

Overview of the Fiscal 2007 Executive Budget

NASSAU COUNTY OFFICE OF LEGISLATIVE BUDGET REVIEW

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October 3, 2006

*Public Safety
Committee*

*Agencies Scheduled to
Testify:*

District Attorney

Police

*Correctional
Center/Sheriff*

Probation

TPVA

Consumer Affairs

Fire Commission

NASSAU COUNTY LEGISLATURE

Hon. Judith A. Jacobs,
Presiding Officer

Hon. Peter J. Schmitt,
Minority Leader

Hon. Joseph Scannell,
*Chairman, Public Safety
Committee*

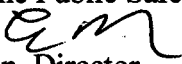


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Inter-Departmental Memo

To: Hon. Judith A. Jacobs, Presiding Officer
Hon. Peter J. Schmitt, Minority Leader
Hon. Joseph Scannell, Chairman of Public Safety Committee
All member of the Public Safety Committee

From:  Eric C. Naughton, Director
Office of Legislative Budget Review

Date: September 29, 2006

Re: FY 07 Budget Hearing – October 3, 2006

Enclosed please find preliminary reviews of the FY 07 budget and Multi-Year Plan (MYP) for the specific agencies scheduled to appear before the Public Safety Committee, with the exception of the Police Department, which will be distributed on October 2nd. In order to better evaluate the Proposed Budget, in our analyses we have included tables of historical expenditures and revenue. In addition, in looking at staffing needs we also compare the proposed FY 06 budget to actual staffing levels for the last four years.

Risks

The Administration reduced the Correctional Center's budget request by \$4.5 million for costs associated with medical/psychiatric services. The current agreement with the Nassau University Medical Center includes a 21% subsidy charge for services provided to inmates. The Administration expects to enter into a new agreement with NUMC that will eliminate the charge. The Administration has no contingency plan if the elimination does not come to fruition. There also appears to be a shortfall in the Correctional Center's overtime budget by at least \$1.0 million based on the Administration's baseline assumptions for salary increases and depending on the success of their overtime management initiative.

Similar to the FY 06 Budget, the Proposed FY 07 Budget for Consumer Affairs again includes \$2.5 million for home improvement license fees from the Office's desire to start licensing plumbers and electricians. However, the required legislation from the State, S4891B/A7530B, is still under review by the respective Local Government Committees.

For Consumer Affairs and the Fire Commission the Administration has increased revenue based on proposed legislation to increase fees base on the CPI. The Government Finance Officers' Association has the following policy recommendation:

1. A formal policy regarding charges and fees should be adopted. The policy should identify what factors are to be taken into account when pricing goods and services. The policy should state whether the jurisdiction intends to recover the full cost of providing goods and services. It also should set forth under what circumstances the jurisdiction might set a charge or fee at more or less than 100 percent of full cost. If the full cost of a good or service is not recovered, then an explanation of the government's rationale for this deviation should be provided. Some considerations that might influence governmental pricing practices are the need to regulate demand, the desire to subsidize a certain product, administrative concerns such as the cost of collection, and the promotion of other goals. For example, mass transit might be subsidized because of environmental concerns.
2. The full cost of providing a service should be calculated in order to provide a basis for setting the charge or fee. Full cost incorporates direct and indirect costs, including operations and maintenance, overhead, and charges for the use of capital facilities. Examples of overhead costs include: payroll processing, accounting services, computer usage, and other central administrative services.
3. Charges and fees should be reviewed and updated periodically based on factors such as the impact of inflation, other cost increases, the adequacy of the coverage of costs, and current competitive rates.
4. Information on charges and fees should be available to the public. This includes the government's policy regarding full cost recovery and information about the amounts of charges and fees, current and proposed, both before and after adoption.

My staff and I remain ready to provide any additional assistance the Legislature may require in consideration of the proposed budget and Financial Plan.

cc: Hon. Howard Weitzman, County Comptroller
David Gugerty, Majority Counsel
Joe Nocella, Minority Counsel
Richard Luke, Executive Director, NIFA
Dan McCloy, Special Assistant Minority
Fran Evans, Chief of Staff
Roseann D'Alleva, Majority Finance

PUBLIC SAFETY COMMITTEE

TABLE OF CONTENTS

(1) Consumer Affairs 1

(2) Correctional Center/Sheriff.....5

(3) District Attorney 11

(4) Fire Commission 14

(5) Police Department..... 18

(6) Probation Department29

(7) Traffic and Parking Violation Agency.....33

OFFICE OF CONSUMER AFFAIRS

The Office of Consumer Affairs provides consumer protection, advocacy and information to guard consumers from fraud, deceit, and misrepresentation involving the sale of goods and services. Authorized by Local Law 9-1967, Local Law 2-1970 and the New York State General Business Law, the department ensures the welfare of Nassau County consumers by fostering high standards of honesty and fair business practices.

Historical Revenue						
	FY 03	FY 04	FY 05	FY 06	FY 07	% Change
	Actual	Actual	Actual	Projected	Exec.	Proj./Exec.
Permits & Licenses	\$2,724,946	\$2,312,687	\$3,418,015	\$4,201,400	\$6,742,450	60.5%
Fines & Forfeits	397,210	553,828	784,242	620,000	620,000	0.0%
Rents & Recoveries	0	24	32	0	0	0.0%
Taxes	40,635	0	0	0	0	0.0%
Department Revenues	264	25	410	200	200	0.0%
State Aid	47,071	44,651	49,788	45,900	45,900	0.0%
Total	\$3,210,126	\$2,911,215	\$4,252,487	\$4,867,500	\$7,408,550	52.2%

From an historical perspective, the office receives the largest portion of its revenues from licensing, followed by fines and forfeitures. Except for a dip in 2004, due to the cyclical basis of when licenses are renewed, the trend shows increasing receipts of permits and licenses due to the implementation of various initiatives and renewals, including new fee revenues from registering taxis and ATMs, home improvement licensing, item-pricing initiatives, seizure or unlicensed home improvement vehicles, and the smoking ban. The County stopped collections from coin operated devices after FY 03, accounting for the drop-off in special taxes.

In FY 07, the proposed budget for Consumer Affairs shows an increase in total revenues of \$542,450, or 7.9% from the adopted FY 06 budget. This increase is due primarily to the anticipated 8.7% rise in annual renewal fees pertaining to for-hire vehicles and home improvement business licenses, as per the proposed ordinance 2-year CPI increase, as shown on the following page. State aid, which represents reimbursement for all expenses related to measuring gasoline quality remains constant when compared to the last year’s adopted budget, and over 2006 projections. These dollars are fully reimbursable and capped by the State. Revenues from fines and forfeitures and state aid reimbursements are expected to remain flat in FY 07.

REVENUE BUDGET							
Revenue Class		Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. Vs FY 06 Proj.
BC	Permits & Licenses	\$6,200,000	\$4,201,400	\$6,742,450	\$6,742,450	\$542,450	\$2,541,050
BD	Fines & Forfeitures	620,000	620,000	620,000	620,000	0	0
BH	Department Revenues	200	200	200	200	0	0
SA	State Aid - Reimbursable	45,900	45,900	45,900	45,900	0	0
Grand Total		\$6,866,100	\$4,867,500	\$7,408,550	\$7,408,550	\$542,450	\$2,541,050

The permits and licensing fees collected by Consumer Affairs include 1) anticipated home improvement licensing, 2) weights and measures fees, as mandated by the State, 3) taxi and limousine registration fees, as of December 2003, and 4) ATM registration fees, which were authorized as of March 2005. The FY 07 proposed budget for this revenue category is 8.7% greater than adopted in the 2006 budget and more than \$2.5 million greater than FY 06 projection. The \$2.5 million reflects the home improvement license fees from the office's desire to start licensing plumbers and electricians in FY 06. However, the required legislation from the State, S4891B/A7530B, is still under review by the respective Local Government Committees. Therefore, it continues to remain unclear if the anticipated \$2.5 million is realistic.

Also included in the permits and licenses line are new fee revenues from registering taxis and limos and ATMs in FY 06. In March 2005, Local Law #2 authorized the Office of Consumers Affairs to regulate non-bank ATMs. The registration program does not apply to ATMs located within a space rented or owned by a financial institution. The FY 06 proposed budget estimated ATM registration fees at \$400,000. However, OLBR estimated that the annual recurring Consumer Affairs fee revenue may be in the \$53,300 to \$91,750 range when first reviewed. The FY 07 proposed budget estimates ATM registration fees at \$33,000, nearly 91.8% less than budgeted in the FY 06 budget. The chart below outlines the permit and licenses fees proposed in the FY 07 budget as compared to FY 05 actuals and OLBR's FY 06 projections.

Permits & Licenses	Actual 2005	OLBR 2006	
		Projection	Proposed 2007
Home Improvement License Fees	\$2,257,375	\$2,368,400	\$4,868,450
Weights and Measures Fees	\$772,714	\$800,000	\$800,000
Taxi and Limo Registration Fee	\$360,255	\$1,000,000	\$1,041,000
ATM Registration Fee	\$27,670	\$33,000	\$33,000
Total	\$3,418,014	\$4,201,400	\$6,742,450

The automatic 2-year CPI increase ordinance, as proposed by the County Executive in the 2007-2010 Multi-Year Plan will be applied to annual renewal Home Improvements Permits & Licenses and Taxi & Limousine Registrations, subject to legislative approval. According to the multi-year plan, it is anticipated that the OCA portion of the ordinance including 1) home improvement permits and licensing fees and 2) taxi and limo registration fees will amount to \$192,200 in FY 07.

Since this revenue option will need legislative approval, the office’s revenue budget for 2007 could prove to be overstated by the department’s portion of the ordinance for 2007. According to the multi-year plan, revenues are held constant at the proposed FY 07 levels.

Historical Expenditures						
	FY 03	FY 04	FY 05	FY 06	FY 07	% Change
	Actual	Actual	Actual	Projected	Exec.	Proj./Exec.
Full-time Headcount	30	34	39	37	48	29.7%
Salaries	\$1,690,655	\$1,887,164	\$2,165,929	\$2,290,453	\$2,466,823	7.7%
Misc OTPS	9,561	60,212	15,299	41,492	41,492	0.0%
Total	\$1,700,216	\$1,947,376	\$2,181,228	\$2,331,945	\$2,508,315	7.6%

In terms of expenditures, the FY 07 proposed expense increase is on par with the approximate average 7.0% increase over the past 4 years. The FY 07 expense budget is decreasing by 6.4% or \$172,642 from FY 06 due to reductions in all expense lines, including a decline in salaries of 6.4%, and an 8.0% cut in both equipment and general expenses. Equipment expenses budgeted at \$17,480 will include the replacement of printer and fax cartridges for the Taxi & Limousine Division, and document shredders and file cabinets to hold violation folders. Other equipment expenses include communication devices to be used in the field to support undercover operations and ensure the safety of investigators. The office must also consider equipment needs of the New York State mandated Weights & Measure Division, such as lead and wire seals and dies, weight standards and scales, and the accompanying certification charges and necessary repairs or replacement of the testing equipment.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Exec. vs Adopted 06	Variance Exec. Vs FY 06 Proj.
AA	Salaries	\$2,635,857	\$2,290,453	\$2,707,817	\$2,466,823	(\$169,034)	\$176,370
BB	Equipment	19,000	17,480	19,500	17,480	(1,520)	0
DD	General Expenses	26,100	24,012	26,100	24,012	(2,088)	0
	Total OTPS	45,100	41,492	45,600	41,492	(3,608)	0
	Grand Total	\$2,680,957	\$2,331,945	\$2,753,417	\$2,508,315	(\$172,642)	\$176,370

There are currently 11 vacant positions in the department. Budgeted full-time and part-time/seasonal staffing in the Office of Consumer Affairs is decreasing from FY 06 as per the proposed FY 07 budget by one full time hire. The office has hired three new investigators and received approval to hire one more investigator and two more clerical employees. Although the vacant positions will be staggered throughout the year, the FY 07 budget is not sufficient to fund these positions.

Office of Consumer Affairs Staffing Analysis						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	49	37	48	48	(1)	11
Part-time and Seasonal	11	6	11	11	0	5

NASSAU COUNTY CORRECTIONAL CENTER

The inmate population decreased by 4% in 2005, but it is anticipated to increase by 2.7% in 2006. In 2007 the population is projected to be slightly lower than 2006. The number of federal inmates housed is estimated to be 154 for 2006, a 27.0% decrease from 2005 due to the opening of the Queens Private Detention Facility, which has been housing inmates since 2005. The department anticipates future decreases in federal inmates in 2006 and 2007 with 154 both years.

<u>ACTIVITY INDICATORS</u>				
<u>INDICATOR</u>	<u>ACTUAL 2004</u>	<u>ACTUAL 2005</u>	<u>ESTIMATED 2006</u>	<u>PROJECTED 2007</u>
Average Daily Inmate Population	1,647	1,581	1,623	1,600
Total Admissions	10,664	10,485	11,750	11,750
<u>Revenue Generating Indicators</u>				
Federal Inmates	243	211	154	154
State Ready Inmates	11	15	17	17
Parole Violators	45	47	48	48
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 07 budget and baseline:

Overtime Management - \$1,000,000

The department expects to realize \$1.0 million in overtime savings from continued operational efficiencies, consolidation and civilianization efforts. It intends to hire additional maintenance staff which should reduce overtime expense for both civilian and sworn employees. In the last couple of years the department has hired additional staff and realized overtime savings. However, the level of overtime is determined by many variables in addition to staffing, including inmate population and contractual obligations.

Historical Expenditures						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Full-time Headcount	1,156	1,127	1,203	1,225	1,246	1.7%
Salaries	\$102,547,748	\$108,980,435	\$112,518,355	\$118,723,435	\$113,413,054	-4.5%
Misc OTPS	5,094,788	4,724,072	4,732,694	5,209,297	4,994,911	-4.1%
Contractual Services	23,982,532	26,145,574	25,749,905	25,300,000	22,436,347	-11.3%
Total	\$131,625,068	\$139,850,081	\$143,000,954	\$149,232,732	\$140,844,312	-5.6%

The department has historically seen increases in actual expenditures of 6.2% in FY 04 and 2.3% in FY 05. Our office projects an increase of 4.4% in FY 06. The escalating costs are primarily due to rising salary expenses. In 2004 although the headcount went down, the salaries increased due in part to a \$4.7 million rise in overtime. Contractual services fluctuates year to year depending on the costs of medical services. The Administration is anticipating a decline in expenditures in 2007 resulting from lower salary expenses and a reduction to the medical expenses charged by Nassau County Medical Center. The Administration expects \$5 million in savings from the potential execution of the ShOA collective bargaining agreement and \$4 million in savings from the elimination of the 21% surcharge in the medical costs.

EXPENSE BUDGET BY CONTROL CENTER					
Control Center	Adopted FY 06 Budget	Departmental Request FY 07	Executive FY 07	Variance Exec. vs Adopted 06	Variance Exec. vs. Request
10 Correctional Center	\$140,411,847	\$151,646,314	\$135,311,427	(\$5,100,420)	(\$16,334,887)
20 Sheriff	5,179,186	5,936,769	5,532,885	353,699	(403,884)
Total	\$145,591,033	\$157,583,083	\$140,844,312	(\$4,746,721)	(\$16,738,771)

The majority of the FY 07 proposed budget, 96.1%, comes from the Correctional Center with a \$135.3 million budget. The Sheriff's office is budgeted at \$5.5 million for 2007.

**EXPENSE BUDGET
BY OBJECT CLASS**

Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Executive vs Adopted	Variance Executive vs FY 06 Proj.
AA	Salaries	\$119,236,678	\$118,723,435	\$125,032,236	\$113,413,054	(\$5,823,624)	(\$5,310,381)
BB	Equipment	112,626	103,616	502,000	134,911	22,285	31,295
DD	General Expenses	4,323,000	4,473,000	4,462,500	4,210,000	(113,000)	(263,000)
DE	Contractual Services	21,286,050	25,300,000	26,936,347	22,436,347	1,150,297	(2,863,653)
DF	Utility Costs	632,681	632,681	650,000	650,000	17,319	17,319
	Total OTPS	26,354,357	30,509,297	32,550,847	27,431,258	1,076,901	(3,078,039)
	Grand Total	\$145,591,035	\$149,232,732	\$157,583,083	\$140,844,312	(\$4,746,723)	(\$8,388,420)

The FY 07 budget is \$4.7 million or 3.3% less than the FY 06 budget and \$8.4 million or 5.6% less than the projected actual. This is partially due to a lower salary expenses. Salary expenses are anticipated to decrease from the previous year's budget by \$5.8 million due to \$5.1 million in savings expected from a new ShOA agreement. Labor negotiations are currently at impasse and are awaiting a non-binding recommendation from the mediator. If an agreement similar to the one that was proposed to the Legislature in 2005 is passed in 2006 or early 2007, the savings could be realized in FY 07. The previously proposed contract was voted down by the Legislature due to concerns about a potential PBA reopener. Utilizing the Administration's baseline assumptions, there is sufficient funding for base salaries, but OLBR estimates that overtime is underfunded by between \$1.2 million and \$2.2 million depending on the success of the overtime management initiative. Although the Department has been able to reduce overtime in recent years through hiring additional personnel, managing to a lower inmate population, civilianization, and implementing various initiatives, it is questionable to what extent the Department can continue to reduce overtime without jeopardizing safety or increasing headcount above budget.

The current Sheriffs' Officers' Association (ShOA) contract calls for civilianizing 55 non-security positions. To date, 18 civilians have been hired with another two anticipated by the end of the year, bringing the total to 20 positions. CSEA employees will be receiving COLA increases of 3.5% in January 2007 and step increases are included for employees in both unions. The Administration also indicated that \$500,000 for uniform & equipment allowance was not included the FY 07 proposed budget, and will be requested in an upcoming technical adjustment.

OTPS FY 07 budgeted expenses are expected to increase by \$1.1 million over the FY 06 budget but decrease by \$3.1 million from OLBR's FY 06 projected. The major portion is related to contractual services costs, which make up 81.8% of the total FY 07 OTPS budget. Contractual services are increasing by \$1.2 million from the 2006 budget mainly due to new radio and communication charges of \$900,000 incorporated into the budget. The department will take over management of the Nassau County 900 megahertz radio system from the Public Works department. This is more than offset by the reduction in medical costs. The Administration reduced the department's request by \$4.5 million for costs associated with medical/psychiatric services. The current agreement with the Nassau University

Medical Center includes a 21% subsidy charge for services provided to inmates. The Administration expects to enter into a new agreement (the Successor Agreement) with NUMC that will eliminate the charge. The Administration has no contingency plan if the elimination does not come to fruition.

General expenses are decreasing from the FY 06 budget by \$113,000 and decreasing from the projected actual by \$263,000. Equipment is increasing by about \$22,285 from 2004 to account for renovations planned in the Deputy Sheriff's office. Utility costs are also increasing by \$17,319 or 2.7% from the FY 06 budget and projection.

**Nassau County Correctional Center
Staffing Analysis**

	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
CC Full-time Staffing						
10 Correctional Center						
Uniform	1,054	1,042	1,103	1,054	0	12
Civilian	<u>136</u>	<u>127</u>	<u>147</u>	<u>134</u>	(2)	7
Sub-total Full-Time	1,190	1,169	1,250	1,188	(2)	19
20 Sheriff						
Uniform	52	45	46	46	(6)	1
Civilian	<u>10</u>	<u>11</u>	<u>20</u>	<u>12</u>	<u>2</u>	<u>1</u>
Sub-total Full-Time	62	56	66	58	(4)	2
Total Full-time	<u>1,252</u>	<u>1,225</u>	<u>1,316</u>	<u>1,246</u>	<u>(6)</u>	<u>21</u>
CC Part-time and Seasonal						
10 Correctional Center	6	10	6	5	(1)	(5)

Full-time staffing in the Correctional Center is budgeted to increase from the September actual by 21 positions and decrease from the FY 06 budget by 6 positions. The department is expecting a new academy class of 25 sworn officers to come on board in October bringing their full-time total over next year's proposed staff count. This count will be reduced through attrition to bring the Department close to the 2007 budget by the beginning of the year. In addition, five full-time positions providing substance abuse counseling are being transferred administratively to the Behavioral Sciences Department in 2007. These counselors will still be performing the same duties. This is offset by an additional six custodial workers added for the civilianization initiative previously mentioned. The Sheriff's office is reducing the budgeted headcount from 2006 by four to bring it closer in line with the actual.

Historical Revenue						
	FY 03	FY 04	FY 05	FY 06	FY 07	% Change
	Actual	Actual	Actual	Projected	Exec.	Proj./Exec.
Fines & Forfeits	\$41,822	\$68,662	\$44,619	\$55,000	\$55,000	0.0%
Rents & Recoveries	2,843,009	182,866	3,104,524	50,000	50,000	0.0%
Department Revenues	198,357	196,117	1,376,741	1,850,000	2,000,000	8.1%
Interdepartmental Revenue	642,300	392,869	488,035	120,000	120,000	0.0%
Interfund Charges	0	0	12,944	0	0	0.0%
Federal Aid	11,736,734	19,381,813	15,997,765	12,650,000	9,783,750	-22.7%
State Aid	958,088	788,608	1,186,066	1,100,000	1,150,000	4.5%
Total	\$16,420,310	\$21,010,936	\$22,210,694	\$15,825,000	\$13,158,750	-16.8%

Although the department has traditionally experienced increases in revenues, OLBR anticipates a reduction in FY 06 when compared with FY 05 actuals and the department expects a decrease in FY 07 over this year's budget. This is due to fluctuations in the number of federal inmates housed at the jail, for which the Department receives \$162 per day per inmate. As previously stated, this number has gone down recently due to the opening of a facility in Queens. In FY 04 and FY 05 the department had a 28% and 6% increase in revenue, respectively. Fluctuations in these years are also due to non-recurring spikes in rents and recoveries. In FY 06 the office projects a 24% decrease over the previous year and the proposed budget includes a 21.6% decrease.

REVENUE BUDGET						
Revenue Class	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. Vs FY 06 Proj.
BD Fines & Forfeitures	\$55,000	\$55,000	\$55,000	\$55,000	\$0	\$0
BF Rents & Recoveries	50,000	50,000	50,000	50,000	0	0
BH Departmental Revenue	2,120,000	1,850,000	1,850,000	2,000,000	(120,000)	150,000
BJ Inter-Dept. Revenue	120,000	120,000	0	120,000	0	0
FA Federal Aid	13,389,375	12,650,000	9,783,750	9,783,750	(3,605,625)	(2,866,250)
SA State Aid	1,050,000	1,100,000	1,150,000	1,150,000	100,000	50,000
Grand Total	\$16,784,375	\$15,825,000	\$12,888,750	\$13,158,750	(\$3,625,625)	(\$2,666,250)

The proposed FY 07 revenue budget for the Correctional Center is \$13.2 million, down \$3.6 million from the FY 06 budget or 21.6%. The primary reason for the decline is a decrease of \$3.6 million or 27.0% in federal aid. The federal government will discontinue reimbursements related to the State Criminal Alien Assistance Program. The program provides federal assistance for costs associated with incarcerating undocumented aliens. The FY 06 budget for this program included \$2.0 million in reimbursements. The department also expects a decrease of \$1.5 million in federal revenue related to a federal program that reimburses the County for housing federal inmates. The department projected housing 175 federal inmates in FY 06 but will project housing 150 federal inmates in FY 07.

Departmental revenues are also decreasing by \$120,000 or 5.7% from the FY 06 budget and increasing by \$150,000 or 8.1% from the OLBR projected. This is due to the discontinued collection of these fees during 2006 on the advice of the County Attorney. The Department has since been allowed to continue collection.

State aid is increasing from the FY 06 adopted by \$100,000 due to a projected increase in state ready and parole violator inmates.

Interdepartmental revenues for 2006 included \$120,000 for food services provided to the Juvenile Detention Center. This revenue had been included to more accurately identify and allocate the costs incurred by the Correctional Center on behalf of other departments.

Revenue class fines and forfeitures, which has a proposed budget of \$55,000 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.

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.

Historical Expenditures						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Full-time Headcount	352	354	344	343	356	3.8%
Salaries	\$21,749,934	\$22,264,147	\$23,581,371	\$25,665,050	\$28,249,955	10.1%
Misc OTPS	568,199	1,556,014	822,229	700,301	1,025,500	46.4%
Contractual Services	558,869	536,665	531,120	782,194	987,000	26.2%
Total	\$22,877,002	\$24,356,826	\$24,934,720	\$27,147,545	\$30,262,455	11.5%

Expenditures in the District Attorney’s Office have gradually grown over the years. The 11.5% hike in 2007 compared to the 2006 OLBR projection reflects the funding for newly created bureaus, upgrades in technology and the anticipated increase in prosecutorial expenses associated with the new departments.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Exec. vs Adopted 06	Variance Exec. vs FY 06 Proj.
AA	Salaries	\$25,619,606	\$25,665,050	\$28,249,955	\$28,249,955	\$2,630,349	\$2,584,905
BB	Equipment	63,000	7,581	125,000	125,000	62,000	117,419
DD	General Expenses	692,720	692,720	900,500	900,500	207,780	207,780
DE	Contractual Services	782,194	782,194	987,000	987,000	204,806	204,806
	Total OTPS	1,537,914	1,482,495	2,012,500	2,012,500	474,586	530,005
	Grand Total	\$27,157,520	\$27,147,545	\$30,262,455	\$30,262,455	\$3,104,935	\$3,114,910

The total 2007 expenditure budget is increasing by \$3.1 million, over 2006’s budget primarily due to a \$2.6 million rise in salaries. The salary adjustment has been included to fund the additional 20 full-time assistant district attorney positions needed for the newly created bureaus. The new departments include an enhanced DWI bureau, a Public Corruption Bureau and an Early Case Assessment Bureau in which cases are analyzed at the time of arrest. This screening process should reduce police overtime by requiring the police officer to exchange information with the assistant district attorney at the time of arrest instead of at arraignment when a police officer might be on overtime. However, it does not

address the extra time the arresting officer is required to stay for the information exchange. This would initially create police overtime.

The District Attorney's emphasis for DWI intolerance is the basis for an enhanced DWI bureau. The District Attorney plans to aggressively pursue all DWI cases with a new "no plea bargaining" policy. Now defendants will have a choice of accepting the District Attorney's charge or go to trial. It is thought that this will initially create more trials as defendants test the policy.

Other than personal services, excluding inter-departmental charges, is increasing by \$475,000 or 31% over those in 2006. Most of this expense is for software upgrades to bring the District Attorney's Office current with counterparts in other municipalities. In addition, more money is needed for prosecutorial expenses due to the expanded bureaus in the department. The increases of \$208,000 in the 2007 budget in general expenses will be used for investigation expenses which will see a \$35,000 hike over 2006's budget, \$37,000 more for IT supplies and expense, \$14,000 additional in education and training supplies and another \$25,000 in miscellaneous supplies and expenses. The \$170,000 increase in contractual services is due to higher costs of expert witnesses and greater use of DNA Lab testing.

District Attorney Staffing Analysis						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	351	343	356	356	5	13
Part-time and Seasonal	6	1	21	21	15	20

The 2007 Proposed Budget reflects funding for 356 full-time positions and 21 part-time positions. According to the department, the 21 part-time positions are actually full time. In the past, from April through August, the department would hire recent law school graduates for a month of training. After the training period would expire, the new attorneys would leave County service until a position opened within the department. The new proposed policy is to retain these new attorneys after their training to avoid any loss of what they learned during training. More importantly, these attorneys are needed to staff the new bureaus.

Historical Revenue						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Fines & Forfeitures	\$53,265	\$0	\$143,000	\$30,281	\$0	-100.0%
Investment Income	606	377	313	400	1,000	150.0%
Rents & Recoveries	564,647	191,958	80,191	55,014	0	-100.0%
Departmental Revenue	864	1,569	519	177	0	-100.0%
Interdept/Interfund	1,260,837	1,301,834	1,109,235	1,484,089	1,558,493	5.0%
Federal Aid	26,583	74,982	71,499	28,232	65,288	131.3%
State Aid	55,577	58,077	81,579	52,004	55,577	6.9%
Total	\$1,962,379	\$1,628,797	\$1,486,336	\$1,650,197	\$1,680,358	1.8%

Historically, revenue has been declining since 2003 mostly due to reductions in rents and recoveries with fluctuations in fines and forfeitures and departmental revenues.

REVENUE BUDGET						
Revenue Class	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. Vs FY 06 Proj.
BD Fines & Forfeits	\$0	\$30,281	\$0	\$0	\$0	(\$30,281)
BE Investment Income	400	400	1,000	1,000	600	600
BF Rents & Recoveries	0	55,014	0	0	0	(55,014)
BH Department Revenues	0	177	0	0	0	(177)
BJ Interdepartmental Revenue	110,000	110,000	0	190,905	80,905	80,905
BW Interfund Revenues	1,374,089	1,374,089	1,367,588	1,367,588	(6,501)	(6,501)
FA Federal Aid - Reimbursable	28,232	28,232	65,288	65,288	37,056	37,056
SA State Aid - Reimbursable	52,004	52,004	55,577	55,577	3,573	3,573
Grand Total	\$1,564,725	\$1,650,197	\$1,489,453	\$1,680,358	\$115,633	\$30,161

The revenue budget for the District Attorney is rising by 7.4%, or \$115,633, over that of the adopted 2006 budget primarily due to the interdepartmental charges. 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.

Federal aid, increasing by \$37,000, is revenue generated from the Federal Drug Enforcement Agency (DEA). State Aid, growing slightly, by 7%, is received for the reimbursement of DA expenditures relating to salaries in the District Attorney's Office.

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.

Historical Revenue						
	FY 03	FY 04	FY 05	FY 06	FY 07	% Change
	Actual	Actual	Actual	Projected	Exec.	Proj. /Exec.
Investment Income	\$10,195	\$18,380	\$47,300	\$45,429	\$0	-100.0%
Rents & Recoveries	31,141	193,018	53,603	0	0	0.0%
Revenue to Offset Expense	0	0	0	32,000	0	-100.0%
Department Revenues	3,426,005	3,855,639	4,447,232	4,237,300	5,000,000	18.0%
Interdept /Interfund Charge:	0	2,250	94,976	107,759	0	0.0%
Federal Aid	11,172	0	0	0	0	0.0%
State Aid	120,615	138,062	235,080	175,000	120,000	-31.4%
Property Tax	17,011,602	17,781,846	15,443,689	15,849,706	0	-100.0%
Total	\$20,610,731	\$21,989,195	\$20,321,880	\$20,447,194	\$5,120,000	-75.0%

In FY 07, it is proposed that the Fire Prevention, Safety, Communication and Education Fund (Fire) be absorbed into the County General Fund. As a result, there would no longer be a dedicated property tax levy related to Fire. In addition, investment income and rents and recoveries would not be accounted for in the Commission’s budget. Investment income is reflected in the Treasurer and rents and recoveries in Reserves. Historically, department revenue has increased with fee increases such as license and permits, fire investigations etc. Also the prior initiative to increase emergency light tests contributes to more revenue.

REVENUE BUDGET

Revenue Class	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Exec. vs Adopted 06	Variance Exec. Vs FY 06 Proj.
BE Investment Income	\$45,429	\$45,429	\$0	\$0	(\$45,429)	(\$45,429)
BG Revenue to Offset Expense	0	32,000	0	0	0	(32,000)
BH Department Revenues	4,237,300	4,237,300	4,590,000	5,000,000	762,700	762,700
BJ Interdepartmental Revenues	107,759	107,759	0	0	(107,759)	(107,759)
SA State Aid - Reimbursement	120,000	175,000	120,000	120,000	0	(55,000)
TL Property Tax	15,849,706	15,849,706	0	0	(15,849,706)	(15,849,706)
Grand Total	\$20,360,194	\$20,447,194	\$4,710,000	\$5,120,000	(\$15,240,194)	(\$15,327,194)

The decrease in revenue of \$15.2 million is due to the consolidation of the Fire Commission into the General Fund. The FY 07 budget includes the two funding sources of department revenues and state aid. Department revenues are increasing \$762,000 from \$4.2 million in FY 06 to \$5 million in FY 07. 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. A portion of the revenue increase is attributed to proposed legislation to adjust fire safety compliance licensing fees bi-annually by the Consumer Price Index (CPI). The budget also anticipates an increase in the number of compliance tests performed. However, this additional compliance revenue is an aggressive amount to achieve with the current staffing level.

State aid remains unchanged from the FY 06 budget. State aid is made up of tuition reimbursements from NYS for teaching emergency medical courses for emergency service providers who serve the communities within Nassau County. The FY 06 projection for state aid is \$175,000 or \$55,000 over the FY 06 budget. State aid can vary depending on the number of students taking emergency medical courses.

Historical Expenditures

	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Full-time Headcount	113	114	113	111	113	1.8%
Salaries	\$8,314,029	\$9,072,761	\$9,477,974	\$9,668,178	\$9,910,955	2.5%
Fringe	2,695,446	2,951,961	3,221,723	3,252,080	0	-100.0%
Misc OTPS	377,432	468,026	320,405	492,191	492,191	0.0%
Contractual Exp	4,645,828	4,410,983	4,184,904	4,237,675	4,237,675	0.0%
Debt Service Chgbaks	0	2,901,284	659,680	718,994	0	-100.0%
Transf to Gen	244,854	313,814	0	0	0	0.0%
Total	\$16,277,589	\$20,118,830	\$17,864,686	\$18,369,118	\$14,640,821	-20.3%

As shown in the chart above, the headcount has remained stable from FY 03 through FY 07. The increased salaries from FY 03 can be attributed to annual COLA increases and escalated overtime. Increased fringe expenses are the result of increased health insurance costs and pension contribution costs. Contractual expenses have decreased from \$4.6 million in FY 03 to \$4.2 million in FY 07. Contractual services include the Commission’s contract with Vocational Education and Extension Board (VEEB). Debt service charge-backs and fringe expenses have been eliminated from the FY 07 budget because the Fire Commission has been consolidated into the General Fund.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Executive vs Adopted	Variance Executive vs FY 06 Proj.
AA	Salaries	\$9,412,786	\$9,668,178	\$9,910,955	\$9,910,955	\$498,169	\$242,777
AB	Fringe Benefits	3,167,138	3,252,080	0	0	(3,167,138)	(3,252,080)
	Total PS	12,579,924	12,920,258	9,910,955	9,910,955	(2,668,969)	(3,009,303)
BB	Equipment	140,947	129,671	129,671	129,671	(11,276)	0
DD	General Expenses	394,043	362,520	362,520	362,520	(31,523)	0
DE	Contractual Services	4,237,675	4,237,675	4,376,016	4,237,675	0	0
	Total OTPS	4,772,665	4,729,866	4,868,207	4,729,866	(42,799)	0
HD	Debt Svc Chargebacks	768,252	718,994	0	0	(768,252)	(718,994)
HF	Inter-Dept. Charges	2,286,073	2,286,073	0	0	(2,286,073)	(2,286,073)
	Grand Total	\$20,406,914	\$20,655,191	\$14,779,162	\$14,640,821	(\$5,766,093)	(\$6,014,370)

The FY 07 expenditure budget is projected to decrease by \$5.8 million from \$20.4 million in FY 06 to \$14.6 million. This decrease is due to the consolidation of the Fire Commission into the General Fund. As a result of this change there are no longer expenditures for fringe benefits, debt service charge-backs and interdepartmental charges included in the Commission’s budget. Those costs will be accounted for elsewhere in the General Fund.

Salaries are increasing by \$498,000 from \$9.4 million in FY 06 to \$9.9 million in FY 07. The salary budget includes a 3.5% 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 \$87,000 in overtime. The FY 06 salary projection is \$9.7 million or \$255,000 over budget. This deficit results primarily from overtime, which is mostly utilized to generate revenue through emergency light testing and accelerated test inspections.

Other than personal services is decreasing by 1.0% or \$43,000 from the FY 06 budget, due to smaller appropriations for equipment and general services. General expenses include postage and postage delivery, educational and training supplies, communication supplies, equipment maintenance, clothing and uniform supplies, travel expense, copy paper and miscellaneous supplies. The reduction in general expenses is from declines in office supplies, travel expense, educational training supplies, equipment

and miscellaneous supplies. The FY 06 projection for equipment and general expenses reflect the Administration’s expenditure reduction.

The contractual services budget of \$4.2 million remains unchanged from the FY 06. Contractual services include the County’s contract with the Vocational Education and Extension Board (VEEB). Contractual services also includes the cost of a Veterinarian for the Department’s canine, the Eastern Communications contract for the Commission’s radio communications (both the fire communication 911 center and for mobile vehicles), an agreement with NUMC to perform annual physicals, and fire safety courses at local schools and organizations.

Fire Commission Staffing Analysis						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time staffing	112	111	113	113	1	2
Part-time and Seasonal	27	24	27	27	0	3

The proposed FY 07 budget is increasing by one full-time position from the FY 06 budget and two full-time positions from the current staffing level. Part-time and seasonal positions remain unchanged from FY 06.

In addition, the FY 06 budget granted 2 additional clerical positions to the Fire Commission however the Department was not permitted to hire these positions until last month. These two positions are currently not on board.

According to testimony at the Legislature on September 25, 2006, the Fire Commission requested two additional clerks which were denied by the Administration.

The Commission has stressed a need for clerical positions to help generate revenue. According to the Department, since 2001 the clerical staff has declined from 15 to nine positions. The department is behind in processing all permits due to the lack of clerical staff. This translates into a loss of revenue to the department because fees are collected for processed permits. Fire alarm permits is one example of lost revenue. The department is currently behind 15 months for every fire alarm permit processed. Fire alarm permits are good for three years. Therefore for 20,000 permits at a fee of \$65, there is lost revenue amount of approximately \$433,000. Without additional clerical staffing, the 15 month lag will continue to expand going forward. Additional positions would be needed to help alleviate the processing workload. Furthermore, the current staff is working an excessive amount of overtime.

Another problem with the shortage of clerks is that Fire Inspectors must spend their time working on clerical tasks. Since Fire Inspectors earn a higher salary than clerks, the County is paying more than necessary for clerical work, while inspectors are spending less time in the field.

DEPARTMENT OF PROBATION

All areas of criminal probation services are expected to increase in 2006 including investigations (up 9.1%), pre-trial services (up 7.9%) and supervision (up 0.5%). This is in sharp contrast to all areas involving persons in need of supervision (PINS). These areas include PINS intake (down 17.3%), supervision (down 36.9%), and a portion of family division investigations (down 28.8%). The Department suspects this decrease is related to the State mandate which requires the County to provide diversion services to youth at risk of becoming the subject of a PINS petition. Prior to the mandate which went into effect April 1, 2005, about 23% of all petitioners went straight to court without diversion efforts. As a result it is anticipated that many of these people avoid costly residential placement. Other options include respite centers and cooling off locations. Also, there is no longer a time limit on diversion services which has likely increased the amount of time spent on each case. In addition to decreasing the number of PINS supervisions, the Department speculates that fewer parents are bringing these cases forward since they can no longer petition the court directly and will have to go through other services first. The number of juvenile delinquent intakes and supervisions are increasing by 8.6% and 3.7% respectively.

<u>ACTIVITY INDICATORS</u>				
<u>INDICATOR</u>	<u>ACTUAL 2003</u>	<u>ACTUAL 2004</u>	<u>ESTIMATED 2005</u>	<u>PROJECTED 2006</u>
Investigations - Criminal Division	5,110	4,722	5,222	5,695
Pre-Trial - Criminal Division	13,609	13,673	13,140	14,176
Supervision - Criminal Division	7,371	7,239	7,461	7,500
Investigations - Family Division	1,231	1,304	1,101	784
Adult Intake - Family Division	5,400	5,705	4,515	3,876
Juvenile Intake - PINS*	1,464	1,406	1,088	900
Juvenile Intake - Juvenile Delinquents	1,059	971	875	950
Juvenile Supervision - PINS*	201	202	206	130
Juvenile Supervision - Juvenile Delinquents	260	358	434	450
* Persons in need of supervision				
Source: Probation Department				

Historical Expenditures						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Full-time Headcount	215	218	237	256	247	-3.5%
Salaries	\$15,981,234	\$16,410,865	\$17,813,941	\$17,604,411	\$19,131,221	8.7%
Misc OTPS	458,618	432,820	200,149	272,540	282,795	3.8%
Contractual Services	29,850	32,050	113,170	164,000	164,940	0.6%
Total	\$16,469,702	\$16,875,735	\$18,127,260	\$18,040,951	\$19,578,956	8.5%

Historically expenses have increased through 2005 due to increases in the salary expense which have grown in response to the headcount. In 2006 it appears that salaries are decreasing although headcount is increasing, but actually the headcount at the start of 2006 was below the start of 2005 and 22 new positions were added in 2006. In addition, termination pay for 2005 was almost \$1 million, which includes the last payment of the 2002 early retirement payments. Termination pay for 2006 is only \$219,000. Although OTPS expenses decline in 2005 and 2006 compared to previous years, 2007 is budgeted to increase to similar funding levels as 2003 and 2004. The apparent decline in miscellaneous OTPS and contractual services in 2005 is due to the correction of previously misclassified expenses.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Executive vs Adopted	Variance Executive vs FY 06 Proj.
AA	Salaries	\$19,172,704	\$17,604,411	\$20,068,829	\$19,131,221	(\$41,483)	\$1,526,810
BB	Equipment	24,500	22,540	116,225	34,050	9,550	11,510
DD	General Expenses	182,463	250,000	267,965	248,745	66,282	(1,255)
DE	Contractual Services	102,081	164,000	215,300	164,940	62,859	940
	Total OTPS	309,044	436,540	599,490	447,735	138,691	11,195
	Grand Total	\$19,481,748	\$18,040,951	\$20,668,319	\$19,578,956	\$97,208	\$1,538,005

Salaries are decreasing from the FY 06 budget by \$41,483. This is due to the reduction of 14 full-time positions from the FY 06 budget as a result of the transfer of the second phase of the PINS diversion effort. In 2005 it was expected that Probation would provide all of the services related to this mandate, charging Social Services for the salaries 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. It has since been decided that Social Services should perform Phase II services and Probation would continue to provide expanded intake services. Although the reduction in headcount was 14 from prior year's budget, the Department never hired up to budget. The Department's administration believes the reduction of nine positions from the September actual is about four more positions than they are

comfortable with and may result in higher investigation caseloads and more overtime utilization. The Office of Management and Budget has stated that they expect to hold headcount at the 2006 level in the out-years with 100% backfilling. 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 believes any attrition over 10 annually (the historical average) will be problematic since it takes two years for a probation officer to complete training and maintain a full case load. A large attrition rate is anticipated if an early retirement incentive is offered next year. However, the Department is at its highest staffing level since 2002.

OTPS charges are increasing in the FY 07 budget by \$138,691 or 44.9% from the FY 06 budget and increasing by \$11,195 or 2.6% from the FY 06 projected actual. General expenses are increasing from the 2006 budget by \$66,282 or 36.3% due to the increase in court ordered electronic monitoring. The 2007 budget for equipment is increasing from the 2006 budgeted and projected levels of funding for upgraded DWI FST units (breathalyzers) and Blackberries. Omitted requests include two additional cars and a document scanner. Contractual services are increasing from the 2006 budget by \$62,859 or 61.6% but remaining close to the 2006 projected actual. The Probation Officers had been receiving 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. Due to the recent hires in the Police Department and Correctional Center there has not been training available for the Probation Officers to the extent needed. It is also believed that the consultant will provide training that will address the Probation Officers’ needs more specifically. Transfers are being requested to address 2006 budget shortfalls.

Department of Probation Staffing Analysis						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	261	256	260	247	(14)	(9)
Part-time and Seasonal	13	12	12	12	(1)	0

As previously discussed, full-time staffing is decreasing by 14 from the FY 06 budget and by 9 from the September 1st actual. Part-time budgeted positions are remaining constant from the current actual and decreasing by one from the 2006 budget.

Historical Revenue						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Rents & Recoveries	\$0	\$63,333	\$224,323	\$0	\$0	0.0%
Department Revenues	1,717,307	1,659,519	1,701,736	1,500,000	1,500,000	0.0%
Interdepartmental Rev.	814,508	1,186,249	2,218,464	2,000,000	1,000,000	-50.0%
Federal Aid	0	0	8,750	0	0	0.0%
State Aid	5,592,385	2,187,310	3,962,233	3,575,992	3,671,642	2.7%
Total	\$8,124,200	\$5,096,411	\$8,115,506	\$7,075,992	\$6,171,642	-12.8%

Historically revenue has fluctuated significantly due to changes in state aid and interdepartmental revenue. State aid is a function of state policy, the amount of probation salaries to be reimbursed state-wide and Nassau’s Probation salaries.

REVENUE BUDGET						
Revenue Class	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. Vs FY 06 Proj.
BH Department Revenue	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0	\$0
BJ Inter-Dept. Revenue	3,000,000	2,000,000	0	1,000,000	(2,000,000)	(1,000,000)
SA State Aid	3,575,992	3,575,992	3,750,000	3,671,642	95,650	95,650
Grand Total	\$8,075,992	\$7,075,992	\$5,250,000	\$6,171,642	(\$1,904,350)	(\$904,350)

The FY 07 revenue budget is \$1.9 million or 23.6% less than the FY 06 budget and \$904,350 or 12.8% less than the FY 06 projected actual. All of the decrease is due to the reduced inter-departmental revenue which is entirely for the reimbursement from Social Services for the PINS diversion program. Since Phase II was transferred to Social Services, Probation is performing less of this service, and it will have less to transfer to Social Services. The reduced projection from the FY 06 budget is also due to a time study analysis that adjusted the amount of time estimated for and reimbursed for PINS diversion.

State aid is budgeted to decrease from the 2006 budget and the 2006 projected actual by \$95,650 due to an increase in salaries. To the degree that fewer employees are charged to Social Services, more revenue should be received by the Department through state aid and less through inter-departmental revenue. The total revenue received should increase the more salaries can be charged to Social Services since, as previously discussed, salaries reimbursed through Social Services receive about 65% and Probation receives about 20%.

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 is budgeted to remain flat from 2006.

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 Operational Re-engineering - \$1,500,000

The initiative is mainly comprised of two components. The first component of the initiative will attempt to take advantage of scheduling opportunities with current and retired officers. The agency indicated that the appearance at a TVPA trial of the police officer who issued the ticket will yield a guilty plea from the defendant approximately 80% of the time. The agency will request retired officers that have a large number of issued tickets in trial inventory to appear in court on a per-diem basis to adjudicate tickets. The agency claimed that the non-appearance of the officer reduces the probability of obtaining a guilty plea. The second component of the initiative will attempt, with a change in policy and additional positions, to increase the issuance of default judgments, which according to the Agency influences defendants to make payments on their liabilities. The Agency plans to reduce from \$2,000 to \$500 the minimum liability amount required to issue a default judgment which should increase the amount of default judgments issued. The Administration has stated that the reduction can be done at the sole discretion of the Agency's management.

Historical Revenue						
	FY 03	FY 04	FY 05	FY 06	FY 07	% Change
	Actual	Actual	Actual	Projected	Exec.	Proj./Exec.
Fines & Forfeits	\$9,807,980	\$11,158,613	\$17,422,401	\$19,000,000	\$20,700,000	8.9%
Rents & Recoveries	84,416	720,431	141,904	900,000	0	-100.0%
Cap Chargebacks	0	0	0	0	52,895	0.0%
Total	\$9,892,396	\$11,879,044	\$17,564,305	\$19,900,000	\$20,752,895	4.3%

TPVA has made significant strides in increasing revenue, more than doubling its revenue receipts since FY 03. The Agency has overcome many obstacles to achieve its current status, not the least of which was staffing. The Agency is anticipating a 3.2% or \$1.7 million increase over the current year's projected revenue, primarily due to the **Operational Re-engineering** initiative.

REVENUE BUDGET							
Revenue Class		Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. vs FY 06 Proj.
BD	Fines & Forfeitures	\$19,200,000	\$19,000,000	\$20,700,000	\$20,700,000	\$1,500,000	\$1,700,000
BF	Rents & Recoveries	1,300,000	900,000	0	0	(1,300,000)	(900,000)
BI	Cap Backcharges	0	0	0	52,895	52,895	52,895
Grand Total		\$20,500,000	\$19,900,000	\$20,700,000	\$20,752,895	\$252,895	\$852,895

TPVA derives its revenue mainly from the collection of fines. In 2007 TPVA expects to collect \$852,895 more in revenue than OLBR's projection for 2006. The increase is primarily due to a \$1.7 million increase in the collections of fines and is partially offset by the decrease of \$0.9 million in rent and recoveries. The Agency anticipates the increase in fine receipts to be derived from the **Operational Re-engineering** initiative described earlier in this section. In FY 06 OLBR projects \$900,000 in rent & recoveries resulting from disencumbered funds, however the Agency anticipates no rent and recoveries revenue in FY 07. Current fine and forfeiture actuals of \$12.4 million indicate that revenue collections are on pace to make budget and are outpacing those in 2005 by \$1.0 million, or 9%.

The Agency also plans to install a replacement computer system, which constitutes all of the capital backcharges in the FY 07 Proposed Budget. The existing 10-year old Traffic and Parking Violations Agency (TPVA) computer system is unable to support new technologies and the added demands of the Agency. The new system would enable TPVA to manage the increased requirements for traffic and parking collections and processing default judgments. It should also provide enhanced coding and scanning capabilities and advanced report writing and accounting functions. The project should make the Agency more operationally efficient.

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 plans to enter into an MOU with various municipalities within Nassau County which will increase revenue. The Agency currently receives 17.5% of the revenue generated from tickets issued by Nassau County municipalities for adjudicating tickets. The MOU will increase Nassau County share from 17.5% to 25% with the remaining portion going to the issuing municipality. The Agency stated that the recent and future technology enhancements justify the allocation increase and there is indication that the municipalities will agree to the new agreement. It also intends better usage of Law Enforcement Systems (LES), the vendor that collects delinquent parking tickets. With the expectation that more collections will be done in-house due to the **Operational Re-engineering** initiative, the Agency predicts less usage of LES and less contractual service expenses.

Historical Expenditures						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Full-time Headcount	29	32	37	35	50	42.9%
Salaries	\$1,427,210	\$1,869,549	\$2,316,220	\$2,344,835	\$2,829,914	20.7%
Misc OTPS	96,573	116,191	153,950	165,167	314,438	90.4%
Contractual Services	907,562	702,968	950,624	1,035,495	851,905	-17.7%
Total	\$2,431,345	\$2,688,707	\$3,420,794	\$3,545,497	\$3,996,257	12.7%

The agency experienced on the average 20.4% annual increases in expenditures from FY 03 through FY 05 and expects to have a 12.7% increase in FY 07. The increases are chiefly attributed to rising salary costs. 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. 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 and payment methods were broadened. For example, TPVA has recently extended its hours of operation and is currently open six 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 unbudgeted revenue.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Executive vs Adopted	Variance Executive vs FY 06 Proj.
AA	Salaries	\$2,446,215	\$2,344,835	\$3,050,556	\$2,829,914	\$383,699	\$485,079
BB	Equipment	25,520	23,478	0	25,000	(520)	1,522
DD	General Expenses	154,010	141,689	59,500	289,438	135,428	147,749
DE	Contractual Services	1,035,495	1,035,495	1,035,000	851,905	(183,590)	(183,590)
	Total OTPS	1,215,025	1,200,662	1,094,500	1,166,343	(48,682)	(34,319)
	Grand Total	\$3,661,240	\$3,545,497	\$4,145,056	\$3,996,257	\$335,017	\$450,760

OLBR is projecting the current year’s salaries to be below budget by \$101,380 due to ten vacant full-time positions. This is partially offset by an increased usage of differential pay which is expected to be over budget by \$34,000. The 2007 expense budget is increasing over the FY 06 projection by

approximately 12.7%, or \$450,760 primarily due to a growth in salaries to fund the five additional full-time and five more part-time employees. However, the Administration expects there to be a \$75,000 decrease in overtime.

The OLBR FY 06 current projection for OTPS is \$1,200,662, \$14,363 below the FY 06 budget. It is estimated that the Agency will incur less general expenses. The proposed FY 07 OTPS appropriation is decreasing by approximately \$34,000 or 2.9% resulting from a reduction in contractual services which is partially offset by an increase in general expenses. As mentioned previously the Agency expects less usage of LES resulting in reduced contractual services expenses. Also incorporated into contractual services are payments that are made to judges and stenographers. General expenses are going up approximately 87.9% over 2006's budget mostly due to \$122,038 in credit card fees, to cover the costs of ticket payments by credit cards, and \$73,400 for miscellaneous supplies and expenses. The increase in credit transactions that the Agency is expecting in FY 07, however, seems to be overly aggressive.

Traffic and Parking Violations Agency Staffing Analysis						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual.</u>
Full-time Staffing	45	45	52	50	5	5
Part-time and Seasonal	16	20	21	21	5	1

The proposed full time staffing for 2007 is an increase of five over September actuals. The new positions will include a Financial Systems Administrator, an Accounting Assistant, Management Analyst, an Office Services Supervisor and an Assistant Executive Director. Ten of the full-time positions are judicial hearing officers which are classified by the Civil Service Commission as full-time employees even though according to the department they fulfill a part time role.

Out-Year Initiatives

NAME	FY 2008	FY 2009	FY 2010
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. The \$1.5 million in the out-years 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.