



Office of the County Executive

Monroe County, New York

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County Executive

February 16, 2021

Honorable Helene E. Weinstein
Chair – Ways and Means Committee
New York State Assembly
Room 923 LOB
Albany, NY 12247
wamchair@nyassembly.gov

Senator Liz Krueger
Chair – Finance Committee
New York State Senate
Room 446 CAP
Albany, NY 12248
fiancechair@nysenate.gov

RE: Executive Budget 2021 – 2022

Dear Assemblymember Weinstein and Senator Krueger:

Please accept this letter as my testimony regarding the proposed Executive Budget.

Monroe County is in Finger Lakes Region and is bordered on the north by Lake Ontario. Included in the County are 19 towns, 10 villages, 21 school districts, and two component BOCES. It is home to eight colleges and universities, including two major research universities.

We are served by two health care systems that each serve as a major safety net provider. University of Rochester Medicine (UR Medicine) is the most specialized academic health care system in Upstate New York. Its six hospitals and numerous clinics serve approximately 2.6 million patients and provide \$367 million in annual community benefits. Rochester Regional Health (RRH) operates five hospitals, and approximately 100 primary care, ambulatory, and urgent care locations in the region. Each of these systems are active participants in the County's Community Health Improvement Plan. The services of these institutions has been essential during the COVID-19 crisis.

Monroe County has been a hub of innovation. In the 20th century it benefitted from the presence of Eastman Kodak, Xerox, Bausch and Lomb, and other major industrial companies. While technology has changed the landscape, our industrial and manufacturing past has left us with a wealth of talent and extraordinary institutions. A

new, more vibrant economy, less dependent on a few large employers is developing. As the CEO of Plug Power said when the company recently announced a major expansion in Monroe County, "Among many great options, none could match Rochester in terms of talent, local supplier networks, and opportunities to partner with top-tier research institutions."

Monroe County is often noted for its collaborative practices. While this may be strained at times, it remains a core operating value. It is exemplified by the way we allocate resources. As the City of Rochester struggled in the 1980s, the Republican County leadership and Democratic City leadership reached an agreement to share sales tax revenue. This arrangement has been honored for decades. In the Monroe County model, the County keeps just 30% of its sales tax revenue. The City of Rochester also receives 30%, while our towns receive 21%, school districts nearly 15%, and villages more than 2%. As I will discuss below, the State's recent practice of diverting local sales tax revenue to pay for state initiatives has put a strain on our local sharing mechanism. Moreover, I submit that this practice is contrary to the State's expressed policy of encouraging municipal cooperation that makes the best and most efficient use of available resources, improves services, reduces costs, and consolidates functions when the consolidations serve these purposes. Diverting local sales tax revenue is not the way to get this done.

As it has across the State, COVID -19 has exacted toll on our community measured in lives lost, hospitalizations, social isolation, failed businesses, lost jobs, and the mental anguish that accompanies all of these. It has also meant a reduction in tax revenue. For instance, the year over year decline in sales tax revenue is over \$13 million.

We are determined to exit the pandemic wiser and with a renewed commitment to resolve the social, economic, and health disparities that it has accentuated. We will do all that we can to make this happen. But we can't do it all on our own. We will need the State's assistance and for that I ask your indulgence.

Reduction in Local Aid:

We understand the pressure to close a multi-billion dollar budget deficit. We managed our way through 2020 by managing costs and holding hundreds of positions vacant. These short term solutions are not sustainable. The importance of our workforce came into clear focus as we addressed COVID-19 challenges. We have raised these issues with our Congressional representatives as they consider additional stimulus funding. In the event that federal funds in excess of \$6 billion becomes available, we request that you restore the 5% cut in local aid to counties.

Local Sales Tax Diversion:

The local sales tax diversion strategy has been employed to pay for State programs. The first was a diversion to support the Aid to Municipalities (AIM) program and the second to fund a distressed hospitals program. While we fundamentally disagree with these diversions, we find them particularly vexing in light of the County's long-term strategy outlined above and incorporated in state law of sending 70 percent its sales tax revenue to its municipalities and school districts. In the era of property tax caps and the significant penalties for not meeting cap standards, sales tax revenue has even greater importance.

The State intercepted more than \$5.6 million in 2020 to satisfy the AIM and distressed hospital diversions. All the diverted funds were drawn down from the County's share. This means that the County's 30 percent share of the local sales tax revenue was further reduced by the full \$5.6 million intercept.

- We disagree with using sales tax diversions to fund state programs and ask the legislature to end this practice.

340B Carve Out:

Part C of S.2507/A.3007 provides for the creation of the "340 Reimbursement Fund." This provision is a corollary to a provision in the SFY 2020-2021 budget that would substitute a state DOH fee-for-service pharmaceutical program for Medicaid for the current Medicaid Managed Care (MMC) Program. The new Fee-For-Service (FFS) program will be effective April 1, 2021 (see Part FFF, page 344 of Chapter 56 of the Laws of 2020) and will effectively exclude qualified safety net providers from participation in the federal Public Health Service Act §340B drug discount program. 340B provides federally approved health care safety net providers with access to drugs for out-patient services at deeply discounted prices. Covered safety net providers dispense the 340B-discounted medication to the uninsured and to patients covered by Medicaid, Medicare, or private insurance. The difference between the reimbursement rate and the 340B discounted price represents a savings that must by law be used to improve patient access to care.

There are nine 340B providers in Monroe County including the following five federally qualified health centers (FQHCs): Jordan Health, Trillium Health, His Branches Health, Oak Orchard, and Mosaic Health, and four safety net hospitals: UR Medicine's Strong Memorial Hospital and Highland Hospital, and RRH's Rochester General Hospital and Unity Hospital and related hospital out-patient clinics of each of the health care systems. These institutions serve thousands of patients in Monroe County and even more in the region.

The Executive Budget proposal would amend the Public Health Law to establish a \$102 million "340B reimbursement fund" intended to support activities that expand health

services to Medicaid members, the uninsured, and low-income patients.” This proposal acknowledges that there is a substantial financial and programmatic consequence to ending participation in 340B. Since the program excludes the 100 340B safety-net hospitals from participation in the reimbursement fund, it is safe to assume that scope of the program understates the problem. UR Medicine alone reports that the shift to FFS will increase costs by \$30 million annually. By making this change, the state is putting at risk the viability of services provided to underserved communities.

The pandemic has taken an enormous toll, particularly in minority and underserved communities. It has placed our health care system under significant stress. The 340B program has been a success. I do not support experimenting with a new program at this time, during a health emergency.

- **Monroe County urges the legislature to amend Part FFF of Chapter 56 of the Laws of 2020 to carve out all entities currently participating in the 340B program from the fee-for-service provisions of such Part. In so doing, the legislature could strike the 340B reimbursement fund envisioned in Part C of S.2507/A.3007.**

Community Based Optional Preventive Services (COPS):

Programs supported by three Monroe County providers are at-risk in the proposed budget. These programs focus on at-risk youth and their families; are evidence-based; and have been demonstrably successful. The programs depend on grants awarded under the Community Based Optional Preventive Services (COPS) program in the Office of Children and Family Services. Funding for these programs can be found in the SFY 2020-2021 budget (S.7503-C/A.9503-C from line 20 on page 397 through line 51 on page 398). The 2021-2022 Executive Budget would combine the funding with funding for the Supervision and Treatment Services for Juveniles Program (STSJP) on page 265 of the proposed Aid to Localities budget (S.2503/A.3003). This repurposing will put essential Monroe County programs with years of evidence-based success in jeopardy at the very time that our community is nationally recognized for chronic child poverty. Each of the programs raise significant private funds to support the programs. The programs include:

- Building Healthy Children (BHC) operates with approximately \$880,000 in COPS funding and a \$500,000 private match annually. BHC has served over 989 families since its inception, including 390 over the last five years. This evidence-based program focuses on the root causes of child abuse and neglect and works with young, poor families with children under three years of age. BHC provides young mothers with proven, comprehensive services addressing parenting education, development of positive parent-child relationships, treatment of maternal depression and familial trauma, best practice response to victimization, integration with pediatric medical homes and any needed support services. Based on its documented success, BHC leveraged \$35.9 million in federal funding over the last

decade and received the designation as one of only three National Centers on Child Abuse and Neglect. BHC is a partnership including Mt. Hope Family Center, the University of Rochester Medical Center, United Way of Greater Rochester, and Monroe County.

- The Education Success Foundation EnCompass program develops and provides innovative educational services to students and to the families, schools, communities, and professionals that support them. EnCompass matches its services with student's unique learning style. The program reaches 3,000 of the most vulnerable students from pre-k through grade 12 with student-centered academic and surround support services. Its groundbreaking holistic approach provides afterschool, summer, and daytime learning together with college and career development navigation. This program receives \$1.274 million in COPS assistance matched by \$726,000 in philanthropic support.
- Hillside Work-Scholarship Connection (HW-SC) is a program that has served thousands of youth and made a meaningful impact on the high school graduation rate in the Rochester City School District. HW-SC is a nationally recognized youth development program helping at-risk students through long-term mentoring, workforce training, academic support, and connections to other valuable resources for more than 1,600 students in Monroe County alone. HW-SC receives \$1.1 million from COPS annually, supplemented by private donations of as much as \$900,000. It also receives approximately \$576,000 in additional COPS funding matched dollar for dollar from funds privately raised by Hillside.
- **Monroe County requests that the legislature restore the 2020-21 budget provisions for Community Based Optional Preventive Services at the same funding level.**

Early Intervention (EI) – Covered Lives Assessment:

EI is a program designed to identify infants and toddlers with developmental delays and disabilities and to provide necessary early childhood development services. Federal law requires these services be delivered in a timely manner. Necessary services are identified by a team of experts who produce an Individualized Family Service Plan (IFSP) and can include speech, language, hearing, physical therapy, and other essential services. However, families across the state often face delays in services driven primarily by the lack of qualified providers and stagnant reimbursement rates for those providers. Given the stress of the pandemic these services are more important than ever.

Commercial insurance plans only pay approximately 16% of the EI claims submitted annually, or about 2% of total program expenditures, shifting responsibility for reimbursement to county and state taxpayers. This is unacceptable.

Monroe County and the New York State Association of Counties, along with the New York State Association of County Health Officials demand that commercial insurers pay a fair share equal to \$40 million annually paid through the assessment on each life insured by a commercial carrier. Known as the Covered Lives Assessment, it has been an essential component of health care funding in NYS since the enactment of the Health Care Reform Act of 1996.

- **Monroe County requests an increase in the Covered Lives Assessment as noted above.**

Crisis Intervention Team (CIT) Programs:

Police should only respond to individuals in crisis when there are concerns about illegal behavior and/or dangerousness. For other calls involving suspected mental illness and/or related disorders, non-police alternatives are needed. Funding the state-wide Crisis Intervention Team (CIT) program guarantees that counties across New York will receive technical assistance to transform their crisis response systems to minimize the times that police are the first responders to individuals in emotional distress. CIT programs also ensure (via police training) that when police are the first responders, they have the knowledge, skills and support to de-escalate situations and divert individuals from the criminal and juvenile justice systems, when possible. A related program needing continued funding is the Mobile Access Program (MAP). MAP supplies iPads to select officers and mental health clinicians to facilitate timely remote face-to-face mental health consultations with residents experiencing behavioral health crises.

- **Funding needed to continue both the CIT and MAP programs is \$525,000 on an annual basis.**

Veterans: Veterans Courts, Dwyer Grant:

Veterans Courts:

Monroe County has had extensive experience with the Veterans Court. For many Veterans particularly those with combat experience, adjusting to civilian life can be challenging. For some, it has meant homelessness, despair, addiction, and encounters with the criminal justice system. In Monroe County, the Veterans Court provides the structure, attention, support, and accountability that is essential to recovery. As graduates of this program acknowledge, the Veterans Court saved their lives. While that should be a sufficient motivating factor, these courts have reduced incarceration and recidivism and restored valued citizens to productive lives.

- **Monroe County supports the Veterans Court initiatives found in Part N of S.2506/A.3006 and urges the legislature to retain these provisions.**

Dwyer Grant:

In 2015 the Monroe County Veterans Services Agency collaborated with Compeer, a not-for-profit agency recognized for its valuable work in the mental health field, through the Private Joseph Dwyer Program. The program has made a significant impact on the lives of Veterans suffering with suicidal ideation. Funded by a \$185,000 legislative addition to the budget, it provides transportation and recreational services to these Veterans. The program has made a significant impact on Veterans struggling with suicidal ideation.

- **Monroe County supports the Dwyer Program and asks the legislature restore funding on the amount of \$185,000.**

Centers of Excellence (COEs) and Center for Advanced Technology (CATs):

Monroe County is home to several companies engaged in advanced research and cutting edge technology. With this industry base and the presence of two leading research universities. It is no surprise that two COEs and two CATs are located here. It has bred a successful industry-university collaboration. The Executive proposal would eliminate the COE program, effective April 1, 2023, and consolidate funding for the two programs into a single \$19 million competitive program.

- **Monroe County asks the legislature to reject this proposal and restore funding to the pre-pandemic levels for COEs and CATS.**

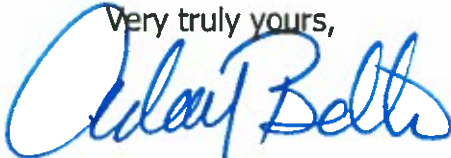
Capital Projects:

- **Frontier Field**, is a County-owned facility and home to the Rochester Red Wings. It is in need of funding support to meet Minor League Baseball facility standards recently issued by Major League Baseball. Meeting the new requirements requires that construction on improvements to the clubhouses, field lighting, training facilities, and field upgrades must be complete by the beginning of the 2025 season. After 25 years of use and exposure to our challenging winters, the stadium is also in need of structural upgrades to maintain the integrity of the facility and to improve the fan experience. Without these improvements, the future of professional baseball in Rochester is at risk. We estimate that cost of making these improvements will be between \$20 million and \$30 million, and is contingent upon completion of an

appropriate financial and engineering study to redefine the planned improvements and establish a final budget for the project.

- **Monroe County is requesting an appropriation of \$1 million to develop a comprehensive plan for necessary repairs and improvements to the stadium to satisfy Major League requirements and to keep the stadium economically viable.**
- **Seneca Park Zoo** is an important cultural asset to Monroe County and the wider region. The 2015 Master Plan envisioned a modern zoo with up-to-date amenities and care for animals that meets modern zoological standards. Continued investment is crucial to fulfilling the Master Plan commitments and to maintaining AZA accreditation. With appropriate funding, the Master Plan projects are scheduled to be completed by 2025. The total funding need, from both public and private sources, is \$44,500,000. Current Master Plan priorities include the construction of a new Trailside café; replacing outmoded concessions stands; and the construction of a Tropics Complex with animal exhibits to replace the demolished former Main Building.
- **Monroe County is seeking \$31 million in state assistance for the Zoo over the next four years. We are requesting an appropriation of \$17,500,000 in SFY 2021- 2022 for the current Master Plan Projects noted above.**

I respectfully submit these requests and ask for your support and that of the legislature. I am available to answer any questions. You may also contact Bob Bergin our legislative representative. I have provided his contact information below.

Very truly yours,

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Monroe County Executive

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