

Erie County's Budget

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How is the budget created?

- Each County Department estimates liabilities and revenues and then submits them to the County Executive.²
- The County Executive and the Director of Budget and Management hold public meetings reviewing these budget requests.³
- Then the Budget and Management Department goes through the requests and makes alterations.⁴ These are submitted to the County Executive.
- The County Executive then makes alterations and submits the proposed budget to the County Legislature.⁵
- The County Legislature holds public meetings to determine if any changes should be made to the budget.⁶
- The County Legislature adopts the budget by the first Tuesday in December.⁷ The adopted budget may include additions or deletions to the proposed budget.⁸
- If the Legislature makes additions, the adopted budget is reviewed by the County Executive.⁹ The County Executive has one week to veto any increases or additions, but he or she may not veto any decreases or deletions in the budget.¹⁰

- The vetoes may then be overridden by a two-thirds vote of the County Legislature on the second Tuesday of December.¹¹ After this, the budget is considered final for the following year.¹²

How can a local citizen influence the budget?

Citizens have two opportunities to influence the budget publically. The first is when the County Executive and the Director of Budget and Management hold their public meetings,¹³ and the second is when the County Legislature holds its public meeting.¹⁴ Citizens can also write to the County Executive and County Legislature to influence the budget.

What if a program needs more money than is allocated?

If during the year a department needs more money for a program, the Executive can appropriate funds from one part of a department to another part of the same department.¹⁷

What if the county receives more money in taxes than is anticipated?

If unexpected funds are received in revenue, the County Executive can allocate them to a department of choice as long as the County Legislature adopts a resolution to that effect.¹⁸

Where does the County revenue come from?

County revenue comes from a variety of sources. The largest source is partial federal and state reimbursement for a number of programs that the federal and state governments require the County to provide, such as Medicaid, Temporary Assistance to Needy Families, Child Care Assistance, etc.²¹ In addition, the County receives revenue from property taxes, sales taxes, fees, fines, charges, the off-track betting tax, a hotel occupancy tax, and interest from investing activities.²²



How much does Erie County receive in sales taxes?

Currently, Erie County splits 4.75% of the 8.75% sales tax with other jurisdictions within Erie County. The County keeps 55% of the split revenue.²³

What does Erie County's sales tax compare to other counties?

Erie County's sales tax is tied for the highest sales tax in New York State.²⁴ All counties must charge the four percent which goes to the State. Other counties typically have a sales tax between three and four percent.²⁵

Are there any other forms of revenue?

Yes. There are repayments and recoveries. These are reflected in the welfare repayments, election expense re-spread, and community college re-spread. The welfare recovery/repayment occurs when there was an

excess amount paid to a client and the county recovers some or all of it.²⁶ The election expense re-spread occurs when the county pays election expenses for local jurisdictions and the local jurisdictions pay the money back.²⁷ This payback is called a re-spread and is recognized as revenue. The community college re-spread is similar. The County will initially expense the cost of out-of-county students attending ECC. The jurisdiction where that student resides then pays the County back.²⁸ All three of these revenues are not true revenues, but they reflect an inflow of money which was previously expended.

Are future costs of retired workers reflected in current budgets?

Yes. Under a new accounting standard called GASB 45, the estimated future cost of retirement benefits must be included as a liability in the budget.²⁹ The retirement benefit costs for retired workers, current workers, and expected future workers are all taken into account.³¹

What Unions does the County contract with?

The County currently employs members of nine different unions.³² These are CSEA, AFSCME, NYSNA, CSEA CO's, Teamsters, PBA, Librarians, the Faculty at ECC and the Administrators at ECC.³³

Many of these contracts have expired; under the state Taylor Law, the old contract provisions remain in place until new contracts are negotiated.³⁴



How does the County collect property taxes?

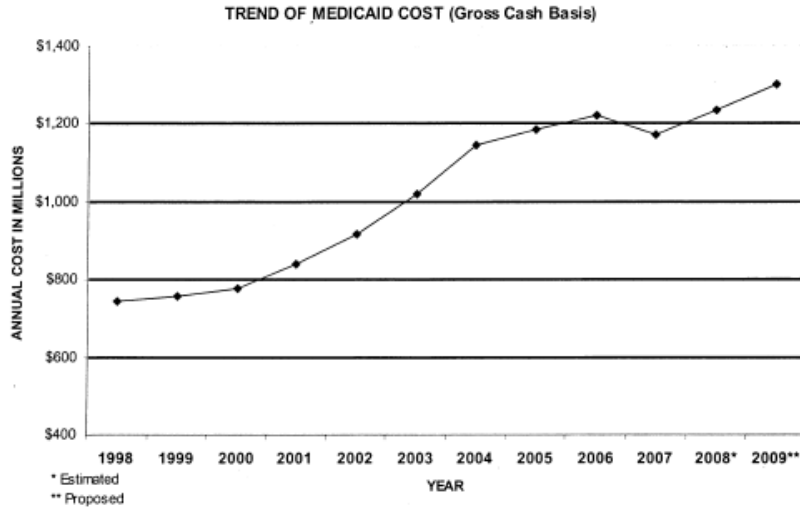
The County determines how much money is needed in property tax levy by estimating the shortfall between the year's total liabilities and revenues from non-property tax sources.³⁵ The County then divides that shortfall amount by the total market value of all property in Erie County to establish the establishes rate of taxation.³⁶ In recent years, this rate has fluctuated between \$4.34 and \$7.00 of taxes owed per thousand dollars of property assessment.³⁷ After the County determines the rate, the money is collected by each municipality within Erie County and forwarded to the County.³⁸

What is the maximum percentage that Erie County can levy in property taxes?

The state constitution limits the tax rate to 1.5% of property value.⁴⁰ In addition, Erie County has passed a law limiting the rate to 1%.³⁹

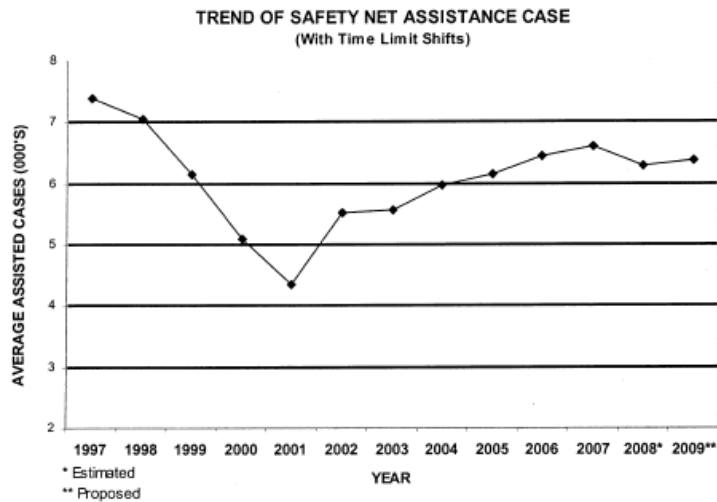
How much of the total possible property levy is Erie County collecting?

Currently, the taxation rate is a little more than half of the County law’s limit of 1%, and somewhat more than one-third of the state constitution’s limit of 1.5%.⁴¹



How much does the Medicaid program cost Erie County?

One of the largest expenses in the budget is the County’s share of Medicaid. The federal government pays one half of Medicaid. Most other states pay the other half in full, but New York requires its counties to pay one fourth of the costs. For Erie County, these will total a projected \$193 million in 2009 and \$200 million in 2010.⁴² Additional Medicaid costs paid directly by the County are expected to total \$8.1 million in 2009, an increase of \$0.9 million from 2008.⁴³



How much do Social Services Assistance Programs cost Erie County?

The projected 2009 cost is \$374 Million. This is an increase of approximately \$8 Million from 2008. ⁴⁴

What is a budget monitoring report?

This report is given monthly to the County Legislature by the County Executive. ⁴⁵ It details how closely the County revenues and expenditures compare to the annual budget projections.

What is the four year plan?

The four year plan is a requirement of the state law placing Erie County under a control board, the Erie County Fiscal Stability Authority. ⁴⁸ The County Executive must submit the four year plan to the ECFSA with his budget or before he submits his budget. ⁴⁹ It is a four year projection for the County budget and sets forth a plan for fiscal responsibility. ⁵⁰

What powers does the Erie County Fiscal Stability Authority have?

Besides the ability to raise funds by issuing bonds, the ECFSA becomes “hard” instead of advisory and gains a number of financial powers over County operations when one of five triggering events occurs. ⁵³ The financial powers that the ECFSA gain include imposing hiring and wage freezes⁵⁴, imposing a maximum level of spending for the Erie County Budget or any department of the county ⁵⁵, reviewing contracts⁵⁶ and collective bargaining agreements⁵⁷, and, most importantly, they have a final review power of Erie County Budget. ⁵⁸ Once a County Budget is adopted by the ECSFA it is considered final. ⁵⁹ Currently, the ECFSA is a “hard” board with all of the powers listed above.

What conditions arise to give the ECFSA these powers?

There are five possible triggering events: if the county fails to adopt a balanced budget in accordance with law⁶⁰, if the county fails to pay back the principle or interest of its issued bonds, ⁶¹ if the county has a budget shortfall where operating funds are one percent or more in deficit, ⁶² if the ECFSA requests control powers from the Comptroller and the Comptroller agrees, ⁶³ and if the County violates any provision of Article 10-D Title 3 of New York Public Authorities law. ⁶⁴ If one or more of these events occurs or is likely to occur than the ECFSA gains control power over Erie County. ⁶⁵



What is an efficiency grant?

In order to save Erie County money over the long

term, the ECFSa will give out efficiency grants to County Departments for capital improvements with the aim of saving the County money.⁶⁶ The expected payback time is between two and five years.

What are some of the efficiency grants that the ECFSa has given?

The ECFSa has given out grants which allow for the electronic monitoring of defendants, the placement of RFID chips in library books, the training of accountants for cost saving measures, the purchase of newer police vehicles, the construction of new buildings, and other measures which promote long term cost efficiency.⁶⁷

Notes

¹ 2009 ERIE COUNTY BUDGET COUNTY EXECUTIVE'S BUDGET MESSAGE AND SUMMARY, at 75, http://www.erie.gov/exec/pdfs/budget2009_msg_summary_proposed.pdf (last visited Apr. 20, 2009).

² *Id.*

³ *Id.*

⁴ *Id.*

⁵ *Id.* at 76.

⁶ *Id.* at 76.

⁷ *Id.* at 76.

⁸ *Id.* at 76.

⁹ *Id.* at 76.

¹⁰ *Id.* at 76.

¹¹ *Id.* at 77.

¹² *Id.* at 77.

¹³ *Id.* at 75.

¹⁴ *Id.* at 76.

¹⁵ *Id.* at 77.

¹⁶ *Id.* at 75,76.

¹⁷ *Id.* at 77.

¹⁸ *Id.* at 77.

¹⁹ *Id.* at 7.

²⁰ *Id.* at 48.

²¹ *Id.* at 53.

²² *Id.* at 45.

²³ *Id.* at 43.

²⁴ ?

²⁵ ?

²⁶ ERIE COUNTY BUDGET, *supra* note 1, at 45.

²⁷ *Id.* at 46.

²⁸ *Id.* at 46.

²⁹ *Id.* at 74.

³⁰ *Id.* at 36.

³¹ *Id.* at 74.

³² *Id.* at 38.

³³ *Id.* at 38.

³⁴ *Id.* at 38.
³⁵ *Id.* at 39.
³⁶ *Id.* at 40.
³⁷ *Id.* at 39.
³⁸ *Id.* at 39.
³⁹ *Id.* at 42.
⁴⁰ *Id.* at 41.
⁴¹ *Id.* at 39.
⁴² *Id.* at 63.
⁴³ *Id.* at 64.
⁴⁴ *Id.* at 58.
⁴⁵ *Id.* at 77.
⁴⁶ *Id.* at 77.
⁴⁷ *Id.* at 77.
⁴⁸ N.Y. PUB. AUTH. LAW § 3957
⁴⁹ *Id.*
⁵⁰ *Id.*
⁵¹ ECFSA- ERIE COUNTY FISCAL STABILITY AUTHORITY AND ERIE COUNTY CONTROL BOARD, <http://www.ecfsa.state.ny.us/Act.html> (last visited Apr. 20, 2009).
⁵² *Id.*
53 N.Y. PUB. AUTH. LAW § 3959(1)
54 *Id.* at (2c).
55 *Id.* at (2b).
56 *Id.* at (2h).
57 *Id.* at (2e).
58 *Id.* at (2a).
59 *Id.* at (2a).
60 *Id.* at (1a).
61 *Id.* at (1b).
62 *Id.* at (1c).
63 *Id.* at (1d).
64 *Id.* at (1e).
65 *Id.* at (1).
66 EFFICIENCY GRANT EVALUATION GUIDELINES,
<http://www.ecfsa.state.ny.us/Documents/OMP/EffiGrantGls.pdf> (last visited Apr. 20, 2009).
67 *See* EFFICIENCY GRANTS PREVIOUSLY APPROVED AS OF MARCH 2009,
<http://www.ecfsa.state.ny.us/Documents/OMP/EffGrantsPrevApp.pdf> (last visited Apr. 20, 2009).