

Prepared remarks by Onondaga County Executive Joanie Mahoney
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Members of the Legislature:

My name is Joanie Mahoney, I am the County Executive from Onondaga County. It is a pleasure to be here before you, I appreciate this opportunity to share with you my thoughts on Governor Cuomo's 2013-2014 Executive Budget.

For decades, the state budget burdened our local governments with unfunded mandates we could not afford.

Recent fiscal challenges turned this from a budget strain to a budget crisis.

Since he took office, Governor Cuomo has done more on mandate relief than any administration in recent history.

Last year, the Governor and the state legislature brought relief for local governments, especially counties, by creating a hard cap on Medicaid costs. The days of multimillion dollar increases in Medicaid costs for our counties are over. We have real stability for the first time in a long time allowing us to pass responsible budgets of our own without a looming Medicaid driven insolvency.

The Governor also proposed and the Legislature passed Tier 6 pension reform that will save local taxpayers tens of billions of dollars in the years to come.

I am pleased to tell you this year's Executive Budget again brings fiscal relief to counties, and we have real progress that will save taxpayers in my county real money.

For years, municipalities have been burdened with the high payments demanded by binding arbitration. The arbitration process does not take into account what taxpayers can afford to pay. The Executive Budget addresses this problem by limiting binding arbitration awards to 2% for distressed governments. This move will save Counties, Cities, Towns and Villages millions of dollars while fostering good faith negotiations between employers and their employees.

The Governor's budget also brings much needed reform to the Early Intervention program, which is administered by counties. The expanded insurance coverage and streamlined eligibility will save local governments more than \$60 million over the next five years.

As you have likely heard many times, escalating pension costs are becoming more than municipalities can bear. Much has been said about the Governor's pension proposal. We know that the new Tier 6 pension will provide real savings for many years to come but most of the savings will not be realized for many years. The Governor included a common sense plan to provide a means to access some of those savings now with locked-in, stable pension contribution rates.

The analogy I have used is like the family that bought a house with a 30-year mortgage. 5 years later, when circumstances have changed and the family can no longer afford the payment, they can go back to the bank to refinance and get a lower payment on a new 30-year mortgage. It is something people do all the time. While you can argue that it isn't an ideal situation, you cannot argue that for some, when faced with tough times, it can be the difference between paying the bills and facing bankruptcy. Municipalities are facing those same tough times and the tool proposed by the governor provides an option for municipalities whose other options include only bankruptcy or a control board.

I will leave a few minutes in case you have questions, but I would also like to tell you that I appreciate the local control over sales tax rates that is proposed in the Governor's budget. Allowing local control of these extenders will allow us the certainty we need to make long-term budgetary decisions.

We recognize that the challenges our state faces were not created overnight. They were created over many years by a mixture of both dysfunction and good intentions. We can't undo the problems in a single budget but this budget continues to bring much needed relief to counties. We are headed in the right direction.

I am here with a simple request. I respectfully request that you pass Governor Cuomo's 2013-2014 Executive Budget as presented. We are making real progress in overcoming the immense challenges we collectively face. This budget continues that momentum. With that, I would be happy to take your questions.

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