%	\$100

These state aid rates fall short when you measure them against inflation over the same time frame. Had the state aid FTE rates kept pace with inflation since 2008, the rate for 2019-20 would amount to \$3,234.

Chargebacks

As indicated, even though the state per student rate amounts have increased, the drop in enrollment can mean less state support overall at individual campuses. The combination of falling student enrollment and declines in total funding from the state can create shortfalls at certain schools that can lead to increased chargeback amounts between counties due to how the current chargeback methodology works.

The following table shows the trend in average community college chargeback rates over the last decade.



Total Operating Budgets for Community Colleges

Significant revenues flow to community colleges beyond the amount appropriated in the state budget. For the 2017-18 academic year the total operating budgets for the 30 community colleges, (sponsored by 37 counties and New York City) was \$1.96 billion, far beyond the \$480 million appropriated in the state budget.

Historically, funding for community colleges was designed to be a three-way split between the state, counties and students. Initially, the state offered financial support of 40 percent to encourage counties to develop campuses across the state. This state funding commitment was later change to “up to” 40 percent. The following chart provides a SUNY breakdown by campus of the \$1.96 billion in community college operating costs for the 2017-18 academic year and the funding shares by payer.

Cayuga County 2019 State Budget Impact Report

Total Operating Costs for Community Colleges and % Share by Payer - 2017/18					
Community College	Total Operating Costs	Student Share¹	State Share²	Local Share³	Offsets⁴
Adirondack	\$31,311,908	42.5%	26.1%	22.1%	9.2%
Broome	\$54,712,000	42.1%	25.4%	24.8%	7.8%
Cayuga	\$29,677,077	40.4%	24.7%	31.7%	3.1%
Clinton	\$13,629,554	36.9%	22.7%	32.2%	8.2%
Columbia-Greene	\$16,255,837	27.0%	20.0%	50.6%	2.4%
Corning	\$29,167,087	40.1%	25.5%	28.2%	6.2%
Dutchess	\$66,768,821	37.8%	27.8%	30.2%	4.2%
Erie	\$110,845,984	42.9%	27.3%	22.2%	7.5%
Fashion Institute	\$228,691,830	22.2%	12.4%	62.4%	2.9%
Finger Lakes	\$46,473,314	37.7%	27.3%	32.5%	2.5%
Fulton-Mont.	\$18,477,732	39.7%	27.5%	27.0%	5.9%
Genesee	\$40,923,000	32.1%	27.7%	37.9%	2.3%
Herkimer	\$23,015,807	37.4%	26.9%	31.0%	4.7%
Hudson Valley	\$94,711,700	44.3%	24.4%	26.3%	5.0%
Jamestown	\$31,649,869	40.0%	27.1%	26.2%	6.7%
Jefferson	\$29,096,680	43.6%	25.8%	23.4%	7.1%
Mohawk Valley	\$49,412,425	36.4%	27.1%	25.6%	11.0%
Monroe	\$122,933,000	45.5%	27.4%	21.6%	5.5%
Nassau	\$209,148,609	40.9%	21.7%	32.1%	5.4%
Niagara	\$47,888,131	35.9%	25.3%	34.9%	3.9%
North Country	\$14,518,251	34.4%	27.5%	27.1%	10.9%
Onondaga	\$80,802,434	45.8%	26.4%	17.3%	10.5%
Orange	\$61,134,138	39.9%	21.3%	34.4%	4.4%
Rockland	\$64,182,449	38.5%	26.3%	32.8%	2.4%
Schenectady	\$29,053,710	43.0%	33.1%	19.4%	4.6%
Suffolk	\$217,523,458	45.7%	24.2%	23.3%	6.8%
Sullivan	\$16,381,096	31.0%	19.7%	45.2%	4.0%
Tompkins-Cort.	\$40,857,954	46.8%	25.7%	25.6%	1.9%
Ulster	\$24,101,248	38.1%	24.0%	30.6%	7.3%
Westchester	\$118,311,018	39.7%	28.4%	26.8%	5.0%
GRAND TOTAL	\$1,961,656,121	39.1%	24.0%	31.5%	5.5%

¹ Student tuition and applicable fees

² State Base Aid, Rental Aid, Job Linkage and Low Enrollment funds

³ Sponsor Contributions, Chargeback Revenues, and Tuition Premium

⁴ Revenues collected to offset specific costs such as lab material costs, or federal, state or private grants, etc.

V. Economic Development Funding

Regional Economic Development Council Funding

For the last eight years the State has provided annual allocations to different regions of the state to promote economic development. This effort consolidated prior economic development programs and created a competition among the regions to submit plans for their respective regions. Applications are taken during the spring and summer months and awards are usually announced in December.

The ten REDC regions are as follows:

REDC Region	Counties
Western New York	Allegany, Cattaraugus, Chautauqua, Erie, Niagara
Finger Lakes	Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne, Wyoming, Yates
Southern Tier	Broome, Chemung, Chenango, Delaware, Schuyler, Steuben, Tioga, Tompkins
Central New York	Cayuga, Cortland, Madison, Onondaga, Oswego
Mohawk Valley	Fulton, Herkimer, Montgomery, Oneida, Otsego, Schoharie
North Country	Clinton, Essex, Franklin, Hamilton, Jefferson, Lewis, St. Lawrence
Capital Region	Albany, Columbia, Greene, Saratoga, Schenectady, Rensselaer, Warren, Washington
Mid-Hudson	Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester
New York City	Bronx, Kings, New York, Richmond, Queens
Long Island	Nassau, Suffolk

The table on the next page highlights funding awards for each of the 10 regions over the eight years that the Regional Economic Development Councils (REDCs) have been operating, as well as the total each region has been awarded. More information is available at www.regionalcouncils.ny.gov.

Cayuga County 2019 State Budget Impact Report

REDC Awards (in Millions)									
Region	Round I (2011)	Round II (2012)	Round III (2013)	Round IV (2014)	Round V (2015)	Round VI (2016)	Round VII (2017)	Round VIII (2018)	TOTAL
Western NY	\$100.3	\$52.8	\$60.8	\$58.6	\$83.9	\$62.0	\$68.8	\$66.0	\$553.2
Finger Lakes	\$68.8	\$96.2	\$59.8	\$80.7	\$120.1	\$80.5	\$63.9	\$86.5	\$656.5
Southern Tier	\$49.4	\$91.1	\$81.9	\$80.8	\$117.0	\$60.4	\$67.3	\$65.4	\$613.3
Central NY	\$103.7	\$93.8	\$66.9	\$80.2	\$122.4	\$62.2	\$86.4	\$88.2	\$703.8
Mohawk Valley	\$60.2	\$59.7	\$82.4	\$59.6	\$100.3	\$81.9	\$85.5	\$85.4	\$615.0
North Country	\$103.2	\$90.2	\$81.3	\$63.4	\$85.1	\$61.4	\$64.9	\$64.8	\$614.3
Capital Region	\$62.7	\$50.3	\$82.8	\$60.0	\$98.1	\$83.0	\$85.0	\$67.0	\$588.9
Mid-Hudson	\$67.0	\$92.8	\$59.6	\$82.8	\$90.4	\$83.3	\$84.8	\$87.1	\$647.8
NYC	\$66.2	\$51.4	\$57.4	\$61.2	\$84.1	\$80.2	\$64.8	\$84.4	\$549.7
Long Island	\$101.6	\$59.7	\$83.0	\$81.9	\$98.3	\$62.0	\$84.3	\$68.3	\$639.1
TOTAL	\$783	\$738	\$716	\$709	\$999	\$717	\$756	\$763	

2018 Regional Economic Development Council progress reports which outline the status of prior year projects can be found at <https://regionalcouncils.ny.gov/>. Select your region under the drop-down menu to view the most recent progress report.

VI. Election Reforms

As mentioned in the beginning of this report, the budget included some funding to assist counties with the implementation of early voting reforms. The budget included \$10 million for operating aid and \$14.7 million to assist counties in acquiring electronic poll books, on-demand ballot printers and cybersecurity software. There is no designation for the distribution of the operating aid, but the budget does lay out that capital assistance will be available based on the number of registered voters in each county. The chart below provides NYSAC estimates of what might be available for each county using registered voter data from the State Board of Elections.

Estimated Capital Funding SFY 2019-20 By County					
Source: https://www.elections.ny.gov/EnrollmentCounty.html					
COUNTY	TOTAL Registered Voters	Estimated Funding Avail. by County	COUNTY	TOTAL Registered Voters	Estimated Funding Avail. by County
Albany	203,621	\$235,766	Orleans	24,590	\$28,472
Allegany	26,090	\$30,209	Oswego	78,688	\$91,110
Broome	129,448	\$149,884	Otsego	35,654	\$41,283
Cattaraugus	48,582	\$56,251	Putnam	66,876	\$77,433
Cayuga	49,324	\$57,111	Rensselaer	107,464	\$124,429
Chautauqua	80,314	\$92,993	Rockland	202,591	\$234,573
Chemung	52,963	\$61,324	Saratoga	162,883	\$188,597
Chenango	29,614	\$34,289	Schenectady	101,574	\$117,609
Clinton	48,799	\$56,503	Schoharie	20,551	\$23,795
Columbia	46,393	\$53,717	Schuyler	12,418	\$14,378
Cortland	30,924	\$35,806	Seneca	20,906	\$24,206
Delaware	29,431	\$34,077	St.Lawrence	65,404	\$75,729
Dutchess	199,344	\$230,814	Steuben	60,272	\$69,787
Erie	638,300	\$739,066	Suffolk	1,046,712	\$1,211,953
Essex	27,389	\$31,713	Sullivan	52,327	\$60,588
Franklin	27,509	\$31,852	Tioga	33,333	\$38,595
Fulton	33,406	\$38,680	Tompkins	59,941	\$69,404
Genesee	38,572	\$44,661	Ulster	127,869	\$148,055
Greene	33,028	\$38,242	Warren	44,328	\$51,326
Hamilton	4,616	\$5,345	Washington	36,470	\$42,227
Herkimer	40,638	\$47,053	Wayne	56,801	\$65,768
Jefferson	63,775	\$73,843	Westchester	629,000	\$728,298
Lewis	18,218	\$21,094	Wyoming	25,045	\$28,999
Livingston	41,001	\$47,474	Yates	14,041	\$16,258
Madison	43,049	\$49,845	ROS Total	7,515,608	\$8,702,072
Monroe	486,942	\$563,814	Bronx	819,141	\$948,456
Montgomery	28,729	\$33,264	Kings	1,607,640	\$1,861,433
Nassau	1,028,334	\$1,190,674	New York	1,181,425	\$1,367,933
Niagara	141,801	\$164,187	Queens	1,258,019	\$1,456,618
Oneida	134,772	\$156,048	Richmond	313,930	\$363,489
Onondaga	318,011	\$368,214	NYC Total	5,180,155	\$5,997,928
Ontario	74,670	\$86,458	GRAND TOTAL	12,695,763	\$14,700,000
Orange	232,263	\$268,930			

VII. Gaming Revenues - Casino

Commercial and Native American Casino Revenue

On November 5, 2013 voters approved an amendment to the State Constitution to allow for private casino gaming in New York. This change allowed the State of New York to enact legislation requiring the sharing of revenue by both commercial and Native American casinos (the latter through compacts that were adopted in State law).

The State distributes 80 percent of the net gaming revenues retained by the State for state education aid above the state education formula. The host municipalities (city/town and county) share 10 percent. The remaining counties within each region share the final 10 percent.

In State fiscal year 2017-18 (last year data is publicly available), all casinos combined contributed \$249 million to school districts, counties, and host communities. Of this amount, \$173 million was for schools, and \$76 million was for counties and host communities.

Each county’s amount is determined by their proportionate share of the gaming region’s total population (not including the host communities). For counties in commercial gaming zones the revenue is highlighted as it accrues on a monthly-basis since these facilities have started operations. For commercial casino zones, the monthly amounts due to each county can be found at <https://www.gaming.ny.gov/gaming/index.php?ID=1>.

The revenue from both commercial and Native American casinos is paid out to counties on a quarterly basis. At this time, the most recent data for Native American gaming facilities is not available.

VIII. Human Services

Background

Counties are responsible for the delivery of state mandated human service programs including all of the federal entitlement programs—Supplemental Nutrition Assistance Program (SNAP), Home Energy Assistance Program (HEAP), Safety Net Program, and Temporary Assistance for Needy Families (TANF).

These programs along with Medicaid consume a large portion of county budgets and the state budget.

The Supplemental Nutrition Assistance Program

SNAP continues to be a key part of New York State’s efforts to address hunger. For an eligible household consisting of a single parent and two children, SNAP can provide up to \$6,060 a year. An average of 2.7 million people a month received a total of almost \$4.5 billion in SNAP benefits during the past year.

The chart below represents the total spend within your county on the SNAP program along with a percent comparison to the statewide total SNAP program spend.

Master (February 2018- January 2019) Last 12 Months of Data										
Table 16										
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)										
Households, Persons and Value of SNAP Benefit by Local District										
Local District	Total			Temporary Assistance			Non Temporary Assistance			Percent of Statewide Total
	Households	Persons	SNAP Benefits	Households	Persons	SNAP Benefits	Households	Persons	SNAP Benefits	
New York State	1,549,566	2,755,671	\$ 4,531,087,249	642,499	945,344	\$ 1,758,444,099	907,068	1,810,328	\$ 2,772,643,150	0.31%
Cayuga	5,229	9,708	\$ 14,034,028	1,539	2,108	\$ 3,842,436	3,690	7,600	\$ 10,191,592	

Note: Supplemental Nutrition Assistance Program households containing only Supplemental Security Income recipients or a mix of Temporary Assistance and Supplemental Security Income recipients are counted as Temporary Assistance

The Home Energy Assistance Program

HEAP helps eligible households cover the cost of heating their homes during the winter. The federally-funded program also offers an emergency benefit for households facing a heat-related emergency. In 2017, 1.46 million households received a regular HEAP benefit and approximately 117,000 of those households also received an emergency HEAP benefit.

The chart below represents the total spend within your county on the HEAP program along with a percent comparison to the statewide total HEAP program spend.

Master (October 2017- September 2018) FFY 2018 Totals				
Table 25				
HOME ENERGY ASSISTANCE PROGRAM				
Number and Dollar Amount of Benefits Authorized and Administrative Allocations				
Local District	Benefits Authorized		Administrative Allocations	Percent of Statewide Spending
	Number	Dollar Amount		
New York State	1,605,143	\$ 313,593,197	23,966,970	1.01%
Cayuga	7,633	\$ 3,204,010	206,982	

* Please Note: The Home Energy Assistance Program Federal Fiscal Year runs from October 1 through September 30.

Public Assistance

Public Assistance provides temporary cash assistance to eligible families and individuals to help them meet basic needs such as housing. This benefit is essential to those who may be temporarily unemployed or unable to work, as well as very low-wage workers. Adult Public Assistance applicants and recipients are assessed to determine what activities are most appropriate to help them obtain employment. Individuals may be exempt from engaging in work or work activities based on certain factors outlined in social services law, such as being too ill to work, caring for a child under three months of age or caring for an incapacitated family member.

Those who can work must look for work and/or participate in activities to prepare them for work. These activities include job search, job readiness instruction, adult education and job skills training, or college degree programs.

The charts below represent the total spend within your county on the TANF program (generally funded 100 percent with federal funds) and Safety Net program (for the nonfederal portion it is 29 percent state and 71 percent county) along with a percent comparison to the statewide total TANF and Safety Net program spending.

Master (February 2018- January 2019) Last 12 Months of Data											
Table 9											
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES-FP BY PROGRAM											
Cases, Recipients, Children, Adults and Expenditures by Local District											
Local District	Family Assistance- FP					Safety Net Assistance- FP					Percent of Statewide Total
	Cases	Recipients	Children	Adults	Expenditures	Cases	Recipients	Children	Adults	Expenditures	
New York State	85,110	197,494	145,246	52,248	\$ 684,446,516	1,016	2,712	1,575	1,137	\$ 8,178,852	0.35%
Cayuga	311	688	527	161	\$ 2,272,218	14	37	22	16	\$ 122,238	

** Cases, Recipients, Children, Adults values represent the average over the last 12 months.

**Master (February 2018- January 2019) Last 12 Months of Data
Table 7**

SAFETY NET ASSISTANCE*

Cases, Recipients, Children, Adults and Expenditures by Local District

<u>Local District</u>	<u>Cases</u>	<u>Recipients</u>	<u>Children</u>	<u>Adults</u>	<u>Expenditures</u>	<u>Percent of Statewide Total</u>
New York State	189,000	319,079	106,412	212,746	\$ 1,501,315,508	0.23%
Cayuga	445	594	149	445	\$ 3,438,809	
* Includes Federally Non-Participating Family Assistance cases (non-disabled two-parent Family Assistance cases)						
** Cases, Recipients, Children, Adults values represent the average over the last 12 months.						

IX. K-12 Education Funding

For SFY 2019-20, total preschool through 12th grade state aid is \$27.3 billion, a 3.6 percent increase. This compares to a 4.7 percent increase in SFY 2018-19. The share of funding set aside for New York City was \$11.3 billion, 3.4 percent higher than last year.

Overall, state school aid is one of the largest expenses in the state budget, responsible for 26.8 percent of total State Operating Funds spending, and about 16 percent of All Funds spending in the state budget.

While the total funding change is 3.6 percent, the change by school district, and across counties, can vary dramatically. Typically, if a school district’s funding share is negative or shows a large increase (5+ percent) there is a good chance the funding level was impacted, in either direction, by one-time changes in building aid (related to capital projects) or BOCES funding.

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 seven consecutive years including SFY 2019-20. State school aid funding is up 41 percent since 2012.

The table below highlights state aid for schools since 2008 (does not include federal funds).

State School Aid Funding 2008 through 2020		
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	5.0%
2017	\$24.3 billion	5.9%
2018	\$25.2 billion	3.7%
2019	\$26.4 billion	4.7%
2020¹	\$27.3 billion	3.6%

¹2019-20 Estimate provided by New York State Education Department.

The chart below provides a projection of how school districts in your county fared in receiving general state aid for schools in SFY 2019-20 and how that compares to prior state aid funding changes.

2019-20 State School Aid – Cayuga County						
School District	2017-18 Total Allocation	2017-18 Percent Change	2018-19 Total Allocation	2018-19 Percent Change	2019-20 Estimated Allocation¹	2019-20 Percent Change
Auburn	\$40,703,691	2.59%	\$44,837,348	10.16%	\$46,531,118	3.78%
Weedsport	\$10,396,020	2.49%	\$10,510,281	1.10%	\$10,885,264	3.57%
Cato Meridian	\$13,945,043	2.51%	\$14,607,381	4.75%	\$14,917,098	2.12%
Southern Cayuga	\$8,741,517	0.21%	\$8,961,245	2.51%	\$9,393,218	4.82%
Port Byron	\$14,069,842	5.69%	\$13,874,909	-1.39%	\$14,754,528	6.34%
Moravia	\$13,070,263	4.45%	\$13,431,097	2.76%	\$14,347,193	6.82%
Union Springs	\$10,038,433	1.19%	\$10,506,457	4.66%	\$11,462,951	9.10%
Countywide Total	\$110,964,809	2.85%	\$116,728,718	5.19%	\$122,291,370	4.77%

¹Estimate provided by New York State Education Department.

X. Medicaid

Background

Counties have lobbied for decades regarding the extreme burden that paying for the State’s Medicaid program places on local budgets and property taxpayers – especially compared to other states. In recognition of these concerns, the state imposed two separate county Medicaid growth caps since 2005. In the absence of these changes, county costs would be billions of dollars higher today.

Three Percent Medicaid Growth Cap

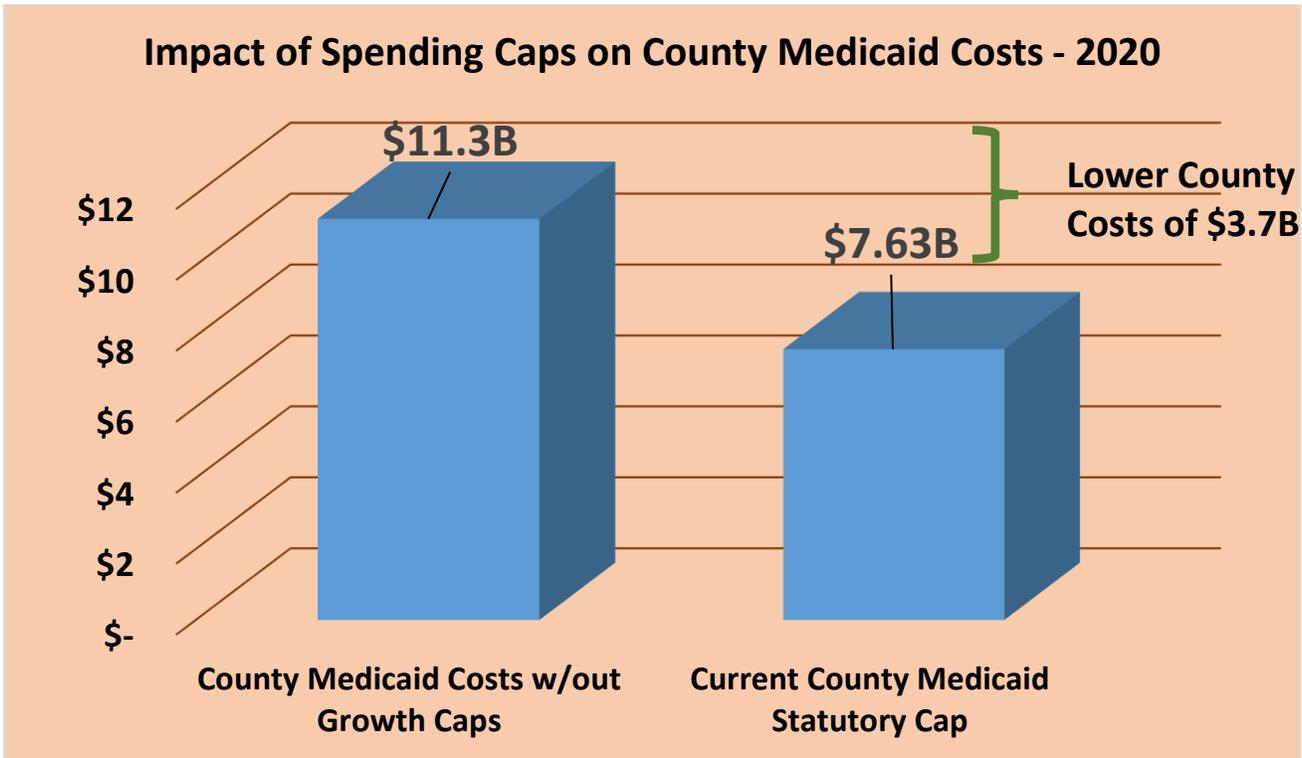
In 2005, the state enacted a cap on the annual growth of county Medicaid expenses to no more than 3.5 percent of the designated base year, which ratcheted down to annual growth of no more than 3 percent of base year costs by 2008 – this capped annual increase to \$182 million per year for counties and New York City. By 2020, this initial cap will have reduced the county share by over \$2.7 billion annually.

Prior to the cap, the county share of Medicaid costs was a set percentage of each Medicaid service delivered. These rates varied from zero percent to 50 percent of the nonfederal share. County costs would generally rise each year based on state-imposed provider rate changes, and any changes to benefit design or eligibility. A large expansion of Medicaid eligibility and benefit enhancements in 2002 caused county costs to spike and this led to the first growth cap on county Medicaid costs as described above.

Zero Percent Medicaid Growth Cap

In 2012, the enactment of a state-imposed local property tax cap led to a second growth cap on county Medicaid costs that slowly lowered the three percent annual growth rate in effect to zero percent by 2015. Since enactment of the zero percent Medicaid growth cap counties are spending about \$1 billion less today on Medicaid than if the zero percent cap were not enacted.

The State estimates that due to these two caps, county Medicaid costs are \$3.7 billion lower today. The combined county and New York City Medicaid shares are capped at \$7.6 billion, rather than \$11.3 billion in the absence of the two caps. The chart on the next page highlights the county savings generated by these state actions.



Total Impact of Recent Changes on County Medicaid Costs

The gross impact of these important Medicaid financing changes on each county varies based on the population served upon enactment of the first cap in 2005 and the caseload mix experienced by each county since then. The chart below provides state estimates of the annual savings for state fiscal years

2019 through 2023 for your county due to the state-imposed Medicaid spending caps. There are a variety of potential offsets the state may enforce related to other Medicaid costs owed to the state that can impact the net fiscal benefit for each county in any given year. These offsets could include funding reserves against future federal disallowances, audit findings, or differences resulting from annual Medicaid reconciliations.

County Government Savings					
State Takeover of Local Medicaid Costs (2005 Cap and Growth Takeover)					
Annual Savings SFY 2019 through 2023					
	SFY 2019	SFY 2020	SFY 2021	SFY 2022	SFY 2023
Cayuga	\$12,686,410	\$13,536,456	\$14,412,854	\$15,316,420	\$16,427,996

Federal Affordable Care Act Reduces County Medicaid Costs

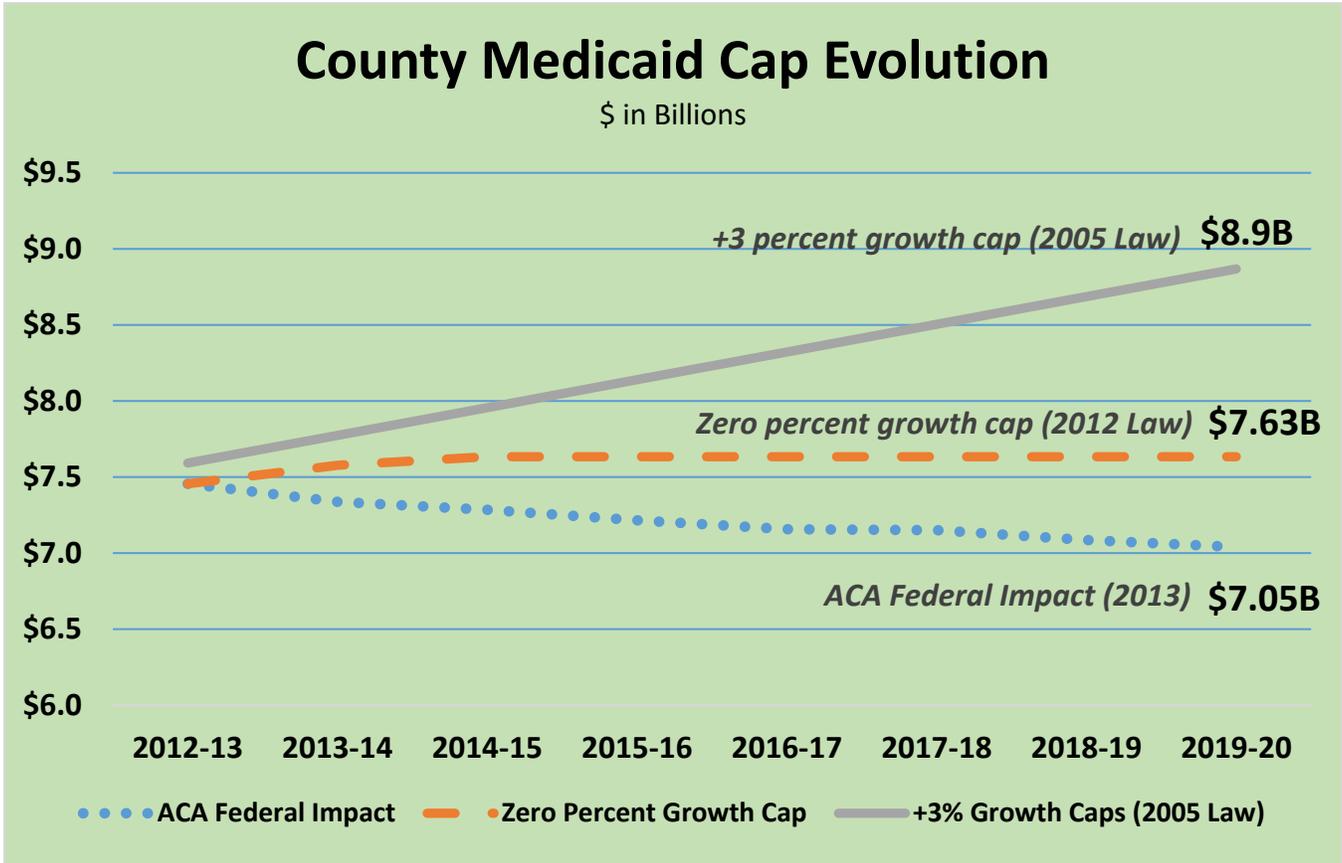
In addition, counties also receive Medicaid cost reductions from the federal government through the Affordable Care Act (ACA). Under the ACA, the federal government began phasing in enhanced federal Medicaid matching rates for certain enrollees that will grow from a 50 percent federal match to a 93 percent federal match by calendar year 2019, which drops back to 90 percent for calendar year 2020 and beyond. Under the federal law these enhanced federal payments provide direct fiscal relief to the state of New York and its counties. These federal savings began flowing to counties in 2014 when the state began passing through the federal savings to counties by lowering each counties’ weekly Medicaid payments.

While these federal savings vary, a typical county is spending about 6.6 percent less for Medicaid than the State’s zero percent statutory cap requires. In the 2019-20 state fiscal year counties statewide will spend about \$550 million less than their respective state statutory caps because of the Affordable Care Act.

It is important to note that the fiscal benefits from the ACA will begin to plateau for nearly all counties in the next year as the enhanced federal matching rates reach their maximum level. Future benefits will vary based on caseload changes in each county compared to the rest of the state, which could result in small fiscal increases or decreases from year to year.

Another key factor that remains unknown is the impact of federal changes to the ACA. Congress has tried to repeal the law and the President continues to maximize his administrative authority to dismantle as much of the law as possible. These actions could cause enrollment to decline (which can reduce fiscal benefits for New York), or even cause the law to eventually fail – if this occurs, the federal fiscal benefits currently provided would be eliminated.

The chart below highlights that in state fiscal year 2019-20, counties will spend \$1.9 billion less through the combined impact of the zero percent growth cap and the ACA enhanced federal Medicaid match. This equals county cost avoidance of 21 percent since 2013, in the absence of the zero percent growth cap and the ACA enhanced federal match.



Total Medicaid Spending by County

New York State has the second largest Medicaid program in the country with total spending of about \$78.9 billion projected in SFY 2020. This includes:

- \$24.7 billion in State Operating Funds and other State Agency spending;
- \$7.3 billion in county and New York City match; and
- \$46.8 billion in federal funds (this includes about \$4.9 billion for the Essential Plan under the ACA – not a Medicaid program, but provides health insurance coverage for low income individuals).

Medicaid encompasses about 24 percent of State Operating Funds spending, and about 41 percent of All Funds spending in the state budget. Below is a chart that estimates how much of this total spending occurs in your county and the county per capita spend. These amounts are influenced by historical trends related to income and poverty levels in each county, as well as the general cost of living in certain communities. There is a wide variation in per capita spending ranging from \$1,387 to \$5,932 – the median is \$2,397.

Projected Medicaid Expenditures - SFY 2020			
County	2020 Estimated Medicaid Spending (All Funds)	Estimated 2020 Medicaid spending per capita	Share of Total NYS Medicaid Spending
Cayuga	\$165,038,434	\$2,161	0.21%
<i>Rest of State</i>	<i>\$26,819,358,558</i>	<i>\$2,393</i>	<i>34.00%</i>
<i>New York City</i>	<i>\$52,058,642,442</i>	<i>\$5,932</i>	<i>66.00%</i>
<i>New York State Total</i>	<i>\$78,878,000,000</i>	<i>\$3,947</i>	<i>100.00%</i>

XI. 9-1-1 System Funding

There have been significant changes in recent years in the way the state provides funding for 9-1-1 systems. The primary state funding method remains the \$1.20 state, and \$.30 local, surcharge that is assessed on most cellular devices. Originally, this surcharge was known as the *9-1-1 Cellular Surcharge*, but the name was later changed to the *Public Safety Communications Surcharge* by the state in recognition that funds raised were not being used for just 9-1-1 purposes.

In state fiscal year 2018 the state dispersed the revenue raised from the \$1.20 Public Safety Communications Surcharge (\$200.2 million) as follows:

- 42 percent (\$84 million) goes to the State’s General Fund
- 13 percent (\$26 million) goes to state agencies for direct public safety purposes
- 5 percent (\$10 million) to county public safety answering points (PSAPs)
- 40 percent (up to \$45 million) set aside for formula grants to improve interoperability of county 9-1-1 systems, and another \$20 million to be used by the state for projects to fill gaps in the statewide system

Public Safety Surcharge Changes in SFY 2017-18 Budget

Prepaid Surcharge

The SFY 2017-18 Budget authorized a public safety surcharge to be applied on prepaid cellular devices for the first time. NYSAC provided research to the state that the old surcharge model needed to be updated and that a sizable number of cellular users were not paying any surcharge. NYSAC concluded that up to 25 percent of surcharges were not being collected because of changes in consumer behavior and the marketing practices of major cellular service providers.

The prepaid public safety surcharge authority was effective December 1, 2017. This legislation requires sellers to collect a surcharge on the sale of each prepaid wireless communications service or device sold within the state using a vendor-based sales tax collection model. The state is authorized to collect \$.90 on each transaction. In addition, each county has the authorization to impose a \$.30 local surcharge on prepaid wireless devices. The surcharge does not apply to “Lifeline” devices. As of the release of this report all counties except Columbia, Hamilton, and St. Lawrence have enacted this surcharge.

Postpaid Surcharge

In addition to the prepaid surcharge, this legislation allows New York City and all counties the authority to continue to charge, or establish, a \$.30 local public safety surcharge on all postpaid cellular devices, without going through the state legislative process. As of the release of this report all counties except Columbia, Hamilton, and St. Lawrence have enacted this surcharge.

New Centralized Surcharge Collection Process

Under the new surcharge authority, the state also centralized the administration and collection of surcharges through the NYS Department of Taxation and Finance. Effective December 1, 2017 and for all sales tax quarters thereafter the state is collecting this revenue and dispersing it back to counties on a quarterly basis. For the annual sales tax period (December 2017 through November 2018) subject to the new model, the state collected \$59.69 million in local surcharges (prepaid and postpaid). The chart below highlights these collections by county.

County Cellular Surcharge Collections			
December 2017 through November 2018			
County	Net Receipts	County	Net Receipts
Albany County	\$926,049	Onondaga County	\$1,364,555
Allegany County	\$107,003	Ontario County	\$315,373
Broome County	\$528,564	Orange County	\$1,149,769
Cattaraugus County	\$208,322	Orleans County	\$107,753
Cayuga County	\$212,396	Oswego County	\$297,749
Chautauqua County	\$325,503	Otsego County	\$152,889
Chemung County	\$233,783	Putnam County	\$313,241
Chenango County	\$120,949	Rensselaer County	\$521,302
Clinton County	\$204,552	Rockland County	\$960,974
Columbia County	\$0	St. Lawrence County	\$0
Cortland County	\$117,313	Saratoga County	\$670,250
Delaware County	\$105,321	Schenectady County	\$472,129
Dutchess County*	\$636,287	Schoharie County	\$83,420
Erie County	\$2,677,905	Schuyler County	\$57,590
Essex County	\$89,896	Seneca County	\$89,433
Franklin County	\$110,236	Steuben County	\$270,636
Fulton County	\$134,794	Suffolk County	\$4,962,099
Genesee County	\$167,535	Sullivan County	\$184,054
Greene County	\$124,045	Tioga County	\$127,157
Hamilton County	\$0	Tompkins County	\$248,375
Herkimer County	\$170,008	Ulster County	\$490,912
Jefferson County	\$312,956	Warren County	\$203,388
Lewis County	\$60,687	Washington County	\$144,491
Livingston County	\$159,896	Wayne County	\$257,363
Madison County	\$175,337	Westchester County	\$3,111,679
Monroe County	\$2,226,552	Wyoming County	\$102,055
Montgomery County	\$117,260	Yates County	\$56,230
Nassau County	\$4,543,702	ROS Subtotal	\$32,524,561
Niagara County*	\$401,304	City of New York	\$27,067,627
Oneida County	\$611,541	GRAND TOTAL	\$59,592,187
*Local Surcharge is effective March 1, 2018			
* This chart represents a NYSAC calculated total to adjust for inaccuracies in the September, 2018 state data.			
** Prepaid collections represent roughly 23% of total collections. The range of prepaid collections being 10% to 37% depending on the county.			

Interoperability Communications Program

The 2019-20 budget includes \$75 million for the Interoperable Communications Grant Program (SICG) (\$65 million) and the Public Safety Answering Points (PSAPs) Program (\$10 million). The program provides \$65 million for the development, consolidation or operation of public safety communications systems or networks designed to support statewide interoperable communications for first responders with most of the funding being distributed by a formula (\$45 million) and the rest to be used by the state to fill gaps in 9-1-1 systems where they exist (\$20 million). The remaining \$10 million is distributed via a formula to help cover operating expenses of Public Safety Answering Points (PSAPs) in each county.

Statewide Interoperable Communications Grants (SICG)

In 2010, the New York State Division of Homeland Security and Emergency Services (DHSES), through its Office of Interoperable and Emergency Communications (OIEC), issued a grant program to facilitate the development, consolidation and/or operation of public safety communications and networks designed to support statewide interoperable communications for first responders. The grants were competitive and awarded to counties after filling out an application. These competitive grants were not intended to be recurring and usually helped pay for major capital expenditures.

As of 2016, the OIEC transformed the competitive grant process to a formula-based model. The SICG-Formula Program focuses on further minimizing gaps in interoperable communications by aligning technology acquisitions with operational use by first responders, which provides the foundation necessary to accomplish a high level of interoperability. The new grant program is intended to provide recurring annual awards with a goal of improving interoperability, administration and enhancements of 9-1-1 communication systems in New York State. The switch to a formula-based system for a large share of the interoperability funding provides a more stable source of revenue to counties to support and upgrade their 9-1-1 systems and prepare for NextGen 9-1-1 system development.

The Statewide Interoperable Communications Grant (SICG) program distributions have been as follows:

2010-11 Round 1 SICG (Competitive)	Total Awarded: \$20,000,000
2011-12 Round 2 SICG (Competitive)	Total Awarded: \$102,000,000
2012-13 Round 3 SICG (Competitive)	Total Awarded: \$75,000,000
2014-15 Round 4 SICG (Competitive)	Total Awarded: \$50,000,000
2016-17 Round 5 SICG (Formula)	Total Awarded: \$45,000,000
2016-17 Round 5 SICG (Target Grant)	Total Awarded: \$20,000,000
2017-18 Round 6 SICG (Formula)	Total Awarded: \$45,000,000
2017-18 Round 6 SICG (Target Grant)	Total Awarded: \$20,000,000
2018-19 Round 7 SICG (Formula)	Total Awarded: \$45,000,000
2018-19 Round 7 SICG (Target Grant)	Total Awarded: \$20,000,000

**Statewide Interoperable Communications Grants (SICG) by County –
2016, 2017, and 2018 funds while allocated are still in the process of
being drawn down by counties.**

County Name	2010-11 Round 1	2011-12 Round 2	2013-14 Round 3	2014-15 Round 4	2016 Formula	2017 Formula	2018 Formula
Albany		\$6,000,000			\$1,000,417	\$1,272,530	\$1,276,449
Allegany			\$5,951,039		\$911,523	\$958,841	\$889,690
Broome			\$6,000,000		\$674,824	\$718,401	\$678,019
Cattaraugus			\$6,000,000		\$663,916	\$726,536	\$674,160
Cayuga			\$5,251,690	\$2,525,492	\$838,244	\$778,135	\$806,629
Chautauqua		\$6,000,000			\$657,306	\$647,798	\$639,301
Chemung		\$6,000,000			\$566,034	\$543,685	\$541,201
Chenango					\$456,553	\$0	\$534,819
Clinton		\$2,152,080			\$584,478	\$664,424	\$646,188
Columbia				\$3,500,000	\$516,279	\$516,018	\$476,985
Cortland	\$4,000,000	\$6,000,000			\$995,456	\$978,349	\$964,140
Delaware	\$1,078,000	\$3,404,000			\$447,657	\$480,891	\$497,400
Dutchess				\$2,048,758	\$682,199	\$630,120	\$616,793
Erie		\$830,405		\$2,132,185	\$1,096,094	\$1,072,420	\$1,106,090
Essex	\$2,000,000	\$2,251,759		\$420,814	\$798,157	\$799,637	\$782,665
Franklin			\$3,407,921		\$701,096	\$703,803	\$681,121
Fulton			\$2,327,780		\$437,407	\$429,721	\$471,118
Genesee	\$228,309	\$5,435,095		\$3,065,120	\$705,023	\$579,558	\$664,778
Greene	\$893,000			\$3,500,000	\$464,037	\$468,265	\$438,850
Hamilton			\$2,530,385		\$471,640	\$540,339	\$544,803
Herkimer			\$899,462		\$637,534	\$639,876	\$595,532
Jefferson			\$6,000,000		\$659,672	\$647,104	\$612,697
Lewis			\$6,000,000		\$539,653	\$653,718	\$682,650
Livingston			\$5,994,854	\$3,500,000	\$598,108	\$589,682	\$667,855
Madison	\$1,997,812	\$4,194,189		\$3,500,000	\$821,280	\$782,596	\$763,731
Monroe		\$5,468,173		\$3,493,045	\$1,459,024	\$1,727,572	\$1,683,479
Montgomery			\$1,685,554		\$447,091	\$463,291	\$423,415
Nassau	\$877,729			\$3,500,000	\$856,563	\$899,859	\$1,009,797
New York City		\$3,543,309			\$5,680,831	\$5,326,241	\$5,448,636
Niagara	\$2,000,000	\$742,164			\$673,193	\$711,170	\$669,712
Oneida				\$3,500,000	\$637,360	\$773,684	\$857,631
Onondaga	\$331,446	\$4,959,000			\$1,404,362	\$1,360,003	\$1,274,666
Ontario		\$2,202,885			\$716,143	\$682,338	\$621,204
Orange		\$5,998,000			\$757,344	\$864,231	\$802,256
Orleans		\$2,000,000			\$448,993	\$420,587	\$403,172
Oswego			\$6,000,000		\$886,284	\$846,320	\$844,821
Otsego	\$1,128,000				\$797,694	\$684,650	\$796,814
Putnam				\$3,500,000	\$482,829	\$454,708	\$460,753
Rensselaer		\$5,066,512		\$3,500,000	\$798,760	\$736,407	\$746,423
Rockland		\$5,500,000			\$853,925	\$852,018	\$825,122
Saratoga			\$2,280,500	\$2,961,221	\$874,563	\$834,169	\$812,919
Schenectady					\$610,436	\$518,618	\$669,427
Schoharie	\$858,000	\$433,500		\$2,406,500	\$436,557	\$485,123	\$455,260
Schuyler		\$4,271,900			\$398,500	\$381,179	\$382,595
Seneca			\$6,000,000		\$476,901	\$441,439	\$411,692
St Lawrence			\$2,679,690		\$759,073	\$937,148	\$811,132
Steuben	\$1,523,264	\$3,169,693		\$2,946,865	\$862,857	\$804,996	\$776,687
Suffolk		\$6,000,000			\$1,118,377	\$1,069,314	\$1,007,048
Sullivan	\$1,198,000	\$841,833			\$680,727	\$757,308	\$685,016
Tioga		\$2,342,000			\$442,981	\$453,399	\$450,221
Tompkins		\$2,854,312			\$738,565	\$704,018	\$680,422
Ulster	\$978,000				\$521,553	\$524,993	\$575,721
Warren	\$736,939				\$523,375	\$550,861	\$522,261
Washington	\$171,501				\$709,086	\$837,216	\$771,550
Wayne		\$2,036,700			\$514,825	\$541,839	\$488,881
Westchester			\$5,991,125		\$677,239	\$608,545	\$569,661
Wyoming		\$1,771,236			\$474,197	\$473,355	\$456,166
Yates		\$531,255			\$355,205	\$350,954	\$351,776
Totals	\$20,000,000	\$102,000,000	\$75,000,000	\$50,000,000	\$45,000,000	\$45,000,000	\$45,000,000

Public Safety Answering Points (PSAPs) Funding

In addition, the Division of Homeland Security and Emergency Services awards grants to counties across the State on a formula basis to reimburse for costs associated with Public Safety Answering Points (PSAP) operations, consolidation, and improvements.

The most recent interoperability (SICG) and PSAP awards for your county are listed below:

Cayuga County		
	PSAP	SICG
2010-11		\$0
2011-12		\$0
2012-13	\$0	
2013-14	\$0	\$5,251,690
2014-15	\$168,619	\$2,525,492
2015-16	\$170,907	
2016-17	\$173,311	\$838,244
2017-18	\$202,548	\$778,135
2018-19	\$167,647	\$806,629
Total	\$883,032	\$10,200,190
Shading denotes no award		

XII. Sales Tax Reforms

Key Revenue Items that Will Impact Counties

The adopted budget provided significant changes in the administration of sales tax in New York, including:

- An update to sales tax practices regarding internet retail transactions to conform with a recent U.S. Supreme Court decision and to impose more fairness in the application of sales tax in New York; and
- The elimination of a sales tax exemption for energy service companies (ESCOs), that the legislature and Governor felt were no longer necessary as the industry has become well established in New York.

These changes will provide increased revenues for counties, all things being equal, but the impact by county will vary considerably due to interactions with other items in the budget.

Marketplace Fairness - Internet Sales Tax Collections

After three years, the Governor’s proposal to update New York’s sales tax collection process was adopted to ensure that sales tax owed on internet transactions is collected and to reduce the unfair application of sales tax based on the mode of the purchase. The new provisions will become effective June 1, 2019. The internet fairness proposal requires large internet marketplace providers to collect sales tax on behalf of all vendors that use their platform and remit these sales taxes to the state. On a full annual basis, the state estimates that as much as \$280 million in local sales tax could be collected through this “marketplace” fairness change – DOB estimates \$158 million for all

local governments (most of this will accrue to counties, but before any sales tax sharing) and \$122 million for New York City.

The final budget also includes the creation of a New York City Business District fund where sales tax will be diverted annually from the local share of New York City sales tax (\$170 million), as well as a portion of state sales tax (\$150 million) to support the MTA capital plan. These funds are considered “new” sales tax related to the internet changes adopted.

Administrative Actions Related to Wayfair Supreme Court Decision

In addition, the recent *Wayfair v South Dakota* Supreme Court decision clarified that states do have the right to collect sales tax on internet transactions initiated in their state under most circumstances (there are safe harbor provisions for small retailers that will protect them from having to collect sales tax). Due to the *Wayfair* decision, New York State reinforced existing sales tax regulations in January 2019 to remind internet-based vendors selling into the state that they are required to start collecting and remitting sales taxes if they met certain sales thresholds (\$300,000 in sales and they conduct more than 100 transactions into the state). These administrative provisions are estimated to bring in as much as \$110 million annually in currently uncollected local sales tax – DOB estimates \$62 million for all local governments and \$48 million for New York City.

The state budget will divert \$59.2 million of the “new” county sales tax revenues expected to be generated from the combined state actions to reimburse towns and villages in an amount equal to what they lost in State AIM payments, enacted separately within the budget. The State will make the first such payment in December 2019 for towns and each December thereafter. For villages, the first payment will be made by the state in May 2020 and each May thereafter. We do not yet know when these withholdings will begin, or how they will be processed.

Under the provisions of the budget, once the funds are diverted they lose their identity as county sales tax dollars and, therefore, are not available for purposes of existing sales tax sharing arrangements. This means that the net fiscal impact of the AIM diversion is slightly reduced for counties that share sales tax because in the absence of this provision a portion of the diverted funds would have been shared and not available to the county.

The state estimates the total local fiscal impact of the internet sales tax law changes and administrative actions is \$390 million. This represents about 2.2 percent of the total local sales tax collected in 2018. For counties, the estimated share of this “new” internet sales tax revenue is about \$175 million according to the Executive (this is 2.1 percent of total county sales tax before any sharing). When the \$59 million is deducted to account for the AIM diversion the remaining amount represents about 1.6 percent of the total county sales tax collected in 2018.

The net fiscal impact by county will vary depending on the amount withheld to satisfy AIM restoration payments within the county and existing sales tax sharing arrangements. Based on current projections, a small number of counties will likely see a minimal net fiscal benefit on a full annual basis, but others will see important revenue gains – no county should experience a loss on a full annual basis. However, NYSAC projects that between 4 to 18 counties will likely experience a net loss in the 2019 calendar year depending on how revenues accrue from the combined actions in

the budget. Some of this loss could be reduced or eliminated with new revenues generated by the ESCO sales tax changes described later.

The chart below provides an estimate of how the additional revenue is expected to accrue to local governments in the aggregate. The chart utilizes NYS Division of Budget estimates of \$390 million being generated for all local governments and historic distribution of local sales tax, including the interaction of sales tax sharing arrangements.

Projected Internet Sales Tax for Local Governments		
Local Share Breakdown		DOB Estimate of \$390M from Internet Changes
Local Entity	% of Total	
City of New York	44%	\$170M
Counties <i>(before sales tax sharing)</i>	33%	\$130M
AIM Restoration	15%	\$59M
Other local Governments - Cities <i>(that preempt), school districts, etc.</i>	8%	\$31M
TOTAL	100%	\$390M

The Impact of Internet Sales Tax Changes & AIM Restorations on Your County

The following chart provides a projection of the full annual, and 2019 calendar year, impact from the combined actions described above for your county, all else being equal. As mentioned, the 2019 calendar year impact will have negative cash impacts for some counties because a full year of AIM restoration payments will need to be financed for towns and a partial year for villages without the benefit of a full year of internet sales tax changes.

The projection for your county starts with the NYS Division of the Budget estimates of the full annual impact of the sales tax changes generating \$390 million in new revenue for local governments. NYSAC then conducted an analysis of ecommerce sales in each county over the last five years and developed a proportionate share of these sales for each county. These proportionate shares were then adjusted to recognize county sales tax rates to determine the potential gross dollar impact on each county. The final steps of the analysis adjust for any sales tax sharing impacts from existing agreements (per State Comptroller data) and reductions in “new” internet county sales tax to support AIM restorations in each county.

The columns to the far right show the impact based on a “low” and “high” range for new internet sales tax collections in 2019 (the new revenues will depend on how quickly new vendors comply with the updated laws, with better and faster compliance potentially generating more revenue). The 2019 impact could change based on how the State Comptroller ultimately processes county sales tax withholding. There are a variety of options for withholding, including once or twice a year in a lump sum to correlate with the timing of payments to municipalities by the state (this approach

would reduce the 2019 impact), or uniformly each month throughout the year – the chart assumes they will be withheld uniformly throughout the year.

Projected County Impact - Internet Sales Tax and AIM Payment Changes							
County	FULL ANNUAL VALUE					2019 County Fiscal Year Impact LOW ²	2019 County Fiscal Year Impact HIGH ²
	Gross New Internet Sales Tax ¹	Effective \$ Amount Shared	\$ Retained by County After Existing Sales Tax Sharing	New Internet County Sales Tax Withheld by State for Payments to Towns & Villages	FULL ANNUAL Net Fiscal Impact After Sales Tax Withhold & Sales Tax Sharing		
Cayuga	\$843,737	(\$243,323)	\$600,414	(\$357,091)	\$243,323	\$2,060	\$62,101

¹County share based on DOB estimate of \$390M for all local governments. Adjusted by NYSAC for local tax rates, historical local shares (AS510 Tax & Finance), and a 5-year average of total taxable sales for electronic shopping/mail order

²2019 requires a full year AIM payment for towns and partial year for villages, but provides potentially just over 6 months new internet sales tax under LOW estimate and up to nearly 8 months under HIGH estimate

Elimination of the Energy Services Company Sales Tax Exemption

The adopted budget eliminates the sales tax exemption for gas and electric service associated with gas and electricity purchased from an energy service company (ESCO). The exemption was applied on the transportation, transmission or delivery of gas and electricity when it is sold separately from the commodity. New York City eliminated their local sales tax exemption in 2009.

Repealing the exemption is expected to increase local sales tax collections outside of New York City by up to \$46 million on a full annual basis, with about \$38 million accruing to counties before regular sales tax sharing arrangements. The law change is effective June 1, 2019 for all sales after that date even if they were under a prior contract. On a full annual basis, the potential increase in Total county sales tax from this change would equal .47 percent based on 2018 returns (before any sales tax sharing).

Top Industries Generating Sales Tax in Your County

As indicated, taxable sales of goods purchased over the internet make up only a small percentage of a typical county’s overall sales tax collections. However, internet-based purchases have increased much faster than those made at local brick and mortar locations in most communities. Even before these most recent budget changes, sales tax collections from internet purchases have been growing faster than nearly every other segment in most counties.

The federal government and New York State use broad industrial classifications to record and capture the sales activity of thousands of businesses across many sectors of the economy. The current classification system is known as the North American Industry Classification System (NAICS).

In recent years the NYS Department of Taxation and Finance has been posting taxable sales data by NAICS code online. The data can be sorted using a wide variety of filter options such as by jurisdiction (county and state), NAICS description, sales tax quarter, sales tax year, dollar amount, etc. The data is available from the 2013-14 sales tax year (March 2013 to February 2014) and forward, with the data being uploaded quarterly on about a six-month lag. Using the different filters and downloading capabilities, the data can be examined in detail and accessed at:

Cayuga County 2019 State Budget Impact Report

https://www.tax.ny.gov/research/stats/stat_excise/taxable_sales_and_purchases/taxable_sales_and_purchases_open_data.htm

The taxable sales data is adjusted for state and local sales tax exemptions. While vendors self-identify the NAICS category their business should be in, the NYS Department of Taxation and Finance closely monitors this to ensure accuracy and consistency. The category identified as “Electronic Shopping and Mail Order Houses” represents internet retail. Access to these new data sets will allow us to review how the internet sales tax changes adopted in this budget will impact county revenues in the future.

The following two tables provide a snapshot of the top 20 sales tax producing categories for state fiscal year 2017-18 for your county and for the State of New York. The state’s top categories differ slightly from what a typical counties’ data may look like because the state employs different sales tax exemptions and methodologies (i.e., flat amount per gallon of motor fuel vs percent of retail cost per gallon for all but one county), and they collect taxes in all corners of the state including New York City which has a different business/retail mix than the rest of the state.

Cayuga County - Total Taxable Sales by Category, 2017-18				
(March 2017 to February 2018)				
Rank	Description	Taxable Sales	% of Total Taxable Sales	% of Cumulative Taxable Sales
1	Automobile Dealers	\$153,435,607	13.7%	13.7%
2	Electric Power Generation, Transmission and Distribution	\$111,191,545	9.9%	23.6%
3	Gasoline Stations	\$93,114,412	8.3%	31.9%
4	Gen. Merch. Stores, incl. Warehouse Clubs & Supercenters	\$81,201,792	7.3%	39.2%
5	Restaurants and Other Eating Places	\$80,120,370	7.2%	46.3%
6	Building Material and Supplies Dealers	\$67,187,271	6.0%	52.3%
7	Grocery Stores	\$34,558,288	3.1%	55.4%
8	Wired and Wireless Telecommunications Carriers	\$32,565,435	2.9%	58.3%
9	Sporting Goods, Hobby, and Musical Instrument Stores	\$23,240,476	2.1%	60.4%
10	Automotive Repair and Maintenance	\$23,195,799	2.1%	62.5%
11	Department Stores	\$20,090,214	1.8%	64.3%
12	Petroleum and Petroleum Products Merchant Wholesalers	\$19,357,161	1.7%	66.0%
13	Electronic Shopping and Mail-Order Houses	\$19,141,025	1.7%	67.7%
14	Other Miscellaneous Store Retailers	\$17,825,463	1.6%	69.3%
15	Other Motor Vehicle Dealers	\$17,592,042	1.6%	70.9%
16	Home Furnishings Stores	\$17,060,911	1.5%	72.4%
17	Paper and Paper Product Merchant Wholesalers	\$15,477,257	1.4%	73.8%
18	Clothing Stores	\$14,542,530	1.3%	75.1%
19	Direct Selling Establishments	\$13,518,979	1.2%	76.3%
20	Traveler Accommodation	\$13,032,413	1.2%	77.5%
Subtotal Top 20 in Taxable Sales		\$867,448,990	77.5%	
Total All Taxable Sales 2017-18		\$1,119,990,700	100.0%	

Cayuga County 2019 State Budget Impact Report

New York State - Total Taxable Sales by Category, 2017-18 (March 2017 to February 2018)				
Rank	Description	Taxable Sales	% of Total Taxable Sales	Cumulative % of Total Sales
1	Restaurants and Other Eating Places	\$37,800,642,665	11.5%	11.5%
2	Automobile Dealers	\$29,785,611,782	9.1%	20.6%
3	Building Material and Supplies Dealers	\$13,600,977,583	4.1%	24.7%
4	Gen. Merch. Stores, incl. Warehouse Clubs & Supercenters	\$12,649,254,867	3.8%	28.5%
5	Gasoline Stations	\$12,430,412,725	3.8%	32.3%
6	Traveler Accommodation	\$12,375,638,458	3.8%	36.1%
7	Wired and Wireless Telecommunications Carriers	\$9,673,688,274	2.9%	39.0%
8	Grocery Stores	\$9,381,187,044	2.9%	41.9%
9	Clothing Stores	\$8,718,420,719	2.7%	44.5%
10	Electric Power Generation, Transmission and Distribution	\$7,405,435,302	2.3%	46.8%
11	Electronic Shopping and Mail-Order Houses	\$7,049,823,058	2.1%	48.9%
12	Other Miscellaneous Store Retailers	\$6,502,159,425	2.0%	50.9%
13	Automotive Repair and Maintenance	\$5,723,452,188	1.7%	52.6%
14	Electronics and Appliance Stores	\$5,716,009,206	1.7%	54.4%
15	Health and Personal Care Stores	\$5,589,632,230	1.7%	56.1%
16	Services to Buildings and Dwellings	\$4,883,044,414	1.5%	57.6%
17	Computer Systems Design and Related Services	\$4,688,653,697	1.4%	59.0%
18	Software Publishers	\$4,445,356,396	1.4%	60.4%
19	Other Professional, Scientific, and Technical Services	\$4,325,635,829	1.3%	61.7%
20	Beer, Wine, and Liquor Stores	\$4,217,414,089	1.3%	62.9%
Subtotal Top 20 in Taxable Sales		\$206,962,449,951	62.9%	
Total All Taxable Sales 2017-18		\$328,778,817,566	100.0%	

XIII. Other Grant Funding Opportunities in the State Budget

In addition to direct line item appropriations, recently enacted state budgets provided large lump sum appropriations that may be 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 grant.

State and Municipal Facilities Program (SAM)

There was no new funding authorized for this program in the SFY 2019-20 budget, however, the budget does reappropriate \$1.9 billion of the \$2.4 billion authorized in prior years.

This program was created to fund capital costs of construction, improvement, rehabilitation or reconstruction of facilities owned by eligible entities (including the state and any municipal entity). This funding can also be used for the acquisition of capital assets with a useful life of not less than 10 years.

Road construction, off ramps, and similar transportation infrastructure have 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.

This program is controlled by state elected representatives and *we urge county leaders to compile lists of appropriate potential project and equipment needs and work with your state elected representatives and the Governor’s Office to secure funding for your projects.*

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

- \$250,000 for renovations to a county facility for veterans' services
- \$125,000 for construction of an amphitheater at a county park,
- \$100,000 for establishment of a new county water district,
- \$500,000 for the construction of three radio towers,
- \$250,000 for walking trail upgrades and development,
- \$110,000 for small project road resurfacing and reconstruction, markings and bicycle traffic,
- \$285,000 for police/sheriff training facilities,
- \$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, and
- \$500,000 for bridge demolition and reconstruction, among others.

Clean Water Infrastructure Act of 2017

In 2017, the State committed \$2.5 billion to support a wide variety of clean drinking water and wastewater initiatives over five years, including:

- Water Infrastructure Improvement Grants;
- A new inter-municipal water infrastructure grant program;
- Water Quality Improvement Program (WQIP) grants, including grants to address:
 - Salt management;
 - Green infrastructure; and
 - New source water protection land acquisition grants;
- Compliance with Concentrated Animal Feeding Operations (CAFO); and
- IT investments and additional funding for Superfund, among other items.

In 2019, the State Budget committed an additional \$500 million to fund clean water infrastructure projects (for a total of \$1 billion available in 2019). While the Legislature lined out how the new funding was to be used, the Governor vetoed those purposes.

Cayuga County 2019 State Budget Impact Report

The chart below provides a summary of major grant programs the state agency manages, statutory cites, total funding amounts, and the amount of funding that has been obligated.

Program Name	Agency	New/Existing	Total Funding	Obligated
Water Infrastructure Improvement Act (WIIA)	EFC	New - Section 6 of Part T of Health and Mental Hygiene, S. 2007-B/ A.3007-B	\$1 billion	\$270M
Inter-municipal water infrastructure projects (IMG)	EFC	New- §1285-s of public authorities law (PAL)	\$150M	\$61M
WQIP	DEC	Existing authority limited to non-point source, WWT, & municipal storm sewer project	\$245M	\$132M
Salt management	DEC		\$25M	\$10M
Green infrastructure	DEC/EFC	Existing authority	\$50M	\$10M
Land Acquisition for source water protection	DEC/AGM	New - Title 33 of ECL Art. 15	\$110M	\$35M
CAFO	AGM	Existing authority	\$50M	\$50M
Superfund- solid waste & drinking water response	DEC/DOH	Existing authority plus a new Title 12 of ECL Art. 27	\$130M	\$57.8M
Lead service lines	DOH	New - §1114 of Public Health Law (PHL)	\$30M	\$30M
NYC watershed projects	DEC	Existing authority	\$200M	\$0
Septic system replacement	EFC/DEC	New - PAL §1285-u	\$75M	\$15M
Water Infrastructure emergency loans	EFC	New - PAL §1285-t	\$10M	\$3M
IT	DEC/DOH	Amended ECL §3-0315- includes requirement for EFC report on integrated database on infrastructure projects	\$10M	\$8M
Other water quality projects	EFC	Existing authority	\$100M	\$2
Clean Water Infrastructure Projects after SFY 2021-22	TBD	TBD	\$350M	N/A
TOTAL			\$2.5 Billion	\$683.8 Million

Matching Funds for Shared Services Savings (CWSSI)

The enacted budget re-appropriates \$225 million in state matching funds for payment to local governments. The State will match net savings that are actually and demonstrably realized from new actions that were included in an approved county-wide shared services property tax savings plan finalized and submitted to the Division of Budget pursuant to the statute.

Last year's budget extended the County-wide Shared Services Initiative until December 31, 2021. School districts, boards of cooperative services (BOCES), fire districts, fire protection districts, and special improvement districts will have the option to participate. School districts and BOCES can participate in shared services agreements without the opinion or approval of the State Department of Education.

After having convened at least two meetings in a calendar year, a panel can decide that it is not in the best interest of taxpayers to revise and update a previously approved plan or develop a new plan that year. New shared services actions not included in a previously approved or submitted plan may be eligible for State matching funds, subject to available appropriation.

The program is administered by the Department of State and they are required to prepare a report by June 13, 2022 that includes a detailed summary of projects included in the shared services plans, a detailed summary of each county's plan, and the anticipated savings for each plan. The Secretary of State may solicit from the panels advice and recommendations concerning matters related to the operations of local governments and shared services initiatives. Any questions related to this program can be directed to:

countywidesharedservices@dos.ny.gov