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Inter-Departmental Memo

To: Hon. Diane Yatauro, Presiding Officer
Hon. Peter Schmitt, Minority Leader
Hon. Judith Jacobs, Chairperson, Budget Review Committee
All Members of the Nassau County Legislature

From: Eric C. Naughton, Director
Legislative Budget Review

Date: January 17, 2008

Re: January 2008 Staffing and Salary Analysis

Please find the January 2008 Staffing and Salary Analysis, which reports the FY 08 budgeted full-time headcount compared to the actual on board full-time headcount as of January 1, 2008 and the FY 08 budgeted salaries compared to FY 08 projected salaries.

As shown in Attachment A, the General Fund budget is 5,564 positions with 5,280 filled as of January 1, 2008, resulting in 284 vacancies. The budgeted headcount differs from OMB's headcount due to some technical adjustments which have been identified and footnoted at the end of the attached spreadsheet. The Office of Legislative Budget Review (OLBR)'s projected salaries and headcount include the cost of 50 new Police Officer recruits hired January 8, 2008 in the Police Department and 55 new officers hired January 11, 2008 in the Correctional Center. Not included in the projection are 30 Correction Officers the Administration plans to hire later this year. The 2008 projected salaries reflect step increases and any known contractual raises. They do not include wage increases for Ordinance employees. They also include attrition savings for the Police Department and the Correctional Center.

The 284 vacancies are contributing to a General Fund projected salary surplus of \$10.9 million. The budgeted full-time headcount for the major funds is 9,278 with 8,925 on board and a projected surplus of \$12.7 million. The Sewer and Storm Water Resource District has a full-time

budget of 348 with 286 filled as of January 1, 2008, and a projected surplus of \$3.1 million. Departments that are producing large surpluses include Probation with \$1.8 million surplus, Social Services with \$2.0 million surplus, Public Works with \$1.7 million, Health at \$1.5 million, and Police Headquarters at \$3.9 million. It should be mentioned that according to the Probation department the high number of vacant positions contributing to the surplus may create a security risk to the residents of Nassau County. The Correctional Center is currently producing a deficit of \$3.4 million and Police District a deficit of \$2.7 million.

The FY 08 budgeted salaries in Attachment A omit salary increases and contractual savings that were included in the FY 08 Adopted Budget for the Civil Service Employee Association (CSEA), the Sheriff Officers Association (ShOA), the Detective Association's Inc. (DAI), and the Superior Officer Association (SOA). OLBR's FY 08 projected surplus of \$12.7 resulting from 353 vacancies in the major funds does not factor any potential wage increases or contractual savings resulting from current negotiations with ShOA, CSEA, DAI and SOA unions whose contracts have expired. Please be aware that the terms of a new union contract could significantly alter the projected savings. ShOA has been without a contract since December 31, 2004. When ShOA's contract is settled, the retro payment for ShOA contractual could range between \$9.8 million and \$13.2 million depending on the terms of the agreement. The CSEA and SOA contracts expired on December 31, 2007. A new DAI award, effective January 1, 2008 has recently been settled and the terms of the contract will be detailed in OLBR's review of the contract. The FY 08 projected salaries do not include the impact of the new DAI award. The fringe related contractual savings are located in Fringe Benefits. The following chart details the COLA and contractual savings that have been excluded:

Salary Increases and Salary Savings located in Salaries (AA):

Budgeted Wage Increases for CSEA, DAI, SOA & SHOA (budgeted in various departments)	\$25,684,685
ShOA Contractual Savings (located in Correctional Center Salaries)	(5,300,000)
DAI & SOA Contractual Savings (located in Police District Salaries)	(3,200,000)
DAI & SOA Contractual Savings (located in Police Headquarters)	<u>(9,000,000)</u>
Subtotal Contractual Savings	(\$17,500,000)

Fringe Related Contractual Savings located in Fringe Benefits (AB):

Fringe Contractual Savings in General Fund	(\$15,700,000)
Police District	(1,200,000)
Police Headquarters	<u>(3,300,000)</u>
Subtotal Fringe Savings	(\$20,200,000)

cc: Hon. Howard Weitzman, County Comptroller
 Elissa Iannicello, Director, OMB
 Evan Cohen, Director, NIFA
 Dan McCloy, Special Assistant Minority
 Tom Stokes, Deputy County Executive
 Charo Ezdrin, Director of Legislative Affairs
 Chumi Diamond, Clerk of the Legislature
 Edgar Campbell, Chief of Staff
 Roseann D'Alleva, Majority Finance



Staffing and Salary Analysis

Probation

OLBR projects the Probation department will have a surplus in the FY 08 salary budget of about \$1.8 million. The surplus is due to 20 vacant positions, mainly Probation Officers and Supervisors.

The department's administration believes that they need to hire more officers to offset the caseload increases and to offset attrition. The current headcount is 220 full-time positions or 23 less than January 2007. In addition, by the end of 2008, about 38% of Probation Officers and Supervisors will have 25 or more years of experience which allows them to retired regardless of age. As demonstrated in the following chart, attrition has been increasing since 2004. Although the total change in headcount has not been significant prior to 2007, with the decrease in 2007 and increasing attritions, the Administration should plan accordingly to maintain safety.

Probation Supervision Caseload Data						
	Oct-07		Oct-06		Variance	
	Avg.	Tot.	Avg.	Tot.	Avg.	Tot.
Regular Supervision	109	3,175	98	2,851	11.2%	11.4%
Ears	323	1,937	279	1,950	15.8%	-0.7%
ISP	34	134	36	142	-5.6%	-5.6%
DWI/RAPP	63	377	63	380	0.0%	-0.8%
Sex Off/Dom. Viol.	50	300	49	295	2.0%	1.7%
Gang Unit (incl. 33 Juv)	54	216	44	177	22.7%	22.0%
Compact	193	967	186	931	3.8%	3.9%
Warrant	227	909	220	878	3.2%	3.5%
Mental Health	43	85	36	72	19.4%	18.1%
Total	123	8,100	115	7,676	7.0%	5.5%

As demonstrated in the chart the caseload for the Intensive Supervision Unit (ISP), which is state-mandated to be capped at 35 per officer, is the only unit to maintain a steady caseload. Other areas that require similar intensive levels of supervision include the Sex Offenses, Gangs, and Mental Health. These areas are increasing by 2.0%, 22.7% and 19.4% respectively. Other areas that are increasing are Regular Supervision, Ears, Compact, and Warrant. Workload has also increased recently since the department is now required to obtain DNA samples from nearly all Probationers and certain sex offenders are being monitored 24/7 using GPS technology. As a result, the Director has stated, "Our low risk Probationers have, of necessity, been placed in a unit that monitors utilizing telephone call-in and voice recognition technology. With increased reduction in staffing, the parameters through which Probationers are designated for non-reporting status have had to be expanded to include more individuals. This strategy places an ever increasing burden on the officers monitoring these caseloads and increases risk to the community." Additional overtime is also being utilized. The budget for overtime in FY 07 was \$525,000; the actual was \$1.1 million.

Historical Headcount Changes				
Year	Terminations	New Hires	Net Transfers	Total Change
2003	16	4	0	(12)
2004	4	18	(2)	12
2005	11	9	(2)	(4)
2006	18	22	15	19
2007	29	0	6	(23)

The following chart demonstrates the most current statistics on caseload available from the department.

Police Department

As of January 1, 2008 OLBR projects a deficit in Police District of \$2.7 million and a surplus in Police Headquarters of \$3.9 million. This projection includes the 50 new recruits that were hired on January 8, 2007 but does not include future agreements associated with CSEA, SOA or the recent DAI Award. The deficit in the District Fund is the result of a higher than budgeted average actual Police Officer salary. This is partially offset by additional money budgeted in other positions. The surplus in Headquarters is due to the 59 vacant positions.

Although termination expense is a risk, OLBR's projection does not include the potential additional attritions. The Administration had begun to address staffing issues but it underestimated the amount of retirements in 2007. The FY 07 termination budget of \$19.6 million based on 84 separations was understated by \$9.1 million resulting from 138 actual separations. A budget transfer will move \$660,000 into Police District and \$5.6 million into Police Headquarters from the Employee Benefit Accrued Liability Reserve Fund (EBALRF) to help offset this deficit. After this transfer the remaining balance in the EBALRF is \$15.2 million for Police District and \$309,000 for Police Headquarters. The FY 08 budget assumes 100 retirements and funds \$22.0 million for termination expense. Given the calculation change effective Jan. 1, 2009 for determining termination pay for PBA members and July 1, 2009 for DAI members, the estimate of 100 police retirees in 2008 is optimistic. The chart in the following column details headcount levels for Jan. 1, 2007 and the FY 08 budget compared to Jan. 1, 2008:

Union	January 1, 2007	2008 Budget	January 1, 2008
SOA	429	422	423
DAI	424	425	405
PBA	1,862	1,903	1,894
Subtotal	2,715	2,750	2,722
CSEA	828	845	810
ORD	4	4	4
Total	3,547	3,599	3,536

The current sworn headcount as of January 1 is 2,722 compared to 2,713 at the same time last year. The Administration intends to try to reach the uniform headcount level of 2,750 through hiring smaller classes more frequently. A class of 35 recruits is anticipated this spring. However, it should be noted that overtime in 2008 has been budgeted at approximately \$10.0 million less than the 2007 actual. In 2007, the budgeted overtime of \$40.2 million will fall short by \$4.5 million.

Fire Commission

The January 1st headcount for the Fire Commission is 104 full-time positions which is 11 positions less than the FY 08 full-time budget. The vacant positions are contributing to a surplus of \$564,000. The vacant positions include five Fire Marshals, two Fire Communication Technicians and four clerical positions. The department has stressed that the loss of personnel, particularly Fire Marshals, not only increases overtime but also has a negative impact on the Commission's ability to generate additional revenue. According to the department, the lost revenue from one Fire Marshal who usually performs three lightening tests in one day is approximately \$111,000 annually. In FY 07, the Fire Commission's actual overtime exceeded the budget of \$897,000 by \$517,000. The FY 08 budgeted amount of \$1.2 million appears to be sufficient to cover overtime as long as the Commission does not lose additional personnel.

Health Department

As of January 1st, the Health Department's full-time headcount of 220 results in 20 vacant positions compared to the FY 08 budget. These vacant positions are contributing to a projected salary surplus of \$1.5 million. Vacant positions include one Accountant, three Sanitarians, five Clericals, one Community Health Service Assistant, one Deputy Commissioner of Health, one Early Intervention Service Bilingual Coordinator, two Medical Social Worker, one Physician, one Programmer Analyst, one Public Health Engineer and a Social Health Investigator. The department continues to lose positions and since

January 1, 2007 full-time headcount has declined by 18.

Correctional Center

OLBR projects the Correctional Center will have a shortfall in the 2008 salary budget of about \$3.4 million. This is due to a projected overtime deficit of \$3.0 million which is partially offset by attrition savings not included in the budget of \$310,000. The Administration continues to understate the overtime budget. In FY 07 the overtime budget had a shortfall of \$3.7 million. The Administration plans to hire 85 officers in FY 08 and is anticipated to produce a net overtime savings of \$3.1 million. The projected salary includes the cost and associated overtime savings for 55 new officers that started January 11, 2008. The cost and overtime savings are not included in the projection for 30 officers the Administration plans to hire later this year. If 30 officers are hired overtime saving could increase.

The Department of Social Services

The Department of Social Services (DSS) has 46 vacant positions and is projected to be \$2.0 million under budget assuming the January 1, 2008 actual headcount. The Department's General Fund January 2008 headcount has decreased from January 2007 by 14 positions, but the Grant fund headcount increased by 12 positions over the same time period. Of the General Fund vacant positions, DSS would have received between 60% and 80% reimbursement for 15 Social Welfare Examiners, 16 Caseworker I's, four Juvenile Detention workers, eight clerks, one Child Support Investigator, one Community Service Representative, and one Housing Field Supervisor.

Public Works (General Fund)

DPW begins 2008 with 41 full-time vacancies out of an authorized headcount of 541. These include seven construction inspectors, six engineers, six clerks, three traffic technicians, two auto mechanics, two equipment operators, two laborers, and one vacancy in each of the following positions: architect, building maintenance and security officer,

custodial worker, deputy commissioner of Public Works, hazardous waste specialist, maintenance mason, maintenance painter, storm water basin supervisor, and superintendent of heating and ventilation. As shown in the chart below, with the exception of 2003, the 500 actual headcount as of January 1, 2008 is at a five year low. In 2007 there were 18 employees hired, and 32 separations. Including the net gain of two transferred employees, the department headcount has gone down by 10 since January 1, 2007. The department is in the process of updating the organizational charts for each unit, and plans to consolidate in-house services. DPW does not anticipate any issues that will prevent the filling of entry level positions as soon as possible

Public Works	
Year	January 1st Headcount
2003	434
2004	513
2005	550
2006	511
2007	510
2008	500

Sewer and Storm Water District

The Sewer and Storm Water Resource District has a full-time budget of 348 with 286 filled as of January 1, 2008 and a projected surplus of \$3.1 million. The 286 actual headcount as of January 1, 2008 is at a five year low as shown in the chart below. The significant number of vacant positions has been an ongoing issue for the District. In light of the restructuring of several units associated with the District, the Department of Public Works is currently working on assessing the impact of sewer consolidation on staffing levels.

Sewer & Storm Water District	
Year	January 1st Headcount
2003	317
2004	302
2005	297
2006	291
2007	292
2008	286

Conclusion

The Office of Management and Budget (OMB) goes through a similar process of projecting salary deficits and/or surplus. However, since it is possible to forecast departmental deficits early in the fiscal year, it is unclear why transfers that often require polling and submission as emergency items are presented at the end of the year. OLBR recommends that budget transfers be submitted as soon as a deficit is determined.

More importantly, OMB's January Monthly Status Report illustrates the Administration's Workforce Management targets included in the County's 2008 contingency plan, as required by NIFA. The Administration estimated that \$6.0 million in savings can be achieved if 100 vacancies are not filled. Given the exacerbating budget constraints and economic uncertainties in FY 08, the savings

that these vacancies create may be necessary for the fiscal health of the County. However, the Administration needs to consider the impact that these unfilled positions can have on the County's public safety and health services. The Administration should also take into account the impact the unfilled positions can have on each department's day to day operations. In addition, the cost of increased overtime expense and loss of revenue generating capabilities should be considered. Furthermore, future budgets should not include budgeted positions that are not likely to be filled, which would allow for a better allocation of resources. Correspondingly, the risky assumptions that require the funding from the "contingent positions" should be eliminated. If the assumptions materialize as planned, then the Administration can seek to increase additional funding for various personnel needs.

FY 08 Salary Analysis								
Department	2008 Budgeted		Jan. 1st vs. Budget	% +/-	2008 Budgeted Salaries	Current 2008 Projected Salaries	Projection vs. Budget	
	Full-Time Headcount	January 1st Headcount					Budget	% +/-
Assessment	261	252	9	3.4%	14,087,831	13,734,511	353,320	2.5%
Assessment Review Commission ¹	48	44	4	8.3%	3,613,231	3,542,174	71,057	2.0%
Behavioral Services	88	85	3	3.4%	6,552,020	6,281,205	270,815	4.1%
Board of Elections	110	107	3	2.7%	10,403,642	9,394,673	1,008,969	9.7%
C.A.S.A.	8	8	0	0.0%	448,884	451,694	(2,810)	-0.6%
Civil Service ²	65	62	3	4.6%	5,078,278	4,785,938	292,340	5.8%
Comptroller	100	95	5	5.0%	7,460,923	6,950,111	510,812	6.8%
Constituent Affairs	57	51	6	10.5%	3,145,942	2,778,917	367,025	11.7%
Consumer Affairs	43	42	1	2.3%	2,578,583	2,538,370	40,213	1.6%
Correctional Center ³	1,329	1,271	58	4.4%	112,710,980	116,097,476	(3,386,496)	-3.0%
County Attorney	155	156	(1)	-0.6%	12,166,627	11,992,955	173,672	1.4%
County Clerk	106	92	14	13.2%	5,758,517	5,211,785	546,732	9.5%
County Executive	38	38	0	0.0%	3,738,144	3,699,475	38,669	1.0%
District Attorney ⁴	385	385	0	0.0%	29,050,832	28,945,862	104,970	0.4%
Emergency Management	7	7	0	0.0%	570,573	569,976	597	0.1%
Health	240	220	20	8.3%	17,635,231	16,108,430	1,526,801	8.7%
Housing and Intergovernmental Affairs	10	9	1	10.0%	1,004,101	900,202	103,899	10.3%
Human Resources	15	15	0	0.0%	978,381	960,289	18,092	1.8%
Human Rights	10	10	0	0.0%	827,470	825,126	2,344	0.3%
Information Technology	112	99	13	11.6%	9,592,614	9,108,198	484,416	5.0%
Investigations	3	2	1	33.3%	276,685	186,268	90,417	32.7%
Labor Relations	7	6	1	14.3%	519,012	487,012	32,000	6.2%
Legislature ⁶	98	91	7	7.1%	6,323,981	5,801,762	522,219	8.3%
Medical Examiner	51	55	(4)	-7.8%	5,163,181	5,189,907	(26,726)	-0.5%
Minority Affairs, Office of	9	8	1	11.1%	657,838	584,715	73,123	11.1%
Office of Management and Budget	44	40	4	9.1%	3,726,015	3,484,906	241,109	6.5%
Parks, Recreation and Museums	265	256	9	3.4%	21,352,623	20,764,720	587,903	2.8%
Physically Challenged	7	7	0	0.0%	392,226	391,343	883	0.2%
Planning	24	20	4	16.7%	1,965,941	1,655,409	310,532	15.8%
Probation	240	220	20	8.3%	19,496,465	17,743,618	1,752,847	9.0%
Public Administrator	7	7	0	0.0%	489,020	489,020	0	0.0%
Public Works Department	541	500	41	7.6%	36,296,031	34,618,262	1,677,769	4.6%
Purchasing	25	22	3	12.0%	1,659,123	1,514,981	144,142	8.7%
Real Estate	9	8	1	11.1%	819,313	719,444	99,869	12.2%
Records Management	13	9	4	30.8%	822,518	671,361	151,157	18.4%
Senior Citizens Affairs	39	36	3	7.7%	2,598,099	2,361,681	236,418	9.1%
Social Services	897	851	46	5.1%	54,190,862	52,188,377	2,002,485	3.7%
Traffic & Parking Violations	41	37	4	9.8%	3,051,593	2,808,026	243,567	8.0%
Treasurer	41	41	0	0.0%	2,520,154	2,520,732	(578)	0.0%
Veterans' Services Agency	9	9	0	0.0%	623,045	623,045	0	0.0%
Youth Board	7	7	0	0.0%	539,811	540,922	(1,111)	-0.2%
General Fund Total	5,564	5,280	284	5.1%	410,886,340	400,222,880	10,663,460	2.6%
Fire Commission (FCF)	115	104	11	9.6%	10,300,116	9,736,526	563,590	5.5%
Police District Fund (PDD) ⁵	1,827	1,828	(1)	-0.1%	220,323,426	222,996,828	(2,673,402)	-1.2%
Police Headquarters (PDH)	1,772	1,713	59	3.3%	203,937,928	200,025,512	3,912,416	1.9%
Subtotal Major Funds	9,278	8,925	353	3.8%	845,447,810	832,981,746	12,466,064	1.5%
Sewer & StormWater (SSW)	348	286	62	17.8%	22,178,977	19,102,885	3,076,092	13.9%
Grand Total	9,626	9,211	415	4.3%	867,626,787	852,084,631	15,542,156	1.8%

3,599

Cola Increases and Salary Savings

Budgeted Cola Increases for CSEA, DAI, SOA & SHOA	25,684,685
Contractual Savings for SHOA - (located in Correctional Center Salaries)	(5,300,000)
Contractual Savings for DAI & SOA- (located in Police District Salaries)	(3,200,000)
Contractual Savings for DAI & SOA - (located in Police Headquarters)	(9,000,000)
Subtotal FY 08 Salaries	875,811,472

1) Assessment Review Commission - The full-time budget has been adjusted for 6 additional heads for Board Members. These positions have been labeled part-time in the Budget Book.

2) Civil Service - The full-time budget has been adjusted for an additional 3 full time positions for Civil Service Board Members.

3) Correctional Center - 55 new recruits have been added to the January headcount.

4) District Attorney - The full-time budget has been adjusted for 35 additional positions for Temporary District Attorney Law Assistants.

5) Police District - 50 new recruits which started on January 3rd have been added to the January full-time headcount.