



NEW YORK STATE SENATOR

David Carlucci

Senator Carlucci-Working to Provide Real Mandate Relief

DAVID CARLUCCI October 6, 2011



(New City, NY) Senator David Carlucci (D-Rockland/Orange) was joined by Assemblywoman Amy Paulin, Assemblywoman Ellen Jaffee, Assemblyman Kenneth Zebrowski, Rockland County Executive, Scott Vanderhoef, Chairwoman Rockland County Legislature, Harriet Cornell and NYS Association of Counties Executive Director, Stephen Acquario to announce legislation co-sponsored by Senator Carlucci that will relieve taxpayers by shifting the burden of the cost of Medicaid from counties to the State.

“Counties are saddled with mandates that place the burden squarely on the shoulders of taxpayers who desperately need relief,” Senator Carlucci said. “We must begin to alleviate some of these mandates so that counties can manage their budgets without relying on increasing property taxes for residents. I am proud to co-sponsor this bill that will go a long way in setting New York on the path to a more stable financial future.”

The bill will structurally reform the cost administration of New York State’s Medicaid system by incrementally transferring full responsibility for funding the nearly-\$53 billion program to the State, gradually eliminating the local share traditionally paid by county governments.

The proposal initially freezes local Medicaid costs, providing \$180 million in immediate local savings statewide. The proposal will eliminate the automatic three percent annual spending increase currently required by statute. Starting in the fourth quarter of 2012, the local share would then be reduced by five percent, providing counties with an additional \$75 million -- totaling \$255 million in savings for county governments. Between 2013 and 2019, local Medicaid costs will continue to be gradually reduced as the state assumes an increasing share of the burden. The end result would completely eliminate Medicaid costs from county budgets, providing municipal governments with the flexibility to substantially reduce local property taxes.

Under New York’s current Medicaid structure, the program is funded by state and local governments, with matching funds provided by the federal government. Medicaid costs mandated by the state represent the largest item in nearly every county’s budget: in Rockland county, Medicaid accounts for 44 percent of its mandates. In 2011, the cost of Medicaid to Rockland county is \$65,670,000.

"I am pleased that Senator Carlucci and other Lower Hudson Valley members of the New York State Legislature are supporting legislation that will require state policy makers to take

full responsibility for New York's largest in the nation Medicaid program which would be implemented through an eight year gradual State takeover of county Medicaid costs," said Rockland County Executive C. Scott Vanderhoef. "It is most appropriate that this announcement is being made in Rockland, where our county's entire property tax levy goes to fund Medicaid."

"The tax cap places a heavy burden on our cash-strapped counties in this difficult economic environment, and it's critical we provide the mandate relief they desperately need to protect vital services while also protecting taxpayers," said Assemblywoman Ellen Jaffee, who will be co-sponsoring the bill. "This bill will go a long way towards making sure municipalities can live within the tax cap while containing to provide the essential services our communities need to maintain their quality of life. This must be part of a concerted effort to reduce or reform unfunded mandates across the board."

"Giving our counties relief from the Medicaid burden is something that will significantly help their budgets. I am committed to working with my colleagues and the administration on achieving this goal in the next session," said Assemblyman Zebrowski.

"I, along with everyone in County government, applaud the intent of this Medicaid Bill to shift financial responsibility from the counties back to the State over the next 8 years. As has been stated repeatedly, Rockland's local share of Medicaid costs, representing almost 1/10 of our entire budget, exceeds our property tax revenue. Certainly this measure will allow the County to begin to address other pressing needs that are solely within the County's jurisdiction," said Harriet Cornell, Chairwoman, Rockland County Legislature.

"Mandate relief is property tax relief. As counties release our 2012 budgets, nothing could be more important than the introduction and passage of this important legislation," said

NYSAC Executive Director Stephen J. Acquario. "I'd like to thank Senator Carlucci for championing this measure in the New York State Legislature."

###