



# NASSAU COUNTY LEGISLATURE

## Office of Legislative Budget Review



*Nassau County Legislative Chambers*

## Review of the Fiscal Year 2006 Budget & Multi-Year Plan

## Departmental Analysis

Eric C. Naughton, Director

# *Nassau County*

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### **Inter-Departmental Memo**

To: Hon. Judith A. Jacobs, Presiding Officer  
Hon. Peter J. Schmitt, Minority Leader  
All Members of the Nassau County Legislature

From:  Eric C. Naughton, Director  
Legislative Budget Review

Date: October 14, 2005

Re: Multi-Year Plan & Departmental Analysis of the FY 06 Budget

The enclosed document contains an analysis of the FY 06 Executive Budget and Multi-Year Plan at the departmental level. We have also prepared an Executive Summary that is available under separate cover. In order to better evaluate the proposed budget, our departmental analysis includes OLBR's FY 05 projections. In most instances, the projection for OTPS spending reflects projections made by OMB in their monthly budget report for the period ending August 31, 2005. In addition, in looking at staffing needs we compare the proposed FY 06 budget to actual staffing levels as of September 1, 2005, as well as to the FY 05 budget.

There were two structural changes made to this year's Executive Budget by the Office of Management & Budget. The expense category for materials and supplies (CC) has been eliminated and merged with general expense (DD). For comparison purposes, in our charts we have similarly combined the two codes for both the FY 05 budget numbers and the OLBR projection. The other change has to do with inter-departmental charges, which are utilized to identify and allocate the costs incurred between County departments. In FY 06, the Office of Management and Budget has scheduled inter-departmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. For this reason, a number of agencies have had their inter-departmental charges zeroed out in the proposed budget.

My staff and I remain ready to provide any additional assistance the Legislature may require in consideration of the proposed budget and Financial Plan. This document will be made available to your constituents at [www.nassaucountyny.gov/official/county/agencies/OLBR](http://www.nassaucountyny.gov/official/county/agencies/OLBR).

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## ASSESSMENT

The mission of the Department of Assessment is to provide accurate and equitable assessments for the properties within Nassau County, and to update the assessment roll annually. In addition, the department administers the New York State STAR Program and processes applications for local school district tax relief and reductions.

The budget proposed for the Department of Assessment is \$14.1 million, a \$3.2 million decrease from the current year. Much of this reduction is attributable to a change in the way the Office of Management and Budget is accounting for inter-departmental charges in the FY 06 budget (see below). This line has gone from \$1.9 million in FY 05 to zero in FY 06. Excluding inter-departmental charges, the proposed budget is decreasing by \$1.3 million, or 8.4%. This results from the net of a \$2.9 million reduction for contractual services, which is partially offset by a \$1.6 million increase in salaries expense.

### EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$9,803,733	\$9,234,827	\$11,493,159	\$11,375,158	\$1,571,425	\$2,140,331
BB	Equipment	330,000	330,000	332,707	332,707	2,707	2,707
DD	General Expenses	853,000	853,000	859,998	859,998	6,998	6,998
DE	Contractual Services	4,373,870	4,373,870	3,502,367	1,502,367	(2,871,503)	(2,871,503)
	<b>Total OTPS</b>	<b>5,556,870</b>	<b>5,556,870</b>	<b>4,695,072</b>	<b>2,695,072</b>	<b>(2,861,798)</b>	<b>(2,861,798)</b>
HF	Inter-Depart Charges	1,930,739	1,930,739	0	0	(1,930,739)	(1,930,739)
	<b>Grand Total</b>	<b>\$17,291,342</b>	<b>\$16,722,436</b>	<b>\$16,188,231</b>	<b>\$14,070,230</b>	<b>(\$3,221,112)</b>	<b>(\$2,652,206)</b>

Assessment's departmental request reduced the contractual services line by \$871,503. This was possible because the cost for Cole Layer Trumble's (CLT) services will decrease from \$2,950,000 in FY 05 to \$2.0 million in FY 06. This contract, with a term of six years, in effect since 2003, provides for real property appraisal services related to the annual update of the assessment roll. The Executive Budget reduced the contractual services line in the departmental request by \$2 million, as the Administration plans to pre-pay the FY 06 expense of the CLT contract with available FY 05 funds. Other services provided by contract include data processing maintenance and mainframe code modification. The department also has an agreement with an employment agency to provide temporary workers when needed.

The remainder of the OTPS codes are basically remaining flat. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expenses (DD) under general expenses (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection.

In the chart above, inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Assessment for such services as information technology, telecommunications, and records management. However, in the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$1.9 million.

The salaries budget is increasing by 16%, from \$9.8 million to \$11.4 million. The number of budgeted heads, as seen in the chart below, will grow by 19 full-time and 3 part-time positions. The department is made up predominantly of CSEA members, with a small number of ordinance employees. The County Assessor, an elected official who serves as Chairman of the Board of Assessors, and the members of that Board, make up the remaining the staff. The CSEA contract will provide a CPI-based salary adjustment as of January 1, 2006 of 2.5%, in addition to a step increase.

<b>Department of Assessment Staffing Analysis</b>						
	<b><u>FY 05 Adopted</u></b>	<b><u>Sept-05 Actual</u></b>	<b><u>FY 06 Request</u></b>	<b><u>FY 06 Executive</u></b>	<b><u>Exec. vs 05 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	228	202	247	247	19	45
Part-time and Seasonal	4	4	7	7	3	3

In the budget as proposed, Assessment would gain 19 full-time positions, and lose one part-timer. The September actual headcount reveals a significant number of vacant full-time positions. The department has been aggressively seeking to hire and train a staff capable of taking over the annual update from Cole Layer Trumble. Since September 2004, actual headcount has grown by 49 full-time positions. If the County terminates the CLT contract for convenience prior to December 31, 2006, CLT would receive a buyout of \$350,000. Even while the contract is in place the department will perform work related to the update, such as field review, clerical support, data entry, and the producing and mailing of disclosure notices.

A budget line labeled “Empty” was added to the FY 05 budget, and allocated \$2.2 million. That lump sum funding was to be used to hire 50 employees to take over the valuation work from CLT and another 33 employees to handle Small Claims Assessment Review (SCAR) proceedings. The proposed FY 06 “Empty” line funds 59 full-time positions for \$1.5 million. Of the 59 positions, 40 will be assigned to the annual update, and 19 will be utilized for work relating to the SCAR proceedings. These positions have been funded at 50% of annual salary in the expectation that the hiring will be staggered throughout the year. The titles include 19 Real Property Tax Specialists, 8 Assessor Aide I’s, 7 Commercial Industrial Assessor Appraiser I’s, 3 Commercial Industrial Assessor Appraiser II’s, 5 Real Property

Assessor Appraiser. I's, 2 Real Property Assessor Appraiser III's, 1 Statistician, 1 Public Utilities Assessor, 1 Chief Deputy Assessor, and various clerical, accounting, and administrative support staff.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
BH Department Revenues	\$245,000	\$245,000	\$245,000	\$245,000	\$0	\$0
SA State Aid - Reimb. Exp.	664,000	835,000	800,000	800,000	136,000	(35,000)
<b>Total</b>	<b>\$909,000</b>	<b>\$1,080,000</b>	<b>\$1,045,000</b>	<b>\$1,045,000</b>	<b>\$136,000</b>	<b>(\$35,000)</b>

The largest revenue source for the Department of Assessment, state aid, is increasing by 20% in the proposed budget. The County will receive \$5 per parcel for its updating of the roll. Although Nassau has some 416,000 parcels, the state caps its aid at \$500,000. The department also receives state aid for costs associated with the implementation of the School Tax Relief program (STAR), which provides a partial exemption from school property taxes for owner-occupied, primary residences. The State has indicated that the rates upon which this aid is calculated will be reduced by one third in FY 06. The amount received in FY 04 for STAR related reimbursement was \$370,000, and approximately \$335,000 is projected for the current year.

The department collects fees for such services as the sale of tax maps, property record cards, and various reports. These show up as departmental revenues and are expected to remain flat in FY 06.

## ASSESSMENT REVIEW COMMISSION

The mission of the Assessment Review Commission (ARC) is to review property assessments upon application by taxpayers and provide timely, appropriate relief from excessive valuations. The Commission is a quasi-judicial arm of the County government consisting of a chairperson and eight Commissioners.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$2,734,993	\$2,573,909	\$3,565,716	\$3,548,357	\$813,364	\$974,448
BB	Equipment	50,000	50,000	40,000	40,000	(10,000)	(10,000)
DD	General Expenses	116,375	116,375	168,000	168,000	51,625	51,625
DE	Contractual Services	1,133,000	1,359,000	1,790,000	1,790,000	657,000	431,000
	<b>Total OTPS</b>	<b>1,299,375</b>	<b>1,525,375</b>	<b>1,998,000</b>	<b>1,998,000</b>	<b>698,625</b>	<b>472,625</b>
HF	Inter-Depart Charges	876,067	876,067	0	0	(876,067)	(876,067)
	<b>Grand Total</b>	<b>\$4,910,435</b>	<b>\$4,975,351</b>	<b>\$5,563,716</b>	<b>\$5,546,357</b>	<b>\$635,922</b>	<b>\$571,006</b>

The proposed FY 06 budget for the Assessment Review Commission is \$635,922, or 13%, more than that of the current year. Excluding the inter-departmental charges from FY 05 brings the year to year increase to \$1.5 million, or 37.5%. Inter-departmental charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of ARC for such services as information technology, telecommunications, and records management. However, in the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$876,000.

Expenditures for OTPS are increasing for both general expenses and contractual services. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expenses (DD) under general expenses (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. The additional \$51,625 in general expenses will be used to purchase IT supplies and for education and training of staff. The contractual services line is increasing by \$657,000, or 58%, to \$1.8 million. The vast majority of ARC's contractual budget is for the procurement of specialized appraisal services. When a tax grievance goes to trial, the County must use an independent appraiser and not one of its own employees. There is also a small amount of funding to hire temps for clerical functions.

Salaries are increasing by \$813,364, or 29.7%. This includes funding for the January 1, 2006 CSEA wage adjustment of 2.5%, as well as steps. ARC's staff is made up predominately of CSEA members, with a small number of ordinance employees. The line for overtime is remaining at \$300,000.

<b>Staffing Analysis</b>						
	<b>FY 05 <u>Adopted</u></b>	<b>Sept-05 <u>Actual</u></b>	<b>FY 06 <u>Request</u></b>	<b>FY 06 <u>Executive</u></b>	<b>Exec. vs <u>05 Adopt</u></b>	<b>Exec. vs <u>Actual</u></b>
Full-time Staffing	37	33	43	43	6	10
Part-time and Seasonal	14	12	13	13	(1)	1

ARC's budget is gaining six full-time positions, and losing one part-timer. The ten full-time positions that will be added to the September 1<sup>st</sup> actual staffing are as follows: one Real Property Assessor Aide II, three Real Property Assessor Aide III's, and six Statistician II's. The statisticians are budgeted at \$75,000 each. The positions of two receptionists and one messenger in the FY 05 budget, currently vacant, were not included in the proposal for FY 06. The part-time position eliminated is a Clerk Typist I.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
BH Departmental Revenues	\$9,000	\$0	\$0	\$0	(\$9,000)	\$0
NA NIFA Aid	4,300,000	4,300,000	0	0	(4,300,000)	(4,300,000)
<b>Total</b>	<b>\$4,309,000</b>	<b>\$4,300,000</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,309,000)</b>	<b>(\$4,300,000)</b>

ARC will not have a revenue budget in FY 06. Departmental revenues were formerly received for advisory appraisal work on Industrial Development Agency (IDA) projects. The IDA no longer uses ARC for that purpose. NIFA Aid is the balance of one-time funding the State may provide of up to \$5 million for efforts to reform the County's tax certiorari system. Expenditures will have to be approved by NIFA before ARC can receive any revenue. ARC expects to apply for the balance of the aid before the end of the current year, and for that reason has not included this source in its FY 06 revenue budget.

**Out-Year Initiatives**

NAME	FY 2007	FY 2008	FY 2009
Tax Certiorari Settlement Reform	\$500,000	\$500,000	\$500,000
Absentee Landlord Surcharge	\$0	\$5,733,693	\$5,733,693

The initiative on **tax certiorari settlement reform** seeks to reduce the time that it takes for a claim to be paid after settlement by ARC. Interest on the taxes to be refunded currently accrues at a rate of 4.0%. The goal is to decrease the post-settlement period by four months. Formerly, when ARC settled a claim the paperwork had to go to the Court and the County Clerk before the Treasurer received it and made payment. With this initiative, made possible by a change in state law, and negotiation with the tax certiorari bar, ARC plans to transmit its determinations directly to the Treasurer, with all of the required backup. An IT consultant will be utilized to automate the process. Based on an estimated principal to be paid in FY 07 of \$33,850,000, at a projected 4.5% interest, savings of approximately \$500,000 would be achieved.

The **absentee landlord surcharge** initiative seeks to impose a surcharge on residential properties that are not owner-occupied. The Administration estimates that there are currently 17,210 such parcels with a taxable assessed value of \$68 million. The tax on these properties is now \$24.7 million. A 25% surcharge on this amount, less a 7% reserve for refunds and uncollectible taxes, would yield \$5.7 million. It is not clear whether this initiative represents good public policy, or what its impact on the housing market will be. This initiative is dependent on a change of state law, and must therefore be considered at risk.

## CIVIL SERVICE

The Civil Service Commission was established pursuant to Article XII and expanded with amendments to County Government Law, in accordance with New York State Civil Service Law and New York State Constitution. The commission is responsible for administering New York State Civil Service Law regarding the staffing of public employment. Three commissioners serve as the policy-making unit of the department. They conduct public hearings, review background investigations, make determinations and sit as an appeals board.

### EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$4,593,104	\$4,422,489	\$4,774,264	\$4,529,502	(\$63,602)	\$107,013
BB	Equipment	21,263	21,263	21,438	21,438	175	175
DD	General Expenses	284,826	284,826	287,162	287,162	2,336	2,336
DE	Contractual Services	7,500	7,500	7,562	7,562	62	62
HH	Inter-Fund Charges	0	0	150,000	150,000	150,000	150,000
	<b>Total OTPS</b>	<b>313,589</b>	<b>313,589</b>	<b>466,162</b>	<b>466,162</b>	<b>152,573</b>	<b>152,573</b>
HF	Inter-Dept. Charges	2,585,848	2,585,848	997,920	0	(2,585,848)	(2,585,848)
	<b>Grand Total</b>	<b>\$7,492,541</b>	<b>\$7,321,926</b>	<b>\$6,238,346</b>	<b>\$4,995,664</b>	<b>(\$2,496,877)</b>	<b>(\$2,326,262)</b>

Salary costs are increasing from the projected actual by \$107,013 or 2.4% but decreasing from the FY 05 budget by \$63,602 or 1.4%. The 2006 budget includes funding for step increases, a contractual CSEA 2.5% increase as of January 1<sup>st</sup>, and an additional Investigator III, however, part-time employee funding has decreased by \$220,209. The department believes this may be an issue depending on the number of law enforcement medicals performed. This includes medicals for Police Officers, Correction Officers, and Probation Officers, all of which are expected to be hired in 2006. However, additional testing will also mean additional departmental revenues which are budgeted in 2006 at \$65,000 less than the projected FY 05 actual.

The OTPS budget, excluding inter-departmental charges, is increasing by \$152,573 or 48.7% from the FY 05 budget and projected actual. This is primarily due to the addition of \$150,000 for inter-fund charges which are payments made to the Medical Center for referrals. When candidates are given physicals by a Civil Service physician, the need occasionally arises for additional testing, at which point the prospective employee is sent to the Medical Center. In the past, few referrals were made and the Medical Center was not charging the County. Now with the increased hiring, more people are being referred for additional testing and the Center has begun billing for these services.

General expenses and equipment are increasing slightly from the FY 05 budget and projected actual. Most of the general expenses are related to supplies and payments made to the State for usage of their exams.

Since 2004 the County has been bringing its departments on-line with the Civil Service data processing system in an effort to bring the department to a paperless process and reduce data entry. It is anticipated that efficiency will continue to increase as the County's departments continue to come on-line. The schools and local municipalities are currently on this system and it is expected that the County will be fully utilizing the system by the end of 2005.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Civil Service. However, in the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$2.6 million.

<b>Civil Service Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	61	62	63	62	1	0
Part-time and Seasonal	32	33	34	31	(1)	(2)

The FY 06 budgeted full-time headcount is increasing over the FY 05 budget for the addition of one investigator, which was added in 2005. This increase brings the 2006 budget in line with the September actual. Part-time positions are decreasing by one position from the 2005 budget and by two positions from the September actual. Although this decrease is small, the dollar budget available for part timers has decreased by 38% as previously discussed.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
BF Rents & Recoveries	\$0	\$0	\$0	\$30,800	\$30,800	\$30,800
BH Department Revenues	200,800	300,000	200,800	235,000	34,200	(65,000)
<b>Grand Total</b>	<b>\$200,800</b>	<b>\$300,000</b>	<b>\$200,800</b>	<b>\$265,800</b>	<b>\$65,000</b>	<b>(\$34,200)</b>

The total revenue budget is increasing by \$65,000 or 32.4% over the FY 05 budget. This is partially due to the increase in departmental revenues by \$34,200. In order to remain conservative, the FY 06 budget



is less than the FY 05 projected actual by \$65,000 or 21.7%. This account is made up almost entirely of fees collected for the administration of various civil service exams. The amount collected is dependent on the type of tests given and the department is expecting to have a similar test schedule in 2005 as it had in 2004. Rents and recoveries is being added in 2006 to account for anticipated reversals of prior year appropriations.

OFFICE OF CONSTITUENT AFFAIRS

The Office of Constituent Affairs is responsible for the County Executive’s press and constituent affairs operations, as well as providing printing, graphics, photo and mail services for departments County-wide. The department is in charge of receiving and addressing the numerous constituent inquiries. The department utilizes its Press Office for informing the public of the County Executive’s policies, programs and actions. The Press Office also acts as the interface between the County Executive and the various news and media outlets. The Division of Printing and Graphics oversees the majority of the County’s printing facilities and distributes photo-copying supplies County-wide.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$2,721,056	\$2,735,297	\$2,900,928	\$2,783,903	\$62,847	\$48,606
BB	Equipment	25,313	25,313	4,000	4,000	(21,313)	(21,313)
DD	General Expenses	1,580,800	1,580,800	1,975,177	1,819,177	238,377	238,377
DE	Contractual Services	158,467	158,467	0	0	(158,467)	(158,467)
	<b>Total OTPS</b>	<b>1,764,580</b>	<b>1,764,580</b>	<b>1,979,177</b>	<b>1,823,177</b>	<b>58,597</b>	<b>58,597</b>
HF	Inter-Depart Charges	1,160,969	1,160,969	0	939,592	(221,377)	(221,377)
	<b>Grand Total</b>	<b>\$5,646,605</b>	<b>\$5,660,846</b>	<b>\$4,880,105</b>	<b>\$5,546,672</b>	<b>(\$99,933)</b>	<b>(\$114,174)</b>

The proposed FY 06 salaries budget is increasing by \$62,847 over the FY 05 budget. The increase is primarily due to a salary adjustment of 2.5% as of January 1, 2006 provided in the CSEA contract, as well as step increases. The budget reflects salaries for 58 full-time positions. The positions consist of 16 employees for the Constituent Affairs division and 42 employees for the Printing and Graphics division.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. The FY 06 OTPS budget, excluding inter-departmental charges will increase over the FY 05 budget by \$58,597. The change is due to the increase in general expenses and is partially offset by the elimination of contractual services. The department is intending to purchase a full color printing press that will enable it to perform more in-house duties and decrease the use of outside contractual services. There is also a decrease of \$21,313 in the equipment expense category resulting from the department’s plans in FY 06 to utilize funds from the capital budget to acquire the majority of its equipment.

The increase for general expenses of \$238,377 is mainly due to the increase in postage and paper supplies. Postage and copying and blueprint supplies make up the bulk of the general expense category.

The allocation for postage will be \$894,000 for FY 06. Copying and blueprint supplies budget will be \$600,000. These supplies, as well as the postage, are utilized County-wide.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes these charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Office of Constituent Affairs. Of the amount budgeted, \$512,456 is for building occupancy charges and \$427,136 is for indirect charges. The total inter-departmental charges is decreasing by \$221,377 because of the elimination of information technology charges, purchasing charges, telecommunication charges and other miscellaneous charges.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>					
<b>Control Center</b>	<b>Adopted FY 05 Budget</b>	<b>Departmental Request FY 06</b>	<b>Executive FY 06</b>	<b>Variance Exec. vs. FY 05</b>	<b>Variance Exec. vs. Request</b>
10 Constituent Affairs	888,853	928,991	828,991	(59,862)	(100,000)
30 Printing and Graphics	4,757,752	3,951,114	4,717,681	(40,071)	766,567
<b>Total</b>	<b>5,646,605</b>	<b>4,880,105</b>	<b>5,546,672</b>	<b>(99,933)</b>	<b>666,567</b>

The above chart details the expense budget for Constituent Affairs by its two control centers. The Constituent Affairs control center is comprised entirely of the salaries for the press and constituent affairs employees. All of the OTPS funding, as well as the salaries for the print shop employees, are included in the Printing and Graphics control center.

<b>Office of Constituent Affairs Staffing Analysis</b>						
	<b>FY 05 Adopted</b>	<b>Sept-05 Actual</b>	<b>FY 06 Request</b>	<b>FY 06 Executive</b>	<b>Exec. vs 05 Adopt</b>	<b>Exec. vs Actual</b>
<b>CC Full-time Staffing</b>						
10 Constituent Affairs	19	17	16	16	(3)	(1)
30 Printing and Graphics	39	41	42	42	3	1
<b>Total Full-time</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>0</b>	<b>0</b>
<b>CC Part-time and Seasonal</b>						
10 Constituent Affairs	0	9	9	0	0	(9)

The proposed budget for total full-time positions will remain the same as the September 05 actual full-time actual headcount. The department will have one additional full-time position in the Printing and Graphics control center but will have one less full-time position in the Constituent Affairs control center. The Constituent Affairs control center currently possesses nine part-time and seasonal positions;

however it is not budgeted for any in FY 06. The department hopes to retain the part-time and seasonal positions if there is enough money within the budget to fund them.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
BJ Interdepartmental Revenues	4,527,115	4,527,115	0	1,184,497	(3,342,618)	(3,342,618)

Departments are charged for their portion of the copying, printing, and inter-office mailing services provided by the Printing and Graphics division. This is reflected as inter-departmental revenue for Constituent Affairs. The inter-departmental revenue budget will decrease by \$3,342,618 as a result of a change implemented by the Office of Management and Budget. In FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services.

OFFICE OF CONSUMER AFFAIRS

The Office of Consumer Affairs protects and advocates for the rights of consumers. The Office is authorized by Local Law 9-1967, Local Law 2-1970 and the New York State General Business Law.

Excluding inter-departmental charges, the FY 06 Consumer Affairs budget shows an increase in both revenues and expenses. Revenues are budgeted to increase in 2006 since several new programs are being implemented. The revenue budget could prove to be overstated since some of the base assumptions are optimistic and since State approval is required for implementation of two of the programs. Expenses are increasing to fund additional positions and equipment necessary for the implementation of the new programs.

**Revenue Initiative - \$2,500,000**

In FY 06 the Office of Consumer Affairs is hoping to start licensing plumbers and electricians. Of the \$6.2 million permits & licenses budget, \$2.5 million is expected to come from licensing plumbers and electricians. According to U.S. Census Bureau statistics, there are 2,872 electrical contractors and 3,944 plumbing, heating and air conditioning contractors in Nassau County. Using the proposed bi-annual \$500 license fee, it was found that \$2.5 million is a reasonable estimate of the license revenues collected from this program. However, since the enabling legislation, S4891-A, is currently under review by the New York State Senate Local Government committee, it is uncertain if and when it will be introduced to the full State Legislature for a vote. Therefore, it is unclear if \$2.5 million is realistic for 2006.

REVENUE BUDGET						
Revenue Class	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. Vs FY 05 Proj.
BC Permits & Licenses	2,922,096	3,086,916	6,200,000	6,200,000	3,277,904	3,113,084
BD Fines and Forfeitures	1,224,736	924,079	620,000	620,000	(604,736)	(304,079)
BH Department Revenues	100	440	200	200	100	(240)
SA State Aid - Reimbursable	45,000	45,000	45,900	45,900	900	900
<b>Grand Total</b>	<b>\$4,191,932</b>	<b>\$4,056,435</b>	<b>\$6,866,100</b>	<b>\$6,866,100</b>	<b>\$2,674,168</b>	<b>\$2,809,665</b>

The FY 06 Executive revenue budget for the Office of Consumer Affairs is increasing 63.8% from FY 05. The fines and forfeitures line is decreasing 49.4% from the Adopted FY 05 budget. The FY 05 fines and forfeitures line was overstated; it erroneously included fine revenue from new smart government initiatives. The FY 06 fines and forfeitures line is realistic incorporating \$100,000 from the weights and measures division, \$100,000 from the investigation and complaints division, and \$420,000 from the licensing division.

The permits and licenses line has the highest growth. The chart on the next page details the four components of that line. The increase in the home improvement license fees is a result of the department's decision to start licensing plumbers and electricians detailed above. Also, included in the permits and licenses line are new fee revenues from registering taxis and limos and ATMs.

In December of 2003, Local Law #21 passed authorizing the Office of Consumer Affairs to regulate taxis and limousines in Nassau County. The taxi and limousine program requires that all taxis and limousines not currently registered with a Nassau County town register annually with the County Office of Consumer Affairs. Additionally, it requires that taxis already registered with a town in Nassau County pay for a County sticker. Consumer Affairs expects to collect \$1,000,000 from this program in FY 06. The proposed legislation includes a first year \$300 fee. Thereafter a \$5 annual fee for all County taxis and limousines and out-of-county taxis and limousines will be charged. Using New York State Department of Motor Vehicles (DMV) statistics, the FY 06 revenue estimate seems reasonable. For the Office to reach its revenue target, only 10% of all taxis and limousines licensed through the DMV in Nassau, Suffolk, Queens and Brooklyn would have to register with Consumer Affairs. However, the out-year funding included in the MYP is overstated since the County will only be receiving \$5 per registered vehicle.

In March 2005, Local Law #2 passed authorizing the Office of Consumer Affairs to start regulating non-bank ATMs. The ATM registration program only applies to non-bank or independent sales organization ATMs. It does not apply to ATMs located within a space rented or owned by a financial institution. By registering non-bank ATMs Consumer Affairs hopes to protect personal information and combat identity theft. OLBR estimates that there are between 1,006 and 1,731 non-bank ATMs in Nassau. Using those figures it was found that the Office could expect to collect between \$53,000 and \$92,000 in annual revenue, much less than Consumer Affairs' \$400,000 revenue estimate, which assumed 4,000 non-bank ATMs in Nassau.

<b>Permits &amp; Licenses</b>	<b>Actual 2004</b>	<b>OLBR 2005</b>	
		<b>Estimate</b>	<b>Proposed 2006</b>
Home Improvement License Fees	\$1,571,267	\$2,219,405	\$4,000,000
Weights and Measures Fees	\$741,420	\$730,364	\$800,000
Taxi and Limo Registration Fee	\$0	\$117,147	\$1,000,000
ATM Registration Fee	\$0	\$20,000	\$400,000
<b>Total</b>	<b>\$2,312,687</b>	<b>\$3,086,916</b>	<b>\$6,200,000</b>

Consumer Affairs receives State reimbursement for all expenses related to measuring gasoline quality. These expenses are fully reimbursable. This line is increasing \$900 in the FY 06 budget. The State caps the number of samples eligible for reimbursement. Thus, a small increase is realistic.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. Vs FY 05 Proj.
AA	Salaries	\$2,474,898	\$2,202,509	\$2,662,239	\$2,635,857	\$160,959	\$433,348
BB	Equipment	10,000	10,000	19,000	19,000	9,000	9,000
DD	General Expenses	12,200	10,343	26,100	26,100	13,900	15,757
DE	Contractual Services	215	215	0	0	(215)	(215)
	<b>Total OTPS</b>	<b>22,415</b>	<b>20,558</b>	<b>45,100</b>	<b>45,100</b>	<b>22,685</b>	<b>24,542</b>
HF	Inter-Departmental Charges	612,028	612,028	0	0	(612,028)	(612,028)
	<b>Grand Total</b>	<b>\$3,109,341</b>	<b>\$2,835,095</b>	<b>\$2,707,339</b>	<b>\$2,680,957</b>	<b>(\$428,384)</b>	<b>(\$154,138)</b>

The Consumer Affairs' expense budget excluding inter-departmental charges is increasing by 7.4% from the adopted FY 05 budget. Excluding the contractual services budget, all expense lines are increasing. The salary line has the greatest dollar value increase. The Office is being given funding to hire five full-time workers and two part-time workers. The headcount additions are necessary to implement the new programs detailed previously and to service bilingual consumers and contractors. The equipment budget is increasing to enable the department to purchase items needed to upgrade their information technology and communication systems. The general expense budget is increasing so that the Office may make investigative purchases required for their operations, office supplies and uniforms. The investigative operation purchases include rent for a home to conduct home improvement stings and taxi fares for undercover operations. The Office of Management and Budget has merged the categories (CC) materials and supplies and (DD) general expense under (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, OLBR has done the same for the 2005 Budget and OLBR Projection. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Consumer Affairs. However, in FY 2006 the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$612,028.

Office of Consumer Affairs Staffing Analysis						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	44	39	49	49	5	10
Part-time and Seasonal	9	8	11	11	2	3

Budgeted full-time and part-time/seasonal staffing in the Office of Consumer Affairs is increasing. The current vacancies are mostly for clerical positions. The FY 06 budget includes funding for five new Investigator I positions. The current salary line seems sufficient to fund the existing vacant and new positions, especially since the hiring will occur sporadically throughout the year. The out-year salary funding incorporated in the Multi-Year Plans seems adequate.



## COORDINATING AGENCY FOR SPANISH AMERICANS (CASA)

Created in 1971, the agency has been under the auspices of the County Executive Office since 1977. The department provides information and referrals to the Hispanic community. It serves as a bridge between the Spanish-speaking community and government and the public and private organizations by identifying problems and targeting the necessary services. CASA serves between 5,000 to 8,000 clients each year.

### EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$355,499	\$298,984	\$394,446	\$325,104	(\$30,395)	\$26,120
BB	Equipment	5,000	5,000	5,000	5,000	0	0
DD	General Expenses	12,500	12,500	11,500	11,500	(1,000)	(1,000)
DE	Contractual Services	15,000	15,000	15,000	15,000	0	0
	<b>Total OTPS</b>	<b>32,500</b>	<b>32,500</b>	<b>31,500</b>	<b>31,500</b>	<b>(1,000)</b>	<b>(1,000)</b>
HF	Inter-Depart Charges	319,004	319,004	0	0	(319,004)	(319,004)
	<b>Grand Total</b>	<b>\$707,003</b>	<b>\$650,488</b>	<b>\$425,946</b>	<b>\$356,604</b>	<b>(\$350,399)</b>	<b>(\$293,884)</b>

In FY 06 the salaries account of the department will decrease by \$30,395 or 8.6%. The decrease represents the removal of excess funding from the various budgeted positions. In addition, funding for the one part-time employee has been reduced by \$11,900.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of CASA. However, in the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$319,004.

The aggregate OTPS expense will remain near the same funding level as the current year. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. These accounts are budgeted to pay for general office expenses, membership fees, maintenance of equipment, auto mileage, travel expenses and to facilitate contracts. Due to the department's limited staffing

resources the department will contract with the Hispanic Brotherhood of Rockville Centre, to assist with the backlog of clients. Current waiting times are between two weeks and a month to be seen by a CASA representative. Besides the \$15,000 budgeted for contractual services, it is probable that the department will transfer funds from other OTPS accounts to further reduce the workload.

**Coordinating Agency for Spanish Americans (CASA)  
Staffing Analysis**

	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	6	6	8	6	0	0
Part-time and Seasonal	1	1	1	1	0	0

The full-time staffing level will remain flat with FY 05. The budgeted full-time staffing level has remained unchanged for the past several operating budgets. The department’s request for two additional employees was not approved in the proposed budget. The department planned to use an additional Community Outreach Worker and Community Service Specialist to reduce both the backlog and the current waiting times of clients.

**REVENUE BUDGET**

<u>Revenue Class</u>	<u>Adopted FY 05 Budget</u>	<u>OLBR FY 05 Projection</u>	<u>FY 06 Dept. Request</u>	<u>FY 06 Exec. Budget</u>	<u>Variance Exec. vs Adopted 05</u>	<u>Variance Exec. vs FY 05Proj.</u>
BH Department Revenues	\$30,000	\$55,088	\$0	\$25,000	(\$5,000)	(\$30,088)

The OLBR projected revenue is comprised of two parts: 1) federal aid of \$30,880 received from an adult literacy education grant; and. 2) fees estimated to generate \$25,000 for services the department provides. The department does not expect to receive the grant next year. The department charges for document translation, citizen application, visa extensions, and petitions for relatives and translation services. Through September of 2005 the department has collected over \$18,780. The chart below illustrates the current services available from the department and the correlating fee.

<b>Current Fee Schedule</b>	
<b>Service</b>	<b>Fee</b>
Document Translation	\$10 per page (max \$25)
Citizenship Application	\$25
Petitions for Relatives	\$60
All other Immigration Forms	\$25 to \$35
Miscellaneous Forms	\$5 to \$10

Included in the department budget request is a new fee schedule which includes increased fees and additional fee categories. The chart to the right of this page illustrates the fee schedule which is proposed to take affect January 1, 2006. It is not clear at this point if the increased fees require legislative approval.

The FY 06 budget for department revenues is projected at \$25,000. This projection appears attainable even without the proposed fee increases.

<b>Proposed Fee Schedule</b>	
<b>Service</b>	<b>Fee</b>
Affidavit/Each Additional Affidavit	\$110.00/50.00
Alien Card Status Inquiry	\$30
Alien Card (Lost or Expired)	\$30
Approved Application Action	\$30
Biography	\$50
Citizenship	\$30
Child of Citizen	\$30
Employment Authorization Im- migration Forms, All Others	\$30-45.00
Invitation Letter	\$30
Petition for a Fiancé	\$100
Petition for a Relative with one Translation	\$100
Status Adjustment	\$100
TPS Application	\$50
Travel Document Application	\$60
Visa Extension	\$40
Consultaions	\$25-75.00
Advertisement	\$50.00-75.00
Brochures/Newsletters	\$100.00-200.00
Flyers	\$25.00-50.00
Miscellaneous	\$5.00-35.00
Resumes	\$50.00-75.00

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**NASSAU COUNTY CORRECTIONAL CENTER**


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The inmate population has been decreasing in the last couple of years with a 2.3% decrease in 2004 and a 4.1% decrease anticipated for 2005. In 2006 the population is projected to be slightly higher in 2005. The number of federal inmates housed is estimated to be 211 for 2005, a 13.2% decrease from 2004 due to the opening of the Queens Private Detention Facility, which moved about 50 inmates out as of August 2005. This decrease has brought the current level down to 174, although the Administration expects this number to begin increasing again by 2007. The State ready inmates and parole violators are projected to be close to the current year.

<u>ACTIVITY INDICATORS</u>				
<u>INDICATOR</u>	<u>ACTUAL 2003</u>	<u>ACTUAL 2004</u>	<u>ESTIMATED 2005</u>	<u>PROJECTED 2006</u>
Average Daily Inmate Population	1,685	1,647	1,580	1,600
Total Admissions	10,860	10,664	10,630	10,700
<u>Revenue Generating Indicators</u>				
Federal Inmates	210	243	211	175
State Ready Inmates	11	11	16	16
Parole Violators	51	45	43	43
Source: Correctional Center				

The department has the responsibility for the implementation and monitoring of the following Multi-Year Financial Plan initiative which has been incorporated into the FY 06 budget and baseline:

**340B Pharmacy Program (PSCC01) - \$235,000**

Section 340B requires pharmaceutical manufacturers that participate in the Medicaid program to give specified discounts on covered outpatient drugs purchased by certain covered entities. It has recently been determined that Nassau University Medical Center is eligible for this discount and, therefore, the savings will be passed along to the Correctional Center. The Administration anticipates a \$235,000 savings from this in 2006. This initiative was also in the 2005 budget but was delayed because the Hospital and Correctional Center needed a common pharmacy vendor, which required an RFP process.

**CORRECTIONAL CENTER**

Control Center		Adopted FY 05 Budget	Departmental Request FY 06	Executive FY 06	Change	Change
					From FY 05 To Executive	From Request To Executive
10	Correctional Center	\$138,812,865	\$149,953,574	\$140,411,847	\$1,598,982	(\$9,541,727)
20	Sheriff	5,311,556	5,384,591	5,179,186	(132,370)	(205,405)
<b>Total</b>		<b>\$144,124,421</b>	<b>\$155,338,165</b>	<b>\$145,591,033</b>	<b>\$1,466,612</b>	<b>(\$9,747,132)</b>

The Correctional Center and Sheriff office’s budgets were combined last year for management purposes. The majority of the budget, 96.4%, comes from the Correctional Center with a \$140.4 million budget. The Sheriff’s office is budgeted at \$5.2% for 2006.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$114,383,323	\$112,800,000	\$125,233,808	\$119,236,678	\$4,853,355	\$6,436,678
BB	Equipment	62,775	60,000	112,626	112,626	49,851	52,626
DD	General Expenses	4,444,467	3,400,000	4,323,000	4,323,000	(121,467)	923,000
DE	Contractual Services	20,832,344	25,000,000	25,036,050	21,286,050	453,706	(3,713,950)
DF	Utility Costs	620,275	620,275	632,681	632,681	12,406	12,406
<b>Total OTPS</b>		<b>25,959,861</b>	<b>29,080,275</b>	<b>30,104,357</b>	<b>26,354,357</b>	<b>394,496</b>	<b>(2,725,918)</b>
HF	Inter-Dept. Charges	3,781,237	3,781,237	0	0	(3,781,237)	(3,781,237)
<b>Grand Total</b>		<b>\$144,124,421</b>	<b>\$145,661,512</b>	<b>\$155,338,165</b>	<b>\$145,591,035</b>	<b>\$1,466,614</b>	<b>(\$70,477)</b>

Salary expenses are increasing from the previous year’s budget by \$4.9 million or 4.2% due to an increase in headcount of 12 and anticipated COLA increases. The 2006 budget incorporates the proposed ShOA Memorandum of Agreement (MOA) that was recently voted down by the Legislature. If an agreement similar to the one proposed is passed, the 2006 budget will be sufficient. This agreement would have provided a savings of about \$5.7 million from the baseline assumptions and included an increase of 2.5% in July 2005 and an increase of 3.5% in January 2006. About \$3.3 million of anticipated savings were in overtime provided by a change in the denominator and the first 24 hours of worked overtime to be paid at straight time. Without these savings the overtime budget of \$20.0 million will be difficult to achieve. Hiring new officers may also become more expensive. A class of 14 recruits began in April and a class of 23 recruits began in August at the start step of \$25,000 as provided in the old contract. However, the language in the old contract is unclear as to whether or not this can continue “...the initial salary step for new hires shall be \$25,000, which shall be frozen for the life of this Agreement.” If we can not use the old contract, the start steps provided in the expired contract (\$25,000 for the first six months and \$28,000 for the second six months), new officers begin at \$35,360. Although COLA increases can be paid retroactively, overtime savings and new hire savings can not be achieved for the time period prior to passing a contract.

The department has been reducing overtime in recent months largely due to the closing of a floor in the beginning of April and another floor at the end of August. These closing are the result of a reduction in the population, a change in the types or classification of prisoners, and a reconfiguration of inmates. If the inmate population increases there is the risk that the floor will need to be reopened and overtime will increase again. It is also unknown what the impact of a lack of a contract will have on overtime. The current Sheriffs' Officers' Association (ShOA) contract calls for civilianizing 55 non-security positions. To date, 20 civilians have been hired, returning ten officers back to security positions. The overtime budget may be also be at risk if the department is not able to maintain the 1,054 officer headcount due to attrition or a delay in future classes.

CSEA employees will be receiving COLA increases of 2.5% in January 2006 and step increases are included for employees in both unions.

OTPS budgeted expenses excluding inter-departmental charges have increased by \$394,496 or 1.5% from the FY 05 budget but decreased by \$2.7 million or 9.4% from the projected actual. The major portion is related to contractual services costs, which makes up 81% of the total OTPS budget. Contractual services are increasing by \$453,706 from the 2005 budget but decreasing by \$3.7 million from the OLBR 2005 projected. It is unclear why the Administration has budgeted for only \$21.3 million in 2006 when their 2005 projected was \$24.8 million, the department requested \$25.0 million and historical costs have been much higher. The contractual cost at the Correctional Center was \$26.1 million in 2004 and \$24.0 million in FY 03. In FY 02 the actual expense was \$26.9 million, part of which should have been allocated to the prior year, and the FY 01 expense was \$19.0 million. Although there have been some initiatives in the past to try to reduce this expense, very little if any impact has been seen.

One factor that may help to reduce expenses is the stabilization agreement which allows for "the establishment of patient care standards and binding dispute resolution for corrections bills for services commencing January 1, 2004, in accordance with agreed-to inmate patient care standards, conducted by a third-party reviewer which will be procured by the County." A more detailed agreement is currently being worked on. Also, the responses from the RFP for the third party biller are currently being reviewed and one is expected to be chosen by the end of October.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. General expenses are decreasing from the FY 05 budget by \$121,467 or 2.7% but increasing from the projected actual by \$923,000. In an effort to keep OTPS expenses down, in 2005 the department is anticipating reduced spending in this area.

Equipment is increasing by about \$50,000 from 2004 to account for renovations planned in the Deputy Sheriff's office. Utility costs are increasing by \$12,406 or 2% from the FY 05 budget and projection. In light of recent fuel increases this may be insufficient. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Correctional Center. However, in FY 2006 budget the Office of Management and Budget has scheduled interdepartmental

charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services.

<b>Nassau County Correctional Center Staffing Analysis</b>						
	<b><u>FY 05</u></b>	<b><u>Sept-05</u></b>	<b><u>FY 06</u></b>	<b><u>FY 06</u></b>	<b><u>Exec. vs</u></b>	<b><u>Exec. vs</u></b>
	<b><u>Adopted</u></b>	<b><u>Actual</u></b>	<b><u>Request</u></b>	<b><u>Executive</u></b>	<b><u>05 Adopt</u></b>	<b><u>Actual</u></b>
<b>CC Full-time Staffing</b>						
10 Correctional Center						
Uniform	1,052	1,036	1,054	1,054	2	18
Civilian	<u>136</u>	<u>117</u>	<u>136</u>	<u>136</u>	<u>0</u>	<u>19</u>
Sub-total Full-Time	1,188	1,153	1,190	1,190	2	37
20 Sheriff						
Uniform	39	39	51	51	12	12
Civilian	<u>13</u>	<u>11</u>	<u>18</u>	<u>11</u>	<u>(2)</u>	<u>0</u>
Sub-total Full-Time	52	50	69	62	10	12
<b>Total Full-time</b>	<b><u>1,240</u></b>	<b><u>1,203</u></b>	<b><u>1,259</u></b>	<b><u>1,252</u></b>	<b><u>12</u></b>	<b><u>49</u></b>
<b>CC Part-time and Seasonal</b>						
10 Correctional Center	6	8	6	6	0	(2)

Full-time staffing in the Correctional Center is budgeted to increase from the September actual by 49 positions and from the FY 05 budget by 12 positions. The FY 06 budget is increasing by 12 Deputy Sheriffs to help cover attrition. The headcount in the Sheriff's office has been declining steadily in recent years and the full-time headcount in 2002 was at 62. These Deputy Sheriffs are expected to be in the next Police class which should begin in October 2005. The budget for the Correctional Center has increased by two Deputy Undersheriffs to reflect the actual headcount. The variance between the September actual and the FY 06 budget will decline with 23 officers currently in a class and another 25 authorized to be hired in January will bring the department over the budgeted correction officer headcount. There are also 19 vacant civilian positions. Budgeted part-time positions will remain at six.

### Out-Year Initiatives

<b>NAME</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Increased Federal Inmate Aid	1,500,000	1,500,000	1,500,000

The initiative to **Increase Federal inmate Aid** increases the daily average number of inmates from 175 estimated for FY 06 to 200 inmates estimated in FY 07 for an annual revenue increase of \$1.5 million.

Since each additional inmate brings in \$165 per day, this estimate is reasonable. The Department believes any additional expenses associated with housing additional inmates would be minimal.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>	
BD Fines & Forfeitures	\$50,000	\$60,000	\$55,000	\$55,000	\$5,000	(\$5,000)	
BF Rents & Recoveries	0	0	50,000	50,000	50,000	50,000	
BH Departmental Revenue	1,222,000	1,400,000	1,310,000	2,120,000	898,000	720,000	
BJ Inter-Dept. Revenue	387,360	387,360	0	120,000	(267,360)	(267,360)	
FA Federal Aid	17,026,986	15,600,000	13,389,375	13,389,375	(3,637,611)	(2,210,625)	
SA State Aid	942,000	1,050,000	1,050,000	1,050,000	108,000	0	
<b>Grand Total</b>	<b>\$19,628,346</b>	<b>\$18,497,360</b>	<b>\$15,854,375</b>	<b>\$16,784,375</b>	<b>(\$2,843,971)</b>	<b>(\$1,712,985)</b>	

The proposed FY 06 revenue budget for the Correctional Center is \$16.8 million, down \$2.8 million from the FY 05 budget or 14.5% and down \$1.7 million or 9.3% from the FY 05 projection. Federal reimbursement is expected to decrease from the FY 05 budget by \$3.6 million and decreasing from the FY 05 projected by \$2.2 million. This reflects the decrease of about 50 inmates beginning in August due to the opening of the new federal Queens Private Detention Facility as previously stated. This facility only holds 200 inmates and 50 inmates were also being taken from Westchester, and two facilities in New York City. The 2006 budget reflects the projected 175 federal inmates. Prior to the opening of the Queens facility in August of 2005, the federal inmate population was at about 240. The agreement with the federal government calls for a maximum of 150 inmates to be housed at the Center, but the County has been over the limit consistently since September 2001.

Interdepartmental revenues for 2005 included \$260,360 for the Police Academy space located on the Correctional Center grounds and \$120,000 for food services provided to the Juvenile Detention Center. In 2006 the Police Academy charges have been removed. This revenue had been included to more accurately identify and allocate the costs incurred by the Correctional Center on behalf of other departments. However, in the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services.

These decreases are being partially offset by departmental revenues which are increasing by \$898,000 or 73% from the FY 05 budget and by \$720,000 from the FY 05 projected actual. This increase is due to the transfer of telephone concession revenue from the Department of Information Technology.

Revenue class fines and forfeitures represents fines issued by the Sheriff pursuant to Article 420 of the NY State Criminal Procedure law for certain traffic violations. The Correctional Center is designated by the Court to be the receiver of any fines or surcharges imposed on certain traffic violators. Rents and recoveries are being added in 2006 for \$50,000 to account for anticipated reversals of prior year appropriations.



State aid is increasing from the FY 05 adopted by \$108,000 due to a projected increase in state ready and parole violator inmates. The budget is consistent with the FY 05 projected actual.

COUNTY ATTORNEY

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The County Attorney's Office is treated as consisting of two divisions: 1) County Attorney, and 2) Workers' Compensation. The Office consists of 10 legal bureaus and 2 units. The 10 bureaus are Affirmative Litigation, Appeals, Tax Certiorari and Condemnation, General Litigation, Family Court, Torts, Legal Counsel, Labor Bureau, Municipal Transactions and Workers' Compensation. The two units are comprised of Claims and Investigation and Administration.

Affirmative Litigation represents the County as plaintiff in actions brought to recover monies, to compel performance under contracts or law, and to establish specific rights of the County.

The Appeals Bureau represents the County in federal and state appellate courts.

The Family Court Bureau prosecutes juveniles charged with criminal activity before the Family Court and appears for the County in child abuse and neglect cases. The Bureau also establishes and enforces child support orders against delinquent parents in local matters and on behalf of interstate and international custodial parents. The Bureau also establishes paternity in cases where child support orders are requested.

General Litigation represents the County in federal civil rights, employment and commercial litigation, and in state court matters other than torts, medical malpractice and labor. The Labor Bureau represents the County's interests in labor arbitrations and grievances, PERB proceedings, administrative proceedings and state court employment law litigation. The Legal Counsel Bureau drafts legislation and advises government officials on matters of law and policy.

Attorneys in the Municipal Transactions Bureau review and approve County contracts and RFPs, negotiate and draft major County contracts, major leases and real estate transactions involving County property, and advise County officials on financings and relations with NIFA.

Tax Certiorari and Condemnation represents the County in real property tax litigation and in all condemnation proceedings. The Torts Bureau represents the County in all personal injury and property damage litigation, and in medical malpractice cases.

The Workers' Compensation Bureau oversees the processing of claims in all the County's workers' compensation cases. It reviews each case and determines which matters will be controverted before the Board. The bureau works closely with Triad, a Third Party Administrator (TPA), to provide strategies for claims administration and assist employees return to work.

The Administration unit is comprised of the County Attorney's legal management team working together with the personnel and budget/payroll unit. Claims and Investigations' unit settles small property claims and investigates cases on behalf of all the litigating bureaus

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$9,980,284	\$10,450,686	\$12,235,145	\$10,976,651	\$996,367	\$525,965
AB	Fringe Benefits	15,802,040	18,229,000	18,056,100	17,556,055	1,754,015	(672,945)
	<b>Total PS</b>	<b>25,782,324</b>	<b>28,679,686</b>	<b>30,291,245</b>	<b>28,532,706</b>	<b>2,750,382</b>	<b>(146,980)</b>
BB	Equipment	53,000	53,000	84,059	54,059	1,059	1,059
DD	General Expenses	464,375	714,375	1,222,500	714,500	250,125	125
DE	Contractual Services	3,355,075	3,355,075	3,382,000	3,350,000	(5,075)	(5,075)
OO	Other Expenses	1,500,000	1,500,000	8,000,000	1,500,000	0	0
	<b>Total OTPS</b>	<b>5,372,450</b>	<b>5,622,450</b>	<b>12,688,559</b>	<b>5,618,559</b>	<b>246,109</b>	<b>(3,891)</b>
HF	Inter-Dept. Charges	1,303,489	1,303,489	0	0	(1,303,489)	(1,303,489)
	<b>Grand Total</b>	<b>\$32,458,263</b>	<b>\$35,605,625</b>	<b>\$42,979,804</b>	<b>\$34,151,265</b>	<b>\$1,693,002</b>	<b>(\$1,454,360)</b>

In personal services, salaries are increasing by \$1.0 million to \$11.0 million in FY 06 due to ten additional full-time staff members. Additional Deputy County Attorneys, clerks and a messenger are needed to work with other County departments that generate a great deal of legal work. The salary enhancement also includes the continuation of the department’s career and salary plan. Fringe benefits in the County Attorney’s Office are solely for County-wide workers’ compensation costs. Our office predicts the worker’s compensation cost to be \$18.2 million in FY 05 due to higher than anticipated workers’ compensation costs. Workers’ compensation is increasing by \$1.8 million or 11% in FY 06, but will be less than OLBR’s FY 05 projection. The increase to the FY 05 budget is primarily due to the increase costs related to medical expenses and pharmaceuticals.

Other than personnel services are increasing by \$246,109 which is mostly from general expenses. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. General expenses for FY 06 are mostly comprised of miscellaneous supplies and investigative expenses for \$312,000 and \$250,000, respectively.

Contractual services budget is fundamentally remaining the same. The budget of \$3.4 in FY 06 million mainly consists of services provided by Marsh USA, ProLaw and Triad. Marsh USA provides consulting services that assist the County in reducing exposure risks such as workers’ compensation, third party injury, discrimination, sexual harassment, ethics and malpractice. ProLaw is a software application that is utilized to automate the department’s case management system. As previously mentioned, Triad is a Third Party Administrator that processes workers’ compensation claims.

The line for other expenses remains unchanged at \$1.5 million. It includes funding for other suits and damages, which is used to pay for claims and settlement against the County. However, for FY 06, the department requested \$8.0 million in potential lawsuit settlements and liabilities resulting in a variance of \$6.5 million between the office's request and the proposed budget. The County Administration indicated they will address potential liabilities when and if they materialize.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the County Attorney. However, in FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$1.3 million.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>					
Control Center	Adopted FY 05 Budget	Departmental Request FY 06	Executive FY 06	Variance Exec. vs Adopted 05	Variance Exec. vs. Request
10 County Attorney	\$16,628,715	\$24,923,704	\$16,595,210	(\$33,505)	(\$8,328,494)
20 Workmans Comp.	15,829,548	18,056,100	17,556,055	1,726,507	(500,045)
<b>Total</b>	<b>\$32,458,263</b>	<b>\$42,979,804</b>	<b>\$34,151,265</b>	<b>\$1,693,002</b>	<b>(\$8,828,539)</b>

The County Attorney control center fundamentally has no increase to the adopted FY 05 budget, however there is a significant variance of \$8.3 million between the Departmental Request and Executive FY 06 proposed budget. The variance is mostly attributable to other suits & damages and salaries. The Workers' Compensation control center increase of \$1.7 million is due to higher costs of state assessments as well as the increase costs related to medical expenses and pharmaceuticals.

<b>County Attorney Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	150	157	173	160	10	3
Part-time and Seasonal	13	4	7	7	(6)	3

Budgeted headcount for the County Attorney's Office has added 10 full-time positions, and eliminated six part-time positions. The office has emphasized its need to maintain the current staffing level to handle the additional legal work needed in various County departments.

REVENUE BUDGET						
Revenue Class	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. Vs FY 05 Proj.
BF Rents and Recoveries	\$5,050,000	\$5,050,000	\$2,820,000	\$2,820,000	(\$2,230,000)	(\$2,230,000)
BH Department Revenues	110,000	110,000	110,000	110,000	0	0
BJ Interdepartmental Revenues	8,661,930	8,661,930	0	9,332,389	670,459	670,459
FA Federal Aid	225,000	225,000	228,375	228,375	3,375	3,375
SA State Aid	60,000	60,000	61,200	61,200	1,200	1,200
<b>Grand Total</b>	<b>\$14,106,930</b>	<b>\$14,106,930</b>	<b>\$3,219,575</b>	<b>\$12,551,964</b>	<b>(\$1,554,966)</b>	<b>(\$1,554,966)</b>

The revenue budget for FY 06 has been decreased by \$1.6 million to \$12.6 million. This results from a decrease in rents and recoveries and is partially offset by an increase to inter-departmental revenue. Interdepartmental revenue of \$9.3 million is the largest portion of the revenue budget and includes a \$0.7 million increase from FY 05. Interdepartmental revenue of \$0.5 million budgeted under the control center for County Attorney represents chargebacks from other departments for the assignment of a County Attorney. Departments paying for County Attorney services include Social Services, Assessment, Assessment Review, Corrections, Parks and Public Works. Interdepartmental revenue of \$8.9 million budgeted under the control center for Workers' Compensation represents charges to departmental workers' compensation accounts. For Workers' Compensation, revenue is budgeted based on the prior year's expenses and usually a journal entry is recorded at the end of the year to transfer the appropriate amount.

Rents and recoveries revenue is decreasing by \$2.2 million to \$2.8 million in FY 06 primarily due to a \$2.2 million decrease in projected recoveries from damages. The department anticipates less restitution from County initiated lawsuits.

Department revenues, federal aid and state aid in FY 06 essentially remain unchanged from the FY 05 budget.

**Out-year Initiatives**

NAME	FY 2007	FY 2008	FY 2009
Commercial Tax Grievance Filing Fee	\$0	\$3,375,000	\$3,375,000

The **commercial tax grievance fee initiative** will attempt to obtain State authorization to allow the County to impose a \$225 per parcel grievance filing fee on those commercial property owners who challenge their assessments. The revenue estimate is based upon 15,000 grieved parcels, yielding \$3,375,000.

State legislative approval is necessary for the implementation of the **commercial tax grievance fee initiative**. Dependent on actions to be taken outside of Nassau County's control, it is questionable how likely it will be implemented by FY 08.

OFFICE OF THE COUNTY CLERK

The Office of the County Clerk is charged with protecting and preserving the public record in the Real Estate, Legal and Licenses areas. The Real Estate division records land documents, provides reference information such as section/block/lot and copies of land documents to the public, and scans all verified documents on film. The Legal division receives and processes all applications, provides certified copies, provides public access to the documents. The Licensing division records federal military discharge papers, processes U.S. passport applications, and maintains naturalization records. It also registers State filings for new business names and records County firefighter exemption certificates.

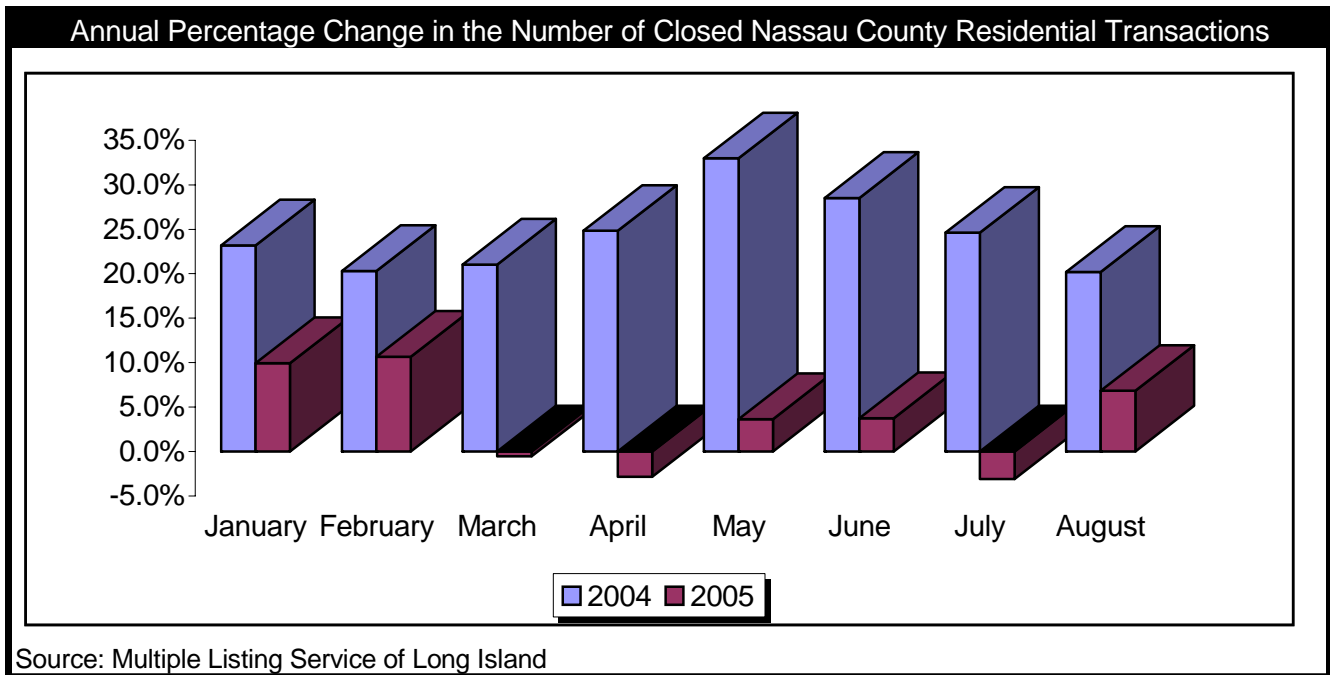
On September 20, 2005, the Federal Reserve raised their federal funds rate a quarter-percentage point to 3.57%. This was the 11<sup>th</sup> straight interest rate increase since June 2004. In the Federal Reserve’s Statement they stated that more “measured” rate increases were likely in the coming months.<sup>1</sup> These increases will heavily impact County Clerk revenues in 2006. In 2005, according to the Multiple Listing Service of Long Island (MLSLI) data, Nassau County has seen growth in both the number of closed real estate transactions and the average price of a residential house. If current trends continue Nassau County is expected to set a record in the number of closed residential real estate transactions. This is good for departmental revenues of which the Office estimates that 80% are a function of the number of real estate transactions closed in the County. This heavy volume is reflected in both the revenue and expense budgets of the Office. On the revenue side, departmental revenues are being increased to reflect the higher volume. On the expense side, both personal and other than personal expenses are being increased to provide the Office with the equipment and personnel necessary to meet the heightened volume level. However, due to higher interest rates, the FY 06 departmental revenue budget may be high.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>	
BD Fines & Forfeits	200,000	202,280	200,000	200,000	0	(2,280)	
BH Department Revenues	14,150,000	15,190,154	14,500,000	16,500,000	2,350,000	1,309,846	
<b>Grand Total</b>	<b>\$14,350,000</b>	<b>\$15,392,434</b>	<b>\$14,700,000</b>	<b>\$16,700,000</b>	<b>\$2,350,000</b>	<b>\$1,307,566</b>	

The FY 06 aggregate revenue budget is increasing 16.4% from the adopted FY 05 revenue budget and 8.5% from OLBR’s projection. The increase is a function of greater departmental revenues. Some of the real estate fees incorporated in the departmental revenue line are the County Real Property and Indexing fees, the County share of the fee for the Real Property Transfer Report, the County share of the real estate transfer tax, the reimbursement of expenses associated with the collection of the mortgage recording tax and the filing fee for small claims assessment review petitions. Based on current trends, OLBR is projecting FY 05 County Clerk departmental revenues to be \$15.2 million. The FY 06 budget is greater than OLBR’s 2005 projection and may prove to be optimistic given rising interest rates.

<sup>1</sup> La Monica, Paul R., “Fed Raises Rates Again”, [CNN/Money.com](http://CNN/Money.com), September 20, 2005.

According to the Office, 80% of the departmental revenues may be attributed to real estate refinancings and transactions. In 2006, OLBR estimates that the growth in closed transactions will fall and the number of refinancings will diminish. Both factors will make it difficult to achieve the increase in budgeted departmental revenues. According to the Mortgage Banker's Association, mortgage refinancings are expected to decline 25% in FY 06 as mortgage interest rates are expected to continue to rise.<sup>2</sup> Additionally, annual growth rates in the number of closed transactions have already fallen below where they were at this time last year. The chart on the next page depicts this slowdown.



<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. Vs FY 05 Proj.
AA	Salaries	\$4,681,017	\$4,506,267	\$4,973,000	\$4,932,286	\$251,269	\$426,019
BB	Equipment	100,000	90,568	143,770	143,770	43,770	53,202
DD	General Expenses	130,188	35,938	140,000	140,000	9,812	104,062
DE	Contractual Services	350,000	56,366	354,375	354,375	4,375	298,009
	<b>Total OTPS</b>	<b>580,188</b>	<b>182,872</b>	<b>638,145</b>	<b>638,145</b>	<b>57,957</b>	<b>455,273</b>
HF	Inter-Dept. Charges	1,595,120	1,595,120	0	0	(1,595,120)	(1,595,120)
	<b>Grand Total</b>	<b>\$6,856,325</b>	<b>\$6,284,259</b>	<b>\$5,611,145</b>	<b>\$5,570,431</b>	<b>(\$1,285,894)</b>	<b>(\$713,828)</b>

<sup>2</sup> "MBA Mortgage Finance Forecast", Mortgage Bankers Association, September 13, 2005.

The above chart details the County Clerk’s expense budget by object class. Excluding inter-departmental charges, all expense categories are increasing. The Office’s FY 06 salary line is increasing 5.4% from the FY 05 budget. The Office has been operating under budget with a full-time headcount of 99 and a part-time head count of 47. OLBR is projecting total FY 05 County Clerk payroll to be \$4.5 million. A detailed review of the budgeted payroll for the vacant full-time, part-time and seasonal employees reveals that the budgeted salary line is sufficient to hire all vacant positions in 2005.

The FY 06 equipment budget is increasing by 43.8% from the FY 05 adopted budget. The FY 06 general expenses budget is increasing by 7.5% from the FY 05 adopted budget. The equipment and general expense lines are increasing so the Office can purchase cabinets, chairs, desks and other general equipment and expenses necessary for the new employees to complete their tasks. The Office of Management and Budget has merged the categories (CC) materials and supplies and (DD) general expense under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$1.6 million.

<b>Nassau County Clerk Staffing Analysis</b>						
	<b><u>FY 05 Adopted</u></b>	<b><u>Sept-05 Actual</u></b>	<b><u>FY 06 Request</u></b>	<b><u>FY 06 Executive</u></b>	<b><u>Exec. vs 05 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	102	99	102	102	0	3
Part-time and Seasonal	70	47	70	70	0	23

Budgeted staffing levels are remaining constant in FY 06. However, as mentioned above, the Office has been operating under its budgeted headcount with 99 full-time employees and 47 part-time employees. The FY 06 budget includes enough funds for the Office to fill all of the vacant positions. An itemization of the vacant positions shows that the vacancies are primarily for clerical positions, mostly part-time and seasonal Clerk I positions. OLBR is currently projecting FY 05 part-time and seasonal payroll to be \$333,990, \$82,719 less than the FY 05 adopted budget. The FY 06 salary line for part-time and seasonal employees is sufficient to cover the budgeted 70 part-time and seasonal employees. According to the Office, the additional staff is needed for the increased volume associated with land recordings and the legal challenges associated with reassessment. The Office requires additional quality control staff to review documentation before it can be processed.



COUNTY COMPTROLLER

The County Comptroller’s Office is increasing its headcount in order to strengthen its oversight responsibilities. FY 06 expenses excluding interdepartmental charges are increasing to facilitate the new additions and safeguard their working environment.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
AA	Salaries	\$6,224,895	\$5,954,928	\$6,506,469	\$6,445,957	\$221,062	\$491,029
BB	Equipment	146,481	59,674	133,500	133,500	(12,981)	73,826
DD	General Expenses	65,253	79,680	78,234	78,234	12,981	(1,446)
DE	Contractual Services	719,500	535,000	633,000	633,000	(86,500)	98,000
	<b>Total OTPS</b>	<b>931,234</b>	<b>674,354</b>	<b>844,734</b>	<b>844,734</b>	<b>(86,500)</b>	<b>170,380</b>
HF	Inter-Dept. Charges	5,181,696	5,181,696	0	0	(5,181,696)	(5,181,696)
	<b>Grand Total</b>	<b>\$12,337,825</b>	<b>\$11,810,978</b>	<b>\$7,351,203</b>	<b>\$7,290,691</b>	<b>(\$5,047,134)</b>	<b>(\$4,520,287)</b>

The FY 06 total expense budget excluding interdepartmental charges, is set to increase 1.9% from the FY 05 budget. The increase is the result of more funding for the salary line. In order to increase its oversight responsibilities the Office is hiring additional skilled audit and financial staff. Some of the vacant positions include Accountant II, Accountant Systems Specialist, and Accountant III. In order to enable the new employees to perform their job duties, the Office will be purchasing new cubicle units, chairs, and computer filters. The contractual services line is declining from the FY 05 adopted. The decrease is a result of a reduction in the Deloitte & Touche scope of services and the elimination of the Accurate Electric contract. Deloitte & Touche will be performing an audit of the County’s financial statements and Accurate Electric will be auditing County LIPA bills for any duplicate charges. In 2005, Deloitte & Touche was contracted to perform a review of the Treasurer’s Office. Specifically, they looked at cash management procedures and performed bank reconciliations. The Office will use the FY 06 funds to hire consultants to perform financial audit services and to review the security procedures of the Office. The Office needs to provide for the physical safety of its employees as well as safeguarding its documents.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments. However, in FY 2006 budget the Office of Management and Budget has

scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$5.2 million.

<b>County Comptroller Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	90	88	93	93	3	5
Part-time and Seasonal	11	11	11	11	0	0

The FY 06 budgeted full-time headcount for the Comptroller's office is increasing by three from the FY 05 budget and five from the September 2005 actual. The department's FY 06 part-time and seasonal headcount is being held constant. As mentioned previously the additional personnel are necessary to strengthen the department's oversight capacities. An analysis of the salaries of the new positions reveals that the salary line is sufficient to cover the cost of the new positions.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
BF	Rents & Recoveries	\$275,000	\$275,000	\$400,000	\$400,000	\$125,000	\$125,000
BH	Department Revenue	18,850	13,611	14,850	14,850	(4,000)	1,239
<b>Total</b>		<b>\$293,850</b>	<b>\$288,611</b>	<b>\$414,850</b>	<b>\$414,850</b>	<b>\$121,000</b>	<b>\$126,239</b>

The total FY 06 Comptroller's department revenue budget is projected to increase by 41.2% from the FY 05 budget. The increase is a function of anticipated greater collections in the rents & recoveries line. The FY 06 rents and recovery line incorporates \$250,000 from a consultant who is seeking reimbursement for Nassau Medical Center Medicare funded Graduate Medical Education and Ambulatory Surgery Services expenses that occurred in 1999. The remaining \$150,000 included in the budget is expected to come from FICA tax refunds secured from the federal government.

COUNTY EXECUTIVE

In FY 06 the County Executive’s budget has been reorganized. It now includes the following Deputy County Executives and staff, the Chief Compliance Officer, the Municipal Outreach Program, the Director of Environmental Coordination, the Director of Local Intergovernmental Relations, and the Nassau Conservancy and respective staff. Excluding inter-departmental charges, expenses are increasing to accommodate the transfers.

<b>County Executive Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 05 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	34	42	45	43	9	1
Part-time and Seasonal	5	2	5	6	1	4

The previous chart details the FY 05 adopted headcount, September 2005 actual headcount, and proposed FY 06 budgeted headcount for the Office.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
Obj	Name	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$3,071,617	\$3,615,401	\$3,917,470	\$3,802,942	\$731,325	\$187,541
BB	Equipment	30,000	19,954	30,246	30,246	246	10,292
DD	General Expenses	54,000	64,080	54,443	54,443	443	(9,637)
DE	Contractual Services	145,000	33,434	302,361	302,361	157,361	268,927
	<b>Total OTPS</b>	<b>229,000</b>	<b>117,468</b>	<b>387,050</b>	<b>387,050</b>	<b>158,050</b>	<b>269,582</b>
HF	Inter-Dept. Charges	1,851,566	1,851,566	90,000	0	(1,851,566)	(1,851,566)
	<b>Grand Total</b>	<b>\$5,152,183</b>	<b>\$5,584,435</b>	<b>\$4,394,520</b>	<b>\$4,189,992</b>	<b>(\$962,191)</b>	<b>(\$1,394,443)</b>

The above chart details the County Executive budget by object class. Excluding inter-departmental charges, the FY 06 County Executive budget is increasing by roughly 26.9%. The greatest percentage increase is in the contractual services line. The salary line is increasing by 23.8%. The increase is a function of the reorganization described above. Currently the department is operating with 42 full-time

employees and two part-time and seasonal employees. The salary line is sufficient to allow the department to hire up for the one full-time vacancy and 4 part-time vacancies.

The Office of Management and Budget has merged the categories (CC) materials and supplies and (DD) general expense under (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments. However, in FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$1.9 million.

## COURTS

The County Court System budget funds fringe benefits for court workers who are actually State employees. When the State took over the operation of the Court the workers requested to remain in the County's health plan. The State agreed with this request and reimburses the County for these costs. The FY 06 expense budget is decreasing 7% to \$2.4 million in FY 06. The FY 05 projection for health insurance rates for retirees is \$2.3 million, or \$279,000 less than the FY 05 budget. This is due to an inflated FY 05 budget for health insurance for retirees. FY 05 health insurance rates finalized at a lower growth rate compared to the rate built into the FY 05 budget. The FY 06 budget is \$106,000 greater than the FY 05 projection.

The FY 05 Revenue budget is decreasing by 6% to \$2.3 million. Revenue to offset expenses includes the reimbursement for Medicare Part D. As a result of the Medicare prescription drug benefit, the County will receive a subsidy from NYSHIP to reimburse a portion of Medicare retiree health benefits.

<b>REVENUE BUDGET</b>							
Revenue Class		Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. Vs FY 05 Proj.
BG	Revenue to Offset Expense	\$0	\$0	\$0	\$305,920	\$305,920	\$305,920
SA	State Aid	2,476,483	2,000,000	2,286,119	2,017,510	(458,973)	17,510
<b>Grand Total</b>		<b>\$2,476,483</b>	<b>\$2,000,000</b>	<b>\$2,286,119</b>	<b>\$2,323,430</b>	<b>(\$153,053)</b>	<b>\$323,430</b>

The difference between the expense budget and revenue budget is the non-reimbursable cost for the health insurance for employees who retired prior to the State take-over of the State court system.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AB	Fringe Benefits	\$2,608,649	\$2,330,000	\$2,587,193	\$2,436,342	(\$172,307)	\$106,342

## DEBT SERVICE

The following chart illustrates that the FY 06 Executive Budget provides for debt service expenditures of \$290 million, which includes present and future interest and principal payments on tax-supported General Obligation bonds (bonds that do not provide a self-supporting revenue stream). Borrowed funds are planned primarily for projects related to the four-year capital fund, open space, building consolidation, tax certiorari, and judgments and settlements. In addition, the appropriation for debt service costs assumes expenses related to existing and future Nassau Interim Finance Authority (NIFA) sales tax set-asides. The County also remains flexible throughout the year to borrow for cash flow purposes as necessary.

<b>EXPENSE BUDGET BY OBJECT CLASS DEBT SERVICE FUND</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
FF	Interest	\$48,221,973	\$36,145,508	\$27,788,164	\$27,788,164	(\$20,433,809)	(\$8,357,344)
GG	Principal	140,553,683	140,553,684	115,124,221	115,124,221	(25,429,462)	(25,429,463)
OO	Other Expenses	119,662,850	130,333,662	147,114,870	147,114,870	\$27,452,020	16,781,208
	<b>Total</b>	<b>\$308,438,506</b>	<b>\$307,032,854</b>	<b>\$290,027,255</b>	<b>\$290,027,255</b>	<b>(\$18,411,251)</b>	<b>(\$17,005,599)</b>

The County's total debt payments, including expenses, are expected to decrease from a projected \$307.0 million in 2005 to \$290.0 million in 2006. The \$147.1 million in other expenses is predominantly made up of \$146.6 million for NIFA set-asides, which represents the debt service on the borrowing that NIFA has done on behalf of the County. The remaining \$500,000 is on the line for expense of loans, used to obtain the services of a financial consultant.

Debt servicing is defined as semiannual payment of coupon interest and maturing principal on municipal bonds issued to investors to finance projects identified in the County's four-year capital plan. The debt service principal and interest payments for all of the County's borrowing appear in the Debt Service Fund, which is one of the six major operating funds. The Administration plans to utilize resources in the Capital Projects Fund's 840 account to pay project-related debt service, creating a positive variance in 2005. The surplus will become part of the PAYGO/Medicaid Cap Transitional funds. Revenues from State and Federal grants are deposited into the 840 account to retire debt or pay debt service for various general fund projects. Resources in the 840 account must be used in connection with the projects for which they were earmarked.

Issuance of \$181.8 million in new debt is planned for 2006 as follows:

Purpose	Amount
Building Consolidation Notes	\$10,793,844
Open Space	\$50,000,000
Tax Certiorari	\$15,000,000
Judgements & Settlements	\$35,000,000
Capital Plan	\$71,000,000
<b>Total</b>	<b><u>\$181,793,844</u></b>

The Open Space Initiative, which was approved by the voters in November 2004, authorized the County to issue, appropriate and expend \$50 million for the preservation of open space, the protection of its water supply, and brownfields cleanup.

<b>REVENUE BUDGET DEBT SERVICE FUND</b>						
Revenue Class	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs Request
AA Fund Balance	\$18,979,706	\$17,515,039	\$0	\$0	(\$18,979,706)	\$0
BV Chargeback Revenues	0	0	273,540,064	273,540,064	273,540,064	0
BQ Debt Service from CAP	0	24,988,726	0	0	0	0
BJ Interdept Revenues	277,455,829	252,449,587	0	0	(277,455,829)	0
BW Interfd Chgs	12,002,971	12,079,502	16,487,191	16,487,191	4,484,220	0
<b>Total</b>	<b>\$308,438,506</b>	<b>\$307,032,854</b>	<b>\$290,027,255</b>	<b>\$290,027,255</b>	<b>(\$18,411,251)</b>	<b>\$0</b>

The Debt Service Fund’s revenue budget, as can be seen in the chart above, is made up primarily of chargeback revenues and interfund charges. The chargeback revenues correspond to the amounts charged to each fund for its portion of debt service costs. In prior years, this revenue had been included with inter-departmental revenues, but in FY 06, it is being given its own line, “to improve fiscal reporting and distinguish debt service chargeback revenues from other unrelated chargeback revenues.”

	Adopted FY 05	Executive FY06
County Parks	18,349,426	17,736,093
Fire Commission	866,079	768,252
General	252,177,023	251,155,963
Police District	845,394	745,754
Poice Headquarters	5,217,906	3,134,003
Grand Total	<b><u>\$277,455,828</u></b>	<b><u>\$273,540,065</u></b>

The interfund charges for FY 06 include \$10.9 million that will be transferred from the Bonded Indebtedness Reserve Fund. This fund, authorized by the County Legislature, contains resources that can be used to retire debt or pay debt service.

The only item in the General Fund Debt Service expense budget is the \$251.2 million for debt service chargebacks. This line is used to account for the allocated debt service chargebacks paid to the Debt Service Fund, as detailed above.

<b>EXPENSE BUDGET BY OBJECT CLASS GENERAL FUND</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
HD	Debt Svc Chargebacks	\$252,177,023	\$226,861,778	\$251,155,963	\$251,155,963	(\$1,021,060)	\$24,294,185



OFFICE OF THE DISTRICT ATTORNEY

The primary mission of the District Attorney’s Office is to provide for the safety and security of the residents of Nassau County by investigating and prosecuting crime aggressively, professionally and fairly. The Office was established pursuant to the provisions of Section 700, County Government Law and consists of trial bureaus, investigative bureaus and an administrative bureau.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$24,426,462	\$23,687,305	\$25,720,590	\$25,619,606	\$1,193,144	\$1,932,301
BB	Equipment	43,603	43,603	63,000	63,000	19,397	19,397
DD	General Expenses	579,258	679,258	692,720	692,720	113,462	13,462
DE	Contractual Services	771,594	771,594	782,194	782,194	10,600	10,600
	<b>Total OTPS</b>	<b>1,394,455</b>	<b>1,494,455</b>	<b>1,537,914</b>	<b>1,537,914</b>	<b>143,459</b>	<b>43,459</b>
HF	Inter-Dept. Charges	2,338,602	2,338,602	0	0	(2,338,602)	(2,338,602)
	<b>Grand Total</b>	<b>\$28,159,519</b>	<b>\$27,520,362</b>	<b>\$27,258,504</b>	<b>\$27,157,520</b>	<b>(\$1,001,999)</b>	<b>(\$362,842)</b>

Excluding interdepartmental charges, the total 2006 expenditure budget is increasing by \$1.3 million, over 2005’s budget primarily due to a \$1.2 million rise in salaries. A salary adjustment of approximately \$1 million has been included for attorney raises under the career and salary plan. Raises under the career and salary plan are based on merit, therefore, the amount given to each attorney will vary. The 2006 budget includes a 2.5% COLA increase as of January 1, 2006 for CSEA employees. This year’s salary projection is \$23.7 million or \$739,000 below the 2005 budget, due to lower actual headcount.

Other than personal services, excluding inter-departmental charges, is increasing by \$143,000 or 10.3% over those in 20005. The equipment budget is rising slightly by \$19,000 due to IT costs and office furnishings. An analysis of the District Attorney’s Office by the IT suggested a \$14,000 increase in IT expense for 2006. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. The 2005 projections for OTPS should be on budget with the exception of general expenses. An additional \$100,000 was needed from salaries to cover the costs of the higher than anticipated expense for expert witnesses and other investigated related expenses. The 2006 budget of \$692,720 for general expenses will mostly be used for investigation expenses which will see a \$35,000 hike over 2005’s budget. Investigation expenses include any expenses incurred by investigators during their investigation of criminal activity such as travel, wire taps, vehicles etc. Other expenses under general expenses include travel, postage, books and periodicals, membership fees and miscellaneous

supplies. The \$10,000 increase in contractual services is due to higher costs of expert witnesses and greater use of DNA Lab testing.

The 2006 budget of \$782,194 for contractual services, increasing \$10,600 over 2005, is to cover prosecution costs which can include costs associated with hiring expert witnesses, witness travel expenses, court reporting, etc. Other costs in contractual services include security and equipment maintenance, and radio and communications.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the District Attorney. However, in FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services.

<b>District Attorney Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	352	344	351	351	(1)	7
Part-time and Seasonal	18	0	6	6	(12)	6

The 2006 Proposed Budget reflects funding for 351 full-time positions and six part-time positions, a reduction of one full-time and 12 part-time positions, which are related to law school graduates that are hired temporarily during the summer months.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>	
BD Fines & Forfeits	\$0	\$130,500	\$0	\$0	\$0	(\$130,500)	
BE Investment Income	400	400	800	400	0	0	
BF Rents & Recoveries	0	71,468	0	0	0	(71,468)	
BH Department Revenues	1,031,119	1,415	0	0	(1,031,119)	(1,415)	
BJ Interdepartmental Revenue	0	0	577,442	110,000	110,000	110,000	
BW Interfund Charges	0	0	290,000	1,374,089	1,374,089	1,374,089	
FA Federal Aid - Reimbursable	201,147	0	161,064	28,232	(172,915)	28,232	
SA State Aid - Reimbursable	55,577	0	2,167,586	52,004	(3,573)	52,004	
<b>Grand Total</b>	<b>\$1,288,243</b>	<b>\$203,783</b>	<b>\$3,196,892</b>	<b>\$1,564,725</b>	<b>\$276,482</b>	<b>\$1,360,942</b>	

The revenue budget for the District Attorney is rising by 21.5%, or \$276,482, primarily due to the interfund charges. Interfund charges consists of miscellaneous receipts and is the largest component in the department's budget. This revenue includes post conviction forfeiture as well as various grants. Such grants include aid to Prosecution, Motor Vehicle Theft and Insurance Fraud, Welfare Fund, and Stop DWI. Any interest accrued on these funds is credited to investment income. The glaring discrepancy between the department request and the proposed budget is a result of misclassifications and duplication of entries at the time the budget was submitted.

Federal aid is declining by \$172,915 from \$201,147 in 2005 to \$28,232 in 2006. In 2005, the District Attorney's office budgeted money in this revenue line for the Welfare Fraud Program. In 2006, it was decided that this money should be handled as an inter-departmental service agreement (ISA). The remaining revenue in this line is generated from the Federal Drug Enforcement Agency (DEA).

State Aid is received for the reimbursement of DA expenditures relating to salaries in the District Attorney's Office. State aid is decreasing by 6% which results from a loss in reimbursement of the District Attorney's salary.

**DEPARTMENT OF DRUG AND ALCOHOL ADDICTION**

Since the closing of the Plainview Rehabilitation Center and Topic House, County residents seek inpatient residential care outside of Nassau County, primarily in Suffolk or Queens County. A case management unit called TIPS (Treatment, Intake, Placement) was established to help ensure that Nassau County residents receive necessary treatment and rapid access to inpatient care. TIPS serves as the Central Intake Unit for all programs, agencies and individuals seeking assistance for inpatient residential care. The staff is responsible for identifying all available residential and related inpatient programs throughout the metropolitan area.

In order to track clients in need of inpatient services, the staff follows referrals and insures that clients do get admitted following the referral. In addition, TIPS receives data on all Nassau County inpatient and outpatient referrals through participation in the New York State Office of Alcoholism and Substance Abuse Services (OASIS) Client Tracking Data System.

Due to the shortage of inpatient beds in Nassau County, NUMC, in cooperation with the Department of Drug and Alcohol had prepared a CON (Certificate of Need) application, and received State approval, to open 30 inpatient chemical dependency beds for Nassau County. NUMC has begun recruiting for staff and construction should be complete in January 2006.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>		<b>Adopted FY 05 Budget</b>	<b>Departmental Request FY 06</b>	<b>Executive FY 06</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs. Request</b>
10	Administration	\$2,464,608	\$1,697,742	\$3,004,418	\$539,810	\$1,306,676
40	Chemical Dependency	11,192,972	10,536,431	10,114,099	(1,078,873)	(422,332)
<b>Total</b>		<b>\$13,657,580</b>	<b>\$12,234,173</b>	<b>\$13,118,517</b>	<b>(\$539,063)</b>	<b>\$884,344</b>

The FY 06 budgets for Administration is going up slightly by \$36,000 and declining in Chemical Dependency by \$1.1 million when compared to 2005's budget. The 2%, or \$37,000, increase in Administration is due to marginal hikes in general expenses. The 10%, or \$250,000, decline in Chemical Dependency is a result of a reduction in contractual services. The department is not reducing any chemical dependency program agencies but rather is budgeting according to the actual funding allocations as per the New York State Office of Alcohol Abuse Services. Based on State aid, the department is budgeting the corresponding local match required of the County.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$6,096,999	\$5,880,354	\$6,260,160	\$5,297,919	(\$799,080)	(\$582,435)
BB	Equipment	1,519	1,519	1,531	1,531	12	12
DD	General Expenses	61,308	73,000	93,460	80,000	18,692	7,000
DE	Contractual Services	6,132,781	6,132,781	5,879,022	5,879,022	(253,759)	(253,759)
	<b>Total OTPS</b>	<b>6,195,608</b>	<b>6,207,300</b>	<b>5,974,013</b>	<b>5,960,553</b>	<b>(235,055)</b>	<b>(246,747)</b>
HF	Inter-Dept. Charges	1,364,973	1,364,973	0	1,860,045	495,072	495,072
	<b>Grand Total</b>	<b>\$13,657,580</b>	<b>\$13,452,627</b>	<b>\$12,234,173</b>	<b>\$13,118,517</b>	<b>(\$539,063)</b>	<b>(\$334,110)</b>

Salaries are declining by almost \$800,000 from \$6.1 million in FY 05 to \$5.3 million in FY 06. The reduction in salaries is a result of the transfer of eight employees from the General Fund into the Grant Fund since these employees are 100% grant funded. The remaining four positions are Deputy Commissioner, Director of Community Outreach Programs and two Psychiatric Social Worker I's.

The 2006 OTPS budget, excluding inter-departmental charges, is decreasing by \$235,000 due to the reduction in contractual services offset somewhat by marginal increases in equipment and general expenses. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. Contractual services are decreasing by 4% due to the actual funding allocations as per the New York State Office of Alcohol Abuse Services. Based on State aid, the department is budgeting the corresponding local match required of the County. The 2005 projection for general expenses exceeds the budget by approximately \$12,000 as a result of software and equipment purchases for the Health and Human Services scanning project not included in the 2005 budget. The increase in interdepartmental charges includes indirect costs related to Comptroller's Office, the County Attorney's and other departments.

Inter departmental charges are increasing 36%, or \$495,000, primarily due to indirect charges and building occupancy charges for rental at the Health and Social Services building.

<b>Department of Drug and Alcohol Addiction Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
10 Administration	23	24	25	23	0	(1)
40 Chemical Dependency Svcs.	67	62	65	55	(12)	(7)
<b>Total Full-time</b>	<b><u>90</u></b>	<b><u>86</u></b>	<b><u>90</u></b>	<b><u>78</u></b>	<b><u>(12)</u></b>	<b><u>(8)</u></b>
<b>CC Part-time and Seasonal</b>						
10 Administration	0	0	0	0	0	0
40 Chemical Dependency Svcs.	4	2	2	2	(2)	0
<b>Total Part-time and Seasonal</b>	<b><u>4</u></b>	<b><u>2</u></b>	<b><u>2</u></b>	<b><u>2</u></b>	<b><u>(2)</u></b>	<b><u>0</u></b>

The 2006 budget is eight positions less than the September actual of 86 positions. This reduction reflects the transfer into the Grant Fund those employees whose work is 100% reimbursable. Part-time and seasonal positions are declining by two.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
BF Rents & Recoveries	\$10,000	\$10,000	\$15,000	\$15,000	\$5,000	\$5,000
BH Department Revenues	1,000	39,962	0	0	(1,000)	(39,962)
BJ Interdepartmental Revenues	547,096	547,096	0	749,975	202,879	202,879
SA State Aid - Reimb. Exp.	3,403,407	3,403,407	3,403,407	3,323,429	(79,978)	(79,978)
<b>Total</b>	<b>\$3,961,503</b>	<b>\$4,000,465</b>	<b>\$3,418,407</b>	<b>\$4,088,404</b>	<b>\$126,901</b>	<b>\$87,939</b>

The Executive 2006 revenue budget has been increased by \$126,901 or 3%, from the 2005 amount which is mostly due to interdepartmental revenue. The \$750,000 in interdepartmental revenue includes chargebacks for additional Drug and Alcohol employees working at the Department of Social Services. It also includes chargebacks for the department's Employee Assistance Program (EAP).

State Aid is declining by approximately \$80,000 or 2% to \$3.3 million in 2006. The department receives reimbursement from New York State's Office of Alcoholism and Substance Abuse Services for support of chemical dependency prevention and treatment services. Each year the Governor and the

New York State Assembly and Senate develop a budget which determines how New York State Aid tax dollars will be spent. The Department of Drug and Alcohol Addiction, as the State's local designated agency (LDA) for Nassau County, receives State Aid for the purpose of providing chemical dependency services to its residents and their families. As a result of the reassignment of staff from the General to the Grant fund, State aid in the General Fund will decline.

The department receives the following reimbursement: Courts Services receive 64% reimbursement; TIPS/Case management receives 29%; DWI receives 75%, WAGES receives 47% and STEP at 0%.

Rents and recoveries are increasing to \$15,000 in 2006 for displaced lost and abandoned property auctioned by the Police Department, such as lost bicycles, jewelry, etc. The department has no prior knowledge of what the proceeds from these sales will be from year to year. Based on the experience of the past years' experience, where revenue from these sales has been greater than budgeted, the department has increased their budget an additional \$5,000.

## BOARD OF ELECTIONS

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The Board of Elections administers the New York State Elections Law. The existence of the Board was authorized by New York State Law, Article XXIII, and by Sections 2301 and 2305 of County Government Law. The Board has three main responsibilities: it registers voters and maintains their records, it conducts primaries, general elections and all special elections called by the Governor, and it canvasses election results and certifies those results. The Board provides lists of registered voters to school, village, fire or special districts with a scheduled election.

The Board of Elections has informed OLBR that federal funds will be used to pay for the initial purchase of new polling machines. However the ancillary costs related to the transition to new polling machines and new State and federal laws will have to be borne by the County. These anticipated costs are represented in the FY 06 department request. The proposed FY 06 budget of \$10.4 million by the County Executive for Elections is approximately \$2.5 million less than the departmental request. The items which were requested and not supported include:

- Funding for Spanish language translators and other bi-lingual needs.
- Plotters to print ballots for voting machines.
- The replacement of a microfilm machine and conversion of cassettes to digital format.
- “Just in Time” appropriations for office supplies to be used on Election Day.
- Replacement of printers used to print poll books and related election materials.
- A server to enable the Board’s computers and software to be integrated with the GIS system.
- A new phone system that allows for programming of automated messages for the public.
- Public education/advertising for new machines.
- Additional postage allocations.
- Anticipated increased contractual trucking cost, due to a contract which expires December 31, 2005.
- New State Law requires a 150% increase for Election Inspector training classes. (From \$10 to \$25)
- New State law requiring polling place coordinators for all polling places.



**EXPENSE BUDGET  
BY OBJECT CLASS**

<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$8,542,385	\$9,000,000	\$10,047,674	\$8,915,506	\$373,121	(\$84,494)
BB	Equipment	82,500	82,500	277,500	112,500	30,000	30,000
DD	General Expenses	717,300	717,300	1,948,138	898,138	180,838	180,838
DE	Contractual Services	549,000	549,000	700,000	549,000	0	0
	<b>Total OTPS</b>	<b>1,348,800</b>	<b>1,348,800</b>	<b>2,925,638</b>	<b>1,559,638</b>	<b>210,838</b>	<b>210,838</b>
HF	Inter-Depart Charges	1,131,828	1,131,828	0	0	(1,131,828)	(1,131,828)
	<b>Grand Total</b>	<b>\$11,023,013</b>	<b>\$11,480,628</b>	<b>\$12,973,312</b>	<b>\$10,475,144</b>	<b>(\$547,869)</b>	<b>(\$1,005,484)</b>

The proposed 2006 expense budget for the Board of Elections excluding inter-departmental charges is increasing by \$583,959 from the 2005 adopted budget. The increase is directly related to the Help America Vote Act (HAVA) requirements. Also, HAVA has created a new position of Polling Place Coordinator to be hired for each election day as are the election inspectors. The proposed budget includes an additional \$373,121 allocated to the salaries account. These funds will be used by the Board to pay for contractual raises, increases in pay for poll workers related to HAVA and training of inspectors and chair people on the use of new voting machines.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection.

When compared to the current year's budget the OTPS costs of Elections are increasing by \$210,838 to \$1.6 million for FY 06. The funds will be used by the Board for general office expenses and the replacement of outdated or broken office equipment. The remaining funds are allocated for mailings to over 870,000 registered voters of Nassau County, the trucking of polling machines to poll locations, the rental of polling places used in primary elections, traveling expenses and advertising costs.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of The Board of Election. However, in the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$1.1 million.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center		Adopted FY 05 Budget	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. Vs Request
10	Administration	\$4,465,242	\$3,682,454	\$3,467,589	(\$997,653)	(\$214,865)
20	General Elections	5,561,621	7,428,858	5,904,555	342,934	(1,524,303)
30	Primary Elections	996,150	1,862,000	1,103,000	106,850	(759,000)
<b>Total</b>		<b>\$11,023,013</b>	<b>\$12,973,312</b>	<b>\$10,475,144</b>	<b>(\$547,869)</b>	<b>(\$2,498,168)</b>

Although it appears the expense budget in the Administration control center is \$997,653 less than in 2005, the funding will actually increase by \$134,175. The decrease is directly related to the removal of inter-departmental charges from Election's FY 06 budget. The increase in General Elections of \$342,934 is attributed to a new expense of \$215,000 for advertising and public notices and additional funds for contractual raises and anticipated increases in both longevity and terminal leave pay. The Primary Elections account is increasing by \$106,850. The majority of the increase is comprised of two factors: 1) A new state law requires the Board to pay mileage to poll inspectors at a total cost of \$40,000. 2) Increases in budgeted salaries account at a cost of \$39,350.

**Board of Elections  
Staffing Analysis**

		FY 05 <u>Adopted</u>	Sept-05 <u>Actual</u>	FY 06 <u>Request</u>	FY 06 <u>Executive</u>	Exec. vs <u>05 Adopt</u>	Exec. vs <u>Actuals</u>
<b>CC</b>	<b>Full-time Staffing</b>						
10	Administration	43	45	44	44	1	(1)
20	General Elections	63	63	62	62	(1)	(1)
<b>Total Full-time</b>		<b><u>106</u></b>	<b><u>108</u></b>	<b><u>106</u></b>	<b><u>106</u></b>	<b><u>0</u></b>	<b><u>(2)</u></b>
<b>CC</b>	<b>Part-time and Seasonal</b>						
20	General Elections	54	56	50	50	(4)	(6)
<b>Total Part-time and Seasonal</b>		<b><u>54</u></b>	<b><u>56</u></b>	<b><u>50</u></b>	<b><u>50</u></b>	<b><u>(4)</u></b>	<b><u>(6)</u></b>

Budgeted full time staffing for the Board of Elections in 2006 will remain relatively flat, increasing by one position when compared to the current year's budget. Part-time staffing will decrease by four positions compared to the 2005 adopted budget level of 54. All four of the eliminated positions are clerical.

### REVENUE BUDGET

Revenue Class		Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05Proj.
BF	Rents and Recoveries	\$120,000	\$120,000	\$120,000	\$120,000	\$0	\$0
BH	Department Revenues	35,000	35,000	35,000	35,000	0	0
<b>Grand Total</b>		<b>\$155,000</b>	<b>\$155,000</b>	<b>\$155,000</b>	<b>\$155,000</b>	<b>\$0</b>	<b>\$0</b>

The revenue budget for Elections remains flat when compared to the current year's budget. Its major source of income is from the rental of voting machines budgeted in 2006 to generate \$120,000. Departmental revenues will remain flat with current year at \$35,000. The Board of Elections collects fees for the sale of variety of data, such as forms, reports maps, and other various items. According to State law, the Board cannot generate revenue for this service but can only charge for the cost of producing such data.

## OFFICE OF EMERGENCY MANAGEMENT

The Office of Emergency Management (OEM) was established in 2003, and became fully operational in 2004. Its mission is to maintain a high level of preparedness to protect the citizens of Nassau County, to mitigate loss of life and other important assets in the immediate aftermath of a disaster and to facilitate the speedy recovery of Nassau County in the mid- and long-term following a disaster.

In FY 06, the Office hopes to further develop the Emergency Operations Center (EOC) as a centralized location to mitigate the effects of a disaster. It anticipates participating in several emergency management disaster exercises at various high schools and universities throughout the County. It also expects to improve the communications among the numerous responding agencies during an emergency. The department believes that an enhanced communications network is essential for the County's vigilance.

The Office will itemize specific plans to address evacuation needs in the event of a hurricane or similar incident. The Office plans to conduct a mass mailing to address procedures and special needs in the event of an emergency. The Office entered discussions with other organizations in order to have on-hand approximately 350 Long Island transit buses and 500 school buses. It also has initiated talks with Food Alliance, which members include White Rose, Stop & Shop and other organizations, to address the food supply needs of the County.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$615,316	\$487,946	\$549,105	\$542,905	(\$72,411)	\$54,959
BB	Equipment	15,188	34,000	36,193	36,193	21,005	2,193
DD	General Expenses	62,780	26,800	34,350	34,350	(28,430)	7,550
	<b>Total OTPS</b>	<b>77,968</b>	<b>60,800</b>	<b>70,543</b>	<b>70,543</b>	<b>(7,425)</b>	<b>9,743</b>
HF	Inter-Depart Charges	358,177	358,177	0	107,759	(250,418)	(250,418)
	<b>Grand Total</b>	<b>\$1,051,461</b>	<b>\$906,923</b>	<b>\$619,648</b>	<b>\$721,207</b>	<b>(\$330,254)</b>	<b>(\$185,716)</b>

Salaries, which make up 75.3% of the expense budget, are increasing by \$54,959 or 11.3%, when compared to OLBR's 2005 projection. The department had an actual headcount of five full-time positions until February at which point it increased to six. The department expects to maintain a headcount of six full-time positions next year.

OTPS expenses, excluding inter-departmental charges, are decreasing by \$7,425 from the FY 05 budget. This results from a decrease of \$28,430 for general expenses and is partially offset by an increase of \$21,005 for equipment. The equipment budget of \$36,193 for FY 06 mainly consists of communication equipment. The majority of the general expenses are comprised of office supplies and communication supplies. The Office of Management and Budget has merged the categories materials and supplies (CC)

and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Office of Emergency Management. These charges include \$107,759 in salary expenses that are reimbursed to the Fire Commission.

<b>Emergency Management Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	7	6	6	6	(1)	0

The 2005 budget included seven full-time positions but the September actuals indicate one of these positions to be vacant. According to OEM, the seven positions are already on board, however one of these positions is being paid by the Fire Commission, which is then reimbursed by OEM. The title for the position in question is waiting approval from Civil Service.

<b>REVENUE BUDGET</b>							
		<u>Adopted FY 05 Budget</u>	<u>OLBR FY 05 Projection</u>	<u>FY 06 Dept. Request</u>	<u>FY 06 Exec. Budget</u>	<u>Variance Exec. vs Adopted 05</u>	<u>Variance Exec. Vs FY 05 Proj.</u>
FA	Federal Aid	168,735	168,735	171,267	171,267	2,532	2,532

2005 revenue reflects a grant from the federal government which partially reimburses the salaries of the Office of Emergency Management. However, the department indicated that it has not received its grant award letter from the federal government and believes there is a possibility that they will not be awarded the grant for FY 06.

In addition, the Office of Emergency Management receives funds from a Homeland Security Grant that is not reflected in the General Fund budget. The funds received from the grant are represented in the County's Grant Fund. Since the inception of the office, it has received \$1,033,654 and has exhausted \$747,163 of the total amount. The principal components of the funds have been allocated for equipment, salaries and contractual services in the amounts of \$555,666, \$279,488, and \$141,750, respectively. Of the \$282,832 in unspent funds \$279,173 is available for use and the remaining \$3,659 has expired. The State Homeland Security Program Grant FY 04 with \$154,166 available, has the highest available balance of open grants, and the soonest expiration date of November 30, 2005.

## FIRE COMMISSION

The Nassau County Fire Commission acts as a liaison between the County government and 71 volunteer fire departments in Nassau County. The Fire Commission provides the necessary response services to the citizens of the County and also provides training and services to the volunteer fire service. The duties of the Commission are to: study county fire protection needs and make recommendations for improvement, propose fire prevention ordinances to the county legislature, arrange interdepartmental cooperation in all aspects of firefighting to best utilize firefighting strength, recommend equipment standardization, study extension of fire protection to all areas of the County, and report annually to the County Executive.

### **Emergency Light Testing- \$60,000**

Under this initiative, the Fire Commission utilizes overtime to conduct lighting tests. The net revenue in the initiative is computed by subtracting the overtime hours worked on the initiative from the revenue generated. More than half of the tests are performed during overtime hours. Tests are usually conducted no earlier than an hour before sunset when business hours are over. The department is increasing the amount of Emergency Light Tests performed. Through October FY 05, 977 tests were performed, which is an increase of 67 tests or 7% from October FY 04. The total number of tests that were performed for FY 04 was 1,074. Currently, the Fire Commission charges \$350 for emergency light tests, regardless of the building's size or number of emergency lights. Proposed legislation changes the fee schedule for emergency light testing based on the buildings size or the number of emergency lights needed. The \$350 fee per generator is the base cost for buildings that have a ground floor area not greater than 2,500 square feet. This fee increases on a sliding scale as the number of square feet increases.

REVENUE BUDGET							
Revenue Class	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. Vs FY 05 Proj.	
BE Investment Income	\$0	\$46,000	\$0	\$45,429	\$45,429	(\$571)	
BG Revenue to Offset Expense	0	32,000	0	46,720	46,720	14,720	
BH Department Revenues	3,850,000	4,050,000	4,081,000	4,237,300	387,300	187,300	
BJ Interdepartmental Revenues	0	0	0	107,759	107,759	107,759	
SA State Aid - Reimburs	100,000	165,000	120,000	120,000	20,000	(45,000)	
TL Property Tax	15,443,689	15,443,689	15,849,706	15,849,706	406,017	406,017	
Grand Total	\$19,393,689	\$19,736,689	\$20,050,706	\$20,406,914	\$1,013,225	\$670,225	

The total revenue budget is increasing by \$1.0 million or 5%. The biggest source of revenue is generated from property taxes. Property taxes are increasing \$406,000 or 2.6% to \$15.8 million. The second largest source of revenue is generated from fees. The Fire Commission collects fees generated from mandatory compliance testing under a variety of State and local public safety laws and from educational fees associated with Emergency Medical Training courses that are offered to the public. Fees are increasing by \$387,300 to \$4.2 million in FY 06. The FY 05 projection shows a surplus of \$200,000 due to an increase in Emergency Light Testing.

State aid is made up of tuition reimbursements from New York State for teaching emergency medical courses for emergency service providers which serve the communities within Nassau County. This revenue is increasing by \$20,000 to \$120,000. The increase is due to increased student population for emergency training. Also in FY 06 the Fire Commission will re-certify 2,400 Police Officer as first responders.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$9,090,569	\$9,445,000	\$9,684,795	\$9,412,786	\$322,217	(\$32,214)
AB	Fringe Benefits	3,068,870	3,045,000	3,467,228	3,167,138	98,268	122,138
	<b>Total PS</b>	<b>12,159,439</b>	<b>12,490,000</b>	<b>13,152,023</b>	<b>12,579,924</b>	<b>420,485</b>	<b>89,924</b>
BB	Equipment	152,199	152,199	140,947	140,947	(11,252)	(11,252)
DD	General Expenses	279,252	279,252	394,043	394,043	114,791	114,791
DE	Contractual Services	3,979,020	4,000,000	4,237,675	4,237,675	258,655	237,675
	<b>Total OTPS</b>	<b>4,410,471</b>	<b>4,431,451</b>	<b>4,772,665</b>	<b>4,772,665</b>	<b>362,194</b>	<b>341,214</b>
HD	Debt Svc Chargebacks	866,079	866,079	768,252	768,252	(97,827)	(97,827)
HF	Inter-Dept. Charges	1,957,700	1,957,700	0	2,286,073	328,373	328,373
	<b>Grand Total</b>	<b>\$19,393,689</b>	<b>\$19,745,230</b>	<b>\$18,692,940</b>	<b>\$20,406,914</b>	<b>\$1,013,225</b>	<b>\$661,684</b>

The FY 06 expenditure budget is projected to increase by \$1.0 million from \$19.4 million in FY 05 to \$20.4 million. The allocations for salaries and fringe benefits are increasing by \$420,500 or 3%. The salary budget includes a 2.5% COLA increase as of January 1, 2006 for CSEA employees, plus annual step increases. A portion of the salary increase is related to an increase of \$110,000 in overtime. The FY 05 salary projection is \$9.5 million or \$354,000 over budget. This deficit results mostly from overtime. Due to the increasing overtime trend, the FY 06 salary budget may fall short. As mentioned previously, overtime is utilized to generate revenue through emergency light testing and accelerated test inspections.

The increase in fringe expenses is mostly due to the rising trend in health insurance rates. Family health insurance rate for active employees is projected to grow at a 9.6% for FY 06. The FY 05 projection is \$3 million or \$24,000 under the FY 05 budget due to a small surplus from health insurance for retirees.

Other than personal services is increasing by 8.2% from the FY 05 budget, due to increases in general services and contractual services. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. General expenses include postage and postage delivery,

educational and training supplies, communication supplies, equipment maintenance, clothing and uniform supplies and miscellaneous supplies.

Contractual services are increasing 6.5% to \$4.2 million due to an increase in the department’s contract with the Vocational Education and Extension Board (VEEB) and also due to medical and psychiatric services.

Debt service chargebacks are decreasing by \$98,000 to \$768,000 in FY 06. Debt service chargebacks are used to account for the allocated debt service charges within a fund. A corresponding revenue is booked in the Debt Service Fund.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Fire Commission. Interdepartmental charges include printing, postage, information technology charges, record management charges, purchasing, fleet maintenance, building occupancy, workers compensation, telecommunication and gasoline.

<b>Fire Commission Staffing Analysis</b>						
	<b><u>FY 05 Adopted</u></b>	<b><u>Sept-05 Actual</u></b>	<b><u>FY 06 Request</u></b>	<b><u>FY 06 Executive</u></b>	<b><u>Exec. vs 05 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time staffing	113	113	114	112	(1)	(1)
Part-time and Seasonal	26	21	27	27	1	6

The FY 06 budget is decreasing by one full-time position from the FY 05 budget and from the current staffing level. Part-time and seasonal positions are increasing by one additional instructor for the Emergency Medical Service Academy. The department has stressed a lack of personnel. The department expects to lose approximately five to six employees before the end of the year and a greater amount of positions in FY 06 due to retirements.



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**DEPARTMENT OF HEALTH**


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The Department of Health was established in 1938 pursuant to Article IX of the County Government Law, and operates under the New York State Public Health Law and Title 10 of the Official Compilation of Codes, Rules and Regulations of the State of New York. The five member Board of Health oversees all activities and staff.

A major transformation to the FY 06 Health budget includes the transfer of Pre-School Education services from the Mental Health Department into the Health Department. Pre-School Education provides special services to children from the ages of 3-5 in need. The following chart breakdowns the FY 06 Budget for Preschool Education:

<b>Pre-School 2006 Budget Breakdown:</b>	
<b>Expenses:</b>	
Salaries	\$395,535
General Services	\$4,000
Contractual Services	\$25,000
<b>Early Intervention:</b>	
Itinerant Services	\$25,200,000
Pre-School (3-5 Years)	\$50,987,500
Summer School Program (5-21 Years)	\$1,500,000
Transportation Pre-School (3-5 Years)	\$15,803,600
Evaluations Pre-School	\$3,485,000
CPSE Administration Costs	\$810,000
CPSE Consultants	\$300,000
<b>Subtotal Expenses:</b>	<b>\$98,510,635</b>
<b>Headcount:</b>	
Clerk I	2
Clerk II	1
Accountant III	1
Accounting Assistant I	1
Accounting Assistant II	2
Community Service Representative	1
<b>Subtotal Headcount:</b>	<b>8</b>
<b>Revenue:</b>	
Vendor Recoveries	\$50,000
Department Revenues	\$1,500,000
State-Aid	\$56,972,730
<b>Subtotal Revenue:</b>	<b>\$58,522,730</b>

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$16,328,485	\$16,065,095	\$17,315,252	\$17,167,418	\$838,933	\$1,102,323
BB	Equipment	30,000	30,000	30,000	30,000	0	0
DD	General Expenses	1,807,200	1,807,200	1,879,300	1,879,300	72,100	72,100
DE	Contractual Services	5,738,000	6,237,948	6,592,000	7,242,000	1,504,000	1,004,052
HH	Interfund Charges	25,000	25,000	25,000	25,000	0	0
PP	Early Int./Special Edu.	45,000,000	44,000,000	145,286,100	144,086,100	99,086,100	100,086,100
	<b>Total OTPS</b>	<b>52,600,200</b>	<b>52,100,148</b>	<b>153,812,400</b>	<b>153,262,400</b>	<b>100,662,200</b>	<b>101,162,252</b>
HF	Inter-Depart Charges	3,627,728	3,627,728	0	4,108,948	481,220	481,220
	<b>Grand Total</b>	<b>\$72,556,413</b>	<b>\$71,792,971</b>	<b>\$171,127,652</b>	<b>\$174,538,766</b>	<b>\$101,982,353</b>	<b>\$102,745,795</b>

Personal services or salaries are increasing from the FY 05 adopted budget by \$838,938 or 5.0%. Of this amount \$400,000 is from the transfer of Pre-School Education. The remainder of the salary increase is from the 2.5% CSEA contractual increase effective on January 1<sup>st</sup>, 2006. There is a small reduction in termination pay due to the drop off of the three-year termination payments for employees that participated in the 2002 early retirement incentive.

Other than personal services is increasing by \$101 million due to the transfer of pre-school education into the Health Department. The majority of the increase is in early intervention and special education expenses (PP). Approximately \$45.6 million is included for Children's Early Intervention and \$98.5 million is included for Pre-School Education. The portion for Early Intervention includes a \$1 million increase for transportation services. The \$1 million in transportation costs had previously been budgeted in Health's interdepartmental charges. In FY 05 Mental Health charged transportation costs under contractual services to transport children from both Early Intervention and Pre-School Education.

The \$98.5 million in Pre-School Education includes an increase of \$3.1 million from the FY 05 budget (in Mental Health). The increase is mostly attributed to pre-school and itinerant services. The student caseload is increasing from 6,237 in FY 05 to 6,420 budgeted in FY 06. The pre-school costs are increasing \$2.6 million and itinerant services are increasing \$1.9 million. Itinerant services are special one on one sessions for the students. Meanwhile, the summer school program and transportation costs are decreasing. The department is responsible for 10% of summer school program costs for children ages 3-5 years. This cost is decreasing in FY 06 by \$250,000. Finally, the department pays for transportation of children to the center based schools. Transportation costs are decreasing from \$17.2 million in FY 05 to \$15.8 million.

The FY 05 projection for Early Intervention is under budget due to the declining caseload growth. The caseload did not grow as strongly as the department had anticipated during the preparation of the FY 05 budget. The FY 05 projected caseload is currently 6,700, which is 100 under the budgeted 6,800

caseload but 226 greater than the FY 04 actual of 6,474. At 1.5% in 2006, the caseload figures are currently growing at a slower rate than they had been in previous years when growth reached double-digit increases.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. General expenses are increasing by 4%, mostly due to medical supplies for Public Health. The FY 05 projection for general services is on target with the FY 05 budget.

Contractual services are increasing by \$1.5 million. This amount includes the \$1 million for the new investment initiative "Common Sense for the Common Good." The initiative is to help prevent unintended pregnancies and support women who face unintended pregnancies. Of the \$1 million, \$400,000 supports homes for single mothers, \$200,000 promotes adoptions in Nassau County and \$400,000 supports educational efforts.

The FY 05 projection is \$500,000 over budget. This is due to a \$229,935 contract with Macro International to conduct a Behavioral Risk Factor Survey. The collected data from the survey will permit Nassau County to target smoking cessation programs to those populations most in need and to measure progress toward achieving state and national health objectives. A second contract was awarded to Health Research Institute for \$270,013 to provide tobacco education and cessation services to residents of Nassau County.

The majority of the expense in contractual services is a \$5.1 million payment made to the Nassau Health Care Corporation, as per the acquisition agreement. These payments are in consideration of the Corporation providing certain contractual services, the cost for which the County can receive state reimbursement of between 30%-36%, pursuant to Article 6 of the New York State Public Health Law. Services covered include tuberculosis clinical evaluation, family planning, and sexually transmitted disease testing and treatment.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Health Department. Interdepartmental charges are increasing 13% due to an increase in administration indirect charges. This increase has been partially offset by the elimination of the Mental Health early intervention program transportation costs. Interdepartmental charges are increasing due to \$1.8 million in indirect charges. Interdepartmental charges also include increases in workers compensation charges and printing charges.

Interfund charges remain flat at \$25,000. In the past these charges were paid to Nassau Community College for specialized training classes.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center		Adopted FY 05 Budget	Departmental Request FY 06	Executive FY 06	Variance Exec. vs Adopted 05	Variance Exec. vs. Request
10	Administration	\$4,643,535	\$2,390,581	\$6,166,625	\$1,523,090	\$3,776,044
20	Environmental Health	6,738,880	7,089,179	7,033,307	294,427	(55,872)
30	Laboratory Research	2,752,392	2,575,598	2,663,375	(89,017)	87,777
40	Public Health	8,160,298	8,915,562	9,654,748	1,494,450	739,186
51	Children Early Interv Services	50,261,308	50,396,097	50,510,076	248,768	113,979
54	Pre-School Special Education	0	99,760,635	98,510,635	98,510,635	(1,250,000)
<b>Total</b>		<b>\$72,556,413</b>	<b>\$171,127,652</b>	<b>\$174,538,766</b>	<b>\$101,982,353</b>	<b>\$3,411,114</b>

The new control center for Pre-school education carries an addition \$98.5 million in expenditures and \$58.5 million in total revenue. Pre-School Special Education is devoted to providing special needs to pre-school children. Each school district sets up a committee to evaluate the children (ages 3-5) in need of special services such as speech, physical therapy, occupational therapy, etc. With expenditures of \$98.5 million Pre-School Special Education is the largest source of expenses for the Department.

Administration includes all administrative support, fiscal billing, revenue receipt, and preparation of State and Federal Aid claims, human resources, community health assessment and public information functions. Administration is increasing \$1.5 million due to indirect interdepartmental charges.

Environmental Health protects the community from adverse health affects and diseases that may result from environmental pollution, unsanitary conditions, unsafe practices or infections of diseases. The 4% increase in Environmental Health is due to the addition of five Sanitarian positions.

Laboratory Research provides clinical and environmental laboratory services to access community health. The minimal decline in Laboratory Research results from the reduction of one Chemist and one Medical Technician I position.

Public Health includes all personal and public health services. Public Health is increasing due to contractual services.

Children Early Intervention coordinates programs for children with special health needs. The Early Intervention Program is an entitlement program under Part C of the Federal Individual with Disabilities Education Act (IDEA). The program provides specialized services to children under age three with developmental delays and disabilities as soon after birth as possible, to ensure these children have medical home where routine development surveillance and screenings are provided. Finally the Physically Handicapped Children's Program pays for all medical, surgical, rehabilitative orthodontic and other related services for children ages 0-21 years with eligible medical conditions who meet both medical and financial eligibility guidelines.

### Health Department Staffing Analysis

	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
10 Administration	36	31	33	33	(3)	2
20 Environmental Health	91	93	96	96	5	3
30 Public Health Laboratories	27	26	25	25	(2)	(1)
40 Public Health	29	28	28	28	(1)	0
51 Child Early Interven.	58	57	60	60	2	3
54 Pre-School Education	0	0	8	8	8	8
<b>Total Full-time</b>	<b><u>241</u></b>	<b><u>235</u></b>	<b><u>250</u></b>	<b><u>250</u></b>	<b><u>9</u></b>	<b><u>15</u></b>
<b>CC Part-time and Seasonal</b>						
10 Administration	9	5	9	9	0	4
20 Environmental Health	18	18	18	18	0	0
30 Public Health Laboratories	3	2	3	3	0	1
40 Public Health	2	1	2	2	0	1
51 Child Early Interven.	0	0	0	0	0	0
<b>Total Part-time and Seasonal</b>	<b><u>18</u></b>	<b><u>12</u></b>	<b><u>18</u></b>	<b><u>18</u></b>	<b><u>0</u></b>	<b><u>6</u></b>

The FY 06 budget is increasing by 9 full-time positions. Eight full-time positions have been added for Pre-School Education from the Mental Health Department. Administration has removed two Accounting Assistants and a Community Services Representative from the FY 05 budget. Environmental Health has added five Sanitarian positions. Part-time staffing remains unchanged at 18 positions.

### REVENUE BUDGET

Revenue Class	<u>Adopted FY 05 Budget</u>	<u>OLBR FY 05 Projection</u>	<u>FY 06 Dept. Request</u>	<u>FY 06 Exec. Budget</u>	<u>Variance Exec. vs Adopted 05</u>	<u>Variance Exec. Vs FY 05 Proj.</u>
BC Permits & Licenses	\$3,603,296	\$3,603,296	\$3,603,580	\$3,603,580	\$284	\$284
BD Fines & Forfeits	225,000	225,000	225,000	225,000	0	0
BF Rents & Recoveries	175,000	17,000	50,000	50,000	(125,000)	33,000
BH Department Revenues	6,836,900	7,000,000	8,601,900	8,601,900	1,765,000	1,601,900
SA State Aid	27,671,288	27,671,288	86,021,730	85,081,730	57,410,442	57,410,442
<b>Total</b>	<b>\$38,511,484</b>	<b>\$38,516,584</b>	<b>\$98,502,210</b>	<b>\$97,562,210</b>	<b>\$59,050,726</b>	<b>\$59,045,626</b>

The FY 06 revenue budget is increasing from the FY 05 budget by \$59 million, \$58.5 million of which is due to Pre-School Education. The department receives 59.5% staid aid reimbursement for approved

services for education, related services, evaluations and transportation costs. State aid for Pre-School Education Intervention is \$1.8 million over Mental Health's FY 05 budget for state aid reimbursement. State aid reimbursement for Children's Early Intervention services is decreasing \$100,000 to \$21.6 million from the FY 05 budget.

Permits and licenses remain flat from the FY 05 budget at \$3.6 million. Environmental Health collects permits and licenses from a variety of sources. The largest revenue source is from food establishments which are budgeted at \$2.1 million. The Health Department is required under the New York State Sanitary Code to regulate food service establishments with its jurisdiction by conducting field inspections and investigations and permitting the establishment. There are approximately 5,600 establishments. Other permits include day camp permits, realty subdivision filings, x-ray surveys and inspections, swimming pools and beaches, hazardous material registration, temporary residence inspections, manufacturing frozen desserts, cross connection control program, water supply plan review, tattoo parlor and lifeguard certifications.

Fines and forfeitures are also remaining flat in FY 06 at \$225,000. Fines collected for Public Health violations include improper food handling, public swimming violations, improper storage of toxic and hazardous materials, the sale of tobacco products to minors, smoking in indoor facilities, sanitation violations, failure to maintain diagnostic x-ray equipment and records, day camp code violations, water quality violations and cross connection violations.

Rents and recoveries are decreasing \$125,000 to \$50,000 in FY 06 due to the elimination of tobacco education funds. All tobacco funds have been securitized into a separate fund. The FY 05 projection is 17,000.

Department revenue is increasing \$1.8 million in FY 06 due to Medicaid receipts for Pre-School Education. The department receives 50% of approved Medicaid billing for pre-school services.

## OFFICE OF HOUSING & INTERGOVERNMENTAL AFFAIRS

The Nassau County Office of Housing and Intergovernmental Affairs (OHIA) is the overall administrative agent for the Federal Community Development Block Grant Program (CDBG), HOME Investment Partnership Program and the Emergency Shelter Grant Program, which are all funded through the U.S. Department of Housing and Urban Development (HUD). It is this department that upgrades, promotes and assists neighborhood developments established by the County. These funds are dedicated to eliminating blight and slums and helping social services programs such as youth counseling, senior citizen services, handicapped access and infrastructure improvements such as drainage projects and affordable housing. HOME funds



Figure 1 - Coes Neck Park, Village of Baldwin

are federal funds for the construction or major rehabilitation of residential buildings for single or multiple dwelling units. Emergency Shelter Grant funds are directed to the rehabilitation of homeless shelters.

The budget for OHIA in the General Fund will consist of three responsibility centers the Economic Revitalization Unit (ERU), Brownfields Redevelopment Unit (BRU) and Economic Development Vertical Administration. The ERU works to expand the tax base, generate revenue and create jobs through the sale and redevelopment of publicly owned properties as well as facilitate the development and redevelopment of privately owned properties. The primary objective of the BRU is to facilitate redevelopment of sites that are unused due to known or suspected environmental contamination.

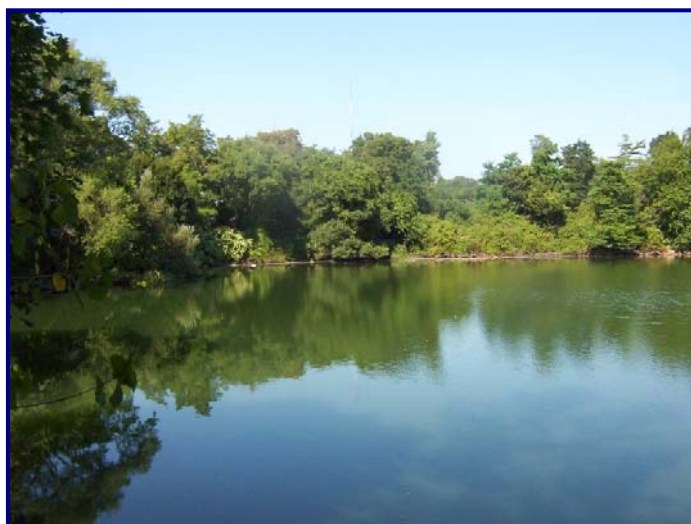
### REVENUE BUDGET

Revenue Class	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. Vs FY 05 Proj.
BG Revenue Offset To Expense	\$500,000	\$0	\$150,000	\$150,000	(\$350,000)	\$150,000
BW Interfund Charges	755,657	650,000	582,838	582,838	(172,819)	(67,162)
FA Federal Aid Reimb. Exp.	300,000	200,000	400,000	400,000	100,000	200,000
SA State Aid - Reimb. Exp.	4,950,000	0	1,800,000	1,800,000	(3,150,000)	1,800,000
<b>Total</b>	<b>\$6,505,657</b>	<b>\$850,000</b>	<b>\$2,932,838</b>	<b>\$2,932,838</b>	<b>(\$3,572,819)</b>	<b>\$2,082,838</b>

The \$22.2 million in HUD funding for CDBG, HOME and ESG programs for the FY 2005-06 31<sup>st</sup> program year is reflected in the Grant Fund, not the General Fund operating budget. The 2006 General Fund revenue budget for OHIA is \$2.9 million which is made up primarily of federal and state grants.

Most of the revenue budgeted in FY 05 will not be received this year, because the projects have not been completed. Most of the funds will be budgeted in FY 06 and the balance in the out-years. The largest portion of 2006 revenue is for \$1,800,000 in state aid which will fund various phases of the Brownfields Redevelopment Initiatives that include the clean up of Coes Neck Park. The clean up project commenced in FY 05 with a budget of \$4,950,000. The state aid will decrease by \$3,150,000 from the FY 05 budget mainly because the clean up project will be spread over FY 06 as well as FY 07 and the costs will be spent accordingly. Additionally, the FY 06 revenue offset to expense budget of \$150,000, which will come from developers, will also be utilized for the Coes Neck remediation. The \$400,000 of federal aid revenue for FY 06 is from grants that are funded by the U.S Environmental Protection Agency. The revenue is comprised of a Hazardous Substance grant for \$200,000 and a Petroleum grant for the same amount.

The Coes Neck remediation will include the redevelopment of a 35-acre site on Coes Neck Road in Baldwin. The site is currently vacant and closed to the public. Two site assessments were conducted by ERM-Northeast and Nassau County Public Works. The assessment studies found evidence of pesticides and semi-volatile organic compounds on the property. The remediation will remove any environmentally unsafe materials and redevelop property.



**Figure 2 - Pond at Coes Neck Park**

other County agencies and corporations should be included in the appropriate department in County's General Fund budget. As a result, an inter-fund revenue appropriation should be established to support that portion of the salaries and fringe benefits of County General Fund employees eligible to be charged against grant funds. This is reflected in the revenue budget under inter-fund charges (BW) in the amount of \$582,838.

The inter-fund charges are reimbursements from the Grant Fund for administrative costs. The office receives a HUD grant that reimburses the General Fund for certain salary expenses. The "Final Report on the Finances and Operations of Certain Departments, Independent Agencies, and Independent Corporations in the Economic Development Vertical" prepared by Deputy County Executive Arthur A. Gianelli recommended that only employees whose salaries and fringe benefits are fully and exclusively supported by state or federal grants should be included in the County's Grant Fund. The full salaries of all County employees whose salaries (i) are partially supported by federal grant funds; or (ii) can be partially charged to



**EXPENSE BUDGET  
BY OBJECT CLASS**

<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$881,616	\$1,015,606	\$1,282,605	\$1,100,029	\$218,413	\$84,423
BB	Equipment	7,600	7,600	7,000	7,000	(600)	(600)
DD	General Expenses	73,592	73,592	216,500	196,500	122,908	122,908
DE	Contractual Services	6,025,000	1,167,000	2,575,000	2,575,000	(3,450,000)	1,408,000
	<b>Total OTPS</b>	<b>6,106,192</b>	<b>1,248,192</b>	<b>2,798,500</b>	<b>2,778,500</b>	<b>(3,327,692)</b>	<b>1,530,308</b>
HF	Inter-Depart Charges	514,432	514,432	0	1,049,229	534,797	534,797
	<b>Grand Total</b>	<b>\$7,502,240</b>	<b>\$2,778,230</b>	<b>\$4,081,105</b>	<b>\$4,927,758</b>	<b>(\$2,574,482)</b>	<b>\$2,149,528</b>

The FY 06 salaries budget will increase by \$218,413 over the FY 05 budget. The increase is primarily due to the two additional full time positions and salary increases that are included in the proposed FY 06 budget.

The FY 06 OTPS expense budget, excluding inter-departmental charges is \$2.8 million, most of which, \$2.6 million, is for contractual services. A large portion of the remainder, \$196,500, is for the general expenses. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. The \$2.6 million in contractual services is for various contracts for the Brownfields Redevelopment Initiatives which will be offset by grants from the federal EPA and state DEC.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Housing & Intergovernmental Affairs. These charges include \$576,575 for indirect charges, \$290,234 for information technology charges and \$67,891 for building occupancy charges.

**Office of Housing & Intergovernmental Affairs  
Staffing Analysis**

	<b>FY 05 Adopted</b>	<b>Sept-05 Actual</b>	<b>FY 06 Request</b>	<b>FY 06 Executive</b>	<b>Exec. vs 05 Adopt</b>	<b>Exec. vs Actual</b>
Full-time Staffing	11	13	15	13	2	0
Seasonal	0	0	1	0	0	0

The proposed budget will fund 13 full-time positions, an increase of two full-time positions over the FY 05 budget. However, the proposed staffing is the same as the current headcount. The office added a Director of Communications and an Executive Director to the staff in FY 05. The current number of employees working in OHIA funded through the Grant Fund is 57.

HUMAN RESOURCES

Human Resources was established by ordinance No. 302A-1971 to act as the liaison between the Civil Service Commission and all County departments, managing all aspects of Human Resources for the County's workforce. Some of the main objectives for 2006 is to have quarterly meetings with all County Human Resources Administrators, to implement the Human Resources Management System and to finalize Nu-Ride and Transit Chek. The department's goals for 2006 also include continued training, and assist in the Comprehensive Compensation and Position Review.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$701,014	\$709,765	\$892,606	\$724,006	\$22,992	\$14,241
DD	General Expenses	90,000	77,000	99,500	82,500	(7,500)	5,500
DE	Contractual Services	120,000	120,000	521,000	120,000	0	0
	<b>Total OTPS</b>	<b>210,000</b>	<b>197,000</b>	<b>620,500</b>	<b>202,500</b>	<b>(7,500)</b>	<b>5,500</b>
HF	Inter-Dept. Charges	236,958	236,958	0	0	(236,958)	(236,958)
	<b>Grand Total</b>	<b>\$1,147,972</b>	<b>\$1,143,723</b>	<b>\$1,513,106</b>	<b>\$926,506</b>	<b>(\$221,466)</b>	<b>(\$217,217)</b>

Salaries have increased from the FY 05 budget by \$22,992 or 3.3% and from the projected actual by \$14,241 or 2.0%. This reflects the addition of two new employees. One of these positions was a transfer of the Director of Equal Opportunity from Minority Affairs, and the other position was a Special Assistant. The departmental request includes three positions that were not included in the budget. Excluding inter-departmental charges OTPS for FY 06 is very close to the FY 05 budget with a decrease of \$7,500. Compared to the projected actual there is an increase of \$5,500. These variances are due to changes in general expenses to more accurately reflect actual expenditures.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Human Resources. In the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$236,958.

The department requested \$521,000 in contractual services to fund a comprehensive review of civil service positions, but this cost will be funded with FY 05 funds instead.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection.

<b>Human Resources Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	11	12	16	13	2	1
Part-time and Seasonal	2	4	2	2	0	(2)

Staffing levels for full-time employees are increasing by two positions over the FY 05 budget and one position from the September 2005 actual. The additional positions not approved were to help the department achieve a number of goals. One position was to assist the Equal Employment Opportunity director with training, which may potentially reduce liability for the County. Also, a bi-lingual employee is needed in the department. A Training Coordinator was requested to keep track of training for time-keeping, benefits and Drug and Alcohol awareness throughout the County.

**Out-Year Initiatives**

<b>NAME</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Automated Time and Leave System	\$850,000	\$1,700,000	\$1,700,000

The **automated time and leave system** is a part of the Human Resources Management System which will automate the manual payroll process and allow for the collection, management, and distribution of labor data. The benefits include consistent and accurate implementation of payroll rules, reduced unauthorized leave time, and improved labor reporting. The cost for this project is in the capital plan with \$3 million dollars in 2005, \$6 million in 2006, and another \$6 million in 2007. The department will issue an RFP for the software provider by October 21<sup>st</sup> and there should be an award presented to the Legislature by February 2006. The implementation of the new software is expected to take between 18 to 24 months. Savings are expected to be achieved through the use of consistent payroll rules. The project savings has been included in the past couple of Multi-Year plans but has been delayed due to the expansion of the scope of the project and its growing complexity. It now includes the Human Resources system and greater involvement with the Comptroller’s Office and Civil Service than originally anticipated.

The savings for the automated time and leave system are based on the experience of the provider and it is therefore difficult to ascertain the accuracy of them. Also, depending on implementation speed, there

may be further slippage on the savings. Additional risks include possible issues with the unions and elected officials.

COMMISSION ON HUMAN RIGHTS

The Commission on Human Rights was established April 8, 1963, by Local Law Number 5. The Commission is mandated to investigate and mediate cases of discrimination based on race, creed, color, sex, age or handicap. The Commission consists of five divisions: 1) Administration, 2) Compliance and Investigation, 3) Pretrial Services, 4) Job Development, and 5) Summer Aide Program.

The Administration division provides support and coordinates operations between divisions. It acts as liaison to communities experiencing conflicts due to incidents of discrimination or segregation. The Compliance and Investigations division responds to all claims of discrimination under the jurisdiction of the Commission. The Open Island (housing), Interracial Task Force and Afro-American Studies Programs are consolidated under this unit. Pre-Trial Services provides assistance to those individuals facing bail hearings, or to anyone who has filed charges claiming they were treated in a discriminatory or prejudicial manner based on race, creed, color, sex, age or handicap. The Job Development Center provides job and training referrals, guidance and testing services to persons seeking employment or to upgrade their skills. The center currently maintains an office in Freeport. The Summer Aide Program assists underprivileged youths in finding summer employment. This program has enabled a substantial number of young people to earn enough money to offset their yearly educational expenses.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$622,598	\$571,152	\$823,223	\$597,471	(\$25,127)	\$26,319
BB	Equipment	6,650	6,650	45,000	6,704	54	54
DD	General Expenses	25,127	1,825	0	25,333	206	23,508
DE	Contractual Services	25,000	25,000	0	25,206	206	206
	<b>Total OTPS</b>	<b>56,777</b>	<b>33,475</b>	<b>45,000</b>	<b>57,243</b>	<b>466</b>	<b>23,768</b>
HF	Inter-Depart Charges	218,654	218,654	0	0	(218,654)	(218,654)
	<b>Grand Total</b>	<b>\$898,029</b>	<b>\$823,281</b>	<b>\$868,223</b>	<b>\$654,714</b>	<b>(\$243,315)</b>	<b>(\$168,567)</b>

In FY 06 the salaries expense for the Commission will decrease by 4%. The reduction is directly related to termination pay. The FY 05 budget included \$36,737 of termination pay which represented the third and final payment owed to employees who left in 2002. The savings in termination pay will be offset by CSEA contractual raises.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Human Rights. However, in the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely

eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change has resulted in a year to year budget reduction for inter-departmental charges of \$218,654.

The aggregate OTPS expense accounts will be funded \$57,243. This represents a small increase compared to FY 05 budgeted levels. The Commission utilizes its contractual services account to secure the services of outside counsel. In the event the Commission becomes involved in litigation, conflict of interest prevents the County Attorney from representing the County and the Commission where other County agencies are involved.

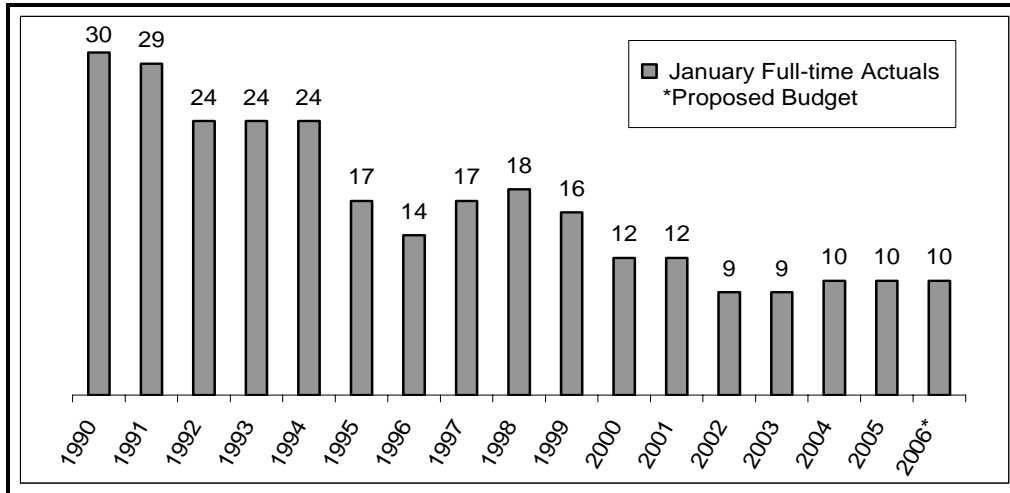
The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. The general expenses account is budgeted for traveling expenses.

For over two years the Commission on Human Rights has been trying to secure case tracking software. The software would permit storage and transfer of information from document to document and also the compilation of case data from zip code to base to area of complaint within a secure environment to protect the confidentiality of Commission clients. The department feels this software is essential to the tasks of the department, but the Administration did not fund this request. It is not clear at this point if the new software is part of a County-wide software roll-out by the Department of Information Technology. Human Rights estimates that the full cost of a case tracking system would be \$45,000 which they requested in their equipment line, but did not receive. The State division of Human Rights will assist the Commission in securing a system once they are assured that the Commission has the technology to process the numbers of cases coming through the Commission on an annual basis. The Commission stated "The County could spend less money to properly equip the Commission with the necessary technology to access and modify the state's system and more efficiently process cases, keep records, prepare reports, and produce reports". Currently all of those tasks are performed manually.

Also represented in the department request is the need for additional staffing. The department feels that due to staffing shortages most employees must cope with unmanageable work loads and/or work out of title. The Commissioner stated that vital positions have been lost due to attrition. The Commissioner also expressed reasonable concerns regarding the office's lack of a Spanish speaking employee and an employee who could prepare cases for court. The Commission feels their ability to fulfill the mission of the office is compromised by not having the appropriate staff.

Currently staffing at the Commission is budgeted at 10 employees. One of those positions, a Human Relations Representative, is out on Workers Compensation.

The chart on the following page illustrates the declining full-time staff in the department. Since 1990 the full-time staffing of the department has been reduced by 20 employees or 67%.



The issue of a bi-lingual staff member was a topic of last year’s Government Services budget hearing. It was agreed that a Spanish speaking person in the department was a necessity and through an amendment the Legislature added \$40,000 to the salaries account of the HR department for the position. Due to civil service difficulties the position was never filled.

For the 2006 Fiscal Year the department requested \$75,000 for two Investigators, one Spanish speaking. Both additional positions were denied by the Administration. The Commissioner stated, “The second investigator is necessary based upon the recommendation of the State Division on Human Rights for maintenance of the work-sharing agreement between the State Division and the Commission. The State needs to be certain that the Commission is properly staffed and equipped to continue handling the numbers of cases coming through the Commission and that those cases will be processed timely to assure complainants of their due process rights.”

Lastly, the Commission requested and did not receive \$100,000 to expand the summer youth employment program. The Commissioner stated, “the last two years the Commission received \$50,000 per year from OHIA with the same commitment anticipated for the coming year. This year approximately 30 young people participated in the program.”

Commission on Human Rights Staffing Analysis						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	10	10	11	10	0	(1)
Part-time Staffing	1	1	0	0	1	0

In FY 06 the proposed full-time staffing level for the Commission will remain flat with the FY 05 adopted budget and the prior year’s January actuals.



**OFFICE OF INFORMATION TECHNOLOGY**

The proposed FY 06 Budget for the Department of Information Technology (DoIT) is \$24.5 million. There are no funds included in the Technology Fund in FY 06 for DoIT, and the department expects to exhaust the \$5.2 million it had available in FY 05 by the end of the year. In FY 06 the department will be using its capital funds to continue and start projects that include eGovernment, PC Rollout and upgrade to Outlook, Human Resources Payroll and Benefit System, a Financial System upgrade, and the proposed Cisco network equipment upgrade.

<b>IT BUDGET BY PROGRAM</b>			
<b>Program</b>	<b>2005 Budget</b>	<b>2006 Budget</b>	<b>Difference</b>
Application Support	\$1,905,125	\$3,123,698	\$1,218,573
Client Relationship	75,778	574,574	498,796
Data Center Operations	939,839	4,566,292	3,626,453
Desktop Support	1,912,708	2,234,443	321,735
E-Mail/Server	118,602	833,218	714,616
Network	794,480	1,301,020	506,540
Support	9,338,781	1,544,240	(7,794,541)
Support- Inter Dept Chg	1,297,130	1,888,809	591,679
Telecommunications	6,701,931	4,634,934	(2,066,997)
Training	80,000	239,816	159,816
Web Services	410,480	1,593,883	1,183,403
Geographic Information System	0	769,028	769,028
IT Security	0	250,000	250,000
Electronic Document Management System	0	158,010	158,010
Project Management Office	0	822,344	822,344
<b>Total</b>	<b><u>\$23,574,854</u></b>	<b><u>\$24,534,309</u></b>	<b><u>\$959,455</u></b>

The DoIT FY 06 budget shows an increase of only 4.07% over FY 05. However, the expenses for Telecommunications of nearly \$2 million have been reallocated to various departments.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center	Adopted FY 05 Budget	Departmental Request FY 06	Executive FY 06	Change From FY 05 To Executive	Change From Request To Executive
10 Administration	23,574,854	23,281,057	22,534,927	(1,039,927)	(746,130)
20 Internal Support Services	0	2,689,803	1,999,382	1,999,382	(690,421)
<b>Total</b>	<b>23,574,854</b>	<b>25,970,860</b>	<b>24,534,309</b>	<b>959,455</b>	<b>(1,436,551)</b>

Any Information Technology department with an operating budget of over \$24.5 million and a planned capital budget expenditure of over \$100 million over the next 5 years needs to ensure that it has a management team that is very strong in leadership skills, technology expertise, and customer relations. DoIT has had several changes in the Commissioner position over the past five years, but minimal new management talent has been injected into the organization. DoIT continues to depend on outside consultants to provide technical expertise and to fill management roles. An example is the role played by Contemporary Computer Services (CCSI, a Cisco only partner) in developing the network topology and recommending additional Cisco equipment in order to deploy the boxed equipment that is still in inventory. However, DoIT has allocated funds to fill some management and technical positions in 2006.

The proposed budget for salaries is approximately \$10.0 million, which includes salary related expenses for 119 full-time employees. This is 23 employees over the current full-time onboard positions. DoIT has created two control centers in the FY 06 budget; Administration and Internal Support Services. In FY 06 DoIT plans to chargeback approximately 15 positions to capital projects for the work they will be performing.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. Vs. Adopted 05</b>	<b>Variance Exec. Vs. FY 05 Proj.</b>
AA	Salaries	\$9,267,706	\$8,727,270	\$10,917,884	\$9,967,011	\$699,305	\$1,239,741
BB	Equipment	250,000	250,000	1,343,511	252,000	2,000	2,000
DD	General Expense	1,977,402	1,977,402	2,753,183	2,445,734	468,332	468,332
DE	Contractual Services	5,297,908	5,297,908	6,846,849	6,371,322	1,073,414	1,073,414
DF	Utility Cost	5,484,708	5,379,000	4,109,433	3,609,433	(1,875,275)	(1,769,567)
	<b>Total OTPS</b>	<b>13,010,018</b>	<b>12,904,310</b>	<b>15,052,976</b>	<b>12,678,489</b>	<b>(331,529)</b>	<b>(225,821)</b>
HF	Inter-Depart Charges	1,297,130	1,297,130	0	1,888,809	591,679	591,679
	<b>Grand Total</b>	<b>\$23,574,854</b>	<b>\$22,928,710</b>	<b>\$25,970,860</b>	<b>\$24,534,309</b>	<b>\$959,455</b>	<b>\$1,605,599</b>

The total proposed OTPS budget is \$331,529 less than the adopted FY 05 budget. The decrease is the net result of, telecommunications cost of \$1.9 million in the utility line transferred to Police Department and \$0.5 million of GIS related contractual services added to department's budget. GIS was previously budgeted in the Planning Department.

The equipment account is used by the department to purchase computers for new employees and replacement computers for existing employees, County-wide. DoIT had requested \$1,343,000 for this account to ensure all employees who required computers would have one available, but the Executive Budget reduced this to \$252,000. An executive decision was made that all new or replacement computers and related hardware for county agencies would be purchased through the Capital Fund.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. The general expense category includes the cost of maintenance of software and licensing increases, and additional software tools. The contractual services category is reflective of the additional maintenance contracts to support the increase and replacement of equipment and software.

In addition, included in general expenses is \$240,000 for education expenses. The department uses these funds to train employees. With the ever changing nature of information technology and the slow turnover of County staff, it appears that more funds should be allocated to this account so employees can obtain training and attend seminars.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Information Technology. The corresponding revenue gets booked to the department providing the service as inter-departmental revenue (BJ). The largest components of the

department's FY 06 inter-departmental charges are for indirect charges at a cost of \$1.5 million and building occupancy charges of \$315,000.

<b>Information Technology Staffing Analysis</b>						
	<b><u>FY 05</u></b>	<b><u>Sept-05</u></b>	<b><u>FY 06</u></b>	<b><u>FY 06</u></b>	<b><u>Exec. vs</u></b>	<b><u>Exec. vs</u></b>
	<b><u>Adopted</u></b>	<b><u>Actual</u></b>	<b><u>Request</u></b>	<b><u>Executive</u></b>	<b><u>05 Adopt</u></b>	<b><u>Actuals</u></b>
<b>CC Full-time Staffing</b>						
10 Administration	104	96	114	105	1	9
20 Internal Support Services	0	0	15	14	14	14
<b>Total Full-time</b>	<b><u>104</u></b>	<b><u>96</u></b>	<b><u>129</u></b>	<b><u>119</u></b>	<b><u>15</u></b>	<b><u>23</u></b>
<b>CC Part-time and Seasonal</b>						
10 Administration	1	19	0	0	(1)	(19)
20 Internal Support Services	0	0	2	2	2	2
<b>Total Part-time and Seasonal</b>	<b><u>1</u></b>	<b><u>19</u></b>	<b><u>2</u></b>	<b><u>2</u></b>	<b><u>1</u></b>	<b><u>(17)</u></b>

The department requested 129 full-time positions, of which 119 were granted by the Administration. This increase of 23 employees, as compared to the current actual headcount, will allow DoIT to fill some critical positions. The department requested more senior level staff to assist in project management and administrative functions of the office. New positions in the proposed budget include three Program Manager I's, two Project Manager II's, and two Programmer Analysts. The proposed staffing includes the transfer of one full-time from the office of Real Estate Planning and Development who will support the County's Electronic Document Managements System (EDMS).

A new organizational structure will be in effect beginning 2006. The Commissioner will have the following units reporting to him: IT Security, Administration, Operations, Program Office, Geographic Information Systems, and Electronic Documents Management System.

The seasonal employees are typically younger staff members who handle mostly routine, but time consuming tasks. Their tasks include installing software, preventing or removing computer viruses and tagging and auditing hardware components. The seasonal positions which were utilized during this year were not funded in the 2005 budget and are not included in the 2006 budget either. However, OLBR was assured by the department that seasonal positions will be eliminated in the near future.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. Vs. Adopted 05</b>	<b>Variance Exec. Vs. FY 05 Proj.</b>
BH	Department Revenues	\$700,000	\$700,000	\$202,000	\$202,000	(\$498,000)	(\$498,000)
BI	Capital Chargebacks	0	195,559	2,311,073	2,311,073	2,311,073	2,115,514
BJ	Inter-departmental Revenues	21,672,379	21,672,379	0	5,559,985	(16,112,394)	(16,112,394)
BW	Inter-fund Charges	637,618	637,618	660,000	660,000	22,382	22,382
SA	State Aid	0	422,452	0	0	0	(422,452)
<b>Grand Total</b>		<b>\$23,009,997</b>	<b>\$23,628,008</b>	<b>\$3,173,073</b>	<b>\$8,733,058</b>	<b>(\$14,276,939)</b>	<b>(\$14,894,950)</b>

Inter-departmental revenues are reimbursements for the costs incurred by Information Technology for services, supplies, and materials provided to other County departments. A corresponding expense gets booked to the budget of the user department as an inter-departmental charge. In the past inter-departmental charges were only allocated to the major funds.

Departmental revenues in FY 2005, budgeted for \$700,000, represent the charges to the Correctional Center for reimbursement for inmate’s telephone calls, but next year it will be allocated to the Correctional Center to offset the expenses. Inter-fund charges include information technology and telecommunication charges to Social Services for \$942,004, Recreations and Parks \$1,292,036, Health \$548,212, Fire Commission \$448,379, and Drug & Alcohol \$303,573 in FY 06. It should be noted that a capital chargeback of \$2.3 million has been established to reflect the work that will be performed by County DoIT staff towards various capital projects. The inter-fund charges have increased due to the substantial increases in central government cost allocations, such as the charge to Nassau Community College for information technology and telecommunications expenses of approximately \$200,000 in FY 06.

INVESTIGATIONS

The mission of the Department of Investigations is to provide help with problems encountered with County agencies, implement internal controls, including policies and procedures, improve efficiencies, prevent and detect governmental waste, fraud, and abuse, and lead technological advancement throughout the county. The department investigates and resolves complaints and grievances from residents and non-residents involving the County, Towns, Special Districts and other government and non-government matters.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$358,194	\$298,078	\$502,128	\$414,078	\$55,884	\$116,000
BB	Equipment	8,750	4,300	8,821	7,000	(1,750)	2,700
DD	General Expenses	30,788	15,000	31,040	19,600	(11,188)	4,600
DE	Contractual Services	53,875	25,000	54,317	54,317	442	29,317
	<b>Total OTPS</b>	<b>93,413</b>	<b>44,300</b>	<b>94,178</b>	<b>80,917</b>	<b>(12,496)</b>	<b>36,617</b>
HF	Inter-Dept. Charges	80,311	80,311	0	0	(80,311)	(80,311)
	<b>Grand Total</b>	<b>\$531,918</b>	<b>\$422,689</b>	<b>\$596,306</b>	<b>\$494,995</b>	<b>(\$36,923)</b>	<b>\$72,306</b>

The FY 06 expenditure budget, exclusive of inter-departmental charges, is increasing by \$43,000 or 9.6% from the FY 05 budget. In personal services, salaries are increasing 15.6% from \$358,194 in FY 05 to \$414,078 in FY 06. The increase is due to hiring two additional full-timers and the elimination the two part-time positions.

Other than personal services are declining by 13.4% or \$12,496 to \$80,917 in FY 06. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. Expenses in the OTPS budget include costs for surveillance equipment, photo equipment, traveling expenses, advertising expenses, printing, etc. Contractual services have been budgeted to contract investigative work that cannot be handled in-house.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Investigations. However, in FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services.

This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$80,311.

<b>Investigations Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time staffing	4	4	7	6	2	2
Part-time and Seasonal	2	0	0	0	(2)	0

Full-time staffing in FY 06 will increase by two over FY 05 levels and includes two additional full-time investigators. The two part-time positions have been eliminated in the 2006 budget. Two more full-time investigators will serve the needs of the department more than part-timers especially since it is more difficult to find qualified investigators willing to work on a part-time basis.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
BF Department Revenues	\$500,000	\$0	\$0	\$0	(\$500,000)	\$0

The FY 05 budgeted departmental revenue for \$500,000 was for the audit recoveries initiative that was to be implemented in 2005. With the County facing a potential \$4 million loss with every 1% error on billings for nearly \$400 million in annual contracts, the department planned on generating revenue by achieving a 0.5% disallowance rate through expanding the focus and scope of the internal audit function, targeting large and high risk contracts and vendors, and identifying key benchmarks and ratios. This initiative has been removed in 2005 and is not included in the 2006 budget.

## LABOR RELATIONS

The primary function of Labor Relations is to represent the County and its departments in negotiations, labor proceedings and all labor issues with employee unions, to negotiate collective bargaining agreements with labor unions, provide contract interpretations, and advise the departments on the proper way of abiding by the terms of the contracts. They revise and implement employment procedures and practices. They also plan to continue holding training seminars and meetings for the department heads and supervisors in order to teach them how to correctly interpret the contracts, how to discipline employees, and to assist in each step of the grievance and discipline process.

### EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$317,164	\$401,114	\$423,400	\$423,400	\$106,236	\$22,286
DD	General Expenses	11,000	11,000	10,000	10,000	(1,000)	(1,000)
DE	Contractual Services	2,700	2,700	3,000	3,000	300	300
	<b>Total OTPS</b>	<b>13,700</b>	<b>13,700</b>	<b>13,000</b>	<b>13,000</b>	<b>(700)</b>	<b>(700)</b>
HF	Inter-Dept. Charges	191,217	191,217	0	0	(191,217)	(191,217)
	<b>Grand Total</b>	<b>\$522,081</b>	<b>\$606,031</b>	<b>\$436,400</b>	<b>\$436,400</b>	<b>(\$85,681)</b>	<b>(\$169,631)</b>

Salaries are increasing from the FY 05 budget by \$106,236 or 33.5% to reflect the addition of two full-time positions to the department. The addition represents the hiring of an attorney and a secretary. The Office of Management and Budget hopes to submit a board transfer at a future Legislative session to cover potential overages in FY 05 attributable to the additional positions.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. The FY 06 OTPS budget is essentially remaining the same as last year's Adopted budget. The major component of OTPS is general expenses with an allocation of \$10,000. This is to cover legal materials and conferences. General expenses also include costs for training seminars, both for the Labor Relations' employees and other County employees.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Labor Relations. However, in the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. Therefore, the department has allocated no budget for interdepartmental charges for FY 06, resulting in a budget decrease of \$191,217.



<b>Labor Relations Staffing Analysis</b>						
	<b><u>FY 05 Adopted</u></b>	<b><u>Sept-05 Actual</u></b>	<b><u>FY 06 Request</u></b>	<b><u>FY 06 Executive</u></b>	<b><u>Exec. vs 05 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	4	6	6	6	2	0

As mentioned above, the department has added two full-time positions which brings their total headcount to six for the FY 06 budget.

## LEGISLATURE

Excluding inter-departmental charges, the FY 06 budget is increasing by 4.3% from the FY 05 budget.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$5,297,436	\$4,688,985	\$5,589,610	\$5,589,610	\$292,174	\$900,625
BB	Equipment	33,200	33,200	62,500	62,500	29,300	29,300
DD	General Expenses	873,283	1,135,115	1,013,000	1,013,000	139,717	(122,115)
DE	Contractual Services	1,147,600	1,147,600	1,003,600	1,003,600	(144,000)	(144,000)
	<b>Total OTPS</b>	<b>2,054,083</b>	<b>2,315,915</b>	<b>2,079,100</b>	<b>2,079,100</b>	<b>25,017</b>	<b>(236,815)</b>
HF	Inter-Dept. Charges	1,407,795	1,407,795	0	0	(1,407,795)	(1,407,795)
	<b>Grand Total</b>	<b>\$8,759,314</b>	<b>\$8,412,695</b>	<b>\$7,668,710</b>	<b>\$7,668,710</b>	<b>(\$1,090,604)</b>	<b>(\$743,985)</b>

The above chart details the Legislative expense budget by object class. The total FY 06 budget is \$7.7 million. The salary line is sufficient to cover the budgeted 93 full-time employees and 43 part-time and seasonal employees. Compared to the Office of Legislative Budget Review (OLBR) projections, the Legislative general expense spending will exceed the budget. Funds have been transferred into the Legislative general expenses line to cover most of the overage. FY 06 Legislative contractual services funding is declining compared to the adopted FY 05. The decrease is a function of less contractual services spending in OLBR and the Central Staff. Contractual services funding for OLBR in FY 05 was used to cover the cost of consultants required to analyze the Coliseum redevelopment proposal. Since these costs are not recurring, OLBR contractual services spending in FY 06 is decreasing. Contractual services spending in the Central Staff is decreasing as the FY 05 projects have been completed and those funded in FY 06 cost less. In FY 06 Legislative contractual services funding will cover the cost of computerizing the workflow in the Legislative Clerk's office, securing support and constituent services and stenographer services.

The Office of Management and Budget has merged the categories (CC) materials and supplies and (DD) general expense under (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Consumer Affairs. However, in FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center		Adopted	Departmental	Executive	Variance	Variance
		FY 05 Budget	Request FY 06	FY 06	From Exec. Vs. Adopted 05	From Exec. Vs. To Request
10	Legislators - Majority	\$2,650,811	\$2,273,033	\$2,273,033	(\$377,778)	\$0
15	Legislators - Minority	2,392,775	2,045,728	2,045,728	(347,047)	0
20	Legislative Central Staff	2,662,307	2,480,039	2,480,039	(182,268)	0
30	Legislative Budget Review	1,053,421	869,910	869,910	(183,511)	0
<b>Total</b>		<b>\$8,759,314</b>	<b>\$7,668,710</b>	<b>\$7,668,710</b>	<b>(\$1,090,604)</b>	<b>\$0</b>

The chart above displays Legislative expenses by control center. The large decrease in the expense budget by control center reflects that fact that inter-department charges have been eliminated from the Legislative budget in FY 06. The chart below shows Legislative headcount by control center. Budgeted full-time headcount for FY 06 is decreasing from the FY 05 level, but increasing from the September 2005 actual. Budgeted part-time headcount is increasing from both the adopted FY 05 level and the September 2005 actual. Seasonal headcount is increasing to reflect the number that is hired each year.

**Legislature  
Staffing Analysis**

		FY 05	Sept-05	FY 06	FY 06	Exec.	Exec.
		<u>Adopted</u>	<u>Actual</u>	<u>Request</u>	<u>Executive</u>	<u>vs 05 Adopt</u>	<u>vs Actual</u>
<b>CC Full-time Staffing</b>							
10	Legislators - Majority	39	40	40	40	1	0
15	Legislators - Minority	36	27	31	31	(5)	4
20	Legislative Central Staff	11	9	11	11	0	2
30	Legislative Budget Review	11	11	11	11	0	0
<b>Total Full-time</b>		<b><u>97</u></b>	<b><u>87</u></b>	<b><u>93</u></b>	<b><u>93</u></b>	<b><u>(4)</u></b>	<b><u>6</u></b>
<b>CC Part-time and Seasonal</b>							
10	Legislators - Majority	0	20	19	19	19	(1)
15	Legislators - Minority	1	10	19	19	18	9
20	Legislative Central Staff	4	1	4	4	0	3
30	Legislative Budget Review	0	0	1	1	1	1
<b>Total Part-time and Seasonal</b>		<b><u>5</u></b>	<b><u>31</u></b>	<b><u>43</u></b>	<b><u>43</u></b>	<b><u>38</u></b>	<b><u>12</u></b>

OFFICE OF MANAGEMENT & BUDGET

The Office of Management and Budget’s (OMB) proposed expense budget approximates \$3.3 million or a decrease of 3.9% from FY 05. A 100% decline in inter-departmental charges (HF) from FY 05 budget totaling \$399,348 mostly accounts for this drop in expenses along with reduced spending on equipment (DD) by \$29,811. Inter-departmental charges, reduced to zero, is the result of OMB’s new policy of scheduling these types of charges only for departments that are routinely eligible for federal and state reimbursements of expenses, or shared service departments that sell services. OLBR has separated out inter-departmental charges from the OTPS budget for comparison purposes.

A deficit of \$2,041,200 in projected contractual services in the current year is the result of the County’s engagement into a financial and operational analysis of the Coliseum (\$111,000) and \$1.9 million for continuation of the Manatt, Phelps and Phillips LLP contract for implementing the recovery plan for the Nassau Health Care Corporation. A supplemental appropriation has been made to fund these contracts.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>						
<b>Obj Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA Salaries	\$2,692,683	\$3,618,065	\$2,973,313	\$2,973,313	\$280,630	(\$644,752)
BB Equipment	37,311	22,311	7,500	7,500	(29,811)	(14,811)
DD General Expenses	31,017	46,017	44,140	44,140	13,123	(1,877)
DE Contractual Services	300,000	2,341,200	300,000	300,000	0	(2,041,200)
<b>Total OTPS</b>	<b>368,328</b>	<b>2,409,528</b>	<b>351,640</b>	<b>351,640</b>	<b>(16,688)</b>	<b>(2,057,888)</b>
HF Inter-Dept. Charges	399,348	399,348	0	0	(399,348)	(399,348)
<b>Grand Total</b>	<b>\$3,460,359</b>	<b>\$6,426,941</b>	<b>\$3,324,953</b>	<b>\$3,324,953</b>	<b>(\$135,406)</b>	<b>(\$3,101,988)</b>

In FY 05, salaries for OMB are projected to be \$0.9 million over budget. The reason for this deficit is the addition of 10 positions that were not funded in the adopted budget. This should not be a problem in FY 06 because most of the positions have been transferred to the County Executive budget or their proper placement. In FY 06 salary related expenses account for 89% of FY 06 expense budget. This represents a 10.4% increase compared to the adopted FY 05 budget.

The OMB control center (CC 10), which represents the personnel responsible for developing the annual budget and Multi-Year Plan, is declining due to the decrease in interdepartmental charges. The Vertical Administration control center (CC 20) has been eliminated from the FY 06 budget to better reflect OMB’s operations. As of 2006, all vertical administration staff is allocated in County Executive budget or in other line departments. The Fiscal Analysis control center (CC 30) includes County Stat, which is responsible for monitoring departmental performance and improving operations.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center		Adopted FY 05 Budget	Departmental Request FY 06	Executive FY 06	Variance Exec. Vs. Adopted 05	Variance Exec. Vs. Request
10	OMB	\$1,886,410	\$1,371,390	\$1,371,390	(\$515,020)	\$0
20	Vertical Administration	246,028	0	0	(246,028)	0
30	Fiscal Analysis	1,327,921	1,953,563	1,953,563	625,642	0
<b>Total</b>		<b>\$3,460,359</b>	<b>\$3,324,953</b>	<b>\$3,324,953</b>	<b>(\$135,406)</b>	<b>\$0</b>

The Staffing Analysis chart that follows details the headcount for the Budget department, by control center. The total proposed budgeted FY 06 headcount for OMB is increasing from the budgeted FY 05 level by three full-time positions along with the elimination of two part-time positions. Additionally, full-time headcount is falling from the September 05 actual positions by seven due to personnel being funded in County Executive budget or in other line departments.

**Office of Management and Budgets  
Staffing Analysis**

	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
10 OMB	14	15	17	17	3	2
20 Vertical Administration	3	5	0	0	(3)	(5)
30 Fiscal Analysis	18	25	21	21	3	(4)
<b>Total Full-Time</b>	<b><u>35</u></b>	<b><u>45</u></b>	<b><u>38</u></b>	<b><u>38</u></b>	<b><u>3</u></b>	<b><u>(7)</u></b>
<b>CC Part-time /Seasonal Staffing</b>						
10 OMB	0	0	0	0	0	0
20 Vertical Administration	0	1	0	0	0	(1)
30 Fiscal Analysis	3	4	1	1	(2)	(3)
<b>Total Part-time/Seasonal</b>	<b><u>3</u></b>	<b><u>5</u></b>	<b><u>1</u></b>	<b><u>1</u></b>	<b><u>(2)</u></b>	<b><u>(4)</u></b>

**Out-Year Initiatives**

The department has the responsibility for the implementation and monitoring of the following four Multi-Year Financial Plan initiatives:

NAME	FY 2007	FY 2008	FY 2009
Contractual Services Review	\$1,000,000	\$1,000,000	\$1,000,000
Fee Increases	\$2,100,000	\$3,600,000	\$5,600,000
Grant Funds Reimbursement	\$2,100,000	\$2,100,000	\$2,100,000
State Reimbursement for Police Training	\$1,500,000	\$1,500,000	\$1,500,000

The purpose of the **Contractual Services Review** initiative is to enable the County to reduce its costs for non-HHS annual contractual services. Through this initiative, the Administration intends to devote additional resources that will improve compliance monitoring with the terms of existing contracts. The County will seek reimbursement in cases where compliance has been lacking and benefit from the expansion of the RFP process. Further, it is expected that the creation of a more comprehensive vendor database will consolidate contracts, reducing costs. The County is projecting expenditure savings of \$1 million annually starting in FY 07 by pursuing a comprehensive review of the County’s contractual agreements and procedures. According to OMB, this savings assumes a 2.5% reduction of spending on non-HHS contractual services. As part of this initiative, the County Attorney’s office and OMB will examine whether departments are effectively managing their contracts in an effective manner by streamlining their expenses prior to the beginning of FY 07. No outside approvals are required for this initiative.

Although improvements to contractual compliance are worthwhile objectives of the Administration, we are unable to quantify OMB’s annual projected financial savings at this point.

The County has not increased fees since FY 05. Because the Administration resolved not to **increase fees** until FY 07, the proposed FY 06 proposed budget does not include fee increases. There are however, minor fee increases and restructuring that will be enacted by: 1) the Fire Commission, 2) CASA, and 3) the Office of Consumer Affairs. Through the **Fee Increases** initiative, OMB projects that fees will be incurred in FY 07 yielding estimated, incremental revenues of \$2.1 million followed by \$3.6 million and \$5.6 million in 2008 and 2009, respectively.

Presently, the value of all grant appropriations is estimated by OMB to be approximately \$95 million. OMB’s intent to maximize the County’s reimbursable costs (un-reimbursed indirect and fringe costs) gives rise to the **Grant Funds Reimbursements** initiative. This initiative develops a Grants Plan for all grants beginning in 2006 followed with the reconciliation of all grants in NIFS, the County’s financial system. OMB projects that \$2.1 million costs savings annually will be realized from this initiative. The Administration estimates the recovery of at least 2% in indirect costs and other direct costs. While this is a good managerial endeavor, it remains to be seen whether the targeted amount of outstanding grant funding can be obtained because of the initiative.

The **State Reimbursement for Police Training** initiative, which requires State approval, proposes that Nassau Community College offers all police officer training. The County would share the reimbursements the College would receive from the State. OMB estimates that revenue to the County resulting from the sharing of state reimbursements would result in \$418,300 in State aid per a 100-member class. Reimbursement for ongoing training received by veteran officers throughout the year will also be sought through this initiative. More detail will be needed in order to justify the \$1.5 million expected cost savings.

**MEDICAL EXAMINER**

The responsibilities of the Medical Examiner include performing autopsies and investigating the circumstances of death in any case where a person dies from criminal violence or from neglect, abuse casualty or in prison.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$4,681,478	\$4,829,052	\$5,116,820	\$5,018,165	\$336,687	\$189,113
BB	Equipment	50,625	50,000	51,000	51,000	375	1,000
DD	General Expenses	356,400	356,400	457,070	457,070	100,670	100,670
DE	Contractual Services	205,000	240,000	206,682	206,682	1,682	(33,318)
	<b>Total OTPS</b>	<b>612,025</b>	<b>646,400</b>	<b>714,752</b>	<b>714,752</b>	<b>102,727</b>	<b>68,352</b>
HF	Inter-Depart Charges	1,046,012	1,046,012	0	0	(1,046,012)	(1,046,012)
	<b>Grand Total</b>	<b>\$6,339,515</b>	<b>\$6,521,464</b>	<b>\$5,831,572</b>	<b>\$5,732,917</b>	<b>(\$606,598)</b>	<b>(\$788,547)</b>

Salaries in 2006 are increasing by \$336,687, or 7.2%, over salaries in the 2005 Adopted Budget but only by 4%, or \$189,113, over 2005 projections. September headcount was up by four positions from the 50 that were budgeted in 2005 which accounts for the difference in salaries between the 2005 budget and 2005 projections. OTPS expense, exclusive of interdepartmental charges, is increasing \$102,727 or 16.8%, over the 2005 budget and 10.6% when compared to 2005's projections. The 2005 service and maintenance agreements on the computers in the DNA and toxicology labs were unexpectedly higher than budgeted. However, funding for the contractual services in 2006 should be sufficient since the terms for some of the agreements are longer than one year. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection.

The majority of the Medical Examiner's expense is in the DNA Lab which is funded by grants from the Department of Criminal Justice. The Medical Examiner's Office receives several thousand dollars in grants, which are reflected in the County's Grant Fund. However, the funding is insufficient to cover all materials and supplies so the General Fund expense varies slightly by year based on the amount of the grants. This is reflected in the \$100,000 increase in general expenses, which includes medical supplies, equipment maintenance and miscellaneous supplies. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Medical Examiner. However, in the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of



expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$1.0 million.

<b>Medical Examiner Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual.</u>
Full-time Staffing	50	54	56	55	5	1
Part-time and Seasonal	4	6	5	5	1	(1)

The number of budgeted full-time positions will increase by five from the 2005 budgeted positions but only by one over September actuals. The new additions include Forensic Toxicologist I and II, two Forensic Geneticists and an Assistant Director for Genetics. The 2006 budget includes funding for one more part time position, a Forensic Medical Photographer II, which is one less than September actuals.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05Proj.</b>
BH Department Revenues	\$36,000	\$20,000	\$20,000	\$20,000	(\$16,000)	\$0
SA State Aid - Reimbursable	1,495,908	1,495,908	1,525,826	1,525,826	29,918	29,918
<b>Grand Total</b>	<b>\$1,531,908</b>	<b>\$1,515,908</b>	<b>\$1,545,826</b>	<b>\$1,545,826</b>	<b>\$13,918</b>	<b>\$29,918</b>

Departmental revenue is declining by \$16,000, or 44.4% when compared to the 2005 budget, which appears to have been overstated. The County-wide initiative to raise fees, incorporated into the 2005 budget, failed to achieve the additional \$21,000 in revenue targeted for the Medical Examiner’s Office and based on 2005’s projection, 2006 revenue has been lowered. The Administration had anticipated an additional \$21,000 in departmental revenue generated by a 23% increase to existing fees for autopsy reports and new fees for nursing homes and funeral homes requesting “courtesy holds”. The charge is \$100 for the first day and \$50 for every day thereafter. Prior to 2005, the Medical Examiner (ME) would provide this service for free. However, since the ME began charging for the “courtesy holds” nursing homes and funeral homes stopped using the service. Partially offsetting the loss of the \$21,000 revenue loss is \$5,000 from the four Nassau hospitals that send their residents to the Medical Examiner for educational purposes. The ME expects to realize that revenue by the end of 2005.

**DEPARTMENT OF MENTAL HEALTH**

The Department of Mental Health works in partnership with the communities to plan, promote and provide the quality of clinical, supportive and rehabilitative services that support recovery for individuals who have a mental illness and those who are mentally retarded or developmentally disabled. The department establishes and strives to maintain systems of accountability among community based service providers and local hospitals to insure the performance objectives are met, resources are properly allocated, services coordinated and access is available to all residents.

In OLBR's review of the proposed Mental Health budget the grant portion is not considered because these programs are fully funded by either the State, the Federal government or a combination both. In order to understand the total scope of mental health services provided by in Nassau County these funds should also be tallied. The aggregate amount of the grant programs proposed for FY 06 totals \$12.4 million. These funds will be spread across 11 programs which employ 13 full-time workers at an annualized cost of \$801,006.

The department's expense and revenue budgets for FY 06 will be considerably reduced due to the transfer of the Pre-School Special Education program. In FY 06 the operations of the program will be represented in the budget of the Health department.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>					
<b>Control Center</b>	<b>Adopted FY 05 Budget</b>	<b>Departmental Request FY 06</b>	<b>Executive FY 06</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs Request</b>
10 Administration	\$3,948,547	\$2,914,020	\$4,858,213	\$909,666	\$1,944,193
20 Contractual Services	4,625,027	5,035,498	5,035,498	410,471	0
30 Direct Services	257,737	258,506	258,188	451	(318)
54 Educ. Handicap Child.	94,959,400	0	0	(94,959,400)	0
<b>Total</b>	<b>\$103,790,711</b>	<b>\$8,208,024</b>	<b>\$10,151,899</b>	<b>(\$93,638,812)</b>	<b>\$1,943,875</b>

The proposed 2006 expense budget for the Department of Mental Health is approximately \$93.6 million or 90% less than the budget adopted in 2005. This dramatic decrease is directly due to the transfer of the Pre-School Special Education program. The remaining control centers in the department will be allocated \$10.2 million. This represents an increase of \$1.3 million compared to FY 05 adopted budget.

The Contractual Services control center will be budgeted \$5.0 million in FY 06. This represents an increase of 8.8% or \$410,471. The Contractual Services control center can be divided into three program areas: mental health programs (\$3.1 million), mental retardation programs (\$1.4 million), and Persons in Need of Supervision PINS (\$0.5 million). Included in the information that follows is greater detail of the control center funding and programs provided.

Direct Services represents the department’s cost of providing psychiatric services. Besides \$32,500 for a Clerk Typist and \$500 for offices supplies the remaining \$225,100 of the control center’s budget is allocated to contractual services.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$1,291,278	\$1,065,293	\$825,587	\$817,947	(\$473,331)	(\$247,346)
DD	General Expenses	810,192	810,192	820,839	820,839	10,647	10,647
DE	Contractual Services	6,176,127	6,176,127	6,561,598	6,561,598	385,471	385,471
PP	Direct Assistance	94,959,400	100,459,400	0	0	(94,959,400)	(100,459,400)
	<b>Total OTPS</b>	<b>101,945,719</b>	<b>107,445,719</b>	<b>7,382,437</b>	<b>7,382,437</b>	<b>(94,563,282)</b>	<b>(100,063,282)</b>
HF	Inter-Depart Charges	553,714	553,714	0	1,951,515	1,397,801	1,397,801
	<b>Grand Total</b>	<b>\$103,790,711</b>	<b>\$109,064,726</b>	<b>\$8,208,024</b>	<b>\$10,151,899</b>	<b>(\$93,638,812)</b>	<b>(\$98,912,827)</b>

Salaries are decreasing by \$473,331, or 36.6%, compared to FY 05 Adopted budget. This decrease is directly related to the reduction of 10 full-time employees. Their positions will be transferred to the Health Department.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection.

The general expenses of the department are budgeted at \$820,839. Of this amount \$780,000 will be used to pay for court remands. Typically when a client is remanded to a State facility it is more costly, since the remands to State facilities require more lengthy stays than the remands of those clients being sent to NUMC. It has been advantageous having a clinical psychologist on site at Family Court for immediate evaluations which can divert hospitalizations. Overall the amount budgeted for remands is relatively flat compared to the current year’s budget as the department expects a similar case load in the coming year. The remainder of the general expenses allocation will be used to pay for miscellaneous office supplies, postage and traveling expenses.

The contractual services account of the budget is used to facilitate contracts to provide programs for the mentally ill and developmentally disabled. The programs and corresponding allocations of these funds for the current year and the proposed year are listed in the chart on the following page.

<b>Nassau County Department of Mental Health</b>		
<b><u>Contractual Services</u></b>		
<b><u>Control Center 10</u></b>	<b>Fiscal Year</b>	<b>Proposed Fiscal Year</b>
<b><u>MHGEN1100 &amp; 1200</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>
James McGuinness - Software Support	25,000	-
Rent - NUMC	30,000	30,000
Ambulance Charges - NUMC	40,000	40,000
Court Remands NUMC	1,231,000	1,231,000
<b>Total Control Center 10</b>	<b>1,326,000</b>	<b>1,301,000</b>
<b><u>Control Center 20</u></b>		
<b><u>MHGEN2100 - Mental Health Local Assistance</u></b>		
Mental Health Association of Nassau County	357,000	357,000
Nassau Health Care Corporation	838,895	838,895
Nassau Health Care Corporation - NCCC	819,000	819,000
North Shore Child & Family Guidance Center	828,520	828,520
North Shore Child & Family Guidance Center	129,822	75,487
State Aid Funding Restoration	-	130,000
South Shore Child Guidance Center	4,875	4,875
The Rehabilitation Institute	100,000	100,000
Program Total MHGEN2100	3,078,112	3,153,777
<b><u>MHGEN2200 - M.R.D.D. Local Assistance</u></b>		
Assoc. for Children with Learning Disabilities	29,000	29,000
Assoc. for the Help of Retarded Children	619,000	619,000
Epilepsy Foundation of Nassau County	264,000	264,000
Kulanu	50,000	50,000
United Cerebral Palsy of Assoc. of N.C.	411,000	411,000
Program Total MHGEN2200	1,373,000	1,373,000
<b><u>MHGEN2300 PINS</u></b>		
<b><u>Juvenile Placement Program</u></b>		
Long Island Advocacy	10,000	10,000
Mental Health Association of Nassau County	14,675	14,675
North Shore Child & Family Guidance Center	149,240	170,302
Total JP3	173,915	194,977
<b><u>PINS</u></b>		
North Shore Child & Family Guidance Center	-	199,644
Mental Health Association of Nassau County	-	79,100
Total PINS	-	278,744
<b><u>JD Center Worker</u></b>		
North Shore Child & Family Guidance Center	-	35,000
Program Total MHGEN2300	173,915	508,721
<b>Control Center 20 Total</b>	<b>4,625,027</b>	<b>5,035,498</b>
<b><u>Control Center 30 Forensic Services</u></b>		
Allen Reichman, MD	115,800	115,800
Tracy Grossman, PhD	31,200	31,200
Anthony Santoro, PhD	49,140	49,140
TBA	28,960	28,960
Personal Service Contracts	225,100	225,100
<b>Total Budget</b>	<b>6,176,127</b>	<b>6,561,598</b>

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Mental Health. However, in FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services.

<b>Department of Mental Health Staffing Analysis</b>						
	<b>FY 05</b>	<b>Sept-05</b>	<b>FY 06</b>	<b>FY 06</b>	<b>Exec. vs</b>	<b>Exec. vs</b>
	<b><u>Adopted</u></b>	<b><u>Actual</u></b>	<b><u>Request</u></b>	<b><u>Executive</u></b>	<b><u>05 Adopt</u></b>	<b><u>Actuals</u></b>
<b>CC Full-time Staffing</b>						
10 Administration	19	15	9	9	(10)	(6)
30 Direct Services	1	1	1	1	0	0
<b>Total Full-time</b>	<b><u>20</u></b>	<b><u>16</u></b>	<b><u>10</u></b>	<b><u>10</u></b>	<b><u>(10)</u></b>	<b><u>(6)</u></b>

The above chart illustrates that full-time headcount is decreasing by six when compared to September actuals and by ten when compared to the FY 05 adopted budget. The reduction in headcount is directly related to the transfer of the Pre-School Special Education program. Included in the transfer to the Health Department are four accounting positions, three clerk positions and one community services representative. The proposed budget also removes vacant positions from the budget of Mental Health.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 06 Proj.</b>
BF Rents and Recoveries	\$50,000	\$50,000	\$0	\$0	(\$50,000)	(\$50,000)
BH Department Revenues	1,827,840	1,827,840	327,840	327,840	(1,500,000)	(1,500,000)
BJ Interdepart Revenues	1,373,915	1,373,915	0	508,721	(865,194)	(865,194)
SA State Aid - Reimb. Exp.	55,220,646	60,992,646	3,625,705	3,625,705	(51,594,941)	(57,366,941)
<b>Total</b>	<b>\$58,472,401</b>	<b>\$64,244,401</b>	<b>\$3,953,545</b>	<b>\$4,462,266</b>	<b>(\$54,010,135)</b>	<b>(\$59,782,135)</b>

The 2006 revenue budget is decreasing sharply. The bulk of the lost revenue is due to the transfer of the Pre-School Special Education program. The remaining Mental Health revenue budget will be funded with \$4.5 million. Of the allocated funds \$3.6 million is a reimbursement of expenses from state aid. The department will also receive Medicaid receipts which total \$327,840 and departmental revenue of \$508,721 related to the PINS program.

OFFICE OF MINORITY AFFAIRS

This department was established by County Executive directive pursuant to Section 2112 of the Nassau County Charter. Local Law 40 in FY 01 merged Affirmative Action with Minority Affairs.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries, Wages & Fees	\$746,297	\$705,739	\$687,676	\$687,676	(\$58,621)	(\$18,063)
DD	General Expenses	54,000	54,000	54,443	54,443	443	443
DE	Contractual Services	205,000	0	206,682	206,682	1,682	206,682
	<b>Total OTPS</b>	<b>259,000</b>	<b>54,000</b>	<b>261,125</b>	<b>261,125</b>	<b>2,125</b>	<b>207,125</b>
							0
HF	Inter-Depart Charges	182,331	182,331	0	0	(182,331)	(182,331)
	<b>Grand Total</b>	<b>\$1,187,628</b>	<b>\$942,070</b>	<b>\$948,801</b>	<b>\$948,801</b>	<b>(\$238,827)</b>	<b>\$6,731</b>

The FY 06 salaries account of the department is decreasing by \$58,621. The reduction is directly related to termination pay. The FY 05 budget included \$67,606 of termination pay which represented the third and final payment owed to employees who left at the beginning of 2002.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Consumer Affairs. However, in FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change has resulted in a year to year budget reduction for inter-departmental charges of \$182,000.

The general expense account has been allocated \$54,443 for FY 06. These funds will be used by the department for office supplies, educational and training expenses and also for copying and blueprint supplies. The department also uses the funds in this account to host small business seminars to promote minority interest in owning small businesses.

Contractual services has been allocated \$206,682 in the proposed budget, a very slight increase. In FY 05 Minority Affairs issued an RFP to secure a contract for certification, business outreach and training related to the Minority and Women business program. The office has found it difficult to locate a vendor and does not anticipate work beginning before the end of the fiscal year. For that reason the OLBR projection for FY 05 contractual services is zero. Based on the responses to the RFP, it appears that the funds allocated will not be sufficient. The Office will be requesting best and final offers and

will negotiate with the prospective vendor, but they have received seven responses ranging from \$250,000 to \$400,000.

In September of 2004, OLBR conducted a review of the Office of Minority Affairs and the Minority and Women Small Business Enterprise (MWBE) program. At that time the Office stated a need for a monitoring and compliance software management tool which would analyze procurement data for County contracting agencies. The services and software would be tailored to meet the unique requirements of the County and help ensure that the County's procurement process is equitable by monitoring the utilization of minority and women owned business enterprises. The software should assess, collect, analyze, report and maintain procurement and diversity data. The department felt this type of software is necessary if they are to effectively manage the MWBE program, pursuant to Local Law 14 of 2002. Funding for the management tool is not included in the Office's proposed FY 06 budget and it is unclear at this point if the expenditure has been planned for in any other department.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection.

<b>Office of Minority Affairs Staffing Analysis</b>						
	<b><u>FY 05 Adopted</u></b>	<b><u>Sept-05 Actual</u></b>	<b><u>FY 06 Request</u></b>	<b><u>FY 06 Executive</u></b>	<b><u>Exec. vs 05 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	11	11	11	11	0	0

The staffing level next year will remain flat with 11 full-time positions. Although no changes will be made to the staffing level, there are budgeted title changes within the department. One Director and two Assistant Director titles will become Project Director titles. During the current year the department added the title and filled the position for a Deputy Counsel. The main responsibilities of the Deputy Counsel will be to handle legal issues the department may face as a result of the MWBE program and also administer contracts.

M I S C E L L A N E O U S

The FY 06 Miscellaneous revenue and expense budgets are increasing from their FY 05 levels. The increases are a result of: 1) additional funding for the TransitCheck program, 2) growth in Local Government Assistance, due to rising sales tax collections, and 3) rising expenses on miscellaneous fringe benefits and unallocated initiatives.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>					
<b>Control Center</b>	<b>Adopted FY 05 Budget</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. Vs. Adopted 05</b>	<b>Variance Exec. Vs. Request</b>
20 Contractual Agencies	\$9,163,067	\$9,895,194	\$9,645,194	\$482,127	(\$250,000)
40 Resident Tuition	5,928,933	5,645,464	5,645,464	(283,469)	0
60 Other	3,278,140	874,008	5,080,409	1,802,269	4,206,401
70 Misc Fringe Benefits	950,000	1,972,000	1,972,000	1,022,000	0
80 Local Government Assist.	57,631,662	59,736,041	59,736,041	2,104,379	0
91 Nassau Health Care Corp	38,074,507	38,733,054	38,059,077	(15,430)	(673,977)
92 NCIFA Expenditures	2,000,000	1,450,000	1,450,000	(550,000)	0
93 Unallocated Initiatives	0	0	5,000,000	5,000,000	5,000,000
<b>Total</b>	<b>\$117,026,309</b>	<b>\$118,305,761</b>	<b>\$126,588,185</b>	<b>\$9,561,876</b>	<b>\$8,282,424</b>

The proposed FY 06 Miscellaneous expense budget is increasing by 8.2% to \$126.6 million from FY 05. The largest percentage increase is in the Miscellaneous Fringe Benefits control center. With the exception of Unallocated Initiatives, the Local Government Assistance control center is recording the greatest increase in dollars due to rising sales tax collections. The 0.25% tax collected on behalf of the towns and cities is paid out of the Miscellaneous budget, which represents 1/17 of the County’s sales tax collections and is paid on a per capita basis. In addition, \$1,000,000 has been budgeted in FY 06 for distribution to the villages, up from \$750,000 in FY 05. An itemization and discussion of these and all the other control centers follow.

**The Contractual Agencies control center** consists of agencies for which the County provides a subsidy, in order to offset costs to the general public. These agencies include the Legal Aid Society and the Assigned Counsel Defender Plan. In FY 06, the funding in this control center is increasing by 5.3% from the adopted FY 05 level. The increase is the net result of the increase in the Public Defenders line by \$368,389 and the Legal Aid line by nearly \$390,613, partially offset by the decrease in Cooperative Extension of Nassau County and the elimination of the funding line for the Stephanie Joyce Kahn Foundation. Funding for the Cooperation Extension of Nassau County will remain unchanged from FY 05. However, in 2006, approximately \$350,000 will be expensed through the Health Department, and \$157,315 subsidized through this control center. In FY 06, the County will pay roughly \$4.7 million and \$4.8 million to the Public Defender’s Office and the Legal Aid Society, respectively, to



provide indigent defense. That amount is up from the \$8.7 million in FY 05. In FY 05, the Legislature approved a \$125,000 increase in Legal Aid Society's budget to add five additional attorneys (three in Family Court, one in Appeals, and one in DMV). The Legal Aid Society is the primary supplier of constitutionally mandated legal services to indigent individuals charged with crimes in Nassau County as well as serving a substantial number of mandated cases in Nassau Family court, and mandated cases on appeal to various appellate courts. The County's current contract with the Legal Aid Society is for \$4,562,712 as reflected in their modified 2005 Budget.

**The Resident Tuition control center** is where the County budgets for its obligation to pay the cost of tuition for Nassau residents who attend New York State community colleges outside of Nassau County, including the Fashion Institute of Technology (FIT). The proposed budget is approximately \$283,000 or 4.8 % less than the FY 05 budget. The FY 06 budgeted expense for residential tuition is \$3.9 million, net of a 100% reimbursement paid from one of the County's three towns or two cities where the student resides, with the exception for Nassau residents who attend FIT. The County is not allowed to charge back for FIT. The difference between the resident tuition expenses and revenues is the projected FIT payments. Historically, FIT payments have constituted 66% of total County resident tuition expenses.

**The Other control center** is increasing from the adopted FY 05 budget by 55%. This cost center includes funding for suits and damages, different governmental organizations and a payment to the City of Long Beach. Approximately 83% of expenses in this category are increasing as a result of inter-departmental charges including building occupancy charges and PDH charges, which were not budgeted in the previous year's budget.

**The Miscellaneous Fringe Benefits control center** is where charges to the Flex Benefit Program, the newly implemented TransitChek Program and the offsetting revenue are recorded. Funding in FY 06 is increasing by \$1,022,000 of which approximately 75% is due to enrollment in the TransitChek Program, created to encourage mass transit usage with pretax dollars to pay for a portion of commuting costs for County employees. The County will divert a portion of enrollees' payroll into the pretax account. This Program will not have an effect on the County's budget. Additionally a 26.3% increase in the County's Flex Benefits plan from FY 05 accounts for the remaining variance in increased expenses.

**The Local Government Assistance Program control center** represents the local share of the sales tax revenue allocated to the County's three towns and two cities. Of the County's 4.25% sales tax, the towns and cities receive one quarter of one percent, or 1/17<sup>th</sup>. These percentages are set by law. The 3.65% growth in the FY 06 budget for local government assistance, or \$2.1 million increase is due to expected growth in sales tax collections, plus an additional \$250,000 allocated to the County's incorporated villages. The chart below shows the FY 05 adopted budgets and FY 06 budgets for assistance to the Nassau County towns, cities and villages. See the Executive Summary for a detailed discussion of County sales tax.

<b>LOCAL GOVERNMENT ASSISTANCE PROGRAM</b>			
	FY 05 Adopted Budget	FY 06 Exec. Budget	Variance Exec. Vs. Adopted 05
Town of Hempstead	\$32,081,257	\$33,127,127	\$1,045,870
Town of Oyster Bay	12,912,138	13,333,081	420,943
Town of North Hempstead	9,328,592	9,632,711	304,119
City of Long Beach	1,478,924	1,527,137	48,213
City of Glen Cove	1,080,751	1,115,985	35,234
Incorporated Villages	750,000	1,000,000	250,000
<b>Total</b>	<b>\$57,631,662</b>	<b>\$59,736,041</b>	<b>\$2,104,379</b>

**The Nassau Health Care Corporation control center** details the mandated payments made by the County to the Health Care Corporation, pursuant to the transfer agreement and the subsequent stabilization agreement. Funding of this control center has remained relatively unchanged from FY 05, decreasing by \$15,430. However, the County and the Hospital are currently engaged in talks regarding a successor agreement that could result in a change to the size of the payment in 2006.

**The Nassau County Interim Finance Authority (NIFA) Expenditures control center** is used to budget for all NIFA expenses. In FY 06 NIFA expenditures are estimated to be \$1.4 million. This line has decreased from the adopted FY 05 level by \$550,000 or 27.5%. The County is responsible for all of NIFA’s operating expenses and debt service charges. These expenses are paid out of County sales tax collections.

**Unallocated Initiatives control center** includes \$5 million allocated from fund balance as a contingency “reserve” for unforeseen events. These funds would only be spent with the approval of the Legislature pursuant to the normal budget transfer process.

The following chart details the Miscellaneous expense budget by object class. Inter-departmental charges account for 44% of the near \$9.6 million increase in the FY 06 budget from last year. As mentioned previously, these charges represent \$4.2 million budgeted in the Other control center for building occupancy costs and reimbursements of expenditures incurred by Police Headquarters Fund for services, supplies, and materials provided to other County departments such as the salaries of security officers and other employees, but who provide services to other departments. These include Real Estate, TPVA – Public Safety Services (\$2.1M), Civil Service and DA – Background Investigations (\$1.1M), County Executive – Staff and Vehicles (\$0.6M), Corrections – Jail Transport/ Surgeon Services (\$0.1M) and HR, OMB, Treasurer – Use of the Assembly Hall (\$0.1M) and OEM – Vehicles and AMTS (\$0.1M).

As described previously the growth in Miscellaneous expenses is due to:

- 1) increased local government assistance payments resulting from growth in sales taxes,
- 2) increased enrollment in the County’s flex benefit program and the newly implemented TransitChek Plan,
- 3) increased funding for Legal Aid and Public Defender attorneys, and
- 4) the creation of a \$5 million reserve.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$6,727,369	\$6,727,369	\$4,351,653	\$4,351,653	(\$2,375,716)	(\$2,375,716)
AB	Fringe	21,672,854	16,530,121	23,353,401	22,679,424	1,006,570	6,149,303
	<b>Total PS</b>	<b>28,400,223</b>	<b>23,257,490</b>	<b>27,705,054</b>	<b>27,031,077</b>	<b>(1,369,146)</b>	<b>3,773,587</b>
GA	Local Government Assistance	57,631,662	56,565,855	59,736,041	59,736,041	2,104,379	3,170,186
HC	Nassau Health Care Assn.	13,000,000	13,000,000	13,000,000	13,000,000	0	0
HF	Inter-Departmental Charges				4,206,401	4,206,401	4,206,401
NA	NCIFA Expenditures	2,000,000	2,000,000	1,450,000	1,450,000	(550,000)	(550,000)
OO	Other Expenses	15,994,424	15,493,639	16,414,666	21,164,666	5,170,242	5,671,027
	<b>Total OTPS</b>	<b>88,626,086</b>	<b>87,059,494</b>	<b>90,600,707</b>	<b>99,557,108</b>	<b>10,931,022</b>	<b>12,497,614</b>
	<b>Grand Total</b>	<b>\$117,026,309</b>	<b>\$110,316,984</b>	<b>\$118,305,761</b>	<b>\$126,588,185</b>	<b>\$9,561,876</b>	<b>\$16,271,201</b>

The FY 06 revenue budget for the Miscellaneous section is increasing by \$8.3 million or 30% from FY 05, as shown in the chart below. The increase is primarily a function of a \$5,000,000 appropriation from fund balance due. The \$110,265 additional federal reimbursements are monies that the Federal Government pays the County as reimbursement for criminal justice programs. The state aid reimbursable expense category has increased by over \$1 million as a result of \$1.4 million of revenue for the Indigent Legal Services Fund (ILSF). The revenue is for State reimbursable legal aid programs.

<b>REVENUE BUDGET BY REVENUE CLASS</b>							
Revenue Class	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.	
AA Fund Balance	\$0	\$0	\$0	\$5,000,000	\$5,000,000	\$5,000,000	
BF Rents & Recoveries	23,000,000	23,125,975	23,200,000	23,200,000	200,000	74,025	
BG Revenue Offset To Expense	3,707,933	3,035,193	3,654,783	5,597,823	1,889,890	2,562,630	
FA Federal Aid - Reimb. Exp.	210,000	337,118	320,265	320,265	110,265	-16,853	
SA State Aid - Reimb. Expense	583,000	1,670,894	1,646,011	1,646,011	1,063,011	-24,883	
<b>Total</b>	<b>\$27,500,933</b>	<b>\$28,169,180</b>	<b>\$28,821,059</b>	<b>\$35,764,099</b>	<b>\$8,263,166</b>	<b>\$7,594,919</b>	

NASSAU COMMUNITY COLLEGE

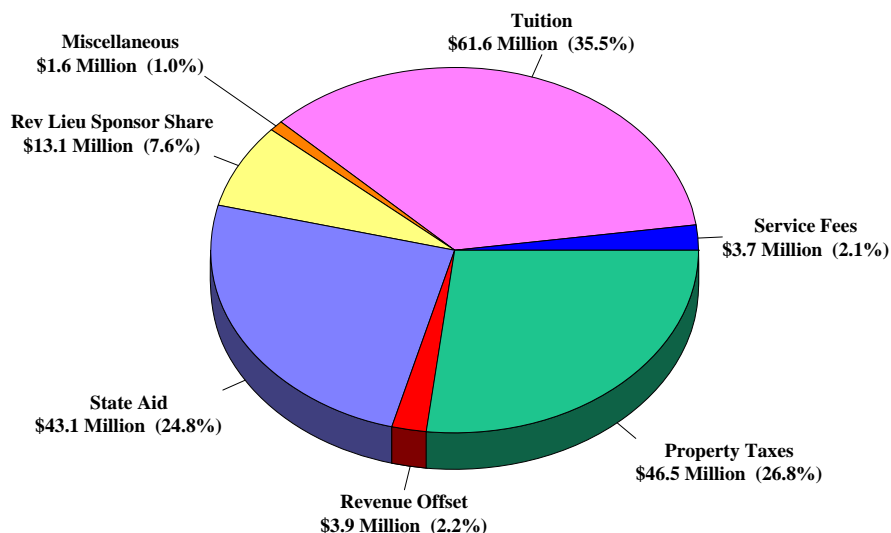
The Nassau Community College FY 2005 - 06 operating budget of \$173,525,432 was adopted by the Legislature on July 25, 2005. This represents an increase of \$11.1 million, or 6.8%, over the prior year's adopted budget. Compared to the projected revenues that will be collected by the time the books are closed for FY 2004 - 05, the increase is \$11.0 million, or 6.7%. This budget was unanimously approved on May 10, 2005 by the College's Board of Trustees.

Revenue Source	Adopted FY 2004 - 2005	Adopted FY 2005 - 2006	Adopted vs. Adopted	% Change	Projected FY 2004 - 2005	Adopted vs. Projected	% Change
Tuition	\$55,203,309	\$61,558,934	\$6,355,625	11.5%	\$56,853,793	\$4,705,141	8.3%
Property Taxes	\$44,798,717	\$46,545,867	\$1,747,150	3.9%	\$44,798,717	\$1,747,150	3.9%
State Aid	\$41,181,500	\$43,077,850	\$1,896,350	4.6%	\$40,167,420	\$2,910,430	7.2%
Rev. Lieu Spons. Share	\$11,798,322	\$13,124,781	\$1,326,459	11.2%	\$11,473,000	\$1,651,781	14.4%
Rev. Offset To Expense	\$3,900,000	\$3,900,000	\$0	0.0%	\$3,900,000	\$0	0.0%
Service Fees	\$3,705,000	\$3,705,000	\$0	0.0%	\$3,705,000	\$0	0.0%
Other	\$1,372,000	\$1,363,000	(\$9,000)	0.0%	\$1,447,000	(\$84,000)	-5.8%
Investment Income	\$500,000	\$250,000	(\$250,000)	-50.0%	\$225,000	\$25,000	11.1%
<b>Total Revenues</b>	<b>\$162,458,848</b>	<b>\$173,525,432</b>	<b>\$11,066,584</b>	<b>6.8%</b>	<b>\$162,569,930</b>	<b>\$10,955,502</b>	<b>6.7%</b>

The largest revenue source for the College is tuition, which, based on the projected enrollment for the new academic year, is expected to raise \$61.6 million. The other major sources of revenue are property taxes (\$46.5 million), state aid (\$43.1 million), and revenue lieu sponsor share (\$13.1 million). The remaining \$9.2 million consists of revenue offset to expenses (\$3.9 million), service fees (\$3.7 million), and miscellaneous (\$1.6 million).

### Revenue Sources

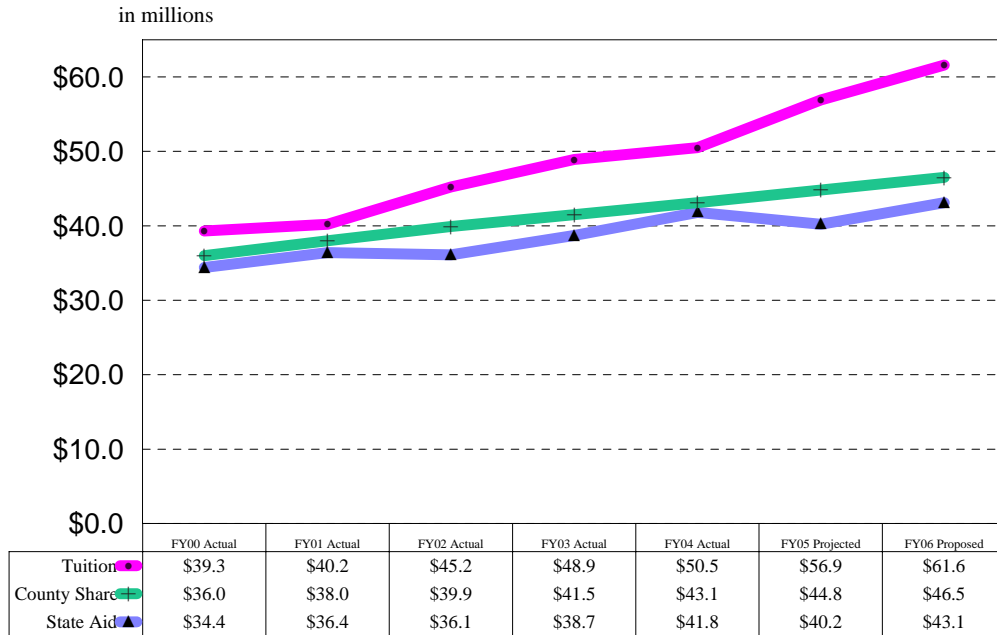
Adopted FY 2005 - 06 Budget  
(\$173.5 Million)



Every New York State high school graduate is guaranteed admission to his or her local community college, which is funded through a partnership of the students, who pay tuition, the state, and the county. Nassau’s local share is provided by way of a dedicated property tax levy.

### Tuition, County Share, and State Aid

2000 - 2006



From the 1996 actuals to the 2006 adopted amounts, annual tuition receipts will have risen 59.1%, state aid 41.9%, and County share 30.0%. This represents an increase of \$46.3 million dollars, of which tuition accounts for \$22.9 million, state aid \$12.7 million, and County share \$10.7 million.

#### **Tuition (\$61,558,934)**

Tuition is the largest revenue source of the College. The FY 2005 - 06 tuition budget is \$6.4 million, or 11.5%, more than the FY 2004 - 05 budget. Due to enrollment that was approximately 2% greater than anticipated, the FY 2004 - 05 tuition is projected to exceed budget by \$1.65 million. The adopted budget would then represent an increase of \$4.7 million or 8.3% over the estimated FY 2004 - 05 actuals. The additional revenue is expected to be generated entirely as a result of a \$240 tuition increase, from \$2,900 to \$3,140 per year, with 0% growth in enrollment. Every 1% change in enrollment would be worth approximately \$615,600 in tuition.

The following is a statistical snapshot of the student body during the Spring 2005 semester<sup>1</sup>:

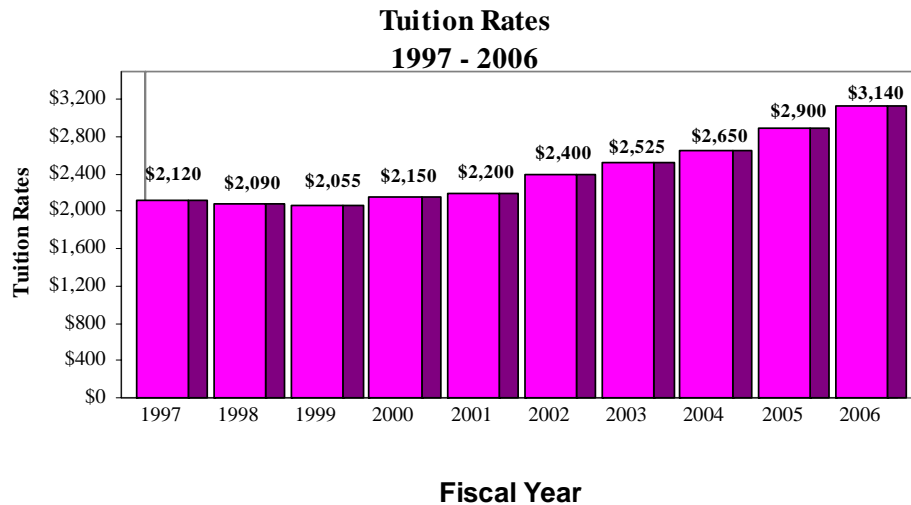
- 19,910 students were enrolled in 30 academic departments. 59% were full-time students of which 89% attended day classes. Compared to the spring 2004 semester, overall enrollment has increased by 1.3%, or 260 students. This is the second largest spring enrollment since 1993.

<sup>1</sup> Data provided by Nassau Community College Office of Institutional Research

- 80.8% of the students were from Nassau County, 11.5% came from Queens, and 6.2% were from Suffolk County. The remaining 1.5% came from elsewhere in New York State or from out of state.
- Excluding those of unknown origin, 44.6% of the students were members of ethnic minorities: 20.08% Black, 12.33% Hispanic, 6.12% Asian, 5.73% non-resident alien, and 0.34% American Indian. Since spring 1995, Hispanic, Asian and Non-resident alien student body increased by 58.7%, 80.3% and 206.7% respectively. Enrollment of Black students increased by 64.5% during the same period.
- Approximately 60-65% of Nassau’s graduates continue their education at a four-year institution.
- Approximately 19% of the college-bound graduates from Nassau County high schools attend Nassau Community College

Demographic factors point towards the College having the opportunity to draw upon a growing population of potential students. The latest projections of New York State high school graduates by the New York State Education Department show Nassau County with increasing numbers through 2009.

See below for a listing of student enrollment by Nassau’s communities, and by graduating high school.

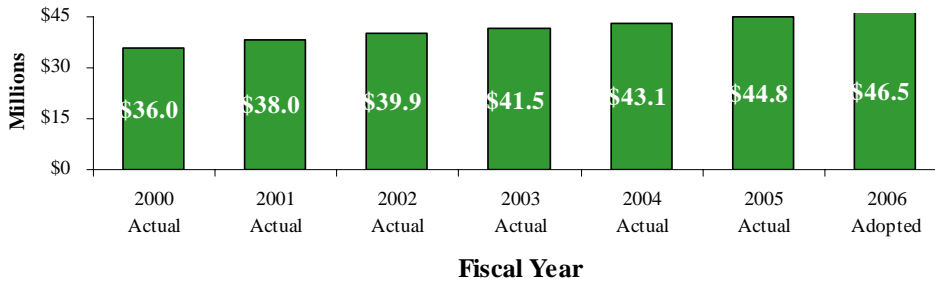


Tuition, after slight reductions in fiscal years 1998 and 1999, has steadily risen since then. The FY 2005 - 06 rate is an 8.3% increase over the previous year, and brings the average annual increase since 1999 to 6.2%.

**Property Taxes (\$46,545,867)**

County share, after remaining constant at \$35.8 million from FY 95 through FY 99, will, at the FY 06 adopted level, have increased approximately 29.9% since then. County share is made up of a dedicated property tax levy.

**County Share (Property Tax)  
2000 - 2006**

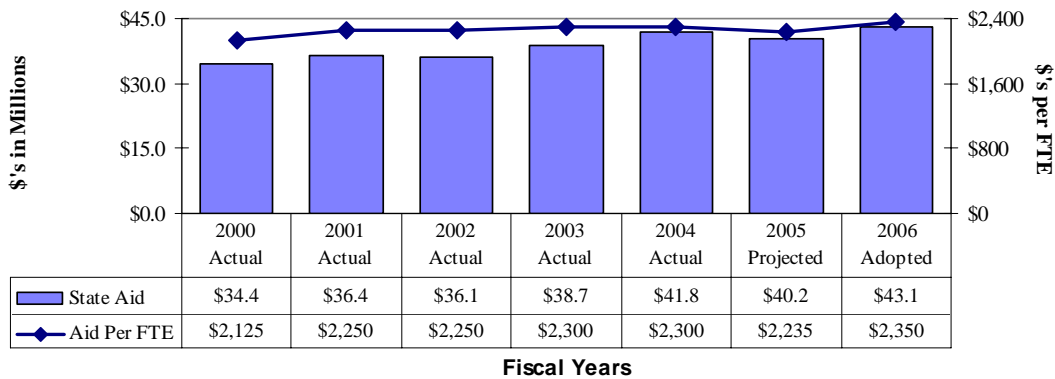


Based on current rates, the 3.9% property tax increase of \$1.7 million in the adopted budget will cost the average Nassau homeowner an additional \$3.35, for a total contribution to the College of \$88.54. The statewide average of County share (“Sponsor’s Contribution”) as a percentage of operating revenues in FY 2003-2004 was 21.1%. Nassau County’s share, in the adopted budget, is 26.8%.

**State Aid (\$43,077,850)**

State aid is received for each full-time equivalent student (FTE), based on the prior year’s enrollment. An FTE is equal to 30 credits annually. For the FY 2004-2005 fiscal year, the State provided \$2,235 per FTE. This will increase by \$115 to \$2,350 in FY 2005-2006.

**State Aid**

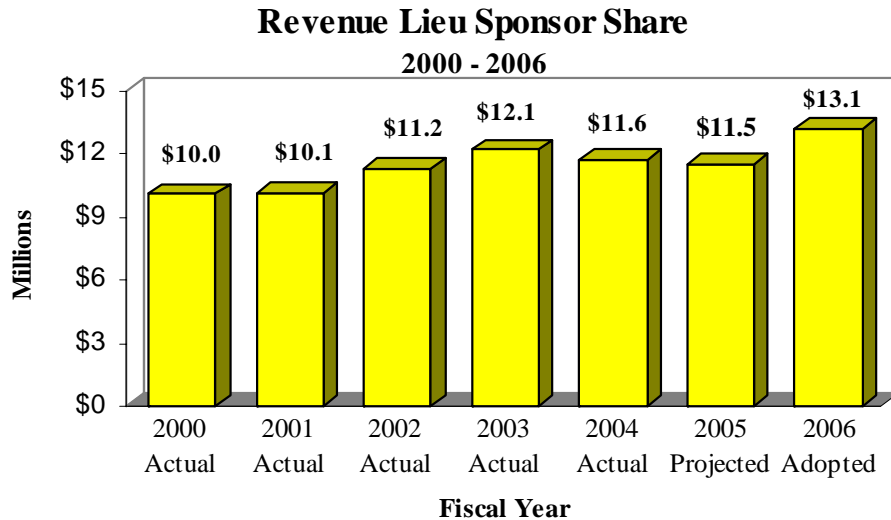


A blended enrollment growth of approximately 2% was anticipated for FY 2004-2005 at the time the FY 2005-2006 budget was put together (the summer session had not yet been completed). Since State Aid is determined by the prior year’s enrollment, that estimate is reflected in the FY 2005-2006 budget. At this time, the preliminary results for FY 2004-2005 indicate an actual growth of 1.72%.

**Revenue Lieu Sponsor Share - Charges Other Counties (\$11,156,781) and Non-Residents (\$1,968,000)**

The College is entitled by State regulations to a chargeback payment from the home county of residence for each non-Nassau resident with a certificate of residence attending Nassau Community College. The amount charged is based upon County expenditure for Nassau residents attending the College. During

the most recent spring semester there were 1,400 full-time and 890 part-time students who were residents of Queens, a total increase of approximately 2.2% (50 students) from the previous spring. The numbers for Suffolk were 863 full-time and 378 part-time students, an overall increase of approximately



3.6% (43 students) when compared to the same time last year. These increases represent the second largest number of chargeback enrollments in a spring semester.

The FY 2004 – 05 chargeback rate was \$2,750 per non-resident FTE. The FY 2005 – 06 rate is anticipated to increase to \$3,100. Generally the rate gets higher as the County’s property tax contribution increases. The rate is also affected by prior year adjustments. The adopted budget amount of \$11.2 million for this revenue source, an increase of \$1.6 million, is based upon out of County enrollment continuing at the 2004 – 05 level.

In addition to the revenue received from other counties, the College is able to charge a higher tuition rate to non-Nassau County residents without a certificate of residence and to out of state residents. The anticipated revenue from these students included in the adopted budget is \$1,968,000.

**Revenue Offset to Expenses (\$3,900,000)**

This revenue source consists of commissions, contract education for various subjects and special course fees that are charged to pay for the cost associated with some courses and programs, such as classes in adult education, corporate training, and English as a second language. The FY 2005-2006 budget for this revenue source will continue at the FY 2004-2005 level of \$3.9 million.

**Service Fees (\$3,705,000)**

The majority of income for service fees comes from student lab and technology fees, late registration and application fees, and transcript fees. The budget for service fees will remain at \$3.7 million.



**Other (\$1,363,000)**

The majority of this category, \$1.1 million, is an accounting entry for recovery of prior year appropriations. When an obligation ceases in a prior year, the funds can be disencumbered, and recognized in the current year. The remaining \$241,000 is for federal aid the College receives for expenses associated with its work-study program, 75% of which is reimbursed by this revenue. Although the actual federal aid to be received in FY 2004-2005 is projected at \$425,000, the adopted budget reflects a funding cut for this program.

**Investment Income (\$250,000)**

The County Treasurer manages investment activity for the College. The amount credited to the College is a function of the interest rate and allocation by the County Treasurer. In FY 200-2005 this revenue, budgeted at \$500,000, is projected to come in at \$225,000. The small increase over the projected actual in the adopted budget is based upon the expectation of slightly higher interest rates and a higher cash balance throughout the year.

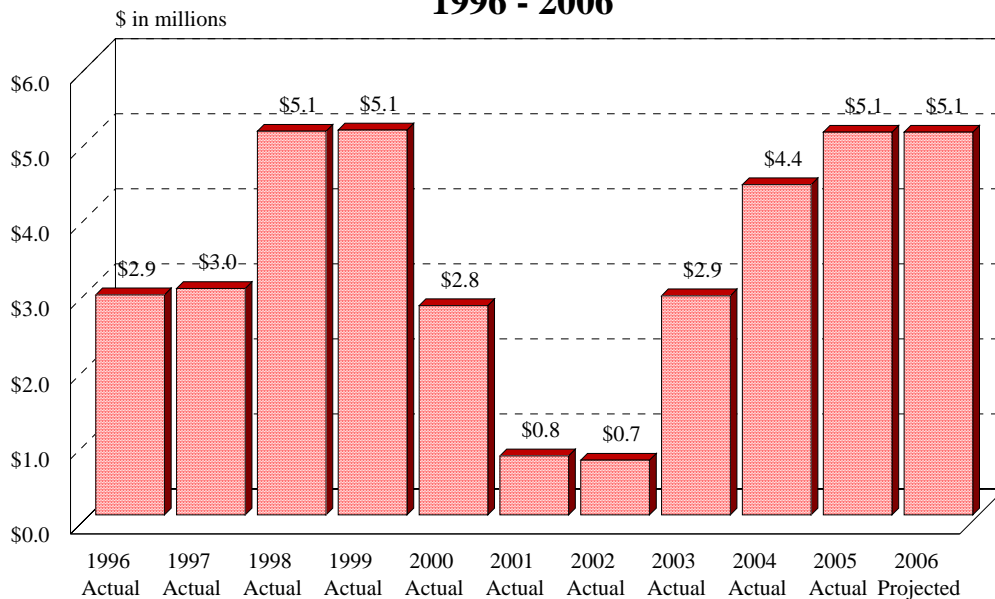
**Fund Balance (\$0)**

The revenue source, fund balance, represents the anticipated use of surplus from the prior year's budget. Although budgeted at \$0 in the FY 2005-2006 budget, the College expects to close the books on the FY 2004-2005 fiscal year with a fund balance of approximately \$5.1 - \$5.4 million. That means that the FY 2004-2005 operating budget will essentially break even, neither adding to nor decreasing the fund balance. At this level, the fund balance is below the generally recommended amount of 5% of the operating budget, which, based on the adopted budget, would be approximately \$8.7 million.

The College has traditionally used its fund balance to help pay for operations while maintaining or decreasing the tuition rate and County contribution. More recently, in order to prevent future structural deficits, the fund balance has been held in reserve to pay for one-time expenses or to fund emergencies.

**EXPENSE BUDGET**

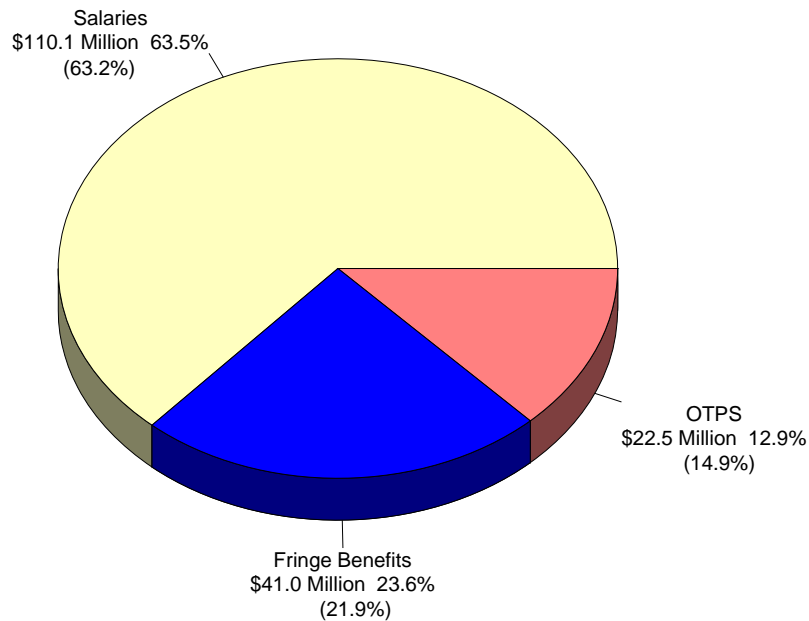
**Beginning Fund Balance  
1996 - 2006**



The adopted expense budget for Nassau Community College (NCC) for the fiscal year September 1, 2005 through August 31, 2006 totals \$173.5 million, an increase of \$11.1 million, or 6.8% over the current year's appropriation and an increase of \$11.2 million, or 6.9% over the current year's projection.

Personal Services	FY 05-06 vs. FY 04-05						
	Adopted 2004 - 2005	Adopted FY 2005 - 2006	Adopted Budget	% Change	Projected FY 2004 - 2005	Adopted vs. Projected	% Change
Salaries, Wages & Fees	\$105,594,832	\$110,105,147	\$4,510,315	4.3%	\$106,265,000	\$3,840,147	3.6%
Fringe Benefits	36,420,823	40,955,000	4,534,177	12.4%	36,324,000	4,631,000	12.7%
Subtotal	\$142,015,655	\$151,060,147	\$9,044,492	6.4%	\$142,589,000	\$8,471,147	5.9%
<b>OTPS</b>							
Equipment	\$2,000,000	\$2,000,000	\$0	0.0%	\$1,870,000	\$130,000	7.0%
Materials & Supplies	1,500,000	1,525,000	25,000	1.7%	1,380,000	145,000	10.5%
General Expenses	4,441,000	4,800,000	359,000	8.1%	4,061,000	739,000	18.2%
Contractual Services	5,747,740	6,225,285	477,545	8.3%	5,347,740	877,545	16.4%
Utility Costs	1,015,133	1,100,000	84,867	8.4%	955,133	144,867	15.2%
Interfund Charges	5,624,320	6,700,000	1,075,680	19.1%	6,094,320	605,680	9.9%
Other Expenses	115,000	115,000	0	0.0%	35,000	80,000	228.6%
Subtotal	\$20,443,193	\$22,465,285	\$2,022,092	9.89%	\$19,743,193	\$2,722,092	13.79%
<b>Total Expenses</b>	<b>\$162,458,848</b>	<b>\$173,525,432</b>	<b>\$11,066,584</b>	<b>6.8%</b>	<b>\$162,332,193</b>	<b>\$11,193,239</b>	<b>6.9%</b>

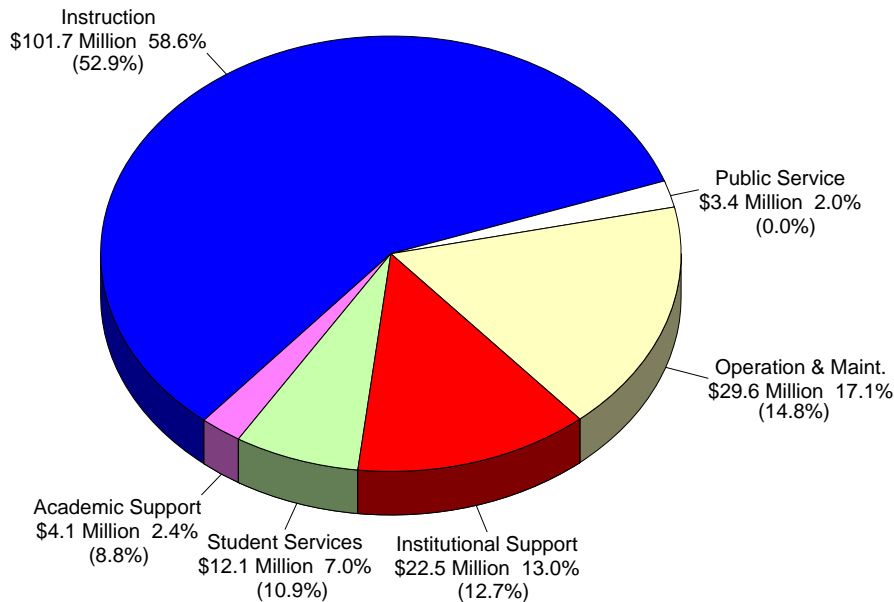
Adopted FY 2005-06 Expenditure Budget By Object  
(Compared to Local Community Colleges)



FY 2003-04 actual data from Suffolk and Westchester Community Colleges. Data is from the The State University of New York FY 2003-04 Annual Report Summary.

As illustrated in the chart above, the College’s expenditures are made up of 63.5% salaries and 23.6% fringe benefits. Other Than Personal Services (OTPS) makes up only 12.9% of the total adopted budget. As a basis for comparison, the corresponding average percentage for local community colleges in FY 2003-04, the most recent year for which statewide figures are available, noted in parentheses. NCC spends more on salaries and fringe benefits as a percentage of total costs than the average local community college (87.1% vs. 85.1%). In FY 2003-04 Nassau Community College had a net operating expenditure per FTE student of \$8,197, and a student/faculty ratio of 17.5 to 1. The corresponding averages for local community colleges were \$7,837 and 20.1 to 1 respectively. In FY 2005-06, the college projects the expenditure per FTE student to go up to \$8,865 and the student/faculty ratio to stay at about 17.5 to 1.

Adopted FY 2005-06 Expenditure Budget By Function  
(Compared to Local Community Colleges)



FY 2002-03 actual data from Suffolk and Westchester Community Colleges. Data is from the The State University of New York FY 2002-03 Annual Report Summary.

The above chart shows the operating expenditures distributed by function for both the adopted NCC budget and, in parentheses, for all local community colleges for FY 2003-04. In FY 2005-06 NCC is budgeted to spend a higher percentage of their budget on Instruction (58.6%) than the average local community college (52.9%). The College is also budgeted to spend more on Adult Education (2.0% vs. 0.0%), Administration (13.0% vs. 12.7%), and Operation and Maintenance of Plant (17.1% vs. 14.8%). A smaller portion of NCC’s budget was allocated for Academic Support (2.4% and 8.8%) and Student Services (7.0% vs. 10.9%).

**I. SALARIES & WAGES**

Salaries and wages makes up approximately 63.5% of the total budget and is increasing by 4.3% over the FY 2004-05 budget and 3.6% over the College's FY 2004-05 projected actual. The Nassau Community College Federation of Teachers' (NCCFT) contract expired August 31, 2005 and the Adjunct Faculty Association's contract expired September 30, 2005. Increases are included to cover step and promotional increases, and COLA increases have been estimated. Surpluses or deficits may exist depending on the outcome of the union contracts. In addition, 5.3% increases are included for members of the Civil Service Employees Association (CSEA), which will fund step increases and a 3.5% COLA increase.

The following charts show the distribution of full-time and part-time staff by budgetary control center:

<b>FULL-TIME HEADCOUNT</b>										
Control Center	Adopted 04 - 05		Adopted 05 - 06		Difference			June 05	Difference	
	F/T	Pers. Svcs	F/T	Pers. Svcs	F/T	Pers. Svcs	% Chg	Act. F/T	F/T	% Chg
General Administration	110	\$6,054,024	115	\$6,514,096	5	460,072	7.6%	106	9	8.5%
Instruction	739	50,827,034	706	49,811,544	(33)	(1,015,490)	-2.0%	721	(15)	-2.1%
Extension & Public Service	13	794,924	15	954,246	2	159,322	20.0%	13	2	15.4%
Library	38	2,083,203	37	2,040,951	(1)	(42,252)	-2.0%	37	0	0.0%
Student Services	157	8,637,641	119	6,941,713	(38)	(1,695,928)	-19.6%	147	(28)	-19.0%
Enrollment Management	0	0	65	3,654,114	65	3,654,114	-	0	65	0.0%
Maint & Op. of Plants	146	7,584,654	144	7,642,434	(2)	57,780	0.8%	140	4	2.9%
<b>Grand Total</b>	<b>1,203</b>	<b>\$75,981,480</b>	<b>1,201</b>	<b>\$77,559,098</b>	<b>(2)</b>	<b>1,577,618</b>	<b>2.1%</b>	<b>1,164</b>	<b>37</b>	<b>3.2%</b>

<b>PART-TIME HEADCOUNT</b>								
Control Center	Adopted 04 - 05		Adopted 05 - 06		Difference			% Chg
	P/T	Pers. Svcs	P/T	Pers. Svcs	P/T	Pers. Svcs		
General Administration	71	\$633,709	69	\$602,413	(2)	(31,296)	-4.9%	
Instruction	1,415	21,387,353	1,367	22,952,720	(48)	1,565,367	7.3%	
Extension & Public Service	176	1,679,463	174	1,618,785	(2)	(60,678)	-3.6%	
Library	68	424,259	68	429,305	0	5,046	1.2%	
Student Services	264	1,526,534	187	878,196	(77)	(648,338)	-42.5%	
Enrollment Management	0	0	121	1,327,444	121	1,327,444	-	
Maint & Operation of Plants	57	552,157	57	525,450	0	(26,707)	-4.8%	
<b>Grand Total</b>	<b>2,051</b>	<b>\$26,203,475</b>	<b>2,043</b>	<b>\$28,334,313</b>	<b>(8)</b>	<b>2,130,838</b>	<b>8.1%</b>	

Although the FY 2005-06 adopted budget of 1,201 positions is 2 fewer than the current year's budget, it is an increase over the June 1<sup>st</sup> actual by 37 positions. The College has added the cost center, enrollment management, to better and identify enrollment related activities and increase market effectiveness. The total salary budget has not changed but 31 positions have been transferred from the instruction budget and 34 positions have been transferred from the student services budget. The employees will be serving the same basic functions with a different emphasis. The variance from the June 1<sup>st</sup> actual reflects vacancies, teachers on un-paid sabbatical, a lower spring headcount than fall headcount and the addition of a Student Services Assistant Dean, a Student Services Ombudsman, a Network Analyst and a Budget Analyst. Funding for part-time staffing is budgeted to increase by \$2.1 million or 8.1% in part to cover step and promotional increases as well as anticipated contractual increases. In addition, the number of

actual adjuncts went up in FY 2004-05 which is reflected in the FY 2005-06 budget. Funding has also been transferred from instruction and student services to include \$1.3 million in enrollment management.

**II. FRINGE BENEFITS**

The adopted budget for fringe benefits is detailed below:

Object of Expense	Adopted FY 04 - 05	Adopted FY 05 - 06	FY 05-06 vs. FY 04-05		Projected FY 04 - 05	Adopted vs. Projected	
			Adopted Budget	% Change		Projected	% Change
Social Security Contribution	\$7,925,456	\$8,320,000	394,544	5.0%	\$7,757,000	\$563,000	7.3%
Health Insurance	11,377,517	12,860,000	1,482,483	13.0%	11,375,000	1,485,000	13.1%
TIAA CREF (Retirement)	5,600,000	5,900,000	300,000	5.4%	5,680,000	220,000	3.9%
Health Insurance Retirees	5,635,000	6,297,000	662,000	11.7%	4,899,000	1,398,000	28.5%
Teachers Retirement	475,000	1,246,592	771,592	162.4%	890,000	356,592	40.1%
Medicare Reimbursement	590,000	780,000	190,000	32.2%	740,000	40,000	5.4%
Workers' Compensation	787,850	726,000	(61,850)	-7.9%	687,000	39,000	5.7%
Dental	810,000	720,000	(90,000)	-11.1%	700,000	20,000	2.9%
State Retirement	2,985,000	3,735,408	750,408	25.1%	3,256,000	479,408	14.7%
Optical Plan	160,000	140,000	(20,000)	-12.5%	132,000	8,000	6.1%
Unemployment	75,000	230,000	155,000	206.7%	208,000	22,000	10.6%
	\$36,420,823	\$40,955,000	\$4,534,177	12.4%	\$36,324,000	\$4,631,000	12.7%

Workers' Compensation contains both 15F and 18F.

Health Insurance Retirees contains both 75F and 76F.

Fringe Benefits are increasing by \$4.5 million or 12.4% from the adopted FY 2004-05 budget and by \$4.6 million or 12.7% from the FY 2004-05 projected. This is primarily due to increases in state and teachers' retirement and health insurance. Health insurance is budgeted to jump 13.1% from the projected actual, which is higher than the 12% increase anticipated by the County. A recent best estimate provided by the State projects the increase at 10.2%. There will be a savings of \$445,592 in state retirement for FY2005-06 due to the drawing down from a restricted fund balance. Similar to the County, a liability account was created when the deferment allowed in FY 04 resulted in a one time savings of \$1.3 million which will be used to offset the future pension cost for the next three years starting with the FY 05-06 budget. Teachers retirement is increasing by \$771,592 or 162.4% from the FY 2004-05 adopted and by \$356,592 or 40.1% from the FY 2004-05 projected. The current year's budget was based on an anticipated rate of 2.52% of salaries but the actual rate was 5.63% of salaries. This is expected to jump again for FY 2005-06 to 7.99%. The contribution for TIAA CREF is increasing by 3.9% from the FY 2004-05 projected and 5.4% from the FY 2004-05 budget. Health insurance for retired employees is increasing by 11.7% from the FY 2003-04 budget and 28.5% from the projected actual due in part to increasing health insurance rates and an increase in retirees. Medicare reimbursements are increasing from the FY 2004-05 budget by 32.2% due to federal changes in the Medicare program.

**III. OTHER THAN PERSONAL SERVICES (OTPS)**

The College’s adopted OTPS budget, made up of all expenses other than payroll and fringe benefits, includes an increase of \$2.0 million from the FY 2004-05 budget and \$2.7 million from the FY 2004-05 projected actual. The distribution of these costs by function can be seen in the chart below:

Control Center	FY 04 - 05	FY 05 - 06	FY 05-06 vs.		FY 04 - 05	FY 05-06	% Change
	Adopted Budget	Adopted Budget	FY 04-05 Adopted Budget	% Change	Projected Actual	Adopted vs. Projected	
General Administration	\$1,838,692	\$2,122,692	\$284,000	15.4%	\$1,763,692	\$359,000	20.4%
Instruction	2,985,395	2,975,695	(9,700)	-0.3%	2,665,395	310,300	11.6%
Extension & Public Service	322,000	322,000	0	0.0%	272,000	50,000	18.4%
Library	471,905	471,905	0	0.0%	471,905	0	0.0%
Student Services	452,969	334,064	(118,905)	-26.3%	392,969	(58,905)	-15.0%
Enrollment Management	0	226,105	226,105	-	0	226,105	-
Maint & Operation of Plant	14,257,232	16,012,824	1,755,592	12.3%	14,177,232	1,835,592	12.9%
	\$20,328,193	\$22,465,285	\$2,137,092	10.51%	\$19,743,193	\$2,722,092	13.79%

Maintenance and Operation of Plant expenses are increasing by \$1.8 million from the FY 2004-05 budget. This is due in part to the Central Utility Plant (CUP) charges which are increasing by \$1.1 million from the FY 2004-05 budget and by \$605,000 from the FY 2004-05 projected. These costs are for energy and chilled water expenses passed on by Trigen Energy to the College, Medical Center, Coliseum and Marriott and is also reflected in the Interfund charges as shown separately on page 7. This cost increase is offset in FY 2004-05 with decreased projects throughout the facility. The FY 2005-06 budget for Maintenance and Operation of Plant also includes increases in maintenance contracts and projects such as security cameras and lighting in the parking lots and updating the fire alarm systems. General Administration charges are increasing by \$284,000 from the FY 2004-05 budget and by \$359,000 from the projected actual. Increases are included for legal fees related to the forthcoming union contract negotiations and the addition of the Office of Development which will provide fund raising activities. Instruction expenses are close to the previous year’s budget and increasing from the projected actual by 11.6% because the current year’s expenses were reduced to make up for losses in revenue. Enrollment management includes \$226,105 for FY 2005-06, which was transferred from instruction (\$136,275) and student services (\$89,830).

The College has collapsed the control centers into one and the responsibility centers are used to track operations and are coordinated under the budgetary control of either the President or one of the Vice Presidents. It is anticipated that this new format will improve internal reporting and monitoring of the College’s operations. The control centers are still shown here for presentation purposes.

**Nassau Community College Multi-Year Plan FY 06 - FY 09**

	FY 2006 Adopted Budget	FY 2007 Plan	FY 2008 Plan	FY 2009 Plan
<b>EXPENSES</b>				
Salaries	110,105,147	114,397,432	118,858,932	123,494,431
Fringe Benefits	40,955,000	45,673,292	50,538,449	56,237,818
<b>Sub-total</b>	<b>151,060,147</b>	<b>160,070,724</b>	<b>169,397,381</b>	<b>179,732,249</b>
Equipment	2,000,000	2,000,000	2,000,000	2,000,000
Materials & Supplies	1,525,000	1,575,000	1,650,000	1,725,000
General Expenses	4,800,000	4,600,000	4,700,000	4,800,000
Contractual	6,225,285	6,104,175	6,272,546	6,400,000
Utility Costs	1,100,000	1,150,000	1,200,000	1,250,000
Interfund Charges	6,700,000	6,901,000	7,108,029	7,321,269
Other	115,000	120,000	120,000	120,000
<b>Sub-total</b>	<b>22,465,285</b>	<b>22,450,175</b>	<b>23,050,575</b>	<b>23,616,269</b>
<b>Total</b>	<b>173,525,432</b>	<b>182,520,899</b>	<b>192,447,956</b>	<b>203,348,518</b>
<b>REVENUES</b>				
Investment Income	250,000	275,000	300,000	325,000
Rents & Recoveries	1,122,000	1,122,000	1,122,000	1,122,000
Revenue Offset To Expense	3,900,000	4,100,000	4,100,000	4,100,000
Service Fees	3,705,000	3,905,000	3,905,000	3,905,000
Student Revenues	61,558,934	67,793,247	74,360,840	81,804,766
Rev Lieu Sponsor Share	13,124,781	13,636,647	14,168,476	14,723,920
Federal Aid	241,000	250,000	250,000	250,000
State Aid	43,077,850	43,077,850	43,994,400	44,910,950
Property Taxes	46,545,867	48,361,156	50,247,240	52,206,882
<b>Total</b>	<b>173,525,432</b>	<b>182,520,900</b>	<b>192,447,956</b>	<b>203,348,518</b>
<b>Fund Balance Beginning</b>	<b>5,117,168</b>	<b>5,117,168</b>	<b>5,117,168</b>	<b>5,117,168</b>
Structural Balance	0	0	0	0
<b>Fund Balance Ending</b>	<b>5,117,168</b>	<b>5,117,168</b>	<b>5,117,168</b>	<b>5,117,168</b>

The College has submitted its multi year plan for the years FY 06 through FY 09. Assumptions on future revenues include the following:

- The property tax levy is projected to grow by 3.9% annually.
- Revenue lieu sponsor share, which is based on the amount that the County spends for its own residents attending the College is projected to increase annually by the same 3.9% that the property tax is expected to grow.

- Student revenues are increasing by an average rate of 9.9% annually in the out years due to projected tuition hikes of \$318 in 2007, \$335 in 2008, and \$380 in 2009. Enrollment is estimated to remain at the FY 05 level.
- State aid assumes a continuing rate of \$2,350 per FTE in FY 07, with an increase of \$50 in each of the following years.
- The College is showing a slight annual increase in investment income and little or no growth for rents & recoveries, revenue offset to expense, service fees and federal aid through FY 09.

It is the College's goal to offset the projected tuition increases by pursuing gains in enrollment, increased state aid, and favorable union contract negotiations. The College's marketing plan will target expanded enrollment of both Nassau and non-Nassau residents, and representatives of the College will continue to advocate in Albany for additional state aid for all community colleges.

Factors that affect out year expenses include:

- Out year salaries are increasing by 3.9% reflecting regular step increments and promotions.
- Civil Service Employees Association (CSEA) contract increases of 5.3% have been utilized, which include the step increases and a 3.5% COLA increase.
- Fringe benefits are increasing 11.5% in FY 07, 10.7% in FY 08 and 11.3% in FY 09.
- The state retirement cost is assumed to stay at the current contribution rate and health insurance is projected to increase by about 12%.
- Total OTPS is expected to decrease by 0.1% in FY 07, increase by 2.7% in FY 08 and increase by 2.5% in FY 09.

OTPS expenses are kept low due to the uncertainty of available funding. While conservative increases have been incorporated into the out years for salary increases, there is some exposure here since FY 05 is the last year for both the Nassau Community College Federation of Teachers (NCCFT) and adjunct contracts.



Student Enrollment by Community: Fall 2003

Community	NCC Enrollment	% of Total Enrollment
Albertson	65	0.31%
Amityville	7	0.03%
Atlantic Beach	21	0.10%
Baldwin	512	2.44%
Bay Park	1	0.00%
Bayville	57	0.27%
Bellerose	17	0.08%
Bellmore (includes N. Bellmore)	474	2.26%
Bethpage	258	1.23%
Brookville	8	0.04%
Carle Place	86	0.41%
Cedarhurst	60	0.29%
Center Island	1	0.00%
East Hills	10	0.05%
East Meadow	598	2.85%
East Norwich	23	0.11%
East Rockaway	128	0.61%
East Williston	27	0.13%
Elmont	718	3.42%
Farmingdale (includes So Farmingdale)	280	1.33%
Floral Park (includes South Floral Park)	274	1.31%
Franklin Square	336	1.60%
Freeport	704	3.35%
Garden City (inc. Garden City Park and Garden City So)	280	1.33%
Glen Cove	295	1.41%
Glen Head	75	0.36%
Glenwood Landing	10	0.05%
Great Neck	194	0.92%
Greenvale	9	0.04%
Hempstead (inc. South Hempstead)	849	4.05%
Hewlett (inc. Hewlett Harbor and NK)	77	0.37%
Hicksville	591	2.82%
Inwood	147	0.70%
Island Park	134	0.64%
Jericho	63	0.30%
Kings Point	3	0.01%
Lake Success	5	0.02%
Lakeview	9	0.04%
Lattingtown	5	0.02%
Laurel Hollow	6	0.03%
Lawrence	44	0.21%
Levittown	669	3.19%
Lido Beach	22	0.10%
Locust Valley	54	0.26%
Long Beach	410	1.95%
Lynbrook	319	1.52%
Malverne	109	0.52%
Manhasset	69	0.33%
Massapequa (includes Mass Park and No. Mass)	866	4.13%
Merrick (includes North Merrick)	432	2.06%
Mill Neck	6	0.03%
Mineola	285	1.36%
Muttontown	17	0.08%
New Cassel	1	0.00%
New Hyde Park	342	1.63%
Oceanside	410	1.95%
Old Bethpage	47	0.22%
Old Brookville (inc. Upper Brookville)	13	0.06%

Community	NCC Enrollment	% of Total Enrollment
Old Westbury	25	0.12%
Oyster Bay (includes Oyster Bay Cove)	57	0.27%
Plainedge	3	0.01%
Plainview	247	1.18%
Plandome	5	0.02%
Point Lookout	10	0.05%
Port Washington (includes P. Wash No)	220	1.05%
Rockville Centre	306	1.46%
Roosevelt	285	1.36%
Roslyn (includes Estates, Harbor, Heights)	126	0.60%
Sands Point	7	0.03%
Sea Cliff	42	0.20%
Seaford	302	1.44%
Searingtown	12	0.06%
Stewart Manor	23	0.11%
Syosset	166	0.79%
Uniondale	593	2.83%
Valley Stream (includes N. Valley Stream)	823	3.92%
Wantagh (inc N. Wantagh)	409	1.95%
West Hempstead	391	1.86%
Westbury	684	3.26%
Williston Park	122	0.58%
Woodbury	52	0.25%
Woodmere (inc N. Woodmere)	129	0.61%
	16,571	78.97%
Suffolk County	1,518	7.23%
Queens County	2,554	12.17%
All Other	341	1.63%
<b>Total All Students:</b>	<b>20,984</b>	

**SOURCE: NASSAU COMMUNITY COLLEGE  
OFFICE OF INSTITUTIONAL RESEARCH**

**NASSAU COUNTY PUBLIC UTILITY AUTHORITY**

The Nassau County Public Utility Authority (NCPUA) was established as a County agency by local law in 1984 and approved by a referendum of voters. It is run by a nine-member, uncompensated board. As a public utility service it can purchase power from various sources and then sell that power to eligible consumers of electricity in Nassau County. The rate it is allowed to charge is intended to be sufficient to cover “all of its costs in furnishing such electric service and that accordingly, the operation of this public utility service will be at no net cost to the agency.” In practice a 4% administrative fee is charged to NCPUA’s customers.

NCPUA’s role in the County’s economic development strategy is to provide energy to businesses at a lower rate than would otherwise be available. To be eligible a business must commit to create or retain jobs in New York State. It currently provides five kilowatts of electricity, obtained from the New York Power Authority (NYPA), to seven customers: Administrators for the Professions, Citibank, Cold Spring Harbor Laboratories, Fortunoff, Hughes-Treitler Manufacturing, Oceanside Institutional Industries, and Uniflex Holdings, Inc. NYPA estimated that the savings for these firms ranges from 32% to 51%. Businesses are selected base upon their potential for employment growth and capital expansion.

NCPUA had never been included within the operating budget of Nassau County until earlier this year when a supplemental appropriation was approved by the Legislature for \$2,183,993. A separate special revenue fund was created for NCPUA, coded PUA, and the department code PU was established. In FY 06 NCPUA will be part of the adopted budget.

REVENUE BUDGET							
Revenue Class		Appropriated	OLBR	FY 06	FY 06	Variance	Variance
		FY 05	FY 05	Dept.	Exec.	Exec. vs	Exec. Vs
		Budget	Projection	Request	Budget	Approp. 05	FY 05 Proj.
BH	Departmental Revenues	\$2,183,993	\$2,107,438	\$2,269,094	\$2,269,094	\$85,101	\$161,656

The New York Power Authority bills NCPUA monthly for the electrical usage of its seven customers. NCPUA passes on the cost of the energy plus an additional 4% administrative fee. The cost of the electricity to be supplied in FY 06 has been estimated at \$2,181,821. The actual rates will be set by NYPA. The 4% administrative charge will generate \$87,273, bringing the total of departmental revenues to \$2,269,094.

The administrative fee charged by NCPUA is used to reimburse the County’s General Fund for the salary and expenses of County staff and resources used to run NCPUA’s daily operations, since NCPUA has no employees of its own. The allocation for inter-fund charges, \$41,302, is an estimated cost for the salary and fringe benefits expense of any NCPUA-related work that is performed by employees of the Office of Housing and Intergovernmental Affairs. The amount that will be charged to NCPUA will be based on the actual tracked time of any OHIA employees.

**EXPENSE BUDGET  
BY OBJECT CLASS**

<b>Obj</b>	<b>Name</b>	<b>Appropriated FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Approp. 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
DD	General Expenses	\$2,101,594	\$2,019,728	\$2,183,921	\$2,183,921	\$82,327	\$164,193
DE	Contractual Services	35,917	58	43,871	43,871	7,954	43,813
HH	Interfund Charges	46,482	45,586	41,302	41,302	(5,180)	(4,284)
	<b>Grand Total</b>	<b>\$2,183,993</b>	<b>\$2,065,372</b>	<b>\$2,269,094</b>	<b>\$2,269,094</b>	<b>\$85,101</b>	<b>\$203,722</b>

Contractual services funding of \$43,871 will be used to hire energy consultants to assist NCPUA with finding alternative sources of power that will allow the County's program to expand.

The line for general expenses includes the estimated cost for the electrical power purchased by NCPUA, \$2,181,821, plus \$1,500 for office supplies, \$500 for travel, and \$100 for subscriptions. The travel money will be used for NCPUA representatives to meet with other counties participating in the program, and possibly to visit Albany in relation to legislative issues affecting the authority.

The State energy program in which NCPUA participates will expire at the end of 2006. It is not clear whether the program will be extended, or if NCPUA can obtain discounted electrical power from some other source.

PARKS, RECREATION AND MUSEUMS

The Department of Parks, Recreation and Museums operates and maintains all County parks, museums, golf courses and other recreational facilities. This includes providing stewardship for the 6,000 acres of land, preserving and opening historic homes to the public and also conducting concerts and other events throughout the year.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05Proj.</b>	
BE Investment Income	\$45,000	\$281,000	\$250,000	\$250,000	\$205,000	(\$31,000)	
BF Rents and Recoveries	1,490,000	1,100,000	1,416,300	1,416,300	(73,700)	316,300	
BG Revenue offsets to Exp.	250,000	0	0	0	(250,000)	0	
BH Department Revenues	20,349,350	16,549,350	16,496,200	17,106,874	(3,242,476)	557,524	
TL Property Tax	48,293,581	48,293,581	51,167,929	51,167,929	2,874,348	2,874,348	
TX Special Taxes	975,000	975,000	975,000	975,000	0	0	
<b>Grand Total</b>	<b>\$71,402,931</b>	<b>\$67,198,931</b>	<b>\$70,305,429</b>	<b>\$70,916,103</b>	<b>(\$486,828)</b>	<b>\$3,717,172</b>	

The Department of Parks and Recreation receives the bulk of its revenue from a dedicated property tax levy. In FY 06 the Parks department will receive \$51.2 million. Increased revenues are necessary to cover the increased expenses projected in the Parks Fund next year. Although County property taxes will not increase in FY 06, through redistribution the department will receive an additional \$2.8 million compared to FY 05.

The FY 05 investment income projection of \$281,000 is over six times higher than the adopted budget. The increased projection is due to higher short term rates on tax levy deposits. Although the budgeted 2006 amount is \$31,000 less than the 2005 projected actuals, this revenue source is subject to an unpredictable market.

The OLBR FY 05 projection for departmental revenues shows an anticipated shortfall of \$3.8 million compared to the \$20.3 million budget. For the past two adopted budgets the Administration has significantly over projected departmental revenue. Although the budget for FY 06 is increasing by \$557,524 compared to the current year projection, the increase appears feasible. The department is anticipating a slight increase in the golf rounds played versus 2005.

Revenue offsets to expenses budgeted for \$250,000 in FY 05 will be zeroed out with the 2006 budget. This is due to the Cradle of Aviation not being able to meet its contractual obligation to repay a \$2.5 million loan. The special taxes are from one-twelfth of the hotel/motel room tax. Although the budget for special taxes is expected to remain flat with the current year at \$975,000, this projection may increase due to pending state legislation.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$18,903,012	\$18,251,188	\$20,392,847	\$19,442,234	\$539,222	\$1,191,046
AB	Fringes	10,064,998	9,518,590	10,230,013	10,263,153	198,155	744,563
	<b>Total PS</b>	<b>28,968,010</b>	<b>27,769,778</b>	<b>30,622,860</b>	<b>29,705,387</b>	<b>737,377</b>	<b>1,935,609</b>
BB	Equipment	1,113,700	1,113,700	592,000	367,000	(746,700)	(746,700)
DD	General Expenses	2,358,700	2,333,700	2,026,300	1,851,300	(507,400)	(482,400)
DE	Contractual Services	4,298,000	4,298,000	8,845,000	8,870,000	4,572,000	4,572,000
	<b>Total OTPS</b>	<b>7,770,400</b>	<b>7,745,400</b>	<b>11,463,300</b>	<b>11,088,300</b>	<b>3,317,900</b>	<b>3,342,900</b>
HD	Debt Service Chargebacks	18,349,426	18,373,689	17,736,093	17,736,093	(613,333)	(637,596)
HF	Inter-Departmental Charges	16,315,095	16,315,095	0	17,897,683	1,582,588	1,582,588
	<b>Grand Total</b>	<b>\$71,402,931</b>	<b>\$70,203,962</b>	<b>\$59,822,253</b>	<b>\$76,427,463</b>	<b>\$5,024,532</b>	<b>\$6,223,501</b>

Review of the expense budget by object class reflects a salaries increase of \$539,222. This can be attributed to the addition of 6 full-time employees and 34 part-time employees and a contractual CSEA raise.

Inter-departmental charges and debt service chargebacks, have been separated out of the OTPS budget for comparison purposes. These charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Parks Department. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The largest components of the inter-departmental charges are for building occupancy at a cost of \$8.2 million, indirect charges of \$3.1 million and another \$3.0 million for security services provided by the Police Department.

The capital debt service estimate is made up mostly of long-term debt service for all parks facilities, with the remainder made up of debt related to the Mitchell Field complex and the Cradle of Aviation. The projection for capital debt service has been reduced \$613,333, or 3.3%, from the FY 05 budget.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. The combined decrease in equipment and general expenses equals \$1.2 million. In FY 05 both of these accounts were increased to upgrade equipment for park and golf facilities, increase supplies to upgrade various parks, pools and driving ranges. The reduced amounts for the proposed budget return the funding to normal operating levels.

**PARKS, RECREATION AND MUSEUMS**

The contractual services line of the Parks Department will increase by \$4.6 million. The increase is the result of an additional appropriation of \$5 million for the Roslyn Fine Arts museum. These funds represent a one time expenditure by the County and will be used to build an extension on the existing structure. The Administration concluded the repairs and improvement required to bring the current facility up to code would be more costly than the planned extension project.

The remaining funds are budgeted for various contracts that facilitate many of the department’s daily operations. Contract functions include but are not limited to: 1) Custodial maintenance for the department’s building restrooms at each major facility, including golf courses, pool, ice rinks and picnic areas; 2) Garbage removal, which saves the County from having to own and operate its own trucks; and 3) Personal services, dedicated for museum programs throughout the County.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>	<b>Adopted FY 05 Budget</b>	<b>Departmental Request FY 06</b>	<b>Executive FY 06</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs Request</b>	
10 Administration	\$37,572,333	\$21,439,499	\$38,915,064	\$1,342,731	\$17,475,565	
20 Technical Service	9,083,725	7,684,194	7,455,113	(1,628,612)	(229,081)	
30 Recreation Services	5,827,089	6,384,811	5,928,827	101,738	(455,984)	
40 Museums	4,319,304	9,574,848	9,657,564	5,338,260	82,716	
61 Golf Operations	4,535,482	4,508,888	4,207,742	(327,740)	(301,146)	
Fringe Benefits	9,456,283	9,376,715	9,980,312	524,029	603,597	
<b>Total</b>	<b>\$70,794,216</b>	<b>\$58,968,955</b>	<b>\$76,144,622</b>	<b>\$5,350,406</b>	<b>\$17,175,667</b>	

The funding for Parks and Recreation will increase by \$5.4 million compared to the FY 05 adopted budget. Both the Administration and Museums control centers will be receiving significantly more funding than what was budgeted for the current year. The Administration control center increase is due to higher interdepartmental charges which increased from \$16.3 million to \$17.8 million. The Museums control center is increasing due to the Roslyn Fine Arts Museum which will receive an additional \$5 million in FY 06.

The additional headcount scheduled in the proposed budget and the higher cost of medical care is reflected in increased fringe benefit costs for FY 06. The Technical Services and Golf Operations control centers were reduced due to normal operating levels after increased allocations in 2005 for the purchase of equipment and supplies related to upgrade and improvements.

Nassau County Parks & Recreation Fund  
Staffing Analysis

	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
10 Administration	37	17	37	30	(7)	13
20 Technical Service	93	106	105	105	12	(1)
30 Recreation Services	46	46	48	45	(1)	(1)
40 Museums	40	36	40	43	3	7
60 Golf Operations		3			0	(3)
61 Golf Operations	47	40	48	46	(1)	6
<b>Total Full-Time</b>	<b><u>263</u></b>	<b><u>248</u></b>	<b><u>278</u></b>	<b><u>269</u></b>	<b><u>6</u></b>	<b><u>21</u></b>
<b>CC Part-time Staffing</b>						
10 Administration	1	9	20	17	16	8
20 Technical Service	54	30	29	29	(25)	(1)
30 Recreation Services	81	121	124	124	43	3
40 Museums	42	44	46	45	3	1
61 Golf Operations	16	13	17	13	(3)	0
<b>Total Part-time</b>	<b><u>194</u></b>	<b><u>217</u></b>	<b><u>236</u></b>	<b><u>228</u></b>	<b><u>34</u></b>	<b><u>11</u></b>
<b>CC Seasonal Staffing</b>						
10 Administration	1	7	58	58	57	51
20 Technical Service	97	65	14	14	(83)	(51)
30 Recreation Services	617	241	416	369	(248)	128
40 Museums	27	30	23	23	(4)	(7)
60 Golf Operations		1			0	(1)
61 Golf Operations	200	102	101	81	(119)	(21)
<b>Total Seasonal</b>	<b><u>942</u></b>	<b><u>446</u></b>	<b><u>612</u></b>	<b><u>545</u></b>	<b><u>(397)</u></b>	<b><u>99</u></b>

For the FY 06 budget the department's full-time staffing will receive an additional six positions. The Administration control center will be trimmed to 30 positions, 13 above the September actuals. Part-time staffing for the department will increase by 34 positions above the adopted 2005 levels. Recreational Services will be funded for an additional 43 positions, mostly laborers and lifeguards.

The department is authorized to hire 545 seasonal employees in FY 06. This represents a reduction of 397. However, the funding for seasonal help will increase from \$2.6 million to \$3.0 million. Historically the department operates with more than the budgeted number of seasonals with the intent of tightly managing the dollars.



**Out Year Initiatives:**

<b>ID</b>	<b>NAME</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
PPWP03	Parks Revenue Enhancement Plan	\$2,000,000	\$3,000,000	\$4,000,000

The **Parks revenue enhancement plan** initiative targets improvements at the Aquatic Center and at the landmark preservation units to achieve additional revenue. This initiative has been revised down from \$7,000,000 in the out years compared to the FY 05 budget. The department expects to increase rental income from some of its sites by contracting with a real estate management company. The Parks department is also anticipating increased revenue related to the hiring of a consultant for the museums and a golf specialist to maximize golf usage. Although this is a carry over initiative from the current year which has been revised down in the out-years it still appears to be very optimistic.

## OFFICE FOR THE PHYSICALLY CHALLENGED

The Office for the Physically Challenged advocates for the needs of all handicapped persons. It was established by County Executive Directive in 1983. This office administers the New York State Handicapped Parking Permit program and coordinates enforcement with the County Police Department. It also collaborates with the County’s “ABLE-RIDE” paratransit service to provide transportation to some disabled residents.

As part of the enforcement of the Handicapped Parking Permit program, the department issues parking citations to violators of the New York State Law. The department is collaborating with the County Police Department to implement a system that will identify second and third offenders of the law and assess them accordingly. The department has also developed workshops for County judicial officials in order to better address the ticket dismissal rate. The Administration currently believes that sixty percent of the tickets issued are dismissed. It is anticipated that the dismissal percentage will decrease with the implementation of the new system and development of the workshops.

During the FY 05 budget year the department completed its move from 1550 Franklin Avenue to 60 Charles Lindbergh Boulevard. Due to the move the department is projecting \$142,875 in FY 05 for general expenses. This money will primarily be used for document scanning and imaging. The department expects a decrease of \$124,875 in FY 06 versus the projection with expenses returning to normal levels. The department will make a minor move from the second floor to first floor in the future but anticipates minimal costs.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$274,812	\$321,789	\$341,736	\$341,736	\$66,924	\$19,947
BB	Equipment	2,050	2,050	2,067	2,067	17	17
DD	General Services Expenses	27,675	27,675	18,000	18,000	(9,675)	(9,675)
DE	Contractual Services	26,138	26,138	35,000	35,000	8,862	8,862
<b>Total OTPS</b>		<b>55,863</b>	<b>55,863</b>	<b>55,067</b>	<b>55,067</b>	<b>(796)</b>	<b>(796)</b>
HF	Inter-Departmental Charges	255,751	255,751	0	282,014	26,263	26,263
<b>Grand Total</b>		<b>\$586,426</b>	<b>\$633,403</b>	<b>\$396,803</b>	<b>\$678,817</b>	<b>\$92,391</b>	<b>\$45,414</b>

The FY 06 salaries budget for the Office for the Physically Challenged has been increased by \$66,924 or 24%. The increase is related to the one full-time position that has been added to the office.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR

Projection. The OTPS FY 06 proposed budget will basically remain same over the FY 05 budget. The major component of the OTPS FY 06 proposed budget is contractual services at \$35,000. The contractual services account is used to perform sensitivity and awareness seminars for Nassau County school districts. A large portion of the general expenses account is used to conduct the volunteer parking enforcement program. The department uses the funds allocated to this account to purchase cameras, film and other supplies related to the program. The remainder of the OTPS budget consists of regular office supplies, subscriptions to resource materials, and other general expenses incurred operating an office.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Office for the Physically Challenged. The largest components of the department’s inter-departmental charges are for building occupancy at a cost of \$151,654, information technology resources at \$78,891 and indirect charges at \$34,208.

<b>Office for the Physically Challenged Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	6	7	7	7	1	0

As previously mentioned, the department will have one additional full-time position. The position title is program coordinator, whose primary responsibility is to act as a community liaison between the department and its various clients.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>	
BD Fines and Forfeits	\$30,000	\$30,000	\$50,000	\$50,000	\$20,000	\$20,000	
BJ Interdepartmental Revenues	0	0	0	600,000	600,000	600,000	
<b>Grand Total</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$50,000</b>	<b>\$650,000</b>	<b>\$620,000</b>	<b>\$620,000</b>	

Pursuant to State law, the department receives half of the handicapped parking surcharge with the other half going to the Traffic Safety Board. The revenue is to be used on handicapped parking related issues such as education and enforcement. The revenue budget for fines and forfeits next year will slightly increase by \$20,000 from FY 05. Due to increased volunteerism, education and training the department anticipates increased parking citations. The department has also estimated \$600,000 for inter-departmental revenue. The revenue reflects the office’s transaction of furnishing information and referral resources to the Department of Social Services, in accordance with the County’s “No Wrong Door” policy.

PLANNING

The FY 06 Planning department expense budget excluding inter-departmental charges is increasing by 3.5%. The expense increase is the result of contractual services and general expenses increases. FY 06 Planning Department revenues are declining by 22.8%. The revenue decline is a function of decreases in the interdepartmental revenues and service fees. Mass Transportation funding is increasing by the contractually specified amount. However, due to the rapid rise in fuel costs, the subsidy payments to Long Island Bus may not be sufficient to cover their operating deficit.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>		<b>Adopted FY 05 Budget</b>	<b>Departmental Request FY 06</b>	<b>Executive FY 06</b>	<b>Variance From Exec. Vs. Adopted 05</b>	<b>Variance From Exec. Vs. To Request</b>
10	Planning	\$3,235,225	\$2,332,395	\$3,150,331	(\$84,894)	\$817,936
20	Bus Shelter Main- Cleaning	0	10,000	10,000	10,000	0
35	Mass Transportation	45,170,797	46,171,566	46,056,120	885,323	(115,446)
<b>Total</b>		<b>\$48,406,022</b>	<b>\$48,513,961</b>	<b>\$49,216,451</b>	<b>\$810,429</b>	<b>\$702,490</b>

The expense budget delineated by control center appears in the above chart. Nassau County is responsible for keeping the Bus Shelters free from deterioration and vandalism. The funding in the Mass Transportation control center is rising by \$885,323 or 2% from the FY 05 adopted budget. As the chart below details, within the mass transportation control center is the LIRR Station Maintenance subsidy that is increasing by the contractually agreed upon amount. As per the LIRR Station Maintenance contract, funding must increase annually by the CPI.

		<b>FY 05 Budget</b>	<b>Executive FY 06</b>	<b>Difference</b>
<b>Mass Transportation (MM)</b>				
630	Authority	\$7,500,000	\$7,500,000	\$0
631	LIRR Station Maintenance	23,012,005	23,897,328	885,323
632	MTA-LIRR Operating Assistance	11,583,792	11,583,792	0
635	Handicapped Transportation System	3,000,000	3,000,000	0
<b>General Expenses (DD)</b>				
305	Insurance Premiums	15,000	15,000	0
<b>Other Expenses (OO)</b>				
60H	Lido Beach Bus Rte	60,000	60,000	0
<b>Total Mass Transportation CC 35</b>		<b>\$45,170,797</b>	<b>\$46,056,120</b>	<b>\$885,323</b>

The prior chart shows that all other mass transportation funding lines are being held constant at their FY 05 levels. These funding levels may not be adequate for Long Island Bus's needs. These levels were first requested in July 2005 and were based upon actual costs incurred through May 2005. Long Island bus has seen a significant rise in energy costs since the time that the initial budget submission was drafted. Long Island Bus subsequently requested an additional \$500,000 which is not included in the Executive FY 06 budget. Additionally, in the out-years, Long Island Bus is projecting deficits. Long Island Bus expects 2007's deficit to be \$2.501 million, 2008's deficit to be \$6.220 million and 2009's deficit to be \$12.233 million. Exhibit A below depicts Long Island Bus's FY 05 forecast and July 2005's FY 06 Preliminary Budget submission.

<b>EXHIBIT A: LONG ISLAND BUS OPERATING BUDGET</b>			
<b>Figures in Millions</b>			
<b>Name</b>	<b>Mid-Year 2005 Forecast</b>	<b>2006 Preliminary Budget, July 2005</b>	<b>Variance between 2006 and 2005</b>
<b>Revenues</b>			
Farebox Revenue	37.880	38.075	0.195
<b>Total Receipts</b>	<b>47.227</b>	<b>47.402</b>	<b>0.175</b>
<b>Expenses</b>			
Salaries	62.841	64.867	2.026
Fringe	24.149	25.572	1.423
Fuel for Buses and Trains	7.590	7.704	0.114
Paratransit Service Contracts	0.062	0.312	0.250
Other Non-Labor	19.191	17.433	(1.758)
<b>Total Expenses</b>	<b>113.833</b>	<b>115.888</b>	<b>2.055</b>
<b>Net Cash Deficit</b>	<b>(66.606)</b>	<b>(68.486)</b>	<b>(1.880)</b>
<b>Subsidies</b>			
MTA Subsidy	13.047	14.323	1.276
State Subsidy	39.290	43.663	4.373
Nassau County Subsidy	10.500	10.500	0.000
<b>Total Subsidies</b>	<b>62.837</b>	<b>68.486</b>	<b>5.649</b>
<b>Net Subsidy Deficit</b>	<b>(\$3.769)</b>	<b>\$0.000</b>	<b>3.769</b>

The July 2005 preliminary FY 06 LI Bus total expense budget is \$115.9 million. Fixed route expenditures represent 89% of total LI Bus expenses and paratransit operations comprise 11% of total LI Bus expenses. Nassau's 2006 subsidy of fixed route operations will represent 7.1% of total fixed route revenue and its paratransit subsidy will comprise 27.4% of total paratransit revenues. The chart on the following page details these percentages historically.

All totaled, the County's \$10.5 million subsidy falls \$500,000 short of LI Bus's revised request. Currently, LI Bus has not been able to fund its projected budget deficit.

<b><u>Nassau County Funding of LI Bus</u></b>			
<b><u>Fixed Route Operations</u></b>			
	<b>LI Bus Total Revenues &amp; Subsidies</b>	<b>Nassau MSBA Subsidy</b>	<b>Nassau / LI Bus Revenues</b>
<b>2001</b>	74,200,000	7,853,000	10.6%
<b>2002</b>	76,275,000	5,852,980	7.7%
<b>2003</b>	84,892,000	3,853,000	4.5%
<b>2004</b>	86,120,000	2,961,000	3.4%
<b>2005</b>	87,051,000	7,500,000	8.6%
<b>2006</b>	104,946,057	7,500,000	7.1%
<b><u>Paratransit Operations</u></b>			
	<b>LI Bus Total Revenues &amp; Subsidies</b>	<b>Nassau Handicapped Subsidy</b>	<b>Nassau / LI Bus Revenues</b>
<b>2001</b>	7,273,000	3,458,000	47.5%
<b>2002</b>	8,090,000	4,458,000	55.1%
<b>2003</b>	8,763,000	4,458,000	50.9%
<b>2004</b>	10,059,000	3,000,000	29.8%
<b>2005</b>	8,481,000	3,000,000	35.4%
<b>2006</b>	10,941,943	3,000,000	27.4%

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$1,707,514	\$1,521,928	\$1,757,132	\$1,713,256	\$5,742	\$191,328
BB	Equipment	7,172	17,172	10,262	546	(6,626)	(16,626)
DD	General Expenses	77,593	110,817	132,501	132,529	54,936	21,712
DE	Contractual Services	586,000	488,188	457,500	1,329,000	743,000	840,812
MM	Mass Transportation	45,095,797	45,095,797	46,096,566	45,981,120	885,323	885,323
6H	Pt Lookout/LIDO	60,000	180,000	60,000	60,000	0	(120,000)
	<b>Total OTPS</b>	<b>45,826,562</b>	<b>45,891,974</b>	<b>46,756,829</b>	<b>47,503,195</b>	<b>1,676,633</b>	<b>1,611,221</b>
HF	Inter-Dept. Charges	871,946	871,946	0	0	(871,946)	(871,946)
	<b>Grand Total</b>	<b>\$48,406,022</b>	<b>\$48,285,848</b>	<b>\$48,513,961</b>	<b>\$49,216,451</b>	<b>\$810,429</b>	<b>\$930,603</b>

The above chart details the Planning Department expense budget by object code. The greatest percentage increase is in the contractual services line. This line is increasing to cover the cost of consultant services required to analyze the various issues mentioned to the County Executive during his 35 economic-development zone meetings. The issues to be analyzed include corridor studies of major thoroughfares with traffic and land use challenges and identifying and analyzing important parcels for redevelopment. The salary line and general expenses line are also receiving a minimal increase in funding. Funding of the Point Lookout/LIDO Beach bus route is unchanged at its budgeted FY 05 level. The FY 05 projection for the Point Lookout/LIDO Beach bus route is \$180,000 since the County had to make a couple of retro-active payments.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, the Office of Legislative Budget Review (OLBR) has done the same for the 2005 Budget and OLBR Projection. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Planning Department. However, in FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services.

**Planning  
Staffing Analysis**

	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	21	18	21	21	0	3
Part-time and Seasonal	14	10	14	14	0	4

The FY 06 budgeted headcount for the Planning Department is unchanged from the adopted FY 05 budget. The salary line is sufficient to cover the costs of the 21 budgeted full-time employees and 14 budgeted part-time and seasonal employees.

**REVENUE BUDGET**

<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA Fund Balance	\$0	\$337,753	\$0	\$1,000,000	\$1,000,000	\$662,247
BD Fines & Forfeits	30,000	0	30,000	30,000	0	30,000
BH Department Revenues	1,095,500	400,114	1,095,500	1,095,500	0	695,386
BJ Interdept Revenues	1,508,742	1,508,742	0	0	(1,508,742)	(1,508,742)
BK Service Fees	260,000	14,511	0	0	(260,000)	(14,511)
FA Federal Aid	0	913	110,000	110,000	110,000	109,087
<b>Total</b>	<b>\$2,894,242</b>	<b>\$2,262,033</b>	<b>\$1,235,500</b>	<b>\$2,235,500</b>	<b>(\$658,742)</b>	<b>(\$26,533)</b>

The decrease in revenue is a function of the elimination of interdepartmental revenues and the transfer of service fees to the IT department. The elimination of interdepartmental revenues is a result of the Office of Management and Budget’s decision to only apply an interdepartmental charge to those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. The service fees revenues are being transferred to the Office of Information Technology which is responsible for creating and selling GIS maps and data. The department will continue to collect revenues from advertisements on bus shelters and sub-division fees. New to the FY 06 budget is \$1 million in fund balance. One million is being given to the Planning Department to enable it to contract with consultants to study the issues raised during the County Executive’s meetings with the 35 economic development zones.



NASSAU COUNTY POLICE DEPARTMENT

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Since 2002, the Police Department has been struggling to contain escalating overtime costs. The major drivers of this expense were declining headcount and contractual constraints. Uniform headcount had been steadily decreasing in 2002 and 2003, which was in accordance with the Administration's plan to reduce overall staffing in the Department. That trend was reversed in January and July 2004 when the Department hired classes of 48 and 148 recruits respectively to quell skyrocketing overtime expense. However, since the training period for police officers lasts seven months, those hires had little, if any, impact on overtime costs in 2004, which reached \$46.7 million, or approximately 68% over the budget of \$27.8 million. It was believed that these classes and the contractual concessions garnered from the PBA and DAI arbitration awards would positively affect overtime expense in 2005, so the Administration budgeted nearly \$36 million for those costs in 2005. Current actuals indicate that 2005's overtime expense is outpacing last year's costs, year-to-date expense is approximately \$30 million compared to \$25.9 million in 2004. It appears that the Administration's optimism for 2005's overtime costs was misplaced. The net effect on sworn headcount from the last two recruit classes from September 2004 to September 2005 is a positive 26, due to retirements, and as will be shown later, there is a direct correlation between headcount and overtime. There is currently another class of 142 cadets scheduled to graduate in October 2005 that should have a positive impact on overtime in the latter part of 2005 and rein in some of this expense. This, coupled with contractual concessions, especially for new hires, should slow the current overtime pace and bring it to a total of approximately \$48 million for 2005.

The 2003 PBA Arbitration Award and the 2005 DAI Arbitration that allowed for concessions in minimum manning, extra hours worked, denominator changes in calculating shift differential, termination pay and overtime, and civilianization have provided the Department with the tools to manage more efficiently in reducing the potential for even greater overtime costs. The Administration has estimated savings associated with extra hours worked has generated approximately \$6.6 million to date, from both police officers and detectives. In addition, the Department recently completed civilianizing the first 50 positions contractually agreed upon by the PBA and the County. Of those, approximately 27 were positions formerly held by uniform personnel who were deployed to patrol. The remaining positions that were filled were left vacant by retirees. The Department has signed a memorandum of understanding for 41 civilian positions for the second phase of civilianization but a final agreement has not been reached between the PBA and the Department on the last nine. However, the Department has begun hiring civilians, at last count, 14, that will backfill positions left vacant by retirees or reassignments that will be part of the 2005 civilianization number. The full benefit of this concession has yet to be realized and its impact will be deferred to a later time once agreement on all positions has been achieved. In addition to the failure to reach an agreement between the Department and the PBA on civilianizing the last 50 positions, the PBA has won a decision regarding the arbitrator's interpretation of a clause in the PBA contract as to the amount of personal days a precinct may receive per tour, regardless of its impact on overtime. It is estimated that the interpretation will have a \$2 million negative impact through the remainder of 2005 and approximately \$4 million annually thereafter.

As a result of the Department's limited success in its efforts to curtail overtime the Administration has wisely budgeted \$47.35 million for this expense in 2006. Shifting from the past practice of optimistic

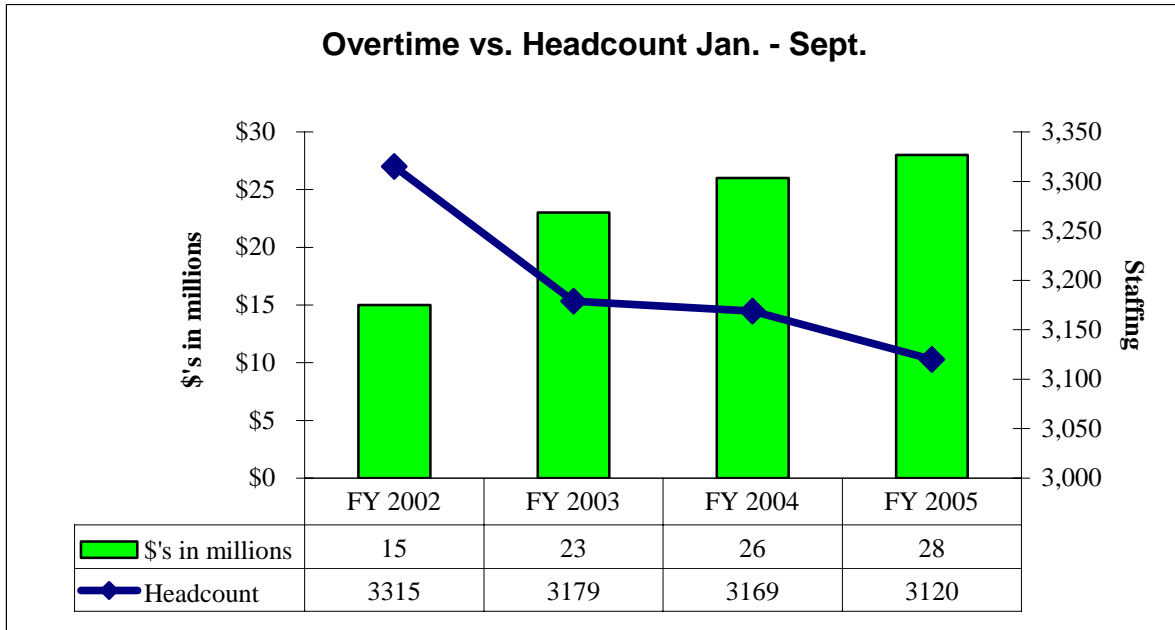
projections and unrealistic targets, the Administration has taken a more reasonable approach to estimating overtime costs. Based on the success of the unions' concessions of extra hours worked, the potential savings from civilianization and the additional new hires, a new class of between 120-130 candidates are scheduled to enter the Academy in October 2005, it seems reasonable to assume that the overtime budget of \$47.35 million could be achieved.

The chart below illustrates the areas within the Police Department that generate overtime.

	<u>2003, 2004, 2005 Overtime</u>					
	2003	% of Total	2004	% of Total	2005 YTD**	% of Total
PRECINCTS	22,224,374	55.4%	23,885,308	51.2%	14,108,295	46.3%
OTHER *	5,433,611	13.5%	6,913,606	14.8%	6,366,399	20.9%
RECORDS	2,491,971	6.2%	2,701,815	5.8%	1,623,338	5.3%
SQUADS	2,218,149	5.5%	2,973,714	6.4%	1,497,252	4.9%
HIGHWAY PATROL	2,070,224	5.2%	3,084,983	6.6%	2,022,898	6.6%
COMMUNICATIONS BUREAU	1,973,376	4.9%	1,937,220	4.2%	1,278,742	4.2%
EMERGENCY AMBULANCE	1,009,553	2.5%	1,024,956	2.2%	1,085,646	3.6%
FLEET SERVICE	726,946	1.8%	1,090,567	2.3%	572,921	1.9%
BUREAU SP. OPS	686,207	1.7%	1,185,810	2.5%	681,757	2.2%
HOMICIDE	655,682	1.6%	928,251	2.0%	665,941	2.2%
NARCOTICS	<u>641,620</u>	1.6%	<u>923,887</u>	2.0%	<u>565,716</u>	1.9%
<b>Total</b>	<b>40,131,713</b>		<b>46,650,117</b>		<b>30,468,905</b>	

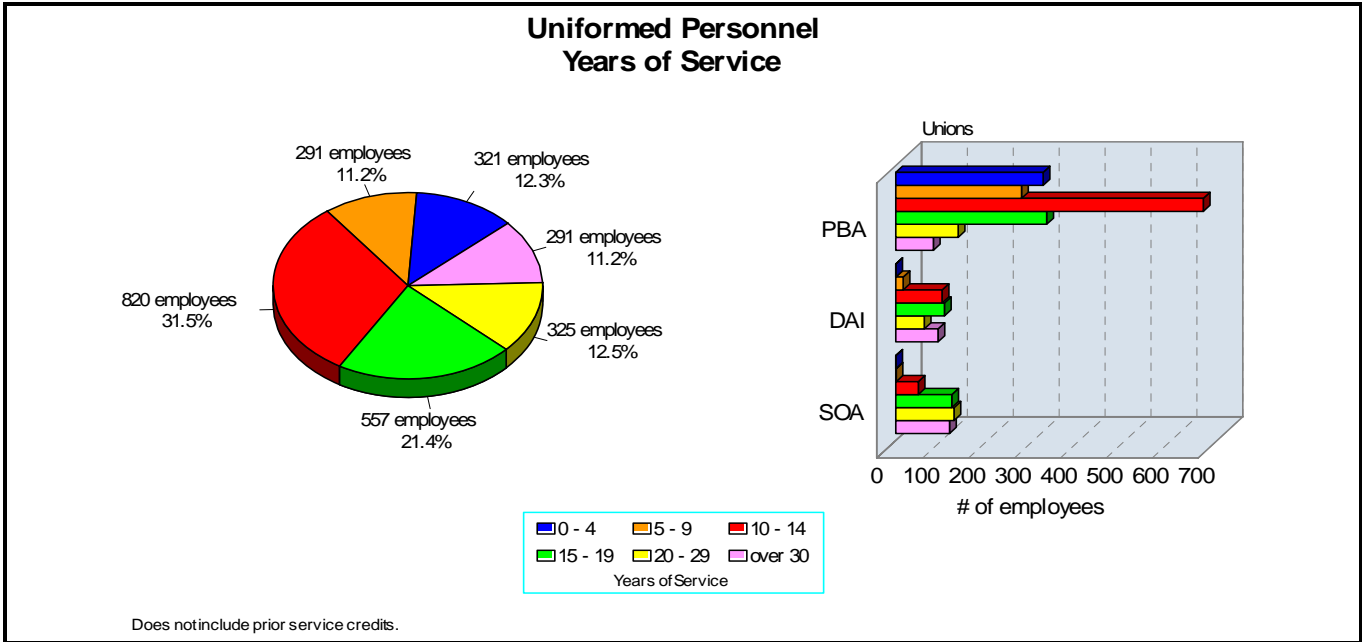
\* OTHER consists of 64 responsibility centers that individually make up a small percentage of total overtime.  
 \*\* September 21, 2005 run.

Overtime expense is classified into 74 responsibility centers in the Police Department's budget, much of which is in the precincts and highway patrol. It follows that that is where a considerable portion of the overtime lies because light roll call in the precincts and highway patrol generates many of the overtime hours. Overtime is also high in the detective division, which includes homicide and narcotics, for a total of approximately \$5 million in 2004. It is not reflected in the above chart because detective overtime encompasses too many responsibility centers to be included in the chart, some of which is included in the "other" category such as the electronics unit, legal bureau, asset forfeiture, public information office and planning bureau. There is also a significant amount of overtime in the records bureau, communications bureau and emergency ambulance bureau. It should be noted that the emergency ambulance bureau year-to-date actuals have increased over last year's totals as a result of three additional ambulances having been staffed in Bethpage, Oceanside and, for the summer months, Jones Beach. This is to aid local fire departments that are unable to respond to calls during weekday daytime hours.



The chart above illustrates the direct correlation between headcount and overtime. The years 2004 and 2005 do not include the approximate 180 new cadets hired in 2004, of which 140 were carried over to 2005, and an additional 139 recruits scheduled to graduate in October 2005. The new hires had little, if any, impact on overtime since the majority of their time was spent in training. It is clear from the chart that as headcount declines overtime rises. The Administration has committed to maintaining uniform personnel at 2,650 and plans to continue hiring to support that objective. When these levels are maintained, along with contractual concessions and efficient management, overtime should be contained.

Termination pay in 2006 is budgeted at \$26.1 million, about 4.2%, or \$1 million more than the prior year. To-date there have been 44 members from Headquarters and 17 members for District who have retired with an average payout of approximately \$220,000. The 2005 termination budget should be sufficiently funded for the projected 120 separations based on the average payout of \$220,000, although termination payouts may exceed budgeted amounts if more than the projected amount of officers retire from the Headquarters fund. The 2006 termination budget assumes approximately 100 retirements and is budgeted at \$23.35 million. Currently there are approximately 471 sworn members, with 20 years or more of service, 86 of whom have 30 years or more, that are eligible to retire and an additional 116 in 2006. Funding for the potential excess of retirements may come from the Employees Benefits Fund.



The chart above shows the number of sworn personnel and their years of service. Currently there are 154, or 40.3%, of the 382 DAI members eligible to retire with 20 or more years of service, 218, or 12.0%, of 1,815 PBA members and 244, or 58.7%, of the 417 SOA members eligible to retire. The chart does not include prior years of service credits.

<b>Police Department Headcount by Union</b>					
<u>Union</u>	<u>2005 Adopted</u>	<u>Sept. Actuals</u>	<u>2006 Executive</u>	<u>2006 vs 2005</u>	<u>2006 vs Actuals</u>
<b>PBA</b>	1,805	1,815	1,803	(2)	(12)
<b>DAI</b>	425	382	425	0	43
<b>SOA</b>	422	417	422	0	5
<b>Subtotal</b>	<b>2,652</b>	<b>2,614</b>	<b>2,650</b>	<b>(2)</b>	<b>36</b>
<b>CSEA</b>	821	786	858	37	72
<b>ORD</b>	4	4	4	0	0
<b>Total</b>	<b>3,477</b>	<b>3,404</b>	<b>3,512</b>	<b>35</b>	<b>108</b>

As shown above, the 2006 Police Department headcount is remaining flat in most unions over 2005 adopted numbers, except for PBA, which is declining by two and CSEA, which is increasing by 37. When compared to September actuals all unions but PBA are increasing. It should be noted that the detective division is 43 short of budgeted headcounts in both 2005 and 2006. This is important since the Department recently established a Gang Activity Unit, which will ultimately be manned by 13 detectives and four supervisors. Since detectives are currently in short supply, this unit will be temporarily staffed by some police officers until more police officers are promoted to detective. The Police Department has suggested that the promotions of about 50 police officers to detective could occur in early October 2005,

depending on the recruit class scheduled to graduate in October and the proposed new class that could begin late October 2005. The increase of 37 civilians includes 16 building maintenance employees transferred to Public Works in the 2005 budget which have been transferred back into the Headquarters fund with an additional two for 2006 budget.

The Department has the responsibility for the implementation and monitoring of the following Multi-Year Financial Plan initiative which has been incorporated into the FY 06 budget and out-year baseline.

**Police Overtime Reductions - \$2,500,000**

The Administration estimates that \$2.5 million in savings will be realized due to the lower rate the 280 plus new officers will be paid for overtime worked. It appears that this target could be achieved in 2006 given the assumption the additional 120-130 new recruits are slated to be hired in October 2005 and will be ready for deployment by late spring 2006.

**Fuel Purchase - \$175,000**

The \$175,000 savings associated with this initiative is a result of the difference between the cost of premium gas and regular gas for patrol vehicles. Police patrol cars, with the exception of the Highway Patrol Unit, will now fill up with regular gas as a cost savings measure. This initiative could achieve real savings if gasoline prices, for either premium or regular, remain flat. However, if current forecasts come to fruition, and gas prices again begin to climb, these savings will not be obtained.

**Police Headquarters**

<b>HEADQUARTERS' EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$181,157,692	\$190,402,229	\$199,689,804	\$200,278,905	\$19,121,213	\$9,876,676
AB	Fringe Benefits	83,208,069	73,589,488	87,497,045	77,743,090	(5,464,979)	4,153,602
	<b>Total PS</b>	<b>264,365,761</b>	<b>263,991,717</b>	<b>287,186,849</b>	<b>278,021,995</b>	<b>13,656,234</b>	<b>14,030,278</b>
BB	Equipment	2,700,000	2,700,000	3,935,256	535,256	(2,164,744)	(2,164,744)
DD	General Expenses	3,038,677	3,038,677	3,013,500	3,013,500	(25,177)	(25,177)
DE	Contractual Services	6,374,120	6,374,120	6,660,987	6,660,987	286,867	286,867
DF	Utilities	0	2,100,000	2,100,000	2,100,000	2,100,000	0
OO	Other Expenses	410,000	410,000	250,000	250,000	(160,000)	(160,000)
	<b>Total OTPS</b>	<b>12,522,797</b>	<b>14,622,797</b>	<b>15,959,743</b>	<b>12,559,743</b>	<b>36,946</b>	<b>(2,063,054)</b>
HD	Debt Svc Chargeback	5,217,906	5,217,906	3,134,003	3,134,003	(2,083,903)	(2,083,903)
HF	Inter-Dept. Charges	19,123,076	17,190,076	0	20,607,886	1,484,810	3,417,810
	<b>Grand Total</b>	<b>\$301,229,540</b>	<b>\$301,022,496</b>	<b>\$306,280,595</b>	<b>\$314,323,627</b>	<b>\$13,094,087</b>	<b>\$13,301,131</b>

Salaries in the Headquarters budget will increase by about 10.6% in 2006, or approximately \$19.1 million, but when compared to FY 05 projections, the growth is about 5.1%. This is a result of the July

2006 six month 3.9% wage hike awarded to the PBA officers from the 2003 arbitration settlement, the 2005 DAI and SOA Arbitration Award increases of 3.9%, the CSEA January 2005 increase of 2.5% and increases in longevity, shift differential and overtime. Overtime is rising as a result of insufficient funding in the 2005 budget.

OTPS expense will remain essentially flat due to offsets in equipment for the \$1.9 million purchase of 86 unmarked vehicles and 10 Public Safety pick-up trucks in 2005 originally planned for 2006 and the \$2.1 million in utilities which will now be funded through Headquarters. Previously, these utilities were paid by way of Interdepartmental Service Agreement (ISA) from the interdepartmental line. The \$2.1 million was transferred from interdepartmental charges into utilities to cover these expenses. Interdepartmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Headquarters. Headquarters is responsible for paying for information technology, purchasing, records management, workers' comp, and other services. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. The reduction of \$160,000 in other expenses represents the decline in the cost for helicopter insurance.

<b>Police Headquarters Staffing Analysis</b>						
	<b>FY 05 Adopted</b>	<b>Sept-05 Actual</b>	<b>FY 06 Request</b>	<b>FY 06 Executive</b>	<b>Exec. vs. 05 Adopt</b>	<b>Exec. vs. Actual</b>
Uniform	1,074	963	1,008	1,005	(69)	42
Civilian	<u>706</u>	<u>681</u>	<u>770</u>	<u>743</u>	<u>37</u>	<u>62</u>
Total Full-time	1,780	1,644	1,778	1,748	(32)	104
Part-time and Seasonal	61	45	42	42	(19)	(3)

FY 2006 uniform headcount is declining by 66 from the 2005 budget but is increasing by 45 over September actuals. An additional 34 civilians will be funded in 2006 compared to 2005's budget, or an increase of 59 over September actuals.

The sub-object code civilian vacancies (CIV), established for the 2005 budget, will accommodate 12 civilian positions in the 2006 budget, the titles of which have yet to be identified. These positions are targeted for civilian titles which have not been agreed upon by the County and the PBA, although it is encouraging to see that funding has been provided for the new hires. Some of the problems the Administration has experienced in the past with hiring clerical positions due to low start pay and competition with other jurisdictions have been somewhat alleviated by the elimination of the first two salary steps. This allows the Department to be more competitive when seeking out viable candidates. In addition to the 12 CIV positions, the budget has allowed for nine more AMTs, six additional communications operators and 18 building maintenance employees that were transferred to Public Works in 2005 who will be moved back into Headquarters budget in 2006, although they are currently

being paid from the Headquarters Fund. The additional 16 police service aide trainees in 2006 reflect the Department's commitment to civilianization and represent the last group of civilians that will replace sworn officers at the precinct levels. It is this group that the PBA objects to in the civilianization process so the Department has delayed hiring them until a resolution of this issue is attained.

<b>HEADQUARTERS' REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
BC	Permits & Licenses	\$325,000	\$300,000	\$800,000	\$800,000	\$475,000	\$500,000
BE	Investment Income	86,258	124,956	0	121,053	34,795	(3,903)
BF	Rents & Recoveries	200,000	200,000	200,000	200,000	0	0
BH	Department Revenue	13,679,000	13,768,000	14,602,000	14,602,000	923,000	834,000
BJ	Interdept. Revenue	10,664,812	10,664,812	0	13,977,076	3,312,264	3,312,264
FA	Federal Aid	334,000	334,000	330,000	330,000	(4,000)	(4,000)
SA	State Aid	589,435	589,435	589,000	589,000	(435)	(435)
TL	Property Tax	252,897,540	252,897,540	258,778,043	258,778,043	5,880,503	5,880,503
TX	Special Tax	22,453,495	22,953,495	22,853,495	22,853,495	400,000	(100,000)
<b>Grand Total</b>		<b>\$301,229,540</b>	<b>\$301,832,238</b>	<b>\$298,152,538</b>	<b>\$312,250,667</b>	<b>\$11,021,127</b>	<b>\$10,418,429</b>

The Headquarters Division obtains revenue through several sources. The 2006 revenue budget increases by about \$11 million, or 3.6%, over revenue in 2005. The main reasons for this increase are the \$5.9 million growth in property taxes, \$3.3 million hike in interdepartmental revenues, almost \$925,000 more in departmental revenues and smaller increases in permits & licenses, investment income and special taxes. Interdepartmental revenues accounts for the reimbursement of costs incurred by Headquarters for services, supplies, and materials provided to other County departments such as the salaries of security officers and other employees budgeted in Headquarters but who provide services to other departments. Also included in this revenue is the chargeback for the use of the police assembly hall for CountyStat meetings which are convened on a regular basis. A corresponding expense gets credited to the budget of the user department as an interdepartmental charge. The increase in departmental revenues is related to aggressive collections for ambulance fees as well as the three additional ambulances put into operation in Bethpage, Oceanside and, for the summer months, Jones Beach. The expenses associated with conducting ambulance runs in these areas are offset by the revenue they generate.

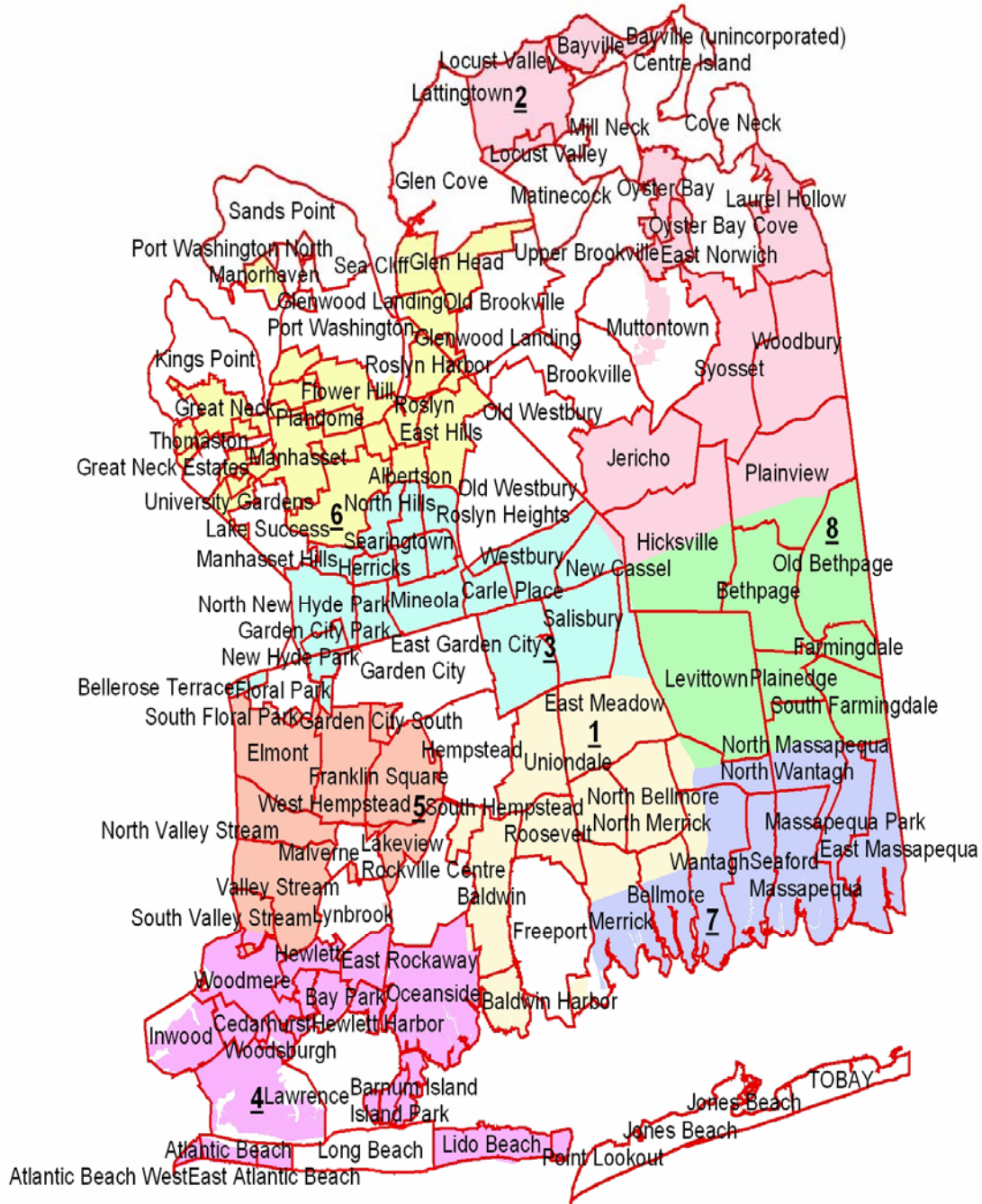
The \$475,000 increase in permits & license is due to their cyclical nature. In reaction to September 11<sup>th</sup>, a large number of people applied for and received permits. Those permits will be up for renewal in 2006 and based on the original number of applications revenue will increase. Special Tax revenues for the E-911 surcharge are growing by \$400,000 due to an increase in cell phone usage. As a result of this growth, the Department has adjusted the budget for the surcharge on land lines downward by \$1.6 million and increased the surcharge on cell phones by \$2 million.

**Out-Year Initiatives**

NAME	FY 2007	FY 2008	FY 2009
Overtime Reductions	\$2,000,000	\$2,000,000	\$2,000,000

The Police Department's desire to curb the trend in rising overtime costs is the driving force behind **overtime reduction** initiative. It is estimated that with the new police hires in 2005, the police department could save \$2 million in each of the out-years compared to the baseline assumptions in the Multi-Year Plan. The plan is to deploy the new officers, once training has been completed, directly into the precincts where minimum manning requirements are mandated. Not only will the number of new hires allow the Department greater latitude in managing charts more efficiently, but their lower pay scale will reduce the amount paid for overtime. Efforts to civilianize positions once held by sworn officers will also impact this savings initiative. The savings from this **overtime reduction** initiative are realistic and achievable provided that the Administration stands firm on its plan to keep staffing constant at 2,650 uniform personnel. Civilianizing all 100 agreed upon titles must also be successful to achieve the savings. In the past, there have been problems hiring for certain support positions but the Department seems to have overcome the low start pay issue and has recently completed the first phase of 50 hires, albeit almost a year behind schedule. The second 50 positions have been identified by the Department but have yet to be agreed upon by the County and the PBA. The civilianization issue is an important part to the success of this initiative and its full benefit may not be achieved if resolution with the PBA is not reached.





The map above outlines the police districts by number. The areas in white are not within the Police District and are not served by the District patrol.

**Police District**

The District fund derives its funding from those taxpayers that live within the Police District. Those residents who live in areas that have their own policing services do not pay this tax.

<b>DISTRICT REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
AA	Fund Balance	\$2,500,000	\$2,500,000	\$0	\$0	(\$2,500,000)	(\$2,500,000)
BC	Permits & Licenses	1,800,000	1,400,000	1,680,000	1,680,000	(120,000)	280,000
BD	Fines & Forfeitures	200,000	200,000	100,000	100,000	(100,000)	(100,000)
BE	Investment Income	65,134	112,742	67,088	112,754	47,620	12
BF	Rents & Recoveries	150,000	150,000	150,000	150,000	0	0
BH	Department Revenues	3,167,011	3,167,011	3,055,800	3,165,800	(1,211)	(1,211)
BJ	Interdepart. Revenues	901,426	901,426	0	935,835	34,409	34,409
SA	State Aid	0	102,253	0	0	0	(102,253)
TL	Property Tax	309,306,781	309,306,781	333,225,300	333,225,300	23,918,519	23,918,519
<b>Grand Total</b>		<b>\$318,090,352</b>	<b>\$317,840,213</b>	<b>\$338,278,188</b>	<b>\$339,369,689</b>	<b>\$21,279,337</b>	<b>\$21,529,476</b>

The District Patrol 2006 revenue budget of \$339.4 million is \$21.3 million, or 6.7%, over 2005's budget. The increase is from an additional \$23.9 million in property taxes which is offset slightly by the \$2.5 million elimination of the 2005 fund balance and reductions in permits & licenses, fines & forfeitures and departmental revenues. The \$2.5 million fund balance was used to fund one time initiatives in 2005 such as, among others, Operation Protect for \$1 million, which targeted increased bank robberies and \$250,000 for a new DWI initiative, which aggressively attacks the drunk driving issue. The \$100,000 decrease in fines and forfeitures is due to the cyclical nature of renewal applications and heavy compliance by business to conform to alarm permit regulations. Providing police services to certain villages generates the revenue in the departmental revenue line which will remain essentially flat for 2006. The \$935,835 in interdepartmental revenues accounts for the reimbursement of costs incurred by District for services, supplies, and materials provided to other County departments.

Salaries in 2005 were budgeted at \$203.6 million while OTPS costs were \$9.3 million. The 2006 Executive budget for salaries increases by \$19.8 million, or 9.7%, but when compared to 2005 projections, salaries grow by \$12.6 million, or 6%. Higher than budgeted overtime costs account for the 2005 projected shortfall in salaries. The Administration believed that the hiring of two new police officer classes in 2004 and one in 2005 would affect overtime positively in 2005, but training periods, 146 separations in 2004, which had a net impact of an additional 40 police officers that could cut into overtime, and a PBA arbitrator's interpretation of a clause in the PBA contract are all factors in driving up 2005 overtime expense. The arbitrator's interpretation pertained to the amount of personal days a precinct may receive per tour, regardless of its impact on overtime and will cost an estimated \$2 million. The Administration's commitment to holding uniform headcount at 2,650 in spite of the number of terminations, should help in containing overtime expense, particularly in District where mandated minimum manning requires costly overtime. However, that theory did not hold in 2005 for the reasons discussed above. As mentioned in the Headquarters discussion, the Administration has wisely increased

District's 2006's overtime from \$19.97 million in 2005 to \$27 million to prevent a shortfall in this line. The 2005 budgeted salaries also account for the PBA, SOA and DAI award salary increases as well as CSEA COLAs.

<b>DISTRICT EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$203,638,864	\$210,839,004	\$221,287,465	\$223,407,396	\$19,768,532	\$12,568,392
AB	Fringe Benefits	84,907,496	85,594,560	96,436,439	85,646,523	739,027	51,963
	<b>Total PS</b>	<b>288,546,360</b>	<b>296,433,564</b>	<b>317,723,904</b>	<b>309,053,919</b>	<b>20,507,559</b>	<b>12,620,355</b>
BB	Equipment	875,000	875,000	3,086,280	1,386,280	511,280	511,280
DD	General Expenses	3,748,056	3,748,056	3,678,802	3,678,802	(69,254)	(69,254)
DE	Contractual Services	800,000	800,000	806,563	806,563	6,563	6,563
DF	Utility Costs	985,275	985,275	1,605,845	1,605,845	620,570	620,570
OO	Other Expenses	2,900,000	2,900,000	450,000	450,000	(2,450,000)	(2,450,000)
	<b>Total OTPS</b>	<b>9,308,331</b>	<b>9,308,331</b>	<b>9,627,490</b>	<b>7,927,490</b>	<b>(1,380,841)</b>	<b>(1,380,841)</b>
HD	Debt Svc Chargebacks	845,394	845,394	745,754	745,754	(99,640)	(99,640)
HF	Inter-Dept. Charges	19,390,267	19,390,267	0	23,110,686	3,720,419	3,720,419
	<b>Grand Total</b>	<b>\$318,090,352</b>	<b>\$325,977,556</b>	<b>\$328,097,148</b>	<b>\$340,837,849</b>	<b>\$22,747,497</b>	<b>\$14,860,293</b>

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Police District. District will be responsible for such charges as printing, information technology, building occupancy and purchasing. The three largest are workers compensation and indirect charges and PDH charges, \$4.1 million, \$12.2 million and \$6.6 million respectively. A corresponding revenue gets credited to the department providing the service as an inter-departmental revenue (BJ). The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection.

The additional \$500,000 in the equipment line, reflects the \$800,000 in funding for 32 marked police vehicles to be purchased in 2006. The Department requested \$2.5 million for these vehicles in order to bring the number closer to the amount needed for a three year replacement cycle. The Administration denied the request citing insufficient funds and an adequate number of vehicles currently in the fleet. The slight reduction in general expenses line may be for cause for concern in light of the nationwide increase in gasoline. If gasoline prices reach forecasted heights as a result of Hurricane Rita, there may be a shortfall in this line. The \$2.5 million reduction in other expenses is due to the police initiative for one time expenses in 2005, such as "Operation Protect", police recruit uniforms and the DWI initiative mentioned in the expense discussion above.

<b>Police District Staffing Analysis</b>						
	<b>FY 05 <u>Adopted</u></b>	<b>Sept-05 <u>Actual</u></b>	<b>FY 06 <u>Request</u></b>	<b>FY 06 <u>Executive</u></b>	<b>Exec. vs <u>05 Adopt</u></b>	<b>Exec. vs <u>Actual</u></b>
Uniform	1,581	1,651	1,645	1,645	64	(6)
Civilian	<u>116</u>	<u>105</u>	<u>120</u>	<u>119</u>	<u>3</u>	<u>14</u>
Full-time Staffing	1,697	1,756	1,765	1,764	67	8
Part-time and Seasonal	459	442	460	460	1	18

The District’s full time uniform staff is scheduled to increase by 64 over the 2005 Adopted budget but declines by 6 when compared to September actuals. This is in keeping with the Administration’s commitment to stabilize uniform headcount at 2,650. Since Headquarters is funded for 1,008 sworn personnel, the District’s budget will accommodate 1,645 heads for which there will be sufficient funding in 2006. The funding for an additional 14 civilians over September actuals will be sufficient for the additional 16 police service aide trainees (PSA trainees) that will eventually work at the precinct level once the County and the PBA hammer out an agreement. The 2005 budget funded 28 civilian vacancies with unidentified titles to support the civilianization effort but have now been identified as the aforementioned PSA trainee.

DEPARTMENT OF PROBATION

While adult investigations are expected to be up significantly in 2005 for both criminal (17.0%) and family divisions (3.5%), pre-trial/intake activity is expected to be down in both areas (3.5% and 20.9% respectively). Intake activity is also projected to decline for persons in need of supervision (PINS) by 12.1% and for juvenile delinquents by 7.3%. Supervisions are projected to increase by approximately 3% for adults and 16% for PINS and juvenile delinquents.

<u>ACTIVITY INDICATORS</u>				
<u>INDICATOR</u>	<u>ACTUAL 2002</u>	<u>ACTUAL 2003</u>	<u>ACTUAL 2004</u>	<u>ESTIMATED 2005</u>
Investigations - Criminal Division	4,906	5,110	4,722	5,525
Pre-Trial - Criminal Division	13,921	13,609	13,673	13,188
Supervision - Criminal Division	7,452	7,371	7,239	7,456
Investigations - Family Division	1,159	1,231	1,304	1,350
Adult Intake - Family Division	6,510	5,400	5,705	4,512
Juvenile Intake - PINS*	1,269	1,464	1,406	1,236
Juvenile Intake - Juvenile Delinquents	933	1,059	971	900
Juvenile Supervision - PINS*	183	201	202	235
Juvenile Supervision - Juvenile Delinquents	261	260	358	416
* Persons in need of supervision				
Source: Probation Department				

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$18,268,500	\$18,319,873	\$19,049,999	<b>\$19,172,704</b>	\$904,204	\$852,831
BB	Equipment	24,908	20,000	74,500	<b>24,500</b>	(408)	4,500
DD	General Expenses	198,498	170,000	267,526	<b>182,463</b>	(16,035)	12,463
DE	Contractual Services	101,250	101,250	156,000	<b>102,081</b>	831	831
	<b>Total OTPS</b>	<b>324,656</b>	<b>291,250</b>	<b>498,026</b>	<b>309,044</b>	<b>(15,612)</b>	<b>17,794</b>
HF	Inter-Dept. Charges	1,892,632	1,826,288	0	<b>0</b>	(1,892,632)	(1,826,288)
	<b>Grand Total</b>	<b>\$20,485,788</b>	<b>\$20,437,411</b>	<b>\$19,548,025</b>	<b>\$19,481,748</b>	<b>(\$1,004,040)</b>	<b>(\$955,663)</b>

Salaries are increasing from the FY 05 budget by \$904,204 or 4.9% and increasing by \$852,831 or 4.7% from the FY 05 projected. This is due to the addition of 24 full-time positions over the September 2005 actual and an additional 17 positions over the 2005 budget. The additional positions are in response to a new State mandate which requires the County to provide diversion services to youth at risk of becoming the subject of a PINS petition. Currently, about 23% of all petitioners go straight to court without diversion efforts. As a result it is anticipated that many of these people will avoid costly residential placement. Other options include respite centers and cooling off locations. In addition, there is no longer a time limit on diversion services which will likely increase the amount of time spent on each case. Although these services will increase salary expenses, the Multi-Year Plan includes an initiative for Social Services to reduce expenses in this area due to the increased reimbursements received by Social Services. All salaries for these positions will be charged to Social Services where the State will reimburse the County for 65% of the cost. If the salaries were left in the Probation department, only about 20% would be reimbursable. About 13 of the new candidates are from an old list (test given in June of 2004) and are currently in the civil service process and the other 11 are from a new test and are currently going through investigations. Although the mandate was effective April 1, 2005, the impact is expected to be gradual and uncertain. Experienced Probation Officers are currently being transitioned into the PINS program and the new officers will be assigned more traditional roles in the department. The department believes the budgeted headcount will be sufficient as long as 100% backfilling occurs in a timely manner. However, the Administration has stated that once the department staffs up to budget, they will be subject to the one in three backfilling ratio. About 40% of the Probation Officers and Supervisors will be eligible to retire by the end of 2006 since Probation Officers are eligible to retire after 25 years of service regardless of age. The Department's administration has put together a hiring plan to try and deal with this situation but even if the headcount is increased it takes two years for a probation officer to complete training and maintain a full case load.

Step increases and a 2.5% CSEA contract increase effective January 2006 are also included in the salary budget.

Not including the inter-departmental charges, OTPS charges are decreasing in the FY 06 budget by \$15,612 or 4.8% from the FY 05 budget and increasing by \$17,794 or 6.1% from the FY 05 projected actual. General expenses are decreasing from the 2005 budget by \$16,035 or 8.1% but increasing from the projected actual by \$12,463 or 7.3%. Equipment is remaining close to the 2005 budgeted level but omitted a request for \$50,000 worth of IT hand held devices. These devices were to be used in conjunction with the new case management system which has been postponed indefinitely.

Contractual services was also reduced from the departmental request by \$43,919 for trainers, which is half the budget for this cost. The Probation Officers currently receive most of their training either in-house, from the Correctional Center or from the Police Department, but an outside consultant was hired to do additional training for areas such as self-defense, physical conditioning and handcuffing. The department is analyzing the minimal amount of training required and the Office of Management and Budget is looking for funds from the 2005 budget to help take care of these needs.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Probation. However, in the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change has resulted in a year to year budget reduction for inter-departmental charges of \$1.9 million.

<b>Department of Probation Staffing Analysis</b>						
	<b><u>FY 05 Adopted</u></b>	<b><u>Sept-05 Actual</u></b>	<b><u>FY 06 Request</u></b>	<b><u>FY 06 Executive</u></b>	<b><u>Exec. vs 05 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	244	237	244	261	17	24
Part-time and Seasonal	13	13	13	13	0	0

Full-time staffing is increasing by 17 from the FY 05 budget and by 24 from the September 1<sup>st</sup> actual. Part-time budgeted positions are remaining constant from the current actual and 2005 budget. Since only one in three CSEA positions will be back-filled and the department has stated that they will have difficulty functioning without 100% backfill, proper staffing levels may become an issue in the future.

The FY 06 revenue budget is \$1.8 million or 28.8% greater than the FY 05 budget and \$1.7 million or 26.7% more than the FY 05 projected actual. This is primarily due to a \$2.2 million increase in inter-departmental revenue. The entire \$3.0 million in the FY 06 budget is from Social Services for the reimbursement of salary costs associated with the PINS diversion program.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>	
BH Department Revenue	\$1,400,000	\$1,500,000	\$1,500,000	\$1,500,000	\$100,000	\$0	
BJ Inter-Dept. Revenue	835,375	835,375	0	3,000,000	2,164,625	2,164,625	
SA State Aid	4,036,658	4,036,658	4,200,000	3,575,992	(460,666)	(460,666)	
<b>Grand Total</b>	<b>\$6,272,033</b>	<b>\$6,372,033</b>	<b>\$5,700,000</b>	<b>\$8,075,992</b>	<b>\$1,803,959</b>	<b>\$1,703,959</b>	

State aid is budgeted to decrease from the 2005 budget and the 2005 projected actual by \$460,666 or 11.4%. This is due to the shifting of personnel to the PINS program which will increase reimbursements received through Social Services, but decrease the amount eligible to be reimbursed through the Probation Department. As stated previously, salaries reimbursed through Social Services receive about 65% and Probation receives about 20%. The net increase in reimbursement for charging this to Social Services is \$1.0 million. The total percentage the Probation Department receives from the State is also decreasing slightly from 21% to 20% in 2006.

The agency generates department revenues primarily from charges to clients for supervision and other administration fees to defray the costs associated with their supervision. The budget for departmental revenues has increased by \$100,000 or 7.1% from the FY 05 budget to reflect the increased collections experienced by the department in 2005.



## PUBLIC ADMINISTRATOR

The Office of the Public Administrator acts under and with the authorization of the New York State Surrogate's Court Procedure Act ("SCPA"), Article 12, Sections 1201-1219. The office is entrusted with the management and disposition of property on behalf of Nassau County residents who die intestate or whose wills name persons who are either unqualified or unwilling to assume responsibilities as executors of the will.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$412,364	\$381,585	\$431,813	\$419,757	\$7,393	\$38,172
BB	Equipment	2,531	2,531	2,552	2,552	21	21
DD	General Expenses	5,569	5,569	6,203	6,203	634	634
DE	Contractual Services	7,175	7,175	7,234	7,234	59	59
	<b>Total OTPS</b>	<b>15,275</b>	<b>15,275</b>	<b>15,989</b>	<b>15,989</b>	<b>714</b>	<b>714</b>
HF	Inter-Dept. Charges	70,453	70,453	0	0	(70,453)	(70,453)
	<b>Grand Total</b>	<b>\$498,092</b>	<b>\$467,313</b>	<b>\$447,802</b>	<b>\$435,746</b>	<b>(\$62,346)</b>	<b>(\$31,567)</b>

FY 06 salaries budget will increase by \$38,172 or 10.0% over OLBR's FY 05 projection. The increase is primarily due to a change in staffing composition. While the staffing levels will remain the same at seven full-time positions, certain titles will be changed. The department budgeted for two Clerk Typists in FY 05 and in FY 06 it will budget for one Clerk Typist and one Administrative Assistant. The Administrative Assistant possesses a higher salary than that of the Clerk Typist.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. Other than personal services remains close to the FY 05 budget at \$15,989 with minimal increases in equipment, general expenses and contractual services. A major portion of general expenses has been budgeted to obtain a General Bond to be in accordance with Surrogate Court Procedures Act Section 1203. The \$7,234 budgeted in contractual services is to cover annual audit conducted by an outside accounting firm.

The department has also stressed the need for computer software called Computrust for the accounting of assets and increased efficiency. This software is used in many other local municipalities. Currently the department relies on excel spreadsheets and does not have the proper internal controls that the software could provide. The department also hopes that, with the software, it will be able to process

reimbursements to the Department of Social Services more proficiently. The assets of the individuals who die intestate and who have been receiving public benefits can be recovered by the Department of Social Services.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Public Administrator. However, in FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$70,453.

<b>Public Administrator Staffing Analysis</b>						
	<u>FY05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY06 Request</u>	<u>FY05 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	7	7	7	7	0	0

Budgeted full-time headcount remains unchanged from FY 05 at seven.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
BH Department Revenues	\$285,000	\$327,854	\$300,000	\$300,000	\$15,000	(\$27,854)

The proposed revenue budget is increasing by 5% or \$15,000 to \$300,000 in FY 06. Public Administrator fees are based upon a percentage of the gross assets of the estates in which the Public Administrator has fiduciary responsibilities. The collection of fees is authorized under sections 2307 and 1207-4 of the Surrogate's Court Procedures Act. Revenue can vary on any given year based on the number of estates the County administrates; therefore revenue can be difficult to project. For FY 05 approximately \$303,164 has been collected in revenue through September. For FY 04 the department earned \$235,163 in revenue for the year. The department anticipates additional revenue primarily due to the greater value of the gross assets that would be under the responsibility of the Public Administrator.

## DEPARTMENT OF PUBLIC WORKS (GENERAL FUND)

Last year the Department of Public Works restructured its twelve control centers into four control centers: Administration, Engineering, Operations and Fleet Management. The FY 06 budget is decreasing by \$2.5 million or 3% from \$82.4 million in FY 05 to \$79.9 million in FY 06.

The department has the responsibility for the implementation and monitoring of the following Multi-Year Financial Plan initiative which has been incorporated into the FY 06 budget and out-year baseline assumptions:

### **Advertising - \$175,000**

Under the **Advertising** initiative, the Department of Public Works and the Department of Parks anticipate generating \$175,000 in revenue. The plan is to attract sponsors to utilize various County properties such as buildings, the Coliseum, Aquatic Center or roadways as media outlets.

### **Fleet Management - \$250,000**

The **Fleet Management** initiative plans to generate \$250,000 in expenditure savings. The plan is to reduce the number of non-emergency vehicles. Savings would be generated from a reduction in fuel as well as parts, equipment and maintenance. This initiative would also replace Sports Utility Vehicles (SUV) with Sedans which would also save gasoline expenses. The department of Public Works is in the process of surveying vehicle usage. The department will also purchase 40 Natural Gas Compressed Vehicles, 20 of which will be purchased in FY 05 and 20 in FY 06.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>		<b>Adopted FY 05 Budget</b>	<b>Departmental Request FY 06</b>	<b>Executive FY 06</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs. Request</b>
00	Administration	\$11,611,369	\$9,852,784	\$4,569,878	(\$7,041,491)	(\$5,282,906)
01	Engineering	18,147,823	17,743,531	18,022,566	(125,257)	279,035
02	Operations	48,395,584	49,390,367	52,380,868	3,985,284	2,990,501
03	Fleet Management	4,199,643	4,352,921	4,879,251	679,608	526,330
<b>Total</b>		<b>\$82,354,419</b>	<b>\$81,339,603</b>	<b>\$79,852,563</b>	<b>(\$2,501,856)</b>	<b>(\$1,487,040)</b>

The above chart reflects expenses by control center. Administration and Engineering are decreasing while Operations and Fleet Management have increased. The decrease in Administration and increase in Operations are due to the transfer of interdepartmental charges from Administration into Operations. Fleet Management (labeled Groundwater Remediation in the budget book) is increasing 16% due to general expense and interdepartmental charges.

The control center for Administration includes expenses to carry out administrative functions. This control center includes clerical, administrative and accounting functions as well as the capital planning office.

The division of Engineering (labeled as Highways and Engineering in the budget book) centralizes all engineering staff under various functional units. These include architectural planning & design, construction management, the quality control laboratory, traffic and signal engineering and the drafting unit.

Operations (labeled Roads and Bridge Maintenance in the budget book) includes road maintenance, bridge maintenance, snow & ice removal and operations, storm water and drainage maintenance, mosquito control and traffic maintenance. In FY 05 the Police Building Maintenance Unit had been budgeted in Operations. During the year, the Administration decided to shift the expenses back into Police Headquarters.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$37,202,238	\$36,185,967	\$36,710,572	\$36,443,722	(\$758,516)	\$257,755
BB	Equipment	484,514	484,514	470,284	351,319	(133,195)	(133,195)
DD	General Expenses	4,646,507	5,100,000	5,118,753	4,813,753	167,246	(286,247)
DE	Contractual Services	8,366,954	8,366,954	8,181,380	7,909,580	(457,374)	(457,374)
DF	Utility Costs	24,268,128	26,400,000	26,025,708	25,299,239	1,031,111	(1,100,761)
	<b>Total OTPS</b>	<b>37,766,103</b>	<b>40,351,468</b>	<b>39,796,125</b>	<b>38,373,891</b>	<b>607,788</b>	<b>(1,977,577)</b>
HF	Inter-Dept. Charges	7,386,078	7,386,078	4,832,906	5,034,950	(2,351,128)	(2,351,128)
	<b>Grand Total</b>	<b>\$82,354,419</b>	<b>\$83,923,513</b>	<b>\$81,339,603</b>	<b>\$79,852,563</b>	<b>(\$2,501,856)</b>	<b>(\$4,070,950)</b>

The FY 06 salary budget is decreasing by 2% from the FY 05 budget. The FY 05 projection of \$36.2 million is producing a surplus of \$1 million from the FY 05 budget. The FY 06 budget includes a 2.5% CSEA salary increase. Since the FY 06 budget is increasing from the current staffing level, the FY 06 salary appears to be sufficient.

Other than personal services are increasing by 2%. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. General expenses are minimally increasing in part for gasoline expenses under Fleet Management. The FY 06 budget of \$1.2 million may fall short due to the recent surge in fuel costs. For the first three quarters in FY 05 approximately \$1 million in fuel has

been expended in gasoline charges under Fleet Management. The FY 05 projection for general expense services is \$5.1 million or \$450,000 over budget.

For FY 06, the department's contractual expenses are decreasing by \$457,000 or 5% because one of its traffic maintenance contracts for traffic signal maintenance had expired and was just recently rebid; the result was a significant reduction in the cost of this contract from the previous one two years earlier.

Utility costs are rising by \$1 million due to the increased cost of oil and natural gas. The majority of the increase can be found in light, power and water, however fuel is decreasing by \$1.5 million. This is due to the savings from the Energy Conservation Program. This is a contract between the department and the New York State Power Authority to reduce energy costs to the County. The contract is effective this month and the budget includes a savings of \$840,000 as a result of this program. Utility costs also include a \$5 million charge for Tri-Gen Nassau District Energy which includes energy costs for the college. Due to the rise in energy consumption and energy rate increases, the FY 05 projection for utility costs is \$2.1 million over budget.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Public Works. However, in the FY 2006 budget the Office of Management and Budget has scheduled inter-departmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change has resulted in a year to year budget reduction for inter-departmental charges of \$2.4 million. The inter-departmental charges that will be eliminated include printing & graphics, postage, information technology, records management, purchasing, and telecommunications charges. Inter-departmental charges are decreasing from \$7.4 million in FY 05 to \$5 million in FY 06. Fleet maintenance charges was reduced by \$1.8 million and gasoline charges was reduced by \$302,000. The eliminated and reduced charges are partially offset by a \$2.6 million increase in PDH charges.

**Department of Public Works  
Staffing Analysis**

	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
00 Administration	51	44	49	49	(2)	5
01 Engineering	155	151	156	156	1	5
02 Operations	319	299	302	302	(17)	3
03 Fleet Management	42	35	35	36	(6)	1
<b>Total Full-time</b>	<b><u>567</u></b>	<b><u>529</u></b>	<b><u>542</u></b>	<b><u>543</u></b>	<b><u>(24)</u></b>	<b><u>14</u></b>
<b>CC Part-time and Seasonal</b>						
00 Administration	26	14	33	28	2	14
01 Engineering	1	5	0	0	(1)	(5)
02 Operations	161	110	176	151	(10)	41
03 Fleet Management	0	6	10	10	10	4
<b>Total Part-time and Seasonal</b>	<b><u>188</u></b>	<b><u>135</u></b>	<b><u>219</u></b>	<b><u>189</u></b>	<b><u>1</u></b>	<b><u>54</u></b>

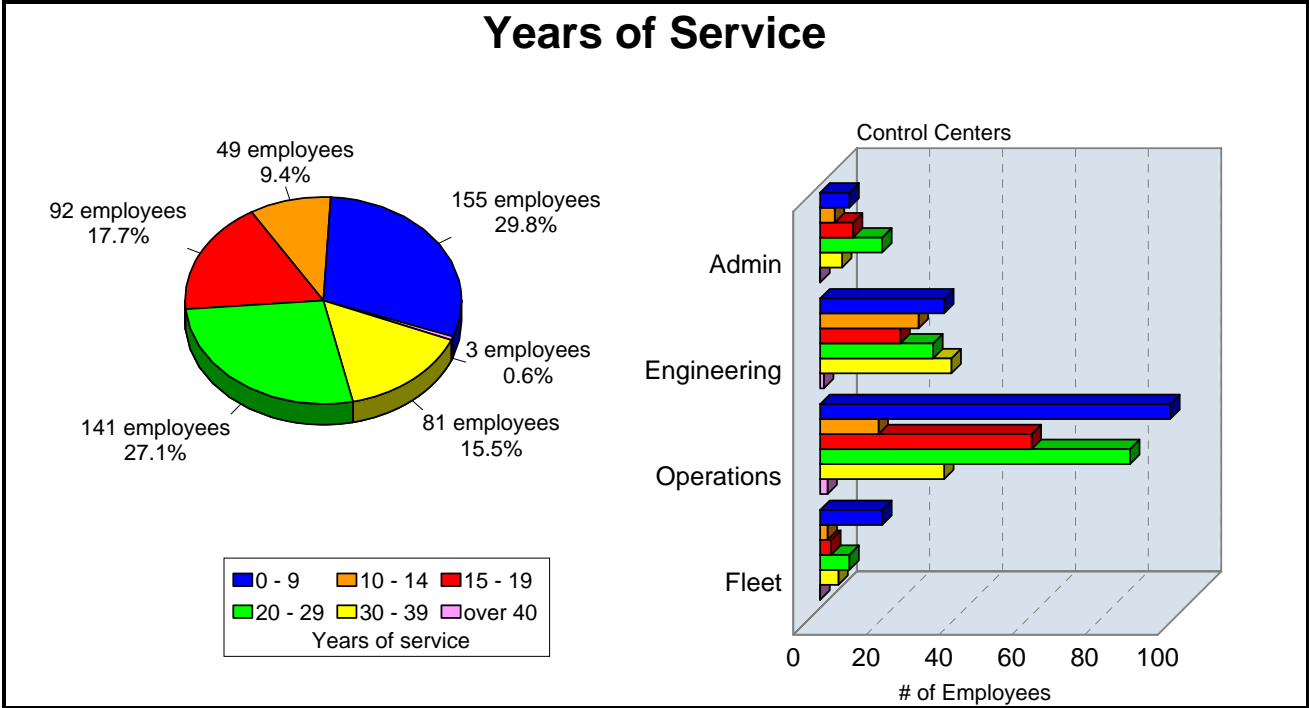
As seen in the above chart, full-time staffing in Public Works is decreasing by 24 positions from 567 in FY 05 to 543 in FY 06. The decrease of 17 positions in Operations includes the Building Maintenance Unit employees that were budgeted in Public Works for FY 05. The proposed FY 06 Budget includes 14 positions more than the current staffing level. The increase in Administration includes accounting and analyst positions identified for the Capital Planning Unit.

Part-time and seasonal positions are increasing by one position from 188 in FY 05 to 189 in FY 06. Ten seasonal Labor I positions for storm water and drainage maintenance have been removed from Operations. This has been offset by 10 part-time workers that have been added to Fleet. FY 06 salaries for Engineering seasonal positions have been reduced by \$48,000 from \$608,000 to \$560,000. The FY 06 salary budget for the part-time Fleet employees is \$182,600.

According to the department, Public Works continues to lose more employees than they can replace. A hiring plan has been created to identify critical positions required. For FY 06, the department believes that they can continue to function properly with the headcount figures above. During FY 05, the Department had identified 13 full-time positions from payroll that had been absent from work for extended periods of time. The Department has been successful in removing these positions from Payroll.

Additionally, the department continues to operate with a staff that has significant years of service, many of whom are close to retirement. The area chart below displays the number of employees with their corresponding years of service:

The chart below breaks reflects the number of employees by years of service. The chart also provides the break out by control center:



Approximately 43% of the department has greater than 20 years of service and 61% have greater than 15 years of service. Also the majority of employees that have greater than 15 years of service are in the control centers for Engineering and Operations. If a significant portion of these employees decide to retire, the department’s ability to function internally and in the field can greatly be hampered.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
BC	Permits and Licenses	\$390,000	\$390,000	\$182,000	\$182,000	(\$208,000)	(\$208,000)
BF	Rents & Recoveries	0	15,100,000	0	0	0	(15,100,000)
BH	Department Revenues	870,000	870,000	865,000	865,000	(5,000)	(5,000)
BI	Capital Backcharges	5,440,000	5,440,000	4,570,240	4,570,240	(869,760)	(869,760)
BJ	Interdepartmental Revenues	23,343,217	23,343,217	0	15,644,974	(7,698,243)	(7,698,243)
BW	Interfund Charges Revenue	5,574,320	5,574,320	0	6,700,000	1,125,680	1,125,680
FA	Federal Aid - Reimbursable	0	0	440,000	440,000	440,000	440,000
SA	State Aid - Reimbursable	55,000	55,000	0	0	(55,000)	(55,000)
<b>Grand Total</b>		<b>\$35,672,537</b>	<b>\$50,772,537</b>	<b>\$6,057,240</b>	<b>\$28,402,214</b>	<b>(\$7,270,323)</b>	<b>(\$22,370,323)</b>

The FY 06 revenue budget for the department is decreasing significantly by \$7.3 million from \$35.7 million in FY 05 to \$28.4 million. Most of this decrease is from interdepartmental revenue which is decreasing \$7.7 million or 33%. Interdepartmental revenue is decreasing because the department will no longer charge building occupancy charges to other General Fund departments who do not routinely receive federal and state reimbursement. The department will continue to receive revenue for building occupancy charges from other funds or from General Fund departments that are routinely eligible for federal and state reimbursement of expenses.

The revenue budget for permits and licenses, department revenues, capital chargebacks, interdepartmental revenue and state aid are also decreasing. These decreases are mostly due to a portion of revenue that will be included in the Sewer and Storm Water District Fund for FY 06. Permits and licenses are decreasing due to the transfer of revenue into the Sewer and Storm Water Fund for sewage connections and verification of permits/ connections. The decrease in capital chargebacks is related to personnel paid from the General Fund who at times are engaged in sewer capital projects. Approximately \$1.1 million in chargeback revenue has been transferred to the Sewer and Storm Water budget. Also as personnel engaged in capital projects leave, the department had not been able to replace them. Instead, consultants have been hired, and therefore chargeback revenue is not received.

The FY 05 projection in rents and recoveries is \$15.1 million. This funding reimburses the General Fund for personnel costs related to storm water operations. There are approximately 100 full-time positions in the General Fund that are responsible for storm water operations. The Sewer and Storm Water District Fund budgets these expenses under interdepartmental charges to reimburse the General Fund for these costs incurred on behalf of the Sewer and Storm Water District Fund.

Interfund revenue includes revenue from Nassau Community College for utility costs paid by the Public Works Department.



The FY 06 revenue budget for federal aid is for one of the traffic maintenance contracts (traffic computer maintenance). The department is eligible for 80% reimbursement of the amount spent on the contract. The contract is budgeted for \$550,000.

State aid has been eliminated in FY 06 due to the transfer of revenue to the Sewer and Storm Water District. State aid includes reimbursement from the State for mosquito control.

**Out-Year Initiatives**

<b>NAME</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Advertising Revenue	\$325,000	\$575,000	\$825,000

The **Advertising** initiative anticipates income of \$325,000 in FY 07, \$575,000 in FY 08 and \$825,000 in FY 09 by generating revenue from advertising various assets such as roadways, buildings and vehicles as media outlets. The initiative is a project that has been employed at the Metropolitan Transit Authority and the New York City School Districts. The Public Works participation in generating revenue under this initiative is very minimal. The majority of revenue will mostly like come from advertising assets in various park facilities. After a County-wide asset assessment, the plan is to solicit opportunities through interested sponsors.

## PURCHASING

The Office of Purchasing is responsible for the purchase of all materials, supplies, and equipment for County departments with the exception of the Board of Elections. The determination of applicable procurement procedures, price and vendor selections, placement of purchase orders and procurement contract administration accomplish this task.

<b>Purchasing Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	23	22	24	24	1	2

Salaries and related expenses for 24 full-time employees comprise 79.6% of the Office of Purchasing's proposed FY 06 Executive Budget of \$1.8 million. The budget increases salaries by 8.6%, or \$113,176, due to the addition of one full-time Statistician and Clerk Typist not budgeted for in the FY 05 adopted budget. CSEA employees will receive a salary adjustment of 2.5% as of January 1, 2006 and a step increase.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$1,316,287	\$1,415,224	\$1,461,185	\$1,429,463	\$113,176	\$14,239
BB	Equipment	3,040	3,040	2,300	2,300	(740)	(740)
DD	General Expenses	20,750	17,947	33,250	33,250	12,500	15,303
DE	Contractual Services			93,363	93,363		
	<b>Total OTPS</b>	<b>23,790</b>	<b>20,987</b>	<b>128,913</b>	<b>128,913</b>	<b>105,123</b>	<b>107,926</b>
HF	Inter-Depart Charges	463,741	463,741	0	237,588	(226,153)	(226,153)
	<b>Grand Total</b>	<b>\$1,803,818</b>	<b>\$1,899,952</b>	<b>\$1,590,098</b>	<b>\$1,795,964</b>	<b>(\$7,854)</b>	<b>(\$103,988)</b>

Excluding inter-departmental charges, contractual services of \$93,363 represents the second largest component of the department's expenditures for FY 06. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we

have done the same for the 2005 Budget and OLBR Projection. A 60% increase in general expenses is due for the most part to the addition of \$13,000 in miscellaneous supplies and expenses that was not budgeted for in FY 05.

The proposed OTPS budget for the Office of Purchasing, excluding inter-departmental charges, increased by over \$100,000 from FY 05. This increase represents approximately 72.4% in contractual services not budgeted for in 2005. These contracts represent software and miscellaneous contractual services.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges were developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Office of Purchasing. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The largest of these charges budgeted in FY 06 include \$120,790 for indirect charges, \$59,044 for building occupancy, and \$22,527 for printing. Overall, inter-departmental charges have decreased by \$226,152, or nearly 48% due to the absence of the following FY 05 expenses: 1) telecommunication charges of \$22,953, 2) a 33% decrease in indirect charges, and 3) the elimination of \$108,016 in information technology charges.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>	
BF Rents & Recoveries	\$30,000	\$86,155	\$50,000	\$50,000	\$20,000	(\$36,155)	
BH Departmental Revenues	253,783	7,283	15,000	15,000	(238,783)	7,717	
BJ Interdepartmental Revenues	2,202,218	2,202,218	0	858,709	(1,343,509)	(1,343,509)	
<b>Grand Total</b>	<b>\$2,486,001</b>	<b>\$2,295,656</b>	<b>\$65,000</b>	<b>\$923,709</b>	<b>(\$1,562,292)</b>	<b>(\$1,371,947)</b>	

The revenue budget has been decreased by \$1,562,292, or 62.8% due to the reduction of inter-departmental charges, the postponed implementation of the e-mail subscription service and the revised number of estimated subscriptions. Interdepartmental revenues reimburses Purchasing for services, supplies, and materials provided to other County departments. A corresponding expense gets booked to the budget of the user department as an inter-departmental charge (HF). In FY 06 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This has resulted in the \$1.3 million decrease in inter-departmental charges. Purchasing is charging agencies for procurement services based upon the number of purchase orders they generate. Its largest customers include Police Headquarters with expenses of \$319,000, Police District (\$70,000), Health (\$156,000), Fire Commission (\$156,000) and Parks (\$159,000).

Rents and recoveries is made up of income from the sale of surplus County property. As of September 30, 2005, over \$94,000 has been collected for this revenue source.

The department will continue with the on-line vendor initiative, which had been incorporated into the FY 05 budget. The goal of the on-line vendor initiative is to establish an e-mail subscription service through which qualified registered vendors are informed of upcoming bid opportunities. During 2006, the goal of reducing administrative efforts and increasing efficiencies will continue with particular focus on enhancing the electronic contracts routing process by decreasing the contract processing time within the NIFS financial system.

OFFICE OF REAL ESTATE SERVICES

In the FY 06 Real Estate Services budget, both expenses and revenues are decreasing as the County continues to sell off and vacate its excess space. Contributing to the decline in expenses is the fact that one full-time employee and five part-time employees are being transferred to the Information Technology Department. These employees were hired to help implement the County-wide electronic data management program. In order to achieve maximum efficiencies in the building consolidation program and avoid paying for wasted space, many departments are attempting to electronically store as much information as possible to reduce their space requirements and have quicker access to information.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$891,284	\$1,007,014	\$860,838	\$829,136	(\$62,148)	(\$177,878)
DD	General Expenses	139,188	320,340	212,000	212,000	72,812	(108,340)
DE	Contractual Services	0	0	125,000	96,019	96,019	96,019
93	Insurance on Bldgs	1,000,000	133,512	1,000,000	1,000,000	0	866,488
94	Rent	12,847,013	11,800,000	13,055,620	12,091,815	(755,198)	291,815
	<b>Total OTPS</b>	<b>13,986,201</b>	<b>12,253,852</b>	<b>14,392,620</b>	<b>13,399,834</b>	<b>(586,367)</b>	<b>1,145,982</b>
HF	Inter-Dept. Charges	226,124	226,124	0	0	(226,124)	(226,124)
	<b>Grand Total</b>	<b>\$15,103,609</b>	<b>\$13,486,990</b>	<b>\$15,253,458</b>	<b>\$14,228,970</b>	<b>(\$874,639)</b>	<b>\$741,980</b>

The chart above details the Real Estate Services expense budget by object class. Excluding inter-departmental charges, the overall expense budget is declining by 4.4% from the FY 05 adopted budget. The decrease is primarily a function of the decrease in the rent category. The County is paying less rent as it consolidates office space. OLBR is projecting FY 05 rent to come in under budget. This is a result of the elimination of most portions of the lease with Plainview Properties and the fact the lease on the Charles Lindbergh property started later than anticipated. Exhibit A on the following page details County rent expenses. The taxes portion of the rental payments have been separated out since they are estimates based upon prior year payments.

<b>County Rent Expenses, Exhibit A</b>		
<b>Rental Locations</b>	<b>use of building</b>	<b>2006 Rents</b>
Village of Hempstead (parking)	courts, hempstead agencies	\$ 441,350
Village of Hempstead (parking)	additional needs for 2006	50,000
Plainview Properties	veterans	329,243
24-26 Main Street- Traffic Violations	traffic violations	317,039
	Taxes	159,687
St Brigids- Police	police HQ	227,282
40 Main Street	drug & alcohol, civil service, youth board	1,046,582
	Taxes	316,312
Bellmore-Merrick School- Sr. Cit	senior citizens	81,576
1 Helen Keller Way- Legal Aid	legal aid for indigent defendants	310,357
435 Middleneck Road- 3rd Dist. Ct.	court	277,345
	Taxes	15,909
60 Charles Lindberg	HHS vertical	6,096,439
160 Old Country Road	IT, Worker's Comp	72,000
	Taxes	153,674
LIRR MTA	right of way in Garden City	500
<b>TOTAL CURRENT RENTS</b>		<b>9,895,296</b>
<b>NUMC Locations</b>		
PD		73,780
Mental Health		30,360
Drug & Alcohol (Bldg K)		346,525
Medical Examiner		824,923
Fire Commission- EMS		95,918
Health Dept (WIC)		5,037
Correctional Center		405,889
<b>TOTAL NCMC</b>		<b>1,782,432</b>
<b>Holly Patterson</b>		
VEEB		171,446
Fire Commission- Arson Squad		242,640
<b>TOTAL A HOLLY PATTERSON</b>		<b>414,086</b>
<b>TOTAL PBC RENTS</b>		<b>2,196,519</b>
<b>GRAND TOTAL RENTS</b>		<b>\$ 12,091,814</b>

As mentioned previously, the salary line is decreasing since the Director of Electronic Data Management and his part-time staff will be transferred to the Department of Information Technology. The salary line seems sufficient to fund the 11 full-time employees.

The general expenses category is increasing to cover the moving expenses of County Departments which are shifted as part of the building consolidation program. New in the FY 06 budget is \$96,019 of funding for contractual services. The monies will be used to purchase appraisals required for the sale of County-owned property. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Consumer Affairs. However, in FY 2006

budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>		<b>Adopted FY 05 Budget</b>	<b>Departmental Request FY 06</b>	<b>Executive FY 06</b>	<b>Variance Exec. Vs. Adopted 05</b>	<b>Variance Exec. Vs. Request</b>
10	Real Estate Services	\$14,663,046	\$14,812,855	\$13,805,909	(\$857,137)	(\$1,006,946)
20	RE Services - Ordinance	440,563	440,603	423,061	(17,502)	(17,542)
<b>Total</b>		<b>\$15,103,609</b>	<b>\$15,253,458</b>	<b>\$14,228,970</b>	<b>(874,639)</b>	<b>(1,024,488)</b>

The above chart shows the Office expense budget by control center. A second control center is included to separate the ordinance employee's expenses from those of the non-ordinance employees. The Real Estate Services control center is declining as a result of the decrease in rental payments detailed previously.

<b>Real Estate Planning and Development Staffing Analysis</b>							
		<b>FY 05 Adopted</b>	<b>Sept-05 Actual</b>	<b>FY 06 Request</b>	<b>FY 06 Executive</b>	<b>Exec. vs 05 Adopt</b>	<b>Exec. vs Actual</b>
<b>CC Full-time Staffing</b>							
10	Real Estate Services	7	6	6	6	(1)	0
20	RE Services - Ordinance	5	6	5	5	0	(1)
<b>Total Full-time</b>		<b>12</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>(1)</b>	<b>(1)</b>
<b>CC Part-time Staffing</b>							
10	Real Estate Services	0	0	0	0	0	0
20	RE Services - Ordinance	0	5	0	0	0	(5)
<b>Total Part-time</b>		<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(5)</b>

Total Real Estate Services full-time headcount is budgeted to decrease by one from both the FY 05 adopted and the September 2005 actual. This is result of the previously mentioned staffing transfer to the Department of Information Technology. Budgeted FY 06 part-time headcount is not changing from the adopted FY 05 budget. However, when compared to the September 2005 actual, part-time staffing is decreasing by five. These employees are being transferred to the Information Technology Department and will be working on the electronic data storage project. An analysis of the job titles included in the FY 06 budget reveals that one employee is getting a promotion and one new employee has been hired as a replacement for an employee who left. The replacement has been hired as a Project Director. The Project Director replaced the previous Superintendent of Heating and Ventilation.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
BF	Rents & Recoveries	\$7,909,433	\$8,603,559	\$8,241,301	\$8,241,301	\$331,868	(\$362,258)
BH	Dept Revenues	75,600	68,040	75,600	75,600	0	7,560
BJ	Interdept Revenues	10,862,389	10,862,389	0	7,485,267	(3,377,122)	(3,377,122)
SA	State Aid	359,000	94,314	94,314	94,314	(264,686)	0
<b>Grand Total</b>		<b>\$19,206,422</b>	<b>\$19,628,302</b>	<b>\$8,411,215</b>	<b>\$15,896,482</b>	<b>(3,309,940)</b>	<b>(3,731,820)</b>

The total FY 05 Real Estate revenue budget is decreasing by 17.2% from the adopted FY 05 level. Most of the decrease is attributable to the decline in the inter-departmental revenue category. This is a result of the Administration’s decision to reduce the number of departments that are assigned inter-departmental charges. Most general fund departments will no longer participate in the process. Inter-departmental charges will only be assigned to County departments that are either a cost segment of a major County fund or routinely eligible for federal and state reimbursement of expenses or are a shared services department that sells services.

The state aid category is similarly declining from the adopted FY 05 budget. The State Aid was supposed to cover bond interest expenses and maintenance costs related to State Court buildings located in Nassau County. The decrease is a result of lower bond interest expenses and the State’s decision to take over the maintenance of the courts.

The rents and recoveries line is used to budget for rents collected on County owned buildings and recoveries obtained from the Nassau County Veterans Memorial Coliseum utilities, rental and concessions. The chart on the next page details these rents and recoveries.

Total FY 06 rents and recoveries are budgeted to increase by 4.2% from the FY 05 adopted budget. The increase is primarily a function of higher Coliseum concessions. Concessions are budgeted to increase 116.7% as a result of greater than anticipated collections over the past three years. Exhibit B on the next page itemizes the rents that the County collects from properties that it owns. This category will continue to decline as the County sells off its excess space. The Coliseum utilities line is increasing to reflect the higher cost of oil. The rents collected from the Mitchell Field Properties are increasing at contractually agreed upon amounts, these amounts are shown in Exhibit C.

<b>BF Rents &amp; Recoveries</b>		<b>2005 Adopted</b>	<b>2006 Proposed</b>	<b>Variance Proposed Vs. Adopted</b>
<b>Sub-Object</b>				
707	Rent County Properties	\$320,065	\$188,713	(\$131,352)
716	Coliseum Utilities	1,740,331	1,817,433	77,102
717	Coliseum Rental	303,215	39,895	(263,320)
718	Coliseum Concessions	354,000	767,087	413,087
720	Rental Mitchell Field Property	5,191,822	5,428,173	236,351
<b>Total</b>		<b>\$7,909,433</b>	<b>\$8,241,301</b>	<b>\$331,868</b>



The chart below details the properties on which the County collects rent. Rents from the Detective’s Association, the Lakeview Public Library, the Superior Officers Association, and the Long Island Council of Churches are no longer being collected since the organizations have vacated spaces contained in County owned buildings.

<b>Rent From County Property, Exhibit B</b>		
<u>Tenant Name</u>	<u>2005 Annual Rent</u>	<u>2006 Annual Rent</u>
Bell Merrick Dodge	\$6,900	\$8,100
Channel 21 (ANNUAL)	0	0
City of Glen Cove (ANNUAL)	12	12
Civil Air Patrol (ANNUAL)	12	12
Civil Service Employees Association	28,800	28,800
Coleman Country Day Inc.	1,200	1,200
Concord Drive-In Cleaners (ANNUAL)	50	50
Crestwood Country Day School	1,800	1,800
Inc.Village of Valley Stream (ANNUAL)	1	1
Keyspan- Real Estate Department (ANNUAL)	113,705	113,705
Lakeside Inn Inc.	4,896	5,228
LIRR - Real Estate Dept (ANNUAL)	100	100
Long Island Party Rentals	90,000	0
Long Island Water (ANNUAL)	608	608
Massapequa Water District (ANNUAL)	7	7
New York Water Service Corp. (ANNUAL)	5,440	5,440
New York Telephone (ANNUAL)	0	0
Rocco J. Cambareri (ANNUAL)	NA	300
Roosevelt Board of Education (ANNUAL)	200	200
Science Museum of Long Island (ANNUAL)	NA	1
Sham Chitkara (ANNUAL)	NA	36
Sutton & Edwards Management, LLC	600	600
Ten Washington Realty Assoc.	2,837	3,366
The Woods Knife Corp. (ANNUAL)	120	120
Town of Hempstead	NA	0
Urology Associates, P.C.	0	0
Village of Hempstead (ANNUAL)	12	12
Village of Mineola (ANNUAL)	12	12
Village of Russell Gardens (ANNUAL)	50	50
Village of Valley Stream (ANNUAL)	NA	1
Volunteer Fire Department (ANNUAL)	120	120
Wantagh Fire District (ANNUAL)	1,300	1,300
Wantagh Racquet Sport (ANNUAL)	17,400	17,400
Westbury Medical (ANNUAL)	120	120
Woodcrest Club (ANNUAL)	120	12
<b>Total</b>	<b>\$276,422</b>	<b>\$188,713</b>

The Exhibit C below details the Mitchell Field properties from which the County collects rent.

<b>Rent Mitchell Field Properties, Exhibit C</b>		
<b>Tenant</b>	<b>2005 Rent</b>	<b>2006 Rent</b>
Atria East Associates	\$85,309	\$85,309
Bergwall Productions, Inc.	24,183	24,183
Coliseum Hotel Associates	256,356	256,356
Coliseum Hotel Associates (Parcel I)	93,279	94,410
Coliseum Hotel Associates (Parcel II)	91,960	101,905
Concept 400 Realty	105,000	120,000
Fortunoff	88,660	88,660
Galaxy L.I. Associates LLC	728,222	728,222
HPI Partners One, LLP	133,148	133,148
JP Morgan Chase Bank	119,302	119,302
Lighthouse 1600, LLC	413,728	413,728
Meadowbrook Plaza South	60,030	68,159
Nassau District Energy Group ( TRIGEN)	837,168	924,204
Oak Realty	25,240	25,240
Office Center at Mitchel Field	139,367	139,367
Reckson Assoc (HMCC)	159,687	182,500
Reckson Assoc (OMNI)	534,730	534,730
Reckson Operating Partnership	155,620	155,620
Reckson Operating Partnership	230,877	263,860
Reckson Operating Partnership	183,562	183,562
Robert Plan Corp	62,355	62,355
Rodolitz (Quentin Roosevelt )	331,864	382,920
Rolin Realty	57,862	66,120
United Parcel Services	274,313	274,313
<b>Total</b>	<b>\$5,191,822</b>	<b>\$5,428,173</b>

The properties all are currently operating under 99 year leases. These leases were all signed between 1979 and 1984 and are scheduled to expire between 2078 and 2083.

**Out-Year Initiative**

<b>NAME</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Nassau Coliseum Redevelopment	\$1,500,000	\$1,500,000	\$1,500,000

Through the Nassau Coliseum Redevelopment smart government initiative, the County will increase lease revenue based on the disposition of the site. The County has issued an RFP for proposals to redevelopment the Coliseum and its abutting land. All proposals must meet and exceed the terms set by the proposed lease between Nassau County and the Lighthouse Group. Since the proposed lease with the Lighthouse Group includes a \$1,500,000 rental payment and all other proposals will have to meet or exceed this amount, the revenue initiative seems reasonable, assuming Legislative approval is obtained. According to the Multi-Year Plan, the County will begin to collect these payments in 2007. However, it

is uncertain if the County will actually collect any rental payments in the out years since the lease specifies that the Lighthouse group has up to four years to secure the approvals that it needs to build. During this approvals period no rental payments are required.

**THE OFFICE OF RECORDS MANAGEMENT**

The purpose of the Office is to administer and maintain the central records and documents storage facility for all agencies of County government. Documents on file comply with mandated retention schedules and are subject to retrieval by originating agencies. The department also provides production capability for microfilming services. Established in the FY 03 budget, Records Management was originally part of the Department of General Services, which was eventually merged with Parks. The Office is under the supervision of the County Clerk.

**EXPENSE BUDGET  
BY OBJECT CLASS**

<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries, Wages & Fees	\$642,186	\$585,379	\$713,047	\$708,531	\$66,345	\$123,152
BB	Equipment	\$0	\$0	\$37,575	\$37,575	37,575	37,575
DD	General Expense	180,000	180,000	182,250	181,476	1,476	1,476
DE	Contractual Services	423,463	275,000	134,680	134,680	(288,783)	(140,320)
	<b>Total OTPS</b>	<b>603,463</b>	<b>455,000</b>	<b>354,505</b>	<b>353,731</b>	<b>(249,732)</b>	<b>(101,269)</b>
HF	Inter-Depart Charges	551,644	551,644	0	680,333	128,689	128,689
	<b>Grand Total</b>	<b>\$1,797,293</b>	<b>\$1,592,023</b>	<b>\$1,067,552</b>	<b>\$1,742,595</b>	<b>(\$54,698)</b>	<b>\$150,572</b>

The salaries account for Records Management will increase by 10.3% in FY 06. The increase in the salary line is primarily a function of budgeted increase in part-time employees. The part-time salary budget is increasing by \$51,317 to accommodate 11 additional part-time employees.

The aggregate FY 06 OTPS budget, excluding inter-departmental charges, will decrease by 41.4% compared to the adopted FY 05 budget. The decline is a function of the fall in contractual services funding. The FY 05 adopted contractual services budget was overstated. In FY 06 the Office is contracting with a firm to provide off-site records storage. The contract is payable over five years in annual installments of \$134,680.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Consumer Affairs.

<b>Office of Records Management Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actuals</u>
Full-time Staffing	10	9	10	10	0	1
Part-time Staffing	2	11	13	13	11	2

The budget for FY 06 includes funding for 10 full-time employees and 13 part-time employees. The salary line is sufficient to cover these positions.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
BJ Inter-departmental Revenues	\$689,658	\$689,658	\$689,658	\$129,084	(\$560,574)	(\$560,574)

Interdepartmental revenues reimburses Records Management for services, supplies, and materials provided to other County departments. A corresponding expense gets booked to the budget of the user department as an interdepartmental charge. This year's inter-departmental revenues are declining as a result of the Office of Management and Budget decision to only apply an inter-departmental charge to those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services.

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**RESERVES**


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The revenue scheduled in Reserves is on the line for rents and recoveries, which is mainly derived from the disencumbrance of prior year appropriations. The proposed amount of \$12.5 million is unchanged from the current year.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
BF Rents and Recoveries	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$0	\$0

SENIOR CITIZEN AFFAIRS

The Department of Senior Citizen Affairs is the designated Area Agency on Aging in Nassau County, and is the principal agency designated to carry out the provisions of the Older Americans Act of 1965 as amended. The department receives funding from Federal and State agencies for program planning, administration and operations. The agency is comprised of the following three responsibility centers: 1) Administration, 2) Programs, and 3) Fiscal/Human Resources.

Currently residing at 60 Charles Lindbergh Blvd., the department serves as a funding agency for programs offered by other voluntary and government agencies. In addition to serving as an advocate for approximately 260,000 elderly citizens residing in Nassau County, or approximately 19% of the County’s population, the department provides more than 90 programs in the areas of health, employment, legal services, volunteerism, home care, transportation, nutrition, etc., as well as information on housing, to improve the quality of life for older persons

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$2,257,727	\$2,243,299	\$2,461,951	\$2,404,769	\$147,042	\$161,470
BB	Equipment	6,140	6,140	6,000	6,000	(140)	(140)
DD	General Expenses	38,225	38,225	60,036	60,036	21,811	21,811
DE	Contractual Services	10,875,154	10,875,154	12,279,912	12,279,912	1,404,758	1,404,758
	<b>Total OTPS</b>	<b>10,919,519</b>	<b>10,919,519</b>	<b>12,345,948</b>	<b>12,345,948</b>	<b>1,426,429</b>	<b>1,426,429</b>
HF	Inter-Depart Charges	995,277	995,277	0	1,407,862	412,585	412,585
	<b>Grand Total</b>	<b>\$14,172,523</b>	<b>\$14,158,095</b>	<b>\$14,807,899</b>	<b>\$16,158,579</b>	<b>\$1,986,056</b>	<b>\$2,000,484</b>

The department aggregate expense budget will increase by nearly \$2.0 million in FY 06, of which \$1.4 million is attributable to an increase in contractual services. Excluding inter-departmental charges, the total OTPS expense budget, which comprises 76.4% of the overall budget, will also increase from FY 05 by the same \$1.4 million, suggesting the significance of contractual services in the department’s overall budget for FY 2006. The 13% growth in contractual services points toward additional reimbursable funds the department will receive in FY 06, which includes a greater allocation from the State in Extended In-Home Services for the Elderly (EISEP).

Salaries in the Senior Citizen budget will increase by \$147,042 or approximately 6.5% in 2006. Compared to FY 05 projections, the growth approximates 7.2%. This escalation is the result of several expenditure sources including: 1) two full-time and one part-time employee hired for the second half of the year; 2) the cost of CSEA COLA contractual increases; and 3) an additional \$12,195 of termination pay.

A detailed list of the Department of Senior Citizen Affairs's FY 06 proposed contracts and associated funding follows. The \$1.4 million variance from FY 05 represents an increase of approximately 12.8%.

<b>CONTRACT LIST: SENIOR CITIZENS AFFAIRS</b>			
<b>Contractor/Program</b>	<b>2006 Amount</b>	<b>Contractor/Program</b>	<b>2006 Amount</b>
EISEP Blanket	2,344,970	To be determined-2006 audit	30,000
Catholic Charities-IIIC	1,261,344	Helen Keller-IIIB	18,380
Catholic Charities-SNAP	155,585	Helen Keller-IIIC	30,855
Catholic Charities-CSE/TR	519,131	Herricks-CSE/CSI	121,743
Catholic Charities-EISEP	612,149	Herricks-IIIC	59,732
Catholic Charities-IIIE	73,985	Herricks-IIIE	11,716
Coral House-FGP luncheon	2,345	Hispanic Brotherhood-IIIC	28,255
Cornell Cooperative Ext-IIID	25,000	JASA-IIIB	107,968
Doubleday-IIIB/Trans/Bus	71,611	JASA-IIIC	356,638
Doubleday-IIIC	97,124	JASA-SNAP	107,466
EAC-IIIC (Hemp) <sup>1</sup>	229,725	JASA-EISEP	195,945
EAC-IIIC (Pt. Wash)	76,010	Leonards-RSVP lunch	12,800
EAC-IIIB (Hemp)	133,757	LI Alzheimers Assn-IIIE	50,000
EAC-IIIB (Pt Wash)	89,369	Marriott-May Conference	15,456
EAC-IIID	37,000	Nassau Health Care-drug test	300
EAC-SNAP	150,495	Nassau Health Care-flu prog	1
EAC-CSI	40,000	N/S Law Services-IIIB	180,909
FCA-IIIB/Ombuds <sup>2</sup>	82,389	PCC-CSE	288,122
FCA-IIIB/SFC	97,541	Port Washington Sr Cits-IIIC	14,130
FCA-IIIB/Comm Support	447,217	Professional Health-IIIE	50,000
FCA-IIIB/MAP	269,138	Salvation Army-IIIB	85,007
FCA - IIIE	102,512	Salvation Army-IIIC	207,825
FCA-EISEP	592,147	Salvation Army-SNAP	61,282
FCA-IIIB SAFE	25,000	Salvation Army-IIIE	11,918
FCA-IIIC	461,122	Sid Jacobson - IIIE	75,550
FISH-CSE	7,747	Urban League-CSE HOPE	40,526
Five Towns Inwood - IIIB	52,703	Information & Referral Services (*)	390,562
Five Towns Inwood - IIIC	81,984	VNA-IIIC	520,318
Glen Cove-IIIB	86,682	VNA-SNAP	251,168
Glen Cove-IIIC	133,222	Westbury SC-IIIC	18,504
Glen Cove-IIIE	47,571	YOM-CSE	90,161
Great Neck-IIIB	130,171	YOM-IIIC	97,503
Great Neck-IIIC	121,223	Title IIIE funds to be allocated	91,203
		<b>Total</b>	<b>\$12,279,912</b>

(\*) SS SC exchange allocated to Title IIIE Contracts

<sup>1</sup>Education & Assistance Corp.

<sup>2</sup>Family & Child Association



To accommodate mass mailings in FY 06, the newly budgeted \$24,000 for postage and postage delivery contributes to the upward shift in general expenses from FY 05.

Inter-departmental costs of \$1.4 million have been charged to the Department of Senior Citizen Affairs, demonstrating an upward change of 41% from FY 05. Included in these costs are \$533,843 of building occupancy charges, \$516,873 of indirect charges and \$147,401 of IT charges.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>					
<b>Control Center</b>	<b>Adopted FY 05 Budget</b>	<b>Departmental Request FY 06</b>	<b>Executive FY 06</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs Request</b>
10 Senior Citizens Affairs	\$3,304,636	\$2,571,934	\$3,922,614	\$617,978	\$1,350,680
20 Com. Svcs for Elderly	1,371,643	1,527,294	1,527,294	155,651	0
30 Nutrition Program	3,731,608	3,660,719	3,660,719	(70,889)	0
35 Sr. Citizens Comm. Ctr.	93,421	93,421	93,421	0	0
40 Area Agency Title III - B	1,772,181	1,877,842	1,877,842	105,661	0
50 Foster Grandparents	25,868	3,465	3,465	(22,403)	0
60 Extend. In-Home Svcs.	2,662,795	3,340,211	3,340,211	677,416	0
65 SNAP (Nutrition Program)	690,119	725,996	725,996	35,877	0
66 Title IIID/Health Promotion	97,000	102,000	102,000	5,000	0
67 Title IIIE/(Care Givers)	423,252	905,017	905,017	481,765	0
<b>Total</b>	<b>\$14,172,523</b>	<b>\$14,807,899</b>	<b>\$16,158,579</b>	<b>\$1,986,056</b>	<b>\$1,350,680</b>

The Department of Senior Citizen Affairs contains nine cost centers that are related to state and federally funded programs as well as Senior Citizen Affairs (CC 10). The FY 06 total expense budget for the department of Senior Citizen Affairs is 14% more than the FY 05 budget. Senior Citizen Affairs (CC 10) increased by 19%, or \$617,978, accounting for inter-departmental charges. Community Services for Elderly (CC 20) increased by 11%. The 87% variance in the Foster Grandparents program (CC 50) from FY 05 represents the transfer of a program worker to be charged via a contract with the Family and Children Association (FCA) in FY 06. The Foster Grandparents program places low-income, eligible senior citizens in day care centers, schools, hospitals, etc., to work 20 hours per week, one-on-one with children under the age of 17 with special needs. This transfer will not affect the level of services provided by the program.

The Department of Senior Citizen Affairs receives its State funding from the New York State Office for the Aging based on several criteria, specific to program functions. A greater allocation by the New York State Office for the Aging accounts for the increased expenditures in Extended In-Home Services for the Elderly (EISEP; CC 60). The services provided for under EISEP include provisions to those elderly in the community who need community based long-term care but who are not eligible for medical assistance (i.e. Medicaid and Title XX). Budgeted expenses for the Supplemental Nutrition Assistance Program (S.N.A.P.; CC 65), which is an in-home nutrition State program, the Nutrition Program (CC 30), a federal in-home nutrition program, Title IIIE Care Givers Program (CC 67) and Title IIID Health Promotion Program (CC 67) are based on receiving the same funding from the New

York State Office for the Aging as in FY 05. S.N.A.P and the Nutrition Program provide hot nutritious meals to the elderly either at home or at a community-based senior center. Title IIID, under the purview of the Health, Promotion, Education & Recreation Program promotes health and well-being among elderly Nassau residents. The Caregiver Program offers respite, day care counseling, information and referrals, and support groups to adult caregivers who provide informal care to persons aged 60 years and up.

<b>Department of Senior Citizen Affairs Staffing Analysis</b>						
	<b>FY 05 Adopted</b>	<b>Sept-05 Actual</b>	<b>FY 06 Request</b>	<b>FY 06 Executive</b>	<b>Exec. vs 05 Adopt</b>	<b>Exec. vs Actual</b>
Full-time Staffing	35	36	38	37	2	1
Part-time Staffing	3	6	8	8	5	2

The additional two full-time and five part-time employees for FY 06, as compared to FY 05 will be used to administer the additional monies provided by State aid to the department. Compared to Sept.05 actual, head count will increase by one full-time Senior Citizen Program Development Specialist, and two part-time positions, one custodian and one food service worker.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>	
BH Department Revenues	\$15,000	\$15,000	\$15,450	\$15,450	\$450	\$450	
BJ Inter-departmental Revenues	72,277	72,277	0	390,562	318,285	318,285	
FA Federal Aid - Reimbursable	5,148,501	5,148,501	5,034,374	5,034,374	(114,127)	(114,127)	
SA State Aid - Reimbursable	4,024,770	4,024,770	4,688,045	4,688,045	663,275	663,275	
<b>Grand Total</b>	<b>\$9,260,548</b>	<b>\$9,260,548</b>	<b>\$9,737,869</b>	<b>\$10,128,431</b>	<b>\$867,883</b>	<b>\$867,883</b>	

Departmental revenues will remain relatively stable from the prior three years with a forecast of \$15,000. An annual luncheon/conference sponsored by the department every May is the source of these funds, which consists of a series of workshops directed toward senior citizen concerns. Although the event does generate revenue from attendees who pay for the tickets, the proceeds offset 100% of the costs incurred by holding the event. The Senior Citizen of the Year award is presented at this conference.

The department will receive approximately \$9.7 million, or approximately 96% of its total budgeted revenue of \$10.1 million from Federal and State agencies for program planning, administration and operations. The aggregate revenue budget for the department in FY 06 is increasing by \$867,883, or 9% from FY 05. An increase of 16% State aid from the FY 05 budget, and an additional revenue source

totaling \$390,562 (an increase of \$318,285) from Information & Referral Services, budgeted as inter-departmental revenue explains the growth in budgeted revenues.

The \$390,562 in additional inter-departmental revenue from FY 05 is the direct result of an inter-departmental service agreement with the Department of Social Services (DSS), in which DSS purchases the Information & Referral Services provided by Senior Citizen Affairs as part of the County’s “No Wrong Door” policy. DSS then claims reimbursement for these services. By expensing Information & Referral services through DSS, rather than through Senior Citizen Affairs which has reached its reimbursable administrative cap, the County has been able to tap otherwise unavailable sources of revenue. Information & Referral services refers specifically to the advocacy, outreach, education and information offered to County residents regarding the health, human and social service programs offered.

Approximately 48% of the department’s funding is a State pass-thru of federal funds. In FY 05, an annual supplemental grant appropriation of \$240,000 from the New York State Office for the Aging (SOFA) was credited to the Foster Grandparents program to cover stipends and travel expenses for foster grandparents. In addition, the County is partially reimbursed for costs of operating the Foster Grandparent Program in Nassau County. No County match was required of this revenue source. Therefore, there was no net effect on the actual FY 05 budget since an equal amount of revenue and expenditure was recognized.

**Out Year Initiatives:**

The department has the responsibility for the implementation and monitoring of a portion of the **program reduction** initiative. This is part of a Countywide out-year initiative to save funds by reducing the contract expenses for non-mandated programs in Health and Human Services departments by \$1,000,000 as part of the Multi-year plan, beginning in 2007. Although the bulk of the savings will come from Social Services, (\$890,000 annually in years 2007-2009), the **program reduction** initiative will reduce the contract expenses of Senior Citizen Affairs by \$60,000 in years 2007-2009. This amount represents 0.49% of the total contract amount budgeted for FY 06. The exact distribution of contract expense reductions has not yet been determined, nor is it known at this time what the impact will be on the programs’ providers and clients.

<b>NAME</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Program Reductions	\$60,000	\$60,000	\$60,000

**THE SEWER AND STORM WATER DISTRICT**

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In the Fall of 2003 the New York Senate and Assembly passed a bill, which was signed by the Governor, to establish the Nassau County Sewer and Storm Water Finance Authority. Chapter 685 of the Laws of 2003 added Title 10-D to the New York State Public Authorities Law to create the Authority.

This legislation created the Authority and a consolidated County-Wide Sewer & Storm Water Resource District. The sole purpose of the Sewer and Storm Water Finance Authority is to refinance outstanding sewer and storm water resources debt issued by the County (previously paid from the General Fund) and to finance future County sewer and storm water resources projects. The Authority can restructure this debt within a \$350 million cap. The original intention behind the creation of the Authority was to restructure sewer debt issued through the Environmental Facilities Corporation to create debt service savings. However, the County has not been allowed to restructure the bonds through the EFC. In 2004, the EFC did not have enough funding to fund all projects requested by various municipalities. The EFC created criteria for the selection of projects to fund. Under the selection, new construction ranks higher than financing acquisitions.

Thus far the Authority has issued two series of Revenue Bonds. The first issuance occurred on March 1, 2004 of \$54.2 million in aggregate principle of System Revenue Bonds 2004 Series A Bonds. The second issuance occurred October 1, 2004 and included \$27.4 million in aggregate principle of System Revenue 2004 Series B Bonds. The bonds are special obligations of the Authority and are payable solely from the revenues, funds and assets that have been pledged under the Resolution as security for the payment. The proceeds of the bonds will be used to refinance certain outstanding County Bonds, and to pay issuance costs of the 2004A and 2004B Bonds as well as miscellaneous acquisition expenses. The new restructuring matches the useful life of assets with the maturity of debt, which previously amortized at a very rapid rate. The long term obligations allow the Authority to take advantage of low short term rates and are callable without penalty if the EFC funding becomes available in the future.

The District Act abolished the patchwork of 27 collection and 3 disposal districts. A single County-wide district has been created in their place to provide sewer and storm water services. All the rights, privileges, duties and responsibilities and obligations of the prior districts became that of the new district. All funds remaining in the accounts of the prior districts have been transferred to the Authority for capital needs, debt service and reserves.

The rate stabilization program established under the agreement requires the tax levy to remain unchanged from the level set in 2003 until 2007. Since no storm water tax existed in 2003, none will be assessed until after 2007. The District Act requires the County to transition to three zones of assessment by 2014: one zone of assessment that is County-wide for storm water services, one zone of assessment for sewage collection and sewage disposal, and one zone of assessment for sewage disposal only. Taxes will be sent to the Town Receivers of Taxes, and then directed to a trustee to ensure payment of Authority bonds. The Authority and the County have entered into a financing agreement related to the financial relationships of the entities.

**Flow of funds**

The Financing Agreement establishes a flow of funds between the Sewer and Storm Water Finance Authority and the Sewer and Storm Water Resource District. Assessments are collected and designated to a trustee by the Receiver of Taxes. The assessments flow to the Financing Authority to first settle all of its financing obligations for debt service and for the Authority's operating expenses. After the Authority has absorbed the required amount needed to settle obligations, the funds are transferred to the Sewer and Storm Water Resource District. The resource district then takes the amounts needed to settle their operating expenses and capital pay as you go spending. If the Authority does not have sufficient funds, reserve funds have been set up to satisfy any obligations of the Authority and protect the ratepayer.

Reserve funds established under the Sewer Financing Authority include the Debt Service Fund and the Rate-Stabilization Reserve Fund. The Operations and Maintenance Reserve Fund resides in the District.

The Debt Service Fund shall be held in trust by the Trustee until applied as needed. It includes a separate account for each series of bonds. In the event of insufficient funds, and the Debt and Sinking Fund Reserve is insufficient, the trustee shall be authorized (without direction from the Authority), to apply the money in the Debt Service Reserve Fund toward payments of debt service requirements becoming due and payable upon a series of Bonds. There are no requirement limits on the Debt Service Reserve Fund.

The rate stabilization reserve fund is held in trust by the Trustee until applied under the Resolution. Upon receipt of written instructions from the Treasurer of the County, the Authority shall direct the Trustee to transfer money to the Rate Stabilization Reserve Fund or to apply it to capital expenses of the System.

The O&M Fund shall be made available immediately to the Authority upon request if necessary to fund debt service on Authority Bonds, County Bonds, New County Bonds, Authority Operating Expenses in excess of the budgeted amounts expended for such fiscal year (not to exceed an aggregate of \$1 million when added to the current fiscal year budgeted amount). The fund should maintain an amount equal to 25% of the operating expenses of the District budgeted for a fiscal year.

In the event of insufficient funds for payment of debt service, the Trustee shall, without instruction or further direction from the Authority, transfer the amount needed from the Debt Service Reserve Fund or the Rate Stabilization Reserve Fund to the Debt Service and Sinking Fund. If the amounts are still insufficient, the Authority shall direct the County to transfer the amount in the O&M Reserve Fund to satisfy any deficiency.

**Sewer and Storm Finance Authority Board:**

The Sewer and Storm Water Finance Authority Board meets regularly and its current members are:

John R. Bransfield, Jr.

Wayne Lipton

Michael H. Dorsky

Paul D. Annunziato

Patricia M. Canzoneri

Jeffrey S. Schwartz

Helena E. Williams

Recently the board had agreed to switch to a new plan of finance for the issuance of bonds under the Commercial Paper Program Tax-Exempt Commercial Paper Notes (the “Notes”). The program provides a low cost flexible financing source for the Authority. The program provides the Authority with access to cash made available at low short-term interest rates, which can be used when needed to finance capital expenditures. The Authority subsequently issues long term debt to take out its outstanding commercial paper notes. This program ensures the Authority can take maximum advantage of opportunities to refund or restructure debt. Also the Authority can draw on it for actual not planned expenditures such as capital improvements, refunding or restructuring.

**SEWER AND STORM WATER DISTRICT**

**FY 2006 Budget**

The FY 06 Budget below for the Sewer and Storm Water Finance Authority and the Sewer and Storm Water Resource District reflect technical changes to be made to the FY 06 Budget. The FY 06 budget for the Sewer and Storm Water Finance Authority is decreasing by \$20 million to \$178.3 million. The FY 06 budget for the Sewer and Storm Water Resource District is increasing by \$38.2 million to \$234.5 million.

**Sewer and Storm Water Resource District:**

<b>SEWER &amp; STORM WATER RESOURCE DISTRICT</b>							
<b>EXPENSE BUDGET</b>							
<b>BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$24,360,669	\$18,643,749	\$29,243,732	\$29,243,732	\$4,883,063	\$10,599,983
AB	Fringe Benefits	11,240,097	6,840,880	11,421,114	11,481,602	241,505	4,640,722
	<b>Total PS</b>	<b>35,600,766</b>	<b>25,484,629</b>	<b>40,664,846</b>	<b>40,725,334</b>	<b>5,124,568</b>	<b>15,240,705</b>
BB	Equipment	151,118	110,000	226,981	226,981	75,863	116,981
DD	General Expenses	9,000,655	10,600,000	9,046,903	9,046,903	46,248	(1,553,097)
DE	Contractual Services	20,749,625	20,749,625	21,441,500	21,441,500	691,875	691,875
DF	Utility Costs	10,553,201	10,800,000	10,774,339	10,774,339	221,138	(25,661)
HH	Interfund Charges	27,757,849	27,757,849	28,235,890	27,812,858	55,009	55,009
32	Operations and Maintenance	43,244,321	43,244,321	18,803,764	27,597,615	(15,646,706)	(15,646,706)
33	General Reserves	15,381,709	15,381,709	46,282,126	49,655,477	34,273,768	34,273,768
87	Other Suits & Damages	500,000	500,000	500,000	500,000	0	0
	<b>Total OTPS</b>	<b>127,338,478</b>	<b>129,143,504</b>	<b>135,311,503</b>	<b>147,055,673</b>	<b>19,717,195</b>	<b>17,912,169</b>
FF	Interest	17,117,106	17,117,106	15,337,145	16,265,147	(851,959)	928,002
GG	Principal	16,154,411	16,154,411	33,247,484	30,411,599	14,257,188	(2,835,885)
	<b>Total Debt Service</b>	<b>33,271,517</b>	<b>33,271,517</b>	<b>48,584,629</b>	<b>46,676,746</b>	<b>13,405,229</b>	<b>(1,907,883)</b>
	<b>Grand Total</b>	<b>\$196,210,761</b>	<b>\$187,899,650</b>	<b>\$224,560,978</b>	<b>\$234,457,753</b>	<b>\$38,246,992</b>	<b>\$33,152,874</b>

The FY 06 expense budget is increasing \$38.2 million from \$196.2 million in FY 05. This is due to increases in salaries, the general reserves and debt service, which are offset by a decrease in the operations and maintenance reserve.

Personal services are increasing 14% from \$35.6 million in FY 05 to \$40.7 million. This is due to increases in both salaries and fringe benefits. The salary budget is increasing by \$4.9 million or 20% due to insufficient budgeting in FY 05. The FY 05 budget amount of \$24.4 million did not include the entire chargeback amount from the General Fund for storm water services. The chargeback accounts for the costs incurred on behalf of the Sewer for Sewer and Storm Water Resource District for sewer and

storm water services. Approximately \$6.9 million in salaries has been budgeted in FY 06 to cover the cost of the storm water personnel in the General Fund. This charge-back includes the responsibility centers from the General Fund for wastewater engineering, groundwater remediation, storm water & drain maintenance (or water supply), mosquito control and construction. In FY 05 the portion for water supply had not been included in the FY 05 budget. The FY 05 projection of \$18.6 million is below the FY 05 budget by \$5.7 million because the projection does not include the storm water personnel costs from the General Fund.

The fringe budget is increasing by \$181,000 or 2%. It includes the fringe benefit costs for the storm water general fund personnel. Approximately \$4.2 million, or 56%, of the salary budget will be used to cover these employees.

Other than personal services is increasing by \$20 million from \$127.3 million in FY 05 to \$147.1 million due to the General Reserves Fund and the O&M Reserve Fund. The FY 05 budget had incorrectly allocated the amounts for these two funds. FY 06 switches the allocation between the two reserves. The O&M Reserve must be maintained at a level equal to 25% of operating expenses (excluding debt). The General Reserve Fund is allowed to float to any amount.

In FY 06 budget for interfund charges is increasing by \$55,000 to \$27.8 million. These charges also accounts for the costs incurred on behalf of the Sewer District for sewer and storm water services. Of this amount, \$14.2 million are for charges from the General Fund for salaries of Public Works storm water employees. Another \$8.1 million will be charged for indirect and other than personal services expenses related to these employees. The Administration has decided to budget these costs in both salaries and interfund charges.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. General expenses remain flat with a 1% variance. Included in general expenses are costs for sewage and drainage supplies, motor vehicle supplies, equipment and maintenance renovations, medical supplies, building supplies etc. The FY 05 projection for general expenses is \$10.6 million.

Contractual services are increasing by 3% to \$21.4 million in FY 06. Of this amount \$10.5 million has been budgeted for sludge disposal.

Utility costs are growing by 2% to \$10.8 million in FY 06. Due to rising energy costs, utilities may fall short. The FY 05 projection is \$10.8 million or about \$250,000 under budget.

Debt Service is increasing 40% from \$33.3 million in FY 05 to \$46.7 million because the FY 06 budget does not assume any further restructuring since none is necessary to achieve the requirements of the rate stabilization plan. The FY 05 budget was predicated on the planned restructuring of debt, such as the current refunding.



**SEWER & STORM WATER RESOURCE DISTRICT  
REVENUE BUDGET**

Revenue Class		Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. Vs FY 05 Proj.
AA	Fund Balance - BOY	\$9,053,700	\$21,401,465	\$95,071,265	\$68,433,159	\$59,379,459	\$47,031,694
BE	Investment Income	750,000	1,100,000	1,250,000	1,250,000	500,000	150,000
BF	Rents and Recoveries	632,178	300,000	325,000	325,000	(307,178)	25,000
BH	Department Revenues	1,255,224	1,255,224	1,788,302	1,788,302	533,078	533,078
BI	Capital Backcharges	348,871	348,871	451,780	451,780	102,909	102,909
BW	Interfund Charges	111,651,136	103,600,000	125,674,631	162,209,512	50,558,376	58,609,512
IF	Interfund Transfers	72,519,652	76,400,066	0	0	(72,519,652)	(76,400,066)
<b>Grand Total</b>		<b>\$196,210,761</b>	<b>\$204,405,626</b>	<b>\$224,560,978</b>	<b>\$234,457,753</b>	<b>\$38,246,992</b>	<b>\$30,052,127</b>

The FY 06 revenue budget for the Resource District is \$234.5 million, which is an increase of \$38.2 million compared to the FY 05 budget. This increase is due to a growing fund balance. The fund balance of \$68 million does not include the Financing Authority's fund balance of \$39.3 million.

Interfund transfers have been excluded from the FY 06 budget. The FY 06 amount has been included in Interfund charges. The \$125.7 million in revenue accounts for the costs incurred by the Sewer District for sewer and storm water services charged to the Finance Authority.

Departmental revenues are increasing by roughly \$533,000 from \$1.3 million in FY 05 to \$1.8 million in FY 06. Approximately \$1.5 million of revenue in the FY 05 General Fund budget will be transferred to the Sewer and Storm Water Resource District in FY 06. The revenues to be transferred include subdivision plan review, non-stormwater discharges, 239F drainage waiver, and capital backcharges. However this revenue does not appear in the FY 06 Resource District Budget.

**The Sewer And Storm Water District  
Staffing Analysis**

	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
31 Sewage Disposal District 3-Plant	0	2	0	0	0	(2)
50 Sewer & Storm Water District	392	294	461	461	69	167
<b>Total Full-time</b>	<b><u>392</u></b>	<b><u>296</u></b>	<b><u>461</u></b>	<b><u>461</u></b>	<b><u>69</u></b>	<b><u>165</u></b>
<b>CC Part-time and Seasonal</b>						
Part-time and Seasonal	3	10	3	3	0	(7)

Full-time staffing is increasing by 69 positions from the FY 05 adopted budget of 392 positions to 461 positions in the Sewer and Storm Water District. This budget is an increase of 165 positions over the current staffing level. The FY 05 budget did not include the storm water personnel from the General Fund. Part-time staffing remains unchanged at three positions.

In FY 05 the department identified critical hiring needs, which included positions for Sewage Treatment Chemist I's, Laborer I's, Power Plant Operator Trainees, Plant Maintenance Mechanic Trainees's and Maintenance Electricians for the Bay Park Sewage Treatment Plant. The FY 06 budget request includes critical new hires for Sewage Treatment Plant Operator Trainees, Power Plant Operator Trainee, Clerk I's, Plant Maintenance Mechanic Trainees, and Industrial Waste Control Specialist's and Equipment Operators.

Sewer and Storm Water Finance Authority:

<b>SEWER &amp; STORM WATER FINANCE AUTHORITY</b>							
<b>EXPENSE BUDGET</b>							
<b>BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
DD	Other Expenses	\$0	\$250,000	\$0	\$0	\$0	(\$250,000)
DE	Contractual Services	500,000	500,000	0	500,000	0	(500,000)
LZ	Transfer Out to SSW	184,170,788	180,000,000	0	162,209,512	(21,961,276)	(17,790,488)
31	Rate Payer Protection Plan	7,000,000	7,000,000	0	7,000,000	0	0
	<b>Total OTPS</b>	<b>191,670,788</b>	<b>187,750,000</b>	<b>0</b>	<b>169,709,512</b>	<b>(21,961,276)</b>	<b>(18,540,488)</b>
FF	Interest	3,159,945	3,000,000	0	5,420,413	2,260,468	2,420,413
GG	Principal	3,075,000	3,000,000	0	3,125,000	50,000	125,000
	<b>Total Debt Service</b>	<b>6,234,945</b>	<b>6,000,000</b>	<b>0</b>	<b>8,545,413</b>	<b>2,310,468</b>	<b>2,545,413</b>
	<b>Grand Total</b>	<b>\$197,905,733</b>	<b>\$193,750,000</b>	<b>\$0</b>	<b>\$178,254,925</b>	<b>(\$19,650,808)</b>	<b>(\$15,995,075)</b>

The above chart reflects the expenditure budget for the Sewer and Storm Water Finance Authority. The biggest component of the \$178.2 million is the transfer of funds to the Sewer and Storm Water Resource District. These charges represent a transfer from the Financing Authority to the Resource District. With the creation of the Authority, all tax proceeds are received by the Authority to fund debt service payments, and reserve accounts, and Authority operating expenses for debt issuance. The remaining balance of the tax proceeds is transferred to the District for annual operating expenses. This amount has been reduced by \$22 million from \$192 million in FY 05.

Debt service of \$8.5 million has been budgeted in FY 06, which is an increase of \$2.3 million from FY 05. This increase is from new debt issued in FY 05.

The funding for the rate payer protection plan remains unchanged from the FY 05 budget at \$7 million. The Financing Agreement prohibits the County from reducing the Rate Stabilization Reserve Fund to an amount below \$7 million before 2007.

**SEWER & STORM WATER FINANCE AUTHORITY  
REVENUE BUDGET**

<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. Vs FY 05 Proj.</b>
AA Fund Balance - BOY	\$58,973,424	\$0	\$0	\$39,322,616	(\$19,650,808)	\$39,322,616
OA Capital Proceeds	0	32,552,653	0	0	0	(32,552,653)
BQ Debt Service from Capital	0	8,520,000	0	0	0	(8,520,000)
TL Property Tax	138,932,309	138,932,309	0	138,932,309	0	0
<b>Grand Total</b>	<b>\$197,905,733</b>	<b>\$180,004,962</b>	<b>\$0</b>	<b>\$178,254,925</b>	<b>(\$19,650,808)</b>	<b>(\$1,750,037)</b>

The FY 06 revenue budget for the Sewer and Storm Water Finance Authority includes property taxes and fund balance. The rate stabilization program requires the tax rate to remain unchanged until 2007. Therefore, property taxes remain unchanged at \$138.9 million.

Fund Balance is decreasing \$20 million from \$59 million to \$39.3 million in FY 06. Property taxes remain unchanged at \$139 million. The bond proceeds of \$8.5 million are from the issuance of commercial paper. The \$32.6 million includes revenue collected from retired debt. Approximately \$120 million has been collected in property taxes for FY 05. Assessments are collected in February/March and August/September.

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**DEPARTMENT OF SOCIAL SERVICES**

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The mission of the Department of Social Services (DSS) is to provide supportive services and financial assistance to eligible individuals and families in Nassau County, consistent with federal and state laws.

The department has the responsibility for the implementation and monitoring of the following Multi-Year Financial Plan initiatives which have been incorporated into the FY 06 budget and baseline:

**HHS Administrative Consolidation - \$1,721,456**

This initiative will reorganize and consolidate the administrative functions of the Health and Human Services vertical, such as IT, human resources, accounting, and finance, with the goal of increasing revenue and reducing costs. The relocation of HHS employees to 60 Charles Lindbergh Blvd., and the ongoing document imaging project allow for the integration of staff, and as time goes on, savings through attrition. DSS has entered into inter-departmental service agreements with the following departments as a purchaser of Information & Referral (I & R) services: Senior Citizens, Drug & Alcohol, Veteran's Affairs, and the Office for the Physically Challenged. This will allow DSS to receive reimbursement for those costs. This amount is net of any available reimbursement.

**Persons in Need of Supervision (PINS) - \$1,457,072**

The PINS initiative is related to a statewide effort to reduce the placement of persons in need of supervision in detention facilities. A PINS candidate is defined by the New York State Division of Probation and Correctional Alternatives as:

A person less than eighteen years of age who does not attend school in accordance with the education law or who is incorrigible, ungovernable, or habitually disobedient and beyond the lawful control of a parent or other person legally responsible for such child's care, or who possesses or uses illegal or controlled substances.

The State budget "included \$5.2 million for counties and New York City to provide enhanced PINS diversion services."<sup>1</sup> Nassau will receive approximately \$100,000 of that funding. Diversion services include respite centers and cooling off locations. These alternatives are less costly than residential placement, and are more appropriate for the less serious cases. DSS has increased contractual funding to provide PINS services, and the Probation Department will hire 20 more officers specifically for this initiative. The salaries of these officers will be picked up by DSS by way of an inter-departmental service agreement. Savings will show up as reduced expenses in the emergency vendor payments line of DSS, and were estimated based on the assumption that the current diversion rate would be increased as greater resources are dedicated towards that end. Depending on the seriousness of the case, residential placement can cost from \$75,000 to \$100,000 annually.

As can be seen in the chart on the next page, the proposed expense allocation for the Department of Social Services would be a decrease of \$53.1 million, or 9.8%, compared to the FY 05 budget. If the IGT payment and the inter-departmental charges are backed out, the decrease becomes \$60.6 million, or 12.3%. This significant variance is the result of the passage of State legislation earlier this year which capped the local share of Medicaid expenditures for FY 06 at the 2005 level plus 3.5%. The change in the law also altered the way that payments will be made to the State. In FY 05 the County budgeted

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<sup>1</sup> NYSAC News, Volume 26, Number 1, Summer 2005

\$63.5 million for Medicaid related revenues, which partially offset expenditures. In FY 06 the County will not receive those revenues; instead they will be deducted from the local share of expenditures. Of the remaining direct assistance programs, recipient grants and purchased services are remaining flat, while the line for emergency vendor payments is increasing by \$2.2 million. Although the Medicaid - IGT is being reduced by \$1.4 million, the County will not realize any budgetary savings because the expense in both years is balanced by an equal amount of revenue (see discussion of IGT below).

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$48,488,480	\$47,600,064	\$51,356,266	\$50,036,797	\$1,548,317	\$2,436,733
BB	Equipment	126,532	126,532	377,570	127,570	1,038	1,038
DD	General Expenses	1,151,795	1,171,795	1,161,243	1,161,243	9,448	(10,552)
DE	Contractual Services	11,811,461	11,911,461	13,324,796	14,398,321	2,586,860	2,486,860
DF	Utility Costs	400	400	400	400	0	0
	<b>Total OTPS</b>	<b>13,090,188</b>	<b>13,210,188</b>	<b>14,864,009</b>	<b>15,687,534</b>	<b>2,597,346</b>	<b>2,477,346</b>
SS	Recipient Grants	51,604,600	51,604,600	53,152,600	51,652,600	48,000	48,000
TT	Purchased Services	45,886,814	45,886,814	46,312,951	46,012,951	126,137	126,137
WW	Emerg Vendor Pymnts	50,824,000	52,624,000	53,060,200	53,060,200	2,236,200	436,200
XX	Medicaid - Local Share	281,748,167	237,693,033	217,259,516	214,609,343	(67,138,824)	(23,083,690)
XY	Medicaid - IGT	40,973,706	40,973,706	39,573,706	39,573,706	(1,400,000)	(1,400,000)
	<b>Tot. Direct Assistance</b>	<b>471,037,287</b>	<b>428,782,153</b>	<b>409,358,973</b>	<b>404,908,800</b>	<b>(66,128,487)</b>	<b>(23,873,353)</b>
HF	Inter-Depart Charges	10,663,208	10,663,208	0	19,541,024	8,877,816	8,877,816
	<b>Grand Total</b>	<b>\$543,279,163</b>	<b>\$500,255,613</b>	<b>\$475,579,248</b>	<b>\$490,174,155</b>	<b>(\$53,105,008)</b>	<b>(\$10,081,458)</b>

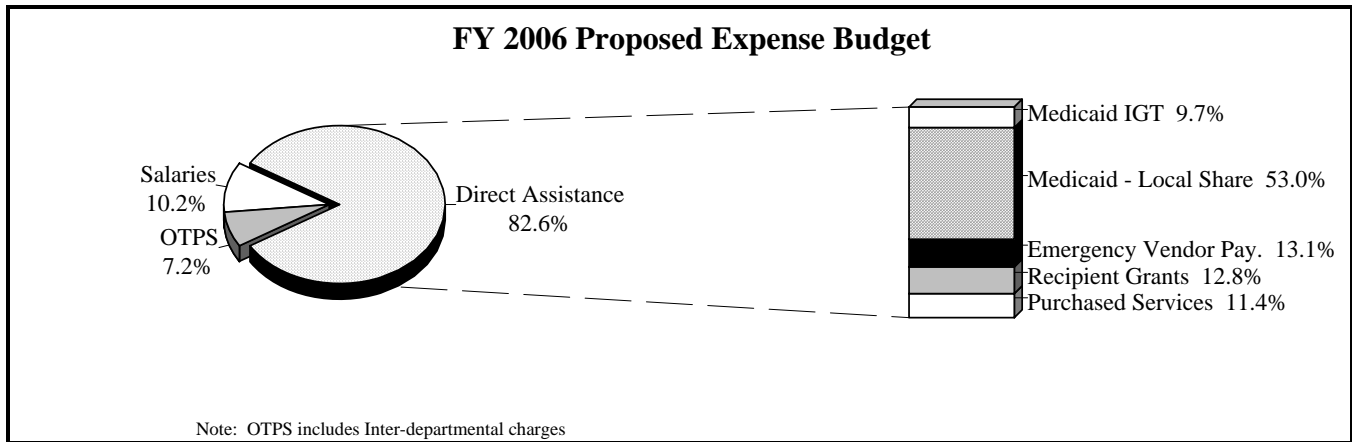
The \$1.5 million, or 3.2%, payroll increase will accommodate a CSEA contractual salary adjustment of 2.5% as of January 1, 2006, plus steps. Budgeted headcount will grow by 21 full-time employees, while part-time positions will be reduced by 40. The department receives an average 75% reimbursement for its personnel costs up to the state aid cap, and 50% for expenditures over the cap.

The proposed budget for other than personal services, less interdepartmental charges, is increasing by \$2.6 million, or 19.8%, all of which represents additional funding for contractual services. Of this amount, \$1.5 million is related to the County Executive's outreach initiative to the community-based not-for-profit agencies. Also added was funding of \$500,000 for a new contract for automated case management related to long term home health care, and \$220,000 for the PINS program to hire two contract social workers. In addition, the department contracts for IT services, software licensing, process serving and employment assessment. The lines for general expenses and equipment are remaining relatively flat.

Inter-departmental charges are increasing by \$8.9 million, or 83.3%, to \$19.5 million. These charges are intended to identify and allocate the costs incurred by other departments on behalf of the Department of Social Services. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). A large part of the FY 06 increase is attributable to the addition of a line for indirect charges in the amount of \$5.4 million. This expense represents the department's portion of the costs for such centralized governmental operations as payroll, human resources, and legal services.

<b>Inter-Departmental Charges</b>	<b>Adopted 2005</b>	<b>Executive 2006</b>	<b>+/-</b>
Probation Charges	\$835,375	\$0	-\$835,375
Mental Health Charges	173,915	0	(173,915)
Drug & Alcohol Charges	547,096	0	(547,096)
Printing Graphics & Mail Services	221,838	150,816	(71,022)
Postage Charges	1,265	0	(1,265)
Information Technology Charges	505,561	290,352	(215,209)
Purchasing Charges	87,397	79,317	(8,080)
Fleet Maintenance Charges	16,696	16,696	0
Building Occupancy Charges	5,390,707	4,512,473	(878,234)
Workers Compensation Exp	524,050	625,500	101,450
Gis Charges	106,678	0	(106,678)
Gasoline Charges	8,671	8,671	0
Telecommunication Charges	854,952	651,652	(203,300)
HHS Charges	0	6,939,412	6,939,412
County Attorney Charges	378,604	0	(378,604)
PDH Charges (ISA)	761,367	807,987	46,620
PDH Charges	129,036	41,520	(87,516)
Correctional Center Charges	120,000	0	(120,000)
Indirect Charges	0	5,416,628	5,416,628
	<u>\$10,663,208</u>	<u>\$19,541,024</u>	<u>\$8,877,816</u>

In 2005, DSS, along with the other HHS departments, re-located to leased space at 60 Charles Lindbergh Boulevard, creating a new Health and Human Services Facility. The building occupancy charges represent the department's portion of the expenses related to the new location. Other inter-departmental charges which appeared in the FY 05 budget have been zeroed out as a separate line in FY 06, and been consolidated under HHS charges (for example charges for Probation, Mental Health, Drug and Alcohol, County Attorney, and the correctional Center). The Probation charges represent the cost of additional officers dedicated to the PINS initiative. The PDH charges represent the costs to the Police Department for providing security. DSS has entered into inter-departmental service agreements with the Office for the Physically Challenged, the Department of Drug & Alcohol Addiction, Senior Citizens Affairs, and the Veterans Services Agency in connection with the Information & Referral (I & R) functions provided by those agencies as part of the "No Wrong Door" consolidated services policy. DSS, mandated under Title XX to refer clients to available programs, will purchase the I & R services provided by the other HHS agencies. The selling agencies will receive inter-departmental revenue from DSS to cover their costs, and DSS will be eligible to obtain 60% reimbursement.



As can be seen in the chart above, direct assistance is the largest expense category for Social Services, making up 82.6% of the budget. Medicaid – local share comprises 53.0% of direct assistance.

Medicaid is a jointly-funded, federal-state health insurance program for certain low-income and needy people, including children, the aged, blind, and/or disabled, and people who are eligible to receive federally assisted income maintenance payments. Medicaid payments are used to pay for nursing homes, hospital bills, prescription medicine, doctors, dentists, medical transportation, etc. Although states are required to pay for a core set of benefits, they can choose to offer such optional benefits as prescription drugs and dental care. The amount that is the responsibility of the County varies depending on the type of expenditure. On average, the County pays for approximately 18% of the total Medicaid expense (the State pays the bill and the County reimburses the State for the local share). It should be noted that although nursing homes account for the largest portion of gross Medicaid dollars spent in Nassau, the largest expense for the County is hospital care, which requires a much greater local share percentage than nursing homes.

As part of the enacted State budget for 2005-2006, the governor and the State Legislature put in place a cap on the growth of the local share of Medicaid. Ken Crannell, the Intergovernmental Director of the New York State Association of Counties (NYSAC) wrote that the cap “represents the most significant change to New York’s fiscal policy since Medicaid’s inception, and will provide an unprecedented level of budget stability at the local level.”<sup>2</sup> The legislation establishes calendar year 2005 as the base year for determining the annual local expenditure ceiling. An inflationary factor, starting at 3.5% in FY 06, 3.25% in FY 07, and 3.0% in years 2008 and thereafter, will be applied to the FY 05 base amount. The County will pay the lesser of either the capped amount or its actual expenditures. In 2008, counties will have a choice about how the local share payment to the State will be made. It can be either an annual payment at the capped amount or:

- a fixed percentage of local sales tax revenue to be intercepted from county sales tax payments on a monthly basis.

To help counties determine whether to adopt the sales tax swap option, the Department of Taxation and Finance is required to provide counties no later than April 13, 2007 with the

<sup>2</sup> Crannell, Ken, “Understanding The Medicaid Cap”, NYSAC News, Summer 2005, p.8



percentage of sales tax that would be intercepted. If a county selects the sales tax intercept option, it must adopt a resolution no later than September 30, 2007.<sup>3</sup>

The 2006 – 2009 Multi-Year Plan states that, “The County would choose the [sales tax swap] only if it reached the conclusion that future sales tax revenues are likely to grow an average of less than 3% per year, which at this point appears to be a very remote possibility.”

The impact of the cap is clearly seen by glancing back at the 2005-2008 Multi-Year Plan, submitted September 15, 2004. That plan projected outyear Medicaid growth of 13.5% in FY 06, and 12.5% in FY 07 and FY 08. Compare that to the numbers in the 2006-2009 plan:

<b>MYP 2006-2008</b>				
<b>Medicaid Local Share</b>				
Projected 2005	2006	2007	2008	2009
209,912,576	214,609,343	221,348,284	227,568,845	234,395,910
% change	2.2%	3.1%	2.8%	3.0%

If the pre-cap estimates of Medicaid’s rate of growth in the 2005-2008 MYP were still operative, the County would have had to plan for additional expenses of \$23.7 million in FY 06, \$46.7 million in FY 07, and \$73.9 million in FY 08.

Another advantage of the cap is that it will moderate the effect of increasing health care costs and the continued rising trend in Medicaid caseload:

<b>Total Medical Assistance Caseload</b>		
<b>Month</b>	<b>Cases</b>	<b>Annual % Change</b>
Sep-95	38,797	4.8%
Sep-96	39,709	2.4%
Sep-97	40,054	0.9%
Sep-98	40,853	2.0%
Sep-99	41,422	1.4%
Sep-00	42,698	3.1%
Sep-01	43,595	2.1%
Sep-02	47,389	8.7%
Sep-03	55,570	17.3%
Sep-04	69,109	24.4%
Aug-05	73,943	7.0%

The proposed budget for the local share of Medicaid is decreasing by \$67.1 million, or 23.8%, to \$214.6 million. As previously mentioned, this is the net amount of County share. As a result of the method in which the cap will be implemented, the County will no longer receive Medicaid related revenue. The calculation to determine the cap base, utilizing the State formula, applied estimated revenues of \$64.3 million as an offset against the estimated 2005 expenses. The 2005 Medicaid cap base as calculated by

<sup>3</sup> Ibid, p. 8

OMB using the state formula is \$207.4 million. Applying the FY 06 inflator of 3.5% yields the budgeted amount of \$214.6 million. This past summer, the State Division of the Budget sent each county a preliminary estimate, based on 2004 data, of its base year and one-time accrual savings (see below). According to the State Comptroller's Medicaid Cap Legislation Advisory July 2005, "These estimates will be updated in November 2005 when the base year calculation is established, with a final reconciliation of the 2005 base year calculation on June 30, 2006."

The department will recognize additional Medicaid savings in FY 05 as a result of an accounting change, from an accrual basis to a cash basis, related to the implementation of the cap. As described in the State Comptroller's Advisory, this one-time, year end accrual benefit will occur:

because the State will be relieving counties of the year end local accrued liabilities associated with various Medicaid expenditures where cash reimbursement is lagged, offset by accrued revenue receivables which would typically be paid to the counties after year end. While not every county will have a net benefit from this accrual closeout process, most should realize a benefit for 2005.

DSS estimates that it will save \$13.5 million in FY 05 as a result of that change, which is the net of \$37.0 million in expense accruals and \$23.5 million in revenue.

The Department of Social Services will continue to administer the Medicaid program on behalf of Nassau County residents, based on guidelines established by the New York State Department of Health. As described by NYSAC:

Under this plan, a Medicaid specific administrative cap will be implemented during 2005-06 and in subsequent years, counties will be reimbursed for their administrative expenses over the Medicaid cap...[T]he state will examine all issues related to this change in Medicaid payment responsibility, including options for the future administration of the program.<sup>4</sup>

In conjunction with the State's assumption of a greater share of local Medicaid expenses, a number of cost containment measures were put in place. These include an assessment on general hospital gross receipts, a preferred drug program, new co-payment requirements for Family Health Plus, increased co-payment requirements for Medicaid fee for service and managed care drug purchases, and a freeze on Medicaid managed care premiums. A smart government initiative has been implemented around these measures, as discussed below.

The County will benefit from another initiative related to Medicaid. New York State has just completed a phased-in takeover of the local share of the Family Health Plus program. The original schedule called for the State to assume 50% of the costs in FY 05 and all costs as of January 1, 2006, but that date was moved up to October 1, 2005. That acceleration of the takeover will result in a current year savings of \$3.3 million. The County had planned to pre-pay the projected FY 05 program costs of \$14.3 million (one half of projected total annual costs of \$28.6 million) in FY 04 utilizing tobacco securitization funds. Therefore that expense was not included in the FY 05 Medicaid budget. For some reason the prepayment was not made.

Starting in October 2001, Family Health Plus has been available to single adults, couples without

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<sup>4</sup> Ibid, p. 8

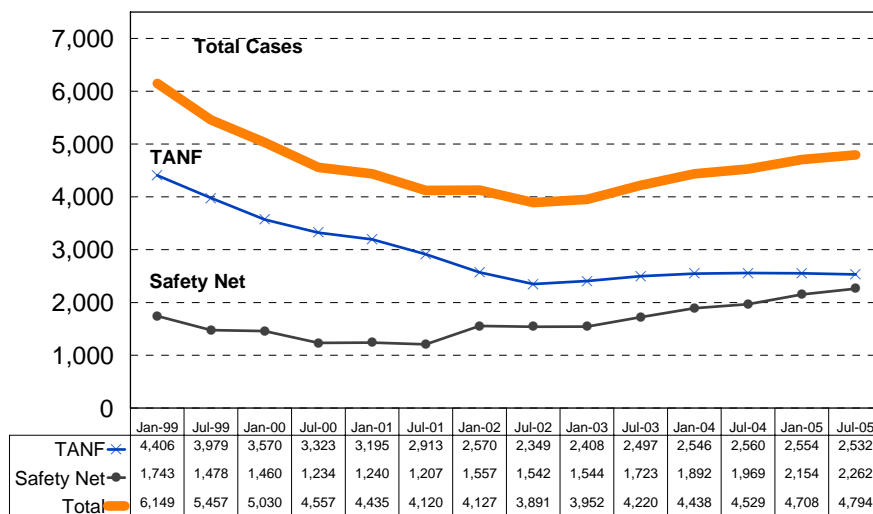
children, and parents with limited income who are residents of New York State and are United States citizens or fall under one of many immigration categories. Health care is provided through participating managed care plans. The explosive growth of the program can be seen in the chart below, which shows the monthly caseload for Family Health Plus enrollees in Nassau County since the program's inception (a case can represent up to two individuals):

Month	Cases	% Change
Sep-01	0	
Mar-02	321	
Sep-02	1,230	283.2%
Mar-03	3,740	204.1%
Sep-03	6,416	71.6%
Mar-04	9,060	41.2%
Sep-04	11,569	27.7%
Mar-05	12,752	10.2%
Aug-05	14,078	10.4%

Since October 1, 2001, with the implementation of its Medicaid Managed Care program, Nassau has been authorized to enroll Medicaid applicants into one of the HMO's that have contracted with the County to provide health services. Capitated managed care costs for Medicaid-eligible individuals cost the County less than paying on a fee for service basis. Through August of this year 77% of those eligible have been enrolled.

Also included in the Medicaid control center is the allocation for the County's contribution to New York State for the Intergovernmental Transfer (IGT). The IGT is a funding mechanism to provide increased federal aid to public hospitals (and formerly, nursing homes). The County will be reimbursed 100% by the Nassau Health Care Corporation (NHCC) for its IGT payment, which is budgeted at \$39.6 million. An equal amount is reflected in the department's revenue budget. It appears that there may be a positive change in the way in which the IGT funds are disbursed, and that more of the aid will end up with the Nassau University Medical Center. The County would still be made whole for its contribution.

### Nassau County TANF & Safety Net Caseload January 1999 - July 2005



The proposed FY06 funding for recipient grants is essentially remaining flat, with a slight \$48,000 increase to \$51.7 million. Almost half of the proposed budget for recipient grants will be used to fund Temporary Assistance to Needy Families, or TANF (formerly referred to as Aid to Families with Dependent Children), which is decreasing by \$1.2 million, or 4.7%, to \$24.6 million. States receive a block grant allocation and are required to maintain a historical level of spending known as maintenance of effort. States may use TANF funding “to provide assistance to needy families so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work and marriage; to prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families.”<sup>5</sup> The other half is divided between Safety Net Assistance (formerly referred to as Home Relief), increasing from \$16.2 million to \$17.0 million, and various other programs, such as Subsidized Adoptions, Children in Foster Homes, and Low Income Home Energy Assistance (LIHEAP), which will receive the remaining \$10.1 million. In December of 2001, the first TANF recipients began to reach the 5-year maximum term that a family would be allowed to participate in this program. Those individuals who cannot find other means of support have to apply for the Safety Net program (Home Relief). The chart on the previous page shows TANF caseloads decreasing by 1.5% since January 2002, while Safety Net cases have risen almost 45.3% in that same period. This trend is significant because the County contributes 50% for the Safety Net program, but only 25% for TANF.

Earlier this year Governor Pataki proposed the creation of a Flexible Fund For Family Services (FFFS), the goal of which was to allow for greater local discretion in the expenditure of TANF funding. Each county would be apportioned its share of the billion dollars in the fund as a lump sum amount to be utilized for any federally allowable TANF purpose. The State Legislature had a different vision of what FFFS should be, and NYSAC described what emerged from Albany as follows:

The final TANF agreement resembles the approach favored by the legislature, which reduces the FFFS to \$600 million and directs specific TANF allocations for child care funding and other specific legislative initiatives. Given the overall reduction provided in the original block grant proposal and the new funding restrictions, the final approach will create challenges for counties as they implement this new TANF framework.<sup>6</sup>

LIHEAP is a Federally-funded program that assists low-income households in paying their bills, energy crisis management, weatherization and energy-related home repairs. The budget for the program is increasing from \$1.9 million to \$2.4 million. With the predictions of high fuel oil costs for this coming winter, there may be more than the usual number of households who will require some form of assistance during the cold weather months. A bill is circulating that may increase LIHEAP funding.

The costs associated with day care are recorded as purchased services. Child care is provided not only for individuals on temporary assistance, but also to those working families who meet income guidelines for subsidies. This allocation will slightly increase by \$126,000, from \$45.9 million to \$46.0 million. Caseload peaked at 5,000 at the end of 1999, and has averaged approximately 3,230 cases per month since then. The trend has been a steady reduction since July 2004. The monthly average for the first eight months of the current year is 2,842. The proposed budget includes funding for an anticipated market rate increase.

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<sup>5</sup> “Welfare Fact Sheet”, U.S. Department of Health and Human Services: Administration for Children and Families, September, 2000.

<sup>6</sup> Ken Crannell, “Eleventh Hour Agreement Finalizes State Budget, Enacts Medicaid Relief”, NYSAC Weekly Wire, April 19, 2005

The funding for emergency vendor payments is increasing approximately \$2.2 million, or 4.4%, over the FY 05 budget of \$50.8 million, but less than 1.0%, over the current year’s projected actuals which are over budget by \$1.8 million. This deficit is attributed to higher enrollment than anticipated in institutions for Special Education, back billing from the State, and higher institutional rates. Emergency vendor payments costs are related to various programs, including training schools, education of handicapped children, juvenile delinquents (CC65), Children in Institutions (CC62), and Persons in Need of Supervision (PINS). Expenses cover such items as room and board, education, and childcare.

The chart on the following page shows the expense amount allocated to each of the department’s control centers, which correspond to the various programmatic areas. The large year to year variance in Administration is mostly related to the substantial increase in inter-departmental charges.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>	<b>Adopted FY 05 Budget</b>	<b>Departmental Request FY 06</b>	<b>Executive FY 06</b>	<b>Variance Exec. vs. FY 05</b>	<b>Variance Exec. vs. Request</b>	
10 Administration	\$17,010,289	\$8,546,265	\$26,717,619	\$9,707,330	\$18,171,354	
20 Public Financial Assistance	34,195,261	34,120,030	34,813,441	618,180	693,411	
30 Services	17,180,048	19,743,554	19,605,704	2,425,656	(137,850)	
51 Juvenile Detention Center	3,853,278	3,809,426	4,127,591	274,313	318,165	
52 Real Estate Expense	3,000	1,000	1,000	(2,000)	0	
53 Educ. Handicapped Children	11,000,000	13,000,000	13,000,000	2,000,000	0	
55 Food Stamp Program	1,600	1,000	1,000	(600)	0	
60 Family Assistance	30,028,600	30,060,000	29,060,000	(968,600)	(1,000,000)	
61 Safety Net Assistance	17,454,000	19,034,000	18,534,000	1,080,000	(500,000)	
62 Children in Institutions	20,000,000	20,000,000	20,000,000	0	0	
63 Children in Foster Homes	1,780,000	1,776,000	1,776,000	(4,000)	0	
65 Juvenile Delinquents	8,560,800	8,560,800	8,560,800	0	0	
66 Training Schools	2,550,000	2,250,000	2,250,000	(300,000)	0	
68 Children in Institutions - 4E	2,200,000	2,200,000	2,200,000	0	0	
69 Children in Foster Homes - 4E	1,983,600	1,815,400	1,815,400	(168,200)	0	
70 Subsidized Adoptions	4,675,000	4,816,600	4,816,600	141,600	0	
72 Burials	300,000	300,000	300,000	0	0	
73 Medicaid MMIS	322,721,873	256,833,222	254,183,049	(68,538,824)	(2,650,173)	
75 HEAP	1,900,000	2,400,000	2,400,000	500,000	0	
76 Title XX	45,881,814	46,311,951	46,011,951	130,137	(300,000)	
<b>Total</b>	<b>\$543,279,163</b>	<b>\$475,579,248</b>	<b>\$490,174,155</b>	<b>(\$53,105,008)</b>	<b>\$14,594,907</b>	

The proposed budget has added 21 full-time positions and eliminated 40 part-time positions. Among the positions added were 11 full-time Social Welfare Examiner 1’s. These employees will take the place of the 23 part-time Social Welfare Examiner positions that have been cut. The goal, according to the department’s budget summary, is to obtain “greater levels of experience, stability and productivity.” Three of the new full-time positions will be utilized in the creation of a scanning unit, which will take

over the ongoing digitizing all incoming documents when the contract with Unisys expires. Other full-time positions being added are five Social Welfare Examiner II's, three Social Welfare Examiner Supervisor I's, and three accountants.

<b>Department of Social Services Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
10 Administration	82	86	97	95	13	9
20 Public Financial Assistance	466	424	432	440	(26)	16
30 Services	262	289	292	295	33	6
51 Juvenile Detention Center	42	43	43	43	1	0
<b>Total Full-time</b>	<b><u>852</u></b>	<b><u>842</u></b>	<b><u>864</u></b>	<b><u>873</u></b>	<b><u>21</u></b>	<b><u>31</u></b>
<b>CC Part-time and Seasonal</b>						
10 Administration	26	24	26	24	(2)	0
20 Public Financial Assistance	81	56	81	46	(35)	(10)
30 Services	55	54	55	53	(2)	(1)
51 Juvenile Detention Center	33	33	33	32	(1)	(1)
<b>Total Part-time and Seasonal</b>	<b><u>195</u></b>	<b><u>167</u></b>	<b><u>195</u></b>	<b><u>155</u></b>	<b><u>(40)</u></b>	<b><u>(12)</u></b>

In providing social services to the citizens of Nassau, the County receives substantial assistance from the federal government (projected at \$93.4 million for FY 05) and New York State (projected at \$88.7 million). The chart below illustrates the relationship of federal/state aid to each control center. Please note that most of the expenditures for the Medicaid control center reflect payments to the State for the County portion only, therefore reimbursement is not necessary. In addition, the Medicaid related revenue that the County had been receiving until this year will be netted against the FY 06 expenditures. If Medicaid is excluded, 65.1% of the department's budget is federal/state funded. Similarly, expenditures in the Food Stamp (Food Assistance Program - aid to legal immigrants not paid for by the federal government) and Training Schools control centers reflect the county share, therefore no reimbursement is required.

**FY 05 FEDERAL AND STATE AID  
BY CONTROL CENTER**

Control Center	Expenses	\$			%
		Federal Aid	State Aid	Federal/ State Funded	Federal/ State Funded
Administration	\$26,717,619	\$6,168,359	\$10,391,993	\$16,560,352	62.0%
Public Financial Assistance	34,813,441	22,132,384	7,425,919	29,558,303	84.9%
Division of Services	19,605,704	9,111,915	6,048,192	15,160,107	77.3%
Juvenile Detention Center	4,127,591	0	2,900,358	2,900,358	70.3%
Real Estate Expense	1,000	0	0	0	0.0%
Educ. Handicapped Children	13,000,000	0	5,200,000	5,200,000	40.0%
Food Stamp Program	1,000	0	0	0	0.0%
Family Assistance	29,060,000	8,625,000	8,050,000	16,675,000	57.4%
Safety Net Assistance	18,534,000	0	7,554,150	7,554,150	40.8%
Children in Institutions	20,000,000	12,000,000	1,400,000	13,400,000	67.0%
Children in Foster Homes	1,776,000	890,000	493,950	1,383,950	77.9%
Juvenile Delinquents	8,560,800	3,518,289	1,369,728	4,888,017	57.1%
Training Schools	2,250,000	0	0	0	0.0%
Children in Institutions - 4E	2,200,000	0	1,100,000	1,100,000	50.0%
Children in Foster Homes - 4E	1,815,400	830,363	453,750	1,284,113	70.7%
Subsidized Adoptions	4,816,600	1,829,795	2,287,244	4,117,039	85.5%
Burials	300,000	0	6,000	6,000	2.0%
HEAP	2,400,000	2,400,000	0	2,400,000	100.0%
Title XX	46,011,951	26,901,452	4,505,683	31,407,135	68.3%
Sub-Total	<b>235,991,106</b>	<b>94,407,557</b>	<b>59,186,967</b>	<b>153,594,524</b>	<b>65.1%</b>
Medicaid MMIS	254,183,049	0	0	0	0.0%
Total	<b>\$490,174,155</b>	<b>\$94,407,557</b>	<b>\$59,186,967</b>	<b>\$153,594,524</b>	<b>31.3%</b>

The chart on the following page displays the department’s revenue budget. A line has been added in FY 06 for fund balance. This \$1.5 million will be utilized for the County Executive’s proposal “to entice community based not-for-profits to join our ‘No Wrong Door’ initiative to deliver better, more cost efficient Social Services.” A corresponding \$1.5 million has been added to contractual services in the expense budget. The large reduction in state aid is associated with the Medicaid cap’s application of Medicaid revenues as an offset against expenses. The expenses will be lowered by the amount of revenue the County would have received (\$61.0 million was budgeted in FY 05). Most of that revenue was received as overburden aid related to the formerly institutionalized mentally ill. Federal aid for Medicaid has also been removed (\$2.5 million budgeted in FY 05). DSS will receive approximately \$1.4 million in state aid as reimbursement for its Information & Referral services on behalf of other agencies in the HHS vertical. Departmental revenues is made up of recoveries and liens.

REVENUE BUDGET						
Revenue Class	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. Vs FY 05 Proj.
AA Fund Balance	\$0	\$0	\$0	\$1,500,000	\$1,500,000	\$1,500,000
BH Departmental Revenues	10,878,900	10,878,900	9,467,000	9,467,000	(1,411,900)	(1,411,900)
BX Medicaid IGT Reimb.	40,973,706	40,973,706	37,193,706	39,573,706	(1,400,000)	(1,400,000)
FA Federal Aid - Reimb Exp	99,777,642	93,398,906	92,763,201	94,407,557	(5,370,085)	1,008,651
SA State Aid - Reimb Exp	106,876,231	88,723,945	51,409,296	59,186,967	(47,689,264)	(29,536,978)
<b>Grand Total</b>	<b>\$258,506,479</b>	<b>\$233,975,457</b>	<b>\$190,833,203</b>	<b>\$204,135,230</b>	<b>(\$54,371,249)</b>	<b>(\$29,840,227)</b>

**Out-Year Initiatives**

The following out-year initiatives have been included in the FY 06 – 09 Multi-Year Financial Plan:

NAME	FY 2007	FY 2008	FY 2009
Medicaid Cost Containment	\$2,600,000	\$2,600,000	\$2,600,000
Persons in Need of Supervision	\$1,006,873	\$1,057,217	\$1,110,077
HHS Administrative Consolidation	\$1,778,544	\$3,278,544	\$3,278,544
Program Reductions	\$1,000,000	\$1,000,000	\$1,000,000

The initiative for **Medicaid cost containment** is expected to provide savings of \$2.6 million annually against the out-year baseline. The cost containment measures referred to are the ones enacted earlier this year by the State in association with the Medicaid cap. They include changes to assessments, rates, inflationary factors, co-payments and reimbursement methodologies. The State estimated that Nassau County would realize cost containment savings of \$10.9 million. The MYP will recognize only \$2.6 million of that amount beginning in FY 07, “given that this is not under county control, and in the interest of conservative budgeting.”

The **Persons in Need of Supervision (PINS)** initiative was discussed earlier. In addition to the savings of \$1.5 million that has been incorporated into the FY 06 budget and baseline, this initiative will also provide additional out-year budgetary relief. Savings of \$1 million in FY 07, and \$1.1 million in FY 08 and FY 09, have been included in the MYP.

The **HHS administrative consolidation** was discussed earlier. In addition to the savings of \$1.7 million that has been incorporated into the FY 06 budget and baseline, this initiative will also provide additional out-year budgetary relief. The anticipated savings of \$1.8 million in FY 07 and \$3.3 million in the following two years are based on the experience of similar initiatives in other counties. These amounts are net of any available reimbursement.

The **program reductions** initiative, beginning in 2007, will be made up of cuts in contractual costs for non-mandated programs in Health and Human Services departments. The bulk of the savings, \$890,000 annually in years 2007-2009 would come from Social Services. This initiative is still in the exploration phase and the exact distribution of the cuts has not yet been determined.



**TRAFFIC & PARKING VIOLATIONS AGENCY**

The Traffic and Parking Violations Agency (TPVA) was established as a County agency in 1994 and began operating in April 1995. TPVA is authorized to collect parking and traffic ticket fines and pursue collections that are past due. Prior to TPVA's creation, the Court System was responsible for all parking and traffic ticket processing. In the summer of 2002, the Administration was successful in securing State legislation transferring directorship of the Agency to the County Executive from a Board of Judges. This includes the authority to hire and remove the director of the Agency.

TPVA has made remarkable strides since 2002 in reversing the downward spiral in which it was headed and has developed into the successful revenue generating agency it was designed to be. The Agency has overcome many obstacles to achieve its current status, not the least of which was staffing.

From the beginning, TPVA had been understaffed. When it opened in 1995, TPVA was budgeted for a staff of 51, yet headcount consisted of 23 full time employees. The Comptroller's Office conducted two different audits, in 1997 and 2002, and at the request of the legislative minority, the Office of Legislative Budget Review (OLBR) issued a report in 2000 on the status of TPVA. Both offices made recommendations regarding staffing and technology that the previous Administration failed to implement. Over the years, staffing levels improved somewhat, but never to its full complement to ensure TPVA's success, until the past couple of years when those levels climbed gradually. September 2005 actuals are at 37 full time and 24 part time, more in line with the staffing structure when the Agency was created. In addition to staffing improvements, equipment was updated, efficiencies of operations were implemented, including improvements in technology, telephone systems, infrastructure and customer service, physical space was maximized, payment methods were broadened and management was strengthened with the hiring of a new director. The Agency is continually attempting to enhance operations to bring it to optimal strength. For example, TPVA has recently extended its hours of operation and is currently open five days a week including Tuesday, Wednesday and Thursday evenings and Saturday mornings. Also, the Agency implemented an amnesty program in the first part of 2005 which generated \$1.18 million of unexpected revenue. As the Agency continues to grow and evolve, it appears that the current success it enjoys will also grow.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
BD	Fines & Forfeitures	\$12,900,000	\$15,500,000	\$16,000,000	\$19,200,000	\$6,300,000	\$3,700,000
BF	Rents & Recoveries	0	0	0	1,300,000	1,300,000	1,300,000
<b>Grand Total</b>		<b>\$12,900,000</b>	<b>\$15,500,000</b>	<b>\$16,000,000</b>	<b>\$20,500,000</b>	<b>\$7,600,000</b>	<b>\$5,000,000</b>

TPVA derives its revenue solely from the collection of fines. In 2006 TPVA expects to collect \$3.7 million more in revenue than what OLBR projects for 2005. Current actuals of \$11.4 million indicate that revenue collections are outpacing those in 2004 by \$4.5 million, or 65%. Many factors have contributed to this dramatic growth. The 16 hand held computers which the Police Department's

parking enforcement aides use to write more tickets, the implementation of the TraCS program, an electronic disposition of the ticket and supporting documentation, now installed in 16 highway patrol cars, with another 24 slated for installation in 2006, and an amnesty program initiated by the director which brought in approximately \$1.18 million have all been instrumental in increasing revenue. As a result of the utilization of the hand held computers and the TraCS program, the numbers of monthly tickets, both traffic and parking, that have been entered into the system in 2005 have increased from 17,380 in January to 23,984 in August.

<b>TPVA Ticket Revenue</b>			
Issuing Agencies	Aug-04	Aug-05	Aug 2004 vs Aug 2005
	Total	Total	Percentage Increase or decrease in tickets
NY State Police (Pink tickets)	17,861	5,213	-71%
Town of N Hempstead	11,841	9,090	-23%
NY State Park Police	1,621	1,644	1%
Manhasset Park Police	873	1,132	30%
Nassau Health Care Co.	1,677	2,623	56%
Nassau County Police	76,890	103,524	35%
MTA Police	657	865	32%
Hand Held Tickets	9,952	22,118	122%
Swift Justice	23,091	0	-100%
NYS Tracs	1,686	15,978	848%
Highway Patrol Tracs	0	455	***
Highway Patrol (Pink tickets)	20,214	22,326	10%
Port Washington	4,963	4,214	-15%
Dept Recreation & Parks	0	0	0%
Dept of General Services	6	94	1467%
Nassau County Sheriff	147	5	-97%
Nassau Community College	1,773	2,379	34%
Town of Hempstead Public Safety	687	607	-12%
Suny Old Westbury	81	71	-12%
Bay Constables	0	0	0%
Total tickets YTD Aug 2004 + YTD(Swift totals) vs YTD Aug 2005	174,020	192,338	11%
Total tickets Aug YTD Minus Swift	150,929	192,338	22%

The chart above illustrates the increase in 2005 when compared to 2004's written tickets. The Swift Justice program was used by the Police Department to record tickets but the system proved cumbersome and duplicative. TPVA has abandoned that program in favor of TraCS and hand held computers.

The increase in written and entered tickets calls for the speedier adjudication of the violations. To meet this challenge, the Agency has hired additional prosecutors and judicial hearing officers, scheduled more trials and conferences and expanded its hours to accommodate the extra workload. Additionally, the County has amended its contract with Law Enforcement Systems (LES), the vendor that collects delinquent parking tickets, to now include delinquent traffic violations, which should further improve the revenue this contract has generated. Based on revenue projections for 2005, the success of initiatives

such as TraCS and amnesty and the Agency's hopes to expand its physical area by assuming the WIC offices for an additional three hearing rooms, it seems reasonable that TPVA could achieve revenue targets in 2006.

**Out-Year Initiatives**

NAME	FY 2007	FY 2008	FY 2009
Ticket Processing Surcharge	\$1,500,000	\$1,500,000	\$1,500,000

The **ticket processing surcharge** will increase the existing surcharge of \$15 on speeding tickets to \$25 and the \$10 surcharge on parking tickets to \$15. Additional revenue from the surcharge increases would allow the agency to hire staff to improve workflow and technology improvements to enhance processing and collections. The \$1.5 million in the outyears is based on current ticket collections which usually run about 55% for moving and approximately 45% for parking tickets. Since the County has been unsuccessful in the past in securing legislation for this initiative, it seems unlikely that this revenue will be realized.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$1,792,290	\$2,156,239	\$2,522,535	\$2,446,215	\$653,925	\$289,976
BB	Equipment	25,313	21,000	25,520	25,520	207	4,520
DD	General Expenses	79,481	125,000	164,010	154,010	74,529	29,010
DE	Contractual Services	886,759	886,759	1,035,495	1,035,495	148,736	148,736
	<b>Total OTPS</b>	<b>991,553</b>	<b>1,032,759</b>	<b>1,225,025</b>	<b>1,215,025</b>	<b>223,472</b>	<b>182,266</b>
HF	Inter-Dept. Charges	862,741	911,741	0	0	(862,741)	(911,741)
	<b>Grand Total</b>	<b>\$3,646,584</b>	<b>\$4,100,739</b>	<b>\$3,747,560</b>	<b>\$3,661,240</b>	<b>\$14,656</b>	<b>(\$439,499)</b>

The 2006 expense budget is increasing over 2005 by approximately 32%, or \$877,000, (not including interdepartmental charges) primarily due to a growth in salaries to fund the 10 additional full-time and five more part-time employees. The overtime budget is increasing by \$225,000 or 325%, the reason for which will be discussed below.

In January 2004, there were 52,000 tickets that were considered backlogged but with overtime and new technology, the backlog was reduced to about 31,000 by July 1, 2004. At that time, tickets were labeled

“backlogged” the moment they were entered into the system. Since that methodology did not take into account the allotted time allowed to answer a ticket, whether to pay or plead, a ticket is now considered backlogged only after a violator had either answered the violation or allowed the allotted time to lapse. Using this new methodology, the backlog of tickets had been reduced until July 2005.

On July 7, 2005 a decision by the Appellate Division of the New York State Court, 2<sup>nd</sup> District, handed down a ruling regarding the recording of traffic summonses in District Court. The appeals court said the County had not been legally adhering to the legislation passed by the State in 1991 which created the Agency. That legislation mandated that an offense handled by TPVA must be pending or recorded in the District Court. Any action taken by the Agency’s judicial hearing officers must carry the same legal weight as those of a District Court judge. The appellate decision said that traffic cases were not being first recorded with the Court and therefore the Agency did not have jurisdiction to rule on a motorist’s ticket. The ruling came as a result of a case of a motorist who received a ticket in 2001 for driving around railroad crossing gates. Since traffic tickets were not being recorded in District Court, the ruling stated that the Agency did not have the jurisdiction to rule on the ticket. The County disagrees and is in the process of appealing the decision.

As a result of this decision, overtime, much of which is performed by “borrowed” staff from other departments, has exceeded the 2005 budget of \$100,000 to September actuals of approximately \$269,000 and is projected to reach approximately \$325,000. Prior to the ruling, TPVA had been successful in reducing the backlog of tickets that had plagued the Agency since its inception and had hoped to come in on budget. Now traffic tickets written since 2003 must be pulled and recorded at District Court, an exercise that entails unexpected overtime. It is for this reason that the 2006 overtime budget has been increased \$225,000 to \$325,000. At a recent CountyStat meeting which was held after budget submissions, it had been suggested that hiring an additional multikeyboard operator may be more cost effective than borrowing staff to work overtime. As of this writing, a decision has not been reached on this issue.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. OTPS costs are rising as well, by approximately \$224,000 or 22.5% with increases in all three lines. General expenses are going up approximately 93.8% over 2005’s budget mostly due to \$75,000 in credit card fees, to cover the costs of ticket payments by credit cards, and \$36,500 for IT supplies offset by a \$69,000 reduction in office expenses. The \$149,000 increase in contractual services represents the hourly wage hike of the stenographic contract. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. In the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services.

**Traffic and Parking Violations Agency  
Staffing Analysis**

	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual.</u>
Full-time Staffing	35	37	47	45	10	8
Part-time and Seasonal	14	24	19	16	2	(8)

Full time staffing in 2006 appears to be increasing by 10 but in actuality, full-time headcount is growing by only two. Eight of these newly funded positions are for judicial hearing officers which are classified by the Civil Service Commission as full time employees even though they fulfill a part time role. As a result of the current classification structure, full-time headcount is overstated by eight and part time levels are understated by a corresponding eight positions. Full-time headcount is actually increasing by two Clerk II positions and will parallel September actuals.

**TRAFFIC SAFETY BOARD**

The 2006 departmental revenues is increasing by \$15,000 over the 2005 budget. The \$33,000 projection for 2005 for fines and forfeitures reflects the Board's half of the surcharge for handicapped parking fines. A corresponding match can be found in the budget for the Office of Physically Challenged. This revenue is used for handicapped parking related issues such as education and enforcement and should be posted in the Grant Fund. The 2006 budgeted revenue of \$175,000 is money the Traffic Safety Board receives from grants for DWI enforcement and seat belt safety programs for their administrative and public information services. In 2006, there will be an additional \$15,000 for the DWI grant.

<b>REVENUE BUDGET</b>							
Revenue Class	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. Vs FY 05 Proj.	
BD Fines & Forfeits	\$0	\$33,000	\$0	\$0	\$0	(\$33,000)	
BH Departmental Revenues	160,000	160,000	175,000	175,000	15,000	15,000	
Grand Total	\$160,000	\$193,000	\$175,000	\$175,000	\$15,000	(\$18,000)	

The Board salary expenses are declining in 2006 by \$25,416 as a result of the retirement of the Clerk Steno II employee and the elimination of the position. The OTPS budget, exclusive of inter-departmental charges, is remaining flat in 2006 when compared to 2005. The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Traffic Safety Board. However, in FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change in methodology has resulted in a year to year budget reduction for inter-departmental charges of \$88,317.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$216,192	\$189,044	\$192,530	\$190,776	(\$25,416)	\$1,732
DD	General Expenses	600	300	600	600	0	300
HF	Inter-Depart Charges	88,317	88,317	0	0	(88,317)	(88,317)
<b>Total</b>		<b>\$305,109</b>	<b>\$277,661</b>	<b>\$193,130</b>	<b>\$191,376</b>	<b>(\$113,733)</b>	<b>(\$86,285)</b>

As mentioned previously, full-time headcount is decreasing by one.

<b>Traffic Safety Board Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Req.</u>
Full-time Staffing	3	2	2	2	(1)	0

COUNTY TREASURER

The County Treasurer manages and invests County funds, maintains banking and financial relationships, oversees the County's bond program, maintains an accounting of receipts and disbursements collects tax delinquencies and conducts the annual Tax Lien Sale. The Office has been organized into three units: Debt and Investment; Tax Sale and Records; Tax Certiorari and Accounting.

The department has the responsibility for the implementation and monitoring of the following Multi-Year Financial Plan initiatives which have been incorporated into the FY 06 budget and out-year baseline assumptions.

**Cash and Receivables Management \$500,000**

A vendor, NCO Financial Systems, has been selected through the RFP process, to collect, litigate and enforce judgments on the County's uncollected receivables. The Legislature approved the contract in the spring of 2005. Collections include claims for non-payment of fees for emergency ambulance services, hotel/motel taxes, fees for services rendered by the County Department of Drug and Alcohol Services, fees for labor used to enforce consumer protection laws, fees for emergency work done by the County's Department of Public Works, and any other amounts owed to the County. The contractor will receive 18.5% of the amount recovered on accounts referred by the County to the commencement of legal action and 25% of the amount collected after the commencement of legal action. The revenue of \$500,000 represents 33% of the uncollected \$1.5 million. The Administration anticipates this revenue to be recurring in the out-years.

REVENUE BUDGET							
Revenue Class	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. Vs FY 05 Proj.	
BA Int Penalty On Tax	\$24,180,000	\$20,138,453	\$24,000,000	\$24,000,000	(\$180,000)	\$3,861,547	
BD Fines & Forfeits	12,000	12,000	8,000	8,000	(4,000)	(4,000)	
BE Invest Income	9,000,000	13,560,742	11,000,000	11,873,840	2,873,840	(1,686,902)	
BF Rents & Recoveries	75,000	274,242	0	0	(75,000)	(274,242)	
BH Dept Revenues	280,000	523,058	385,000	440,000	160,000	(83,058)	
BO Pay Lieu Tax	4,500,000	4,321,346	0	0	(4,500,000)	(4,321,346)	
TX Special Taxes	5,970,000	4,436,131	5,960,000	4,460,000	(1,510,000)	23,869	
<b>Total</b>	<b>\$44,017,000</b>	<b>\$43,265,972</b>	<b>\$41,353,000</b>	<b>\$40,781,840</b>	<b>(\$3,235,160)</b>	<b>(\$2,484,132)</b>	

The proposed revenue budget of the Treasurer's office is decreasing by \$3.2 million, or 7.4%. This is primarily due to the transfer of the \$4.8 million in the line for payments in lieu of taxes from the Treasurer into Unallocated Revenue. Payments in lieu of taxes had been budgeted in Unallocated Revenue in FY 04, and in the Treasurer's Office for FY 05. The FY 05 projection is \$180,000 under the FY 05 budget.



Interest penalty on taxes, decreasing by \$180,000, is made up of interest and penalties collected on late and delinquent taxes, and various tax lien related items. The FY 05 projection is \$20.1 million or \$4.0 million under budget due to a reduction in delinquent penalties on taxes and interest on taxes.

Investment income is related to the financial management of County funds. Investment income is increasing by \$2.9 million to \$11.9 million due to the rising trend in interest rates. The FY 05 projection is \$13.6 million or \$2.9 million over budget. The surplus is due to increased interest income from NIFA debt and from capital.

The special taxes line of the Treasurer's Department revenues is where the County budgets for the entertainment tax, a portion of the hotel/motel tax, and the Belmont admissions tax. Special taxes are decreasing by \$1.5 million due to the anticipated reduction of hotel/ motel tax. The hotel/motel tax, which expires on December 31, 2005, is a 3% sales tax attached to the nightly room rental rate. The collections of this tax are budgeted in two places, the Parks Department and the Treasurer's Department. In FY 05, the Treasurer's Department received 75% of this revenue. However, a proposed bill in Albany intends to change the allocation of the tax in FY 06 and FY 07. In FY 06 the Treasurer's Department would receive half of the amount received in FY 05 or 1.125%. The remainder (1.875%) will be dedicated to providing assistance to museums and Old Bethpage Village for new exhibit and new program development expenses. Due to this legislation, hotel/motel tax proceeds under the Treasurer's Office would decrease by half from \$2.9 million in FY 05 to \$1.5 million. However, to be conservative the budget for the hotel/motel tax received by the Parks Department is not increasing. The proposed State legislation would expire on December 31, 2007. The FY 05 projection for hotel/motel tax is on target with the FY 05 budget.

The entertainment tax is a ticket surcharge of \$1.50 on all tickets sold at a County venue with a seating capacity in excess of 2,500. Colleges, universities and facilities operated by OTB or a non-profit racing association are exempted from charging the ticket surcharge. The budget remains unchanged from FY 05. The FY 05 projection is falling short of budget by \$1.4 million. The loss from the hockey strike in FY 04 and FY 05 was roughly \$743,000. The FY 06 budget appears realistic since the hockey strike is over. However, since the price of oil is rising, and consumers may spend less on entertainment venues in the future, the FY 06 budget may be optimistic.

The Belmont admissions tax is a tax collected upon entering the racetrack. Payments are scheduled to be made semi-annually while the racetrack is in session. The two racing seasons are May through July and September through November. In FY 05, \$52,000 had been collected from the racetrack tax. The FY 06 budget is decreasing from \$70,000 in FY 05 to \$60,000. Through the first three-quarters of FY 05, \$10,000 has been collected compared to \$23,000 collected last year at this time.

Departmental revenues are collected from such sources as the holding of cash bail, fees for bounced checks and court and trust fund cases. This revenue source is increasing from \$280,000 in FY 05 to \$440,000. The FY 05 projection for departmental revenues is \$523,000; therefore the FY 06 budget appears achievable.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
AA	Salaries	\$2,861,420	\$2,495,149	\$2,825,584	\$2,683,193	(\$178,227)	\$188,044
BB	Equipment	9,832	9,832	11,400	9,913	81	81
DD	General Expenses	325,500	325,500	334,000	327,675	2,175	2,175
DE	Contractual Services	650,000	650,000	559,260	559,260	(90,740)	(90,740)
	<b>Total OTPS</b>	<b>985,332</b>	<b>985,332</b>	<b>904,660</b>	<b>896,848</b>	<b>(88,484)</b>	<b>(88,484)</b>
HF	Inter-Depart Charges	947,290	947,290	0	0	(947,290)	(947,290)
	<b>Grand Total</b>	<b>\$4,794,042</b>	<b>\$4,427,771</b>	<b>\$3,730,244</b>	<b>\$3,580,041</b>	<b>(\$1,214,001)</b>	<b>(\$847,730)</b>

The proposed FY 06 budget is decreasing by \$1.2 million, or 25% due to the removal of interdepartmental charges. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Treasurer’s Office. However, in the FY 2006 budget the Office of Management and Budget has scheduled interdepartmental charges only for those departments that are routinely eligible for federal and state reimbursement of expenses, or are a shared services department that sells services. This change has resulted in a year to year budget reduction for inter-departmental charges of \$947,000.

The majority of the FY 06 budget is for salaries which are decreasing by \$178,000 from \$2.9 million in FY 05 to \$2.7 million. This decrease is mostly attributable to overtime. In FY 05, as part of the Assessment and Assessment Review reform initiative, the department increased staff and overtime to help accelerate tax refund payments. This was necessary to bring the outstanding liability down to a manageable level so that the County could meet the FY 06 deadline to stop borrowing to fund the payments. Offsetting this decrease is a 2.5% CSEA contractual salary increase effective January 1, 2006.

The general expenses allocation is intended mainly for the advertising and public notice costs associated with publicizing the County’s annual tax lien sale. These expenses are reimbursed by the lien purchaser. The contractual services allocation is decreasing by \$650,000 in FY 05 to \$559,000.

<b>County Treasurer Staffing Analysis</b>						
	<b><u>FY 05 Adopted</u></b>	<b><u>Sept-05 Actual</u></b>	<b><u>FY 06 Request</u></b>	<b><u>FY 06 Executive</u></b>	<b><u>Exec. vs 05 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	45	44	48	47	2	3

The proposed FY 06 staffing is an increase of two full-time positions from the FY 05 budget, and an increase of three full-time positions from the current staffing level. The departmental request had included a third Deputy County Treasurer, however this is not included in the FY 06 Executive Budget.

**GENERAL FUND UNALLOCATED REVENUES**

Total FY 06 General Fund unallocated revenues are increasing 1.3% from the adopted FY 05 budget. The increase is predominantly a function of greater sales tax and interfund revenues. In FY 05 Payment in Lieu of Taxes (PILOT) revenues in the amount of \$4.5 million are being budgeted for in the Treasurer’s Department. In FY 06 they will be moved to unallocated revenues. The budgeted amount is unchanged.

<b>UNALLOCATED REVENUES</b>							
<b>BY OBJECT CLASS</b>							
<b>Revenue Class</b>	<b>Adopted FY 04 Budget</b>	<b>OMB FY 04 Projection</b>	<b>FY 05 Dept. Request</b>	<b>FY 05 Exec. Budget</b>	<b>Variance Exec. vs Adopted 04</b>	<b>Variance Exec. Vs FY 04 Proj.</b>	
BD Fines & Forfeits	2,145,552	2,145,552	2,145,552	2,145,552	0	0	
BJ Interdept Revenues	30,985,004	30,985,004	0	30,985,004	0	0	
BO PILOT	3,803,000	3,803,000	0	0	(3,803,000)	(3,803,000)	
BS OTB Profits	12,318,000	8,020,000	10,000,000	7,600,000	(4,718,000)	(420,000)	
BW Interfund Revenue	10,497,897	10,497,897	21,390,194	21,390,194	10,892,297	10,892,297	
NA NIFA Aid	15,000,000	7,500,000	7,500,000	7,500,000	(7,500,000)	0	
TA Sales Tax-Countywide	851,905,710	886,589,081	907,884,812	907,089,227	55,183,517	20,500,146	
TB Sales Tax-Part County	49,971,201	49,971,201	51,620,689	57,567,863	7,596,662	7,596,662	
TL Property Tax	136,984,462	141,247,363	136,984,462	113,681,277	(23,303,185)	(27,566,086)	
TO OTB 5 % Tax	7,187,000	7,187,000	7,187,000	6,900,000	(287,000)	(287,000)	
<b>Total</b>	<b>1,120,797,826</b>	<b>1,147,946,098</b>	<b>1,144,712,709</b>	<b>1,154,859,117</b>	<b>34,061,291</b>	<b>6,913,019</b>	

The major changes in the Unallocated Revenues section are detailed below:

**Fines & Forfeits** This line is where the County budgets for forfeited bail and fines. These revenues are being held constant at their FY 05 budgeted amounts. The fine revenues budgeted for in this line are levied by the Court System and are recorded by the Treasurer. The courts charge a 2% fee on refunded bail and 100% fee on forfeited bail.

**Interdepartmental revenues** This line represents an allocation of indirect administration charges incurred by one department on behalf of another department. Corresponding revenues get booked to the department providing the service. These charges include payroll costs, purchasing, building operations and security. As explained by the Office of Management and Budget Review, “Most governmental units provide certain services, such as motor pools, computer centers, purchasing, accounting, etc., to operating agencies on a centralized basis. Since federally-supported awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefited activities on a reasonable and consistent basis.”<sup>1</sup>

**OTB Profits and 5% Surcharges** FY 05 was a challenging year for Nassau’s OTB. The hold harmless agreement instituted in 2004 is eroding OTB’s profits. In FY 04, when Nassau OTB was given

<sup>1</sup>OMB CIRCULAR NO. A-87: COST PRINCIPLES FOR STATE, LOCAL AND INDIAN TRIBAL GOVERNMENTS ATTACHMENT C

permission to simulcast thoroughbred racing at night it had to hold harmless the harness tracks. To avoid negatively impacting the nighttime harness track business, OTB has had to make payments to the local harness tracks to keep their revenues constant at pre-night simulcasting levels. Nassau OTB is challenging this legislation in court and expects to obtain a judgment by the end of the year. If the court rules that Nassau does not have to hold the harness tracks harmless, then OTB expects the FY 05 profit payment to the County to be eight million. If the court rules that Nassau can reimburse the harness tracks at a rate of fifty cents for each dollar lost, then the FY 05 profit payment to the County is forecasted to be seven million. However, if the Court mandates that Nassau reimburse the harness tracks at a dollar for dollar rate, then the FY 05 profit payment to the County will be six million, \$1.6 million short of the FY 05 budget. Although total handle for Nassau OTB is up from 2004, OLBR is projecting that all surcharge payments will miss their FY 05 budgeted amounts. Based on current trends, OLBR is projecting all surcharge revenues to be roughly \$6.15 million in 2005, roughly \$750,000 short of budget. The FY 06 budget includes \$6.5 million in surcharge revenues and \$5.7 million in profit revenues. Based on the FY 05 projections, the FY 06 surcharge budget appears optimistic and the profit budget seems reasonable.

**Interfund revenue** The interfund revenue line is increasing by 5.9%. The line is used to budget for reimbursement of Sewer and Storm Water Resource District OTPS, PS and workers compensation expenses. The expense is recorded in the Sewer District Fund as an interfund charge. This funding reimburses the General Fund for personnel costs related to storm water operations. There are approximately 100 full-time positions in the General Fund that are responsible for storm water operations. The Sewer and Storm Water District Fund budgets these expenses under interdepartmental charges to reimburse the General Fund for these costs incurred on behalf of the Sewer and Storm Water District Fund.

**NIFA Aid** This line shows the transitional financial assistance provided to the County from NIFA. NIFA Aid is decreasing 100% from FY 05. FY 05 was the last year of NIFA transitional or restructuring assistance.

**Sales Tax** In FY 06, OMB projects sales tax collections to grow by 3.2% from the current OMB projection. For a more detailed analysis, see the sales tax section in the Executive Summary.

**Property tax** In FY 06 the General Fund allocation of County property tax revenue is decreasing by 29.3%. For more discussion of the FY 05 property tax changes on all funds see the Executive Summary.

VETERANS SERVICES AGENCY

The Veterans Service Agency advocates for the benefits and needs of U.S. veterans. Its authority was established through Article 17, Section 359 of New York State law. The agency files claims on behalf of veterans and dependents with the U.S. Veterans Administration and provides advice and guidance in connection with those claims, which include service-connected compensation, widow’s benefits, educational benefits, hospitalization and dental care, along with mortgages and tax exemptions on real property. The agency is also embarking upon an initiative to allow veterans to replace the benefits that they receive from the Department of Social Services with veteran benefits. The agency claims that initiative will increase the amount of benefit received by the veteran and also save the County money. The veteran benefit is fully reimbursable from the federal government while the benefit distributed by the Department of Social Services is partially reimbursable.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries, Wages & Fees	\$551,763	\$542,721	\$571,294	\$568,144	\$16,381	\$25,423
DD	General Expenses	5,550	5,550	5,595	5,595	45	45
DE	Contractual Services	0	0	700	700	700	700
	<b>Total OTPS</b>	<b>5,550</b>	<b>5,550</b>	<b>6,295</b>	<b>6,295</b>	<b>745</b>	<b>745</b>
HF	Inter-Depart Charges	432,625	0	0	343,706	(88,919)	343,706
	<b>Grand Total</b>	<b>\$989,938</b>	<b>\$548,271</b>	<b>\$577,589</b>	<b>\$918,145</b>	<b>(\$71,793)</b>	<b>\$369,874</b>

The FY 06 salaries budget will increase by \$16,381 mainly to cover the cost of the CSEA contractual raises. The budget represents nine full-time positions.

The Office of Management and Budget has merged the categories materials and supplies (CC) and general expense (DD) under general expense (DD) for the 2006 budget to simplify the management of these expenses. For comparison purposes, we have done the same for the 2005 Budget and OLBR Projection. The FY 06 OTPS budget will essentially remain the same over the FY 05 budget. The general expenses account of \$5,595 will mainly consist of educational and training supplies as well as traveling expenses. The contractual services account will include expenses for software contracts in the amount of \$700.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Veteran Services. The largest components of the inter-departmental charges are for building occupancy charges of \$168,344, information technology at a cost of \$75,089, and

\$65,159 for indirect charges. The inter-departmental charges will decrease by \$88,919 primarily due to a decrease in building occupancy charges.

<b>Veterans Services Agency Staffing Analysis</b>						
	<u>FY 05 Adopted</u>	<u>Sept-05 Actual</u>	<u>FY 06 Request</u>	<u>FY 06 Executive</u>	<u>Exec. vs 05 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	9	9	9	9	0	0

The staffing levels are budgeted to remain flat.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
BJ Interdepartmental Revenues	0	0	0	1,000,000	1,000,000	1,000,000
FA Federal Aid - Reimbursable	33,855	33,855	0	0	(33,855)	(33,855)
SA State Aid - Reimbursable	32,500	32,500	32,500	32,500	0	0
<b>Grand Total</b>	<b>66,355</b>	<b>66,355</b>	<b>32,500</b>	<b>1,032,500</b>	<b>966,145</b>	<b>966,145</b>

The FY 06 aggregate revenue budget of the department is projected to increase by \$966,145. State aid revenue is anticipated to remain flat from the FY 05 level. The County receives from New York State \$5,000 for the first 100,000 population, plus \$2,500 for each additional 100,000 people. The federal funding budgeted at \$33,855 for the FY 05 budget represents a grant the agency received to help homeless veterans find employment. The Agency indicated that the federal government has heightened its guidelines for the program. Consequently, the agency will not meet the qualifications for the federal grant. Therefore, the agency will not receive any federal aid in FY 06. The department has also allocated \$1,000,000 in inter-departmental revenue. The revenue reflects the Agency’s transaction of furnishing information and referral resources to the Department of Social Services, in accordance with the County’s “No Wrong Door” policy.

**NASSAU COUNTY YOUTH BOARD**

The Youth Board, presently residing at 60 Charles Lindbergh Blvd., was established in 1965 to coordinate, sponsor and evaluate Nassau County’s youth development services. The Youth Board is comprised of a twenty-member policy-making board defined by state and local law acting as fiscal and monetary agent for a variety of youth and family development programs through a network of 36 community-based organizations. In FY 06, the Youth Board will continue funding the Youth Violence and Gang Prevention/Intervention Initiative in the department’s ongoing efforts to serve Nassau County’s young people and their families.

**EXPENSE BUDGET  
BY OBJECT CLASS**

<b>Obj</b>	<b>Name</b>	<b>Adopted FY 05 Budget</b>	<b>OLBR FY 05 Projection</b>	<b>FY 06 Dept. Request</b>	<b>FY 06 Exec. Budget</b>	<b>Variance Exec. vs Adopted 05</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$554,486	\$538,372	\$523,239	\$519,239	(\$35,247)	(\$19,133)
DD	General Expenses	1,725	1,725	11,800	11,800	10,075	10,075
DE	Contractual Services	7,366,394	7,466,394	7,576,823	7,576,823	210,429	110,429
	<b>Total OTPS</b>	<b>7,368,119</b>	<b>7,468,119</b>	<b>7,588,623</b>	<b>7,588,623</b>	<b>220,504</b>	<b>120,504</b>
HF	Inter-Depart Charges	593,777	593,777	0	599,952	6,175	6,175
	<b>Grand Total</b>	<b>\$8,516,382</b>	<b>\$8,600,268</b>	<b>\$8,111,862</b>	<b>\$8,707,814</b>	<b>\$191,432</b>	<b>\$107,546</b>

The FY 06 Executive budget for the Youth Board is \$8.7 million, which is 2.2% above the FY 05 adopted budget. The increase is due primarily to \$220,000 in OTPS charges, representing \$10,000 in general expenses and \$200,000 in contractual services, offset by approximately \$50,300 in FY 05 termination pay. Overall, it appears that the Youth Board will remain relatively stable when compared to the adopted FY 05 budget.

The salaries expense for the Youth Board in FY 06 is \$519,239, or a decrease of 6.4%, which is the direct effect of termination pay from FY 05. The FY 05 budget included \$50,316 of termination pay, which represented the third and final payment owed to employees who left in 2002. CSEA contractual raises will partially offset the savings in termination pay.

General expenses are budgeted for \$11,800; an increase of approximately \$10,000 from expenses adopted in FY 05. The majority of the expenses are attributable to \$5,600 for postage and postage delivery, and \$2,500 for office supplies and copy paper, formerly assigned as interdepartmental charges. The department utilized projected FY 05 costs as the baseline for the FY 06 request for postage expenses. The \$2,500 increase in office supplies is the result of the department’s underestimate of FY 05 supply costs.



Contractual services represents 87% of the total FY 06 proposed budget. The allocation for program agencies, which is related to community-based not-for-profit youth service agencies, will increase by \$210,429 from FY 05 levels. The 2.9% increase represents the continued funding for the Youth Violence and Gang Prevention/Initiative and a request for \$100,000 to cover programs partially funded in the 2005 budget.

The following page details list of the Youth Board’s FY 06 proposed contracts and associated funding. This list represents only contracts funded through the General Fund. It should be noted that the \$63,827 difference from the budgeted contractual expenses represents monies that have not yet been allocated by the Youth Board.

As can be seen from the following, in FY 05 the department received \$1,190,399, which was distributed through grants and not part of the operating budget. Although the exact FY 06 grant amounts are not determined until later in the year, the department is anticipating funding at approximately the same level.

<b>NASSAU COUNTY YOUTH BOARD</b>	
<b>2005 GRANTS</b>	
<b><u>SPECIAL DELINQUENCY PREVENTION PROGRAM (S.D.P.P.)</u></b>	
F.C.A. of Nassau County / Beyond the Violence	\$15,000
F.C.A. of Nassau County / Contract Management	\$60,737
F.C.A. of Nassau County / PROJECT PRIDE	\$30,600
F.C.A. of Nassau County, Inc. / P.I.P.	\$90,300
Farmingdale Youth Board / FYB Changing Directions	\$12,552
Five Towns Community Center, Inc.	\$45,289
Freeport Pride, Inc.	\$39,511
Freeport Pride, Inc. / Job Preparedness	\$46,210
Glen Cove Boys / Girls Club at Lincoln House - Youth Employment and Development	\$89,357
Long Beach Reach, Inc.	\$39,182
Long Beach Reach, Inc. / Sharing & Caring	\$46,206
Long Island Advocacy, Inc.	\$32,500
Y.E.S. Community Counseling Center	\$16,055
<b>2005 Health and Human Services - RUNAWAY PROGRAM</b>	
Family and Children's Association, Inc.	\$100,000
U.S. Department of Agriculture/New York State Dept. of Education	
Food Vendor and Family and Children's Association, Inc.	\$350,000
New York State Department of Criminal Justice Services	
Freeport Pride, Inc.	<u>\$176,900</u>
<b><u>TOTAL GRANTS</u></b>	<b><u>\$1,190,399</u></b>

The aggregate revenue budget for the department will decrease by \$75,977 or 4.8% in FY 06 due to a decline in reimbursable State Aid. Funding from the State is based on per youth population allowance or a per capita rate for youths between the ages of 0-20, or \$4.52 in 2005. The per capita rate for youths between the ages of 0-20 was reduced by New York State from \$4.72 in 2004 to \$4.52 in 2005. Rates are based on 50% of eligible expenses up to a maximum set each year by New York State. The Youth Board is required to match State aid.

REVENUE BUDGET						
Revenue Class	Adopted FY 05 Budget	OLBR FY 05 Projection	FY 06 Dept. Request	FY 06 Exec. Budget	Variance Exec. vs Adopted 05	Variance Exec. vs FY 05 Proj.
SA State Aid - Reimbursable	\$1,599,310	\$1,523,333	\$1,523,333	\$1,523,333	(\$75,977)	\$0

The proposed budgeted staffing level of the Youth Board will remain flat at seven employees for the fifth consecutive year.

Nassau County Youth Board Staffing Analysis						
	FY 05 <u>Adopted</u>	Sept-05 <u>Actual</u>	FY 06 <u>Request</u>	FY 06 <u>Executive</u>	Exec. vs <u>05 Adopt</u>	Exec. vs <u>Actual</u>
Full-time Staffing	7	7	7	7	0	0

**Out Year Initiatives:**

The department has the responsibility for the implementation and monitoring of a portion of the **Program Reduction** initiative. This is part of a Countywide out-year initiative to save funds by reducing the contract expenses for non-mandated programs in Health and Human Services departments by \$1,000,000 as part of the Multi-year plan, beginning in 2007. Although the bulk of the savings will come from Social services, (\$890,000 annually in years 2007-2009), the **program reductions** initiative will reduce the contract expenses of Youth Board \$50,000 annually. This amount represents 0.70% of the total contract amount budgeted for FY 06. The exact distribution of contract expense reductions has not yet been determined. The impact on the programs' providers and clients are not known at this time.

NAME	FY 2007	FY 2008	FY 2009
Program Reductions	\$50,000	\$50,000	\$50,000

**NASSAU COUNTY YOUTH BOARD CONTRACTS**

<u>AGENCY</u>	<u>2006</u> <u>CONTRACTS</u>	<u>AGENCY</u>	<u>2006</u> <u>CONTRACTS</u>
Advisory Council for the Youth of Mineola	189,500	I Support Roosevelt Committee	206,206
Big Brothers /Big Sisters of Long Island	46,000	La Fuerza Unida de Glen Cove	128,006
Circulo de la Hispanidad	164,810	Littig House Community Center	135,568
City of Glen Cove Youth Bureau	63,079	Littig House Community Center*	15,000
Comm. Wellness Council for the Bellmores/Merrick	25,000	Long Beach Martin Luther King Center	199,630
Concerned Citizens for Roslyn Youth	151,467	Long Beach REACH	248,496
COPAY, Inc	20,000	Long Island Advocacy	60,193
EAC-Mediation Alternative Project	39,969	LI Crisis Center - Runaway Homeless Youth	115,794
FCA/Nassau Haven	388,423	LI Crisis Center - Middle Earth Hotline	122,219
FCA/PACT (Parents and Children Together)	259,540	Manhasset/Great Neck E.O.C.	86,429
FCA/Walkabout for Young Men & Women	358,546	Nass. Cty. Coalition Against Domestic Violence	49,314
FCA/YAPP (Youth Adult/Participation Program)	119,523	North Shore Child & Family Guidance Assoc.	35,000
FCA/Youth and Community Development	716,872	North Shore Boys and Girls Club, Inc.	40,000
FCA/-Administration*	25,000	Operation Get Ahead, Inc.	134,000
Five Towns Community Center	313,821	Project Challenge of Long Island, New York	35,000
Floral Park Youth Council	15,000	Tempo Youth Services	35,000
Freeport Pride, Inc.	246,590	Time Out Club of Hempstead, Inc.	162,000
Gateway Youth Outreach	258,218	Uniondale Community Council	158,744
Gateway Youth Outreach*	20,000	Westbury Comm. Improvement Corp., Inc.	164,074
Hempstead Hispanic Civic Association	40,000	YES Community Counseling Center	205,508
Hicksville Teen-Age Council	151,712	Yours, Ours, Mine Community Center	223,649
Hispanic Brotherhood of Rockville Centre	80,086	Youth & Family Counseling of OB/EN	62,000
Hispanic Counseling Center	153,010		
		<b>sub-total</b>	<b><u>\$6,467,995</u></b>

**GANG AWARE INITIATIVE**

Advisory Council for the Youth of Mineola-Helping Youth Reach Their Potential	75,000
Five Towns Community Center-Youth Violence andGang Prevention Project	75,000
Freeport Pride, Inc.-Youth Direction Initiative	100,000
Gateway Youth Outreach-GIPP Gang Intervention Prevention Project	50,000
Operation Get Ahead, Inc.-Youth Violence and Gang Prevention	35,000
Uniondale Community Council-A Strong Uniondale Community Network	60,000
Long Island Crisis Center-True Colors	100,000
Long Beach Reach-Reach for Peace	100,000
YES Ciommunity Council-S.O.S.-Street Outreach and Support	50,000
E.O.C. - Youth Employment and Career Development	175,000
S.T.R.O.N.G. Youth Inc. - Building Strong Youth	125,000
HEVN, Inc.	50,000
EMPLOYMENT R.F.P.	50,000
	<b>sub-total</b>
	<b><u>\$1,045,000</u></b>
<b>* denotes collaboration</b>	<b>Total Contracts</b>
	<b><u>\$7,512,996</u></b>