

Subject: Monroe County, business officials praise budget proposal

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Author: Eric Walter

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Monroe County, business officials praise budget proposal

by Eric Walter

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ROCHESTER, NY – Officials with Monroe County and a local economic development group are praising many of the reforms included in Gov. David Paterson's proposed 2010-11 executive budget — particularly measures aimed at curbing unfunded mandates and partially repealing the Wicks Law.

"I applaud Gov. Paterson for recognizing the devastating impact unfunded mandates continue to have on New York's overburdened property taxpayers," County Executive Maggie Brooks said in a recent statement. Sandy Parker, president of the Rochester Business Alliance agreed, saying she was pleasantly surprised by the depth of proposed reforms. Still, she cautioned, the reforms should only be a beginning. "It's a good start but this is just beginning the conversation."

The governor presented his \$134 billion proposed budget earlier this week. Included were over 100 reform initiatives aimed at relieving the state's fiscal crisis, restoring local and state governments to long term financial health and easing the burden of beleaguered taxpayers. All told, Paterson estimates that they will save local governments almost \$1 billion over the next three years. "The mandate moratorium I am proposing is especially critical at a time when all levels of government are facing historic budget difficulties," Paterson said in a statement.

Among the proposed reforms is one that would put a four-year moratorium on all new significant unfunded mandates from the state legislature. The measure would prohibit unfunded measures that would require local governments or school districts to put in place new programs, increase the level of service for existing programs, or increase the value of property tax exemptions at a cost of more than \$10,000 for individual municipalities or \$1 million statewide.

During this four-year moratorium period, the governor also pledged to work with legislators to create a constitutional amendment aimed at protecting localities from future unfunded mandates.

If enacted, that measure would definitely be a step in the right direction, Parker and Brooks said. Both noted, however, that it would not solve entirely solve the unfunded mandates problem on its own.

"The mandate proposals are an important starting point, but there is much more work to be done," said Noah Lebowitz, Brooks' director of communications. "The plan does not address the largest mandates currently facing county governments and driving up property taxes: namely, Medicaid and welfare programs."

Paterson's executive budget also contains a partial repeal of the Wicks Law, which, he said, imposes inefficient multiple contract requirements on most public works projects and thus drives up costs.

As it now stands, New York City, Buffalo and several other school districts have a full exemption from all Wicks law requirements. Paterson said his measure would eliminate this disparity by extending the exemption to all school districts, saving them \$200 million annually across the state.

Parker said that change would be especially welcome. Still, she noted more remains to be done and many questions remain to be worked out.

As an example, she cited the fact that the 2010-11 proposed budget still does nothing to curb rapidly rising salaries and benefits of those state employees represented by unions.

Given New York's historically contentious budget process, the fact that 2010 is an election year and that widespread cuts in funding in the proposed budget have angered many, it remains to be seen whether, and in what form, Paterson's proposed reforms will make it into law. Still, Lebowitz and Parker said they were cautiously optimistic at least some of the measures make it through.

"I hope that the governor sticks to his guns and that the legislators will work with him," Parker said, "[but] I think we're going to have to have a lot of pressure on the legislature and a lot of support to the governor."