

GUEST ESSAY

Budget fails to make case for tax hike

The county executive has now revealed the administration's proposed budget for 2007. The budget document, detailed in 706 pages, raises many questions, and my colleagues and I in the Legislature have submitted pages of specific questions in advance of the budget vote scheduled for Dec. 12.

What is most noteworthy, in my view, are two references made in the county executive's opening budget message. First is the insistence that we face a cumulative budget gap of \$100.1 million for 2008 and 2009. Second is her pronouncement that only by "intercepting" sales tax revenue from towns and suburban school districts, and increasing the amount we all pay in sales taxes, can the county's financial stability be assured.

If this sounds familiar, it is because these same two assertions were contained in the county executive's budget message from last year – except that last year the budget gap was projected for 2007 and 2008, rather than 2008 and 2009! More specifically, last year the administration projected a \$45.7 million budget deficit for 2007, and sued the city, towns, villages and suburban school districts to increase its share of sales tax revenues. To date, the county has not been successful in grabbing sales taxes from its other municipal sharing partners.



By Ted O'Brien

Ted O'Brien, a Democrat, represents parts of Irondequoit in the Monroe County Legislature.

Interestingly, even though that additional sales tax has been denied the administration, the huge budget deficits have failed to materialize. In fact, quite the opposite seems to be true.

Even without raising sales taxes, or taking sales taxes from our school districts and towns, the administration now estimates that it will have enough of a budget surplus to end this year with enough revenues to prepay its 2007 pensions costs of over \$21 million – and still end the year with a budget surplus in excess of an additional \$3 million.

The county administration tells us that rapidly increasing Medicaid costs will prove to be devastating to Monroe County unless the administration gets a dramatic increase in sales taxes to fund those increases.

A careful analysis of the budget sug-

gests an opposite conclusion. The county executive's own 2007 budget proposal anticipates that the county's share of Medicaid will cost \$30 million less than what the county paid in 2004. Medicaid costs to the county have been trending downward for several years now.

Further, when the county's costs for Temporary Assistance to Needy Families and the Safety Net programs are analyzed, the County Executive's 2007 budget proposal again shows a decreased cost to the county of an additional \$3.5 million since 2004.

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I am pleased that several of the ideas in our "Blueprint for Progress" have

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been embraced by the county executive in her 2007 budget. And there is more that can be done.

In the meantime, our insistence that the county not rush to embrace the sales tax increase it sought saves this community \$75 million a year in additional tax burden – a burden that many, including the Rochester Business Alliance and others, agree will only add to our county's lack of economic competitiveness.

Democrats in the Legislature remain committed to advancing fresh ideas, finding new ways to provide taxpayer savings, and to working with the county executive to see them through.

But any new taxation has to truly be "last resort." To date, the case for dramatically increasing sales taxes has not been made.