



County of Erie

MARK C. POLONCARZ
COMPTROLLER

June 29, 2010

Hon. David Paterson, Governor
Executive Chambers, The Capitol
Albany, New York 12224

Hon. Sheldon Silver, Speaker
New York State Assembly
Legislative Office Building, Room 932
Albany, New York 12248

Hon. Malcolm Smith, Temporary President
New York State Senate
250 Broadway, Suite 1930
New York, New York 10007

Hon. John Sampson, Majority Conference Leader
New York State Senate
Legislative Office Building, Room 409
Albany, New York 12247

Re: Effects of New York State Budget Impasse on Erie County

Dear Governor Paterson, Speaker Silver, President Smith and Conference Leader Sampson:

As Erie County's chief financial officer I am writing to express my grave concerns regarding the emerging negative effects on Erie County ("County") resulting from the ongoing impasse in finalizing a State budget for your 2010-2011 fiscal year.

As the enclosed document illustrates, as of June 25, 2010, New York State owes the County \$131.48 million, most of which consists of State reimbursements to the County for State-mandated services and programs previously administered by the County, and almost \$73 million of which has been due and owing for over ninety (90) days.

For the past year, the County was able to successfully manage its cash flow to address the effects of the State's 2009-2010 and 2010-2011 budget deficits and delayed State budget. In this respect, Erie County was unlike many other county and local governments and school districts across New York, all of which experienced significant negative effects and publicly lamented this issue.

However, due to the various issues associated with the late State budget and the County's inability to receive timely reimbursements and payments from the State, now Erie

Poloncarz 2010 Cash Flow Letter to State Leaders

June 29, 2010

Page 2 of 2

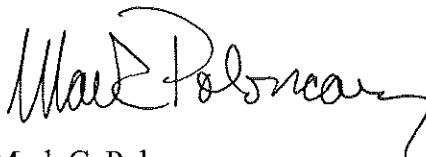
County faces a potential serious cash flow situation by mid-July 2010. If the State had reimbursed the County as expected, the County's cash flow position would be strong. Instead, the County faces a potential cash flow shortage solely because the State is holding back payments to the County that should have been made months ago.

I respectfully urge you, as the leaders of the executive and legislative branches of New York State government, to expeditiously resolve and enact the 2010-2011 State budget. Furthermore, I implore Governor Paterson to authorize the State Division of Budget to allow the Office of the State Comptroller to immediately release payments to Erie County.

In the event that State action is not forthcoming, the County will likely need to undertake certain actions to address this cash flow situation to maintain our normal County operations. These actions may include delaying payments to County vendors and hastening the issuance of the County's annual cash flow borrowing and increasing the total amount to be borrowed. I aim to avoid either of these potential outcomes, but currently such an outcome is a very real scenario unless the County receives payment from the State of the amounts due and owing.

On behalf of Erie County, thank you in advance for your consideration and assistance. If you have any questions, please contact me at 716.858.8400.

Sincerely yours,



Mark C. Poloncarz
Erie County Comptroller

MCP/nr
Encl.

cc:	Hon. Thomas DiNapoli, Comptroller	Assemblyman Robin Schimminger
	Senator Dale Volker	Assemblyman Mark J. F. Schroeder
	Senator Michael Ranzenhofer	Assemblyman Sam Hoyt
	Senator William Stachowski	Assemblyman James Hayes
	Senator Antoine Thompson	Assemblywoman Crystal Peoples
	Erie County Executive Christopher Collins	Assemblyman Dennis Gabryszak
	Erie County Legislature	Assemblyman Jack Quinn
	Erie County Fiscal Stability Authority	Assemblywoman Jane Corwin

Erie County - Customer Aging Report

System PRD-100
 Run Date 06/25/2010
 Run Time 12:15:47
 User DZIEKANUT
 Key Date 06/25/2010

Name	0-30 days	31-60 days	61-90 days	91-120 days	121-150 days	TOTAL
** DEPT OF CORRECTIONAL SERVICES	2,401.70	1,470.81-	1,491.31	0.00	2,422.20	
** ERIE COUNTY FISCAL STABILITY A	22,063.35	43,552.41	0.00	359,144.57	424,760.33	
** FAMILY COURT	1,240.00	0.00	0.00	0.00	1,240.00	
** LEIA - NYDSS	100,959.00	0.00	86,410.00-	183,725.00	198,274.00	
** NYS - DEPT OF ENERGY CONSERVAT	0.00	0.00	0.00	1,420.00	1,420.00	
** NYS 8TH JUDICIAL DIST. U.C.S.	40.00	0.00	0.00	0.00	40.00	
** NYS DEPARTMENT OF HEALTH	0.00	0.00	10,127.09	0.00	10,127.09	
** NYS DEPT OF ECONOMIC DEV.	14,614.98	0.00	46,018.58	0.00	60,633.56	
** NYS DEPT OF CRIMINAL JUSTICE	0.00	0.00	0.00	446.10	446.10	
** NYS DEPT OF ENVIRONMENTAL CONS	0.00	0.00	11,112.11	117,642.45	128,754.56	
** NYS DEPT OF FAMILY ASSISTANCE	1,874,146.00	2,045,744.00	1,690,243.00	4,734,912.00	10,345,045.00	
** NYS DEPT OF HEALTH	1,817,329.84	598,096.44	732,477.41	197,785.26	3,345,688.95	
** NYS DEPT OF HEALTH - BUR. OF C	0.00	0.00	0.00	0.00	140,335.28	
** NYS DEPT OF HEALTH - BUREAU OF	15,294.36	6,341.72	1,177.05	13,228.33	36,041.46	
** NYS DEPT OF HEALTH - DIV.CHRON	24,170.83	43,286.03	0.00	0.00	67,456.86	
** NYS DEPT OF HEALTH EARLY INTER	12,239.48	0.00	0.00	0.00	12,239.48	
** NYS DEPT OF SOCIAL SERVICES	572.50	923,820.48-	2,071.25-	1,042,557.13	117,237.90	
** NYS DEPT OF SOCIAL SERVICES (F	9,557,396.00	5,625,292.00	3,994,692.00	44,478,001.20	63,655,381.20	
** NYS DEPT OF STATE	756,450.00	157,987.00	1,564,605.00	4,930,451.00	7,409,493.00	
** NYS DEPT OF TRANSPORTATION	1,050,023.86	0.00	0.00	0.00	1,050,023.86	
** NYS DEPT. OF CORRECTIONAL SERV	0.00	0.00	16,460.16	0.00	16,460.16	
** NYS DIV FOR YOUTH (DETENTION)	0.00	0.00	0.00	3,750.00	3,750.00	
** NYS DIV FOR YOUTH (YDDP PROG)	0.00	912,147.78	0.00	0.00	912,147.78	
** NYS DIV OF PROBATION & CORR.ALT.	117,813.33	0.00	61,139.07-	136,375.25	193,049.51	
** NYS DIV. CRIMINAL JUSTICE SVCS	0.00	333,910.87	193,242.64-	391,034.29	531,702.52	
** NYS DIV. OF CRIMINAL JUSTICE S	0.00	0.00	0.00	2,606.37	2,606.37	
** NYS DIV. OF LIBRARY DEVELOPMENT	350.00	0.00	0.00	0.00	350.00	
** NYS DIVISION OF PAROLE	0.00	0.00	0.00	17,571.00	17,571.00	
** NYS EDUC DEPT (HANDICAP CHILD)	2,259,939.57	317,787.06	13,781,269.32	639,576.00	639,576.00	
** NYS EDUC DEPT (CHILD DETEN NTR)	0.00	0.00	0.00	4,076,528.54	20,435,524.49	
** NYS EDUCATION DEPARTMENT	0.00	0.00	499.00	39,586.94	39,586.94	
** NYS EMERGENCY MANAGEMENT OFFIC	517.00	0.00	74,014.00	0.00	1,016.00	
** NYS MARCHISELLI	0.00	0.00	0.00	4,995,351.75	5,069,365.75	
** NYS OFFICE FOR THE AGING	19,333.78-	22,958.86	563,737.30	162,782.50	730,144.88	
** NYS OFFICE OF CHILDREN & FAMILI	1,222,681.77	279,634.87	177,239.45	26,884.65	1,706,440.74	
** NYS OFFICE OF PARKS	0.00	0.00	0.00	119.45	119.45	
** NYS OFFICE OF TEMP. & DISAB. AS	12,500.00	0.00	0.00	133,816.62	146,316.62	
** NYS OFFICE OF TEMP. & DISAB. AS	131,525.00	20,221.00	41,952.00	621,376.00	815,074.00	
** NYS OFFICE of Homeland Security	603,306.20	167,152.99	29,298.85	1,168,554.00	1,968,312.04	
** NYS PARKS, REC. & HIST. PRES	0.00	0.00	0.00	87,955.00	87,955.00	
** NYS UNIFIED COURT 8TH JUD DIST	577,120.00	0.00	0.00	0.00	577,120.00	
** NYS UNIFIED COURT SYSTEM	0.00	0.00	265,309.00	0.00	795,927.00	
** NYSUDOH - BUREAU OF STD	0.00	0.00	25,416.88	0.00	25,416.88	
** New York State Office of Parks	1,976.00	0.00	0.00	8,404.50	10,380.50	
** OFFICE OF TEMP DISAB AND ASSIS	2,586,708.00	1,416,137.00	1,248,834.00	4,360,297.00	9,611,976.00	
** STATE UNIVERSITY OF NEW YORK	0.00	76,118.05	0.00	56,934.95	133,053.00	
** SUPREME COURT	15.00	0.00	0.00	0.00	15.00	
** SURROGATES COURT	212.00	0.00	0.00	0.00	212.00	
**	22,744,271.99	11,281,412.07	23,933,110.55	72,988,817.85	131,478,230.46	