

Testimony of  
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Thank you for giving me this opportunity to speak about the surprise cut in the Governor's \$176 billion budget proposal. More than 90 percent of towns and villages across the State would lose Aid and Incentives for Municipal Funding (AIM).

I believe this funding cut was presented as a minor change that would save the State \$60 million (Intent) and only affect local governments that don't rely on it much anyway (Impact).

The intent may have been minor for the State but it has a huge impact on towns and villages. The impact has not been portrayed accurately by the State. Let me explain. The State tells municipalities how to account for their monies. We have to put revenues in appropriate funds and funds stand alone. It was not correct to add up all of our funds for a total dollar amount to get the less than 2 percent. Thus, the impact of "don't rely on it much anyway" was incorrect.

Let me give you some examples of the true impact.

Town of Windsor, Broome County

The Town of Windsor has allocated \$46,045 in the General Fund for AIM. The total General Fund budget for 2019 is \$804,577. The AIM is 5.7% of budgeted revenue. If the State takes this revenue away, the loss would take all of the Contingency allocation which is \$18,300. The remainder of the loss, \$27,745 would be accounted for by having each of these departments (Town Court, Supervisor, Assessor, Town Clerk, Town Hall, Traffic Control, Dog Control, Garage, Street Lighting, Veterans Service, Band Concerts, Historian, Celebrations) reduce their contractual expenses by nearly 29%. The Town has said if the loss of revenue continues into the next budget year property taxes would have to be raised to make up for the loss of AIM.

### Town of Preston, Chenango County

The Town of Preston has allocated \$10,773 in the General Fund for AIM. The total General Fund budget for 2019 is \$160,127. The AIM is 6.7% of budgeted revenue. If the State takes this revenue away, the Town cannot do without its court which has a budget of \$10,735. The Town has no contingency line in the budget so would have to appropriate the \$10,773 from unrestricted fund balance.

### Town of Masonville, Delaware County

The Town of Masonville has allocated \$10,700 in the General Fund for AIM. The total General Fund budget for 2019 is \$265,520. The AIM is 4.0% of budgeted revenue. If the State takes this revenue away, the Town would have to appropriate the \$10,700 from unrestricted fund balance as the Town has no contingency line in the budget. The Town has said if the loss of revenue continues into the next budget year property taxes would have to be raised to make up for the loss of AIM.

### Town of Candor, Tioga County

The Town of Candor has allocated \$33,000 in the General Fund for AIM. The total General Fund budget for 2019 is \$904,126. The AIM is 3.6% of budgeted revenue. If the State takes this revenue away, the Town will take the money needed from the Contingency allocation for 2019. The Town has said if the loss of revenue continues into the next budget year property taxes would have to be raised to make up for the loss of AIM.

The cut proposed in the Governor's \$176 billion budget proposal would affect towns' budgets that are already approved. This would be irresponsible on the State's part to make the towns go back and figure out how to deal with this cut after already being in the fiscal year affected. In speaking with town supervisors, the approach varies by town. Overall, some towns will immediately cut expenses in their budgets, some have contingency allocations they will go to, and some said they have no choice but to appropriate unrestricted fund balance. The majority said for 2020 the loss of AIM would be offset by raising taxes.

This proposed cut in state aid to towns is made even more serious by the early voting and other voting reforms passed. Towns pay for election costs out of this same general fund where the proposal is to cut AIM. These voting reforms will cost towns more money. For example, Broome County tentatively estimates a cost of \$300,000 to cover the cost of the voting reforms. Those costs will be passed on to the municipalities in the county. We do not need less revenue coming in to our general funds when we know election expenses will be increasing.

We are not asking for more money for AIM. We did not expect an increase. We did not expect it to be taken away. We ask that you act responsibly and keep your long time commitment of providing AIM to towns and villages in the State.

Thank you