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STATE MEDICAID CHANGE HITS COUNTY BUDGET HARD

“This will clearly present Columbia County finances with an enormous challenge,” said Columbia County Board of Supervisors Chairman Matt Murell of the recently adopted fiscal year 2024 New York State budget, which calls for the immediate phased-in withholding of federal Medicaid funding that had been passed through to New York counties for the past dozen years.

Beginning April 1 and extending through the end of this year, in Columbia County that adds up to \$267,000 of funds that have already been included as expected revenue in the 2023 county budget. In 2024, that number rises to \$356,000; in 2025, \$800,000; and in 2026, \$1.4 million.

In 2011, New York State made a deal with local governments that enforced a two percent limit on local property taxes increases per year, while the state’s end called for it to cover any Medicaid increases. That has remained in place until now.

“It’s an outrageous move by New York State, to say the least,” said Chairman Murell, who also serves as the county’s budget officer. “The state advertises New York as an affordable place to live, then turns around and places yet another burden on local governments that are working to keep spending and property taxes under control. And this comes after three years of navigating through pandemic-related financial difficulties.”

“This action by the state could blow the tax cap right out of the water,” added county Treasurer PJ Keeler. “It really undermines our ability to control our costs. Obviously, it’s going to have a major effect on our budget and we hope it doesn’t turn out to have an effect on services and property taxes. In reality, it’s yet another mandate handed down by New York State.”

“New York State’s county governments are disappointed that rather than fulfilling the Governor’s promise to usher in a new era of responsible state government that makes New York more affordable, the enacted budget engages in old Albany budget gimmicks that literally pass the buck onto local taxpayers. Most significantly, the budget undermines counties’ ability to control the growth of property taxes by pocketing federal Medicaid funding that has historically been shared with counties,” said New York State Association of Counties (NYSAC) President Michael E. Zurlo.

According to NYSAC, “These funds stem from the Affordable Care Act enhanced Federal Medical Assistance Percentage that the state will now intercept and use for state budget purposes – mainly to cover further expansions of Medicaid eligibility and benefits and to increase payments to health care providers. The funds had been earmarked by U.S. Senator Schumer for counties that pay

nearly \$8 billion into the state's Medicaid program. The state's decision to intercept these funds is totally unnecessary and counterproductive."

In fact, Treasurer Keeler points out, the nearly \$8 billion that New York counties contribute to the state's Medicaid program is more than all other counties in the United States combined. Further, he said, state coffers currently sport a large surplus.

"It promises to be a difficult upcoming budget season for the county," said Chairman Murell. "To my mind, we are being asked by the state to go above and beyond in our continuing efforts to make Columbia County an affordable, quality place to live and work."