



HON. ALEXANDER MARION, MPA
CITY AUDITOR

March 14, 2024

Hon. Kathy Hochul, Governor
New York State Capitol
Albany, New York 12224

Dear Governor Hochul,

I write to you as the 2024-25 state budget process is in full swing. This year, we have a unique opportunity to make a substantial investment in ensuring New York's localities remain vibrant and successful for years to come. That is why I offer my strong support for the State Senate's proposal to increase Aid and Incentives for Municipalities (AIM) funding by \$210 million and create a task force to redesign the formula. It is my hope you will do the same.

Earlier this year, I wrote a report entitled "AIM Higher" which analyzed the impact of AIM funding on the finances of the City of Syracuse. We have received \$71 million each year for more than a decade – an amount set arbitrarily and frozen by your predecessor. At the same time, the cost of providing municipal services has continued to climb higher. Where AIM funding once covered nearly 65% of core city services – Fire, Police, Public Works, and Water – now it is barely 40% of those costs. Had AIM funding remained consistent with the formula and targets set by Governor Pataki, the City of Syracuse would be receiving between \$99 and \$160 million this year in funding. That number would close the City's structural deficit and allow greater investment in improving our infrastructure, preserving and building more affordable housing, and delivering critical services.

This is not an isolated viewpoint, as you know well. My report was referenced in budget testimony by Syracuse Mayor Ben Walsh and Auburn Mayor Jimmy Giannettino. The need to increase AIM aid was also included in budget testimony by Mayor Kathy Sheehan of Albany, Mayor Malik Evans of Rochester, Mayor Mike Spano of Yonkers, and Mayor Byron Brown of your hometown of Buffalo. Several localities are pursuing legislative resolutions to this effect and it has been a topic of conversation among Comptrollers and Auditors across New York. We all agree: funding municipalities needs to be a priority for New York State.

I was pleased to read that the fiscal leaders for your office and the Legislature had agreed on a budget number \$1.3 billion higher than originally forecast due to solid economic growth in New York. This is good news. With those extra resources, I believe New York State is able to make additional investments in direct, unrestricted aid to municipalities - money we use for delivering core city services. I believe this additional revenue coming into New York State makes it possible to achieve the plan the Senate laid out in their one-house resolution.

You are the first Governor in a generation who has spent much of their career serving in local government – we know you understand the challenges faced by localities across New York. I hope you share my view that the Senate’s proposal is the best plan to pave the way to resolve many of those challenges and put localities on the strongest footing possible for the future. You told the Syracuse.com | Post-Standard editorial board recently, “I talk to anybody who wants to.” That’s certainly a trait learned from years of serving in local government – I hope to take you up on that offer and personally discuss in detail how we can work together to support New York’s local governments.

Sincerely,

A handwritten signature in blue ink that reads "Alexander Marion". The signature is fluid and cursive, with a long horizontal stroke at the end.

Alexander Marion, MPA
Syracuse City Auditor