

Resolution No. _____ - 2010

HONORABLE MEMBERS
WESTCHESTER COUNTY BOARD OF LEGISLATORS
COUNTY OF WESTCHESTER, NEW YORK

Your Committee has reviewed the following items.

After considerable deliberation, your Committee recommended that the following legislative items be considered by the New York State Legislature and Governor and be signed out for discussion and consideration by the full Board of Legislators.

Date: April 5, 2010
White Plains, New York

2010
Bernie Spiekerman
Alfred Williams
Wm. A. Doherty
[Signature]
Judith A. D'Agostino
John Mann
Committee on Government Operations, Efficiency & Savings



2010 NYS Joint Legislative Package – Part ‘A-1’

1. Proposal: *Oppose Executive Budget Proposal Regarding Medicaid Disallowance.*

Justification: Article VII language in the proposal regarding the Medicaid cap (nearly \$204.9M in Westchester’s 2010 budget). The language proposes new limits on the State’s liability related to Federal disallowances or recoveries associated with the local administration of the program. Presently, localities have been held harmless, even for periods prior to the cap. This change would create both retroactive and prospective exposure.

Fiscal Impact: Medicaid covers \$204.9 million in Westchester’s 2010 budget.

Legislative History: The Law Department is concerned about past claims or recoveries under present audits and could get swept in under this bill language.

NYSAC: The Medicaid Cap limits a county’s financial liability in the Medicaid program.

2. Proposal: *Oppose elimination of the TANF Funding (used for the Summer Youth Employment Program).*

Justification: The Executive Budget proposed changes to the Temporary Assistance for Needy Families (TANF) program, which equates to a \$63.4 million negative impact to counties outside the City of New York. The proposal eliminated State General Fund support of the LAF (Local Administration Fund), which supports the State share of Food Stamps and Public Assistance Administration with Federal TANF Funding and increases the FFFS (Flexible Fund for Family Services) allocation by \$310.6 million. Moving this LAF Funding to Federal TANF Funding eliminates any funding match for administrative expenses for safety net and food stamp administration. In total the Executive Budget Funds the FFFS at \$3.1 billion.

Fiscal Impact: TANF funding was \$846,000, which was allocated to the Summer Youth Employment Program Fund.

3. Proposal: *Preserve open-ended child welfare and Community Optional Preventive Services (COPS) funding.*

Justification: The Executive Budget eliminates Community Optional Preventative Services (COPS) Funding. COPS Funding is used by counties to fund programs that prevent children from being placed in foster care or youth detention. Loss of these funds will result in the elimination of these services and could result in a higher long term impact

on the foster care on the detention youth systems. The plan to retroactively eliminate this funding will force counties to reallocate significant local funds to pay for services already rendered, thus expanding the true impact of this change on services offered by the local department of Social Services.

Legislative History: Although funding for Community Optional Preventive Services programs is reduced 10%, the State expects to be able to fully fund existing programs, because a number of programs statewide have been discontinued. Westchester has approximately \$6.8M in total program costs.

NYSAC: Some state budget proposals reject the governor's proposal to cut the \$34 million dollar program. The governor instead funds it at \$29.1 million dollars with FMAP for services provided on or after Oct 1, 2008; a county must submit claims to OCFS that separately identifies the costs of services and the outcomes of those services. OCFS has stressed that the \$29.1 million dollars is available for existing COPS on Oct 1, 2009 only. The total impact of the final a proposed State Budget on the COPS program represents a \$5 million impact statewide, \$1.8 million dollars for New York City and \$3.2 million for all other counties.

4. Proposal: *Office of Children and Family Services opposes the cost shift due to the New York State mandate to use additional Title XX Federal funds to pay for Adult Protective and Domestic Violence services.*

Fiscal Impact: \$855,000 in revenue loss.

5. Proposal: *Maintaining the capped Foster Care Block Grant but mandating costs associated with new Subsidized Kinship Guardianship program.*

Justification: Although the Department has supported the concept of subsidized kinship guardianship, with no additional funding it represents an unfunded mandate. Westchester County supports this program – however we cannot inherit the cost.

6. Proposal: *Pension Contribution Reform: request consideration of Tier 6 for new employees utilizing a defined contribution model. Also requesting that overtime shall not count in calculating future employee pension benefits.*

Justification: The ever increasing cost of pension obligations is projected to become a huge budgetary burden. It is projected that the cost for Westchester County will more than double over the next three years (see chart below). This burden is unsustainable.

Westchester County Historical and Projected Retirement Contributions:

YEAR	ERS weighted AVG (1)	PFRS weighted AVG (1)	Total Budgeted/ projected Cost (2)
2013	22.70%	28.70%	117,756,059
2012	19.06%	24.40%	97,346,314
2011	15.40%	20.10%	76,539,972
2010	11.50%	16.13%	54,945,993
2009	7.93%	14.06%	37,784,495
2008	9.10%	14.77%	41,395,961
2007	10.05%	14.81%	43,222,648
2006	10.86%	14.83%	43,236,300
2005	11.68%	14.55%	44,234,432

(1) 2011, 2012, 2013 projections for the rates confirmed by Mike Dutcher NYS Actuary

(2) Includes trust accounts, DEF and all General Fund

While the County contribution rates did go down in 2008 and 2009 after the market run-up it was not by the same percentage terms as the market increase. This is due to the costs associated with the aging workforce. This circumstance combined with the substantial recent market correction (amortized over a 5 year period) and subsequent slow market recovery results in more than doubling the pension contributions for the county, state and other municipalities in New York. The Governor and the Comptroller have different proposals to mitigate the increases through stretching out the contributions. These proposals however would require the County to pay more later to benefit from lower contributions now. The contribution rates do not start going down for about five years according to the Actuary for the state pension systems.

NYSAC: The Executive Budget proposes several changes impacting the pension and benefits of many public employees and makes several changes to State employees that may impact local labor negotiations in the future.